

Welfare ↔ Work Policy: how inclusive is it?

INOU Discussion Forum

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Pathways to Work 2021 - 2025

- Contains 83 commitments grouped under
- 5 strands of action:
 1. Working for Jobseekers
 2. Working for Employers
 3. Working for Work
 4. Working for All – Leaving No One Behind
 - UN Sustainable Development Goals motto
 5. Working with evidence

First strand: Working for Jobseekers

- *"For jobseekers, the approach is to help them develop and pursue a personal progression plan including steps to identify and compete for suitable employment opportunities, to take-up relevant work experience, to pursue upskilling and training programmes, to set up their own business, to return to fulltime education, and to participate in State/ community employment programmes."* (p29)
- *"Therefore, the State needs to make sure that the full toolset of options is available and used to best effect. For this reason, the capacity of, and processes used by, the Public Employment Service and the knowledge and skills of its case workers are critical to ensure, as far as reasonably possible, that correct guidance is given to each individual jobseeker."* (p31)

Third strand: Working for Work

- *"the nature of any system that is based on income, or days of work thresholds/ cut-off points, is such that notwithstanding the availability of exemptions / disregards, the jobseeker can face earnings cliffs and the financial returns from working can be perceived as marginal."* (p58)
- *"Prepare a paper on options to modify the longer term jobseeker assistance payment by utilising the Revenue real time earnings data to adjust payment levels in line with a person's weekly earnings, to guarantee a basic income floor and ensure that in all cases a person's income increases when they work."* (Commitment 43)

Fourth strand: Working for All – Leaving No One Behind

- The Government notes that *"Prior to the onset of the COVID-19 crisis, it had been intended that this strategy statement would focus, primarily, on ways to increase employment rates among groups with low levels of labour market participation, including:*
 - *Lone parents,*
 - *People with disabilities,*
 - *Qualified adults (Adult dependants of those in receipt of a social welfare payment),*
 - *People from minority groups."*
- *"COVID-19 has changed the context. However, we cannot afford to neglect our responsibility to those people within our community who before COVID-19, were already facing significant labour market barriers. Accordingly, we now set out our approach to delivering, during the lifetime of this strategy, a Public Employment Service that works for all." (p62)*

NESC's Four Trajectories for Reform

- National Economic and Social Council (NESC) Report No.151 published in November 2020
- *The Future of the Irish Social Welfare System: Participation and Protection*
 1. Ensuring Income Adequacy and Alleviating Poverty
 2. Modernising Family Supports to Reflect Gender and Care Needs
 3. Supporting High Participation
 4. Enhancing Financial Sustainability

Supporting High Participation

- *"Research, including that carried out for NESCC's study on low work-intensity households, shows that effective public employment service engagement with groups more distant from the labour force is characterised by a number of elements (INOUE, 2018; Whelan, 2018; Bonvin, 2019).*
- ***These include tailored supports, greater intensity of support, a focus on the person's interests, adequate time to build trust, clear communication, and the provision of good information and career guidance."***
(p100)

Roadmap for Social Inclusion 2020 - 2025

- *"Ambition for 2025:*
 - *To reduce the national consistent poverty rate to 2% or less of the population and,*
 - *To make Ireland one of the most socially inclusive States in the EU"*
- *"Social Inclusion is achieved when people have access to sufficient income, resources and services to enable them to play an active part in their communities and participate in activities that are considered the norm for people in society generally." (p5)*

Roadmap for Social Inclusion: High Level Goals

1. Extend employment opportunities to all who can work
2. Ensure work pays – fair pay, fair conditions for workers
3. Provide income security for older people
4. Support families - reduce child poverty
5. Reduce poverty among people with disabilities – help them to maximise their ability
6. Build inclusive communities – encourage active citizenship
7. Ensure that all people have access to quality services

Commission on Taxation and Welfare

- 12.2 The Commission recommends that working-age payments should be reformed to move towards an income related working-age assistance payment available to all households. The payment should be designed so as to avoid subsidising low-paid employment.

DSP Proposed Working Age Payment

- The rationale in developing a Working Age Payment is to create a greater link between welfare payments and employment earnings such that a person will always experience an increase in income where they take on additional work.
- It is also intended to remove inconsistencies in payment rates between people in similar situations and to move away from the 'days worked' model whereby a person is disqualified for payment on a day where they might only work for 1 or 2 hours.
- Furthermore, a new scheme should be easier to understand and administer and should militate against distorted income effects for people returning to work, such as significant 'income cliffs' or loss of income.
- The proposed model would be based on the Working Family Payment model whereby a person receives a payment based on a percentage of the difference between their income and a specified threshold for their family type.

DSP Proposed Working Age Payment

- At present the Working Family Payment system is only available to people with children, it is not available to single people or people without children and is not available at all to people who are fully unemployed.
- **Effectively, a Working Family Payment approach would merge Jobseeker's Allowance and Working Family Payment to provide a minimum income guarantee.**
- It would do this by flexibly adjusting payments in line with employment earnings and obviate the need for the current complex system of 'casual days', 'disregards' and 'minimum hours' requirements.
- It would use 'real time' earnings data from Revenue to base the payment made in any week (or other defined period) on the earnings in the prior week (or other defined period).
- This would be to guarantee a basic income floor and ensure that in all cases a person's income increases when they work.