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| Authors | Dukelow, Fiona;Whelan, Joe;Boland, Tom |
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# 'Tossed to the wind'?

## *The Pandemic Unemployment Payment and the reshaping of the Welfare State*

27/07/2020

-The report '*Tossed to the wind'? The Pandemic Unemployment Payment and the reshaping of the Welfare State and this blog summary was written* by Drs Fiona Dukelow, Joe Whelan and Tom Boland of University College Cork.

*'We weren't just tossed to the wind at all'*

*'A godsend'*

These are two responses that sum up key messages on Covid-19 work and welfare supports from a digital survey we carried out between late April and early June on experiences of being out of work because of the pandemic during the early months of its impact in Ireland. The nationwide survey, which received 161 responses in total, focused on a relatively small number of long-form, open-ended questions to encourage respondents to reflect on their experiences of work disruption and their attitudes to how the government responded.

## The survey

The survey conveyed the massive shock and uncertainty felt by people who suddenly faced unemployment because of the pandemic or who otherwise had their work disrupted by being forced to work shorter hours or being put on furlough.

*I work in a Crèche and Montessori school and we found out on 12th March around 11.30am that we would have to close that evening. I was upset about the short notice and about having no income. I was extremely worried and stressed about how I would pay my bills.* (Female, Early Years Educator, 46-55)

*I was only in the job 3 weeks when we were told we were all going on reduced hours. We were all told at the office mid morning. It felt like a massive blow. I had been scrimping and saving for a couple months and had big plans for my new salary including saving for a deposit on a house. All that had been taken away in a matter of minutes.* (Female, Marketing Manager, 26-35)

People like these fuelled the numbers in a rapidly expanding unemployment rate and the sudden reality of a new welfare payment, the Pandemic Unemployment Payment (PUP), upon which unprecedented numbers of people relied. The extent of the crisis was further evident in the numbers of people accessing the Temporary Wage Subsidy Scheme (TWSS) which effectively generated a new way or 'category' of being out of work, or on furlough, in the Irish context. While the numbers unemployed rose almost overnight, the return to work and the reduction in the unemployment rate are already proving likely to be much more drawn out affairs, with this shock to the labour market likely to produce a high rate of unemployment on a prolonged basis.

## A Re-balancing of States and Markets

While people expressed massive shock as to what was happening to them, at a macro scale, their experiences generated the reinvigoration of the role of the state, specifically the welfare state, as a social and economic shock absorber. So, in Ireland, as elsewhere, we have witnessed the re-assertion of the importance of the state as an actor, with unparalleled capacity to provide social and economic stability. In times of crisis the state again came to the rescue, but unlike the 2008 financial crisis, when the state rushed to rescue the financial sector, this time ordinary people are being protected from the economic fall-out of the pandemic.

This raises the question of whether this might be the pathway to a longer term, sustainable shift and a re-balancing of states and markets, and with it a re-set of the negative aspects of the experience of unemployment and the work-welfare nexus. This would mean that the pandemic response would move from a state of exception to a more permanent re-set. This stems, in turn, from recognising that the pandemic exposed many deeper inequalities; imbalances between economy, society and the environment; and related states of anxiety and insecurity that people live with. Something which was also recognised by participants in the survey:

*I think this is the 'breathing room' we all needed as I feel the proverbial wheels were about to come off for most people in business and in Ireland as a country. Things were moving too fast and becoming very stressful, for our nervous systems as human beings to catch up. It was overwhelming.*(Female, Self-Employed Physical Therapist, 36-45)

Although the severity of the 2008 financial crisis meant Ireland never even contemplated a Keynesian response, we've been here before in wider European terms. During the financial crisis, Europe's emergency reconversion to Keynesianism was just that, an emergency response that lasted all but two years, between 2008 and 2010 before austerity narratives and economic orthodoxies took over.

Already as tensions about public debt, work incentives and 'stories' of welfare fraud creep into Irish discourse, there is a danger that we quickly forget the vital importance of the role of the welfare state and the importance of social protection, as attested by the experiences reported in this survey. Rather than seeing the pandemic and the state response as a 'state of exception' it can equally be considered a an episode of 'potent possibility': that a more active, protective state is possible, whether it's addressing unemployment, economic precarity, homelessness, hospital waiting lists, $CO_2$ emissions or any of our contemporary states of diswelfare that leave people 'tossed to the wind'.

## The PUP or TWSS was '*a godsend*'

Reflecting more specifically on the many variations of the expression that the PUP or TWSS was '*a godsend*' by participants in the survey, the policy response to unemployment also marks the return of *unemployment as unemployment*. While the PUP by its name is intended as limited to the pandemic, the positive experience of the

payment by the survey participants, and the contradictions between the nature of this payment and that of unemployment payments ordinarily available to 'jobseekers' also raise questions. These include questions about how we treat unemployment, how the social welfare system is designed and how it could be re-designed.

In essence, the PUP created forms of decommodification and experiences of social citizenship increasingly absent from the Irish social welfare system, and elsewhere, particularly over the last ten to fifteen years. By 2006, jobseeking replaced unemployment in the lexicon of social protection; by 2010 conditions attached to job-seeking payments were being ramped up and level of payments cut, with lone parents and younger unemployed people particularly harshly treated. The PUP operates on a completely different plane to the conventional treatment of 'jobseekers' in terms of access, conditions and levels of payment. The security it offered and its lack of stigma was very evident in the survey responses:

*Government were right to issue the 350 payment - warts and all to allow people to keep going.* (Male, Community Development Worker, 56-65)

*I have been impressed at how the government handled this so quickly and in the early days offered a subsidiary payment to anyone who lost their job, even the self employed. I would not have financially gotten through this without it.* (Female, Office Manager, 36-45)

*I think the supports for employees were great, at least people are not suffering financially too much (unlike the financial crash)* (Female, Childcare Manager, 56-65)

*I particularly was grateful that they quickly put in place a financial emergency payment to help support me and my family when I lost my income.* (Female, Self Employed, Slimming World Consultant, 46-55)

While some respondents to the survey felt that the level of the PUP payment was relatively generous, at least for some recipients; for low paid respondents it simply replaced their already low pay:

*The €350 payment was almost doubled the normal unemployment rate and on its own, that shows that people like me in low pay are basically living hand to mouth with a lower standard of living* (Male, Taxi Driver, 55-56)

## Short-lived - its decommodifying potential and security

In response to both fiscal pressures to reduce state spending on welfare, and the agenda of returning to 'full employment', plans have been outlined to reduce and taper off the PUP payment. As such, its decommodifying potential and the security it offered will be short-lived. Collapsing what is now a tiered system to its lowest jobseeking level of €203 weekly essentially exposes more people to the risk of poverty reflecting that fact that the conventional job-seeking payment rate is below the at risk of poverty line. That is something people who were unemployed before the pandemic are routinely exposed to.

Additionally, the proposed ending of the PUP in April 2021 whereupon claimants must apply for jobseekers allowance/benefit implies a return to conditional welfare payments – dependent on compliance with bureaucratic demands, monitored jobseeking and accepting any employment offered on threat of sanction.

Jointly, this exposure to risks of poverty and the uncertainty of conditionality undermines the clear success of the PUP. Rather than continuing with this clearly successful social security net, the state plans to retreat – 'throwing people to the wind' as it were.

The early pandemic response at least stretched the limits of what is politically possible and engendered a positive mode of solidarity. If we are to take seriously the poverty and the insecurity of unemployment of *all* who are unemployed why not consider ways and means of levelling unemployment supports up rather than down?

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