

Opening Statement by SIPTU RE: RES & PES

Ref: JSPCRDI-i-63

Introduction

Thank you for your invitation, Chair to address the Committee here this morning. SIPTU and FORSA represent over 350 workers employed in Local Employment Services (LES) and Job Clubs throughout the country. Our members have provided a professional service to some of the most marginalised people in the state over the last quarter of a century. The current model has served communities and jobseekers extremely well since it was established in 1995, building relationships with local employers and tailoring its operations to local circumstances. It does not just cater for those in receipt of a social welfare payment, but also for those wishing to return to the workforce following a period spent in other pursuits such as homemaking or caring duties etc. It is an inclusive model, open to all who seek assistance. It is our strong belief that the tendering process which has now been embarked upon by the Department of Social Protection is deeply flawed and will ultimately lead to an inferior service being provided and will furthermore result in job losses for our members employed through the current service providers.

We note the committee's position as outlined in its pre-budget submission "that Local Employment Services and Jobs Clubs be maintained in their current model" and we very much welcome your support in this regard.

I want to briefly summarise the advantages of the current model, outline our concerns in relation to what is being proposed in Request for Tender 2 (RFT2), what we have learned from phase 1, summarise our engagement with Department officials to date and finally put a number of asks/requests to the Committee.

The Current Model

Ireland has a 'mixed-economy' when it comes to Public Employment Services (PES). Some services (Intreo) are delivered directly by the state. Others, including Job Clubs, Employability (for people with disability and health issues), and Local Employment Services (for long-term unemployed claimants), are delivered by community organisations on a costs-met basis, and others (JobPath) are operated by private agencies under Payment-by-Results contracts.

The premise on which the current service provided by community, cost-met, providers is based is on the belief that unemployed people need help to get back into work, that they largely would like to work but, have various barriers in their way to fulfilling their potential via work. It has assisted many people to enhance their life outcomes and to progress to employment and enterprise, through person-centred guidance. It is a holistic service and has developed integrated networks within local communities in order to advance the employment prospects of the unemployed.

There are very significant differences between the PES procured from private agencies via the market, and those delivered by community organisations. JobPath staff are more likely to attribute being on welfare to jobseekers' own lack of effort, whereas LES and Job Club staff are more likely to say that it has to do with circumstances beyond people's control. In other words, the Jobpath view is one where the emphasis on motivating the unemployed to move from welfare-to-work should be through threats of sanctions and other behavioural policy tools.ⁱ

The commissioning of JobPath was one of the first times that PES had been commissioned in Ireland through competitive tendering for Payment-by-Results contracts, and the DSP's decision to procure RES in a similar fashion is indicative of what is to come via RFT 2.

Learning from Request for Tender 1 (RFT1)

Minister Humphreys, both in Dail debates and in responses to many Oireachtas members' parliamentary questions, has stated that her department would 'take learnings' from RFT 1. This first phase was for four new proposed Regional Employment Services (RES). What we have learned is that some of the existing community-based organisations did not believe it was tenable for them to bid for the contract due primarily to the financial risk that would result to the organisations, most notably in the case of Laois/Offaly. Our members employed in these organisations now face being made unemployed themselves at the end of the year.

As it stands all existing PES contracts (JobPath, Jobs Club, LES, and Employability) will expire in December. It is important to note that if an organisation was not to be successful in this tendering process, then the overall viability of a partnership company, for example, will be threatened as the financial model on which it is based, i.e. overheads and economies of scale come into question.

The Position of Job Clubs

There are in total 41 Job Clubs across Ireland. 30 are linked to Partnership/LDC/LES, while 11 are independent. Their position is perilous. From the 31st, December the DSP are ending the 41 Job Club contracts after circa 22 years.

Engagement with the Department of Social Protection Rural Development and the Islands

The Minister and the Department of Social Protection have stressed that there has been significant engagement with the sector to date. It must be noted that the Department only formally met with the Trade Unions along with the ILDN on September 17. Any engagement offered before this date with the Trade Unions - we had been advised by Department officials - would be by means of 'briefings'. Although we do not claim to speak for the employers in the sector, we have been informed that this has largely been their experience also. While the department will point to numerous meetings, the ability to alter and influence direction of policy formation and implementation up to the tripartite meeting held on September 17 has been negligible.

At the meeting on September 17, the Department officials advised ourselves and the ILDN that the principal reason why the department had embarked on the public tendering process was because of the necessity to comply with EU law in respect of Public Procurement. When we asked would this advice be shared with us the officials informed us that the advice was not sharable. We have not been informed as to what principals of law, EU Directives, Acts, sections, paragraphs of said Directives or Acts that the tendering process is being designed to address. We have merely been told that the Department has received 'strong' advice from the Attorney General and the Chief State Solicitor that the course of action which it has undertaken was necessary in order to comply with EU law.

This has left the union side in an impossible situation. We have not had sight of the legal opinion; we are not therefore in an informed position to rebut the legal argument. We would strongly argue that the legal issues need to be shared, discussed and interrogated. A defence for such a radical marketized approach to PES based on meeting EU requirements, we believe, is a dangerous position to adopt. The consequences for such an approach, i.e. laying the blame at the EU for policy formation and implementation, played out to deadly effect in the Brexit referendum and is not a politically sound approach for public policy formation and implementation in the long run.

Key Asks

Stake Holder Forum

The Trade unions and the ILDN (Irish Local Development Network) have stated on numerous occasions that they are not against change in the current structure of PES. It is imperative, however, that there is buy-in from all the stakeholders concerned. In recent years our democracy has become more dynamic and participative. We are a more inclusive Republic because of these developments. The Citizen's Assembly, plebiscites (in the case of elected mayors) various commissions, e.g. on Pension and Tax Reform, have all been important experiments in deepening participative democracy. We also note the commitment in the Programme for Government to 'sectoral social dialogue'. Where better to commit to a process of sectoral social dialogue than in the community sector.

We believe that we need to build consensus around the future provision of public employment services. We do not believe that marketisation of this essential social service has popular support, either amongst the public or their elected public representatives. It is necessary to halt the tendering process and to commence a wider debate about future provision.

We are proposing a stake-holder's forum, comprising of community-based organisations, service users, elected representatives, workers' representatives, academics. The composition and structure of such a forum would ultimately rest with Government, but it needs to be inclusive and comprised of representatives of legitimate interests in the future evolution of public employment services.

Workers' Welfare

SIPTU and FORSA are the two principal unions who organise in the Community Sector. Together we represent in excess of ten thousand workers across the sector. Regrettably, although many of these workers are in employments, which are in the main funded by public monies, their conditions of employment are typically precarious and they are often poorly paid.

We have been engaged in some interminable disputes across the sector. Restoration of Pay in Section 39 employments (ongoing), pension provision for Community Employment Supervisors (non-implementation of Labour Court Recommendation LCR 19293, issued on 22nd July 2008) still ongoing and this current dispute involving LES and Job Club employees.

Our members across the community sector have not received any pay increase over the last 12 years. Many have experienced pay cuts. Few have pension provision, and many are on temporary and/or fixed-term contracts. The only viable resolution for endemic precarious employment in the sector is the establishment of a collective bargaining forum with State participation to resolve industrial disputes and which has the capacity to address terms and conditions of employment within the sector.

If the present tendering process proceeds, it will lead to further downward pressure on terms and conditions.

Reform of the Current Tendering Process

We have outlined our principal objections to RFT 1 and RFT 2 and the necessity to halt the current tendering process and the need to put in place a stake holders forum. We believe, however, in concluding that it is necessary to outline the specific failings from RFT 1 which needs to be addressed in RFT 2. These issues include: upfront payments to mitigate financial risk, referral numbers, including a mechanism to deal with self-referrals, a dialogue process and finally time-lines.

ⁱ McGann, M, (2021) *The Creeping Marketisation of Welfare and Employment Services*. Progressive Economy@Tasc