

Building Sustainability & Resilience

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."

INOU

**Irish National Organisation of
the Unemployed**

Araby House

8 North Richmond Street

Dublin 1

Phone: 01 - 856 0088

Email: policy@inou.ie

This year's National Economic Dialogue (NED) had as its theme *"Building a Strong, Sustainable and Resilient Mixed Economy Together"*. In his speech An Taoiseach Leo Varadkar, T.D. noted that the Government's economic policy is based around six principles including: reforming public services; raising living standards; and achieving full employment with better jobs. An Taoiseach went on to note that *"We are approaching full employment, so our emphasis now is on good jobs, jobs that pay the bills, jobs that allow people to aspire to home ownership, create security, more family friendly work and access to pensions so they can plan for the future."*

The INOU very much welcomes the emphasis on good jobs, but it must be realised that even if Ireland's employment / unemployment figures continue to improve, unless targeted efforts are made to address labour market exclusion, a lot of people will struggle to access a decent and sustainable job. To that end it was disappointing that under the fifth principle, where An Taoiseach promisingly noted *"we want to raise living standards for all our citizens in a sustainable way"*, there was no mention of the people who are dependent on social welfare supports and their struggle to make ends meet.

In our 2019 Pre-Budget submission, the INOU is seeking to have these issues resolved meaningfully. Public services must strive and be supported to meet the needs of the people whom they serve. Equality and social inclusion must be at the heart of these services and supports. These principles are also critical to building a strong, sustainable and resilient economy; and vital if the society, which the economy should serve, is to be one where all people feel they have an active part to play and their voices will be heard, regardless of their socio-economic status.

The INOU 2019 Pre-Budget Submission covers:

- ◆ Adequate Income
- ◆ Supportive Employment Services
- ◆ Access to Decent Employment
- ◆ Education and training
- ◆ Community Based Organisations



INOUC CALLS ON THE GOVERNMENT IN BUDGET 2019 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.
- ◆ Increase the Christmas Bonus to 100% of normal weekly payments for Social Welfare recipients.
- ◆ Introduce an hours-based Social Welfare system and re-design the earnings disregard accordingly.
- ◆ Increase the top-up payment on employment programmes by €7.50 to better support participants costs of engagement.
- ◆ Increase the Income disregard for JA to €25 per day.
- ◆ Increase the Capital disregard for JA to €30,000 and to €15,000 for the two subsequent assessments.
- ◆ Bring the capital disregard for Supplementary Welfare Allowance into line with other working age payments.
- ◆ 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 that will address their marginalisation.
- ◆ Run an information campaign on 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.
- ◆ Support people to manage the impact of unemployment on their health and well being.
- ◆ Support frontline staff to deliver a person-centred service with good guidance and information on the best options.
- ◆ Incorporate a strong equality and social inclusion focus, especially for older unemployed people.
- ◆ Plan for the employment impacts of Brexit: the job losses and gains and ensure the people affected gain access to decent employment.
- ◆ Similarly plan for the increased digitalisation of work.
- ◆ Run an information campaign on the Working Family Payment (WFP), formerly known as the Family Income Supplement (FIS).
- ◆ Change the criteria on WFP from 19 hours a week or 38 hours a fortnight to 15 hours a week or 60 hours a month to support people in precarious employment.
- ◆ Automate access to WFP and streamline this access to minimise the time gap between the individual taking up employment and gaining access to this support.
- ◆ Actively support the roll-out of the Living Wage.
- ◆ Resource the provision of good advice and guidance to support unemployed people to access appropriate education and training.
- ◆ In particular the learning needs of unemployed people whose skills levels are below QQI Level 4.
- ◆ Support unemployed people to address the costs of participating in education and training.
- ◆ Acknowledge and support the role of alternative and community based education in meeting the needs of unemployed people.
- ◆ Resource the development and maintenance of independent community based organisations and their work with people experiencing social and economic exclusion.

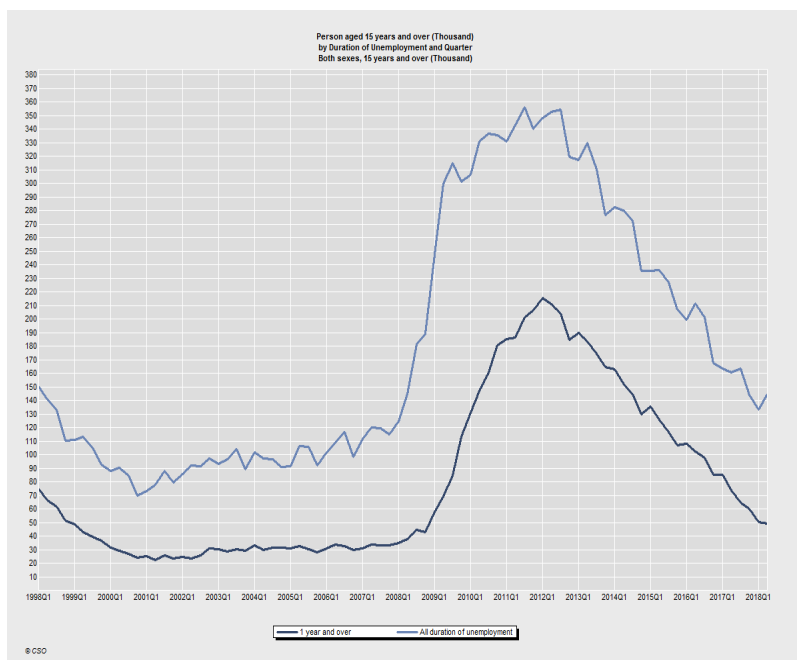
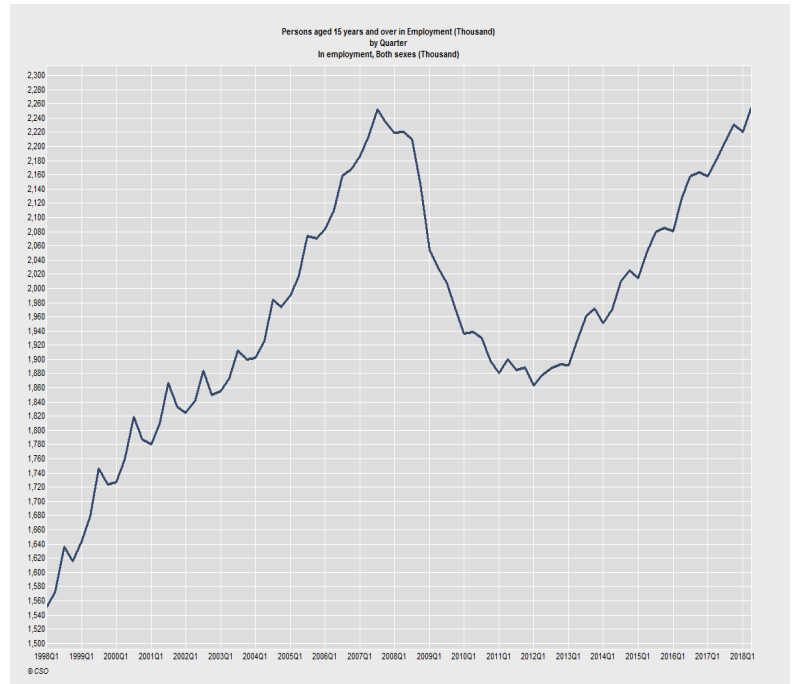
Context

On August 28th 2018 the Central Statistics Office (CSO) published the Labour Force Survey (LFS) for Quarter 2, 2018. According to this survey there were 2,255,000 people employed, an increase of 74,100 on the same quarter in 2017. An additional 73,000 people were in full-time employment, and 1,100 people in part-time employment. Part-time employment accounts for 20% of people in employment. However, 128,700 people who are working part-time described themselves as under-employed i.e. they would like to be working more hours than they are currently, this figure accounts for 5.7% of those in employment.

There were 144,300 people who were unemployed, a decrease of 16,200 over the year. The overall unemployment rate in Q2 2018 was 6%, 0.9% lower than the same quarter in 2017. The CSO noted that the rate of decline in unemployment is slowing. 48,900 people were unemployed for more than a year. The long-term unemployment rate was 2%, down 1.2% on Q2 2017. Looking at long-term unemployment from an age perspective young people aged 15-24 account for 16.8%; people aged 25-44 account for 45%; while those aged 45 years and over account for 38.4%. Men account for 60% of the long-term unemployed, and women account for 40%.

The country has been divided into eight regions: Border; West; Mid-West; South-East; South-West; Dublin; Mid-East; and Midland. Four regions had unemployment rates higher than the State's rate of 6%: the Border region at 6.5%; the West at 6.7%; the South-East at 7.2%; and the Midlands at 9.7%. The State's Participation Rate, which is arrived at by dividing the Labour Force by the total population aged 15+ years, stood at 62.3%. This rate was lower in the four regions with a higher unemployment rate. Only two regions had a higher participation rate and they were the Mid-East, at 63.5%; and Dublin at 66.2%.

As part of the Labour Force Survey the CSO also publishes the Indicators of Potential Labour Supply, which present a fuller picture of the employment issues facing Ireland. PLS3, which captures "unemployed persons plus Potential Additional Labour Force plus others who want a job, who are not available and not seeking for reasons other than being in education or training as a percentage of the Labour Force plus Potential Additional Labour Force plus others who want a job, who are not available and not seeking for reasons other than being in education or training" stood at 15.3%, while pre-crisis it varied between 7.1% and 8.7%. The Potential Additional Labour Force stood at 131,900 people in Q2 2018. This group would include people who did not answer 'yes' to the two questions that must be answered to be classified as 'unemployed'. And so it would include people who are long-term unemployed and maybe facing barriers because of their age, background, skills levels; people parenting alone; and people who are living with a disability. Though Ireland's headline employment and unemployment continue to improve, a lot of work remains to be done to create a truly inclusive labour market.



Adequate Income

According to the latest Survey of Income and Living Conditions (SILC) in 2016 the 'at risk of poverty' rate for Ireland was 16.5%, down slightly on 2015. A number of groups have considerably higher 'at risk of poverty rates'. For example, single adult households aged under 65, 35.7%; people parenting alone with children aged under 18, 40.2%; people who are unemployed at 41.9%; and no-one are working in the household, 42.1%.

The deprivation rate, which captures enforced deprivation, stood at 21%, down 4.5% on 2015. Again a number of groups had considerably higher deprivation rates. For example, no-one working in the household, 37.7%; people who are unemployed, 42.6%; people parenting alone with children aged under 18, at 50.1%.

The consistent poverty rate includes people who are defined as being at risk of poverty and experience enforced deprivation. In 2016 the consistent poverty rate stood at 8.3%, down 0.4% on the 2015 figure. However, this is a long way off Ireland's 'National Social Target for Poverty Reduction'. This target, which worked off a baseline rate of 6.3% in 2010, aimed to reduce consistent poverty to 4% by 2016 (interim target) and to 2% or less by 2020.

Five groups had consistent poverty rates greater than 20% and they are people renting at below the market rate or rent free, 21.8%; no-one working in the household, 24.4%; people parenting alone with children aged under 18, 24.6%; people who are unemployed, 25.2%; and people not at work due to illness or disability at 26.3%.

At the INOU's Annual Delegate Conference (ADC) in May the issue of income adequacy was well discussed and the Conference 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, which will be particularly important as Brexit could have a serious impact on people who are less well-off."* The General Branch, the mechanism through which unemployed people participate in the running of the INOU, presented a motion to the Conference which called *"on the Government to increase the Christmas Bonus to 100% of normal weekly payments for customers."* Delegates felt that this was a small measure that could have a big impact on people's lives at a particularly expensive time of the year.

At the ADC the prohibitive cost of housing for so many people trying to manage on a social welfare payment was noted and a call made to build more social housing. This issue was also reflected in recent calls to achieve a higher Living Wage, a call that was made by The Living Wage is set by the Living Wage Technical Group based on research identifying the Minimum Essential Standard of Living (MESL) in Ireland. This research is conducted by the VPSJ, who also conduct this research for people living on a social welfare payment. In their most recent update they noted that for single adult household, even with the recent increases, there is still *"a nominal income shortfall of over €47 per week"*. This situation is more stark for young people aged 18-24, where assuming they are living in the parental home and would qualify for a full medical card, there is an income shortfall of €149 per week. Given the impact a Medical Card can have on holders' ability to access services an increase in the Medical Card income guidelines was also made at the INOU's recent ADC.

IN BUDGET 2019 THE INOU CALLS ON THE GOVERNMENT TO:

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- ◆ **To make progress on this issue, increase Social Welfare rates by €6.**
- ◆ **Increase the Christmas Bonus to 100% of normal weekly payments for Social Welfare recipients.**



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 to €25 per day (max 3 days). This increase would equate to a €75 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 thirteen 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 raised at the INOU's Annual Delegate Conference was the need to increase the additional payment for people participating on employment programmes: currently it is €22.50 and many participants struggle to cover the costs of engagement.

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- ◆ Increase the Income disregard for JA to €25 per day.
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Supportive Employment Services

Key elements of a good public employment service are:

- ◆ Be a person centred service for everyone of working age;
- ◆ Be pro-active and supportive;
- ◆ Ensure the full & pro-active provision of information;
- ◆ Ensure flexibility in the system to facilitate participation;
- ◆ Deliver good support services with a particular focus on re-skilling; provision of childcare; accessible transport;
- ◆ Ensure integrated provision within and across relevant Departments, Agencies, organisations on the ground;
- ◆ Identify clear pathways from Activation Programmes out into the wider labour market;
- ◆ Commit to and deliver on an inclusive service and identify how the requirements of 'public sector duty' will be met;
- ◆ Provide the proper resources to deliver on such a service.

Such an approach is in keeping with the Department of Employment Affairs and Social Protection's overall Strategic Objective is *'To continue putting our clients at the centre of all our operations, providing an efficient and effective service and to continue developing our staff, structures and processes.'* And the Department's Mission Statement, which reflects the European Union's Active Inclusion approach, *"To promote active participation and inclusion in society through the provision of income supports, employment services and other services."* As the Department starts to roll-out the Action Plan for Jobless Households pilots, an integrated approach across a broad range of organisation will be required.

At the INOU's ADC it was noted that better working relationships between employment services to improve results is required, this was particularly noted as more service users have a wider range of complex needs. The conference noted that there is a need to experiment and that the pilot schemes with jobless households could present an opportunity. There was an emphasis on personal development with and for unemployed people and other people of working age; and it was noted that service users have different needs and require support in different areas. Reflecting this reality there was a call for increased flexibility with regards to accredited training and support systems, and that the 'journey travelled' needs to be properly assessed, reflecting the challenges the individual is trying to address.



Supportive Employment Services

At the INOU's Annual Delegate Conference 2018 the impact of unemployment on people's health and well being was discussed, and in particular how this could be addressed in a constructive and supportive manner. Delegates noted that there may be a need to link with a broader range of services to achieve this outcome. At the conference delegates discussed the potential of a tailored health and well-being programme to support long-term unemployed people and ensure better assessment of their needs. In effect, to ensure that there are good wrap around services for unemployed people.

At the conference delegates also noted that greater incentives are needed to support unemployed people to return to the workplace or education, particularly for those living in rural areas. Access to affordable and relevant transport is a particular issue for unemployed people living in rural areas. The cost of car insurance is an issue that has been raised at a number of INOU events and in particular its impact on young people's ability to participate. This is an issue that must be addressed, it raises both competitive and cost of living issues for Ireland as a whole. For unemployed people living in urban areas, and in particular Dublin, the provision of a Leap Card or a top up on the individual's card would be a small support that would facilitate the individual to make a bigger step.

Another issue that arose at the ADC was the need for greater availability of Community Welfare Officers in rural areas. It was noted that there is a lack of flexibility in existing services and the hours open to use them. This is as much an adequate income issue, but some of the back to work supports, in particular 'Payment Pending Wages' is accessed through the Supplementary Welfare system. This facility could make a big difference to a person moving from a weekly social welfare payment to a fortnightly or monthly wage, as it would facilitate them to make ends meet as they make that transition.

The Conference also noted the lack of support for unemployed people aged over 50, as Ireland's pension age continues to rise, ageism in the labour market must be addressed. Ireland's Public Employment Service has an important role to play in this regard, supporting older jobseekers to address this issue and ensure that they are well equipped to meet the demands of the labour market.

IN BUDGET 2019 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 pro-actively provided with tailor made supports that will address their marginalisation.**
- ◆ **Run an information campaign on 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.**
- ◆ **Support people to manage the impact of unemployment on their health and well being.**
- ◆ **Support frontline staff to deliver a person-centred service with good guidance and information on the best options.**
- ◆ **Incorporate a strong equality and social inclusion focus, especially for older unemployed people.**



Access to Decent Employment

The INOU receives feedback from individual members and affiliates about the difficulties in securing access to decent employment. Amongst the issues raised are uncertainty of hours; transport and caring costs; ageism; skills mismatch with available employment. At the organisation's Regional Discussion Forums the prohibitive cost of car insurance has been raised, and in particular the exorbitant rates facing young people. This is a particular issue in rural areas, but also arises in urban areas if, for example, the hours of work on offer are outside of public transport provision.

The National Minimum Wage (NMW) in 2018 stands at €9.55 per hour for 'an experienced adult worker'. The reduced rates for young people aged 18-20 years is questionable, and sends a negative message to young people about their contribution to the world of work. A very striking feature of the CSO study of the NMW, conducted through the Quarterly National Household Survey in 2016, was the age profile of the 'proportion of employees reporting earning NMW or less. The overall figure was 10.1%, but for people aged 15-24 it was 41.5%. Now many people in this age group will be students hopeful of acquiring much better employment when their studies are complete. But for others, the prospects of moving on into a decent job are far more challenging and potentially unattainable. The reality is that those with a higher educational attainment tend to be the people who pursue life-long learning opportunities and often working in sectors where this is expected and supported.

In 'A Programme for a Partnership Government' there is a commitment to "*Increase the minimum wage to €10.50/hour by 2021*" (p135). Given that the Living Wage for Ireland is now estimated at €11.90 per hour, it is absolutely critical that this target is not only met, but that a more ambitious target is set and achieved.

The INOU is concerned that Brexit and 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.

IN BUDGET 2019 THE INOU CALLS ON THE GOVERNMENT TO:

- ◆ **Plan for the employment impacts of Brexit: the job losses and gains and ensure the people affected gain access to decent employment.**
- ◆ **Similarly plan for the increased digitalisation of work.**
- ◆ **Run an information campaign on the Working Family Payment (WFP), formerly known as the Family Income Supplement (FIS).**
- ◆ **Change the criteria on WFP from 19 hours a week or 38 hours a fortnight to 15 hours a week or 60 hours a month to support people in precarious employment.**
- ◆ **Automate access to WFP and streamline this access to minimise the time gap between the individual taking up employment and gaining access to this support.**
- ◆ **Actively support the roll-out of the Living Wage.**



Education and Training

The Action Plan for Education 2018 (APE) notes that *“Education is at the heart of all of our ambitions as a nation. No other area of Government activity has greater capacity to change our country for the better. It supports the development of a strong growing economy while sustaining a fair and compassionate society.”*

Given this vision it is very concerning that unemployed people are not explicitly named in the plan. There is a well established link between people’s educational attainment and their employment status. According to the most recent Labour Force Survey, Quarter 1 2018, the unemployment rates are considerably higher for people with only primary school or no higher than a Junior Cert. The overall rate was 5.8%, while for people with primary education it was 15.6%, and for people with ‘lower secondary’ it was 9.3%.

In the EU’s ‘Council Recommendation on the 2018 National Reform Programme of Ireland and delivering a Council opinion on the 2018 Stability Programme of Ireland’ they noted *“The differences between the employment rates of low, medium and highly skilled workers were among the highest in the EU in 2016 and the employment rate of low-skilled labour is 10 pps lower than before the economic crisis. As a consequence and linked to the change in economic activity, skills mismatches and skills shortages are becoming more evident in several areas. This accentuates the need to accelerate upskilling and reskilling policies and measures.”*

Under the APE’s Goal 4, ‘Build stronger bridges between education and the wider community’ there is a target to have 5,000 Springboard places and 2,500 ICT skills conversion courses as part of Springboard+ (2018/19). Springboard was an initiative introduced when the unemployment crisis hit to address particular skills gaps and to provide opportunities for unemployed people with a certain level of educational attainment and / or experience to enhance their skills and secure a decent job. One issue that has arisen for people who are unemployed is their lack of access to the part-time two year ICT courses: a block that the INOU has questioned as it is potentially stopping people from upskilling in an area where there is a shortage of skills staff and an availability of decent employment.

Given the wide range of learning needs evident amongst the unemployed it is important that the correct supports are in place and people are supported to make the most appropriate choice for themselves, including locally based adult and community based education courses. Of particular concern to the INOU is the inadequacy of supports to assist unemployed people to participate in education and training, some supports were cut during the crisis and others have remained unchanged for years, and this issue must be addressed.

IN BUDGET 2019 THE INOU CALLS ON THE GOVERNMENT TO:

- ◆ **Resource the provision of good advice and guidance to support unemployed people to access appropriate education and training.**
- ◆ **In particular the learning needs of unemployed people whose skills levels are below QQI Level 4.**
- ◆ **Support unemployed people to address the costs of participating in education and training .**
- ◆ **Acknowledge and support the role of alternative and community based education in meeting the needs of unemployed people.**



Community Based Organisations

In local communities a critical access point to the provision of accessible information and supportive services are community based and led organisations. In many cases they are the only access point to the labour market, in particular for people experiencing exclusion because of their age, gender, family status, ethnic or social background, and / or disability.

Yet many of these organisations are struggling with the cumulative impact of the crisis and the austerity policies that followed in response, with some having to close their doors. Often the challenges facing these communities are lost in the headline figures. As the *'Census 2016 Summary Results - Part 2'* highlighted: 79 electoral districts had an average unemployment rate of 31.2% in comparison to a national rate of 12.9%.

In the INOU's submission to the National Action Plan for Social Inclusion we noted the importance of the active inclusion of people experiencing socio-economic exclusion in the cycle of policy and practice design, implementation, monitoring, evaluation and re-design where appropriate. Such engagement is not possible unless there are well resourced community based organisations able to facilitate such engagement and participate themselves.

At the National Economic Dialogue the importance of dialogue was noted by An Taoiseach, Leo Varadkar, T.D. Consultation cannot be a one way street, it must involve real debate and dialogue, feedback on input received, and so creating policy and implementation systems that have the demonstrated capacity to learn from all the key actors and work with them to make continuous improvements.

In *'A Programme for Partnership Government'* it states *"We want to affirm the contribution of the community and voluntary sector to building a more just and prosperous society, and its strong focus on urban and rural regeneration. Community and voluntary organisations provide the human, social and community services in all key areas of our national life. In this work they contribute to the economy as well as create value for Irish society."* (p131)

Policies and their implementation have real impacts on people's lives and the circumstances must be created where people feel they are supported to play a real role in determining what needs to change to ensure a positive and constructive impact on their lives and their communities.

To that end it is important to acknowledge the role played by initiatives like Community Employment and Tús in the delivery of local public and community services; and, the subsequent employment opportunities for unemployed people and others distant from the labour market. It would also be critical to capture and demonstrate the skills and work experience acquired through participation in these programmes and enhance their progression outcomes. Community based learning provides an important alternative for the learner for whom the formal education system has not delivered. Investing in such provision is a vital step in the building and maintenance of *"strong, sustainable and resilient"* communities.



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- ◆ **Resource the development and maintenance of independent community based organisations and their work with people experiencing social and economic exclusion.**

