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**INOU BRIEFING TO THE JOINT COMMITTEE ON PUBLIC SERVICE OVERSIGHT & PETITIONS ON THE BACK TO EDUCATION ALLOWANCE**

1. ***Introduction*** 
   1. The INOU welcomes this opportunity to brief the Joint Committee on Public Service Oversight and Petitions on the Back to Education Allowance (BTEA). Unemployment is one of the biggest socio-economic issues facing Ireland. And though the overall Live Register figure has drifted down over the past few months the reasons for this development are multi-faceted: some unemployed people have found work; others have emigrated; some people have not made the transition from Jobseekers Benefit to Jobseekers Allowance because of their means or their family circumstances; while others have gone back into education and training.
   2. According to the latest Live Register figures there are 86,042 on Activation Programmes and of this figure 27,830 are on the Back to Education Allowance. It should be noted that since February of this year people participating on the Momentum initiative are included in this figure. When Momentum is fully up and running there should be 6,500 people participating on this scheme: an interesting feature of this scheme is the funding model which is outcomes focused.
   3. At present the Back to Education Allowance is the biggest of the activation programmes available to unemployed people[[1]](#footnote-1). To access the Second Level option an unemployed person must be aged 21 or over and be on a Jobseekers payment for at least 3 months or 78 days[[2]](#footnote-2). For younger unemployed people, aged between 18-20 years, access is feasible if the person has been out of formal education for two years and on a Jobseekers payment for at least 3 months. To access the Third Level option an unemployed person must be in receipt of a Jobseekers payment for at least 9 months or 234 days. Participation on another activation programme may count towards the qualifying period for BTEA and in some cases participants were able to access it directly, as part of their progression from the initial programme.
   4. People who have become unemployed because they were made statutorily redundant can access the BTEA immediately, provided there is a relevant second or third level full-time course to access: this derogation is available for up to one year after the statutory redundancy. This also applies to people who have made 104 PRSI contributions in the previous two years. However, a participant must have an underlying entitlement to a qualifying social welfare payment before starting the course, though it is not necessary to be actually receiving the payment.
   5. In November 2012 the Department of Social published their *Review of Employment Support Schemes* which examined the range of schemes now within the Department’s remit as over the past 18 months the Department has incorporated FAS Employment and Community Services and the Supplementary Welfare Allowance into its organizational structure. In February 2013 the Department held a Stakeholders Forum on this Review at which the INOU spoke.
   6. The INOU views the BTEA as playing an important role in assisting unemployed people who need to re-educate or re-train themselves to find alternative employment. The scheme also assists people for whom education was not a meaningful or fruitful experience the first time around to engage in second chance education and so improve their prospects of accessing sustainable employment. There is a strong link between educational and employment status: the poorer the former, the poorer and invariably the more precarious the latter. Clearly, the BTEA has a role to play in addressing this reality for so many unemployed people; however there are issues to be addressed to make this scheme more constructive.
2. ***Issues arising with BTEA***
   1. **Outcomes:** one of the issues raised in the Review was that over 60% of those who had completed or dropped out of a course had returned to the Live Register: this figure related to the 2010/2011 academic year. It was interesting to hear Joan Burton TD, Minister for Social Protection caution against drawing too many conclusions from this statistic. She noted that “*While this figure seems alarming, there are a number of factors to consider such as course choices and advice and the dropout rate in general across all courses for first year in the education system is higher than we would like to see.”[[3]](#footnote-3)* (p7) Another speaker noted that *“there are two different profiles of individuals availing of BTEA, firstly, the skilled graduate who finds their skills no longer in demand. Secondly, a very significant cohort who are the product of long term, often inter-generational and educational disadvantage, whose problems are so complex that attaining a qualification does not remove the problem. The statistic presented that 60% of the people who receive BTEA do not enter employment is not necessarily an indictment against the scheme, but a statistic that should be fed into a solid analysis of the data that is before us. In some ways it is a reflection of the inadequacies of the scheme and our inability to provide pathways for those individuals into employment.”[[4]](#footnote-4)*
      1. The INOU was also concerned at the lack of data in the review that could provide a better assessment of the courses undertaken by BTEA participants: did they compare less favourably to other provision? Was the apparently poor outcomes arising because participants had not been given adequate guidance and supports to assess was the course appropriate for them or likely to lead to employment? Or do the poor outcomes reflect the fact that BTEA may be, like Community Employment, providing opportunities to people who otherwise find themselves marginalized from mainstream opportunities and in particular employment? It will be interesting to see if the *Pathways to Work* and *Intreo* models of engagement being developed by the Department of Social Protection improve our knowledge and understanding of these outcomes. Clearly, SOLAS and the local Education and Training Boards will have an important role to play as well.
   2. **Duration**: the report also highlighted the OECD’s concerns about the *‘lock-in effect’* of longer-term interventions when in the first instance unemployed people should be engaging in job-search activities or shorter education and training courses strongly linked to the labour market.
      1. While in an ideal world such criticisms may be warranted, the INOU was struck by the job search first focus in the middle of a major employment and unemployment crisis. And in particular when there are serious skills shortages within the Irish labour market that require significant re-education and re-training if unemployed people are to have any prospects of taking up such employment.
      2. Short-term courses like Springboard do indeed suit many unemployed people. They suit people with a certain educational or experiential capacity who can benefit from specific or specialised interventions; and who need an opportunity to re-direct existing knowhow and learning into an employment opportunity. However, it is questionable whether an increasing focus on shorter term courses will benefit unemployed people who are particularly distant from the labour market. Anecdotally we are hearing that FETAC Level 5 and the Leaving Cert are no longer adequate for some employers, so access to longer term courses must remain a priority.
   3. **Age limit:** the Review contains a proposal to increase the age limit from 21 to 23 years. The INOU questions the rationale of this recommendation as changing the age limit may serve little purpose than delaying entry into the workplace for younger people: which appears to be at odds with the Government’s commitment to addressing youth unemployment. It would also appear to pull against the development of a Youth Guarantee as it would limit the role of the largest activation measure within such a development.
   4. **Cuts to supports:** In Budget 2013 the Review’s recommendations of linking the BTEA payment to the level of social welfare payment the participant received was introduced. The INOU objected to this development which will only serve to marginalise those potential participants who may benefit most from an educational intervention. The elimination of the *Cost of Education Allowance* further exacerbates this dynamic and not least because of the costs involved: books, fees, materials, childcare etc.
   5. **Eligibility**: some of the comments in the Review about people being on BTEA without an underlying entitlement to a social welfare payment struck the INOU as odd. For an unemployed person’s he or she can only receive Jobseekers Benefit if they have at least 104 PRSI paid contributions; to access a Jobseekers Allowance payment an unemployed person must satisfy the Habitual Residency Condition; and they can only access BTEA if they have an underlying entitlement to a Jobseekers payment. A person does have to re-qualify for BTEA to access a new or a different higher level course: the only time a participant does not have to re-qualify is where the original course runs over more than one year.
      1. It strikes the INOU as potentially inefficient and ineffective to ask people to re-apply for BTEA when they are on a course that lasts longer than a year. If the State has supported an unemployed person to engage in education and training, then it would strike the INOU as important that the State supports that individual to complete such course of study and to progress on, ideally into paid employment.
      2. The review contained a recommendation that participants on a Jobseekers Benefit payment should not have their JB ‘frozen’ while they participated on their course. The INOU does not agree with this recommendation. However, changes in duration to JB in Budget 2013 will make access to BTEA very difficult and further erode the value of Ireland’s social insurance system.
      3. This situation is further exacerbated by the fact that at present an individual who has exhausted a JB claim, applied for JA and is currently ‘in process’ / in receipt of SWA, has no ‘status’ and cannot apply for the BTEA. Basically, they have no underlying entitlement to a Jobseekers payment pending the outcome of their ‘in process’ JA application. This process results in some unemployed people missing out on the opportunity to participant on the BTEA. One solution to this problem is for DSP to accept payment of SWA, pending processing of a JA claim, as part of the qualifying criteria for BTEA, given that it is means tested in a similar fashion to Jobseekers Allowance.
   6. **Flexibility**:Many of the recommendations contained in the Review looked to *Intreo* and an increasing case management approach to address the issues raised and examined. However, to address these issues satisfactorily requires significant resources and qualified personnel which the report itself recognises the Department does not have at present. Being flexible with the criteria is great once the case manager has the ability to utilise the flexibility in the clients’ best interests.
      1. At the INOU’s recent Annual Delegate Conference the issue of choice and the unemployed person been seen as ‘an expert’ on their own life was raised. The INOU has concerns with the recommendation in the Review that access to the BTEA moves away from self-selection to a more directive approach: an approach we are seeing increasingly on other activation programmes.
      2. Such a development will be counterproductive unless adult guidance principles are built into these developments. The time must be given to work with the unemployed person to find the best option for him or her; their concerns and interests must be taken into account and addressed; and good information must be provided to facilitate the unemployed person to make an informed choice.

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1. BTEA is open to people in receipt of a wider range of social welfare payments than many of the more recent schemes, provided they meet the eligibility criteria attached to their payment. [↑](#footnote-ref-1)
2. For the purpose of these schemes the social welfare week remained a six day week. [↑](#footnote-ref-2)
3. Ref: ***“****Report of Stakeholders’ Forum on review of Employment Supports by the Department of Social Protec****tion”,*** 18th February 2013 <http://www.welfare.ie/en/downloads/Report-on-Stakeholder-Forum-2013.pdf> [↑](#footnote-ref-3)
4. Rose Ryan – Director of Access and Disability Officer, NUI Maynooth speaking at the Stake [↑](#footnote-ref-4)