

# Budget 2020: What did it deliver?

## INOU Mission Statement

*"The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions.*

*The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all.*

*We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society."*

## INO U

**Irish National Organisation of  
the Unemployed**

**Araby House**

**8 North Richmond Street**

**Dublin 1**

**Phone: 01 - 856 0088**

**Email: [policy@inou.ie](mailto:policy@inou.ie)**

On Tuesday October 8<sup>th</sup>, 2019 Minister Pascal Donohoe published Budget 2020, a budget which he noted was without precedence given the range of challenges facing Ireland including Brexit, climate change and sustainable economic development.

The theme of the Irish National Organisation of the Unemployed (INO U) 2020 Pre-Budget Submission (PBS) was *A Budget for Unemployed People* and it covered: adequate income; supportive employment services; activation programmes; access to decent employment; education and training; and community based organisations. This post-budget analysis will use these headings, and compare the INOU's asks with Budget 2020 proposals.

In our PBS we noted that headline employment and unemployment figures moving in a positive direction can be cold comfort to people who become unemployed; who remain unemployed; who find it difficult to find a job because of their age, address, ethnicity, family status, disability, and / or skills set. Finding a job is a job in itself, and like others jobs, most people need support to be able to do it well. In particular to secure a decent and sustainable job: a challenge that Brexit will exacerbate.

The Minister made a number of announcements about supports for businesses and certain sectors that are likely to bear the brunt of Brexit's economic impact. The announcement of additional funding for the Department of Employment Affairs and Social Protection is welcome as planning for the employment impact of Brexit will be critical, and in particular supporting people to manage the impact on their lives and how they can secure alternative and decent employment.

However, the cost of living is also likely to rise and unemployed people have not been given the wherewithal to deal with this reality as no increase will be made to Jobseeker's payments in 2020. The payment of the Christmas Bonus and the increase in the Fuel Allowance is welcome. But it should be noted that only a third of the people in receipt of a Jobseeker's payment are eligible for these supports. This situation arises an unemployed person must be in receipt of their payment for at least 15 months. This situation also applies to people in receipt of a Basic Supplementary Welfare Allowance.

The rise in the Qualified Child Increase and the Working Family Payment are welcome. But it will be particularly important for anyone making the welfare to work journey that they are fully informed of the supports that are available including the Back to Work Family Dividend, which facilitates people to hold on to the Qualified Child Increase, on a sliding scale, for up to two years.

## INO U 2020 Post Budget Analysis covers:

- ◆ Adequate Income
- ◆ Supportive Employment Services
- ◆ Activation Programmes
- ◆ Access to Decent Employment
- ◆ Education and Training
- ◆ Community Based Organisations



# Adequate Income

## INOUE 2020 Pre-Budget Submission called on the Government to:

- ◆ Benchmark all Social Welfare rates at a level which is sufficient to both lift people above the poverty line and provide them with a Minimum Essential Standard of Living.
- ◆ To make progress on this issue, increase Social Welfare rates by €6; and adjust related supports so that people do not lose this increase through, for example, an increase in their differential rent.
- ◆ Maintain the Christmas Bonus at 100% of the normal weekly payments for Social Welfare recipients, and facilitate access to this payment and the Fuel Allowance for people on Jobseekers Allowance for over 12 months.
- ◆ Introduce a work-friendly Social Welfare system for Jobseekers reflective of changing work practices, based on hours worked rather than days worked, with a re-designed earnings disregard to support jobseekers returning to / taking up employment.
- ◆ Increase the daily earnings income disregard for JA to €25 per day for both the main claimant and qualified adult equally.
- ◆ Increase the basic capital disregard for JA to €30,000 and to €15,000 for each of the two 'bands' after the basic disregard.
- ◆ Bring the capital disregard for Supplementary Welfare Allowance into line with other working age payments.

## So what did Budget 2020 deliver?

- ☞ There were no increases to the main social welfare payments.
- ☞ However, the Government increased the Qualified Child Increase by €3 for children aged 12+, and €2 for younger children.
- ☞ Finally, some movement was made on the reduced Jobseeker's Allowance payment for people aged under 26.
- ☞ Anyone aged 25 who satisfies the means test should receive the full rate.
- ☞ Anyone aged 18-24 who satisfies the means test *and* is living independently, in receipt of HAP, RAS or Rent Supplement should receive the full rate.
- ☞ The payment of the 100% Christmas Bonus and an increase in the Fuel Allowance of €2 is welcome.
- ☞ However, it should be noted that only a third of the people in receipt of a Jobseeker's payment are eligible for these supports, as an unemployed person must be in receipt of their payment for at least 15 months.
- ☞ No change on the earnings disregard for unemployed people.
- ☞ The earnings disregard for people in receipt of One-Parent-Family payment or Jobseekers Transition payment to increase by €15 to €165 per week.
- ☞ No change in the capital disregards.

# Supportive Employment Services

## INOUE 2020 Pre-Budget Submission called on the Government to:

- ◆ Resource the provision of good career and employment guidance to support unemployed people to make informed choices.
- ◆ Ensure that individuals and communities most disadvantaged in the labour market are pro-actively provided with tailor made supports to address their issues.
- ◆ Build on the welcome WFP information campaign and promote the full range of Back to Work supports e.g. the Part-time Job Incentive Scheme; SWA Payment Pending Wages; Enterprise and Education Allowances; Family Dividend.
- ◆ Support people to address the initial costs of taking up employment, for example, the costs of travel and childcare, including the provision of a free travel card for a period of time for people who were long-term unemployed.
- ◆ Support frontline staff to deliver a person-centred service with good guidance and information on the best options.

## So what did Budget 2020 deliver?

- ☞ No additional supports announced, but is a critical provision given the development of *Pathways to Work 2020-2024*, *Future Jobs Ireland*, and the implications of Brexit.
- ☞ The DEASP announced an additional €2.5 million for specific activation and training supports for groups most distant from the labour market.
- ☞ No additional information campaigns were announced, though the issue of inadequate information is raised frequently.
- ☞ On the issue of travel costs no new announcements were made, while the carbon tax increase will present further challenges for people without adequate public transport options.
- ☞ The DCYA announced an increase of €54m to childcare services bringing its total allocation to €628m.
- ☞ No additional supports announced, but is a critical provision given the development of *Pathways to Work 2020-2024*, *Future Jobs Ireland*, and the implications of Brexit.



# Activation Programmes

## INOUE 2020 Pre-Budget Submission called on the Government to:

- ◆ Open up access to employment programmes for unemployed people signing on for credits.
- ◆ Increase the top-up payment on employment programmes by €7.50 to better support participants costs of engagement.
- ◆ Ensure that unemployed people's participation on employment programmes is by choice and that they are facilitated to gain good work experience and enhance their skills.
- ◆ Properly resource community groups in their work addressing the needs of people very distant from the labour market.
- ◆ Resource the provision of good advice and guidance to support unemployed people to access appropriate education and training. In particular for unemployed people whose skills levels are below QQI Level 4.
- ◆ Support unemployed people to address the costs of participating in education and training through an appropriate allowance.

## So what did Budget 2020 deliver?

- ☞ No new developments on this issue, even though 24% of the people on the Live Register in September, 2019 were signing on for credits.
- ☞ There was no increase on top-up on Community Employment and Tús, which is inadequate to cover the costs of participation.
- ☞ No new developments on this issue, and it must be a key feature of any new activation measure.
- ☞ An additional €2m for Community Employment for training purposes is welcome.
- ☞ No new developments on this issue; the focus on skills development continues to be on higher QQI levels.
- ☞ No additional supports announced, even though the importance of reskilling people of working age to meet the challenges of the changing world of work clearly articulated in Governmental education and employment policies.



# Access to Decent Employment

## INOUE 2020 Pre-Budget Submission called on the Government to:

- ◆ Plan for the full impact of Brexit on the labour market and ensure unemployed people and vulnerable workers gain access to decent employment.
- ◆ In planning for the increased digitalisation of work, ensure that unemployed people and vulnerable workers are supported to adapt and enhance their employment prospects.
- ◆ Automate access to the Working Family Payment and streamline this access to minimise the time gap between the individual taking up employment and gaining access to this support.
- ◆ Facilitate access to Part-time Job Incentive Scheme for people on Jobseekers Allowance for over 12 months.
- ◆ Actively support the roll-out and attainment of the Living Wage.
- ◆ Increase the Back to Work Enterprise Allowance to three years, and pay 50% of the participant's social welfare payment in the third year.

## So what did Budget 2020 deliver?

- ☞ DBEI focus on supporting business to adapt and survive; DES focus on the skills challenges to be addressed; DEASP focus on dealing with the income and activation implications of Brexit, but will this be sufficient to assist unemployed people and vulnerable workers to access a decent job?
- ☞ DES announced the *Digital Skills Initiative* which should provide 2,150 training places to over 900 companies in 2020 to help meet the objectives of *Technology Skills 2022*.
- ☞ No new developments on this issue, though it is welcome that the Working Family Payment thresholds will be increased by €10 per week for families with 1, 2 or 3 children.
- ☞ No new developments on this issue, and the numbers on this scheme continue to fall.
- ☞ No new developments on this issue, and it is disappointing the National Minimum Wage has also been frozen at a time when the cost of living is likely to rise.
- ☞ No new developments on this issue, and the numbers on this scheme continue to fall, even though self-employment has facilitated some people to develop their own, and possibly only, response to their unemployment.



# Education and Training

## INOUE 2020 Pre-Budget Submission called on the Government to:

- ◆ Provide good career and educational guidance to support people to access the most appropriate course .
- ◆ Ensure there is good sign posting within and across the system so people of working age know where they can go to get the most appropriate supports and provision.
- ◆ Run clear information campaigns on what is available, who is running what, and where people can access the most appropriate provision.
- ◆ Properly resource learning that focuses on personal and community development and presents learners with opportunities to address issues in their own lives.
- ◆ Acknowledge the cost of participation in education and training and support adult learners to meet these costs to facilitate their participation.
- ◆ Ensure Recognised Prior Learning (RPL) becomes a resource for people from more marginalised and excluded communities to feel and see their lived experience and knowledge valued by society and recognised in the labour market.

## So what did Budget 2020 deliver?

- ☞ No additional supports announced, but is a critical provision given the development of Pathways to Work 2020-2024, Future Jobs Ireland, and the implications of Brexit.
- ☞ Five-year Human Capital Initiative including among other initiatives 1,500 new additional graduate conversion places and 1,500 undergraduate places in identified areas of enterprise skills needs.
- ☞ Increase in apprenticeship training to cater for an apprenticeship population reaching almost 20,000 by end 2020: 7,000 new registrations during the year.
- ☞ Skillnet Ireland: additional 7,000 training places under existing schemes and launch of Digital Skills Initiative and SME Direct Upskilling Scheme.
- ☞ New ETB Skills to Advance programme will provide upskilling to 8,000 people in the workforce by the end of 2020.
- ☞ No additional supports announced to support adult learners with cost of participation or facing particular learning challenges.



# Community Based Organisations

## INOUE 2020 Pre-Budget Submission called on the Government to:

- ◆ Resource the development and maintenance of independent community based organisations and their work with people experiencing social and economic exclusion.
- ◆ Support the community and voluntary sector, an important entry point for people more distanced from the labour market, to play its part in meeting training needs and providing lifelong learning opportunities.
- ◆ Properly support 'Deficient Demand' social enterprises.

## So what did Budget 2020 deliver?

- ☞ Additional €1.2m to support the implementation of measures in the "*Strategy for Community and Voluntary Sector development in Ireland*", including enhanced supports for the Public Participation Networks and the Local Community Development Committees.
- ☞ Social Inclusion and Community Activation Programme (SICAP) and Community Services Programme maintained at 2019 allocations of €43.2m and €46.2m respectively.
- ☞ An additional €1.5m being provided for use across these two programmes to fund some new organisations and to provide targeted supports for disadvantaged communities.
- ☞ €300,000 allocation to support the delivery of the "*National Social Enterprise Policy for Ireland*".
- ☞ Funding for the PEACE programme will increase by €2m to €7 million.

