



SOCIAL
JUSTICE
IRELAND

working to build a just society

A New Social Contract, A New Social Dialogue.

Building a Better Future.



A New Social Contract, A New Social Dialogue.

Building a Better Future.

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A silhouette illustration of a diverse group of people of various ages and ethnicities, standing together. The text 'Social Justice Ireland' is centered over the bottom of the group.

Social Justice Ireland

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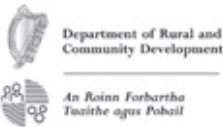
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INTRODUCTION

Ireland has seen some very notable positives in recent years. Economic growth has been exceptional. Unemployment has fallen dramatically. Personal consumption and exports were strong. Population growth has been steady and ensures that Ireland's dependency ratio is much more positive than most of its peer countries in the EU-15.

At the same time, however, these very positive developments have been accompanied by others which call into question Ireland's social contract between the citizen and the state. The experience of COVID-19 has highlighted major challenges being faced by Irish society.

Many of those who were recognised as heroes while Ireland was in lockdown were people in low paid employment whose work was not really appreciated prior to the pandemic. Over time poverty figures for the working poor have shown little movement, reflecting a persistent problem with low earnings. Many working families on low earnings struggle to achieve a basic standard of living.

Despite modest improvements in recent years, the scale of poverty in Ireland is still far too high and the reality is that hundreds of thousands of people are living in poverty. Indeed, the latest CSO data shows that without social welfare payments 41.4 per cent of Ireland's population would be living in poverty, instead of 12.8 per cent. Such an underlying poverty rate suggests a deeply unequal distribution of income – an issue that we, as a country, have persistently failed to address. The latest CSO data on wealth provides a further insight into the distribution of resources and some of the underlying structural components of inequality and disadvantage. Wealth in Ireland is highly concentrated, much more so than income and is linked to age and home ownership. Our failure to effectively address persistently high levels of inequality and deprivation highlight the fundamental failure of a very rich society to make the adjustments required to ensure everybody has the basics required to live life with dignity.

The levels of homelessness and insufficient supply of social housing serve as a telling indictment of the failure to address some of Ireland's major infrastructure deficits. Ireland's current housing crisis is so severe that it could damage Ireland's competitiveness. While there are certainly other, more socially worthy, reasons for investing in Ireland's productive social and economic infrastructure, there is perhaps no clearer or more obvious example of the need for large-scale

government investment to maintain Ireland's medium-to-long-term economic potential, given the prevailing circumstances.

In the area of services, of particular significance during the pandemic was the obvious inadequacy of the two-tier healthcare system. While its personnel responded heroically to the challenges presented, there was no hiding from the fact that many vulnerable people were not as well served as their better-off fellow-citizens. Without adequate future planning for the kinds of infrastructure and services we need, it will not be possible to maintain – never mind improve – the current standards of living for all citizens, from children to older people.

At a macro-economic level Ireland's pattern of going from boom to bust to boom to bust has become a serious concern and led people to ask questions about why this pattern has to be repeated over and over again.

The present moment presents an opportunity that must not be missed. Which brings us to the point of this publication. If Ireland is to succeed in addressing the challenges identified here, the pathway to doing so must be founded on consensus, must be well-managed, and must be properly evaluated. We need a new Social Contract underpinned by a new Social Dialogue. We must look at the framing of this Social Contract in a national and international context and hear the views of all stakeholders to shape this process.

Ireland would greatly benefit from having a social dialogue structure that would engage all sectors at a national level. Social dialogue involving all sectors of society enables the development of mutually acceptable solutions to problems that emerge. This in turn would make it more likely that support for such solutions can be secured when implemented by Government. People who have been involved in shaping decisions are far more likely to take responsibility for implementing these decisions.

We need to get beyond growth and markets and recognise that, while they do have a role, they are only part of the solution. It is also important that all sectors of society – young and old, urban and rural, businesses, trade unions, farmers, community/voluntary, social inclusion and environmental – have a voice in deciding how these challenges will be met. Ireland has for too long been afflicted by a state of affairs whereby we understand the issues, we know what needs to be done to improve matters, yet we find ourselves failing to take the correct steps. It is time to change that.

Ireland has reached a point where adoption of a new Social Contract is surely a necessity. All sectors of Irish society should be engaged in an ongoing Social Dialogue to decide how best to proceed.

These papers were originally presented at a conference organised by Social Justice Ireland on the theme: A New Social Contract, A New Social Dialogue: Building a Brighter Future.

Social Justice Ireland expresses its deep gratitude to the authors of the various chapters that follow. We wish to thank them as they have made this publication possible. They brought a great deal of experience, research, knowledge and wisdom to their task and contributed their time and obvious talent to preparing these chapters.

This work is partly supported by the SSNO funding scheme of the Department of Rural and Community Development and Pobal. A special ‘thank you’ to them. Social Justice Ireland 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. We work to build a just society through developing and delivering credible analysis and policy to improve society and the lives of people. We identify sustainable options for the future and outline viable pathways forward. In all of this we focus on human rights and the common good. This publication is a contribution to this process.

In presenting these chapters we do not attempt to cover all of the questions that arise around this topic. This volume is offered as a contribution to the ongoing public debate around these and related issues. We trust that those engaged in shaping Ireland’s future for the coming decades will find it of value.

Brigid Reynolds
Seán Healy
Colette Bennett

18th November 2020



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Social Justice Ireland

1. Ireland and Europe: the urgent need for a social, economic and ecologically just transformation.

Ann Pettifor

In an extraordinary speech - unexpected from a Federal Minister of Finance and Vice-Chancellor of the Federal Republic of Germany - Olaf Scholz argued on 3 September for a better, more sovereign Europe. Calling for “an ambitious, cohesive and transformative recovery programme” he acknowledged that the safety net and recovery programme put together to tackle the pandemic had elevated “Europe’s common financial policy to a completely new level, a level that moves us closer to a fiscal union.... with complete economic and monetary union”. Strengthening the EU, he argued “is a question of sovereignty, of holding our own with the US or with China who are forcefully asserting their national interests. Only together can we defend our European way of life”. Not for nothing, he explained, had Germany chosen the motto Together for Europe’s recovery for its 2020 EU council presidency. For Europe to be truly successful, he said “we must recover together and use this opportunity to transform our economy.”

This strikingly new approach can be traced back to the arrival of a global pandemic and the EU response: the launch of the European Recovery Fund in May, 2020 . That decision and Scholz’s speech have been widely welcomed, with one unfortunate side-effect: a strengthening of the euro. An over-valued euro is unwelcome just as Europe is predicted to plunge into a deep recession brought on by the pandemic and associated lockdowns. That is why there can be no question about the urgent need for “ambitious, cohesive and transformative” economic policies and for Europe’s need to face challenges collectively, and in solidarity. But Europe must do more. The upcoming challenges are daunting: not just the ecological and economic failure brought on by the coronavirus pandemic and the risk of a debt-deflationary downward economic spiral, but also the economic divergences that have led to the rise of anti-Europe sentiment, nationalism and populism; and the grave, even terrifying ecological risks that transcend borders.

Europe and financial globalisation in 2020

It is my contention that all these threats have their taproots in the increasingly corrupt, reckless and volatile system of international financial globalisation - a 'liberalised' system that demands and extracts extraordinary capital gains from the fictitious commodities that are money, land and labour, to cite Karl Polanyi. Exponential rates of extraction from what can broadly be described as the land, or ecosystem, has devastating impacts. For while the land is constrained by the laws of physics, and is subject to entropy, money is bound only by the laws of mathematics, as the chemist Frederick Soddy explained. Our biophysical stock of resources are finite, but rent-seeking money creation, that becomes debt compounding at a rate of interest, can grow effortlessly over time if 'liberalised'. That characteristic of the social construct that is money, together with globalisation, expands and intensifies the extraction and stripping of finite assets like the forests of the Amazon, the fish in our seas and the world's fossil fuels. As the environmentalist, Bill McKibben has argued, "money is the oxygen on which the fire of global warming is burning".

To add to these dangers, deregulated financial globalisation fosters criminality worldwide. The recent Wirecard scandal is but the latest evidence of how the international system protects the interests of gamblers, drug dealers, human traffickers and pornographers, "encasing" them (to quote Quinn Slobodian in his book *The Globalists*) from democratic regulation and oversight. Only the persistent five-year efforts of investigative journalists at the *Financial Times* exposed Wirecard as a criminal enterprise - one of the biggest corporate frauds of the modern era. Regulators at the EU's Federal Financial Supervisory Authority were asleep at the wheel, as were Ernst and Young, the firm's highly paid auditors. The truth is official regulators lack the regulatory and theoretical (economic) tools needed to manage criminal, tax-avoiding but also legitimate flows of capital across borders. The General Court's rejection in September, 2020 of the European Commission's attempt to recover €13 billion in back taxes from Apple Inc - a company whose profits are protected by the tax haven that is Ireland, is yet another example of the regulatory powerlessness of Europe's democratic institutions.

Protecting globalised capital - not society or the ecosystem

The 2020 Covid-19 crisis made utterly transparent the power and protection granted above all to private, globalised capital markets, creditors, investors and speculators. It is striking that world leaders proved unable to convene an international summit to prevent the spread of the pandemic and to collaborate on a vaccine for the world's people. Some leaders deliberately attacked the

system of multilateral coordination to defeat pandemics, organised under the umbrella of the World Health Organisation. And for decades, world leaders have failed woefully to tackle a threat to the very survival of humanity, brought on by what ecologists define as ‘earth systems breakdown’ – climate change, the collapse of biodiversity, and a dramatic rise in the rate of extinctions.

In the spring of 2020, central bank governors, led by the Federal Reserve under a very different approach. They coordinated their actions internationally to save globalised capital markets from the economic consequences of the pandemic. Even while the governments of Trump, Bolsonaro, Modi and Johnson divided the world, clowned around, and grievously mishandled the crisis, causing thousands to die unnecessarily, technocrats at the Federal Reserve, the Bank of England and the ECB engaged in decisive, expansive and internationally coordinated action to save rentier capitalism. Big Wall St. and City of London financial institutions, corporations like Apple and the world’s airlines quickly became beneficiaries of central bank largesse.

Such internationally coordinated protection was not granted to the world’s people or to the world’s threatened ecosystems. Instead world leaders effectively abandoned nature and their citizens, delegating leadership of the global economy to central bank technocrats and their clients in capital markets.

An ‘ambitious, cohesive and transformative’ programme

To reverse this form of political defeatism, to undertake what Olaf Scholz called a “transformative programme” that would address both the economic and ecological threats facing European politicians need to exercise leadership in the world. They must take the lead in making or re-making the global economic system and altering the balance of power within that system – based as it currently is on the internationalism of capital. They should substitute it with a new form of internationalism, as Geoff Tily, senior economist at the British TUC has argued. Instead of “globalisation amounting to an internationalism on the terms of capital, internationalism should be conducted on the terms of labour.”¹

That is the kind of economic transformation EU Ministers and politicians should be advocating and leading. What is needed – given the dire ecological and economic threats facing Europe – is an economic transformation on the scale of the President Roosevelt’s New Deal of the 1930s. His was a programme

¹ Geoff Tily, forthcoming in Spring, 2020. *Return of the State: Restructuring Britain for the Common Good*, published by the Progressive Economy Forum in conjunction with Agenda.

of transformation that simultaneously tackled a) the power of Wall St., the liberalised international financial system defined as the gold standard, b) the aftermath of the 1929 financial crisis, high levels of unemployment and an c) environmental crisis that took the form of the Dust Bowl.

Roosevelt's transformation of the US financial and exchange rate system removed Wall St. and the City of London from the driving seat of the American economy and instead placed a democratically elected government in the driving seat. As his Treasury Secretary Henry Morgenthau once remarked:

“We moved the financial capital from London and Wall Street right to my desk at the Treasury”.²

European governments and institutions need, through stronger management of capital mobility, to do the same. To restore democratic oversight and adjust and end the power of technocrats working closely with private capital markets to determine and shape key economic levers central to the health and recovery of the European economy and its ecosystem. Introducing such regulation will be tough, given the coming deep recession. But times and economies were both failing and unstable and advocating change was dangerously tough back in 1933 too. Nevertheless, as I explain in my book, *The Case for the Green New Deal*, political will and informed leadership under Roosevelt's New Deal combined to successfully lower unemployment, raise incomes and restore soil fertility to the desertified Great Plains of the United States.

Challenges for the European economy in 2020

At the height of the 2020 crisis triggered by a human-induced pandemic, the OECD predicted the deepest post-war recession in 2020, with GDP in the Euro area set to be nearly 12 per cent lower than in 2019.³ Recession amplifies the risk of a debt-deflationary spiral for an EU-wide economy already characterised by falling real prices – (inflation turned negative in 12 of 19 eurozone countries in May, 2020) output gaps and an over-valued currency that will depress exports and hurt exporters. Deflation poses a real threat to highly leveraged corporates and to the private non-bank financial sector burdened by debt as well as to the Eurozone's sovereign debtors - because deflation inflates the value of assets,

² Henry Morgenthau, cited in p. 227, Rauchway, *The Money Makers: How Roosevelt and Keynes Ended the Depression, Defeated Fascism, and Secured a Prosperous Peace*. Basic Books, 2017.

³ OECD Economic Outlook, June 2020, p. 25

including debt and therefore both the burden of debt, and the cost of debt servicing.

The forthcoming recession will strike a catastrophic hit to Europe's labour market. While 60 million Europeans were being shielded by government furlough schemes, Eurostat estimates that already in May 2020, 14.366 million men and women, or 7.9% of the Euro area labour force were unemployed in the EU, of whom 12.146 million were in the euro area. In May 2020, the youth unemployment rate was 15.7% in the EU and 16.0% in the euro area. (Eurostat News, 2 July, 2020). These high levels of unemployment will very likely escalate as the "deepest postwar recession" hits over the winter of 2020/21.

High levels of EU unemployment are exacerbated by a secular downward trend in labour's share of EU income, worsened by the deliberate weakening of employment protection, trade unionism and unemployment benefits. According to official figures analysed by the ETUC, workers in two thirds of EU member states are receiving a smaller share of their country's GDP than they were at the beginning of the decade. Real wages are still below their pre-crisis peaks in Portugal, Spain and Italy. This has macroeconomic impacts on output, productivity and consumption, but also on government budgets. Lower tax revenues from low-paid, temporary or insecure work, coupled with corporate tax avoidance leads to a shrinking of the tax revenues governments need to balance budgets and stabilise the public finances. Added to this, imbalances generated by an over-valued Euro (driven by global, private capital markets, not domestic policy) exacerbate wider economic imbalances both within and between countries.

Policy-led economic failures

As noted above, Europe's dysfunctional economic outcomes (to which we add ecological outcomes) are rooted in the deliberate construction of a global economy that has created severe imbalances between class interests. The imbalances in the interests of the 1% vs the 99% has led to an ongoing contraction in aggregate demand and purchasing power across the world; but also in both 'frugal' and southern European economies. These imbalances have powered an unsustainable worldwide private debt inflation. Simultaneously policies for the repression of purchasing power and aggregate demand at domestic levels has, predictably, escalated exports and led to the rise of surpluses and gluts at an international level.

These imbalances are not, and were not, inevitable. They were the direct consequence of deliberate economic policy-making at European level. As Matthew C. Klein and Michael Pettis argue (in *Trade Wars are Class Wars*, 2020) the ECB refusal to support euro area governments when they came under speculative attack in 2011 was a failure that led to the ensuing sovereign debt crisis and then the widespread, and deliberate policy embrace of austerity.

Pressured by Wall St. the City of London and Frankfurt, European leaders and policy-makers made a fateful decision to force sovereign debtors, not global private creditors, to adjust by squeezing domestic spending and investment. These policies raised inequality within countries, increased the saving levels of the rich, but made it more difficult for Europeans with falling incomes to consume what their economy produced – a situation known in economics as ‘under-consumption’. At the same time production ran too far ahead of purchasing power. As a consequence, European economies – ranging from Germany to Spain - could not use up all they was produced. Instead the surplus production was exported – a system known as ‘beggaring thy neighbour’. Exports provided the outlet for the increasingly excessive supply of goods and services for which there was diminishing demand at home. As Klein and Pettis argue, policy decisions forced Europe’s crisis countries to push “ the euro area as a whole into a massive external surplus relative to the rest of the world, currently worth about 4 percent of the bloc’s GDP”.⁴ The rest of the world, mainly emerging markets in Africa, the Middle East, India, Indonesia and Latin America as well as the UK and US “ended up being forced to absorb the resulting financial outflows through rising trade deficits and rising debt.”

Under-consumption and rising exports - the ecological consequences

Consider the Netherlands, an extraordinary, but not unusual example of the detrimental consequences of policies built on the globalisation model of elevating financial markets while repressing incomes and domestic consumption (aggregate demand).

According to the IMF the Dutch economy is one of the most internationally integrated in the world. While living standards are high, the gap between rich and poor is large. According to the OECD there is a considerable gap between the richest and poorest – the top 20% of the population earn more than four times as much as the bottom 20%. Dutch exports of goods and services are very high

⁴ *Europe Becomes Like Germany*, p.171

(over 60 percent of GDP in 2019) and have been growing in importance in the last decade. The Netherlands has one of the highest external current account surpluses in the world: 11 percent of GDP in 2019. It runs surpluses with every major economy in Europe. “This interdependence” noted the IMF in May, 2020 “makes the country especially vulnerable to a global crisis ...this will likely mean a somewhat slower recovery for the Netherlands”.

Remarkably, and despite being smaller than Ireland or Switzerland, the country, according to the Dutch national statistics office, is the world’s second largest food exporter by value after the US. In this ‘frugal’ country the over-production of, in particular dairy products, has led to imbalances that have ecological as well as economic consequences. Holland’s 1.8 million cows produce so much manure they generate harmful nitrogen and ammonia, as well as excessive phosphates in the soil. As ScienceMag explains:

Nitrogen, a key nutrient for plants, is also an insidious pollutant. Fertilizer washing off fields ends up in lakes and coastal areas, causing algal blooms that kill marine life. Airborne nitrogen can also harm ecosystems. One source is nitrogen oxides, mostly from power plants and engine exhaust. In the Netherlands, even more comes from the ammonia vapors from livestock urine and manure. Both kinds of nitrogen react to form aerosols that cause smog, damage foliage, and acidify the soil, hindering roots’ absorption of nutrients.

This environmental crisis led to a Dutch high court decision in May 2019 that suspended permits for construction projects that pollute the atmosphere with nitrogen compounds and harm nature reserves. Politicians also called for a cull of dairy cattle. That freeze has stalled the expansion of dairy, pig, and poultry farms—major sources of nitrogen in the form of ammonia from animal waste.

A recent report in the Irish Times ‘*Dairy and livestock farms in Ireland can be compared to oil production*’ suggests that Ireland too faces environmental challenges from its heavy emphasis on boosting exports as an outlet for the increasingly excessive supply of dairy products for which there is diminishing demand at home. Data from Ireland’s Environmental Protection Agency (EPA) shows dairy cow numbers have increased by 32 per cent since 2011, with fertiliser imports increasing by 38 per cent in a similar time period.

As the Irish Times report notes: “Synthetic nitrogen fertiliser is a keystone of intensive dairy.” The expansion in cow numbers increases slurry volumes and the amount of ammonia gas – a nitrogen-based compound – released during

slurry spreading. According to the Irish Times, the EPA's most recent water quality in Ireland report shows the highest concentration of inland water sites with nitrate levels of 8mg-25mg of nitrate per litre are in the south, east and southeast of the country which correlates with a map showing the greatest concentration of dairy cows in 2019 in the same regions.

Overall, Irish agri-food exports have grown by over 70% from 2009 to 2017 when they reached €13.6 billion, according to the Irish Government's Nitrates Derogation Review, 2019.

The Review notes that with the backdrop of the abolition of dairy quotas in 2015, Food Wise 2025 was published setting out the current ten-year plan for the industry. This strategy sets targets for further development and intensification in primary production and value added processing. The plan aims for an 85% increase in exports, the creation of 23,000 additional jobs, a 70% increase in value added and a 60% increase in primary production by 2025. It acknowledges that economic competitiveness and environmental sustainability are equal pillars in the delivery of the strategic vision.

This ambitious strategy poses challenges specifically relating to water quality standards and Ireland's climate change commitments. But the economic imperative of boosting exports as a substitute for boosting domestic demand, also raises social justice issues. Pippa Hackett, Minister of State with responsibility for land use and biodiversity, made this point explicit in the Irish Times story, by explaining that while Ireland has this ambitious export target, the country is unable to feed itself.

Citing figures from 2017 as an example, she says Ireland imported more than 72,000 tonnes of potatoes, 47,000 tonnes of onions, 62,000 tonnes of apples, 23,000 tonnes of cabbage and 15,000 tonnes of lettuce – all food that could be grown in Ireland. “Although dairy farming is economically viable, the sector needs to deal with a range of issues including environmental damage and animal welfare concerns”, she added.

In other words, as Dr Michael Williams from the Centre for the Environment at Trinity College Dublin explained, that means that Ireland is “exporting cheap meat and dairy and living with the pollution that causes, especially from reactive nitrogen,” but also with deficits in the vital production of food. Becoming more self-sufficient in food production would boost Irish employment as well as improving soil health and increasing food security.

For countries like Holland and Ireland to recover the health of their respective ecosystems, while at the same time restoring balance to very skewed economies, will require a re-orientation away from exports, towards the raising of domestic aggregate demand and purchasing power. Just as the United States had to transform its economy to recover the health of its soil across a vast area of the Great Plains, so Ireland, but also Europe will have to transform to recover the health of both its economy but also its soils and ecosystem.

As an important report, *Milking the Planet* notes,

The UN Framework Convention on Climate Change (UNFCCC) is currently discussing agriculture in one of its scientific bodies and at the next climate COP could decide to include agricultural GHGs in the climate negotiations. As governments ratchet up their climate goals for 2030 and 2050, the rise of large-scale dairy and public incentives (like the Common Agriculture Policy) that further expand exports and increase corporate dairy power, production and emissions will likely be stopped.

Rural livelihoods and our planet’s future depend on it.”

The Green Deal

The European Commission’s commitment to tackling the threat of climate breakdown is commendable. The Green Deal – “striving to be the first climate-neutral continent” is a roadmap that can rightly be described as a ‘European man on the moon’ moment. The September 2020 vote by the European Parliament’s environment committee to raise the EU-wide target, and reduce carbon emissions by 60% by 2030, is welcome political pressure for even greater ambition.

These are first steps towards the transformation needed by a powerful Union of 27 states. But they are just that: first steps. The financing proposed for the Green Deal economic programme is inadequate to the tasks that lie ahead and is hobbled by its reliance on the private sector.

Europe, as the Green Deal recognises, has to revolutionize three broad economic categories: its energy, transport and land use – i.e. agricultural systems. It has to substitute systems that use fossil fuels, generate toxic emissions, and accelerate biodiversity decline – with ecologically safe systems. To do so, it will have to revolutionise and transform the globalised financial system that currently shapes European economies, demands higher exports and wields power over key

economic levers. It will have to do what Roosevelt achieved: the subordination of the private finance sector to the interests of society as a whole. It will have to strive for an internationalism of the interests of people and planet – and dismantle a system that prioritises the internationalism of capital.

In other words, Minister Scholz’s proposal for an “ambitious, cohesive and transformative” EU-wide programme needs much greater ambition and political courage.

2. Four Ways Out of the Post-Covid-19 Period.

Philippe Pochet

It has been said before more than once: over and above its effects on health, the COVID-19 pandemic will have major, long-term consequences, especially for the European economy, unemployment levels and the risks of increased poverty and precariousness. The recovery, when it comes, will very likely be Kshaped, with some sectors going back to their preCOVID19 levels and others which might well see a sizeable structural reduction in activity. The most obvious example is the transport sector (by road and air), which could come under twofold pressure, with changes in consumers' travel preferences and major environmental challenges to be faced.

In this article, I will put forward an analysis of the challenges facing Europe and the world as a whole. The purpose is to encourage discussion and exchanges of ideas about the crisis and what comes after the crisis. I will start by analysing the challenges Europe currently faces and then put forward four scenarios. The object of these is to get us thinking about the medium-term issues this crisis throws up and looking ahead to potential developments that would not be in the direction of greater social justice.

At the European level, what the pandemic has cast doubt on is the very fundamentals of European integration. The main features of the European Union (the EU), what could be described as its "pillars", are these: the single market and freedom of movement, the euro and the Stability and Growth Pact, and competition and state-aid law. At the present time, these three pillars are being powerfully shaken, not to say called into question. They are sure to be at the centre of discussions in 2021 about the practicalities of emerging from the crisis and the future of the European integration process.

As regards freedom of movement for people, the re-establishment of internal borders when the pandemic started was obviously a highly symbolic, landmark decision, as it proved that "others", in the form of European citizens from other Member States, are still seen as potentially dangerous foreigners because they might be carrying the disease. During the summer, we might have thought a carefully managed reopening could have taken place, but it did not happen. From mid-August onwards, what we saw was a new fragmentation of the space for mobility and a bewildering array of colour codes (from green to red), still

interpreted from a national point of view. As a second wave is striking, that will continue to be a topical issue. This return to internal borders raises the very delicate question of what the final removal of barriers should mean. When should it happen, and, in particular, on what conditions (health, economic, political) will we think we can re-open them completely without running too many risks? Will it happen first on the borders of the Schengen area, or by groups of countries (Benelux, the Baltic states, the Iberian peninsula and so on)? In the absence of a common approach to managing the health crisis, and confronted as we are by different, not to say divergent, national approaches and practices, the most realistic hypothesis might well be that the internal borders will stay as they are for a long time, varying, as circumstances dictate, from being more or less sealed to being permeable. As for the EU's external borders, the current example of China suggests that keeping the national territory firmly closed to the outside world, having overcome the internal health crisis, is set to be the norm.

Turning to the future of the euro, in the context of a monetary union devoid of solidarity mechanisms and without any supranational political governance, the rules of the Stability and Growth Pact have, of course, been (temporarily) suspended, in sharp contrast to the way the previous crisis was managed. At that time, it triggered a period of drastic austerity. With that precedent, the biggest surprise has been the agreement to allow borrowing at the European level. This potentially constitutes a radical change in the ongoing development of economic and monetary union. At the same time, though, the transfers and loans concerned will be under scrutiny by the countries most averse to the emergence of European solidarity. Where we will be able to see whether a genuinely decisive step forward has been taken will be in the details of how this is implemented. The European semester has certainly become more about social questions (Raimone, 2020) but, even so, the talk of structural reforms is still part of the EU's agenda and the European narrative.

The challenge, though, will be to look ahead to the post-COVID-19 period here too. The Member States' budget deficits and state debts will be bound to explode, but they can be financed in different ways. There is a challenge to the economy here in the short term, but also in the medium term (how to finance the revival, or what kind of revival it should be). What is more, will the institutional innovations now being adopted be temporary or longer-term? Is the SURE initiative (EU aid for national short-time work schemes) temporary or the beginning of a lasting EU unemployment-reinsurance system? Is being able to borrow and provide Member States with aid a paradigm structural change or, as the governments of those Member States described as frugal would have it, a temporary and limited form of aid? In contrast to the previous crisis, which

gave no scope for much progress towards supranational governance of the single currency, this is the second and very probably the last opportunity for doing so. Finally, the relaxation of restrictions on state aid and the rescuing of companies in distress will reconfigure what is seen as possible and legitimate as opposed to what is not. At stake here is the legitimacy of intervention by the State in economic life which lies at the heart of the change. The effects of this crisis on the real economy will be long lasting, and getting back to normal will take time, which will again involve different discussions and allow different choices from before. Will the role the State plays in the economy, whether indirectly or directly, basically “rescue” the traditional sectors (air transport, oil or vehicle production) or, conversely, push us towards an ecological transformation? For the moment, demands in the social sphere (relating to employment and social dialogue) or in terms of the environment have not been central to the aid given to companies. The announcement that emissions are to be reduced to between 40% and 55% of the 1990 figures is a radical change and, if it is taken seriously, it will entail very far-reaching sectoral changes.

We can already look ahead and see that the post-crisis EU could be standing on very different foundations if the questioning of the three basic pillars continues over time or, conversely, it could just as easily go back to its old ways. What will the world environment in which this happens be, though? Here I can see four possible scenarios emerging. Sketched out briefly, the point of these scenarios is to look ahead to possible changes and, at the same time, gauge certain risks.

The first one (contrary to what I have written before) is that we might return to the orthodoxy of neoliberalism and austerity – a bit like what happened in the previous crisis (2008-2013): a more or less green recovery in 2009 was succeeded, more radically, by a reversion to the fundamentals of neoliberalism. This is what eminent researcher Colin Crouch has called the strange non-death of neoliberalism. This seems to me much less likely (but not to be ruled out) in this crisis. We seem to have learned the lessons of the previous crisis and the poor management of it, and it is difficult to see the political conditions emerging for imposing an austerity diet on the public sector in one or two years’ time. Yet the reactions of certain national employer organisations, growing tensions within certain states and the bailouts of industrial and service sectors without real social conditions relating to redundancies or environmental conditions all point to this being the increasingly likely outcome. When debt has gone up from 20% to 30% or more and the risk of a pandemic has lessened, there will certainly be more and more calls for a rapid reduction in public debt. What is often forgotten, too, is that the austerity of 2010-2013 arose out of the unprecedented

predominance of right and centre-right governments in Europe (Pochet, 2019). There is no guarantee that a political reversal of this kind will not happen again (Benchmarking Social Europe, 2020).

The second scenario is what I call the Chinese path. In the end, that is the country that has done best in health terms, if we compare it to the EU and especially the United States. We would be moving towards a more authoritarian state, monitoring the population by tracing people's contacts using new means based on artificial intelligence, with restrictions placed on (sometimes quite fundamental) freedoms in exchange for a feeling of protection of the national territory and a degree of efficiency in the authoritarian management of the pandemic. This opens up opportunities for tech giants to access increasing amounts of data. Even though the present tracing system seems to offer wide-ranging guarantees, no one can be sure that, in the name of greater efficiency in information management, these guarantees will not be whittled down in time. The fact that this health crisis could be recurrent or a long-term situation would make it possible for more authoritarian governments (such as in Hungary and Poland) to assert themselves as the guarantors of their citizens' safety and security. This is in line with the pattern identified above involving national management of borders and travel as a supposed guarantee of policies to control the pandemic.

This goes hand-in-hand with the fragmentation of the world and a more or less radical scaling down of trade ("deglobalisation"). Here again, the example of the United States under President Trump is telling. But it is a more general trend, not confined to the USA: the idea of strategic investment in Europe, albeit for the moment in a limited number of sectors (military, health, etc.) could constitute an indication of the emergence of tighter trade hubs. The relevant unit becomes the national territory – with social control ramped up with the help of 5G networks.

The third scenario is a return to growth at any price. The way out of the crisis would be unfettered catch-up consumption without much consideration for the environment, a sort of rerun of the *Belle Époque* or indeed an end-of-the-world party. That would obviously have a positive impact on conventional economic indicators (GDP) and reduce bankruptcies and unemployment in the short and medium term, but it would have major negative long-term consequences. The calls by certain governments (such as in the Czech Republic) or sectoral players to forget the Green Deal underline the strength of this scenario. We can see it clearly in the case of European agricultural policy or that of green chemistry, where vested interests oppose change in the name of jobs. This, of course, runs

counter to the calls for, and commitments to, emission neutrality by 2050 in the case of the EU and now 2060 for China. That being the case, it is mostly just talk, and there is no real sign of any proper implementation plan (IEA report, 2020). This scenario could have an even more negative variable. Should consumption not really pick up again, calls for recovery would give new impetus to demands for less account to be taken of environmental concerns and for greater labour-market “flexibility” at the expense of workers, and this would go on happening. Seen this way, the third scenario would greatly resemble the first.

The final scenario involves accelerating the ecological transition and rapidly rethinking our growth (or shrinkage) model with a return to public services, common goods and solidarity at the heart of the economy and social affairs. We are also seeing the seeds of this in the present situation, not just with several governments and civil-society players supporting the Green Deal but also with the part certain cities, such as Paris and Brussels, could play in bringing about this faster transition. But this transition would be taking place against a background of high unemployment and a severe economic and financial crisis that would make it very complicated to carry through successfully. Two factors are set to have a decisive influence. The first is the partial relocation of production chains (strategic sectors) and a certain environmental protectionism (taxes at the borders). The first point has a lot in common with the second scenario, and an extreme version of environmental protectionism might not be so far removed from the more authoritarian scenario. What would be different would be the idea of cooperative protectionism. Cooperative protectionism aims to achieve the same goal, a drastic reduction in greenhouse gas emissions by each contributor, as opposed to antagonistic protectionism which sets out to win against others. The second factor is the reduction of working time. Here, the second point is certainly the key. It constitutes, however, a dividing line between the neoliberal scenario 1 and the recovery-at-all-costs scenario 3. As a tipping point, it is, in my view, strategically the most important aspect in structuring upcoming debates. The fact that IG Metall is going back to the question of working time in the vehicle sector suggests that it is an option that could win backing from powerful players.

Obviously, these four scenarios are not mutually exclusive and can be combined and developed in parallel in different regions of the world, depending on the relevant balance of power. It sometimes takes only a little to switch from one scenario to another, and the strategy of collective actors will play a key role. There are no lessons we can learn from previous pandemics, and this one leaves different paths open (Boyer, 2020), but it seems likely that we are moving towards a very different and not necessarily automatically better world.

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3. Social dialogue and social contract in a world at fever pitch: what are the chances?

Joe Larragy

Introduction

The context of the 2020 conference is truly remarkable. A pandemic has gripped the world for nearly a year, now dubbed the “new normal”. But how normal was the world before Covid-19? The last decade has been anything but normal – whether viewed at national or European level, or in broader geopolitical terms. We are still dealing with the legacy of the 2008 global financial crisis and property bubble.

But even before the 2008 crash, in the “good times”, the “old normal” was not all motherhood and apple pie. For all the wonders of the booming 1990s and early 2000s, there were also the woes – widening social inequality and an economic growth based on an environmentally unsustainable foundation.

Before the outbreak of Covid-19, the public in most societies were only waking up to the existential threats of global heating and climate disruption. Here too, our “business as usual model” (old normal) threatens the physical foundations of human society. For too long, a radical shift to a post carbon economy was postponed, now making it much more difficult to achieve. It looks inevitable that we, and our children more-so, are facing irreversible climate damage (IPCC various dates) in the coming decades, and at COP26 this year hosted by the UK, it is absolutely vital that a step change towards zero-carbon is made (Klein 2015).

It should not surprise us that there is also an escalating crisis of political rationality. Since the crash of 2008, departure from the old normal has accelerated and the legacy of short termism at the micro level is fast translating into ills at the macro level and new crises of governance have increased in frequency, amid new instability at global level.

The failure of neo-liberalism revealed by the crash has in addition thrown up very disturbing trends – such as “far right” movements drumming up hostility against migrants and ethnic minorities, and the deliberate stirring-up of militant nationalist “populism” for political purposes. Instead of informed debate intended to bring some truth to the surface we are witnessing a cheapening and

spoiling of political discourse in public life, characterised by the rise of corrupt and self-serving politicians, cynical media manipulation and disturbing stirrings of delusional national triumphalism, in several countries.

Ultimately, who benefits from this? The decline of public discourse, and the creep of xenophobic authoritarianism, populism and predictably, several other “-isms”, racism, sexism, ageism, ableism (coupled with climate denial, and now covid-denial) should stir us all. The rise of these ideologies is proportionate to the collapse of public discourse and social dialogue informed by the virtues of public spiritedness and healthy democratic life in the broadest sense.

In many parts of the world now, what Habermas has described and analysed over decades – the “public sphere” – is in danger of being extinguished (never mind the USA, Brazil, the Philippines, Russia, China – Habermas (2020) wrote about this danger most recently, in the German context). Against such a backdrop, the appeal for new social dialogue and social contract is, to say the least timely, urgent indeed, and bears re-examination as a way of getting to grips with today’s challenges, not just in Ireland but more widely.

Ireland now sits astride the Atlantic Economy, benefiting from growth and modernisation driven by high tech inward investment and export, and related indigenous economic expansion, inward migration, membership of the single market and pooled sovereignty of the European Union. Politically Ireland has benefited from the many regulatory human rights and social aspects of the European *acquis* too, since its accession in 1973. And despite the legacy of its own past and the many forms of social oppression that marred the independent Irish state, and the repercussions of the “Troubles” (1969-1998), Ireland has benefited from stable political institutions and democratic culture.

However, Ireland is embedded in the global economy like never before and, as a relatively privileged place, which it is now, comparatively speaking, Ireland has a greater responsibility and needs to examine its conscience in relation not only to disadvantage at home but to its impact in the wider world. Ireland may think itself clear of the dangers of right-wing populism etc. – “the best little country in the world if it wasn’t for the weather etc.,” – but we saw what followed the hubris in relation to the economy in 2008. We should not be complacent.

Learning from experience

Ireland’s experience of social partnership and other experiments in participatory democracy such as the citizens’ assembly, provide much to learn from in relation

to promoting social dialogue. In the period from 1987 to 2008, in a strictly Irish context, a new form of social dialogue, social partnership in support of a social contract, was established in Ireland.

While neighbouring Britain forged ahead with New Right policies of class confrontation under Mrs Thatcher, in Ireland such confrontation did not happen as state and interest groups found a path to social partnership. At the same time, this path moderated rather than confronted the embrace of neo-liberalism. Where the UK saw great discontinuity from 1979, Ireland saw considerable continuity as it continued its own policy of attracting FDI and engaged actively and profitably with the process of globalisation as the latter deepened in the 1980s and 1990s.

That long period of continuity – which stemmed from the replacement of protectionism and inward mindedness – was abruptly interrupted by the crash (see Roche et al 2017). When the financial and property bubble collapsed in 2008, the fortunes of many changed for the worse. With falling pay and rising unemployment, thousands of house purchasers, mostly mortgaged to the hilt, fell into negative equity and arrears, while increasing numbers joined the ranks of private tenants facing escalating rent, and homelessness increased (Hearne 2020).

One bright spot in the wake of the crash was, and some considerable part of the credit should go to CORI Justice and others in the Community and Voluntary Pillar, that the social security system provided some income protection in the course of the ensuing austerity in Ireland. This in turn had deeper underpinnings in an underlying social contract endured even amid this change. The basic social security system, largely a variant of the UK heritage stemming from the New Liberal reforms of 1906-14, which in the Post-WW2 years, echoed the Beveridgean welfare state, and expanded in the 1960s, has, despite the turmoil, endured (McCashin 2004; 2019).

One of the main innovations in social dialogue in Ireland was the extension of participation in social partnership beyond the interests of Business, Farmers and the Trade Unions. In my book (2014) on the Community and Voluntary Pillar in Social Partnership, I summarised my assessment of the Community Pillar in terms of a concept of “asymmetric engagement”. At the heart of this concept is that contemporary polities are characterised not by an unequal balance of resources, but an unstable balance of power and an ongoing contestation around legitimacy ensures that this asymmetry is not stable. Seen alone, the Community Pillar could be easily dismissed, especially as compared with the resources,

economic power and bargaining positions of employers, or the bargaining strength of trade unions. However, when studied over time – I covered 20 years – the Community Pillar, made up of small currents, mini-movements, articulate analysts, and policy-entrepreneurship, these “junior partners” come out of the analysis much better than many expected.

But their influence derived not from their acknowledged internal virtues in isolation, but from how these virtues can impact in the wider context of economy, state, and civil society. Economic fluctuations, political cycles and other dynamics and instability, make for shifts in the “demos”, when they manifest in crises of legitimacy and political rationality in government. Moments of possibility can arise, and these moments can become windows of opportunity, when “tried and tested” recipes and politics are seen to falter. In such moments, the small currents with the critical analysis can indeed make real connections with these shifts in the electorate, or wider body of citizens.

I do not wish to overstate this influence. The CVP was not powerful like the business sector, farmers or the trade unions. Those constituencies had greater resources, and considerably more bargaining power, even if there was inequality among them too. However, it would be wrong to characterise the CVP experience as one of incorporation of dissent without any gains. There were “wins” and tangible benefits, and several significant changes of policy direction within a broadly framed model of “liberal” representative democracy. There were gains in relation to poverty, gender inequality and local participation and community development, apart from the intrinsic benefits of participation in negotiated governance by more marginalised sections of society.

From a social dialogue perspective, however, the abandonment of social partnership by the employers and government in the aftermath of the financial crash, also revealed how asymmetric this system of engagement always was, not only in relation to the CVP but also the union side. The Irish experience of those decades can provide insights for the emergent challenges of the present and the future in Ireland.

A world at fever pitch

However, contemporary challenges in Ireland are increasingly global in character. The financial crisis of 2008, despite its accentuated effects in Ireland, was ultimately global. Similarly, climate change is a global challenge. And, of course, the Covid-19 crisis is global.

2008 was the moment when the neo-liberal super project turned visibly sour. It revealed all too well what happens when neo-liberalism is not embedded in correspondingly strong countervailing norms, institutions, and distributional Justice, typically underpinned by the state. Since 2008, the world has been living through what Crouch (2011) described as the “strange non-death of neoliberalism”. The project is now headless but still running around the yard. In effect, the framework of national states has been overwhelmed and, without a new global accord and new paradigm, there are real dangers now.

Strategically, at global level, the crash accelerated the changing balance of power, not just in economic terms but in geo-political terms (see for example the startling analysis of Graham Allison 2017). China, already the workshop of the globalised world by 2000, continued to tow the world economy out of the doldrums after 2008, and came onto the global stage as a major regional and significant global power. It still grew during the great recession, albeit not as rapidly, innovating in every field, exporting capital and emerging as a strategic player through its “Belt and Road” strategy, and increased influence in the South China Sea and more generally in Asia, Africa and even in the antipodes.

In the US, after the financial crash, the Obama presidency (2008-16), while leading a recovery at home, also recognised this changing scene and, despite the ongoing crisis in the Middle East, tried to develop a “pivot to Asia” in his foreign policy. And yet there were some signs of dialogue before 2016. For example, after decades of dithering on climate action, the USA and China began to recognise the urgency of coming to grips at a global level with the shared challenge during the 2015 COP21 climate talks, which ended in the Paris Agreement. Limited though this step was in climate terms, it was a rare “yes we can” moment, an opening for common purpose that might even have improved the chances for diplomacy around the Pacific.

Of course, this hope proved premature. The subsequent US administration (2016-2020) reversed all that, abandoning the Paris agreement, baying against climate science, and making an obsession of “China”, not as a coherent strategy, but as one more theme making a “reality TV show” of the US presidency. Tragically, as the extreme manifestation of the pandemic in the USA reveals, government by bully-pulpit tweets on social media is no substitute for the hard graft of political and social dialogue. But the Trump presidency, like some other presidencies across the planet today, is symptomatic of the bizarre world of “post-truth” and typifies the wider vista of the “strange non-death of neoliberalism”, as Crouch puts it. Another four years of that would be catastrophic.

A snowball's chance in hell for dialogue?

Reactionary populism seems like a good term for what we are seeing across the planet today, and it will not fall back of its own accord. It is “reactionary” in the sense that it lacks cognitive content, and is driven by nervous reflex, fear and despair. This has happened before. It is what lay at the root of Fascism in the 1920s and 1930s.

Today, and not only in the USA, there is a partial collapse of trust, belief in liberal democracy, separation of legislative, judicial and executive power. Respect between nation states, and respect within them, safe harbour for refugees etc., have been dealt a serious blow.

Nearer home, the 2016 Brexit referendum, passed by a whisker amid whipped-up fears of migration, has several of the characteristics of reactionary populism, replete with brinkmanship, breaches of trust in cross-national co-operation, stifling meaningful dialogue, breaching parliamentary rules and renegeing on treaty obligations.

There are ample signs of the same dead-end politics elsewhere across the continent of Europe. Although the EU is seen as a collegiate entity, more than the sum of its parts in ways, and has held the line in broad terms, Europe's member states too are laced with dangerous trends and the EU itself consequently has not covered itself in glory on refugees.

The reason for these broader observations is that the world is now more tightly knit. Time and space have been annihilated by communications technology such as the platforms we are using for this very conference. Which is good! But as Ulrich Beck pointed out (2007) global economic activity has now overspilt all previous boundaries leading to environmental destruction and created, globally, a “risk society”. The climate crisis is a mega risk which epitomises this.

But these risks are multidimensional, financial, social, environmental, human, and consequently, and crucially, political. The biggest threats now are to democracy and nation-state institutions. And not only national institutions: White House badmouthing of the UN, and latterly the WHO, has become a worrying feature of his reactionary populist outpourings. These fragile and sometimes imperfect institutions were created to defend human rights conventions and protect health and wellbeing globally, and also to shine a light on violations by governments across the globe. Pulling the rug from under these bodies, is a cynical act beyond compare in recent times.

Against this backdrop, there is a compelling argument to address the question of social contract in new conditions: conditions that are now much broader in scope and global in scale. We, as a planet, face a choice between attempting to develop responses cognitively through a new dialogue, political and social, or simply marching on, brainless, based on some notion of the old normal.

What are the chances of Social Dialogue?

The sophists of the ancient world could, if paid enough, argue a hole through any pot, prove any point, and simply win any dispute. In effect, the truth was whatever you could make people believe it was. Socrates, on the contrary, argued that it was valid only to pursue truth, ask questions, and thrash things out “dialectically” to reach valid propositions.

Out of this dedication to truth through dialogue, emerged the influential political and moral philosophy of Plato and Aristotle and a legacy that has been part of philosophical debate to the present. Not everybody agrees with the Platonic view of the world today, of course, but many appreciate it. (Guthrie 1950). Today’s world is replete with what the modern equivalent of sophists – spin doctors, partisan “think tanks”, pseudo-scientific institutes funded by the tobacco, coal and oil industries, political shock jocks and any number of people skilled at and ever willing to argue holes through different pots if paid enough. But who now remembers the names of the sophists and who would want to be remembered as one?

I do not know what the immediate chances of such a dialogue are, against the prevailing hegemony. As I have argued, however, asymmetric power and resource inequality cannot indefinitely override the independent voices, the Socratic minorities, championing social justice at national level. Scaled up, the same dilemmas face the the prevailing hegemony across the planet as face it within nation states, which is a cause for hope. The evident failures in global arrangements demand a new dialogue that is fully informed by the best science, uncorrupted by vested interests, and value-driven towards just social institutions and processes.

Welfare states as social contracts

Today, the term social contract is commonly used to refer to the post-war “class settlement”, embodied in the modern welfare state and backed up by Keynesian macro-economic management, and sometimes buttressed by active mechanisms of extended political exchange or negotiated governance in the form of social partnership or neo-corporatism.

Not all founding thinkers on the welfare state have viewed it in social contractual terms. In his classic text, T H Marshall (1950) viewed the welfare state not as a social contract but as a completion of the growth of citizenship, seen (in England anyway) as a progression from *civil* rights in the late 18th century, through *political* rights in the 19th, and followed, after a long period of turmoil ending in 1945, by *social* rights.

Rawls (1971) however, did. He drew on classical social contract argumentation in such a way that it provides a logical basis for the welfare state. He starts by addressing the more general problem of social justice, and resolves it through principles of a social contract. This “contractarian” approach he derives, unlike Marshall’s appeal to an immanent social dimension of citizenship that might be viewed as teleological, by following a ‘rational’ logic. However, while utilitarian thinkers using individualistic assumptions about human nature, usually land on the “market” as ultimately the best of possible worlds, Rawls, by starting from a similar methodological individualist position, putting equal liberty to the fore, reached a different conclusion, one which heftily qualified the writ of the market by so arranging resource inequalities as to benefit the least advantaged.

Whether argued in Rawlsian or in the more general form of a class settlement, the term social contract has often been fitted to the welfare state as an implicit or explicit acceptance that capitalism will live with substantial state intervention, while its critics and opponents will concede the rights of private property and capital accumulation.

Renewing the social contract and reinventing citizenship

The welfare state settlement has been attacked, particularly since the 1970s, but has survived. It has survived the crisis of the 1970s, the decades of neoliberalism, and even the post 2008 austerity. Now, however it will need to be reinvented in the context of the breakdown in the neoliberal super project and the need for a truly super-project against climate change.

There are some big questions to confront if the social contract is to be revisited and renewed for the coming period. Much has already been done with the welfare state. It used to be heavily gendered, dominated by a male breadwinner model (Daly 2020). That has changed, somewhat. It was originally conceived as a national level contract but, with greater economic integration, migration, and transnational markets, much has changed and renewal of the contract must become internationalised. And, of course, it must be consistent with and even

contribute to environmental renewal. Here are some aspects worth considering as part of the needed dialogue

Break from neo-liberal capitalism

Since the 1980s the adoption of neo-liberal policies has had a good run. But it is out of time. It is generating greater inequality, macro-economic instability, financial bubbles, environmental degradation, while the privatising of vast areas of what was once part of the welfare state, in pensions, health, education, etc., will just reinforce inequalities.

It's the growth economy, stupid!

Growth is always seen as the solution to problems under capitalism. However, the growth model of the neo-liberal era, from the late 1970s, is environmentally dangerous beyond imagining and ultimately threatens the natural foundations of human life and society. A child can see this.

What is to be in a green new deal?

Environmental sustainability will not be ensured through “green growth”. Growth itself is a problem and needs to be addressed. Our planet is finite, and some form of steady state economic and environmental equilibrium is needed. We are not anywhere near resolving this issue yet. Again, we face the vexations of being locked into growth in general, for the sake of profit.

A just Transition to post-carbon societies

Gough (2018) has outlined an argument for a new type of settlement, in the form of eco-social states based on a just transition to a post-carbon society. This is underpinned by the view that human need and not consumer preferences must be placed at the centre of a new economy. Any new settlement must tackle social need and decarbonisation as two pillars of an integrated strategy, defining greed (new-liberalism, and now worse things) as it is part of the problem, and not of the solution. Then, perhaps, we can solve the equation.

Inequality:

According to Piketty (2017) and others, the declining inequality of the mid-20th century went into reverse after the 1970s and constitutes a serious issue for social solidarity and ultimately political cohesion. It is a trend that must be reversed. The rise of the super- and hyper-rich too is an acute source of danger and political corruption because it can trigger reactionary populism at will.

Gender, Diversity and civil rights:

There remain other substantial key questions, including the need to eliminate inequalities based on gender, colour, nationality, ethnicity, sexuality etc. While this might fall under the heading of social rights, there is also a strong civil and political rights dimension here that is far from being realised. Indeed, these basic civil rights are threatened and regularly violated in the context of new right politics.

Global (and local) governance:

The challenges of economic management today are increasingly beyond the national state and forms of transnational governance are vital for the purposes of regulation, redistribution and democratic governance, in a world where massive private corporations and large private businesses are in a position to influence the policies of sovereign states to avoid and reduce tax liabilities and accountability. Local governance too, and bottom up democratic engagement, needs to be renewed urgently, to challenge the granular local and granular sources of reactionary populism. Nation states can do better in such a renewed top down and bottom up politics.

In sum

The world is in a bit of a mess. It will require global solutions arrived at through valuing of the public sphere, development of social dialogue and hammering out a new version of the social contract. This time, not just a class settlement is needed but a more encompassing settlement that addresses environment, economic management, and human rights across the broadest range of difference between people and in the most complete sense, civil, political and social. Can we do this? Yes, probably.

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4. Time for a New Social Contract

– Policy Options for a More Equal Society⁵

Colette Bennett, Seán Healy, Eamon Murphy and Michelle Murphy

Most people pay little or no attention to the Social Contract that underpins their relationship with the State. Yet the Social Contract is very important as it sets out the, often unwritten, agreement whereby the citizen contributes to the common good – economically, socially and culturally – on the assumption that the State will ensure a minimum standard of living, essential social services and infrastructure, and the protection of basic rights.

Moments of great upheaval often see people raising major questions concerning what was simply taken as ‘given’ previously. The Covid-19 pandemic has provided such a moment.

The initial response to these new challenges showed a solidarity that is not always obvious in the usual day-to-day experience of most people. But it also shows up the inequalities that are built into our society.

The economic lockdown imposed the greatest cost on many of those already worst off. Thousands of jobs have been lost in hospitality, leisure, and related sectors which are characterised by a high incidence of low pay and, often, precarious working practices. Many of those who are still working and risking their lives such as carers and healthcare support workers, as well as shelf-stackers and cleaners, are also among the lowest paid in our society.

Government clearly acknowledged that the basic welfare payment of €203 is too low when it set the Pandemic Unemployment Payment at €350 a week. If it is too low for those becoming unemployed, then it is too low for those already unemployed. It is well beyond time that every person in Ireland was guaranteed

⁵ This paper is extracted from Bennett et al (2020): Building a New Social Contract – Policy Recommendations, Social Justice Ireland: Dublin. <https://www.socialjustice.ie/content/publications/building-new-social-contract-policy-recommendations>. NOTE: Updated data, where available, have been included in this paper.

an income which provided a Minimum Essential Standard of Living as set out by the Vincentian Partnership for Social Justice⁶.

Once Covid-19 has been defeated, all countries will face a major challenge: to decide if the experience of recent months and our response to it should shape the future of our society. We must learn from this experience and tackle the inequality and exclusion that we've failed to address heretofore.

What we see clearly now is that the healthcare services that struggled in normal times are being provided with significant additional resources that, we were told, couldn't be even considered prior to the pandemic. What was claimed to be impossible then is taken to be the only sensible course of action today.

All this suggests there is something profoundly amiss with our Social Contract. Once Covid-19 has been addressed successfully it is crucial that we face up to the radical reforms that are required if we are to reverse the prevailing thrust of policy-making over the past four decades which has failed to eliminate the inequality and exclusion that blights our society.

We need a social contract that is underpinned by a commitment that Government will work at all times to produce five key outcomes simultaneously. These are:

- 1) a vibrant economy;
- 2) decent services and infrastructure;
- 3) just taxation;
- 4) good governance; and
- 5) sustainability.

Working to achieve one or two of these outcomes, rather than all five simultaneously, would simply lead to further inequality and exclusion.

We need the investment in infrastructure and services to develop a thriving economy. We need just taxation to fund this. We need good governance to ensure people have a say in shaping the decisions that impact them. We also need to ensure that everything that is done is sustainable; environmentally, economically and socially.

This will require new approaches to the world of work and a recognition of much of the work done in society that goes unpaid, under-recognised and undervalued.

⁶ www.budgeting.ie

It will also require recognition that our tax and welfare systems are not fit for purpose in the twenty first century. The social welfare system and the income tax credits system should be replaced by a Universal Basic Income which would be far more appropriate for today's economy.

A new Social Contract will also require us to give climate action the priority it urgently needs. The response to Covid-19 shows that society can be mobilised quickly and effectively to address a real and present danger. Climate change represents such a danger, but the policy response so far has been wholly inadequate. We now know that we can respond quickly and effectively to major threats. An effective response to climate change must figure prominently in the new Social Contract.

Even at the earliest stages of this pandemic, the critical value of having an effective public sector was illustrated. The focus of recent decades on constantly reducing the role of the public sector has been shown to be wrong. Countries with a functioning public sector that caters for essential health services for all have been shown to be better equipped to deal with the pandemic than those without, including Ireland with its two-tier system of healthcare. We cannot return to a two-tier healthcare system when this pandemic has passed.

Some might think this is not the time to focus on issues such as the future of the Social Contract. History says otherwise. Before World War II had concluded, plans were already being laid for a major re-structuring of societies. In 1941 President Franklin D. Roosevelt and Prime Minister Winston Churchill issued the Atlantic Charter, which led to the establishment of the United Nations. In 1942 the Beveridge Report, with its commitment to a universal welfare state, was published in the United Kingdom. In 1944 the Bretton Woods conference put together the post-war financial architecture.

Now is the time for creative thinking about what society should look like when the pandemic has passed. Business as usual is not acceptable. We need a new Social Contract.

Table 1: A Policy Framework for a New Social Contract

Vibrant economy	Decent services and infrastructure	Just taxation	Good governance	Sustainability
Deal with the Deficit	Increase Investment	Increase the overall Tax-Take	Open, transparent, accountable structures	Climate Justice
Financial Stability	Quality Services	Taxation Governance	Social Dialogue	Protect the Environment
Boost Public Investment	Minimum Social Floor	Broader Tax Base	Real Participation / Deliberative Democracy	Balanced Regional Development
Decent Jobs				Sustainable Progress Index
Reduce Inequality				

Earlier this year, *Social Justice Ireland* published a series of policy recommendations to move towards the creation of this new Social Contract⁷, extracted for this paper.

A Vibrant Economy

Deal with the Deficit

Ring-fence the Covid-costs incurred in 2020, 2021 and 2022 and finance these with a very long-term, low-interest loan provided by the EU and the European Central Bank. We must review the recovery from the current crisis in two distinct, but connected, parts. The first is the immediate aftermath of the Covid-19 crisis and the associated costs, and the second is the recovery of the economy and society into the future. These must be separated out, with the Covid-19 costs ring-fenced and financed through low-cost borrowing.

Move Ireland’s total tax-take towards the EU-average by widening the tax base in a fair and just manner. Ireland is a low-tax country by the standards

⁷ This paper is extracted from Bennett et al (2020): Building a New Social Contract – Policy Recommendations, Social Justice Ireland: Dublin. <https://www.socialjustice.ie/content/publications/building-new-social-contract-policy-recommendations>. NOTE: Updated data, where available, have been included in this paper.

of our European peers. A vibrant economy must include a sustainable tax-base with increased taxation to fund ongoing expenditures (more details in Pillar 3). **Make savings on expenditure, but not through cuts in services or infrastructure budgets.** We must learn the lessons of the past and avoid a return to austerity policies. These are not only socially damaging, but economically counter-productive as they lead to economic contraction.

Adjust the EU's fiscal rules to cope with the post-Covid reality. *Social Justice Ireland* has long argued that the EU Fiscal Rules were not fit for purpose. In the context of a post-Covid Europe, they are counter-productive to funding the necessary current and capital expenditures required.

Financial Stability

Integrate a Sustainable Development Framework into economic policy. Sustainable economic growth is vital if future generations are to enjoy the fruits of a vibrant economy and society. While growth and economic competitiveness are important, they should be considered in the context of sustainability, using a framework for sustainable development which gives equal consideration to the environmental, social, and economic dimensions. A sustainable development framework integrates these three components in a balanced manner with consideration for the needs of future generations. Maintaining this balance is crucial to the long-term development of a sustainable resource-efficient future for Ireland.

Off-balance-sheet investment in affordable housing and rental. The pervasiveness of the housing crisis, and its associated health risks, have been brought into stark relief by the Covid-19 pandemic. We need to radically rethink our housing system and, acknowledging the need to address the Fiscal Rules, look for innovative ways to fund the necessary infrastructure.

Appeal the Eurostat decision in respect of Tier 3 Approved Housing Bodies. If Ireland's level of social housing provision is to be aligned with other European countries (see Pillar 2), we must revisit the Eurostat determination that Tier 3 Approved Housing Bodies are to be treated as part of general government balance sheet.

Boost Public Investment

Dramatically increase investment in infrastructure and services (details under 'Decent Services and Infrastructure'). Supporting investment in infrastructure and services, particularly in high-employment-intensity, smaller

scale projects, supports local economies at a time when the SME sector is struggling. There is time to plan for larger scale projects; however, priority must be given to local and regional development.

Recognise that, while most additional investment should be in once-off infrastructure, there is also a need to invest in recurring expenditure to generate the structural change and reform required. Covid-19 has emphasised the necessity of capital investment in healthcare, housing, education, and broadband, among other areas. That investment must also be accompanied by a commitment to current expenditure that supports the relevant functions (for example, primary care teams; wraparound services for Housing First; and reducing the teacher/pupil ratio).

Resource the up-skilling of those who are unemployed or at risk of unemployment. In as much as Covid-19 has highlighted ‘essential work’, it has also brought into relief the precarity of certain types of employment, particularly work undertaken by younger workers. We must also begin a Just Transition to more sustainable employment in the context of environmental protection and globalisation. Through a process of employer-led education and training initiatives, workers will be more adaptable and SMEs (small and medium enterprises) more sustainable through the retention of a skilled labour force.

Invest in Lifelong Learning as part of a human capital investment strategy. Lifelong learning is essential to ensure Ireland can meet the challenges that automation and adaptation pose to the future of work. While Ireland’s lifelong learning participation rate is slowly improving (it was 14.7 per cent in Q4 2019⁸) those engaged in lifelong learning are more likely to be professionals rather than those with lower skills. Less than half of the adult population has at least basic digital skills and only 28 per cent of people have digital skills above a basic level⁹. Covid-19 has clearly demonstrated how core this capacity is to working life and the urgency of addressing this deficit.

Commit to increasing investment in Early Childhood Care and Education by 0.1 per cent of GDP annually. The most striking feature of investment in education in Ireland relative to other OECD countries is its under-investment in early childhood education. Consecutive studies show Ireland has spent just 0.1 per cent of GDP on pre-primary education compared to an OECD average

⁸ https://www.solas.ie/f/70398/x/715aebfcc7/lifelong-learning-among-adults_q4-2019.pdf

⁹ <https://www.oecd.org/publications/how-s-life-in-the-digital-age-9789264311800-en.htm>

which has increased from 0.5 to 0.8 per cent¹⁰. Early childhood education and care has a profound and long-lasting impact on individual lives and on societies. We must therefore strive to emulate our OECD peers and move closer to the OECD average.

Develop a framework to deliver sustainable funding revenues for higher education. Having a Third-level qualification is closely linked with higher employment rates and income levels throughout life. Adults with a tertiary degree in Ireland earn on average 81 per cent more than adults with upper secondary education only. The employment rate is 11 percentage points higher for degree holders than for those with an upper secondary or post-secondary non-tertiary education¹¹. The benefits of investing in education – to the individual, to the economy and to society – far outweigh any initial outlay of resources. Education funding per undergraduate student (full-time, part-time, remote and FETAC) enrolled in 2019 was 50 per cent lower than in 2008¹². If we want to maintain our reputation as having a highly-skilled, well-educated labour force, we must invest and develop a sustainable funding mechanism for higher education.

Decent Jobs

Increase the minimum wage to the level of the Living Wage. Around 120,000 workers in Ireland earn the National Minimum Wage (NMW) or less¹³, and up to twice that many again earn below the Living Wage – the rate a single person working full-time must earn to achieve a minimum socially acceptable standard of living.

Strengthen and enforce legislation to tackle job precarity and low pay. Ireland has one of the highest rates of low-paid employment in the OECD – almost six times the rate of Belgium, which is the best performer – and places 2nd worst behind only the United States¹⁴. We must address this from both a social and an economic standpoint. Providing a living wage would also have a positive economic multiplier effect.

¹⁰ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 8, Social Justice Ireland: Dublin

¹¹ <http://www.oecd.org/skills/piaac/Ireland.pdf>

¹² https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2019/2019-11-25_an-overview-of-tertiary-education-funding-in-ireland_en.pdf

¹³ <https://www.cso.ie/en/releasesandpublications/er/lfsnmw/lfsnationalminimumwageestimatesq42019/>

¹⁴ <https://www.socialjustice.ie/content/policy-issues/low-pay-ireland-still-huge-issue>

Develop flexible working initiatives to support remote working and increased participation for people with disabilities. Covid-19 has changed the nature of work in Ireland. Remote and flexible working has become the norm for many workers who are not on the ‘front line’. While this has presented challenges, particularly for those juggling education and caring responsibilities, it has also presented the opportunity to test new ways to work. The *Remote Work in Ireland – Future Jobs 2019*¹⁵ report acknowledges the importance of providing flexible alternatives from the point of view of sustainability, and increasing labour market participation among women and people with disabilities. The past number of months has proven that many of these alternatives already exist. These must now become streamlined to facilitate this broadening of the labour force participation.

Recruit and upskill healthcare workers to meet demand. Even before the Covid-19 crisis, there was a healthcare crisis with high occupancy rates in acute services and a dearth of step-down and home care supports¹⁶. There is a need to support and upskill healthcare workers and to expand the numbers employed to ensure sufficient numbers are available to deliver a decent level of service.

Reduce Inequality

Set an ambitious national poverty reduction target. High rates of poverty and income inequality have been the norm in Irish society for some time¹⁷. Ireland has one of the most unequal distributions of market income in the European Union. We rely heavily on our tax and social welfare systems to produce a more equal society. We need to set an ambitious national poverty reduction target to eliminate poverty in line with our Agenda 2030 commitments.

Make persistent poverty the primary indicator of poverty measurement. As part of the EU structure of social indicators, Ireland has agreed to produce an indicator of persistent poverty. This indicator measures the proportion of those living below the poverty line in the current year and for two of the three preceding years. It therefore identifies those who have experienced sustained exposure to poverty which is seen to seriously harm their quality of life. This is long overdue and is a crucial missing piece in society’s knowledge of households and individuals on low income.

¹⁵ <https://dbej.gov.ie/en/Publications/Publication-files/Remote-Work-in-Ireland.pdf>

¹⁶ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 7, Social Justice Ireland: Dublin

¹⁷ <https://www.socialjustice.ie/sites/default/files/attach/publication/6310/2020-05-18-sjipovertyfocusmay2020final.pdf>

Introduce policies to eliminate in-work poverty, including making tax credits refundable. There is an unacceptably high instance of low paid employment in Ireland. Almost 100,000 people live below the poverty line despite having a job¹⁸. 200,000 people in employment are experiencing enforced deprivation. We need to recognise the problem of the ‘working poor’. Making the two main income tax credits refundable would help address the situation of households in poverty which are headed by a person with a job. Such a move would give government a mechanism it currently does not have with which it can address low pay, and would also make the income tax credit system fairer.

Implement a programme to reduce overall poverty rate to 4 per cent within five years. The at-risk-of-poverty rate in Ireland is 12.8 per cent. Without the tax and social welfare systems, the rate of people experiencing poverty in Ireland would be 41.4 per cent. Such an underlying poverty rate suggests a deeply unequal distribution of market income. Of the approximately 637,000 people living in poverty in Ireland, almost 200,000 are children. As part of our move to eliminate poverty, we must set a national poverty target of 4 per cent, to be achieved within the term of this Government.

Ensure adequate income through the lifecycle, including adequate payments for children, women, and a Universal State Social Welfare Pension. In the last decade, the poverty rates for single person households have risen notably, while they have fallen (or remained more-or-less static) for other household types. This is true for both people of working age, and for those over 65. This Government should ensure that core social welfare rates keep pace with changes in the economy and elsewhere in society. There should be increased equity of social welfare rates, and less reliance on Qualified Adult payments. Policy should ensure that payments for children are adequate, in order to address child poverty; it should also move towards a Universal State Social Welfare Pension to support older people to live with dignity.

Decent Services and Infrastructure

Invest in Primary Care Networks and step-down facilities. Ireland is a relatively young, but ageing, population. Healthcare needs across the lifecycle are more appropriately addressed, in most instances, at a community level, with acute care reserved for acute cases. The lack of step-down facilities is also linked to delayed discharges from acute hospitals, which are coming under increasing pressure from an increasing population in the absence of adequate

¹⁸ <https://www.socialjustice.ie/content/policy-issues/more-637000-people-are-still-living-poverty-ireland-despite-modest>

community healthcare. This is particularly the case in the areas of home support and continuing care, and other supports enabling older people to live in the community for as long as possible.

Fully resource the implementation of Sláintecare, including the €500 million annual commitment to infrastructure over the next 6 years. *Social Justice Ireland* welcomed the Sláintecare report's recognition that Ireland's health system should be built on the solid foundations of primary care and social care¹⁹. However, the required capital allocation of €500 million per year for the first six years to support the infrastructure to implement Sláintecare was not made available in the intervening years since it received cross-party support in 2016, with the exception of Budget 2021 which did go some way to addressing this. In order to deliver the modern, responsive, integrated public health system that the report envisages it is vital that the necessary resources are made available.

Set a target of 20 per cent of all housing stock in Ireland to be social housing within a decade and develop programmes to ensure that this target is reached. According to the Social Housing Needs Assessments 2019²⁰, published in December 2019, there were 68,693 households on the waiting list for social housing, presenting as a decrease of 4.4 per cent on the previous year. However, the truth is that the housing crisis is worsening as Government continues to look to the private sector for solutions. Recent Government policy has seen a shift away from the construction of social housing to an over-reliance on the private rented sector to provide social housing 'solutions'. This is evident from both the increase and change in nature of the current expenditure on housing in recent years. The Government did not reach its own targets for social housing 'builds' in 2018 or 2019 - targets that were inadequate to begin with. It is now time to set a new social housing target of 20 per cent of all housing stock (in Ireland it is currently 9 per cent) in line with other European countries.

Invest in Housing First and develop a suite of wraparound services for homeless adults and families. *Social Justice Ireland* welcomed the publication of the Housing First National Implementation Plan 2018-2021²¹ in September 2018, however the action to implement it is not keeping pace with the homelessness numbers. The thinking behind Housing First is that immediate permanent housing would be provided to homeless people, followed by the full

¹⁹ <https://assets.gov.ie/22609/e68786c13e1b4d7daca89b495c506bb8.pdf>

²⁰ <http://www.housingagency.ie/news-events/summary-social-housing-assessments-2019>

²¹ https://www.housing.gov.ie/sites/default/files/publications/files/housing_first_implementation_plan_2018.pdf

suite of ‘wraparound’ housing and health supports. This been used successfully in Finland to almost eradicate homelessness in its entirety²². In its policy statement on Family Hubs²³, IHREC recommended an amendment to section 10 of the Housing Act 1988 to limit the amount of time a family may spend in Family Hubs. A similar regime operates in Scotland and this is something that *Social Justice Ireland* has been advocating for. This would then allow for the expenditure allocated to Family Hubs to be re-directed to support the Housing First programme.

Quality Services

Invest in education, literacy and retraining programmes to address NEETs.

Despite making steady progress, Ireland still faces challenges in the area of early school leaving and young people not engaged in employment, education or training (NEETs) in disadvantaged areas. The gap between retention rates in DEIS and non-DEIS schools has halved since 2001, but it still stands at 8.5 per cent²⁴. The Government must work to ensure that schools in disadvantaged areas are supported to bring the rate of early school leavers to below Ireland’s country-specific target of 8 per cent under the EU2020 Strategy and towards the national rate of 4 per cent.

Invest in ancillary community services to remove barriers to employment.

A recent report published by the National Economic and Social Council (NESC), entitled *Moving from Welfare to Work*²⁵, found that there is a diversity of low work intensity households: unemployed people, lone parents, people with an illness or disability, and ethnic minorities. Identified within this report were services and supports such as affordable childcare and afterschool care; retention of the medical card for a period post-employment; supports for those on low incomes to access transport and IT services to facilitate moves towards employment; and employment and educational supports. If we want to remove barriers to employment, particularly for long-term unemployed and low work intensity households, we must engage with their lived experiences of the barriers presenting and look to implement structural supports to facilitate engagement.

Properly resource mental health services. The area of mental health is one requiring urgent attention. Mental health is critical to individual wellbeing,

²² https://www.feantsa.org/download/a_home_of_your_own_lowres_spreads6069661816957790483.pdf

²³ <https://www.ihrec.ie/app/uploads/2017/07/The-provision-of-emergency-accommodation-to-families-experiencing-homelessness.pdf>

²⁴ <https://www.socialjustice.ie/content/policy-issues/impact-early-school-leaving>

²⁵ <https://www.nesc.ie/publications/>

as well as for social and economic participation. The connection between disadvantage and ill health when the social determinants of health (such as housing, income, childcare support, education and so on) are not met is well documented. This is also true in respect of mental health issues. The estimated prevalence of mental health disorders is relatively high in Ireland compared with other European countries yet spending on mental health in Ireland is relatively low²⁶. Recent Budgets have seen increases in mental health spending. However, compared to what is required to fully implement *Vision for Change*, it remains insufficient. The Covid-19 crisis has put additional strain on mental health services as people struggle to juggle various responsibilities, job losses, pay cuts, and isolation against the backdrop of a pandemic. Research & Development in all areas of mental health are needed to ensure a quality service is delivered. Providing good mental health services is a necessary investment in the future wellbeing of the country. Public awareness-raising should continue, to ensure a clearer understanding of mental illness so that the rights of those with mental illness are recognised.

Create additional respite care and long-stay facilities for older people and people with disabilities. Deficits in infrastructure need to be addressed urgently with an emphasis on replacement and/or refurbishment of facilities. If this is not done, the inappropriate admission of older people and people with disabilities to acute care facilities will continue with consequent negative effects on acute services and unnecessary stress on people and their families. A related issue is the shortage of short-stay community beds intended to enable people to return to their own homes after a period of intervention and support (including step-up, step-down, convalescence, assessment and review, respite, and rehabilitation services)²⁷. Cuts to supports such as respite, home support hours, and housing adaptation grants during the period of austerity following the previous economic crash have not yet been restored and people living with a disability continue to suffer accordingly. Investment in these areas must be restored and increased to take account of demographic changes in the intervening period.

Fund the CSO to conduct annual surveys to discover the value of all unpaid work across the country. This survey should include the value of community and voluntary work and work in the home, with the results published as soon as they become available.

²⁶ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 7, Social Justice Ireland: Dublin

²⁷ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 7, Social Justice Ireland: Dublin

Minimum Social Floor

Introduce a floor of Basic Income and Basic Services, with the introduction of a Universal State Social Welfare Pension as a first step. As society moves further away from the economy of the mid-20th century (when the foundations of most of the welfare states of the western world were developed), it is increasingly important that the state set minimum floors of income and service access below which none of their citizens should fall. Robust and well-funded public services set the floor which underpin the living standards of most people. Accessible healthcare, high-quality education, a well-regulated housing sector, subsidised public transport, and other important contributions to essential services, are things without which most citizens would have a significantly more difficult existence.

However, even in a situation where most or all of these things are cheap (or even free), individuals will have income needs to allow them to participate in society at a level considered the social norm. This is why Universal Basic Income and Universal Basic Services are complementary policies, essential to ensuring that everyone in society has sufficient income and sufficient access to public services to live life with dignity and experience living standards expected in a first world country. The better the quality (and the better subsidised) the services, the lower the level of basic income necessary. As a first step, the Government should move to a Universal State Social Welfare Pension to support all older people to live a life with dignity.

Give greater recognition to the role of carers and work done in the home. Government must recognise that the term “work” is not synonymous with the concept of “paid employment”. Everybody has a right to work, i.e. to contribute to his or her own development and that of the community and the wider society. This, however, should not be confined to job creation. Work and a job are not the same thing. Caring work and work in the home has lacked the necessary support at Government level, with inadequate respite provision, home care and income supports. This valuable work underpins the whole of society and must be supported appropriately.

Introduce a cost of disability payment. Disability is strongly associated with poverty in Ireland. Among people who are unable to work due to illness or disability more than one in three (37.5 per cent) live on an income below the poverty line. Additional costs associated with living with a disability require a tailored approach to addressing poverty within this group. As a step in the right direction, the Government should introduce a cost of disability allowance to address the poverty and social exclusion of people with a disability.

Index social welfare payments to a Minimum Essential Standard of Living.

To unravel the two-tier welfare system that has been temporarily created as a result of the Covid-19 crisis, and to truly deliver a fair and sustainable economy, the Government should develop a programme to index social welfare rates to the Minimum Essential Standard of Living over a five-year term. First, social welfare rates should be benchmarked to 27.5 per cent of Average Weekly Earnings as the first step in a five-year process to bring them to the Minimum Essential Budget Standard²⁸.

Ensure medical-card coverage for all who are vulnerable. Accessing our complex health system often depends on whether one has a medical card, a GP visit card, private health insurance, private resources to spend on health services, where one lives, and what type of services one is trying to access. It is also those who are poorest, sickest and those with disabilities who find it hardest to pay charges, to negotiate access, and who must wait longer for care. Those who are poor and sick without medical cards fare worst in terms of coverage and access. In 2017, 32.3 per cent of households where at least one person had a medical examination or treatment in the previous 12 months reported that the costs were a financial burden. For households with children, the corresponding rate was higher (35.3 per cent)²⁹. In the absence of a universal healthcare system, ensuring vulnerable households with medical needs can access the treatment they need must be a priority.

Introduce State-led childcare. Affordable childcare and child-friendly employment arrangements are key requirements for greater labour market participation among young mothers. In September 2019, the Department of Children and Youth Affairs published findings from a survey of almost 4,000 childcare providers revealing that the average fee of full-time childcare provision is now €184 per week³⁰. Affordability of childcare is much more an issue in Dublin and its surrounds, and in Cork, than the rest of the country, with the childcare subsidy accounting for just 9 per cent of the cost in the most expensive area. While the cost of childcare may have grown nationally, this hides the geographical disparity where, for example, in Leitrim the average cost of childcare, including the subsidy, is €530 per month or one-third of a full-time minimum wage worker's take-home pay. This increases to 49 per cent of take-home pay in Dublin City Centre. Childcare is yet another area brought into focus by Covid-19, with many working parents struggling to meet work and

²⁸ www.budgeting.ie

²⁹ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 7, Social Justice Ireland: Dublin

³⁰ <https://www.irishexaminer.com/news/arid-30953375.html>

other commitments in its absence. A high-quality, State-led affordable childcare scheme is required to enable working parents to fully participate.

Just Taxation

Commit to increasing the total tax-take by between €2.5 to €3bn annually. *Social Justice Ireland* believes that, over the next few years, policy should focus on increasing Ireland's tax-take. Previous benchmarks, set relative to the overall proportion of national income collected in taxation, have become redundant following recent revisions to Ireland's GDP and GNP levels as a result of the tax-minimising operations of a small number of large multinational firms. Consequently, an alternative benchmark is required. We propose a new tax-take target, set on a per-capita basis. This approach minimises some of the distortionary effects that have emerged in recent years. Our target is calculated using CSO population data, ESRI population projections, and CSO and Department of Finance data on recent and future nominal overall taxation levels. The target is as follows: *Ireland's overall level of taxation should reach a level equivalent to €15,000 per capita in 2017 terms. This target should increase each year in line with growth in GNI**. Increasing the overall taxation revenue to meet this new target would represent a small overall increase in taxation levels and one which is unlikely to have any significant negative impact on the economy³¹.

Review the use of tax expenditures to promote investment in areas that support society. We now have an opportunity to learn from past mistakes and take steps to broaden our tax base so that we are better prepared for the task of rebuilding our society and economy and in making the changes needed to build a stronger, more inclusive Ireland. It is only through a strategic and determined effort to reform Ireland's taxation system that this can be achieved. The recent European Commission assessment on broadening the tax base³² shows we have significant scope for improvement and that there are many policy instruments available to us. The OECD³³ points to tackling inefficient tax expenditures, and a focus on raising revenues from tax bases that will be the least detrimental to growth, including recurrent taxes on immovable property and general consumption taxes as areas for Governments to consider for base broadening.

³¹ <https://www.socialjustice.ie/sites/default/files/attach/publication/6291/2020-04-27-covid-19taxbriefing-final.pdf>

³² https://ec.europa.eu/info/sites/info/files/2020-european_semester_country_report-ireland_en.pdf

³³ https://read.oecd-ilibrary.org/view/?ref=128_128575-o6rakt0aa&title=Tax-and-Fiscal-Policy-in-Response-to-the-Coronavirus-Crisis

Reform the High-Income Individuals' Restriction to include all tax expenditures. The suggestion that it is the better-off who principally gain from the provision of tax exemption schemes is reflected in a series of reports published by the Revenue Commissioners entitled *Effective Tax Rates for High Earning Individuals* and *Analysis of High-Income Individuals' Restriction*³⁴. These reports provided details of the Revenue's assessment of top earners in Ireland and the rates of effective taxation they incur. While improvements have been made since the publication of these reports, it is important that Government continues to raise the minimum effective income tax rate for high-income individuals so that it is in line with that faced by PAYE earners on equivalent high-income levels. Following Budget 2020 a single individual on an income of €125,000 (gross) will pay an effective tax rate (income tax and USC) of 37.2 per cent (down from 39.3 per cent in 2014); a figure which suggests that the minimum threshold for high earners has potential to adjust upwards over the next few years. We also believe that Government should reform the High-Income Individuals' Restriction so that all tax expenditures are included within it³⁵. The restriction currently does not apply to all tax breaks, including pension contributions.

Increase carbon taxes in line with IPCC recommendations. Budget 2010 announced the long-overdue introduction of a carbon tax. The tax has been structured along the lines of the proposal from the Commission on Taxation and is linked to the price of carbon credits which was set at an initial rate of €15 per tonne of CO₂ and subsequently increased in Budget 2012 to €20 per tonne. Budget 2013 extended the tax to cover solid fuels on a phased basis from May 2013, with the full tax applying from May 2014. Budget 2021 further increased the tax (to €33.50 per tonne) and signalled a pathway to bring the tax to €100 a tonne by 2030. In welcoming this increase, *Social Justice Ireland* highlighted the importance of investing in a just transition using the additional resources from this carbon tax increase. *Social Justice Ireland* believes that as the tax increases the Government should be more specific in defining how it will assist these households. Furthermore, we are concerned that the effectiveness of the tax is being undermined as there is less focus on the original intention of encouraging behavioural change and greater emphasis on raising revenue.

Ensure fair taxation of corporates. Despite a low headline rate (12.5 per cent), to date there has been limited data on the effective rate of corporate taxation

³⁴ www.revenue.ie

³⁵ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 4, Social Justice Ireland: Dublin

in Ireland. A report from the Comptroller & Auditor General (C&AG), using the approach used by the Revenue Commissioners to calculate the effective tax rate – tax due as a proportion of taxable income – found an overall effective corporation tax rate of 9.8 per cent in 2016. The C&AG report further points towards a concentration of corporation tax among a small group of multinational firms and highlights that it is a small number of these firms who are aggressively minimising their tax liabilities³⁶. *Social Justice Ireland* believes that the issue of corporate tax contributions is principally one of fairness. Profitable firms with substantial income should make a contribution to society rather than pursuing various schemes and methods to avoid making such contributions.

Introduce a minimum effective rate of corporation tax of 6 per cent on all corporate profits passing through Ireland. *Social Justice Ireland* believes that an EU-wide agreement on a minimum effective rate of corporation tax should be negotiated and this could evolve from the ongoing discussions around a Common Consolidated Corporate Tax Base (CCCTB). We believe that the minimum rate should be set well below the 2018 EU-28 average headline rate of 21.9 per cent but above the existing low Irish level³⁷. A headline rate of 17.5 per cent and a minimum effective rate of 10 per cent seem appropriate. This reform would simultaneously maintain Ireland’s low corporate tax position and provide additional revenues to the exchequer. Based on the C&AG report the impact of such a reform would be confined to a small number of firms yet it is likely to significantly raise overall corporate tax revenues. Rather than introducing this change overnight, agreement may need to be reached at EU level to phase it in over three to five years. Reflecting this, we proposed prior to Budget 2021 that the effective rate be adjusted to a minimum of 6 per cent – an opportunity regrettably missed.

Clarify and enforce the Vacant Site Levy legislation to ensure it achieves its original purpose. Since 1 January 2017, Local Authorities have been required to keep a register of vacant sites; land in their local area that is suitable for residential development but has not yet been developed. Sites on this register are subject to a Vacant Site Levy, at a rate of 3 per cent for 2018 and 7 per cent for 2019, if they had not been removed from the register in the interim. Despite almost 400 sites being registered, only four Local Authorities reportedly received payment in the first year. Other Local Authorities reported difficulties in collecting the levy on the basis of lack of resources or difficulty valuing the site. Ireland has a

³⁶ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 4, Social Justice Ireland: Dublin

³⁷ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 4, Social Justice Ireland: Dublin

very centralised Government, both in terms of decision-making and finances. The Vacant Site Levy provides an opportunity for Local Authorities to generate revenue, while encouraging development of sites in their local areas in the midst of a housing shortage. This is particularly timely in the context of a reduction in Local Authority revenue from the freezing of commercial rates due to the Covid-19 emergency.

Broaden the Tax Base

Introduce a Financial Transactions Tax. As the international economic chaos of the past few years has shown, the world is now increasingly linked via millions of financial transactions. Similarly, global currency trading has increased sharply throughout recent decades. Transactions in these markets represent a mixture of legitimate, speculative and opportunistic financial transactions, and it is estimated that a very high proportion of all financial transactions traded are speculative and are completely free of taxation. This implies that large and growing amounts of these transactions make no real or worthwhile contribution to economies and societies beyond increasing risk and instability. Taken together, the daily value of international trading in the foreign exchange and interest rate derivatives markets is more than 25 times the annual GDP of Ireland, almost three times that of the UK, and between 40-50 per cent of annual GDP in the EU-28 and US. On an annualised basis, Irish based trading in foreign exchange markets is equivalent to 263 per cent of GDP while trading in interest rate derivatives is equivalent to 132 per cent of the annual value of GDP³⁸.

Social Justice Ireland regrets that to date Government has not committed to supporting recent European moves to introduce a Financial Transactions Tax (FTT) or Tobin Tax. The Tobin Tax, first proposed by the Nobel Prize winner James Tobin, is a progressive tax, designed to target only those profiting from speculation. It is levied at a very small rate on all transactions but given the scale of these transactions globally, it has the ability to raise significant funds.

Introduce an aviation fuel tax. The time has come to look at the aviation sector and the policy levers that are available to ensure that it makes a real contribution to our climate targets. No sector can have a free pass, and with all other sectors being required to make their fair contribution the aviation sector should be no different. Jet kerosene is currently not subject to Mineral Oil Tax, yet air travel is a significant polluter. In a first step to address this anomaly, and as part of a comprehensive carbon policy to meet our national targets for 2030 out to 2050,

³⁸ Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 4, Social Justice Ireland: Dublin

Social Justice Ireland proposes the introduction of a Commercial Air Transport Tax. This is in line with the ‘Polluter Pays’ Principle and the Environment Liability Directive.

Explore new initiatives to promote behavioural change through the tax system. Many taxes, such as carbon tax and aviation fuel tax, are intended to promote behavioural change by acting as a disincentive to engage in certain behaviours that are harmful to the environment or society. While their main intention is not to generate revenue, until such time as consumer patterns change they will provide some additional revenue to the Exchequer. The Government must explore new initiatives to promote this behavioural change, ring-fencing any revenue raised to support a Just Transition.

Change the Local Property Tax to a Site Value Tax. The Local Property Tax system allows property owners to benefit from infrastructural development and/or environmental factors unconnected to anything they may have done to their site. The fact that rate bands for the purpose of calculating Local Property Tax have not been updated since 2013 is also concerning. Replacing the Local Property Tax system with a Site Value Tax would introduce a more equitable tax system, while avoiding the political conundrum that goes with updating bands under the current system.

A Site Value Tax is based on the value of the land, or the site, before anything has been done to it. Site Value Taxes disincentivise land hoarding, as the same rate of tax applies to a piece of land irrespective of whether it has been developed³⁹. This would lead to more efficient land use within the structure of social, environmental and economic goals embodied in planning and other legislation.

Reintroduce the Windfall Gains Tax at 80 per cent. The vast profits made by property speculators on the rezoning of land by local authorities was a particularly undesirable feature of the recent economic boom of the early 2000s. Re-zonings are made by elected representatives, supposedly in the interest of society generally. It therefore seems appropriate that a sizeable proportion of the windfall gains they generate should be made available to local authorities and used to address the ongoing housing problems they face. For some time, *Social Justice Ireland* has called for a substantial tax to be imposed on the profits earned from such decisions. A windfall tax level of 80 per cent is appropriate and still leaves speculators and land owners with substantial profits from these rezoning

³⁹ For more detail, see <https://www.socialjustice.ie/content/policy-issues/time-site-value-tax-replace-irelands-lpt>

decisions. The revenue generated by this tax could then be ringfenced by Local Authorities to provide additional housing and upgrade existing housing stock.

Close tax loopholes for property investment vehicles. While measures in Budget 2020 to “ensure that an appropriate level of tax is paid on property gains by REITs” were welcome, their introduction came six years after the preferential tax treatment of REITs was introduced in the Finance Act 2013. All proposed tax structures associated with residential property should be reviewed by the Irish Government Economic and Evaluation Service (IGEES) prior to their introduction and subjected to annual review by the Department of Finance.

Reintroduce the Non-Principal Private Residence Tax at a rate of €500 per annum. While second homes are liable for the local property tax, as are all homes, *Social Justice Ireland* believes that second homes should be required to make a further annual contribution in respect of the additional benefits these investment properties receive. We believe that Government should re-introduce the Non-Principal Private Residence Tax and that it should be further increased and retained as a separate substantial second homes payment. An annual charge of €500 would seem reasonable and would provide additional revenue to local government of approximately €170m per annum.

Taxation Governance

Provide an Annual Review of Tax Expenditures. There have been multiple reports highlighting and detailing the need for new methods for evaluating and introducing tax reliefs (also known as tax expenditures). The proposals focused on prior evaluation of the costs and benefits of any proposed expenditure, the need to collect detailed information on each expenditure, the introduction of time limits for expenditures, the creation of an annual tax expenditures report as part of the Budget process, and the regular scrutiny of this area by an Oireachtas committee. Recently there has been some progress in this direction with a report for the Department of Finance, accompanying Budget 2015, proposing a new process for considering and evaluating tax breaks⁴⁰. Documentation accompanying Budgets 2016-2021⁴¹ also included an annual tax expenditure report. We welcome this development and believe it is important to further develop this work, to deepen the proposed analysis and to further improve the ability of the Oireachtas to regularly review all of the tax expenditures in the Irish taxation system.

⁴⁰ http://budget.gov.ie/Budgets/2015/Documents/Competing_Changing_World_Tax_Road_Map_finalrev.pdf

⁴¹ www.budget.gov.ie

Establish a Taxation Commission with a clear mandate to set out a pathway towards increasing the total tax-take and broadening the tax base. There is merit in developing a tax package which places less emphasis on taxing people and organisations on what they earn by their own useful work and enterprise, or on the value they add, or on what they contribute to the common good. Rather, the tax that people and organisations should be required to pay should be based – as much as is feasible - on the value they subtract by their use of common resources. Whatever changes are made should also be guided by the need to build a fairer taxation system; one which adheres to our already-stated core policy objective. While we welcome the commitment to establishing a Commission on Welfare and Taxation set out in the Programme for Government⁴², a dedicated Taxation Commission with a mandate to develop a pathway to increase Ireland’s total tax-take and broaden the tax base should be established to ensure a more equitable system.

Simplify the tax system. The Irish taxation system is unwieldy and difficult to navigate for the average person. Individuals and corporations with the resources to exploit the loopholes inherent in the various pieces of legislation benefit disproportionately. We need a simpler and more transparent system that reduces the possibility for exploitation and facilitates just taxation.

Good Governance

Open, Transparent, Accountable

Introduce impact assessment and poverty proofing on all Government initiatives. Government policy should protect the most vulnerable in society, or at the very least not actively do them harm. Policies focusing on the economy to the exclusion of society or the environment have disproportionately disadvantaged poorer households and increased inequality. The programme of austerity introduced after the 2008 financial crash is a perfect example. Prior to implementing new policy initiatives that impact on the income and public services that many low-income households depend on, the Government should conduct an in-depth social impact assessment. This should include the poverty-proofing of all public policy initiatives.

Ensure that Budgetary allocations are valid, realistic and transparent, and take account of existing levels of service. In the past number of years, Budgetary allocations, particularly in the area of Health, have lacked transparency and

⁴² Government of Ireland (2020): *Programme for Government: Our Shared Future*, Dublin: Government of Ireland.

have failed to account for existing levels of service. This is an issue *Social Justice Ireland* have highlighted in our Analysis and Critique of recent Budgets⁴³. The Budgetary process must be transparent and accountable, subject to scrutiny and debate by stakeholders.

Legislate for enforcement mechanisms where Local Authorities do not use their full allocation for Traveller Specific Accommodation. An area worth highlighting is the lack of accountability of Local Authorities who do not draw down their allocation for Traveller Specific Accommodation. Over-crowding, lack of appropriate accommodation and lack of facilities is putting Traveller families at risk, particularly in the context of Covid-19 directives to social distance and wash our hands regularly. As of November 2019, just €4 million of the €13 million allocation for Traveller Specific Accommodation had been drawn down with 14 Local Authorities drawing down nothing at all⁴⁴. The use, or lack of use, by Local Authorities of this allocation must be reviewed, with sanctions imposed on Local Authorities who do not use all instruments at their disposal to protect our most vulnerable.

Adopt and implement a national financial literacy strategy. With financial services becoming increasingly digitised and a move towards online and automated telephone banking, cash has become an outdated method of payment. Many essential services now require consumers to set up direct debits, or offer discounted rates to those who do, amounting to a ‘poverty tax’ for the financially excluded, paying premium rates and surcharges for use of other payment mechanisms for essential utilities.

Financial exclusion is not just about access to bank accounts, but access to reasonable, affordable credit that takes account of the financial position of the consumer while being cognisant of the need for people on low incomes to meet contingency expenditures without resorting to high cost credit, ‘pay day loans’ or illegal moneylenders. Lack of internet access, social isolation, old age, and disability (due to access issues) are factors particularly associated with financial exclusion. *Social Justice Ireland* welcomed the inclusion of financial literacy in the Roadmap for Social Inclusion 2020-2025⁴⁵. The Government should track levels of financial exclusion, and build and monitor policies and practices aimed at eliminating it in its entirety by 2025.

⁴³ www.socialjustice.ie/Budget

⁴⁴ <https://www.oireachtas.ie/en/debates/question/2019-11-19/660/>

⁴⁵ <https://www.gov.ie/pdf/?file=https://assets.gov.ie/46558/5cea3d74aa934fe780cc521ddbe477a7.pdf#page=1>

Ensure adequate funding for civil legal aid. Access to justice is a basic human right. However, in order to achieve equality of access, there can be no imbalance of power. In a legal context, the balance of power almost always rests with those who can afford counsel. Redressing this balance requires the availability of free and low-cost legal services to those who need the advice of a qualified solicitor or barrister but who cannot afford the costs associated with it. Cuts in both staffing levels and funding for the Legal Aid Board and the decision to raise costs for legal services has had the inevitable effect of both deterring and denying access to justice. Budget 2020 increased the allocation to Criminal Legal Aid by €4 million to €65.3 million, while Civil Legal Aid increased by just €1 million for the continuation of the Abhaile scheme⁴⁶. This is insufficient to allow the Legal Aid Board to deal with its caseload or undertake the necessary review of the eligibility criteria.

Greater transparency of lobbying activities. The Register of Lobbying was introduced in 2015 to increase transparency and accountability, making information available to the public on the identity of those lobbying designated public officials and the nature of those lobbying activities. While this increased transparency is to be welcomed the question of what, if any, effect it is having on a cultural shift from vested to public interest remains. Greater attention must be drawn to the information available on the Lobbying Register. The inclusion in the Standards in Public Office Commission's Annual Reports under the Regulation of Lobbying Act of policy areas with the greatest lobbying activity, the lobbying organisations and the designated public officials engaged, would aid this transparency and highlight to the general public those influencing the political decision-making process.

Social Dialogue

National Economic and Social Dialogue / Partnership to include all five pillars. There are a range of key issues that go beyond the economy. These include infrastructure (e.g. social housing, public transport, rural broadband); services (e.g. healthcare, education, caring); climate change and sustainability generally; just taxation; and good governance. These are all issues that impact on the economy and are impacted on by the economy. Ireland needs an approach that addresses these issues simultaneously, not one that gives priority to the economy and hopes the benefits will trickle down, which they never do. The Government must therefore adopt an integrated and inclusive approach to decision-making in the interest of all sectors of society.

⁴⁶ www.budget.gov.ie

Ensure that all voices are heard and include all stakeholders. At a national level a new structure for Social Dialogue is required where issues may be discussed in a deliberative manner. Any proposal for Social Dialogue should involve Government, trade unions and employers, the community and voluntary sector, farmers, and environmental groups. Any structure for Social Dialogue that excludes any of these groups would be a recipe for ensuring that most of Ireland's resources would be captured by those participating in the discussion. Such an approach would simply lead to deepening divisions and growing inequality in Ireland.

Broaden discussion beyond pay and taxation. At the core of the new model of Social Dialogue should be not the drive towards cost competitiveness (although this is incorporated through the wage bargaining process and productivity improvements) but a broad-based enhancement of capabilities in the economy and society. These do not emerge spontaneously, however, and the role of civil society – where the community and voluntary sector are particularly important in Ireland – is critical here. A credible Social Dialogue process must include the community and voluntary sector and the environmental sector, as well as the trade unions, employers and farmers.

Ensure an integrated approach to discussing issues. Social Dialogue in various forms remains common across Europe's most successful economies and can play a key role in building a fair and sustainable future here in Ireland. But this dialogue must involve all aspects of the Social Contract. Focusing on one area, for example the economy, to the exclusion of all others, increases inequality.

The design and implementation of our recovery after the Covid-19 crisis will reshape our society and economy for future generations. It is important that we get these decisions right. Ireland's economic growth in recent years has been spread very unevenly; we must ensure that this trend does not continue. In the absence of some kind of national Social Dialogue, the strongest can fight their corner in the open market or the political realm while the weakest will be left behind. In such a scenario inequality, already at unacceptable levels, will continue to grow and the integrated development that is required will not be achieved.

Real Participation / Deliberative Democracy

Establish a Dialogue Forum in every Local Authority involving Local Authorities and the Public Participation Networks (PPNs). Public Participation Networks provide an opportunity for real engagement between local people and the local authorities across the country on issues that are vital to the future of their communities. This engagement is critical as Ireland strives to implement the Sustainable Development Goals (SDGs) and wellbeing at a local and regional level. *Social Justice Ireland* recommends that a dialogue forum be established involving the PPN and the Local Authority in each area to discuss the Statement on Wellbeing that the PPNs are developing for their local areas. This Forum should become an essential part of the ongoing Local Economic and Community Plans processes and of the annual Local Authority Budget process.

Fully implement recommendations of the Commission for the Elimination of Racial Discrimination within a reasonable timeframe. In 2019, Ireland appeared before the United Nations Committee on the Elimination of Racial Discrimination (UNCERD). In its combined 5th to 9th Report⁴⁷, the Government cited the policies implemented since the previous UNCERD report including the establishment of the Irish Human Rights and Equality Commission (IHREC) in 2014; the statement on Traveller ethnicity in 2017; and the establishment of the National Traveller and Roma Inclusion Strategy to demonstrate how Ireland is engaging with the problem of racial discrimination.

However, two shadow reports – one from the Irish Network Against Racism (INAR)⁴⁸ and the other from IHREC⁴⁹ – provided a very different view to the Committee of the lived experience of people facing discrimination. In its conclusions⁵⁰, the UNCERD acknowledged the steps taken by Ireland since the previous review in 2011. However, it also contained a series of 22 specific Concerns and Recommendations across a broad range of areas. Recent events internationally have demonstrated how destructive discrimination can be. The Government must be capable of tackling these issues head-on and fully implementing each of the 22 UNCERD recommendations.

⁴⁷ http://www.integration.ie/en/ISEC/ICERD_C_IRL_5-9_6513_E.pdf/Files/ICERD_C_IRL_5-9_6513_E.pdf

⁴⁸ <https://inar.ie/cerd19/>

⁴⁹ <https://www.ihrec.ie/reports-international-bodies/un-convention-on-the-elimination-of-all-forms-of-racial-discrimination/>

⁵⁰ https://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/IRL/INT_CERD_COC_IRL_40806_E.pdf

Introduce an ex-ante social impact assessment of all policy proposals to be discussed at Oireachtas Committees. Similar to the recommendation in respect of poverty-proofing Government initiatives generally, the Government must develop and implement an ex-ante social impact assessment of policy proposals to be discussed at Oireachtas Committees.

Sustainability

Climate Justice

Ensure that all people are treated fairly in the creation of policies and projects that address climate change as well as in the systems that create climate change. Social dialogue on climate action and sustainability, at local and national level, must be undertaken to ensure that the voices of all affected by climate change, and the policies proposed to address it, are heard and integrated into projects and systems. At a global level, Ireland must continue to increase its level of Official Development Assistance (ODA) towards the UN-agreed target⁵¹ of 0.7 per cent of national income to support developing countries who suffer the most as a result of climate change.

Ensure that sustainable agriculture policy, sustainable land management, and short supply chains for farmers and consumers, form the basis of future agricultural policy. Support for sustainable agricultural practice is important to ensure the long-term viability of the sector and consideration must also be given to how the projected increase in agricultural emissions can be offset. It is important that the agriculture sector is at the forefront of developing and implementing sustainable farming practices and is innovative in reducing emissions.

With regard to our national and international climate commitments, it must be asked what agricultural policy will be best-placed to ensure Ireland meets its national and international targets: Is it a policy of agricultural expansion and increased emissions to reach additional markets or is it a policy of ensuring Ireland produces the food required to meet our population needs, where Irish farmers are supported in pursuing short supply chains, and ensuring quality Irish agricultural products get a fair price in Irish supermarkets? Irish agricultural policy should also support our ODA policy and not undermine the agricultural sector in the developing world in providing the food required to meet their own population needs and getting a fair price for their own produce.

⁵¹ <https://iif.un.org/content/un-target-oda-global>

Develop a comprehensive mitigation and transition programme to support communities and people in the transition to a low carbon society.

A comprehensive mitigation and transition strategy is required to ensure there is public support for our domestic and international environmental and sustainable development goals. This strategy must pre-empt some of the challenges we face as we move to a more sustainable form of development. The development of a national mitigation and transition strategy is a matter of priority if there is to be public support for the significant and fundamental changes required in the years ahead.

Protect the Environment

Invest in integrated, accessible, sustainable and environmentally friendly public transport networks. Transport emissions have increased in recent years in line with economic growth, and any improvements made during the recessions have been undone. Significant investment is needed to develop a public transport network powered by electricity and renewable energy. To encourage electric car-use, the national charging infrastructure must be upgraded and the tax on electric vehicles should be reduced to make them a more affordable option. The initial investment in public transport must be substantial if it is to have the necessary effect, but the long-term social, environmental and economic benefits of such a change would greatly outweigh the cost. It is vital that the upgrade to the public transport network has a strong focus on connectivity to ensure that people travelling from rural or regional areas to urban centres are encouraged to do so by public transport. Government policy must also examine how to discourage private car use, particularly in urban areas, in conjunction with the provision of accessible and quality public transport and an improved cycling network all forming part of a transition to a low-carbon transport system.

Invest in hard infrastructure for cycle lanes. The bicycle sharing scheme in Dublin saw 3.85 million journeys undertaken in 2018, a decline from 4.1 million the previous year. This continued a downward trend since 2016. Similar schemes in Cork, Galway and Limerick reported journey numbers of 271,581, 39,005, and 27,772 respectively⁵². When we compare data since 2015, the first year in which all four bicycle schemes were operational, we see a decline in journey numbers, year on year, since 2016 in Dublin, Cork and Limerick. Galway is the notable exception, showing an increase in numbers, year on year, in this period. The bicycle sharing scheme is an excellent initiative and supports environmentally

⁵² Healy et al (2020): *Socio Economic Review 2020, Social Justice Matters: 2020 guide to a fairer Irish society*, Chapter 9, Social Justice Ireland: Dublin

sustainable commuting in urban centres. However, without hard infrastructure like cycle lanes, our continued reliance on private cars for urban commutes makes city-cycling hazardous.

Develop passive housing construction processes to ensure environmental sustainability in housing. Passive housing construction is a mechanism for reducing emissions and making housing energy efficient. The announcements in Budgets 2020/2021 of allocations to begin retrofitting Local Authority housing were welcome⁵³, however we must also ensure that new housing meets the highest possible standards of sustainability and environmental protection. There are other benefits to passive construction also – homes are easier to heat and heating costs are lower, supporting those on lower incomes and reducing the need for reliance on fuel subsidies and reliefs from the Exchequer.

Review building regulations to ensure good ventilation, heating and fire safety standards across all buildings. Building sustainable housing is also about building liveable communities. Reductions in building standards for the buy-to-let market – small units, lack of cross-ventilation, no balconies – have been exposed by the current pandemic as the health hazards they are. Building standards must be refocused to have public health and sustainable living at the core of housing development, rather than profit.

Adopt targets and a reporting system for each of the Sustainable Development Goals. Ireland has signed up to achieve the Sustainable Development Goals (SDGs) by 2030 and is committed to legally binding climate-based goals in 2020 and 2030 and a national commitment to be carbon neutral by 2050⁵⁴. Ensuring development is sustainable – socially, economically and environmentally – will be key to achieving these targets. To achieve this sustainable development in the years ahead, Ireland must adopt targets for each of the SDGs, develop a roadmap to meeting these targets and implement reviews of these targets and the steps taken to achieve them.

Set ambitious emissions reduction targets for 2030 and ensure sufficient resources to support implementation of these targets. Ireland must make firm commitments to reduce total emissions outputs from agriculture, transport and energy. We state our ambition to meet our EU targets for 2030 and to be well-placed to meet our mid-century decarbonisation objectives in the Climate Action Plan⁵⁵. Unfortunately accompanying sectoral commitments

⁵³ www.budget.gov.ie

⁵⁴ <https://sustainabledevelopment.un.org/memberstates/ireland>

⁵⁵ <https://www.gov.ie/en/publication/ccb2e0-the-climate-action-plan-2019/>

and emissions reductions targets were not published with the action plan. In light of the need for reductions of over 7 per cent per annum, and given how far Ireland is from its Europe 2020 target, it is clear that strong emissions reduction commitments and actions are required immediately. The European Green Deal⁵⁶ and its commitment to increase ambition for 2030 to 50 or 55 per cent reductions on greenhouse gas will be very difficult to achieve if we do not act now. These commitments must be underpinned by ambitious and substantive policies requiring sufficient resourcing and an all-of-Government approach to ensure that we meet our environmental targets.

Balanced Regional Development

Ensure that investment is balanced between the regions, with due regard to sub-regional areas. The main driver of Ireland’s rural economy has moved from being primarily agricultural to a more diverse base involving services, manufacturing, tourism, and other industries. Further development requires support for the provision of public services, investment in micro businesses and small or medium enterprises, innovation, and the sustainable use of natural resources and natural capital in Rural Economic Development Zones (REDZ). REDZ recognise that rural economies are functionally designed around towns and villages of various sizes whose hinterland may cross administrative boundaries. New funding for REDZ is welcome. However *Social Justice Ireland* is of the view that resources available need to be increased and that success requires a community partnership, rather than a Local Authority led model, to be successful. Initiatives such as SMART villages, as promoted by the European Network for Rural Development⁵⁷, should also be actively considered.

Ensure rural development policy is underpinned by social, economic and environmental wellbeing, and develop an Integrated Rural Development Policy Structure. The Commission for the Economic Development of Rural Areas⁵⁸ has adopted a holistic definition of rural areas as those areas being outside the main metropolitan areas and recognises the relational nature of economic and social development and the interconnections between urban and rural areas. This is the most appropriate starting point for rural development policy in Ireland today.

⁵⁶ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

⁵⁷ https://enrd.ec.europa.eu/enrd-thematic-work/smart-and-competitive-rural-areas/smart-villages_en

⁵⁸ <https://www.chg.gov.ie/app/uploads/2017/01/162404-rural-ireland-action-plan-web-2-1.pdf>

Low density rural economies are fundamentally different to urban economies and as such require different policies to meet a different set of challenges and opportunities. Rural areas and small villages are connected and networked to the local regions and these local regional economies are dependent on interaction with the rural areas they connect with for sustainability. Given this interconnection it is important that rural and regional development is integrated to support sustainable local economies and to ensure that local services are utilised most effectively to address the specific needs of a particular region and the rural communities within it.

Rural development that is appropriate for the challenges faced requires a step-change in how we develop policy in Ireland. Rural development policy should be place-based, reflect the strengths, assets and challenges of the region, and have multi-stakeholder input.

Establish a Just Transition and Adaptation Dialogue to ensure rural areas are not disproportionately impacted by low carbon policies and are supported to meet the challenges posed by the future of work. Government has a key role to encourage and stimulate projects which have the capacity to address core issues including rural poverty and a just transition to a low carbon future in rural areas. A robust social dialogue process provides a structure where current and future challenges can be addressed in a positive manner, acknowledging the task ahead, where reasoned and evidence-based debate forms the basis for decision-making, and where all stakeholders are included in the decision-making process. This dialogue should be built into any Just Transition framework with the appropriate mechanisms, supports and investment at all levels.

Implement the Sustainable, Inclusive and Empowered Communities Strategy. Community and Voluntary organisations have a long history of providing services and infrastructure at local and national level. They are engaged in most, if not all, areas of Irish society. They provide huge resources in energy, personnel, finance and commitment that, were it to be sourced on the open market, would come at considerable cost to the State.

In August 2019, the Department of Rural and Community Development published *Sustainable, Inclusive and Empowered Communities: A Five-Year Strategy to Support the Community and Voluntary Sector in Ireland 2019-2024*⁵⁹. This Strategy sets out the vision for community and voluntary sector development over the next five years. It contains a series of 11 policy objectives across all stakeholders,

⁵⁹ <https://www.gov.ie/en/publication/d8fa3a-sustainable-inclusive-and-empowered-communities-a-five-year-strategy/>

from Public Participation Networks to civil society organisations to local and national Governments. The implementation of the Strategy must be resourced in a way that recognises the important role of the Community and Voluntary Sector, the local role of the PPNs, and the challenges of community development, and seeks to generate real partnerships between communities and agencies.

Sustainable Development Index

Develop a new National Index of Progress, ensuring social and environmental issues are incorporated into our national accounts. Ireland needs to improve its data collection methods when it comes to biodiversity and to monitor the impact of climate change in this context to protect both our natural resources and our economy. Our natural capital and ecosystems should also be assigned value in our national accounting systems.

It is clear we need to move beyond simply measuring GDP, GNP, GNI and GNI*. New indicators should also measure the value of unpaid work to the economy and society. Wellbeing indicators such as health (physical and mental), social and community development, participation, democracy and good governance, culture and values, as well as (of course) social and environmental sustainability should also be included in a new National Index of Progress. It is important to move beyond a purely financial approach and ensure other key indicators of wellbeing are given the priority they deserve by policymakers. This could be a key initiative to support the development of more robust economic, social and environmental policies.

*Social Justice Ireland's Sustainable Progress Index*⁶⁰, based around the Sustainable Development Goals, could be used to inform this process. The metrics referred to in the Sustainable Progress Index, which are widely available and used internationally, could be a baseline for a more cohesive set of national accounts. Government should also implement in full the commitment in the SDG Implementation Plan to identify areas of departmental expenditure which support specific SDGs and expand this to 'badging' or 'tagging' all policy decisions with the relevant goal or goals.

Conclusion

As we face into the most difficult and challenging times most of us have ever known, it is important to acknowledge that despite well documented problems and challenges, Ireland is in the privileged position of having public services and social infrastructure to rely on at a time of crisis. This is due to the social contract

⁶⁰ <https://www.socialjustice.ie/content/publications/sustainable-progress-index-2020>

that underpins our social infrastructure. The social contract as a concept has evolved to encompass a situation whereby citizens contribute to the common good – whether economically, socially or culturally – on the assumption that the State will ensure a minimum standard of living, essential social services and infrastructure is provided, and the protection of their basic rights.

As part of this social contract arrangement in a modern democratic society, citizens may expect:

- access to meaningful work, as well as protection from poverty at times where paid employment is not accessible;
- a minimum floor of income and services in times of old age, disability or infirmity;
- an education system that is relevant, accessible and high in quality;
- a guarantee that their needs will be met at times of ill-health;
- the regulation and protection of the environment for the good of all citizens; and ensured participation in civic life and in the decisions that affect them.

In return, citizens have a responsibility to contribute to society in different ways at different points in the lifecycle. This may be through being employed; through paying taxes; through engaging in caring and voluntary work; or making other contributions to the economic, social, cultural or environmental wellbeing of society.

A key part of the social contract is solidarity between generations. At different points in the lifecycle, all of us will (from a financial perspective) be either net beneficiaries from, or net contributors to, society. This differs, depending on whether we are children, adults of working age, or pensioners. It depends on whether we are in full-time or part-time education, engaged in caring work or in paid employment, or volunteering in the community. But, at almost all times, we are contributing to and benefiting from society in different ways.

The current crisis and its impact on the economy and society mean that in the long-term we must reconceptualise the interaction of employment and work, taxation, and welfare and give serious consideration to policies such as a universal basic income.

In this paper, and our publication *Building a New Social Contract – Policy Recommendations, Social Justice Ireland* have presented our vision for a new Social Contract. One based on the principles of justice and fairness, with sustainability at its core. Now is the time to act.

5. Time for a New Social Compact

Danny McCoy

Introduction

As societies and economies across the globe respond to the Covid pandemic, Ireland has the opportunity to execute a strategy which can address the major structural challenges from both the present and past. To meet this challenge we in Ibec, Ireland's largest business representative organisation, launched a Reboot & Reimagine campaign to set out this strategy and a blueprint for a better Ireland.

The campaign aims to galvanise all stakeholders on a set of actions and aspirations to create a sustainable future for Ireland. In effect the mechanism we envisaged to deliver this is a new Social Dialogue model with the potential to deliver a new Social Compact within that. What this Compact might contain is an open question but the compact I would contend in the former Social Partnership agreements in their initiation in the late 1980s was moderate wage growth, with reduction in personal taxation alongside industrial stability to enhance productivity.

This previous compact was directed at the individual to facilitate the opportunity to not just remain in Ireland but to thrive and prosper here, to build a career and begin household formation reversing the economic necessity to emigrate. A new compact would need to address the challenges of the Ireland of today and into the future. The standout issues of today are not merely standards of living issues but quality of life factors. Ibec sees these as better lives, better business addressing the need for better planning, better infrastructure and housing and doing these sustainably. The future of work will bring other challenges from automation, remote working and the absence of income continuance factors which even if coverage is nominally high, adequacy however might be low particularly when dealing with unforeseen shocks giving rise to precariousness.

The Developmental Welfare State work of the National Economic and Social Council may have another opportunity as the global trends are swinging towards social democratic inclinations after the half century swing towards conservative liberalism and focus on individualism. A favoured topic of the Social Justice Ireland conference has been the notion of a Universal Basic Income, I will reflect on how this may or may not be part of a New Social Compact.

Ibec sees the priorities falling into six themes:

1. Engagement and crisis management
2. Fiscal policy and stimulus measures
3. Get people back to work
4. Use the National Development Plan (NDP) review to stimulate investment
5. Reimagine a better Ireland
6. Seize international opportunities and respond to Brexit

Action has demanded leadership and courage from Government, as well as societal stakeholders as we continue to find ourselves in this crisis longer than had originally been anticipated.

Ibec Reboot & Reimagine Campaign

On Fiscal policy and stimulus measures we set out the following recommendations:

Roll out a multi-billion reboot plan: Whatever it takes should be the mantra of Government policy to restore the economy and endeavour to offset the collapse in GDP with increased public spending, tax supports and investment.

Continue to enhance the suite of liquidity supports for business and households: The scale of public supports provided to address the liquidity crisis for business and households need to provide stability for both. For households this might involve a move towards a long-discussed topic of this Social Justice Ireland conference on a Universal Basic Income, a topic I will return to later. For business, further measures such as low or zero cost loans, export credit insurance and extended state guaranteed loans are urgently required.

Write down some debts and provide cash grants to SMEs: Many businesses will need further support such as extended write-down of commercial rates debts; enhanced direct grant payments and State support to resolve commercial rents disputes.

Provide stimulus measures for consumers and impacted business sectors: These should include tax changes to support employee voucher benefits, additional social welfare payments, grants to aid required social distancing investments and the reintroduction and expansion of the 9% hospitality VAT rate.

Establish a Commission on Taxation and Social Welfare: This should address both the immediate tax revenue challenges of the crisis and a range of other long-term issues such as environmental taxes and the sustainability of the wider tax base along with addressing the multiple welfare factors like income continuance from pensions, redundancy, layoffs or various parental leave periods.

On getting people back to work we set out the following recommendations:

Increase employment support funding through JobsPlus scheme: This scheme is a proven way to get people back to work and supports should be increased and targeted at the most impacted sectors and regions.

Ramp up support for labour market activation programmes: Building on the lessons of the last crisis, increased supports and new programmes should be provided to support jobseekers.

Reform the social welfare and social insurance systems: Long-term reform will be needed for both the social welfare and social insurance systems through the Commission on Taxation and Social Welfare.

Increase funding for training and up-skilling and safeguard the National Training Fund (NTF): In addition to funding available through NTF, targeted training and learning programmes will be needed for SMEs and incentives required to support industry uptake of apprenticeships.

Substantially increase funding for higher education: The wider higher education sector requires €400 million to support core, programmatic funding and infrastructure needs and to address the losses incurred as a result of the crisis. It must also see its long-term funding model put on a sustainable basis.

On stimulating investment with National Development Plan (NDP) review Ibec has made the following recommendations:

Refresh the NDP and increase its lifetime budget by €25 billion: A timely and effective review of the NDP can support a major investment stimulus across the economy and in all regions.

Deliver quality and affordable homes: Fast track the legislative passage of the Land Development Agency Bill before the end of 2020 and develop a new public procurement strategy to accelerate the delivery of social housing and support innovation by using modern construction methods.

Reduce capital project delivery timelines by 50%: Planning systems and timelines, procurement processes, and project delivery timescales need to be streamlined and improved to deliver projects rapidly and ensure that investment plans, such as the National Broadband Plan and the wider NDP, benefit the economy as quickly as possible.

Encourage non-Exchequer finance for infrastructure and publish a new Public Private Partnership (PPP) pipeline: The existing NDP is excessively reliant on Exchequer funding and fails to optimise the benefits of other financing options. The NDP review must include the publication of a new PPP pipeline to include major transport, housing, education and health projects.

Ramp up regional development investments: The National Planning Framework should be fully delivered to support regional investment and a new €200 million annual town growth fund should be rolled out to support the revitalisation of town centres. Funding for urban and rural regeneration should also be accelerated.

To Reimagine a better Ireland, we set out the following recommendations:

Support remote working: A combination of tax relief and other supports should be put in place in order to incentivise greater levels of home and remote working.

Develop a social progress indicator model to measure national well-being: Ireland should be a global leader in seeking to supplement measures of economic prosperity with a wider social progress indicator model.

Improve quality and deliver greater funding for childcare: The Early Learning and Care Services (ELC) needs to be put on a sustainable funding footing and requires a more effective and streamlined inspectorate model. These changes are essential in order to deliver a higher quality childcare service.

Prioritise and resource the digital opportunity: A whole of Government approach, led by a new Minister for Digital Affairs, should prioritise cybersecurity, digital innovation, adoption of digital in education and public services, and include adequately resourced digital and AI roadmaps.

Step up our sustainability ambition: The Climate Action Bill should be adopted immediately by the new Government and it should work with social partners to build consensus for an ambitious, cost-effective and equitable emissions

reduction pathway. Through a new Circular Economy Action Plan Ireland should aim to become a world leader in resource efficiency and innovative value creation.

Roll out an ambitious national deep retrofit programme: Deploy a new delivery and financing model, increase annual funding to €600m, and use the recovery phase to begin upgrading large sections of our building stock to B1 and A BER ratings.

To seize international opportunities and respond to Brexit, Ibec has recommended the following:

Advocate for open and progressive EU policies: Further developing the EU Single Market, particularly for digital and other services, will be important to boost economic recovery.

Ensure flexibility in EU rules to support recovery: This should include revisions to the EU fiscal rules in order to support investment and ongoing flexibility in the EU State Aid rules in order to facilitate targeted sectoral recovery plans.

Leveraging EU funding sources to finance recovery and growth: Government must ensure business has clear pathways to the supports available through the European Investment Bank (EIB) and other funding sources.

Promote internationalisation and the benefits of free trade in a post-Brexit context: Key priorities must be a successful conclusion to negotiations on a Future EU-UK relationship and removing tariffs imposed on transatlantic trade.

Protect and develop the all-island economy: Our post-Brexit relationship with the UK must facilitate both North-South and East-West trade.

Social dialogue

The list of priorities are extensive but the first priority in Reboot and Reimagine focuses on engagement is of most significance for this particular discussion. Within this, Ibec advocates for the establishment of a more extensive social dialogue model as we specifically call on Government to reset Ireland's engagement with employers and other stakeholders in a more structured

consultation and engagement model which can support recovery, address Ireland's long-term societal issues with inclusive and sustainable outcomes.

Social dialogue is a mechanism through which business and key societal stakeholders are engaged and consulted on the major challenges facing society to influence meaningful outcomes. It is a structure and process involving all actors in society for involved and influential discussion on policy outcomes. The backdrop for a new social dialogue model is both international and domestic. The international backdrop includes:

1. Rising populism, polarized societies leading to extreme collectivism and political outcomes, civil unrest and instability
2. Rapid acceleration of change and disruption impacting globally
3. Ensuring the recovery from the pandemic crisis doesn't create greater inequality and marginalization
4. Creation of longer-term value for stakeholders as well as shareholders by business
5. Established tradition of social dialogue and insurance models within Europe

The domestic backdrop includes:

1. Major challenges facing Irish society requiring consensus, resources and mechanisms to find solutions
2. The wealth that is held privately has dwarfed the public sector and finances
3. Election trends giving rise to greater political fragmentation
4. Sequence of political crises eroding trust and confidence in public policy
5. Stakeholder communications and engagement structures are siloed and ineffectual
6. Need to Reset Government engagement with employers and employees for a contemporary economic context. Given trade unions represent 15% of the private sector workforce how are employees best represented in a contemporary context for instance?
7. Private wealth out of kilter with public sector investment
8. Quality of life greatly compromised due the legacy of the financial crisis and subsequent underinvestment in infrastructure and services
9. Ireland an outlier in Europe with no social insurance model

There are many examples internationally of social dialogue models and the OECD provides a comprehensive overview but given our traditions in Ireland we can surely bespoke a framework to suit our competencies and stakeholder formations.

What challenges can be addressed by social dialogue?

1. Climate change and a Just Transition to low carbon future
2. The impact of a post Brexit political and economic order
3. The future of work
4. Globalisation and digitization
5. Covid and a Just Recovery from social and economic scarring
6. Leveraging private wealth for public good
7. Underinvestment and quality of life constraints
8. Future demographics – both rising and aging population
9. Political fragmentation as well as populist and extremist trends.

What can be achieved through stakeholder dialogue?

A social model reflective of today's socio-economic circumstances where there can be mediation of policy outcomes to deal with the big challenges we face. Consensus on a Just Transition can be formed towards the allocation of resources and leveraging the private wealth accumulated in the last half decade. A mechanism to help the country progress through effective policymaking by breaking the cycle of making the same mistakes once more. It would offer the timely and meaningful discussion and scrutiny of policy options.

The key policy priorities for stakeholder dialogue would include:

1. Fiscal and budgetary policy, including coordination of work from Commission Taxation and Social Welfare.
2. Capital investment priorities including housing and public private partnerships
3. Social policy including childcare, pensions, social welfare and the wider social model including the social security system
4. Low carbon transition and climate challenge
5. Education and skills, to include investment in higher education and upskilling and reskilling initiatives

6. Policies to support the Shared Island agenda and the all-island economy
7. Labour market regulation and legislation
8. Diversity and gender balancing
9. Work/life balance
10. Employment rights and employee responsibilities.

Has a universal basic income a role in a new social compact?

A Universal Basic Income (UBI) on first description sounds like something that would be impossible to be against. Indeed, just like pension provision the desire to advance the necessary goal of full coverage looks like it is merely a set up for the more important discussion on the sufficient goal of adequacy. This might ultimately be so but it needs to be placed in the context of the multiple objections of social dialogue to ensure it doesn't prove a constraint on other objectives like competitiveness or participation.

I am regularly asked how would business in Ireland respond to a Universal Basic Income, a guaranteed income for all citizens of Ireland? My view is that business - in that catch all term for many heterogeneous types of enterprise and lifecycles - remains open to debate on the merits of UBI but given that the model has yet to be successfully implemented internationally, lots of further research and dialogue is needed before business would be in a position to support its introduction.

Initial research indicates that it could be positive for entrepreneurship, innovation and the creative economy and could help reduce inequality but without other reforms it would result in significant increases in public spending and the tax burden. If it is seen as a means to reform tax and welfare system then it potentially is either that the amount of the UBI would have to be unrealistically low or the tax rate to provide it unacceptably high. USI has been in the ether for about 40 years and commitment in the Programme for Government to pilot it.

To my limited knowledge, no country has a UBI - Finland, Canada, Spain, India and parts of the US have been looking at the measure in different ways but pilots have been inconclusive and it would appear that no one has moved from pilot to UBI so far.

UBI operates as a standard payment to every individual that is resident in the State without reference to their means or their ability/availability for employment. It is non-means tested and does not increase or decrease as someone's income

changes. Much like Ibec's issue with universal child benefit there are issues with this universal payment, as those not requiring supports benefit further leaving less resources for those in real need.

It is believed that UBI would encourage greater entrepreneurship, support farmers, and artists to thrive as it would give them space to innovate. It is also seen as an antidote to the job losses caused by automation. However, Ireland has invested in an effective model of upskilling and reskilling to create jobs for those in obsolete roles or sectors and enabling the growth of new opportunities in growing sectors like the low carbon or green economies.

There are pitfalls of UBI for businesses directly. UBI would undermine our current active labour market policies which seek to provide targeted supports in job search advice, counselling and upskilling in order to help the unemployed back into the labour market. This would result in labour supply challenges and could diminish overall labour cost competitiveness in the economy. A basic income model in isolation would also leave many with lower income levels as it doesn't take into account specific issues or challenges in relation to housing or family size etc.

Given that its expressed intent is to eradicate poverty, the business community universally believes that employment is the route to sustainably eradicate poverty and the impact of decent jobs on families. A view clearly contested by many in this conference I am sure.

In jurisdictions where UBI has been trialed it has created happier citizens under less mental strain but it's not a sustainable model for boosting employment levels or encouraging those who aren't working to seek employment. This is a form of Static versus Dynamic observation differences, perhaps even the difference between a truism and a truth.

This would appear to be at odds with the ethos of our model of labour market activation which aims to provide job search advice, counselling and monitoring backed by the threat of a benefit sanction, short-duration specific skills programmes, work placements, and recruitment subsidies to support people who can work into employment.

Again, while a UBI is aimed at eradicating poverty and inequality, the reality is that it would not provide sufficient supports for those with high level needs due to disability or housing costs. Therefore, without premiums for those individuals the result would likely see increased poverty and inequality. In May 2019, The

Financial Times cited the extremely costly calculation for the U.K. of a UBI. It found that if the UK gave every citizen the equivalent of 20% of average income – about £120 per week – they would have to raise an additional 20% of national income in taxes, costing £400 billion per annum – the equivalent of new taxes that raise as much as the combined revenues of income tax, national insurance and corporation tax.

The dynamic behind the introduction of a UBI would further raise the question too of whether it would raise wage expectations further for industries with particularly strong impacts for low margin, productivity industries employing many lower paid employees to start with. The impact of a UBI for small business has been speculated upon. Could there be benefits in how small businesses could operate without needing to provide the same level of safety net for their workers. A UBI could potentially have implications for statutory minimum wage levels which would result in labour cost benefits for smaller firms, however it would also likely lead to higher tax burdens which would impact on businesses and consumers across the economy. This impact would need to be tested and lies at the heart of my earlier comment on the heterogeneity of businesses.

The debate on a USI inevitably drifts into the more vogue Living Wage as a possible alternative in terms of protecting lower-paid workers. The replacement of the minimum wage with a living wage is considered in the Programme for Government and no doubt would emerge in a nascent social dialogue context. The ‘living wage’ is a fundamentally flawed concept and does not take any account of a business’s ability to pay. If an organisation is to stay in business, it must keep customers and wages must be set against the price that the business can charge those customers for goods and services. Housing costs and rent make up much of the calculation of the ‘living wage’ concept. These very high costs are a result of failures of public policy over many years. It is entirely unreasonable to expect individual employers to bear the cost of these. This does however flag that may be alternative ways than non-productivity justified wage to address the problems of social infrastructure and service provision through the labour market between employers and employees. A new Social Compact could reflect that.

If there are some good aspects of a UBI but too many identified problems, what would be a better alternative to protecting citizens vulnerable in society? The Covid crisis legacy is likely to result in an important and much needed review of our entire social model and how we provide income supports for workers of all income levels right across the economy. A thorough examination of UBI should be part of that review which needs to consider all aspects of our tax and social

welfare system and this work must be led by the new Commission on Tax and Social Welfare. A comprehensive social dialogue model could ensure that all the enterprise, social and employment aspects of a UBI proposal is examined in a structured way by the key stakeholders.

- There is a limited pot of money and UBI undermines the goals of tackling homelessness, inequality, unemployment and poverty as it is paid to everyone regardless of their need meaning those in real need get less. Instead, we need to have strong interventions to support people and tackle this through an effective social protection system.
- Ibec acknowledge that long-term reform will be needed for both the social welfare and social insurance systems. We have faced two crises in just over a decade during Ireland has had to weather a major economic crisis without a fully functioning social insurance model to adequately support those who lost their jobs or had to change how they worked.
- The inability of the economy to insure against economic or social risks (such as the reduction of lower skilled jobs), demonstrates the need for fundamental re-thinking of the existing model of social insurance and its ability to enable the delivery of adequate income continuance for all.

Ibec would like to see:

- 1) Reform in the systems, processes and payment structures of the social welfare system:** This will enable an increase in efficiencies and innovations and reduce waste.
- 2) Evaluate the social insurance fund (SIF) model and its ability to provide adequate incomes for all citizens:** This will enable consideration of reform to meet the demands of changing demographics and provide us with greater security in the face of future crises, similar to our European counterparts.

After the coronavirus pandemic and the change in the nature of business and work, Government can both protect business but also look out for the health of citizens. Ibec has highlighted in recent months the devastating impact that Covid has, and continues to play, on many sectors of the economy including the domestic experience economy, encompassing the tourism and hospitality sector and its diverse supply chain. Business welcomed the measures announced in Budget 2021 to get people back to work as the costs of high levels of

unemployment, both in social terms and to the Exchequer, is unsustainable and can leave damaging scars on our labour market and society. It is welcome to see policymakers building on the lessons of the last crisis and deliver commitments of increased supports and new labour market activation programmes to support jobseekers.

The scale of Budget 2021, the largest in the history of the State, was ambitious but appropriate given the magnitude of challenges facing the Irish economy. The Budget announcement of a planned increase in capital spending is a positive move given the scale of the deficit in both social and physical infrastructure. This investment will be central to collective efforts in enabling the economy to resurge more competitively and sustainably.

Concluding remarks

In concluding, my reflections on the need for a New Social Compact as an outcome of a New Social Dialogue stem from what's different from when Social Partnership emerged in the 1980s to now. Social Partnership was aimed at the individual even if not expressed as so. The individual who had no prospect nor expectation to even stay in Ireland to find a job, build a career and a life, begin a family and look forward to a prosperous retirement. The building block for all this was economic stability. Social Partnership may have gathered a tripartite of collective interests with Government, employees and employer representatives but its focus was to build a platform for the individual. It was pivoted on a Construct of centralised bargaining to determine wage, tax and industrial relations with the aim to secure the public finances, industrial peace whilst boosting disposable incomes through moderate wage increases and personal tax cuts. The backdrop was that households were relatively poor in international comparisons.

Today the households are wealthy on average compared to international peers and the individual has the choice to stay and live in a more tolerant, progressive Ireland. The failures to be addressed by a Social Dialogue model are now more about collective or public goods and services, specifically access to affordable housing, childcare, transportation and concerns for sustainability. A new compact can be delivered not through centralised wage bargaining as it relates to the individual's disposable income but now must reflect a more diversified set of factors by negotiating on the social welfare model financed through the social insurance scheme.

A future dialogue will ultimately revolve around the level of Pay Related Social Insurance (PRSI) paid by employees and employers on their behalf rather than limited to direct wage rates. If PRSI becomes the instrument of change to address social welfare provisions, it will need to be agreed between the representative agents of employers and employees. Given that PRSI rates are calculated on the basis of wage and salaries bills it has some comparability to Social Partnership though now the change for the levers is the opposite direction. Wage growth would be moderated with taxes or more specifically PRSI levies rising and the revenue raised paid into the social insurance fund for the benefit of the employee. The larger social insurance fund could address income continuance factors such as short time working, pensions, sick pay and additional parental leave arrangements and so on towards a proportional or adequacy response to an individual's income rather than flat basic rates that generally apply now. A variant of a universal basic income might be chosen as part of the Compact, but the drawbacks are probably too high and the interaction effects with the labour need more serious reflection. A similar comment applies to the concept of a living wage.

The response of the State and society in Ireland towards income continuance responses during this Covid pandemic augur well for undertaking the necessary changes to underpin our economy and society with a better interaction between our tax and welfare system to handle contingency events for individuals and businesses. The opportunity to reimagine our social compact is now and my reflections here are I hope a modest contribution to starting the dialogue for change.

6. A New Social Contract – a New Social Dialogue

Patricia King,

On behalf of the Irish Congress of Trade Unions, I very much welcome the invitation from Social Justice Ireland to take part in this conference and am very much looking forward to the discussion with the other speakers and participants.

I would like to begin my presentation by saying a little about ICTU.

ICTU brings together over 40 trade unions in the Republic of Ireland and in Northern Ireland.

These unions in turn represent over 700,000 workers across the entire island, each of whom pays a membership fee of around €20-25 a month, a not insubstantial sum.

With more members than the total number of votes won by *each* of three main political parties in last February's general election, the trade union movement is one of the largest, if not the largest, civil society organisation in the country. We even have more members than the GAA, which reports a total membership of 500,000 (worldwide)!

Membership in fact grew by almost one fifth (18.8 per cent) between 2016 and 2019 in the Republic of Ireland. That's twice the 9 per cent increase in total employment over this period.

And the proportion of Irish adults saying they had a positive view of unions grew from 57 per cent to 72 per over the same period.⁶¹

As we are all too aware, Covid-19 has, tragically, taken the lives of over 2,800 people across the island of Ireland – 2,000 in the Republic and 800 in the North. Approximately 110,000 people have been infected – roughly one in 60.⁶²

⁶¹ Standard Eurobarometer 85 (May 2016) and 91 (June 2019). Question not asked in two later surveys.

⁶² As of 11 November.

The virus has caused unprecedented disruption to society, separating families and friends, and wreaked havoc on the economy, putting hundreds of thousands, especially young people, out of work.

Hopefully, with news over the past week or so about the first possible vaccine, we are at the start of the end of the pandemic.

But every one of us knows that we will not be going back to the way things were. Covid-19 has caused us to think about many things that previously we may never really have considered: the importance of good public services; the need for a social security system that provides *real* security in the face of sickness and unemployment; and about concepts such as inter-dependence and solidarity.

It has led us to reassess what we mean by ‘essentially work’; who really are the ‘essential workers’; and is it right that many of them are treated the way they are. And it has fundamentally changed the relationship between business and the state.

There is no doubt that a New Social Contract is needed.

The New Social Contract that Congress would like to achieve is set out in our ‘No Going Back’ policy document published in June.

For us, its principal components would include:

- An incomes-related social security system, that resolves in the first instance the issues around sick pay and pensions
- A universal, single-tier health system
- An investment programme in public housing that ensures that everyone who needs a home has one, by right
- A system of early years’ care and education that provides high-quality, affordable services
- A Just Transition towards a sustainable green economy
- And a new relationship between workers, employers and the state that remedies the scourges of low pay and precarious work practices, and that guarantees a living wage and decent work for every worker.

We believe it is possible to achieve such a contract over the coming years.

And we believe that social dialogue is central to agreeing such a contract.

The 2020 Programme for Government, *Our Shared Future*, says that the Government (quote) ‘recognises the importance of regular and open engagement with all sectors of society’.

The programme commits to strengthening existing mechanisms, such as the National Economic Dialogue and the Labour Employer Economic Forum; to ‘create new models of sectoral engagement’; and to ensure, ‘in all engagements’, that the roles of the Oireachtas and the Government in policy formation are ‘fully respected’.

So far, LEEF deals mainly with matters that relate specifically to the labour market, such as employment rights, or related matters that clearly affect the labour market, such as housing and early years’ care and education services.

In our view, agreeing a New Social Contract must involve all those who have a stake in the outcomes of economic and social policies. And the organisations that represent them must have the opportunity to shape those policies.

In our view, the National Economic and Social Council provides an excellent forum for developing in-depth policies on these matters. Its role could and should be enhanced in order to strengthen engagement with and between all sectors of society and to create new models of engagement.

* * *

But I do want to address one important aspect.

I think the reference in the Programme for Government to respecting the roles of the Oireachtas and the Government reflects an often unstated but widely-shared concern that social dialogue somehow ‘usurps’ the policy-making and political processes, particularly if it mainly or only involves employers and unions.

But I also think it reflects a certain lack of clarity about what we understand or, perhaps more accurately, what we want or don’t want from social dialogue.

I would like outline what the trade union movement means by social dialogue and how we see it fitting in to the wider policy-making and political processes.

I think a good starting point is the understanding of social dialogue agreed by the International Labour Organisation (ILO). The ILO was the first international organisations that the Free State joined in 1923, and in 2017, Ireland was elected to its government body for the first time in our almost 100-year membership.

The ILO defines social dialogue as referring to (quote) ‘all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.’⁶³

This definition is also reflected in European policy-making.

The European treaties (Article 152) commit to recognising and promoting the role of *the* social partners at European level and to facilitating dialogue between *the* social partners.

Equally, the European Pillar of Social Rights (Principle 8 ‘Social dialogue and the involvement of workers’) states that *the* social partners ‘shall be encouraged to negotiate and conclude collective agreements in matters relevant to them...’ I refer to these approaches not to suggest that *only* unions and employers should be involved in social dialogue but to make the point that collective bargaining is *central* to social dialogue.

And since only unions and employers can negotiate a collective agreement and as employees’ incomes account for two-thirds of gross incomes in Ireland,⁶⁴ if social dialogue is portrayed as what in reality is *civil* society dialogue, then we are side-lining the principal mechanism through which workers can address the power imbalance inherent in the employer-employee relationship, and hence achieve fairer outcomes.

And that’s precisely what collective bargaining does.

International organisations such as the IMF, the World Bank, the OECD and the European Commission have all acknowledged over recent years the positive role played by collective bargaining in tackling inequality and, consequently, in promoting economic growth.

The OECD for example has concluded that the coordinated, sectoral bargaining systems found in many central and northern European countries, produces

⁶³ <https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm>)%20%20a#:~:text=What%20is%20Social%20Dialogue,to%20economic%20and%20social%20policy.

⁶⁴ CSO (4 July 2019) Income in Ireland <https://www.cso.ie/en/releasesandpublications/ep/p-gpii/geographicalprofilesofincomeinireland2016/incomeinireland/>

much better labour market outcomes, in terms of higher employment, lower unemployment (particularly for women, young workers and migrant workers), greater wage equality *and* higher productivity, than the firm-level bargaining (if at all) systems found in the USA, the UK and many eastern European countries. That's why the OECD now recommends that all countries put in place (quote) 'a legal framework that promotes social dialogue in large and small firms alike and allows labour relations to adapt to new emerging challenges.'

That's why the European Commission, for the first time ever, came forward with draft legislation in late October aimed at ensuring that minimum wages provide a decent standard of living and at promoting collective bargaining.

That's why one of the main planks of President-elect Biden's programme is to present a plan within 100 days of taking office to promote worker organizing and collective bargaining.⁶⁵

These initiatives will be on the Irish policy-making and political agenda over the coming years. They will have to be addressed by all stakeholders.

How the policy-making and political processes respond will determine to a very large degree whether we achieve a New Social Contract or whether people are left behind, especially low-paid workers, workers in precarious jobs, and the hundreds of thousands of young people most affected by Covid-19.

We must all consider the possible consequences of such a development. I think the votes for Brexit in the parts of the UK that never recovered from the deindustrialisation in the 1980s represent a clear precedent that we cannot dismiss.

* * *

In our *No Going Back* document in June, we said that a deeper engagement with unions *has* to be part of a broader, more inclusive dialogue and engagement with civil society, as well as more participatory decision-making and democratic reform at all levels.

A New Social Contract has to be a *democratic* social contract in the sense of having broad support.

⁶⁵ The Biden Plan for Strengthening Worker Organizing, Collective Bargaining and Unions <https://joebiden.com/empowerworkers/#>

We believe that such a contract is capable of addressing the many challenging facing Irish society and the Irish economy.

We in the Irish trade union movement are willing to play our part in agreeing such a contract.

ENDS

Annex

(Programme for Government reference to Social Dialogue)

The Government recognises the importance of regular and open engagement with all sectors of society. This is particularly important as we steer our way out of the pandemic, rebuild our economy, and support communities that have been severely impacted by COVID-19. We will:

- *Establish a unit in the Department of Taoiseach to coordinate social dialogue. It will create new models of sectoral engagement.*
- *Utilise public consultations and citizens' assemblies and strengthen current mechanisms such as the National Economic Dialogue and the Labour Employer Economic Forum (LEEF).*
- *Ensure, in all our engagements, that the role of the Oireachtas and Government in policy formation is fully respected.*

7. Farming and the Environment

– Finding Common Ground

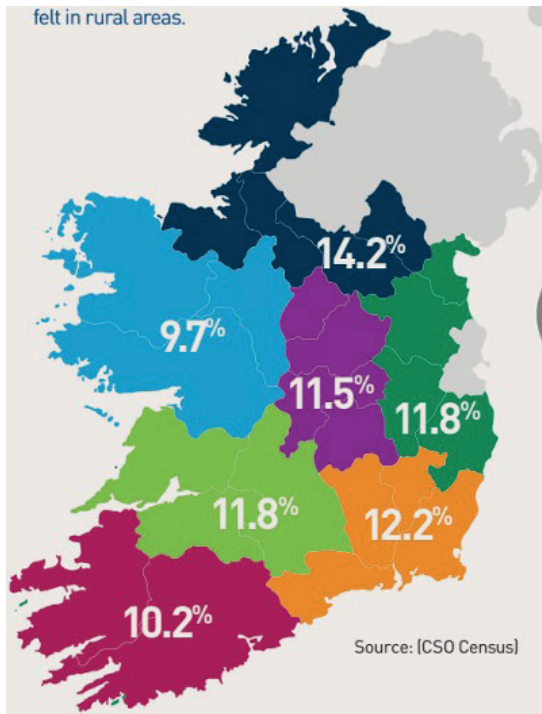
Damian McDonald

1. Background

In 2019 the output of the agri-food sector accounted for 6.7% of modified Gross National Income. Agri-food exports reached €14.5 billion in 2019.

The agri-food sector is Ireland's largest indigenous sector, providing direct employment to over 160,000 people or 7.1% of total employment. Agriculture provides employment and generates earnings across the country, not just at farm level, but in the thousands of regionally based jobs dependent on and linked to the sector. The sector accounts for over on average 11% of regional employment which reflects that many of these jobs are located outside of the main urban centres. There is a significant variation per region with 14.2% of those in the North West being employed in Agriculture.

Figure 1 Agri-food sector employment as a percentage of regional employment



Source: National Census 2016, Central Statistics Office.

The average farm size nationally is 34 hectares. There are 66 cattle per herd on average. The average dairy herd size is approximately 90 cows.

Given its importance to the economy and rural Ireland in particular, farming had its own pillar in the original social partnership model and IFA was a full 'social partner'. We are now part of new National Economic Dialogue.

While the old Social Partnership model has no shortage of critics, the concept of the pillars coming together on a regular basis to discuss policy issues with the aim of reaching multi-annual agreements still has much to recommend it. The Current National Economic Dialogue model is much less engaged and provides minimal opportunities for real engagement with Government or between the pillars.

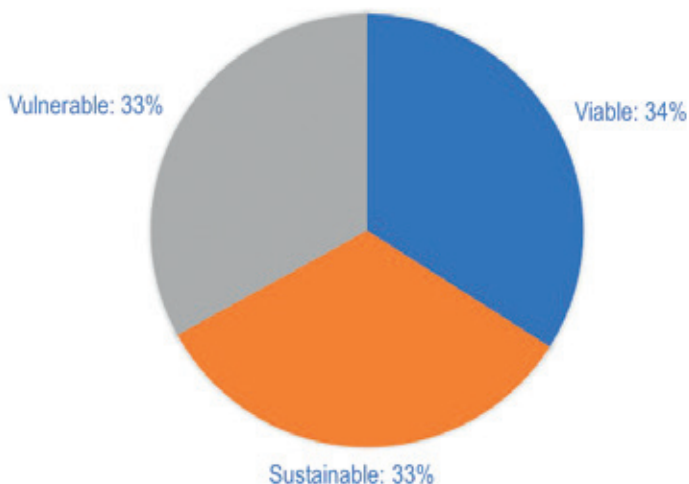
IFA continues to have good access to Government to lobby on any issues that concern us. However, a more robust, structured and frequent engagement between the pillars and the Government would be very worthwhile. We fully accept that Governments have to govern and they ultimately make the decisions, but greater civic engagement through representative groups could add value.

It could potentially have added value during the current pandemic. As we now face into a period of significant challenge for the public finances there will be need for increased dialogue to improve social cohesion.

In this context, I would like to use the opportunity to set out some of the challenges facing farmers and agriculture. While these challenges are immediate for our sector, how they are addressed will have consequences for the wider society.

2. Income Viability

Figure 2 Viability of Irish Farming in 2019

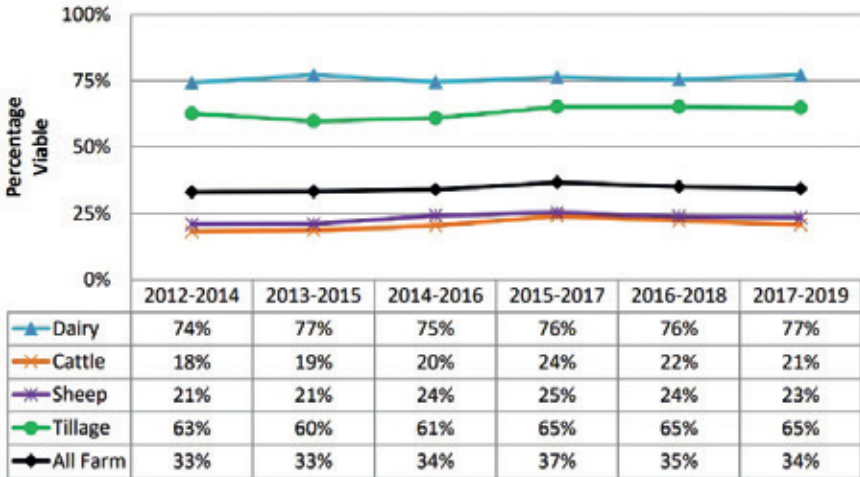


Source: National Farm Survey 2020, Teagasc.

A farm business is deemed to be viable if the farm income can remunerate family labour at the minimum agricultural wage and provide a 5% return on the capital invested in non-land assets. A farm household is considered sustainable, even

if the farm business is unviable, if the farmer or spouse are in receipt of an off-farm income. A farm household is considered to be economically vulnerable if the farm business is not viable and neither the farmer nor spouse work off-farm.

Figure 3 Economic Viability by sector: 3 year rolling average 2014-2019



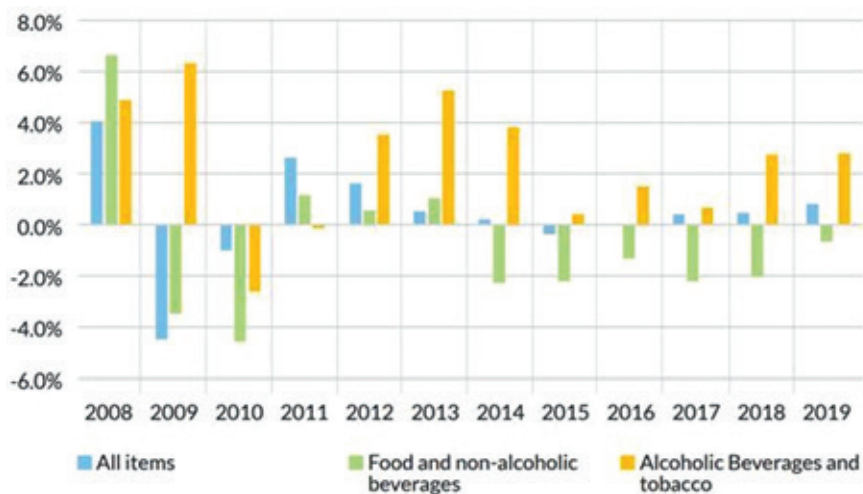
Source: National Farm Survey – 2019 Sustainability Report, Teagasc.

The other reality facing Irish farming is the significant disparity between the various sectors. The Figure above shows the rolling average for the percentage of farms in each sector which are deemed to be viable. The data is stark in terms of the future for cattle and sheep farms in particular. It must be borne in mind that these figures for viability are inclusive of Direct Payments.

3. Expenditure of Food/Food Prices in Ireland

The chart below shows the trend in Food Prices in Ireland. Food prices in Ireland have fallen in each of the last 6 years. This has been driven by increased competition in the retail sector.

Figure 4 Annual average percentage change in Consumer Price Index, 2009 – 2019



Source: Consumer Price Index, Central Statistics Office.

Over a longer term the table below shows that the percentage of household income spent on food has reduced significantly from 27.7% in 1980 to just 14.7% in 2015/2016.

Table 1 Changes in distribution of total household expenditure, 1980 to 2015-2016

%							
Commodity Group	1980	1987	1994 - 1995	1999 - 2000	2004 - 2005	2009 - 2010	2015 - 2016
Food	27.7	25.2	22.7	20.4	18.1	16.2	14.7
Alcoholic drink and tobacco	7.2	8.0	7.7	7.6	6.0	4.9	3.3
Clothing and footwear	8.9	6.7	6.4	6.1	5.4	4.9	4.0
Fuel and light	6.1	6.3	5.0	3.8	3.9	4.4	4.6
Housing	7.2	8.8	9.8	9.6	12.0	18.2	19.6
Household non-durable goods	1.9	2.1	2.3	2.5	2.2	2.0	2.0
Household durable goods	5.5	3.9	3.6	4.6	4.5	3.7	3.3
Transport	14.9	13.6	14.3	16.4	15.6	14.3	14.9
Miscellaneous goods, services and other expenditure	20.5	25.4	28.2	29.0	32.2	31.3	33.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Household Budget Survey 2015-2016, Central Statistics Office, 2020.

While this has undoubtedly benefitted households in the short to medium term by allowing them to have more disposable income it is not sustainable. We cannot continue to reduce food prices while inflation and increased regulation increases the costs of productions.

Downward pressure from lower retail prices is pressing down on the supply chain. The evidence of the impact of this is illustrated in the viability data above [See Figure 2]. Only 34% of farmers in Ireland are now viable and the vast majority of these are dairy farms. In the push to maintain margins all other parts of the supply chain are trying to reduce costs. We are forcing farmers to get bigger in order to remain viable. Working conditions in the meat processing sector are also an issue.

Europe is a high cost economy in which to produce food. If proper margins are not attainable at farm level, farmers will not continue to farm and produce food. Food security is currently taken for granted in Europe. The COVID-19 crisis should be a wake-up call for policy makers. While some have argued that Europe will always be able to import food this would have an impact on food security elsewhere on our planet.

Only about 40% of the world's land can be used for agriculture and only 1/3 of this is suitable for arable crops. As we face a growing world population, we must ensure that all land available for agriculture is utilised. To do this we will need to maintain a strong population of farmers. Ireland still has very much a Family Farm model and if we are to protect this, we need to keep farmers on the land. We must have an attractive proposition for the next generation who will be less inclined to remain in farming because of tradition.

4. Common Agricultural Policy

The reality is that Irish farming and European farming in general is being underwritten by Direct Payments through the Common Agricultural Policy. The table below shows the percentage of Family Farm Income in each sector coming from Direct Payments.

Table 2 Average value of direct payments (DP), Average Farm Family Income (FFI) & contribution of DP to Average FFI 2019

	DP	FFI	DP contribution to FFI
	€	€	%
Dairy	20,387	65,765	31
Tillage	25,349	34,255	74
Cattle Other	17,930	13,899	129
Sheep	19,312	14,630	132
Cattle Rearing	14,706	9,191	160
All	18,452	23,964	77

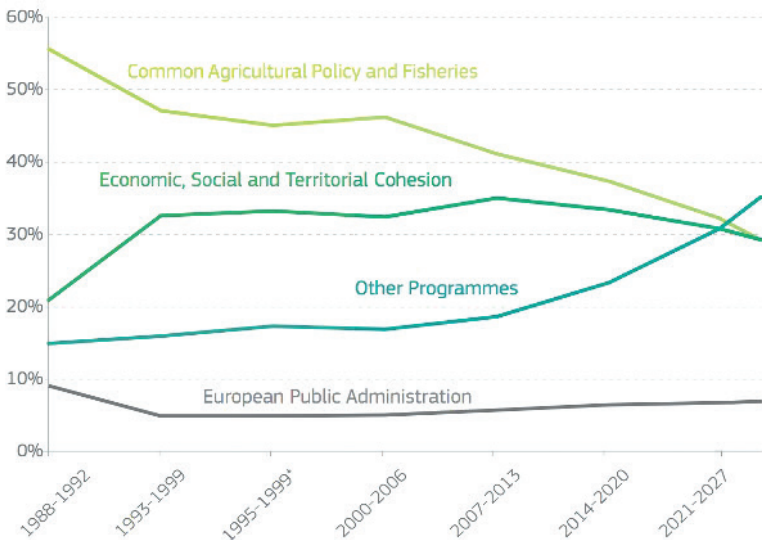
Source: National Farm Survey 2020, Teagasc (adapted).

The figures above are highly significant in that they demonstrate that cattle and sheep farming are loss making. Farmers are actually eating into their payments by farming. They would have had a higher income if they reduced their output to zero.

While these losses have been funded by the CAP and off-farm income, more and more farmers are questioning their continued involvement in the cattle and sheep sectors. The future viability of these sectors comes into particular focus as many farmers lack successors who are willing to take over cattle and sheep farms. The next generation of farmers will take more detached decisions.

The original purpose of the Common Agricultural Policy was to support farmers to produce food. However, the policy has become a diminishing part of the EU budget. The Figure below highlights the reduction in the CAP as a percentage of the overall EU budget. The requirements placed on farmers in order to be eligible for payments have been increasing. This is contributing to the price-cost squeeze on farmers.

Figure 5 EU Budget funding trend: 1988-2027

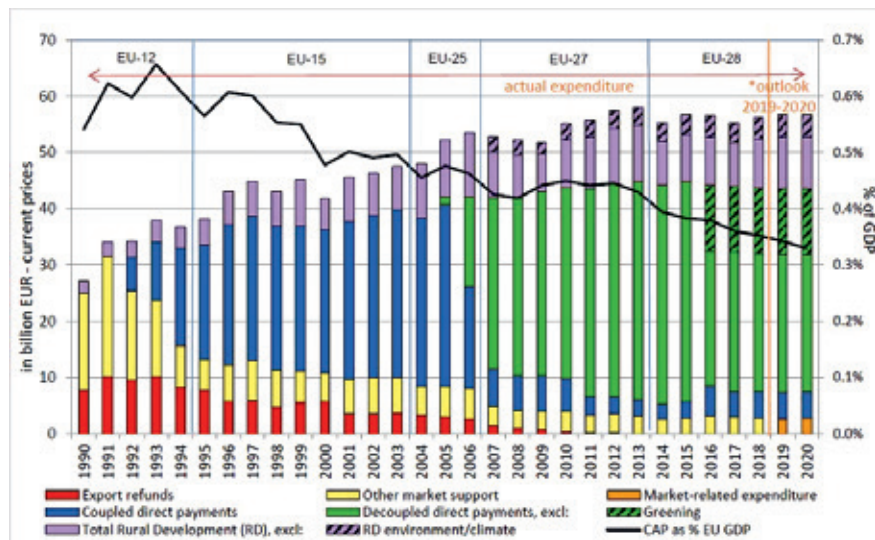


Source: European Commission

The policy has evolved from market supports to Direct Payments per unit of output (Coupled), to direct payments per hectare and latterly towards payments for schemes with strong environmental conditionality.

The reality is that the link between production and supports is now almost completely broken. In the last reform member states were allowed to have no more than 12% of their total payments ‘coupled’ to production.

Figure 6 CAP Evolution and as a % of EU GDP

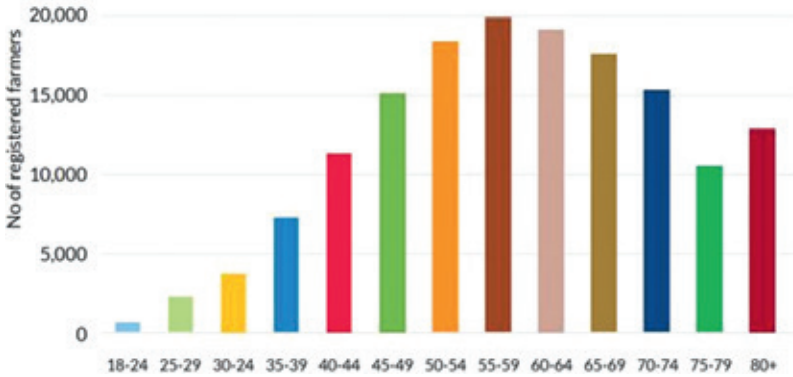


Source: EU Commission

5. Generational Renewal

The Figure below clearly illustrates the ageing population of registered farmers in Ireland. There is a lack of young farmers entering the sector which is a significant concern for its long-term viability. The figure below shows the current age distribution.

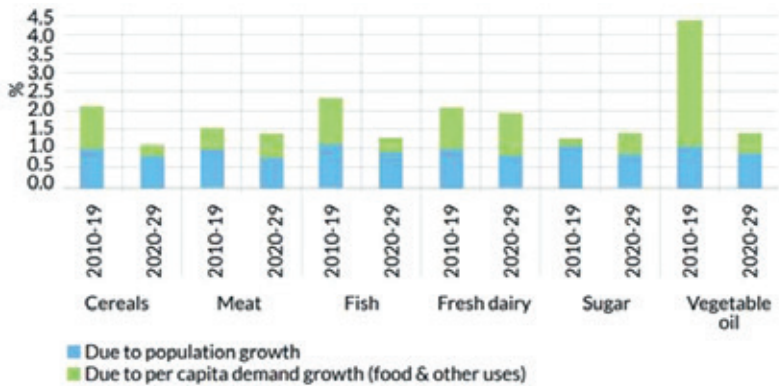
Figure 7 Age profile of Department of Agriculture, Food and the Marine clients, 2019



Source: Annual Outlook and Review for Agriculture, Food and the Marine 2020, Department of Agriculture, Food and the Marine.

6. The Global Situation

Figure 8 Annual growth in demand for key commodity groups

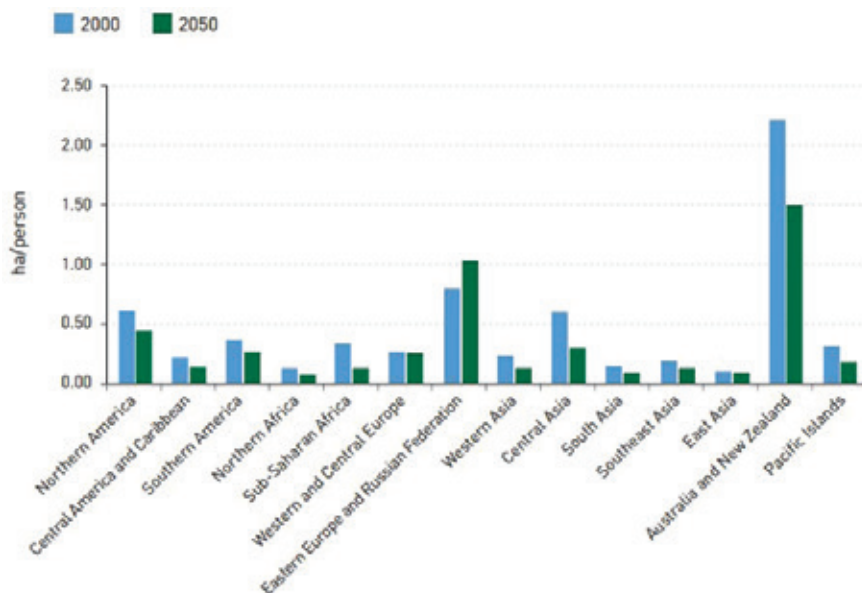


Note: The population growth component is calculated assuming per capita demand remains constant at the level of the year preceding the decade. Growth rates refer to total demand (for food, feed and other uses).

Source: OECD-FAO Agricultural Outlook 2020-2029, OECD/FAO.

The Figure above shows the anticipated growth in global demand for key commodity groups over the next decade. Given the limited amount of land on the planet which is suitable for agriculture, we need to be conscious of the implications of reducing output from European Agriculture. Figure 9 shows that the cultivated land per capita in 2000 and the anticipated cultivated land in 2050. This emphasises the need to make the most productive use of land available for food production.

Figure 9 Cultivated Land, Per Capita, 2000, 2050



Source: Fischer, et al. (2010) in *The State of the World's Land and Water Resources for Food and Agriculture, Food and Agriculture Organisation of the UN and Earthscan, 2011.*

The reduction in the funding for the CAP, as a percentage of the EU budget and the increased conditions being placed on farmers to be eligible for funding runs the risk of driving farmers from the land. While increased environmental ambition is an important part of public policy, it must be balanced with increased funding or a guarantee that farmers can gain a stronger return from the market place. Based on recent history and the way markets are structured it will be very difficult to achieve this.

The EU sign post policies the ‘Farm to Fork’ and the ‘Biodiversity’ Strategies set very ambitious targets for a reduction in the use of fertilisers and pesticides along with a target to have 25% of the EU’s land farmed organically by 2030. However, the EU must complete a full impact assessment on these strategies before they are implemented. The United States Department of Agriculture has already carried out an assessment of the impact that the ‘Farm to Fork’ Strategy would have in the EU and if it was applied in the US. The findings are stark in terms of its impact on output, food prices and farm incomes. The report predicts that the strategy will reduce farm incomes by 16% on average. This is as a consequence of the expected loss of production by 12% across the EU which isn’t offset by the 17% increase in market price.

While some organic produce does gain a premium in the current market place, farmers, including existing organic farmers, are concerned that a significant increase in the supply of organic output will erode the premium. Today’s premium becomes tomorrow’s commodity but with much higher production costs.

7. Greenhouse Gas Emissions

Policy makers must balance environmental sustainability with economic sustainability.

One particular aspect of this relates to the emissions produced by Agriculture. In our view, the focus must move away from reducing food output towards reducing emissions per unit of output. The table below is a depiction of Teagasc’s Marginal Abatement Cost Curve for Agriculture.

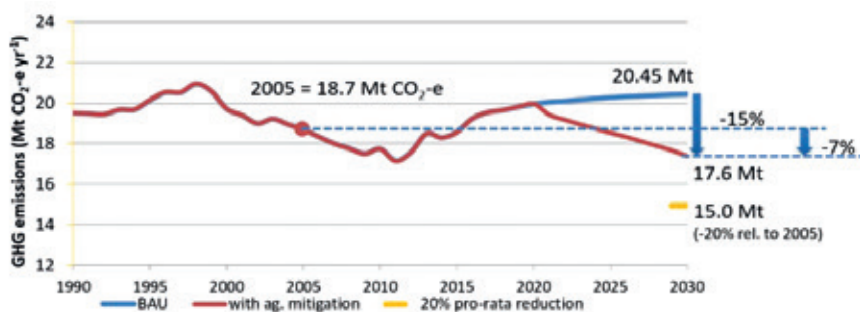
It demonstrates that by the adoption of various technologies and through changes in certain practices, Irish Agriculture has the potential to reduce our emissions by 15%. This is without taking into account potential advances in technologies, particularly feed additives, to reduce Methane.

Ruminant animals are a tremendous asset to the planet as they can convert grass, which is inedible for humans, into nutrients for human consumption. Approximately 2/3 of the Agricultural land on the planet is only suitable for growing grass. The priority must be to make bovines in particular more efficient so that they can produce more nutrients for less emissions. This is attainable.

In any event the expansion in ruminant animal numbers in Ireland has been overplayed. Cattle numbers in Ireland are lower than they are in the mid 1990’s

[See Figures 10, 11 and 12]. The emphasis must be on reducing emissions per unit of output rather than reducing output.

Figure 10 Agricultural GHG emissions from 1990 and projected to 2030, without (blue) and with (red) mitigation. The orange line represents a pro-rata 20% reduction in sectoral emissions by 2030.



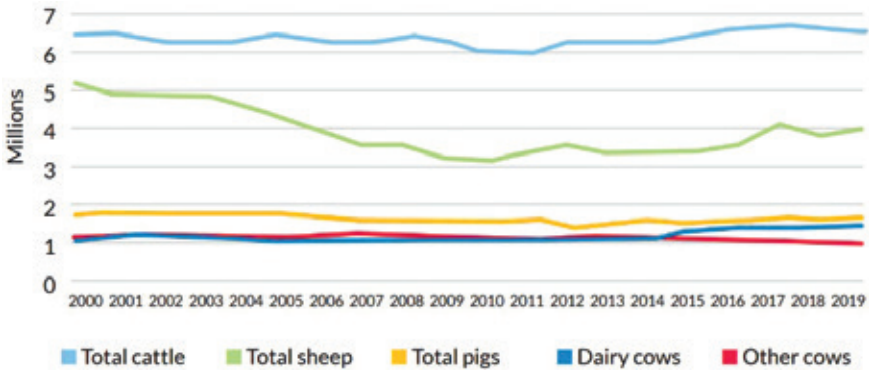
Source: *An Analysis of Abatement Potential of Greenhouse Gas Emissions in Irish Agriculture 2021-2030*, Teagasc, 2019.

Table 3 Number of ruminants in Ireland (Thousands)

Year	Cattle	Sheep
1977	7,124	3,534
1987	6,545	5,595
1997	7,533	8,132
2007	6,891	5,522
2017	7,364	5,197
2018	7,349	5,109
2019	7,209	5,146

Source: *Statistical Yearbook of Ireland*, Central Statistics Office (adapted).

Figure 11 Cattle, Sheep and Pig Livestock numbers, 2000 – 2019



Source: *Annual Outlook and Review for Agriculture, Food and the Marine 2020*, Department of Agriculture, Food and the Marine

Conclusion

It is a cause of great regret that environmentalists and farmers now find themselves as adversaries in the climate debate. The reality is that we have far more in common than we have in difference.

Policy initiatives can be identified which have the potential to hit a ‘sweet spot’ that improves the environment while also improving farm incomes.

A mature discussion needs to take place about the price of food and who pays for the additional production costs imposed by increased environmental and other conditions. European farmers must comply with conditions which are well ahead of what food producers in other countries have to comply with. Yet non-EU imports are often allowed into the EU market to undercut the prices of European produce. This is an area where there is potential for collaboration between the environmental and agricultural lobby. Recent evidence of this can be found in the mutual opposition to the ratification of the Mercosur trade deal negotiated by the European Commission.

Perhaps there is a role for a new modern form of social partnership to provide a safe space for the farming and environmental pillars to engage to develop the points we have in common and to better understand the points we have in difference.

8. Empowering Communities, Strengthening Decisions

Karen Ciesielski

Introduction

Public participation lies at the heart of the social contract, which has not always been a given in relation to environmental decision-making. Individuals and communities have come together to organise, mobilise and use legal mechanisms where necessary to protect their environment, working tirelessly to have their voices heard, whether they were formally invited to participate or not. Over time, the demand from the public to have a say in issues that affect them has led to the development of rights-based provisions for public participation in environment decision-making:

- Lisbon Treaty - Article 11(4) of the Treaty on European Union (TEU), which affords people the right to submit a citizens' initiative to the European Commission.⁶⁶
- Aarhus Convention (Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters)⁶⁷ – Ratified by all EU Member States, this Convention must be abided by both the European Commission and individual Member States, and gives citizens rights to access information, participation in decision making and access to justice on environmental matters. Under our *Access to Information on the Environment Regulations*⁶⁸, for example, Irish citizens are entitled to ask public bodies for documents on the likes of air, water, biodiversity, pollution, emissions, and waste, as well as documents linked to policies and plans likely to affect the environment.
- Protocol on Strategic Environmental Assessment, which is applicable in every EU Member State and copper fastens public participation in Strategic Environmental Assessment processes.

⁶⁶ <https://www.europarl.europa.eu/factsheets/en/sheet/149/european-citizens-initiative>

⁶⁷ https://www.unece.org/fileadmin/DAM/env/pp/Publications/2015/1514364_E_web.pdf

⁶⁸ <http://www.irishstatutebook.ie/eli/2007/si/133/made/en/print>

- United Nations Sustainable Development Goals (SDGs): Target 16.7 aims to, “Ensure responsive, inclusive, participatory and representative decision-making at all levels”.⁶⁹
- **Benefits of community-centred decisions which result from effective public participation:**
- Improved quality of decisions that are made, particularly when local knowledge and community concerns are reflected and incorporated in the outcomes.
- More effective implementation of decisions concerning the environment, with increased legitimacy and the potential to reduce conflict.
- Greater transparency and accountability, which builds trust in institutions and in the decision-making processes themselves, strengthening democracy.
- Active and engaged communities.

How does public participation currently work in Ireland?

There are a number of ways that public participation in Ireland currently happens in relation to environmental decision-making processes, including:

Established structures

Public Participation Networks (PPNs): Groups with a core focus on environmental issues can join the environmental college of their PPN, which is an important linkage to local government decision-making channels.

Local Environmental Networks (LENs) are made up of individuals and groups with interests in a wide range of environmental issues. They provide a central hub around which people from a given county can gather, discuss projects, ask for help, create change and become involved in their local PPN they wish.

Deliberative processes

Citizens Assemblies have provided space for context, rich dialogue and discussion in relation to movements for social change, for example regarding marriage equality and enhanced reproductive rights. The Citizens Assembly on

⁶⁹ <https://sdgs.un.org/topics/information-integrated-decision-making-and-participation-114>

Climate Action for example made 13 recommendations outlining how Ireland could transform into a leader in tackling climate change.

Public Consultations

Members of the public are asked to share their views on a particular piece of legislation, policy development, planning application, etc. How this happens and the process for gathering public inputs and feedback vary widely according to the government department or body, ranging from an online survey of multiple-choice questionnaires to detailed written submissions.

Public Engagement and Dialogue Events/Activities

Members of the public may be invited to take part in town hall type events, roundtables, seminars, webinars, etc. to learn more about a particular initiative, ask questions and provide direct feedback to public bodies.

The Environmental Pillar

The Environmental Pillar was established as an independent national social partner by the Irish Government in 2009 as a way to involve civil society in public debate and policy making as it pertains to the natural environment. The work of our members covers a broad range of areas including habitat conservation, wildlife protection, environmental education, sustainability, waste and energy issues, as well as environmental campaigning and lobbying.

We work towards achieving sustainable development, according to the Rio Declaration of 1992⁷⁰. These principles require the balancing of the three pillars of sustainable development - social, environmental, and economic.

Consultative Committees and Advisory Bodies

Representatives of civil society may be invited to join consultative committees and advisory bodies to advise on, and develop, policies pertaining to the natural environment.

⁷⁰ https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_CONF.151_26_Vol.I_Declaration.pdf

Weaknesses of Current Models of Public Participation

Though there are a number of ways through which the public can engage and participate in environmental decision-making processes, there are weaknesses with these models, which include:

-
- There is a quite low level of general awareness and information among the public about how to get involved in local decision-making.
- Citizens Assemblies have proven to be fantastic opportunities for rich discussion, understanding and consensus building. We need to develop and facilitate models for public participation which encourage a similar level of debate and dialogue in other fora, including at local and regional levels.
- Persistent barriers for marginalised communities to participate fully in environmental decision-making remain and must be addressed through ways of working which are inclusive and accessible by design, right through to implementation. The Covid-19 pandemic has exacerbated inequalities in relation to participation, particularly in relation to the availability of high-quality broadband as we have seen a shift to online events and processes.
- There is no set rule around timeframes for public consultations. As a result, we generally see timescales which are too short, leading to challenges in obtaining proper feedback and engagement by the public.
- There is a lack of consistency from relevant departments and bodies in terms of where to find information about public consultations, how to participate, formats and nature of inputs.
- Inadequate resourcing for public participation prevents widescale engagement and limits contributions from individuals and communities.
- We need to close the feedback loop: when individuals, community groups and NGOs make submissions, they need to be kept informed about where that feedback goes and the impact that their contributions have made to the finished policy document.
- The public should be able to provide input/comments and have due account taken of them at an early stage of decision-making when all options are still open, on whether the proposed activity should go ahead at all (referred to as the “zero option”). This has special significance if the proposed activity may be of high risk and/or with unknown potential environmental impact.

- Public dialogue events can be more one-way in nature as opposed to allowing for genuine discussion and knowledge exchange among all stakeholders. As events have moved online, the prevalence of pre-selected questions has emerged as a potential barrier to a full and rich debate about issues of importance to communities.

Protection of Rights and Access to Justice

Though there are agreements and obligations to which Ireland is party that protect our access to environmental justice, there is always a threat that these rights will be weakened or diminished. For example, the Heads of the Housing and Planning Bill 2019 was published in 2019 and raised serious concerns among environmentalists, lawyers⁷¹ and community groups:⁷²

- The Bill would limit the ability of individuals and communities to access the courts to challenge planning decisions with a requirement around legal standing, stipulating that groups would need to have been in existence for 3 years before enacting proceedings.⁷³ This is particularly problematic, as often neighbours and communities may coalesce around specific issues which have arisen.
- Further, the Heads of Bill raised concerns that groups would need to have a minimum number of members before they could access justice, as well as the risk of incurring substantial costs if they challenged planning decisions in the courts⁷⁴.

This is in direct conflict with rights guaranteed under the Aarhus Convention, which ensures the public's rights with regard to the environment, including the right to access to justice that is fair, equitable, timely and not prohibitively expensive.

Moreover, there was a significant procedural issue with the public consultation process. The deadline for submissions was 13 January 2020, providing just 23 working days (many of which fell during the traditional holiday period) to submit detailed and constructive feedback on a Bill which would squarely reduce the ability of individuals and groups to have a say in the future.

⁷¹ <https://www.algoodbody.com/insights-publications/new-planning-rules-expected-to-make-it-more-difficult-to-challenge-planning-decisions>

⁷² <https://www.antaisce.org/news/planningshutout>

⁷³ <https://greennews.ie/shock-bill-engos-access-justice/>

⁷⁴ <https://www.irishtimes.com/news/environment/environmentalists-say-proposed-bill-makes-it-harder-to-object-to-planning-decisions-1.4080944>

Following pressure from environmental groups, opposition politicians, and Committee members, the deadline for comment was extended until 27 January 2020. Community groups, activists and environmentalists made submissions to highlight the grave concerns with the Bill, which would affect their rights to environmental justice and would potentially leave the State exposed to legal challenges.

Next Steps?

Concerned groups will be poised and ready to take part in advocacy and awareness-raising activities once the Bill is presented for pre-legislative scrutiny, focussing on the extent to which our submissions and feedback have had an impact on ensuring that the rights of communities and individuals to access environmental justice remain protected and enshrined.

Case Study: Public Participation in Agri-Food Policy

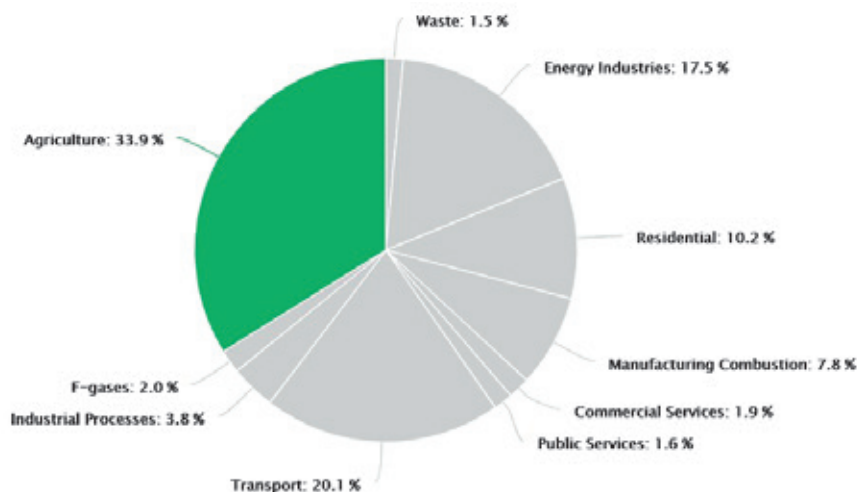
Ireland's next Agri-Food policy, the successor to FoodWise 2025, will play a fundamental part in addressing the climate and biodiversity emergencies over the next decade and will have an impact on every community throughout the country. The Agri-Food Strategy will act as a key policy driver during what is a critical time for action and must be based on principles of sustainability if we are to succeed in achieving our climate and biodiversity targets, supporting farmers in adapting to new practices while also ensuring fair prices for the production of healthy, nutritious food.

As the Agri-Food Strategy will have wide ranging effects on livelihoods, rural communities and our environment, the voice of the public in getting the Strategy right is critical, from the outset and right through to implementation and evaluation.

Setting the Scene:

Indicators show that trends for greenhouse emissions, biodiversity loss and water quality are all heading in the wrong direction and need to be reversed.

Fig. 1: Greenhouse Gas Emissions in 2018 by Sector



Source: <https://www.epa.ie/ghg/agriculture/>

Biodiversity and Water Quality

- Two-thirds of Ireland's regularly occurring wild bird species are Red or Amber-Listed Birds of Conservation Concern.⁷⁵
- One third of our 99 wild bee species are threatened with extinction. Reasons for decline include: loss of habitat through conversion of low-intensity farmland and semi-natural land to intensive farmland, forestry and urban/ industrial use;
- Loss of flowering plants as a food source due to changing farming practices are reasons for decline; Poisoning from pesticide use.⁷⁶

⁷⁵ <https://birdwatchireland.ie/app/uploads/2019/09/BOCCI.pdf>

⁷⁶ <https://www.teagasc.ie/news-events/news/2020/bee-friendly.php>

Water quality results show a decline in Ireland in the period 2013-2019, with now only 53% of Ireland's surface water bodies having a satisfactory water quality.⁷⁷

Role of Public Participation

The role and voice of the public in developing and implementing this Strategy cannot be under-stated. As such, there have been opportunities for individuals and communities to feed into the process since the outset.

1. Initial Consultation

In November 2019, the Department of Agriculture, Food and the Marine launched an online survey as part of its initial consultation phase on this critical policy document. Nearly 60% of responses were from primary producers (farmers/fishers) and 56% from those working in/representing the agriculture sector.

In relation to the importance of the contributions of farmers/fishers to society, protecting biodiversity, water and climate came second and third to ensuring safe, healthy food. Environmental sustainability also ranked as the number one concern for processors, as consumers are demanding this.

What we see from these findings is that the overwhelming majority of people who shared their views want agricultural practices and policies that are sustainable.

2. Public Stakeholder Engagement Event

A public engagement event was held in November 2019 to exchange views and information on what the next Agri-Food Strategy should look like, a step in the right direction to bring together a broad range of stakeholders in this way.

3. Stakeholder Committee

One seat on the 31-person Stakeholder Committee, was given to environmental NGOs.⁷⁸ Due to the breadth of wide-ranging issues to consider regarding climate, biodiversity and water quality, best practice would have been to broaden the representation of environmental NGO voices and allow civil society to select their own representatives in this important forum.

⁷⁷ <http://www.epa.ie/newsandevents/news/pressreleases2019/name,67351,en.html>

⁷⁸ <https://www.agriculture.gov.ie/agri-foodindustry/agri-foodandtheeconomy/agri-foodstrategyto2030/agri-foodstrategyto2030-stakeholdercommittee/>

4. Strategic Environmental Assessment (SEA) Scoping

A public consultation process in relation to the scoping element of the SEA process was launched on 12 August 2020, with the deadline for responses set for 8 September 2020. Environmental groups cited the tight timeframe for comment, again falling during a holiday period, and were granted an extension to submit detailed feedback.

Next Steps for Public Participation

The draft Agri-Food Strategy will be published in 2020, as stated in the Programme for Government, alongside the Appropriate Assessment document, and will be open for public consultation. Environmental NGOs will be advocating for a process which allows for:

Widescale public engagement activities to encourage participation from a broad range of stakeholders;

Clear and accessible ways of taking part and providing feedback and views;
A timescale which allows the public the opportunity to fully participate in a meaningful and constructive way;

Transparent and accountable methods of ‘closing the feedback loop’ at all stages of the consultation process.

Measuring the Impact of Public Participation

Critically, we will be assessing the extent to which members of the public’s views have been taken into account and asking the question – if not, why not?

A New Roadmap to Empower Communities and Strengthen Decisions

As we work towards a just recovery from the Covid-19 pandemic, we must put people and communities at the centre of decision making through deliberative processes that are participative, open and inclusive at every stage if we are to ensure that no one is left behind. We need to engage, inform and build trust, particularly among the most marginalised individuals and communities, adopting new ways of working:

- Appropriate levels of funding and staff resources to administer public participation processes are also necessary to be fully participative.

- Barriers to participation need to be mitigated, for example issues in relation to literacy, mobility, geographic location, etc. when designing and implementing public participation processes.
- Sufficient timeframes for all stages of public participation processes, which includes time for taking due account of the outcomes and provisions for ‘the zero option’ is absolutely critical.
- Policy making processes must be open, inclusive and transparent by design and implementation, with clear and widely accessible information sharing and consistent frameworks for participation.
- We need to close the feedback loop, ensuring people know what happens to their submissions and views after they submit them.
- Critically, we need to ensure that civil society can choose our own representatives in official fora, encouraging active citizenship and robust decision-making processes.⁷⁹
- We need to harness the knowledge and expertise available in local communities throughout the country by reinvigorating and appropriately resourcing PPNs, which can and should play a much bigger role in public participation.

⁷⁹ https://www.wheel.ie/sites/default/files/media/file-uploads/2018-08/Powering%20Civil%20Society_0.pdf

9. A New Social Contract, A New Social Dialogue – A Community And Voluntary Perspective⁸⁰

Seán Healy

Seizing the chance for real change

In the same way that a flash of lightning can suddenly illuminate a night sky and reveal details of the landscape that might not, otherwise, have been seen, so COVID-19 has lit up parts of Ireland’s economic and social fabric which have been neglected up to now. That neglect may not have been intended. However, once it has been seen it cannot again be unseen; if it is neglected subsequently then such neglect is culpable

For much of the 20th century, the primary focus of government policy has been on promoting economic growth. This was the means that would allow governments and society to achieve what they wanted, and it was the metric by which governments would be judged as successful or not. As Benjamin Friedman stated in *The Moral Consequences of Economic Growth* (2005, p. 4):

“...economic growth - meaning a rising standard of living for the clear majority of citizens - more often than not fosters greater opportunity, tolerance of diversity, social mobility, commitment to fairness, and dedication to democracy”.

New research suggests that the relationship between economic growth and social outcomes is much more complex. Social exclusion, poverty and inequality are not the result of poor economic performance, but are factors that can retard economic progress; they are causes and not just effects. Further, these problems present significant costs to society - consuming resources or preventing resources from being developed – so that they make the community as a whole poorer. Instead of promoting GDP and hoping the benefits of economic growth will trickle down to all aspects of society, as well as improving the environment, this line of research suggests that a better way to promote a prosperous economy

⁸⁰ This paper draws on previous work published by *Social Justice Ireland* e.g. Healy, et al, (2020) *Social Justice Matters*; Bennett et al, (2020) *Building a New Social Contract: Policy Recommendations*

is to create a just and fair society. Investing in people, communities and the environment is the better pro-growth policy.

Ireland has seen some very notable positives in recent years. Economic growth has been exceptional. Unemployment has fallen dramatically. Population growth has been steady and ensures that Ireland's dependency ratio is much more positive than most of its peer countries in the EU-15.

At the same time, however, these very positive developments have been accompanied by others which call into question Ireland's social contract between the citizen and the state. The lightening-flash clarity produced by the COVID pandemic has convinced many people of what they already suspected i.e. that serious consideration needs to be given to the failures that have consistently dogged Ireland's approach to policy development and decision-making in recent decades. The experience of COVID-19 has highlighted major challenges being faced by Irish society.

- Many of those who were recognised as heroes while Ireland was in lockdown were people in low paid employment whose work was not really appreciated prior to the pandemic.
- The social welfare system was seen once again to not be fit for purpose in the 21st century.
- The levels of homelessness and insufficient supply of social housing served as a telling indictment of the failure to address some of Ireland's major infrastructure deficits.
- A further example of the country's infrastructure deficit highlighted by the pandemic was the lack of an effective broadband system across the country which severely limited the capacity of people living in some parts of Ireland to work from home when their offices were closed during the pandemic.
- The society's failure to effectively address the growing levels of inequality and deprivation again drew attention to the fundamental failure of a very rich society to make the adjustments required to ensure everybody had the basics required to live life with dignity.
- In the area of services, of particular significance during the pandemic was the obvious inadequacy of the two-tier healthcare system. While its personnel responded heroically to the challenges presented, there was no hiding from the fact that many vulnerable people were not as well served as their better-off fellow-citizens.

- The lack of an adequate supply of quality childcare is another such example that has major implications for addressing issues such as unemployment.
- At a macro-economic level Ireland's pattern of going from boom to bust to boom to bust has become a serious concern and led people to ask questions about why this pattern has to be repeated over and over again.
- At a governance level, more and more people are questioning why they have no real voice in shaping the decisions that impact on them.

There is a growing conviction among many people that Ireland needs to look again at its social contract and devise something that is more appropriate for the world of the 21st century. There would be widespread support for a new social contract focused on delivering a society with a thriving economy; decent services and infrastructure; just taxation; good governance; and sustainability, as proposed by *Social Justice Ireland*. Most Irish people would agree that a society focused on delivering these five outcomes would be well placed to address all of the shortcomings already identified here.

These five outcomes should be focused on simultaneously, not addressed in sequence. Over and over again Ireland has given priority to addressing the economy first, believing that once a thriving economy has been delivered the country will have the resources required to deliver the other four outcomes. What this approach fails to recognise is that a thriving economy cannot be built without decent services and infrastructure, without just taxation, without good governance and without sustainability at its core; so, these five outcomes must be addressed simultaneously.

The present moment presents an opportunity that must not be missed. The world of work is changing rapidly and both the tax and welfare systems need to change so as to be appropriate in that new world. Society needs to appreciate far more deeply the work done by people committed to the welfare of others whether that is in paid employment or work done in the community or in the home or even in developing oneself. Government should have confidence, in this post-COVID world, that the general public would welcome new thinking in these areas.

Likewise, corporations must realise that it is their responsibility to make a fair and just contribution to the developments that are needed if Ireland is to become a just, fair and equal society.

It must be accepted as a core principle of good governance that structures and processes exist to ensure that people's voices are heard in the policy development that is a constant part of any government's ongoing work.

A new vision is required, one that challenges all citizens to be the best that they can be; a vision that provides for everybody's well-being while protecting the environment on which we all depend. Business as usual is not an option; neither is returning to the old normal.

Distribution of Resources⁸¹

Ireland's macroeconomic situation continues to improve with each release of national income figures from the CSO (CSO, 2020). Employment continues to rise at an impressive rate and long-term unemployment was at its lowest in a decade (CSO, 2019). Personal consumption grew at a solid rate of 3.1 per cent year-on-year to end Q2 2018, with exports (+10.7 per cent) continuing the strong growth seen throughout 2018 and into 2019 (Department of Finance, 2019a). Yet despite the economic gains of recent years and before adjusting for the negative impacts of the pandemic, Ireland continued to trail our Western European counterparts in terms of service delivery and infrastructure investment. As a result, a deficit has emerged between Ireland and our peer countries in the EU-15.

It should not need stating that this deficit cannot be closed without increasing our current levels of public investment. Budget 2021 seems to have taken a decisive step in the right direction in this regard.

The profile of Ireland's population is changing, and this requires a bespoke policy response from Government. We must begin planning for these changes now, as a significant increase in investment will be required to meet the challenges associated with issues such as Irish people living longer and Ireland being a more multicultural society

We have already noted the challenge Ireland faces on climate. This includes the need for a Just Transition. This refers to a framework that should encompass a range of social interventions needed to ensure that as the necessary economic and social changes take place to avoid the worst effects of climate change, there are protections for vulnerable groups, including those living in poverty, those

⁸¹ It should be noted that some of the figures included in this paper draw on pre-COVID data so as not to overstate the case in favour of change that could be made if drawing principally on data collected following the onset of the COVID-19 pandemic.

living in energy inefficient dwellings, and those people and regions that rely on carbon-intensive employment, or do not have access to public transport.

Policymakers must acknowledge that a thriving economy is not a goal in itself but a means to social development and wellbeing for all. Substantial evidence has emerged in recent years to support the view that economies and societies perform better across a number of different metrics, from better health to lower crime rates, where there is less inequality (Wilkinson & Pickett, 2009).

There is clearly something fundamentally wrong with the development path Ireland has been taking. While it performs well when measured by some macro-economic standards, the reality for many citizens and for the environment is different. For example, due to the current housing situation and several other factors, many Irish citizens are facing the prospect that their standard of living will not equal that of their parents (Fahey, 2018). It is clear that Ireland's recovery pre-COVID had not been experienced equally by all. This situation has been exacerbated by the pandemic. Public services remain over-stretched.

There is also a growing acceptance of the need to act now to avoid climate catastrophe. For the first time ever, environmental concerns are central to overall policymaking almost everywhere. With this has come a growing acceptance of the need to re-structure the prevailing economic model. If the dominant value of the capitalist system is 'legitimate greed', what is required is a system that delivers mores such as solidarity, mutual support, and communal and collective responsibility, social citizenship and sustainability (Fraser, 2014; Streeck, 2014).

As part of a new model for development, Government should ensure that future tax and spending policy is focussed on building up Ireland's social infrastructure, prioritising areas such as social housing, primary care and mental health facilities, elder care services and supports, and childcare and early education facilities. These are areas in particular where Ireland has been experiencing an infrastructure deficit for quite some time.

Without adequate future planning for the kinds of infrastructure and services we need, it will not be possible to maintain – never mind improve – the current standards of living for all citizens, from children to older people. Society needs to acknowledge that a Universal Basic Income and Universal Basic Services are required if the basic right of every citizen to have the minimum required to live life with dignity is to be met.

Policy initiatives that Government should prioritise in this area of distribution of resources in society include:

- Set ambitious targets for the reduction and eventual eradication of poverty and deprivation in Ireland, especially among children.
- Set core social welfare payments at 27.5 per cent of Average Earnings, and then move them towards the Minimum Essential Standard of Living (MESL) rates over a five-year period.
- Move the National Minimum Wage in the direction of the Living Wage, which is the hourly rate an individual working full time must earn to achieve the minimum socially acceptable standard of living in Ireland⁸².

A system of Basic Income – something long advocated by *Social Justice Ireland* – would go a long way to ensuring that everyone has enough money to live life with dignity. It would place an income floor underneath every individual which can be relied upon regardless of changing circumstances, whilst also structuring Ireland’s welfare system in a way that better meets the needs of the modern economy, increasing flexibility for individuals of working age and reducing inequality in society. It would also be a great enabler, giving people greater control over their lives and how they wish to divide their time between work, education, caring, volunteering and leisure. Basic Income should be a key part of a welfare system that is fit for a 21st century economy.

Valuing all people

Social Justice Ireland believes strongly in the importance of developing a rights-based approach to social, economic, environmental, and cultural policy. Such an approach would go a long way towards addressing the inequality Ireland has been experiencing and should be at the heart of the development model for a just society.

We believe seven basic rights should be acknowledged and recognised⁸³. These are the rights to:

1. Sufficient income to live life with dignity;
2. Meaningful work;

⁸² More on the Living Wage at <https://www.livingwage.ie/>

⁸³ These are not the only rights we support and advocate for. However, they are critically important for the development of a balanced society and economy which delivers wellbeing for all.

3. Appropriate accommodation;
4. Relevant education;
5. Essential healthcare;
6. Cultural respect; and
7. Real participation in society (Healy et al, 2015).

Public policy should be working towards vindicating these seven rights. The right to sufficient income to live life with dignity has been addressed in the preceding section of this paper.

On the right to meaningful work, we believe every person in society should have the right to contribute to that society. Part of this means that worthwhile employment should be a genuine option for everyone who seeks it. Jobs should provide decent working conditions and pay a wage that allows employees to achieve a decent standard of living. Recent decades have seen a gradual erosion in the quality and security of employment, not just in Ireland but across the developed world.

Ireland's, pre-pandemic, rising employment numbers and falling unemployment rate were very welcome. However, underemployment remains a significant issue, with an estimated 111,800 people (almost a quarter of all part-time employees) working part-time hours who would take full-time employment if they could find it (CSO, 2019a).

But the definition of work should not be confined to employment. People contribute to society in more ways than simply engaging in paid employment. For example, Census 2016 shows that more than four per cent of the population provides some care for sick or disabled family members or friends on an unpaid basis (CSO, 2017). Many other people do substantial levels of voluntary work in their communities as well as doing unpaid work in their homes. Society needs to recognise the value of all such work and acknowledge the key role it plays in delivering progress, sustainability and social cohesion. Every human being has the right to meaningful work. Our system needs to recognise this and acknowledge the many kinds of work in which people engage.

To vindicate the right of everyone in society to appropriate accommodation, Government must reconceptualise its role in housing provision. The ideological aversion to building social housing directly, or allowing Local Authorities to borrow to build, must end. Budget 2021 recognised this importance in theory, but then went on to put more money into HAP and barely make a dent in the

social housing targets. Indeed, building more social housing is key to everything. Each social housing unit built not only takes one household off the social housing waiting list, but often frees up one unit in the private rental sector, helping to reduce demand and (eventually) cost in the private rental market. Government should also begin investing in housing provision through the cost-rental model.

Ireland's current housing crisis is so severe that it could damage Ireland's competitiveness. While there are certainly other, more socially worthy, reasons for investing in Ireland's productive social and economic infrastructure, there is perhaps no clearer or more obvious example of the need for large-scale government investment to maintain Ireland's medium-to-long-term economic potential, given the prevailing circumstances.

The importance of the right of every person to relevant education should also be recognised in practice. The role of education in improving people's lives and reducing inequality and disadvantage cannot be overstated. Access to appropriate education and skills development from early years to adulthood is one of the key public services that enables participation in society, public life and the labour market, and investment in education at all levels and throughout the lifecycle can help deliver a more vibrant economy and prepare citizens to fully participate in the society in which they live.

The focus of our education system should be to ensure people are engaged and active citizens and have the necessary critical and creative skills to navigate an everchanging employment environment. This is especially important for children and young people today, who upon leaving formal education will be entering a very different employment landscape to their parents.

Policy priorities in this area should include targeted funding for pupils from disadvantaged backgrounds; increased investment in Early Childhood Care and Education; and a greater commitment to lifelong learning, which is an area that Ireland fares poorly at compared with our European peer countries.

People's right to essential healthcare services is fundamental to human wellbeing and contributes to economic success in a range of ways, including improving labour market participation and productivity. Citizens of a developed Western country like Ireland should be assured of the required treatment and care in their times of illness or vulnerability. However, while many aspects of the Irish healthcare system result in very positive outcomes for citizens, many others

experience significant access issues, and Ireland's long waiting lists and regular trolley crises are well publicised. To secure this essential right, policy should:

- Prioritise quality primary and social care services, increasing the availability of each. (Budget 2021 went a substantial distance towards achieving this.)
- Ensure medical card-coverage for all people who are vulnerable.
- Create a statutory entitlement to a Home Care Package.
- Create additional respite care and long-stay care facilities for older people and people with disabilities, and provide capital investment to build additional community nursing facilities.
- Ensure long-term planning and investment in the sector, acknowledging the impending demographic changes in Ireland, to ensure that we can cope with these changes.

Every person has a right to have their culture respected in the country in which they live, so long as it doesn't infringe on the rights and culture of others. This will often involve adapting public services to make them suitable for the needs of cultural or ethnic minorities.

Cultural respect also extends to the words we use when talking about people different to ourselves. Over the last decade, we have seen in several countries how a political focus on immigration, demonising 'outsiders' and ethnic minorities, and increasingly insular, inward-looking attitudes has led to the election of political leaders who have then used their platform to implement regressive legislation and policies that have restricted human rights, increased inequality, targeted the vulnerable, and eroded the services upon which most ordinary people rely to underpin their standard of living. The wellbeing of broader society is often ignored, and reductions in living standards are blamed on 'others'. Ireland has been largely immune from these trends, but there's no guarantee that this will remain the case.

It is also important that Ireland not allow some of the social trends of other countries to occur here. Recently we have seen anti-immigrant sentiment creeping into the Irish political discourse, as well as the sort of language that victimises ethnic minorities. This needs to be called out and confronted by 'mainstream' politicians and the media, and mistruths must be countered with facts and evidence. Resistance to the integration of people from a different culture may be guided by misunderstanding, or fear of the unknown. We must not allow fear to overwhelm our humanity.

The final right listed already, i.e. the right to real participation, will be addressed later in this paper.

Securing the Common Good

Social Justice Ireland also believes that wellbeing and the common good should be at the centre of policy development. In recent years there have been many useful discussions and publications on the issue of well-being. The National Economic and Social Council (NESC) defined well-being as follows: “A person’s well-being relates to their physical, social and mental state. It requires that basic needs are met, that people have a sense of purpose, and that they feel able to achieve important goals, to participate in society and to live the lives they value and have reason to value.” (NESC 2009, p.xiii) This is the well-being that *Social Justice Ireland* would like for all members of all societies.

As far back as Plato it was recognised that the person grows and develops in the context of society. “Society originates because the individual is not self-sufficient, but has many needs which he can’t supply himself”⁸⁴. The person grows and develops through relationships with people; family, neighbours, community, wider society. Down through the ages various philosophies and social arrangements have been proposed to meet the felt need in societies to fulfil their perceived obligations to their members. These varied from Aristotle’s position of favouring private ownership but common use of property to ensure the dire needs of people were met, to the emphasis of both Plato and Aristotle that education should be free and compulsory, to Cicero’s discussion of equality, to the early Christian emphasis on sharing and forming community.

In more recent times the dignity of the person has been enshrined in The Universal Declaration of Human Rights which states: “All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.” This core value is also at the heart of the Catholic Social Thought tradition. I support the values of both these traditions. We advocate that the dignity of each and every person must be recognised, acknowledged and promoted effectively. This implies that society’s structures, institutions and laws should exist for the authentic development of the person.

The right of the individual to freedom and personal development is limited by the rights of other people. This leads to another core value, namely, the

⁸⁴ (Plato, in Lee 1987, p58, cited in George, V. 2010, p6)

common good. As noted earlier the concept of the ‘common good’ originated over two thousand years ago in the writings of Plato, Aristotle and Cicero. More recently, the philosopher John Rawls defined the common good as “certain general conditions that are...equally to everyone’s advantage” (Rawls, 1971 p.246). François Flahault notes “that the human state of nature is the social state, that there has never been a human being who was not embedded, as it were, in a multiplicity. This necessarily means that relational well-being is the primary form of common good. Just as air is the vital element for the survival of our bodies, coexistence is the element necessary for our existence as persons. The common good is the sum of all that which supports coexistence, and consequently the very existence of individuals.” (Flahault, François, 2011: 68)

Social Justice Ireland understands the term ‘common good’ as “the sum of those conditions of social life by which individuals, families and groups can achieve their own fulfilment in a relatively thorough and ready way” (Gaudium et Spes 1965:74). This understanding recognises the fact that the person develops their potential in the context of society where the needs and rights of all members and groups are respected. The common good, then, consists primarily of having the social systems, institutions and environments on which we all depend, work in a manner that benefits all people simultaneously and in solidarity. The NESC study referred to already states that “at a societal level, a belief in a ‘common good’ has been shown to contribute to the overall well-being of society. This requires a level of recognition of rights and responsibilities, empathy with others and values of citizenship” (NESC, 2009, p.32).

This raises the issue of resources. The goods of the planet are for the use of all people – not just the present generation; they are also for the use of generations still to come. The present generation must recognise it has a responsibility to ensure that it does not damage but rather enhances the goods of the planet that it hands on – be they economic, cultural, social or environmental. The structural arrangements regarding the ownership, use, accumulation and distribution of goods are disputed areas. However, it must be recognised that these arrangements have a major impact on how society is shaped and how it supports the well-being of each of its members in solidarity with others. These are issues that are of major importance in the development of a new Social Contract. They are also issues that require the engagement of all sectors of society in shaping the direction to be taken.

Ensuring Sustainability

Despite the aforementioned crises in housing and health, our ageing population, and many other issues besides, climate change remains the greatest long-term challenge facing Ireland today. It is all the greater for the fact that Ireland alone cannot control this, and any solutions implemented by Ireland will be of minimal use if not adopted as part of a global effort to curb emissions and move to a carbon neutral economy in the coming decades.

However, that is no excuse for Ireland shirking its obligations, as has been the case until now. *Social Justice Ireland* has in the past called for Government to adopt ambitious statutory targets aimed at limiting fossil fuel emissions and introduce taxation measures necessary to compensate for the full costs of resource extraction and pollution. These should be accompanied by mitigation measures to protect the vulnerable and those whose livelihoods will be severely impacted. The recently published Climate Bill is a step in this direction but doesn't commit Ireland to the scale of response required if disaster is to be averted.

Sustainable development is development which meets the needs of the present while not compromising the needs of the future. Financial and economic, environmental, and social sustainability are all key objectives and are all interlinked. As Nobel Laureate Joseph Stiglitz noted last year, 'GDP is not a good measure of wellbeing. What we measure affects what we do, and if we measure the wrong thing, we will do the wrong thing' (Stiglitz, 2019).

Creating a sustainable Ireland requires the adoption of new indicators to measure progress. National Income figures are limited to measuring the monetary value of gross output, income and expenditure in an economy, and include many activities that are in fact detrimental to society and incompatible with the common good while omitting activities that are essential for society to survive and thrive.

Social Justice Ireland believes that using a country's performance on the Sustainable Development Goals (United Nations, 2015b) as a benchmark would be a more appropriate measurement of progress and wellbeing. A report this year from Professor Charles Clark of St John's University, New York, and Dr Catherine Kavanagh of University College Cork (Clark, Kavanagh & Linehan 2020) seeks to move beyond national income as a measure of societal advancement, encompassing environmental and social indicators of progress as well as economic ones. As noted by Tom Healy in his book, *An Ireland Worth Working*

For, we need to ‘change the language and thinking around ‘economic growth’. What matters is sustainable human development across a range of domains encompassing nutrition, health, education and work’. Growth as captured by GDP must become a secondary policy goal, subservient to others.

The report from Clark and Kavanagh, titled *Sustainable Progress Index 2020*, showed that Ireland’s environmental performance was poor, ranking us 15th, in the EU-15, bottom of the class. This points to policies that have prioritised economic growth above sustainability and this is an approach that cannot be allowed to continue. Commitments made at the COP21 conference in Paris in 2015 (United Nations, 2015a) were based on the growing realisation that the resources of the planet and its environment are finite – a fact that had often been ignored in the past. Failure to tackle climate change immediately will have significant impacts into the future, including on food production, regional and global ecosystems, and on flood-prone regions. However, commitments so far have amounted to only a quarter of what is required to meet the targets agreed in Paris.

Social Justice Ireland suggests that Government begin using an Index such as the *Sustainable Progress Index* to measure Ireland’s true progress. Sustainability is about more than the environment; it can also relate to finances, economics, and social wellbeing. I acknowledge Government’s publication on wellbeing that was published with Budget 2021 – a step in the right direction.

A sustainable social and economic model requires balanced regional development. Government must move to correct the growing disparity in the standard of living and the distribution of population between rural and urban Ireland. Policy must ensure balanced regional development through the provision of public services and through capital spending projects. In this context full roll-out of the *National Broadband Plan* is essential.

In particular, Government must figure out a way to transition to a sustainable economic model in a just manner. The concept of a Just Transition and what it entails should be an issue for consideration in a Social Dialogue involving all stakeholders. Account must be taken of the fact that, done badly, the transition to a carbon neutral economy has the potential to do serious harm to some of Ireland’s most vulnerable, including those on low incomes, those in energy-inefficient dwellings, and those living in areas heavily reliant on carbon-intensive employment. It is worth noting the work of the Nevin Economic Research Institute (2019) which highlights the fact that around 6 per cent of employment in Ireland accounts for 75 per cent of total non-household

emissions, and 8 per cent accounts for 80 per cent of emissions, if Transportation & Storage is included. These are the jobs in most danger. Emissions-intensive sectors are concentrated outside of the Dublin area for the most part, with the exception of Transportation & Storage. There is also a substantial disparity between Irish regions in the proportion of new jobs in ‘low-emitting’ sectors.⁸⁵

Finally, the responsibilities and obligations of the Global North towards the planet and the peoples of East and South must be taken into account. There is a double obligation on the rich world to decarbonise rapidly in its production and consumption practices and to help to fund mitigation and adaptation programmes in the Global South (Gough, 2017: 12). The most developed countries of the world have burned copious amounts of fossil fuels to get them to where they are, and those same countries continue to have the most carbon-intensive lifestyles. There is a not unreasonable expectation in the developing world that they should not have to remain at the current level of development, well behind the living standards of the world’s richest countries.

Gough (2017) characterises this situation as needing what he refers to as ‘speedy contraction and convergence’. The goal must be to respect biophysical boundaries while at the same time pursuing sustainable wellbeing: that is, wellbeing for all current peoples, as well as future generations. ‘Between an upper boundary set by biophysical limits and a lower boundary set by decent levels of wellbeing for all today lies a safe and just space for humanity’. Essentially, it is about deciding what would constitute a moral minimum of need satisfaction across today’s world. Gough concludes that ‘equity, redistribution and prioritising human needs, far from being diversions from the basic task of decarbonising the economy, are critical climate policies’. These are issues that should be addressed in a new Social Contract.

A New Social Dialogue - Engagement in Decision-making

If Ireland is to succeed in addressing the challenges identified here, the pathway to doing so must be founded on consensus, must be well-managed, and must be properly evaluated. It has been widely recognised that Ireland’s governance was poor in certain areas prior to the economic crisis a decade ago. This is particularly so with reference to financial regulation. Moreover, that economic crisis led Government to make rash decisions, particularly on fiscal policy. These decisions were often made without any consultation, and many have since been recognised as very damaging, particularly in the case of the bank guarantee.

⁸⁵ These numbers are based on pre-pandemic figures.

Reforming governance and widening participation must remain a key goal. An increased recognition of the need to include all stakeholders in the decision-making process is needed. A deliberative decision-making process, involving all stakeholders and founded on reasoned, evidence-based debate is required. To secure a new Social Contract, participation by various sectors of society is essential. One component of real participation is recognition that everyone should have the right to participate in shaping the society in which they live and the decisions that impact on them. In the 21st century this involves more than voting in elections and referenda. Ireland needs real, regular and structured deliberative democracy⁸⁶ to ensure that all interest groups and all sectors of society can contribute to the discussion and the decision-making on the kind of society Ireland wishes to build.

Ireland would greatly benefit from having a structure that would engage all sectors at a national level. Social dialogue helps highlight issues at an early stage which would allow them to be addressed promptly. More importantly, it ensures that the various sectors of society are involved in developing mutually acceptable solutions to problems that emerge which in turn would be most likely to ensure their support for such solutions when implemented by Government. For such an approach to succeed it must include all five pillars i.e. employers, trade unions, farmers, community & voluntary and environmental.

As already noted, Ireland faces significant challenges in the coming decades, among them the housing and health situations, an increasing older population and the transition to a cleaner, greener economy. We need to get beyond growth and markets and recognise that, while they do have a role, they are only part of the solution. It is also important that all sectors of society – young and old, urban and rural, businesses, trade unions, farmers, community/voluntary, social inclusion and environmental – have a voice in deciding how these challenges will be met.

The National Economic Dialogue (NED) is an example of the potential for such dialogue. Government held the first NED in July 2015 and has repeated the process annually since. *Social Justice Ireland* welcomed this deliberative approach to policymaking but argued that it should meet more regularly than once a year, and should broaden its deliberations beyond the economy.

⁸⁶ See Gutmann & Thompson (2004) and Healy and Reynolds (2011) for more on the concept of deliberative democracy.

If Government wishes for all of society to take responsibility for producing a more viable social and economic model, it must involve all major sectors in society in shaping it.

Social dialogue involving all sectors of society enables the development of mutually acceptable solutions to problems that emerge. This in turn would make it more likely that support for such solutions can be secured when implemented by Government. People who have been involved in shaping decisions are far more likely to take responsibility for implementing these decisions.

Social Justice Ireland believe that Government should also take further steps to increase the transparency of budgetary and other important decisions, as well as further increase their research and evaluation capacity. The Irish budgetary process leaves a great deal to be desired. The level of engagement in the budget process by the Houses of the Oireachtas is low by EU standards. The level of transparency with the wider public is also too low. I recognise the work done by the Oireachtas Committee and the Parliamentary Budget Office but much more remains to be done. For example, Government should publish its analysis of the distributional impact of budgetary measures on Budget day, and engage in public debate on that analysis. This should be a statutory responsibility for Government.

Conclusion

The model for society outlined earlier in this conference by Colette Bennett and summarised here, and the policy framework underpinning it are based on a very simple premise: that we understand where we are as a society; that we can see where we want to go; and that there is a logical pathway, that will get us there. That is what a genuine Social Dialogue can achieve.

Ireland has for too long been afflicted by a state of affairs whereby we understand the issues, we know what needs to be done to improve matters, yet we find ourselves failing to take the correct steps. It is time to change that.

It is time, too, to acknowledge that the model of development being pursued has serious deficits, leading as it has to unacceptable levels of poverty and deprivation, inferior quality public services, environmental degradation, and an unsustainable future.

Contained in *Social Justice Ireland's* proposals for a New Social Contract (Bennet et al, 2020) is a comprehensive framework setting out the current situation and the issues we face, the goals that we wish to reach as a society, and the policy

changes needed to attain them. It is clear that each of the five dimensions we identified are interrelated and must be acted on simultaneously.

Having expounded on the need for an overhaul of capitalism as we know it, it is perhaps with some irony I give the closing words of this paper to Milton Friedman (1982), that great exponent of neoliberalism and winner of the Nobel Prize for Economics in 1976.

‘Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around... Our basic function [is] to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable’.

We are now at such a moment. Ireland, and indeed the planet, faces several crises ranging from pandemic to pollution to poverty; a situation where ‘business as usual’ can mean only social and environmental catastrophe. *Social Justice Ireland* has developed alternatives to existing policies and advocated for them for many years. We have reached a point where adoption of a new Social Contract is surely a necessity. These ideas and alternatives to existing policies, ideas that would result in a fairer more just society, are now available. All sectors of Irish society should be engaged in an ongoing Social Dialogue to decide how best to proceed. Ireland needs a new Social Contract and a new Social Dialogue.

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The present moment presents an opportunity that must not be missed. If Ireland is to succeed in addressing the challenges identified here, the pathway to doing so must be founded on consensus, must be well-managed, and must be properly evaluated. We need a new Social Contract underpinned by a new Social Dialogue. We must look at the framing of this Social Contract in a national and international context and hear the views of all stakeholders to shape this process.

Ireland would greatly benefit from having a social dialogue structure that would engage all sectors at a national level. Social dialogue involving all sectors of society enables the development of mutually acceptable solutions to problems that emerge. This in turn would make it more likely that support for such solutions can be secured when implemented by Government. People who have been involved in shaping decisions are far more likely to take responsibility for implementing these decisions.

The chapters presented in this book set out both the rationale and a comprehensive pathway towards A New Social Contract, A New Social Dialogue. We trust that those engaged in shaping Ireland's future for the coming decades will find it of value.



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