



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

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

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The Future of the Irish Social Welfare System
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Background

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



Challenges and opportunities

- **Issues widely discussed**
 - **Changing family structures**
 - **Population ageing**
 - **Funding challenge**
 - **Inequality of income and wealth**
 - **Need to reduce consistent poverty**
- **Changes in housing and pension provision**

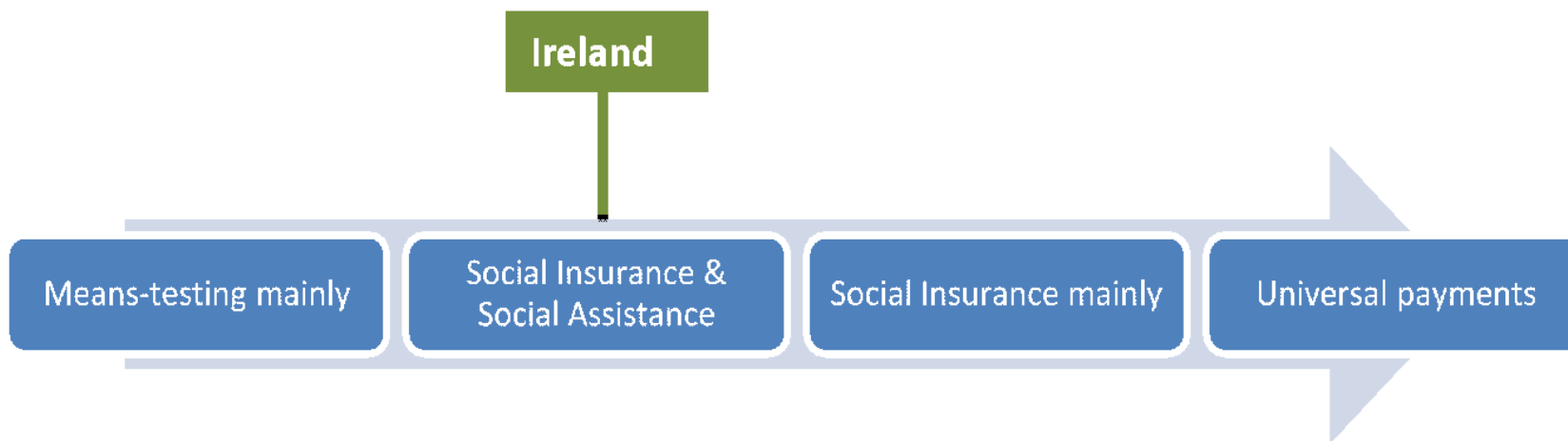


Challenges & opportunities

- **International**
 - **Globalisation**
 - **Changing patterns of work**
 - **Changing balance of world power**
 - **Climate change**
- **Ambivalent or divided support for welfare provision**
- **But the welfare state is resilient, and persists**

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 individualisation seen internationally 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 marriage-based 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**
 - **Review capital taxes and exemptions**
 - **Cap tax expenditures & review them yearly**
 - **Consider multiple rates of tax**
- **Manage expenditure**
 - **Consider pension age; surcharges; automatic balancing systems**
- **Other 'external' actions**
 - **Increase number of people in the labour force**
 - **Ease the cost of pension provision – look at housing, tax expenditures**



Implementation

- **Give attention to implementation**
- **Identify level of public support and build on this**
- **Administrative reforms**
 - **Working Group to carry out audit of inconsistencies & consider a single portable means-test**
 - **Restructure rates & bands of PRSI & USC for low income earners**
- **Good data & research – e.g. on qualified adults, platform work, atypical work, etc**



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Thank you!