



EAPN Ireland Europe 2020 Working Group

Submission to Government's Jobs initiative

The European Anti-Poverty Network (EAPN) Ireland Europe 2020 Working Group¹ has been set up to ensure that in delivering on its commitments under the Europe 2020 strategy for smart, sustainable and inclusive growth the Irish Government does so in a way which tackles poverty and inequality and is truly inclusive.

The Working Group recognises the fiscal and economic and demographic challenges facing the Government but is clear that in order to maintain a socially cohesive society, measures taken to address the issue of employment must be inclusive of the needs of people currently distant from the labour market and those in low paid employment. Measures to address jobs and access to the labour market generally must also be consistent with the stated policy in Ireland's National Reform Programme and the National Action Plan for Social Inclusion and seek to address poverty. It must also support the EU Active Inclusion Strategy for people excluded from the labour market. The Working Group also recognises that recovery depends on economic and employment growth and that the deficit cannot be effectively addressed unless unemployment is reduced with resulting benefits for exchequer funds, for the individual concerned and their families, as well as for wider society.

This submission therefore outlines a number of principles that the Government should apply when designing and implementing measures to stimulate jobs and support labour market access. It also presents a number of clear recommendations for addressing the needs of those people currently distant from the labour market and in low paid employment. The recommendations build on the previous Position Papers of the EAPN Employment Working Group on Tackling the Economic and Social Crisis in 2009² and Developing Positive Activation³ in 2008.

In this context the announcement of a Jobs Initiative presents an important opportunity to address the needs of unemployed people of all ages, people currently distant from the labour market, including lone parents, older people, Travellers, people with disabilities and those in low paid employment.

The Jobs Initiative must also differentiate between the needs of unemployed men and women and design and implement the proposed measures in a manner that facilitates their reintegration back into the labour market. As the European Pact for Gender Equality states that it 'is important that the Member States and the EU find ways to integrate a gender equality perspective into the analysis of the impact of the crisis and into all policy responses to the recession'.

The measures included in the Initiative must support people to access quality training, education and sustainable work opportunities. It should also ensure that people can maintain a level of income which provides for a decent living whether they are working or not. For those with caring responsibilities increasing requirements to be available for work must be balanced with access to quality affordable childcare and must recognise that labour market participation must increase family income if it is to produce positive outcomes for children.

Members of the Working Group are concerned that to date labour market and related initiatives have not been successful in meeting the needs of those distant from the labour market and that the situation of many continues to deteriorate. This is evidenced by the reality that between 2008 and 2009 the level of consistent

¹ Age Action Ireland, Dublin Employment Pact, EAPN Ireland, Irish National Organisation of the Unemployed, Irish Traveller Movement, Migrant Rights Centre Ireland, One Family, OPEN and the National Women's Council of Ireland

² <http://www.eapn.ie/eapn/wp-content/uploads/2009/11/EAPN-Pos-Paper-FINAL.pdf>

³ http://www.eapn.ie/documents/48_Developing%20Positive%20Activation.pdf

poverty increased by over one quarter to 5.5% and that more than half of those who are unemployed (51.5%) are long term unemployed.

Some of the specific measures which have resulted in this situation include:

- Failure to put in place a comprehensive jobs strategy which creates jobs and prepares people for emerging employment opportunities.
- Cuts to social welfare supports, which reduces the choices available to people and drives increasing number of people into poverty.
- Significant increases in taxation on the lowest paid, many of whom are also experiencing a reduction in working hours.
- A consistent move towards a compulsory (and cost-neutral) approach to activation which fails to address the level, quality and relevance of training provision as well as the costs to participants of engaging in training and activation opportunities.
- Cuts in services and to child benefit.
- Inadequate supports compounded by misinformation on entitlements for self employed who lose their business due to the recession.
- Lack of recognition and inadequate supports for self employment including within the Traveller economy.
- An increase in the cost of living which results in more people being deprived of items of essential living e.g. home heating.
- Failure to combat racism within the workplace and cutting the supports to combat racism e.g. National Consultative Committee on Racism and Interculturalism (NCCRI).

Principles

The Working Group proposes that the following principles should inform the implementation of existing employment and labour market policy and the development of future policy.

- Measures should not result in cuts to the incomes of people on social welfare or in low paid jobs. This is not only important from a social justice but also an economic perspective. Those with low incomes spend their money to purchase essential goods and services and therefore contribute to economic growth. Reducing these incomes therefore damages the economy.
- Public resources related to jobs and activation should be concentrated on addressing the needs of those distant from the labour market and with developing their skills and qualifications to ensure that employment leads to increases in family income.
- Proposed changes to social welfare and employment supports e.g. move to one working age payment, changes in child income supports and in Family Income Supplement (FIS) must be thoroughly analysed in consultation with the NGO sector to ensure that they do not increase already high poverty rates among certain groups.
- Planned services are aligned to the individual's specific needs as opposed to a one-size-fits-all approach.
- Measures must be designed to facilitate the different needs of men and women.

Recommendations

Job Creation

- Pathways need to be developed so that those with low skills or distant from the labour market can receive customised personal development, career guidance, training, education and qualifications leading to improved employability and to sustainable and well remunerated jobs.

- There needs to be identified provision for lone parents, older people, Travellers, people with disabilities and long-term unemployed jobseekers to access specific skills training in those sectors identified as employment growth areas e.g. IT, green jobs, tourism and the investment and redevelopment of semi-state areas under the New Economic and Recovery Authority (NewERA).
- It is vital that the Government delivers on its commitment to implementation 'shovel ready' social infrastructure projects such as the construction of schools given the extent of construction unemployment.
- Social enterprises must be recognised in the programme for Government as an important sector in rejuvenating local economies and proper supports must be put in place to support local communities to develop responses to address issues of socio-economic concern including unemployment.

Removing barriers

Many people distant from the labour market face structural barriers to the labour market. These are not new and also existed before the economic crisis. They include:

- **Discrimination:** Many groups in society are discriminated against in accessing employment. This includes those who are covered under the grounds included in equality legislation but also on other grounds such as socio-economic status.
- **Care:** For many accessing good quality affordable care either for children or a dependant adult can pose a major barrier. This has a particular impact on women especially those seeking full-time employment.
- **Family-friendly provision:** All mainstream courses should be made available at times and with a level of flexibility which takes account of caring responsibilities.
- **Poverty traps:** Poverty traps which mean that employment reduces family income must be removed e.g. current arrangements for rent supplement and FIS requirements. However this must not be realised by any further reductions in social protection.

Activation and Social Protection

- Social welfare levels must provide for a decent income which provides the basis for people to participate fully in society and to be able to take up opportunities which arise in relation to training, education and employment. There should be no further cuts to social welfare.
- The new National Employment and Entitlements Service must work in a positive manner with those seeking its support, providing timely and up to date advice which ensures people access their entitlements without undue delay and directing them to training, education and employment programmes which are appropriate to their needs. The Service will need to use data collection models which track progress from welfare-to-work in order to (a) assess if progress to next steps has in fact taken place and the factors which have helped/hindered; (b) impact on household income and (c) any need for further (in-work) training.
- The demand for training, education and 'activation' places outweigh supply. Resources need to be concentrated on those most distant from the labour market, including lone parents, Travellers and people with disabilities. The approach needs to be supportive and not one based on a compulsory element with a threat to cut welfare supports. This needs to be coupled with a review of the types of training and activation supports being provided to ensure that they are suitable to the needs of participants and emerging job opportunities, and also provide good value for money.
- Activation must embrace the EU active inclusion agenda agreed in 2008. This highlights the importance of an integrated approach to access to an adequate income, to quality services and to an inclusive labour market in order to meet the needs of people excluded from the labour market.

- Activation must not mean moving from one social welfare payment to another resulting in higher poverty levels. e.g. moving off the One Parent Family Payment to Job Seekers Allowance (JSA) may reduce family income due to the lower level of income disregard on JSA.
- Activation programmes must recognise the additional costs to participants e.g. travel, care and subsistence. There may also be a need for training. All activation programmes, such as TUS (new community based programme) and the Work Placement Programme, should follow the standards set by the Skills Development and Internship Programme (SDIP) where participants receive an additional payment of €100 per week and should be open to all social welfare recipients.
- In the context of the rapidly ageing demographic we would encourage the State to consider activation programmes for those over 50 years e.g. *Canada's Targeted Initiative for Older Workers*, the UK's *50+ Deal* and the Germanys *Initiative 50+*.
- The State needs to provide an age breakdown of the follow-up studies to ensure it is supplying older workers with training suited to their specific skill needs.

Wage levels

Government policy views employment as the route of out poverty however in 2009 5.5% of these in work or one in three of those at risk of poverty were in a job. It is essential that those in work can earn a decent income and are not forced to live in poverty.

- **Taxation:** Those on the lowest wages, particularly those on the national minimum wage, must be exempt from taxes and levies including the Universal Social Charge.
- **National Minimum Wage:** The Government must proceed to reverse the cut to the minimum wage as they have committed to doing.
- **Employment Regulatory Orders:** minimum wages for specific sectors should continue to be set under the Joint Labour Courts process. The wage levels under the Employment Regulatory Orders must also be set at levels which provide a decent income for the jobs being carried out.

Employment Regulation

- Employment law needs to be strongly enforced and the National Employment Rights Authority (NERA) needs to be vigilant in ensuring that all employers are abiding by employment law including pay and conditions, and redundancy processes. A particular focus on low-paid, low-unionised sectors where the more vulnerable are employed would be important.
- The Government must also ensure that potential employers are properly informed about employment law in an accessible manner that de-mystifies the popular perception that it is a cumbersome burden that acts as a barrier to employment.

Conclusion

The EAPN Europe 2020 Working Group looks forward to continued engagement in policy development around employment, training and education to ensure that future growth in Ireland is smart, sustainable and inclusive, as envisaged by the Europe 2020 strategy. We want to see that the development of policy in this area is consistent with policy to address poverty, social exclusion and inequality and addresses the needs of those distant from the labour market and in low income employment.

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