



**Initial Response to the draft document  
between Fianna Fáil and Fine Gael to facilitate  
negotiations with other parties on a  
Programme for Government**



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## **Introduction**

As noted in the draft document released by Fianna Fáil and Fine Gael on Wednesday April 15<sup>th</sup>, we are at an unprecedented moment in the history of our State. The COVID-19 pandemic has given us all cause for reflection on how society functions, how it has been structured, and in whose interests. It has served to highlight some of the superfluous, the irrelevant, and occasionally the absurdity, in how we live our daily lives, and similarly highlighted the absolutely essential nature of services and people we previously took for granted.

This has all presented us with a once in a generation opportunity to build a new society, a new economy and a new country that reflects the lessons we have learned in recent weeks.

Much of this is acknowledged within the draft document, and many of the comments and proposals reflect a coherent vision for a fairer Ireland and an understanding of what is required to get there. However, in many respects the draft document is also found lacking.

## **Welcome**

We strongly welcome the explicit recognition that going back to the old ways of doing things is not an option. The decision to put a New Social Contract and a focus on the wellbeing of the Irish people at the heart of this framework is something that *Social Justice Ireland* has advocated for years and is also most welcome. It is important that these things become a reality, and not just the name-checking of the latest policy buzzwords.

As noted in the draft document, the importance of the role of government intervention in the economy and society has never been clearer. Nor has the need to fully mobilise budgetary and monetary resources. This should extend to the adjusting, where necessary, of mechanisms like the Stability & Growth Pact, when they are an unwarranted hinderance to necessary policy and spending decisions.

We welcome the assertion that all decisions with regard to national finances must be fair and sustainable. We also welcome the acknowledgement that assessing the performance of a new government requires looking beyond economic indicators. The plan to create “new, credible, quality-of-life measures of individual and societal wellbeing and progress” is precisely what *Social Justice Ireland* has been calling for since the 1990s.

## **Concerns**

In other areas, the draft document lacks several important specifics. By mentioning the word equality only twice (including once relating to a specific area of equality) it understates the importance of social and economic inequality in Irish society and the negative effects this has on the wellbeing and life outcomes of Irish citizens. The issue of poverty is also greatly under-acknowledged.

There are no concrete proposals on how the recovery from COVID-19 or the subsequent building of a new society will be paid for. It is important that subsequent documents from the parties involved in the next government give more detail about the changes to the government’s revenue raising model.

*Social Justice Ireland* has, for years, pointed out the extent to which Ireland’s total tax take as a proportion of national income has long trailed that of our European peers. We have also identified ways additional revenue can be raised and the system made fairer. Ireland’s total tax take must increase towards the European norm. Projections for national income and taxation per capita, as well as reference to previous norms of revenue raising, are next to impossible under the current circumstances, but tough decisions regarding revenue raising measures will have to be taken and it is

clear that Ireland's total tax-take, regardless of how it is measured, must increase. (This does not necessarily mean increasing income tax.)

Finally, the next draft should include a greater emphasis on the need for real social dialogue – involving all stakeholders, not just some – to create consensus on what Ireland's New Social Contract should look like, and how it is to be achieved.

We welcome many of the priorities contained in the draft document as the correct ones. An acknowledgement and correction of important omissions, as well as more specific detail about how these goals are to be achieved and financed, is now required.

## **10 Policy Areas**

The draft document is divided into 10 policy areas. Herein we analyse each in turn, highlighting the parts that are particularly welcome, noting our concerns, and making specific policy proposals where appropriate. The areas of the draft document are as follows:

1. Reigniting and Renewing the Economy
2. Universal Healthcare
3. Housing for All
4. A New Social Contract
5. A New Green Deal
6. A Better Quality of Life for All
7. Supporting Young Ireland
8. Opportunities through Education and Research
9. A Shared Island
10. At the Heart of Europe: Global Citizenship.

We now analyse each in turn.

## 1. Reigniting and Renewing the Economy

We welcome:

- The prioritisation of capital investment, by borrowing if necessary, to stimulate demand domestically; to grow employment; respond to social need; and improve our national health, transport, education and housing infrastructure.
- The goal of valuing those who are in low-paid employment. The stated aim of achieving a living wage over the lifetime of the next Government is also warmly welcomed.
- The stated intention that there be no cuts to established core social welfare rates.
- The development of a series of sector-specific responses through the National Economic Plan, **based on engagement with all stakeholders**. All stakeholders should not mean solely trade unions and employer representative organisations.
- The recognition of the importance of agriculture, fisheries, tourism and other sectors that support balanced regional development and employment in rural Ireland.
- The prioritisation of SME development.

We are concerned:

- That mention of Ireland's strong legacy of a vibrant private sector and pro-enterprise policies, attractive to foreign direct investment, might be seen by some as a return to business as usual in favouring large corporations at the expense of broader social fairness.
- At the statement that "the overarching objective of Government will be to rebuild the economy and get people back to work". There is more to a thriving society than a thriving economy.
- About the intention to launch a National Economic Plan with input from employer and employee representative bodies only. All sectors of society have a stake in a vibrant economy, so all sectors should have input on this topic. Real engagement with all sectors of society in planning the future on an ongoing basis is an essential component of democracy in the 21<sup>st</sup> century.
- About the stated plan to comply with the EU Fiscal Rules and the Stability and Growth Pact.
- About the lack of detail on intentions related to core social welfare rates (other than that they be maintained for now). They will need to rise if poverty rates are to be reduced.

Policy proposals:

- There is a need for core welfare rates to be benchmarked and increased. The government, in setting the Covid-19 unemployment payment at €350 per week, has acknowledged that €203 is not enough. Now is also an opportunity to equalise Jobseekers Rates for those aged 18-24, which were only equalised for those in certain circumstances in Budget 2020.
- Implementing a minimum effective rate of corporation tax (*Social Justice Ireland* suggests an interim rate of 6 per cent) would signal that this government does not intend to return to business as usual, that it is intent on creating a more just and fair tax system, and would make a significant contribution to raising the funds necessary to build the society envisaged.
- A greater focus is required on reducing precarious working practices and underemployment.
- Government should consider ways to stimulate the Irish tourism industry in the wake of the COVID-19 economic shutdown. Measures should be more specific and targeted than broad industry-wide tax breaks which inevitably accrue disproportionately to the largest firm.

## 2. Universal Healthcare

We welcome:

- The intention to expand our health infrastructure and expedite the implementation of a universal healthcare service, as recommended in the Sláintecare report.
- The plan that all new consultant contracts in the public health service will be public only.
- The prioritisation of primary care.

We are concerned:

- About the lack of mention of the long-term need for a Statutory Homecare Scheme, or of Community Nursing Facilities and the short-term need for increased Homecare Packages and step-down care.

Policy proposals:

- The resources required to implement the Sláintecare report within the original timeframe should be frontloaded to the greatest extent possible, and this should be made a key policy priority of the next government.
- Many homecare packages have been withdrawn or voluntarily cancelled due to social distancing needs or a fear of infection from care workers. These must be restored in full to pre-pandemic levels at the earliest available opportunity.
- There should be a renewed focus on the *Vision for Change* mental health strategy.
- Government should pursue the implementation of a Statutory Homecare Scheme.

### 3. Housing for all

We welcome:

- “placing the State firmly at the centre of the Irish housing market”. We have long advocated the necessity for increased state intervention in this dysfunctional market.
- The intention to reduce the cost of land to improve the affordability of housing, particularly being open to “employing all measures up to and including referenda.”
- Mention of the role of the cost-rental model in providing long term accommodation solutions.

We are concerned:

- About the lack of detail around reducing family homelessness, which has been a key policy goal for almost 4 years. The target should be to end homelessness, not reduce it.
- About the specification that cost-rental should be a student accommodation-related policy. Cost-rental should not be student-specific, but an option for all household types.
- About the mention of a plan to “provide the stimuli for home-building”. We hope that this does not involve more demand-side incentives such as Help to Buy, and other such programmes which serve to inflate prices at a time of supply shortages, and tend to accrue disproportionately to those actors in the market who do not need them. Direct intervention, not stimulus, is what is most required.
- About the lack of detail around a New Deal for Renters. The government’s reaction to COVID-19 shows what is possible around rent freezes and eviction moratoria. While recognition of the need to address high rents is welcome, we hope that this New Deal does not involve increased reliance on rent subsidies like HAP and other policies (e.g. tax-breaks) that mainly benefit landlords.
- About the empowering and funding of the Land Development Agency. The Agency has no remit to prioritise social housing.

Policy proposals:

- The Help to Buy Scheme was projected to cost approximately €70m in 2020. That figure will be distorted by the COVID-19 crisis. However, it is still important that this scheme, which has been shown to disproportionately benefit those who do not need assistance buying a home, is closed as soon as possible, with available resources dedicated to housing solutions rather than measures that simply serve to inflate house prices.
- There is huge scope in Ireland for improving how we tax land. This will have the double-benefit of raising revenue and encouraging better behaviour. Government should: (a) replace the current Local Property Tax with a Site Value Tax; (b) improve mechanisms for penalising land-hoarding; and (c) reinstate the Windfall Gains Tax that was removed in Budget 2015.

#### 4. A new social contract

We welcome:

- The acknowledgement of the need for a new social contract, and that the creation of one is a key basis of the framework. The intention that “this new deal will provide each citizen with accessible and affordable health care, housing, education, childcare and disability services, as well as a living wage, upskilling, and a dignified retirement” is laudable.
- The plan to reform the childcare sector, to improve accessibility, reduce costs, raise standards, and provide sustainable career pathways. Support for the sector is badly needed.
- The plan to increase parental leave entitlements.
- Acknowledgement of the need to work with all stakeholders to ensure that every citizen has a dignified retirement and can retire in financial security.

We are concerned:

- That living a life free from the risk of poverty doesn't form part of the New Social Contract.
- That the social contract (and indeed the overall document) contains no mention of universal basic income or universal basic services.
- About the emphasis on affordable improvements to benefits and protections “under the social insurance system”, rather than on a more universal basis.
- About the stated intention to continue with the introduction of a pension auto-enrolment system and the idea that this is somehow part of a New Social Contract. Introduction of a universal state pension would be a far fairer and more progressive initiative.
- That despite mention of childcare reform, there is no commitment to a model of public childcare.
- That while the acknowledgement of “the importance of carers to our society” is positive, the statement is very vague. Carers need more than acknowledgement, they need tangible supports.
- That while government plans to prioritise gender equality by involving more women in decision-making roles, there is no detail on how this might be achieved.
- That while the intention to “empower all people with special needs or a disability to progress, to reach their full potential, and to play a full part in society” is laudable, we lament the lack of detail.

Policy proposals:

- We warmly welcome the plan to move the National Minimum Wage in the direction of the living wage over the term of government and believe it can be achieved over a relatively short timeframe.
- Implementing a system of Refundable Tax Credits (the Personal Credit and the PAYE Credit only) [as outlined in our study](#) would have a very positive effect on the ‘working poor’.
- People with a disability often have additional living costs. A Cost of Disability Allowance, beginning at €20 per week, would be a good start in acknowledging this.
- In line with principles of solidarity, and the fact that COVID-19 has highlighted that providers of the most essential services in society are often the least well-rewarded, government should look at current levels of benefits for carers, including respite provision.
- There is a need for greater administrative scrutiny of tax expenditures (aka tax reliefs or tax ‘breaks’). The next government should adopt [Social Justice Ireland’s recommendations](#) in relation to expenditures, to improve fairness in the tax system.



## 5. A new green deal

We welcome:

- The planned Citizens Assembly on biodiversity.
- Mention of a Just Transition, particularly for regional Ireland, despite the lack of detail around how this will happen.
- The intention to invest in public transport across Ireland, as well as to electrify the public and private transport fleets and focus on increasing the number of daily journeys being taken by foot and bicycle.
- The continued intention to increase the carbon tax to €80 per tonne by 2030.
- The plan to roll out an ambitious home energy retrofitting programme, as long advocated by *Social Justice Ireland*.
- The recognition of the need to support Irish agriculture in its ongoing transition to emission efficiency.

We are concerned:

- That comments like a plan to “set new carbon reduction targets, identifying and implementing early significant changes and underpinned with a clear road map for delivery” etc. are a re-hash of old aspirations that lack detail and were never followed up on in the past.

Policy proposals:

- Money from the carbon tax increases should be ring-fenced to help fund a Just Transition, though it must also be acknowledged that greater funding from other sources will be necessary.
- There should be a move by the next government to shift the burden of taxation, where possible, away from productive activity and onto activity which reduces social wellbeing. In this regards, there is ample scope for pursuing measures that would enhance sustainability whilst raising revenue for government, including levies on single-use coffee cups (which could raise approximately €100m in a full year) and the introduction of an Aggregate Levy of €2.50 per tonne (€75m in a full year) to encourage recycling of materials.

## 6. A Better Quality of Life for All

We welcome:

- Acknowledgement of the need to support community groups, voluntary organisations, charity groups etc. to recover and grow in the aftermath of the COVID-19 Emergency.
- Prioritisation of balanced regional development in policy-making.
- Reiteration of the intention to implement the National Broadband Plan.
- The intention to encourage more home and remote working.
- The intention to develop initiatives to reduce dereliction and to bring vacant properties back into use in urban areas.

We are concerned:

- About the failure to name the loss of support that the Community and Voluntary sector has endured since the crash of a decade ago.
- About the lack of mention of Public Participation Networks in the draft document, and the role they can play in ensuring the spirit of solidarity and community that has characterised the response the COVID-19 pandemic continues in the aftermath.
- That despite the noble aim of “better quality of life for all”, there was no mention in the document of the Direct Provision system and the social exclusion, stigma and suffering it breeds.
- That the document contains no mention of the Travelling Community and specific problems it faces.
- About the wording around ‘recognition of the role’ of the arts, culture and the Irish language in our personal and community wellbeing. More than recognition is required – the area requires tangible investment.

Policy proposals:

- Government should increase the weekly allowance for children in Direct Provision to €31.80 in line with the QCI rate and expand the recently revised Student Support Scheme for Asylum Seekers. We urge further review of the criteria if there is no significant increase in take-up. Such moves would cost no more than €2 million annually. In the long-term, there must be a commitment to move away from this system that has long been unfit for purpose.
- Government should prioritise the development of a coherent strategy to provide culturally appropriate accommodation on the scale needed, and more equal educational outcomes for members of the travelling community.
- One of the almost-hidden problems that has been exacerbated by COVID-19 is the lack of refuges for victims of domestic violence. The next programme for government should commit to an increase in badly needed refuge spaces.
- In line with the acknowledged need to assess the performance of a new Government by creating “new, credible, quality-of-life measures of individual and societal wellbeing and progress”, additional funding should be provided to the Central Statistics Office to carry out this essential work.

## 7. Supporting Young Ireland

We welcome:

- The plan to develop a new Youth Strategy
- The goal of ensuring that school leavers and under-25s are helped to secure good-quality employment.
- The prioritisation of the mental health of young people.

We are concerned:

- About the lack of detail around the focusing of “efforts to reduce child poverty and disadvantage”, a problem that has been around for decades.
- The lack of detail around the strategy for young people with disabilities or special needs.

Policy proposals:

- Government should set an ambitious target to eliminate child poverty over the next five years.
- It is important that government equalise Jobseekers Rates for those aged 18-24, which were only equalised for those in certain circumstances in Budget 2020.
- There should be renewed focus on the *Vision for Change* mental health strategy.

## 8. Opportunities, Education, Research

We welcome:

- Acknowledgement of the need for renewed investment in education, and in the importance of the equality of opportunity and enablement that well-funded education offers.
- The plan to grow apprenticeships and traineeships, to give young people more choice and to respond to a changed jobs market.
- The commitment to formulate a long-term sustainable funding model for higher-level education, particularly as it specifies no increase in the student contribution.
- The emphasis on adult literacy.

We are concerned:

- That the stated intention to support students from disadvantaged backgrounds and with special needs is nothing new, and Ireland has fared poorly in that goal at times of significantly more resources than will be at our disposal now
- That the document contains no specific mention of lifelong learning.
- That the document contains no specific mention of community education.

Policy proposals:

- Funding for Irish universities is still well below pre-financial crisis levels. At a minimum, this funding must be restored. The COVID-19 crisis has highlighted the precarity of the current funding model which relies heavily on overseas students.
- Government should look to new innovative ways of investing in long term research and higher education opportunities.
- The lifelong learning rate in Ireland, at 9 per cent, is improving, but still well below our national target of 15 per cent. Additional investment in lifelong learning and digital education is important to help us meet our goal in this area. Community education also has very important role to play.
- *Social Justice Ireland* has previously pointed out that Ireland has spent just 0.1 per cent of GDP on pre-primary education compared to an OECD average which increased from 0.5 to 0.8 per cent. We have previously suggested an increase in the ECCE provision towards the OECD norm, which would entail an increase in spending of approximately €65 million in each of the next five years.

## 9. A Shared Ireland

We welcome:

- The prioritisation of protection of the peace process.
- A commitment to working with all traditions on the island, to build consensus around a shared future.

We are concerned:

- That sufficient priority is not being given to issues arising from Brexit.
- That the importance of the Northern Irish economy to the border region, particularly the region around the city of Derry, is not explicitly recognised.

Policy proposals:

- Ensure that the Northern Ireland deal, *New Decade, New Approach*, is implemented in full to maximise the potential benefits of an integrated all-island economy.

## 10. Global Citizenship

We welcome:

- The re-stated intention to achieve the target of 0.7% of the gross national income (GNI) being put towards Overseas Development Assistance.

We are concerned:

- About the plan to double Ireland's global footprint. While there are no specifics given, the influence of Ireland and Irish business on the developing world needs to be more progressive and fair.

Policy proposals:

- The new government should use its influence at an international level to encourage favourable treatment of countries of the Global South in relation to debt-repayments. With additional funding needed in these countries to deal with COVID-19 crisis, *Social Justice Ireland* supports the call for the permanent cancellation of all external debt payments due from developing countries in 2020 and 2021, with no accrual of interest or charges or other penalties, and the provision of additional emergency finance that does not create more debt.



**Social Justice Ireland** is an independent think-tank and justice advocacy organisation of that advances the lives of people and communities through providing independent social analysis and effective policy development to create a sustainable future for every member of society and for societies as a whole.



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