



Election 2020

TASC Policy Recommendations

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The policy recommendations outlined here are based on independent research conducted by TASC. Founded in 2001, TASC is the only independent think tank in Ireland. Our work focuses on issues related to inequality and democracy in Ireland and the EU. The themes and recommendations addressed below represent urgent issues facing the country and are particularly relevant to Ireland's ability to confront global challenges like climate change and the unknown impact of Brexit.

1. Address Ireland's High Rate of Low Pay

Ireland possesses one of the highest rates of low pay in the European Union. Someone is low pay if their gross hourly earnings are less than two thirds of the median. High rates of low pay in Ireland are due to a variety of factors. For one, Ireland has comparatively weak labour market protections. It's easier to fire people here compared to other countries and collective bargaining coverage is also lower. Employment in sectors which traditionally are low paid is also high here, such as hospitality.

There should thus be a gradual increase the minimum wage towards the Living Wage. Though different to the concept of low pay, the Living Wage is related. The Living Wage is calculated based on surveys of what is the minimum acceptable standard of living that no (single and living alone) adult should go below. The Living Wage for Ireland is currently €12.30 while the minimum wage is set to increase from €9.80 to €10.10 in February 2020. We recommend that the minimum wage be increased to a Living Wage over a period of four years after the new Dail is convened. Moreover, the new government should set a precedent by ensuring that no public sector workers are paid less than the Living Wage.

The government also needs to improve worker protection generally. Legislation should be introduced so that employers have to recognise trade unions. Unusually among high-income countries, employers in Ireland are under no obligation to recognise trade unions, which workers are legally entitled to join.

Third, it should become easier for both parents to work, especially amongst low income households, by reducing the cost of childcare. Childcare costs in Ireland are much higher than in most other European countries. According to the OECD, gross childcare fees are 30% of net household income for a couple with two children – with both parents earning the average wage. This is second only to the UK among EU-28 countries (which means it will be the highest after Brexit). Other countries keep costs down, and ensure affordability for families, through large levels of public provision and subsidy. In contrast, Ireland relies on the market for childcare provision. Around three quarters of providers are private for profit, with the remaining being community, non-profit services. The overall level of funding for childcare in Ireland is low, constituting about 0.2% of national income. This needs to be increased to the UNICEF goal of 1%, for the service to be affordable and for the sector to pay decent wages. Significantly more funding would be needed to reach the level of provision common in Nordic countries.

New funding should be directed at subsidies for families to purchase services but more importantly, the government should also begin to provide directly childcare, which is the most effective method in terms of ensuring quality and access. If funding is to simply increase, there is no guarantee that this new revenue will be passed onto consumers and workers, given the current mix of providers. Additional legislation on wage levels and costs would be necessary, which then would require tailoring the welfare supports for families. A simpler system would entail public provision of childcare services.

Key Policy Recommendations:

1. Increase minimum wage to Living Wage over three to four years
2. Introduce legislation to ensure employers must recognise trade unions
3. Increase the level of childcare funding to 1% of national income
4. Introduce public provision of childcare

2. Focus on Job Quality

The Future Jobs Ireland reports, initiated in 2019, are a welcome development. The new government must now carry forward this work through legislating to support “decent work” in the Irish labour market. Perhaps the starkest indicator of the need for new legislation is the level of in-work poverty in Ireland. In Ireland, workers make up 14.3% of all those in poverty, and in 2017, almost 110,000 workers lived below the poverty line¹.

Government analysis of future jobs should thus account for the cost of living, especially in Dublin, and worker rights in addition to technological innovation, the urgent need to advance climate action, and global economic trends. This analysis and future policy development should also pay greater attention to the quality of work available to marginalised and vulnerable social groups, parents returning to work, and older people not wishing to retire fully to participate in the labour market, and to measures that would improve quality, including training.

Finally, government policy must prioritize increasing the productivity of SMEs and likewise, recognize the importance of job quality to this productivity. At the moment, SMEs provide for more than 70 % of all jobs in the non-financial business economy in Ireland – a figure that is 4% more than the EU average. However, in contrast, SMEs produce only 36.6 % of value added, 20% below the EU average².

Key Policy Recommendations:

1. Legislate for the Living Wage and recognition of collective bargaining rights
2. Integrate discussion of job quality into Future Jobs reports, with recognition of its importance to productivity and resilience
3. Invest in research to understand job mobility and satisfaction amongst vulnerable and low-income households and likewise, determine gaps in service provision (e.g. public transport, childcare) and legislation (e.g. right to paid sick leave) to support re-entry into the labour market or continued progression
4. Support, potentially through subsidies, SMEs to improve management and investment in staff skill levels, again with the objective of increasing productivity. In addition, ensure SMEs provide proper contractual employment for employees
5. Expand the definition of lifelong learning to include literacy and numeracy, which would in turn account for Ireland's relatively low rank compared to other European countries (17th in literacy and 19th in numeracy amongst the EU-28 in 2012)
6. Address literacy within the Pathways to Work Strategy, expand the Back to Education Allowance (BTEA) to provide funding for those seeking basic skills or literacy training, not just those pursuing second or third-level courses, and subsidise employment-based schemes that allow businesses to support their employees in continuing education

1 SJI (2019) <https://www.socialjustice.ie/content/publications/poverty-focus-2019>

2 DBEI (2017) <https://dbei.gov.ie/en/Publications/Publication-files/2017-SBA-Fact-Sheet.pdf>

3. Improve Access to Public Health Services

Ireland has a two-tier health system that enables those with the ability to pay faster access to health services, especially diagnostic services, than those who cannot. Moreover, Ireland is an outlier in Europe because it does not offer universal access to primary care. These factors contribute to inequalities in access to essential healthcare services and health inequalities more generally.

The priority of a new government must be to establish a universal, single tier health service where access and care are based on need rather than the ability to pay. This is recommended in the all-party Sláintecare report and is fundamental to reducing the influence of socio-economic background on health.

Likewise, consideration of factors that influence our health should include areas such as labour market regulation, education, and income. Health impact assessments should be used in advance of all policy implementation.

More specifically, the public health service must provide clear pathways to diagnostic services and treatment for specific conditions. The new government must strive to overcome discrepancies between what is outlined in health policy and what is implemented in practice in terms of waiting times, diagnostic teams, and available therapies and treatments.

Key Policy Recommendations:

1. Establish a universal, single tier health service based around the principles of timely access and care driven by need rather than the ability to pay.
2. Provide clear pathways to diagnostic services and treatment for specific conditions.
3. Ensure all health-related policies are fully implemented and resourced and are monitored by an independent commission
4. Use health impact assessments in advance of all policy implementation.

4. Reduce Household Debt Levels

The nature of household debt in Ireland has changed in recent years, as more in-work families face over indebtedness and rising non-mortgage debt, especially to pay for basic needs like utilities. Households are overindebted if they are persistently unable to meet (from their income) reasonable living expenses and debt repayments as they fall due.

Families thus lack the financial resilience to weather negative and unexpected financial events -- such as a sudden loss of job, illness, relationship breakdown, or even an external, macroeconomic factor such as Brexit. This is particularly true for low-income households.

Available services fall short of need, and institutions that could expand services for low-income households, especially credit unions, are afraid of the risk. For example, to date, less than 35% of credit unions in Ireland are issuing the "It Makes Sense" or Personal Microcredit Loans. This lending option involves issuing small loans (from €500 – €2,000) at low interest rates and geared towards those on social welfare. The objective is to deter the use of moneylenders³. Of course, debt itself is a consequence of structural issues and policies must address the contextual factors and contributors to over-indebtedness in Ireland: the lack of affordability of housing, low pay, the overall cost of living and access to decent financial services.

Key Policy Recommendations:

1. Improve data collection and analysis on household debt, especially regarding specific types of debt (e.g. utilities versus mortgage) and arrears and amongst at-risk families
2. Improve information and flexibility concerning insolvency options and continue to evaluate the conditions and services offered by the Insolvency Service of Ireland
3. Centralise the administration of insolvency services and provide for more direct information on the effects of the arrangements and allow for more flexibility in terms of supervisory periods
4. Improve conditions in particular for low-income households, as they can be too punitive, especially for low-income households with a mortgage who may require more flexible arrangements that allow for change in circumstances
5. Support better overall coordination between MABS and ISI, as at the moment, the services of the ISI (with the exception of DRNs) are disconnected from the services of MABS
6. Expand what MABS offers to clients, namely establishing a "one stop shop" where clients can receive all information related to debt-relief in one place and allowing MABS to provide free insolvency services through Personal Insolvency Practitioners (PIP) and capacity to process other insolvency options in addition to DRNs
7. Support consumer protection and further regulation of financial products so that conditions are transparent and easy to understand, so that vulnerable households are less at risk of exploitation
8. Expand the "It Makes Sense" Lending Scheme and open up restrictions of who can access it, thereby helping build the financial capability of low-income households (including those in work) and their capacity to overcome external shocks
9. Monitor the behaviour of creditors and the methods they use to pursue clients.

3 ILCU (2019) <https://itmakessenseloan.ie/participating-credit-unions/>

5. Integrate Inequality and Climate Change Policies to Support a Just Transition

There is an urgent need for inclusive, community-based responses to the climate crisis that allow for the necessary climate action while also providing for the lives and livelihoods of communities on the front lines of change. This work must focus in particular on rural areas and sectors like agriculture and fisheries that stand to be significantly affected by efforts to reduce fossil fuel emissions.

One option is to adopt elements of the local wealth building (LWB) model piloted in the UK, Spain, and the US. LWB is about supporting local businesses, especially in cooperation with local authorities, to generate jobs and address social problems. To date, local wealth building models have been primarily deployed in densely populated urban areas but may prove useful as well in promoting rural regeneration through effective use of government and private sector investment to combat climate change.

The European Parliament has put a strong emphasis on the role played by local action groups in designing and implementing community-led local development strategies. Community-led Local Development (CLLD) is an integrated and place-based mechanism to foster economic, social and territorial cohesion. The CLLD approach is highly complementary to local wealth building as an enabler of a just transition and can ensure prospective local wealth building initiatives can be sustained and scaled.

The multi-fund approach of the European Commission aims to dismantle the barriers between EU funds and so boost synergy and coherence at both local and regional level. In the 2014-2020 period, CLLD initiatives are eligible for support from all European Structural and Investment (ESI) Funds (with the exception of the Cohesion Fund). Unfortunately, Ireland was one of only eight countries to not opt into the multi-fund approach to CLLD for this programming period.

Finally, currently, 'adaptation' is associated with dedicated policy instruments rather than mainstreaming within all policymaking. The assumption of mainstreaming climate action would be that a project or policy has a goal – related to, for example, health care – and that the sustainability and impact of the initiative can be increased by taking into account potential climate change impacts.

Key Policy Recommendations:

1. Join the EU CLLD multi-fund mechanism
2. Mainstream climate change adaptation and building resilience into all planning processes, the development of sector policies, and designing and implementing projects
3. Implement as a matter of urgency a capacity building programme for decision makers and civil servants to ensure a thorough understanding of climate and just transition mainstreaming for the entire public system
4. Ensure communities are resilient to anticipated shocks and stresses caused by climate impacts, especially concerning livelihoods and out-migration, by assessing the relevance of community-based models of economic regeneration
5. Invest in local democratic forums – like local citizens assemblies – to build capacity and understanding as to the necessity behind climate action and identify community priorities that can be solved through climate action



TASC (Think-tank for Action on Social Change) is an independent progressive think-tank whose core focus is addressing inequality and sustaining democracy.