

# A Budget for Unemployed People

## 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

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On August 27<sup>th</sup>, 2019 the Central Statistics Office published the Labour Force Survey (LFS) for the second quarter of 2019, which covers the months April to June. Unemployment decreased by 9.4% over the year, bringing the figure down to 130,800 people. The unemployment rate was 5.4%, a decrease of 0.6 in comparison to the second quarter of 2018.

40,800 people were long-term unemployed and the long-term unemployed rate was 1.7%. In Q2 2018 these figures stood at 48,900 and 2% respectively. In Q2 2019 people who were long-term unemployed accounted for 31.2% of the people who were unemployed; while in Q2 2018 they accounted for 33.9%.

In Q2 2019, 2,300,000 people were employed, a 2% increase on the same quarter in 2018. Of this figure, 20% or 462,000 were working part-time. And of the people working part-time, 24.5% or 113,000 people described themselves as underemployed i.e. they would like to work more hours than they currently can acquire.

Looking at these figures from a regional perspective, the Border (3.6%), Dublin (4.4%) and the Mid-East (5.3%) had lower unemployment rates than the national rate of 5.4%. Five regions had a higher rate and they were the South-West (5.5%), the Mid-West (6.1%), West (6.3%), the Midlands (6.6%), and the South-East (8.1%). Six regions saw the numbers of people employed in their region increase, however the South-East and South-West saw declines of 2.3% and 2% respectively. Five regions saw a decrease in the numbers of people unemployed, but the Mid-West, South-East and South-West saw increases of 6%, 10.8% and 2.7% respectively.

The Participation Rate is the number of people in the labour force i.e. those employed plus those unemployed, expressed as a percentage of the total population aged 15 or over. The participation rate, at 62.1% in Q2 2019, 0.2% lower than in Q2 2018. Looking at this rate from a regional perspective, four regions saw their participation rate decrease, three saw it increase, while one remained unchanged. It is curious that though employment is at an all-time high, the participation rate is 4.6% lower than the Q1 2007 high.

The fact that headline figures move in the right 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; and in particular to secure a decent and sustainable job, a challenge which Brexit will exacerbate.

## INO U 2020 Pre-Budget Submission covering:

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



# Adequate Income



According to the Survey on Income and Living Conditions, SILC, for 2017, published by the Central Statistics Office (CSO) on December 17<sup>th</sup>, 2018, the national at-risk-of- poverty rate declined to 15.7%; the deprivation rate to 18.8%; and the consistent poverty rate to 6.7% in 2017.

Looking at these figures from the perspective of people who are unemployed a starker picture emerges: the at-risk-of- poverty rate increased to 42%; the deprivation rate declined but was still much higher at 41%; and the consistent poverty rate increased to 24.1% in 2017.

While examining them from a household composition, three households had a consistent poverty rate in double digits in 2017: 1 adult aged <65 at 20%; 1 adult with children aged under 18 at 20.7%; and other households with children aged under 18 at 11.3%. Households with

no-one at work, often called 'jobless households', also had much higher rates with an at-risk-of- poverty rate of 40.3%; a deprivation rate of 34.2%; and a consistent poverty rate of 21.3% in 2017.

The INOU's Annual Delegate Conference (ADC) in May, 2019 called *"on the Government to benchmark all social welfare rates at a level which is sufficient to lift people above the poverty line and provide them with a Minimum Essential Standard of Living, and to only consider indexation when these benchmarks have been attained"*. Concerns were raised at the Conference that if the right benchmark was not chosen then indexation could in fact copper fasten existing levels of poverty, rather than alleviate them.

In their most recent update of the Minimum Essential Standard of Living, the Vincentian Partnership for Social Justice noted that *"Deep income inadequacy is a persistent issue. Certain household types are particularly vulnerable to deep income inadequacy as particular characteristics of these household's need are not adequately covered by the current structures of the social welfare system. Deep income inadequacy is now exclusively found in households which are headed by one adult, i.e. single working-age adult and lone parent households, or in households with older children"*. (p35)

As we await the latest, NAPSI or *Roadmap to Social Inclusion*, it is worth remembering that the National Social Target for Poverty Reduction is *"to reduce consistent poverty to 4 per cent by 2016 (interim target) and to 2 per cent or less by 2020, from the 2010 baseline rate of 6.3 per cent."* As the SILC data illustrates, a lot of work remains to be done to address poverty, but in particular for those groups of people for whom it is an entrenched issue.

## IN BUDGET 2020 THE INOU CALLS 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.**



# Adequate Income

The INOU in the course of its work deals with a broad range of issues and challenges facing unemployed people and other people of working age. Amongst the issues of concern is the fact that the daily income disregard for people on a Jobseeker's Allowance payment has remained at €20 for a considerable period of time. Given particular increases in the cost of living e.g. housing and the cost of going to work the INOU believes that this daily limit should be extended from €20 to €25 per day (max 3 days). This increase would equate to a €75 weekly disregard and would be in line with an already existing disregard - for people in receipt of Rent Supplement. The introduction of an hours-based social welfare system would also help people to manage who struggle to find full-time work.

Again the INOU is keenly aware that the capital disregard for a Jobseeker's Allowance payment has remained at €20,000 for the last fourteen years, and that many people have not made the transition from Jobseeker's Benefit to Jobseeker's Allowance for a variety of reasons. As a consequence these unemployed people cannot access income, education, training and employment service supports. The following proposed changes will not address all of those issues, but it would help more people to manage their difficult circumstances:

Current Capital	Weekly Means Assessed	Proposed Capital	Proposed Weekly Means Assessed
First €20,000	Disregarded	First €30,000	Disregarded
Next €10,000	€1.00 per €1,000	Next €15,000	€1.00 per €1,000
Next €10,000	€2.00 per €1,000	Next €15,000	€2.00 per €1,000
Balance	€4.00 per €1,000	Balance	€4.00 per €1,000

The organisation is also concerned at the difference in the current capital disregard for Supplementary Welfare Allowance which is €5,000, in comparison to €20,000 on a Jobseeker's Allowance payment or €50,000 on a Disability Allowance payment. The difference in capital assessments can present problems where a person is applying for JA/OPFP/CA/DA and is relying on SWA pending the outcome of the application; or a person is appealing a refusal / suspension of JA/OPFP/CA/DA and applying for SWA pending the outcome. It would be important that this disregard is brought into line with the capital disregard on other working age payments.

Another issue that has been raised by INOU affiliates, individual members and users of our services is the need to increase the additional payment for people participating on employment programmes: currently the payment is €22.50 and for many participants this is inadequate to help them cover the costs of engagement e.g. travel costs.

## IN BUDGET 2020 THE INOU CALLS ON THE GOVERNMENT TO:

- ◆ **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.**



# Supportive Employment Services

In June the INOU published *Building a Quality Public Employment Service* which builds on the organisation's work of exploring unemployed people's experiences of the Intreo model as delivered by the DEASP; LES; and JobPath providers. In the document we note the importance of achieving a Public Employment Service "that is open to and available to everyone of working age who wishes to avail of the service including:

- Unemployed people in receipt of a Jobseeker's payment
- Unemployed people not in receipt of a Jobseeker's payment
- People working part-time
- People who are underemployed
- People out of work and in receipt of other Social Welfare payments
- People working in low-paid jobs
- People looking for a change of career
- People who are very significantly distanced from the Labour Market" (p2)

It is interesting to note that the European Union's second Country Specific Recommendations to Ireland highlights the need to: "Provide personalised active integration support and facilitate upskilling, in particular for vulnerable groups and people living in households with low work intensity". Amongst the Key values and principles in the INOU report, we note the importance of:

1. Belief in the potential and capacity of the person
2. Respect and dignity
3. Informed choice
4. Working in partnership with person using the service
5. Working in partnership with other organisations, including education and training providers and a range of community and statutory support agencies
6. Actively promoting equality and social inclusion

Enabled by:

- Ethos of continuous professional development
- Effective recruitment
- Good management (p4)

Amongst the deliverables in *Futures Jobs Ireland 2019* (FJI) it says the Government will "Undertake a communications campaign to promote awareness of the Public Employment Service as a real recruitment option, especially for those groups with lower participation rates." (p65) Earlier in FJI it notes that "Improving participation rates means a more equitable, balanced and sustainable development of our workforce. Policies must differentiate between the different needs of people as well as the different barriers to participation. For example, those attempting to re-enter the workforce may need flexibly delivered training to refresh their skills." (p59) Achieving these deliverables will be critical and must be underpinned by clear social inclusion and equality principles.

## IN BUDGET 2020 THE INOU CALLS 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 proactively 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.





# Activation Programmes

According to the Central Statistics Office there were 38,776 people participating on Activation Programmes in July, 2019: 4,998 fewer participants than in the same month in 2018. Over the year, participation on education and training programmes fell by 1,257 participants to 6,124. Participation on VTOS fell by 43% to 910 learners, with this drop accounting for 55% of the decrease in education and training programme participants. There were 32,652 participants on employment programmes, 3,741 fewer people than in July 2018. Participation on the Back to Work Enterprise Allowance dropped by 39% to 4,768 people, which accounts for 82% of the decrease in employment programmes.

Community Employment with 21,349 participants is the largest of the activation programmes. In 2017 a two strand approach was adopted for Community Employment and placements were categorised into: (i) Social Inclusion - which sought to provide an opportunity for those who are very distant from the labour market to work and deliver services in their local communities; (ii) Job Activation - which sought to provide people who are long term unemployed with employment opportunities and more labour market relevant work experience.

In January, 2019 Minister Regina Doherty, T.D. announced the establishment of an Interdepartmental Group to examine the future of Community Employment Social Inclusion schemes, with a view to ring-fence Social Inclusion places and allow services within communities to be maintained. In the on-line questionnaire in May there was a slight confusion in how the term 'social inclusion' was used, at times referring to the place, and at other times referring to the person. The INOU believes that CE needs to be able to accommodate both the social inclusion and activation strands, and that whether it applies to a particular position or not will depend on the person filling it. To that end a good assessment of the participant's needs, their ambitions, and how these can be addressed and realised is critical. To undertake this work well, CE projects require on-going access to integrated and timely supports, including eligible participants, and good local collaborative working arrangements.

At the INOU's Annual Delegate Conference in May a motion from the INOU's General Branch was passed which sought that *"unemployed people who are in receipt of credits should be able to avail of current and future Community Employment and Employment programme places in local community organisations"*.

Concerns have been raised with the INOU about the challenges facing unemployed people whose skill levels are at QQI 4 or below. Though in many respects this is an issue for education and training policy and provision, access to education and training programmes is a key aspect of the DEASP's activation policy. In Q2 2019, the unemployment rate for people with lower secondary education was 11.4% in comparison to 3.1% for people with third level honours degree or above. As Ireland looks to the jobs of tomorrow it is imperative that we do not leave people behind, but support people to re-skill themselves and secure a decent job.

## IN BUDGET 2020 THE INOU CALLS 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.**



# Access to Decent Employment

## 8 DECENT WORK AND ECONOMIC GROWTH



The theme of the INOU's Annual Delegate Conference in May was 'decent work in a changing world of work'. The International Labour Organisation definition says that "Decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men". And in a motion to the Conference, the INOU called on the Government to ensure that decent work is at the heart of all employment and jobs policies. In *Future Jobs Ireland 2019*, the Government notes: *It is time to shift our enterprise and jobs focus to ensure quality jobs that will be resilient into the future. This is not just a question of more*

*jobs, instead it is focused on enabling the creation of highly productive, sustainable jobs.* (p1)

The INOU remains concerned that Brexit and the changing nature of work, in particular digitalisation, could have a detrimental effect on people more distant from the labour market, and reduce their capacity to secure and maintain economic independence. It will be critically important to map out the potential impacts and ascertain how best to address these developments so that they do not exacerbate socio-economic exclusion. To that end it is welcome that amongst the deliverables in *Future Jobs Ireland* is the commitment to "Increase the number of places on the Youth Employment Support Scheme (YESS), which acts as a pathway to targeting disadvantaged youths." (p65) Earlier in the report it also aims to "Enhance the career advice service provided through the Public Employment Service new opportunities as a result of technological and other changes." (p57) Such engagement will be essential for people in more precarious and vulnerable employment if their prospects are to improve; and to ensure the challenges cum opportunities identified in *Future Jobs Ireland* as "certain job roles will disappear or be redefined, and emerging job roles will require new and different skillsets" (p1) are adequately addressed.

In the meantime there are very practical steps the Government can take to ensure that unemployed people have access to decent employment and that for those who are in employment their living standards are improved. Including building on the very welcome *Working Family Payment* information campaign; and overachieving on the commitment in 'A Programme for a Partnership Government' to "Increase the minimum wage to €10.50/hour by 2021" (p135).

In July 2019 the number of participants on the Back to Work Enterprise Allowance (BTWEA) dropped below 5,000, the last time this figure was at this level was February, 2010. Yet self-employment is an important alternative route into employment for many unemployed people. In particular people who experience discrimination because of, for example, their age, ethnicity, family status, address, background. To support people to avail of this option and make the most of it, an additional year should be introduced and the participant should be able to retain 50% of their social welfare payment.

### IN BUDGET 2020 THE INOU CALLS 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.



# Education and Training

The world of work is changing and people, both in work and seeking work, need the wherewithal to make the most of these changes and not find themselves excluded from potential jobs and what they are becoming; and if a particular type of employment is disappearing, then they will need pro-active and well-timed supports to make the necessary adjustments. The reality and impact of Brexit will also impact on these dynamics.

However, there are existing challenges. Concerns have been raised with the INOU that too many courses are now pitched at a level that some unemployed people, in particular young men, cannot access, as their learning level is at best Level 4. This is now making what were in the past traditional routes into decent employment harder to access e.g. apprenticeships, for learners who found formal education and training off-putting and inaccessible.

Great care must also be taken when considering accreditation of the lower levels of the National Framework of Qualifications: concerns have been raised with this organisation about the negative impact on engagement of a perceived relentless focus on accreditation. On the other side, the FET sectors restricted calendar intake has been questioned and calls made to convert as many courses as possible into a modular format that would facilitate three student in-takes per year.

Greater clarity is required on who is best placed to provide career guidance to people of working age, and in particular those in receipt of a social welfare payment. According to one of the deliverables of *Futures Jobs Ireland*, Intreo will be expected to offer such guidance to people in work who are seeking to change and / or address the issues facing them because the world of work is changing. How does this development compliment the adult guidance services provided by the ETBs?

The development of transferrable skills, the use of ICT to develop them, and so improve learners' digital skills, is important. However, challenges can arise out in the labour market in getting some of these skills recognised, which is curious given that it is employers who often raise concerns about the need for these skills. This seems to be a particular issue when people have acquired them through alternative learning routes. This highlights the need to raise awareness amongst employers of the equivalence of learning options; the role of QQI levels in establishing this equivalence; and critically what QQI levels actually mean.

Given the relationship between employment and educational status, a visible pathway between accreditation of a wider range of learning provision and an improved labour market outcome is vital, in particular for people more distanced from the labour market. A time lag between skills forecasting and labour market intelligence and education and training provision presents a challenge, often exacerbated by societal perceptions about future job prospects. Yet, addressing the skills gap could make a big difference to people who are unemployed, working in less secure employment, people who are distanced from the labour market as it could provide them with an opportunity to acquire skills that are deemed marketable and ones that could lead to decent employment.

However, it will be important not to lose sight of the importance of community based education and training that provides key access points to people more distanced from the labour market, provision that often includes a focus on personal or soft skills and seeks to address socio-economic exclusion.

## IN BUDGET 2020 THE INOU CALLS 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.



# Community Based Organisations

Of particular concern to the INOU is the development and maintenance of independent community based organisations and their work with people experiencing social and economic exclusion. The organisation believes that supporting provision incorporating personal and community development is essential, in particular supporting community based providers to maintain and develop their work. Such work also facilitates people of working age to explore the personal, familial and communal challenges facing them, how best to address them, and how to make the most out of the opportunities such learning presents.

In the recent past the Department of Rural and Community Development published the *National Social Enterprise Policy for Ireland 2019-2022* and the *Sustainable, Inclusive and Empowered Communities A five-year strategy to support the community and voluntary sector in Ireland 2019-2024*. In the Social Enterprise strategy it is welcome that noted amongst the “spectrum of social enterprise activity in Ireland” are “‘Deficient Demand’ social enterprises which seek to meet a demand for goods and services within a community where there is insufficient demand for the operation of a regular market due to inherent economic and social disadvantage or low density of population,” (p10).

Later on in the report the Department notes that “Financial supports for social enterprises in Ireland are often provided through labour market activation programmes which provide work placements or training in social enterprises to help unemployed people to improve their employment options. In other cases, grants are provided to social enterprises, for example through the Community Services Programme (CSP), towards the cost of employing staff to enable them to deliver local services. CSP is particularly important for social enterprises operating in the community and voluntary tradition.” (p19) It is also important to note that these programmes play a variety of roles, roles which it will be important to maintain: an opportunity for participation; an access point to the labour market for many people; and an important resource for many community based organisations.

On page 8 of CVS 5 year strategy it notes “Community development and community workers work to empower, enable and support communities to improve their quality of life. They work to address poverty and social exclusion, and to achieve rights and equality for marginalised communities including Travellers, women, migrants, minorities and others that experience poverty, inequality and social exclusion.”

Later on it says “while the number of people in employment continues to increase and the economy is growing, Ireland’s poverty and deprivation rates remain a concern. Combined with the challenges imposed by Brexit and Climate Change – potentially more deeply felt by those living in poverty and with social exclusion and inequality – significant work is required to ensure all communities are afforded the opportunities economic growth provides”

The values underpinning this strategy are particularly welcome and they are: active participation; collectivity; social justice; sustainable development; social inclusion; human rights, equality and anti-discrimination; empowering communities. Community based organisations must be properly resourced to ensure that this strategy delivers for people who are unemployed, distanced from the labour market, living with socio-economic exclusion.



## IN BUDGET 2020 THE INOU CALLS 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.

