

## **Chambers Ireland thoughts and comments on the welfare system – 20 February**

Chambers Ireland supports a more open, adaptable, inclusive and needs-led welfare system that encourages workforce engagement and participation across all levels of society. We need to move from a strict, one-size-fits-all approach to one that embraces flexibility and can be more reflective of the needs of different individuals, particularly those that are more vulnerable to social exclusion.

To accomplish Goals such as Decent Work and Economic Growth (SDG 8) and Gender Equality (SDG 5) Chambers Ireland believe that the welfare system of supports needs to move from its traditional restrictive customs and practices and towards the promotion of workforce engagement and flexibility. Improving workplace integration across all levels of society is key to driving employment, boosting economic growth and expanding labour market activation.

Recent years have seen a transformation of the workplace. For many people who were previously excluded from the workplace because of disabilities and caring duties it is now easier to engage with work than ever before. However, despite the innovation that was shown through programmes such as Pandemic Unemployment Payment, our social protection system has reverted to older practices which are slow to adapt and do not recognise the variety of ways in which people can work today.

A feature of the pandemic that surprised us in Chambers Ireland was the increase in labour force participation for women. Our understanding of this shift is that the changes that were forced upon the workplace through lockdowns and the normalisation of remote working made it easier for people. It is Chambers Ireland's position Social Protection practices will need to become as flexible as the workplace's. If we do want to ensure Economic Growth by supporting Decent Work and Gender Equality significant changes will need to occur to ensure that the inflexibility of the social protection system does not

### **Targeting welfare cliffs:**

Chambers Ireland have two key recommendations:

1. Improved integration of migrants in the workforce through targeted welfare supports. These supports should address the hurdles to achieving better inclusivity, which may include institutional racism, ideological barriers and other structural issues.
2. Addressing the structural barriers in the social protection system that exclude some members of society from participating in or rejoining the workforce which arise out of welfare cliff edges.

### **International Protection Seekers:**

For people seeking international protection, the current welfare system is not appropriate for meeting their specific needs. The system needs to reflect the unique set of circumstances that someone faces in this situation and needs to offer more tailored and specific supports, which enable and facilitate community engagement and integration. Far from seeing people who seek international protection as a drain on our national resources we ought see them as an opportunity for our country. The Direct Provision system has proven itself to be costly and wasteful. It ensures

that people cannot integrate with their local communities, or build lives for themselves, in any meaningful way.

Chambers Ireland's position is the resources which are currently being used to house asylum seekers would be better directed if the goal was community integration rather than direct provision.

### **Workplace exclusion:**

Carers, people with disabilities, lone parents often face economic or social exclusion that prevents them from participating in or rejoining the workforce:

- Economic: The option to take on part-time, flexible work is often not viable as they face a cliff-edge in the provision of welfare supports. There is no flexibility in-built in the welfare system that encourages individuals to gradually return to work by taking part-time or flexible positions. Often these individuals would face a financial drop by taking such a position and face losing their entitlement to welfare supports altogether.
- Social: Carers will still have caring responsibilities, people with disabilities need to ensure their workplace can meet their needs, and lone parents need to find suitable child-care to support their children. These social hurdles can be significant barriers that, if not adequately accounted for, can induce a risk-averse attitude to returning to work. Individuals may fear losing the security of their benefits and the subsequent administrative challenges they may face if their new employment opportunity does not work out and they need to return to their welfare supports.

"Caring duties are the single biggest reason why working-age people resident in Ireland leave the workforce. This is particularly marked amongst women. Over 98% of those that are tasked with caring duties in Ireland are women. The impact of motherhood on the career trajectory of women in Ireland is particularly marked. For many women, motherhood is associated with a long-term disengagement with the workforce. Of course, caring duties are not limited to mothers – but even when a woman does not have a child, caring for parents who become unwell, or siblings with special needs often becomes the responsibility of the women in the family. Given that:

- Irish women are disproportionately well-educated relative to the male population, and
- that people who are of a family-formation age are educated to a far higher degree than the older community, and
- that disengagement from the labour force presents an enormous loss of income for the families involved,

then the absence of so many highly skilled individuals, who would otherwise work, from the labour force is an enormous loss to our society."<sup>1</sup>

Our economy is at full employment, therefore we need to ensure that the welfare system can engage with and offer support to anyone in Ireland that is eligible to work and looking for an opportunity that may suit their particular skills and personal circumstances. As a result of Covid-19 and the increased workplace flexibility resulting from remote and hybrid working arrangements, the number of women in Ireland participating in the workforce reached a record level of 72%. This flexibility of working conditions opened up opportunities for many that may have previously

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<sup>1</sup> Flexible working letter to Minister O'Gorman - <https://www.chambers.ie/wp-content/uploads/2022/05/Chambers-Ireland-Letter-to-Minister-OGorman-re-Flexible-working.pdf>

disengaged from the workforce and is demonstrative of how important it is to introduce diverse and dynamic welfare solutions that can promote labour force activation across all levels of society.

“Some vulnerable groups – especially lone parent households and persons with disabilities – are at a higher risk of poverty and social exclusion, often exacerbated by difficulties to participate in the labour market and find employment. It is particularly important to quickly integrate groups with lower employment rates into the workforce, especially inactive women, low-skilled people, lone parents and persons with disabilities.”<sup>2</sup>

“In 2020, the employment rate of lone parents stood at 64% – the lowest in the EU. In addition, the disability employment gap in Ireland was the largest in the EU, at 38.6%.”<sup>3</sup>

“In certain cases, the net income of low-income households may decrease after taking up work, due to the withdrawal of social assistance benefits. Targeted updates of the tax and benefits systems may support higher employment.”<sup>4</sup>

### **Social Protection and Entrepreneurship**

Entrepreneurship supports also have significant potential to promote access and inclusion for those who are excluded from Decent Work. Our social protection system should accommodate atypical Entrepreneurs by allowing them to pursue their potential. Often the best employers for people who are excluded from the workplace are those people themselves. For disabled people, people who are only available for work outside of normal hours, people whose health conditions make their availability irregular self-employment is often the solution that best meets their needs.

This will require offering supports that can help create a more diverse business landscape, allowing people to contribute to the growth of the economy, improve overall productivity and reduce the reliance on state supports over time.

In our most recent pre-Budget submission<sup>5</sup>, we called for:

- Introduce greater supports for individuals who are seeking international protection to engage with the Irish workforce.
- Investment in evidence-based employment supports that help individuals with a disability to enter the workforce.
- Amalgamate all current supports in the Reasonable Accommodation Fund banner into one overall grant and guarantee that funding for specialised equipment is received and controlled by the employee.
- Reform the Reasonable Accommodation Fund so that the supports are fit for purpose in a modern workplace.
- Expand personal assistant supports for persons with a physical disability to persons in all forms of employment.
- Introduce an Access Employment Programme for people with disabilities. This programme will subsidise a paid work placement with an employer for up to 6 months. It will be applicable to

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<sup>2</sup> EU country report 2022

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> <https://www.chambers.ie/wp-content/uploads/2022/07/Chambers-Ireland-Budget-Submission-2023.pdf>

longterm unemployed members of the disabled community who need work experience and to upskill to start or restart their employment journey.

- Incentivise unemployed people to attend vocational education by supplementing benefits