

The Future of the Irish Social Welfare System: Participation and Protection

Helen Johnston

NERI Webinar
24th March 2021

Outline of Talk

- **Origin of the work**
- **Features of the Irish social welfare system**
- **Challenges & opportunities facing the system**
- **Ensuring income adequacy and alleviating poverty**
- **Modernising family supports to reflect gender and care needs**
- **Supporting high participation, including a pilot on participation income**
- **Enhancing financial sustainability**
- **Implementation**
- **Implications of Covid-19**

Origin of the Work

- **Request from Department of Social Protection in 2018**
- **9 papers prepared**
- **Working Group chaired by Tony McCashin in 2019**
- **Publication of the Report in November 2020**
- **Co-authored with Anne-Marie McGauran**

Features of the Irish Social Welfare System

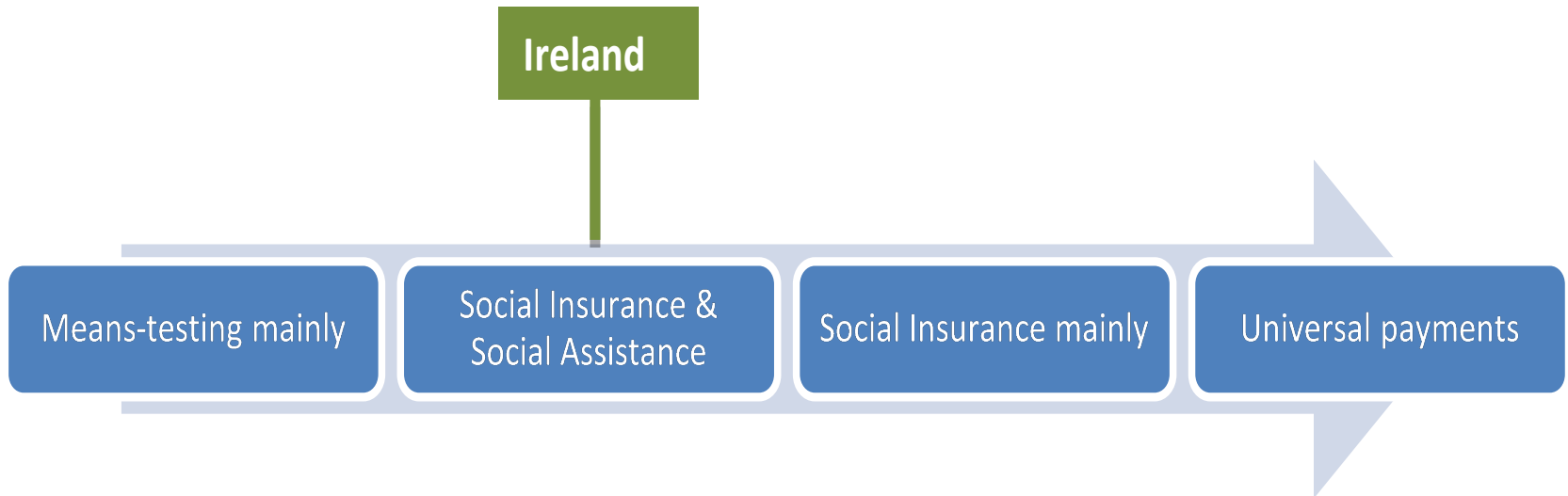
- **Economic inequality**
- **Mix of cash and services**
- **Role of social insurance**
- **Hybrid of universal, insurance-based and means-tested payments**

Challenges and opportunities

- **Issues widely discussed**
 - Population ageing
 - Changing patterns of work
 - Inequality of income and wealth
 - Need to reduce consistent poverty
 - Funding challenge
- **Changing family structures**
- **Changes in housing and pension provision**
- **International**
 - Globalisation
 - Changing balance of world power
 - Climate change
- **Ambivalent support for welfare provision**

A framework for the future

Ireland's position on a universal, social insurance, social assistance continuum



Ensuring Income Adequacy and Alleviating Poverty

- **Ensuring welfare payments are adequate to prevent poverty**
 - An agreed mechanism
- **Improving child income support**
 - Two tier approach combining QCAs + WFP
- **Providing supportive services**
 - Education
 - Childcare
 - Healthcare
 - Housing

Modernising Family Supports to Reflect Gender & Care Needs

- **Individualisation**
 - Apply lone parent changes to qualified adults
 - Apply aspects of international individualisation to couples in receipt of welfare benefits over time
- **Support a better balance of work & family commitments**
 - Acknowledging more flexible work patterns
- **Taxation**
 - Review of transferability of credits

Supporting High Participation

- **Dealing with the complexities of the changing world of work**
 - A tripartite group or similar body to consider
- **A more inclusive public employment service**
 - Supportive engagement with groups more distant from the labour force
- **Pilot a participation income scheme**
- **Support for low paid workers without children**
 - Amend the Working Family Payment or introduce refundable tax credits

Enhancing Financial Sustainability

3 options considered

- **Increase funding**
 - Increase PRSI rates, especially for the self-employed
 - Assess tax on all forms of income
 - Cap tax expenditures
 - Consider multiple rates of tax
- **Manage expenditure**
 - Expenditure on benefits strategically managed and controlled
- **Other 'external' actions**
 - Increase number of people in the labour force
 - Ease the cost of pension provision

Implementation

- **Give attention to implementation**
- **Garner public support**
- **Administrative reforms**
 - **Working Group to carry out audit of inconsistencies & consider a single portable means-test**
 - **Restructure rates & bands of PRSI & USC**
- **Good data & research**

Implications of Covid-19

- **Swift and purposeful response**
 - PUP, TWSS/EWSS, EIB
- **NESC proposals**
 - A stronger social insurance system
 - Reconsideration of flexicurity
 - Better recognition of atypical work
 - Greater tapering in the withdrawal of benefits
 - Stronger anti-poverty measures
 - More appreciation of caring
 - Pilot participation incomes
 - Importance of supportive services and community innovation



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

Thank you for your attention

helen.johnston@nesc.ie

www.nesc.ie

NESC Webinar on 30th April 2021