8. Delivering Social Rights for Ireland

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This year's conference has examined the European Pillar of Social Rights and how it might be used to shape a more just society. Following the crash of 2008, we saw the damage that ignoring these rights can do to societies, the environment and even the economies that austerity policies were intended to protect. But it was the poorest and most vulnerable who paid the highest price.

Covid-19 has presented another defining challenge, and demands a different approach to that adopted when addressing the mistakes made in the past. The Europe 2020 target set in 2010, of taking 20 million people out of **risk of poverty or social exclusion**, is likely to be missed by a very wide margin. In 2019, Europe had only reduced the number by about 8.5 million people.[1] Ireland's contribution to that amount had been just 36,000 (Table 1).

[1] Eurostat gives -8.5m as the cumulative difference to 2008 for EU27. However, it gives -8.8m as the cumulative difference to 2008 for EU28 (Eurostat Online database: [ilc_peps01]) This is likely to be because Croatia joined EU in 2013 and thus EU28 data is only available starting from 2010 (when the level was 117.9m, EU28) (European Commission, Europe 2020 Targets, pdf).

Table 1: EU-28 and Ireland, Key Poverty Indicators, 2008 and 2019

Poverty Indicators								
	People at risk of poverty or social exclusion		People at risk of poverty (60% threshold)		People experiencing Severe Material Deprivation		People in households with very low work intensity	
	Number	%	Number	%	Number	%	Number	%
EU-28 Total population								
2008**	116m	23.7	80.9m	16.6	41.5m	8.5	34.6m	9.2
2019	107.5m	21.4	84.5m	16.8	27.5m	5.5	31.3m	8.5
Ireland Total population								
2008	1.05m	23.7	686,000	15.5	245,000	5.5	509,000	13.7
2019	1.01m	20.6	645,000	13.3	267,000	5.4	534,000	13.6
EU-28 Children (under 18)								
2008**	25m	26.5	19.2m	20.4	9.3m	9.8	7.3m	7.8
2019	22.2m	23.4	18.7m	19.4	5.7m	6.0	6.6m	7.0
Ireland Children (under 18)								
2008	309,000	26.6	209,000	18.0	78,000	6.8	174,000	15.1
2019	290,000	23.2	176,000	14.1	86,000	6.9	185,000	14.8
EU-28 Older people (over 65s)								
2008**	19.2m	23.3	15.6m	18.9	6.1m	7.5	n/a	n/a
2019	18.3m	18.6	15.6m	15.9	4.6m	4.7		
Ireland Older people (over 65s)								
2008	109,000	22.5	102,000	21.1	11,000	2.2	n/a	n/a
2019	136,000	19.4	127,000	18.1	14,000	1.9		

Source: *Eurostat Online Databases: t2020_50, t2020_51, t2020_52, t2020_53, ilc_lvhl11, ilc_li02, Ilc_mddd11, ilc_peps01*

*** Rates for 2008 relate to EU-27 countries, not EU-28, as this was prior to the accession of Croatia*

The risk of poverty or social exclusion affected over 116 million people in Europe in 2008, a figure that rose in subsequent years but has improved each year since 2012. However, the average rate stood at 21.4 per cent in 2019 (EU-

28) representing more than one in 5 Europeans or over 107 million people.[2] This indicates how far away from a reduction of 20 million people affected Europe is. In Ireland, number of people affected in 2008 was 1.05 million, 23.7 per cent of the population, reducing to 1.01 million in 2019. This still equates to one in every five people in Ireland at risk of poverty or social exclusion, and these figures are pre-Covid.

Thus, despite recent improvements, there is reason for concern about a range of issues and the length of time that high levels of poverty or social exclusion have persisted is unacceptable in human and societal terms. There are also indicators that depth of hardship for those affected has increased slightly (between 2008 and 2019). Groups facing a higher risk of poverty and social exclusion include single households, migrants and people with lower education as well as their children.

While Ireland has one of the lower rates of poverty in the European Union, at 13.3 per cent in 2019[3], this still equates to 645,000 people, almost one third of which are children, living below the poverty line. In a relatively wealthy country such as Ireland, this cannot be accepted.

Although the number of people in poverty is much the same as a decade ago, it rose dramatically in the period immediately post-2008 and, from 2016 onwards, has been one of notable decline in the level of poverty risk. Our analysis of the income distribution effects of recent Budgets, looking at the entire period from 2017 to 2021, indicates that budgetary policy resulted in all household types recording an increase in their disposable income. The larger gains experienced by welfare dependent households explain much of the reasons why the levels of poverty and income inequality have fallen during these years. We obviously warmly welcome this progress. It reflects a dividend from budget policy over the period which, for the most part, distributed resources more generously to welfare dependent households. Our consistent message in advance of these Budgets was to reverse the regressivity of previous policy choices and to prioritise those households with the least resources and the most needs.

However, the analysis also reveals that Budgets 2020 and 2021 shifted away from this approach, risking a reversal of much of the recent progress. Following the publication of Budget 2022 in October, we welcomed the €5.00 increase in core

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2 Eurostat online database code t2020_50

3 For the purpose of this paper, the Eurostat data is used. The data published by the CSO varies slightly, with an at risk of poverty rate of 12.8 per cent.

social welfare rates, but were disappointed to note that this was insufficient as a real step towards benchmarking social welfare against average earnings. In fact, the real value of core social welfare rates is set to fall in the coming year as inflation is predicted to pass 5 per cent in the period ahead. To maintain the real value of core welfare rates as they were prior to the Budget would have required an increase of €10, only half of which was allocated.

Social Justice Ireland had proposed an annual €10.00 increase over two years to meet this benchmark as a stepping stone towards the Minimum Essential Standard of Living.[4] Failure by Government to adopt this proposal means that the standard of living of many people who depend on social welfare will fall further behind the rest of society.

Of course, households dependent on social welfare are not the only ones experiencing poverty. According to the latest CSO data, 5 per cent of the those who are employed are living at risk of poverty, approximately 100,000 workers. Over time poverty figures for the working poor have shown little movement (Table 2), reflecting a persistent problem with low earnings.

Table 2: Incidence of Persons Below 60% of Median Income by Principal Economic Status, 2003-2019

	2003	2006	2009	2012	2015	2019
At work	**16.0**	**16.1**	**14.3**	**12.2**	**13.7**	**15.4**
Unemployed	7.6	8.3	12.9	19.2	14.2	10.9
Students/school	8.6	15.0	14.6	14.2	15.4	10.6
On home duties	22.5	18.4	18.0	15.5	14.8	13.4
Retired	9.0	5.8	4.7	5.9	7.3	9.9
Ill/disabled	9.1	8.0	6.4	7.3	8.4	12.3
Children (under 16 years)	25.3	26.6	27.6	23.8	24.3	26.1
Others	1.9	1.8	1.5	1.9	1.9	1.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: *Collins (2006:141), CSO SILC Reports (various years).*

4 www.budgeting.ie

Many working families on low earnings struggle to achieve a basic standard of living. Policies which protect the value of the minimum wage and reduce the prevalence of precarious employment practices are relevant policy initiatives in this area. Similarly, attempts to highlight the concept of a 'Living Wage'[5] and to increase awareness among low income working families of their entitlement to the Working Family Payment (formerly known as FIS, Family Income Supplement) are also welcome; although evidence suggests that the Working Family Payment had a very low take-up and as such this approach has questionable long-term potential.

With Budget 2022, Government chose to leave those on low incomes behind. As a result of Government's failure to focus on low to middle income households with jobs, a couple with one earner at €30,000 received an additional €0.39 between them. Even more devastating is the outcome for a household of four, two adults and two children, one income at €30,000 who also have benefited by just €0.39 over the current Government's two Budgets.

Social Justice Ireland recognises that poverty is never *just* about income, but it is always about income. Ireland currently has no clear, comprehensive strategy to tackle poverty, social exclusion and vulnerability. While Government can itemise which individual national roads are to be built or upgraded, it has not even tried to outline a real and effective pathway towards reducing poverty and social exclusion. Its actions clearly show Government has failed, to date, to commit to leaving nobody behind, a key concept of the 2030 Strategy.

Employment

While improving up to the onset of the pandemic in spring 2020, the employment rate across Europe has not increased at the anticipated pace and has not attained the Europe 2020 strategy target of 75 per cent of the total labour force. There are significant variations in the employment rates in different countries. Countries, especially in central and northern Europe, have exceeded the Europe 2020 strategy target, while other countries, especially in the south and periphery, are very far away from achieving it.

In Ireland, the Covid-19 pandemic has brought enormous uncertainty to the Irish labour market and consequently to many families throughout the country. The pandemic's labour market impact has been uneven, in particular when judged across age groups, genders, and sectors of employment. Furthermore,

5 www.livingwage.ie

the uncertainty remains and many of the challenges will only truly reveal themselves as the pandemic's disruption recedes.

Table 3 attempts to identify some of the labour market consequences of the pandemic by comparing CSO data from the final three months of 2020 to those for the same period in 2019. The table also includes the CSO's Covid-19 adjusted employment and unemployment estimates for December 2020; these represent the lower bound for the true employment indicator and the upper bound for the true unemployment figure. Both estimates assume that most individuals in receipt of the short-term Covid-19 Pandemic Unemployment Payment (PUP) would be unemployed if the payment did not exist. The figures reveal the hidden reality of the pandemic's labour market impact with pronounced decreases in employment and increases in unemployment. These are in addition to the existing challenges of unemployment (almost 140,000 people), underemployment (over 100,000 workers), a declining participation rate and static levels of long-term unemployment.

Table 3: Ireland's Labour Force Data and Covid-19 Impact, 2019–2020

	2019	2020	Dec 2020 - Covid	Covid - impact
Labour Force	2,471,700	2,445,100		
LFPR %	62.7	61.3		
Employment %	70.2	67.8	57.5	- 10
Employment	2,361,200	2,306,200	1,970,609	- 335,591
Full-time	1,868,300	1,871,200		
Part-time	492,900	434,900		
Underemployed	108,400	101,400		
Unemployed %	4.5	5.7	19.4	+ 14
Unemployed	110,600	138,900	468,655	+ 329,755
LT Unemployed %	1.6	1.5		
LT Unemployed	38,700	36,800		
Potential Additional LF	98,700	162,500		

Source: CSO, LFS Quarter 4 2020 and associated releases (CSO, 2021)

Notes: Data is for Quarter 4 2019, 2020 and the Covid impact estimates for December 2020.

LFPR = ILO labour force participation rate and measures the percentage of the adult population who are in the labour market.

Employment % is for those aged 15-64 years.
Underemployment measures part-time workers who indicate that they wish to work additional hours which are not currently available.
LT = Long Term (12 months or more). LF = Labour Force.

An insight into the sectoral impact of these labour market changes is provided by an assessment of the change in the total number of hours worked in Ireland between late 2019 and 2020 (Table 4). Overall, there were 6.6 million less hours of work completed; either through job losses, declines in economic activity, Covid-19 related closures or reduced work hours and opportunities. However, the distribution of these reductions varies dramatically across economic sectors. Some areas saw small increases, or small declines and these contrast with dramatic reductions for sectors such as accommodation and food services (-53 per cent), cultural and recreational (-36 per cent), administrative services (-34 per cent), transport (-13 per cent), construction (-13 per cent) and retail (-5 per cent). The largest impacted sectors are frequently identified as having a larger number of female workers and low paid workers.

Table 4: Change in Total Hours Worked, Q4 2019- Q4 2020

	2019	2020	Change	% Change
All Employment	**77.4m**	**70.8m**	**-6.6m**	**-8.5%**
By economic sector:				
Accommodation and food service	5.1m	2.4m	-2.7m	-52.9%
Other activities (cultural and recreational)	3.3m	2.1m	-1.2m	-36.4%
Administrative and support services	3.5m	2.3m	-1.2m	-34.3%
Transportation and storage	3.7m	3.2m	-0.5m	-13.5%
Construction	5.5m	4.8m	-0.7m	-12.7%
Wholesale and retail	9.5m	9.0m	-0.5m	-5.3%
Human health and social work	8.9m	8.5m	-0.4m	-4.5%
Education	5.1m	5.0m	-0.1m	-2.0%
Financial, insurance and real estate	4.1m	4.1m	0.0m	0.0%
Professional, scientific and technical	4.9m	4.9m	0.0m	0.0%
Information and communication	4.7m	4.8m	0.1m	+2.1%
Agriculture, forestry and fishing	4.6m	4.7m	0.1m	+2.2%
Public administration and defence	4.0m	4.1m	0.1m	+2.5%
Industry	10.3m	10.7m	0.4m	+3.9%

Source: CSO Labour Market Insight Bulletin, Series 5 Q4 2020 – Feb 2021

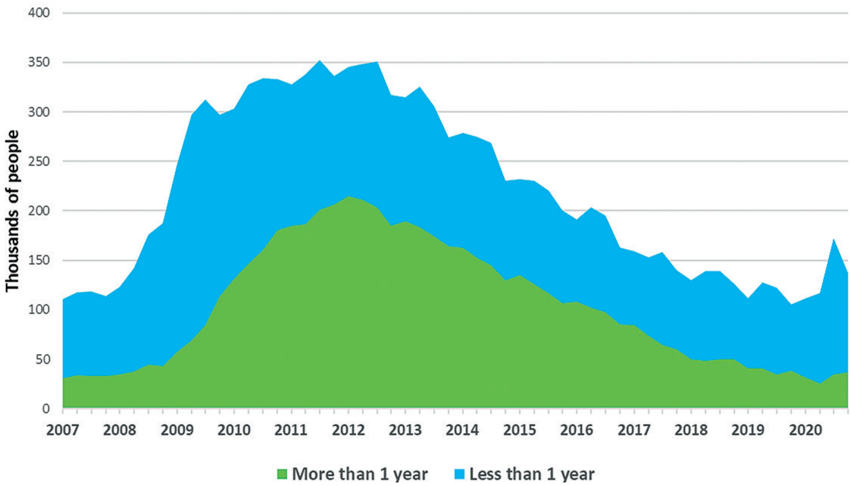
Notes: Data is for the final three months of 2019 and 2020

One of the major labour market concerns for the next few years is that many of these lost hours, or workers on temporary Government support payments, will be unable to return to work or will only be able to return to working less hours than they wish to have. As a result, the challenges of unemployment and underemployment look set to grow bigger. It is telling that income tax receipts decreased by just 1 per cent in the year to January 2021, indicating it was the lowest income earners who were most impacted by pandemic-related employment and wage losses.

Alongside these emerging challenges, it is important not to overlook the pre-pandemic labour market issues that remain, although they are somewhat hidden by the severity of the short-term labour market impacts. Long-term unemployment remains a major labour market challenge. The number of long-term unemployed was 33,300 in 2007 and increased to exceed 200,000 by 2012 before falling again to almost 37,000 in 2020 (see Table 3).

For the first time on record, in late 2010 the Labour Force Survey (LFS) data indicated that long-term unemployment accounted for more than 50 per cent of the unemployed. It took from then until late 2017 for this number to consistently drop below that threshold, reaching 26.5 per cent of the unemployed in the fourth quarter of 2020. As Chart 1 shows, the transition to these high levels was rapid and it is of concern that we might once again experience such a change. The experience of the 1980s showed the dangers and long-lasting implications of an unemployment crisis characterised by high long-term unemployment rates. It remains a policy challenge that Ireland's level of long-term unemployment remains high and that it is a policy area which receives limited attention.

Chart 1: Long-Term Unemployment in Ireland, 2007-2020



Source: CSO, LFS on-line database

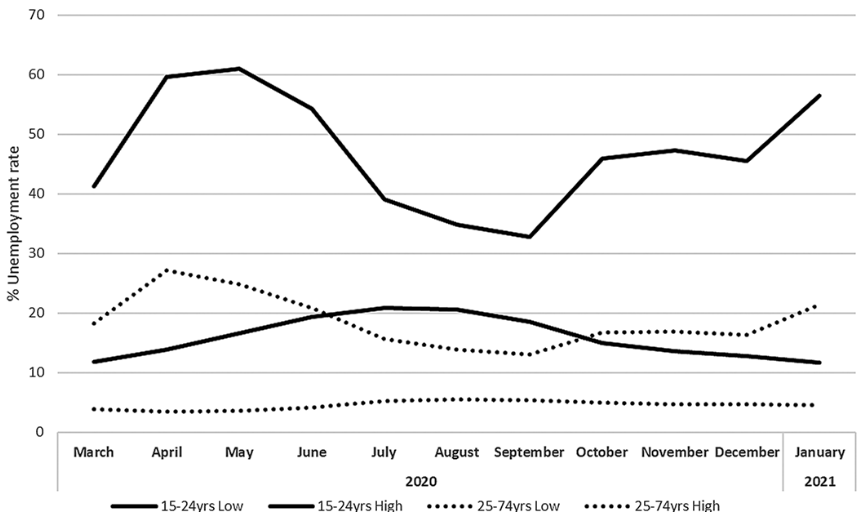
Note: Long term unemployment is defined as those unemployed for more than one year

Addressing a crisis such as this is a major challenge and we outline our suggestions for targeted policy action later. However, reskilling many of the unemployed, in particular those with low education levels, will be a key component of the response. Using data for the third quarter of 2019, 48 per cent of the unemployed had no more than second level education with 20 per cent not having completed more than lower secondary (equivalent to the Junior Certificate). Post-pandemic, as employment recovers and as unemployment declines, *Social Justice Ireland* believes that major emphasis should be placed on those who are trapped in long term unemployment – particularly those with the lowest education levels.

Youth Unemployment

The impact of the pandemic has also differed by age group. Chart 2 reports the CSO's unemployment estimates from March 2020 to January 2021 for those aged 15-24 years (youth unemployment) and those aged above this. They provide two estimates of unemployment, a low estimate which reflects the normal measure of individuals without work and seeking work and a high estimate which add to this all of those in receipt of the PUP. If all claimants of the PUP were classified as unemployed, the CSO's Covid-19 adjusted unemployment measure indicates an overall rate of 25 per cent in January 2021; 25.9 per cent for males and 24.1 per cent for females. Breaking these results down by broad age group, the estimate is 56.4 per cent for those aged 15 to 24 years and 21.4 per cent for those aged over 25 years. The data suggest the existence, and expected future growth, of a severe youth unemployment problem. Addressing this challenge will frame a core part of the policy response to the crisis in the period ahead.

Chart 2: Estimated Unemployment Rates during Covid-19, 2020-2021



Source: CSO on-line database, Monthly Unemployment estimates

Note: The low estimate is the traditional LFS unemployment figure, the high estimate includes all those in receipt of the PUP.

Underemployment and Precarious Employment

The figures in Table 3 also point towards the growth of various forms of part-time and precarious employment over recent years. While the number of people employed is higher now than in most years since 2007 among these jobs, part-time employment has become a more frequent occurrence and now represents almost one in five jobs. Within those part-time employed it is worth focusing on those who are underemployed, that is working part-time but at less hours than they are willing to work. By the fourth quarter of 2020 the numbers underemployed stood at 101,400 people, 4.4 per cent of the total Labour Force and about one-quarter of all part-time employees.

Judged over time, the CSO labour force data suggest the emergence of a greater number of workers in precarious employment situations. The growth in the number of individuals with less work hours than ideal, as well as those with persistent uncertainties concerning the number and times of hours required for work, is a major labour market challenge and one which may grow in the period ahead. Aside from the impact this has on the well-being of individuals and their families, it also impacts on their financial situation and adds to the working-poor challenges we outlined in Chapter 3. There are also impacts on the state, given that the Working Family Payment (formerly known as Family Income Supplement (FIS)) and the structure of jobseeker payments tend to lead to Government subsidising these families' incomes, and indirectly subsidising some employers who create persistent precarious employment patterns for their workers.

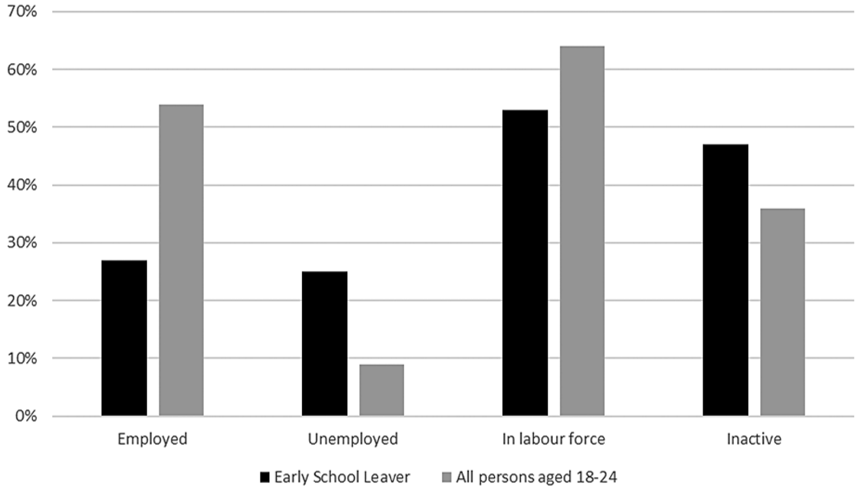
Education

It is welcome that progress has been made towards reaching targets set in the European 2020 Strategy to address early school leaving and to improve third level educational attainment. However, progress has stalled on some educational indicators, there is scope for improvement in many countries, and progress also needs to be made on other indicators.

Early School Leaving

Ireland has the fourth lowest early school leaving rate in the European Union at five per cent and Ireland ranked second in the European Union for the percentage of people aged 20-24 with at least upper-second level education at 94 per cent (CSO, 2019). This downward trend of early school leaving is a welcome development and Ireland has surpassed the national target set under the Europe 2020 Strategy.

Chart 3: Labour Market Status for Early School Leavers and total population 18-24 year olds, Q2 2019



Source: (CSO, 2019).

According to the CSO (see Chart 3) an early school leaver is three times as likely to be unemployed than the general population aged 18-24. Only one in four of them are in employment compared to the general population for that age group and just under half (47 per cent) are not economically active. A further report by the CSO (2019b) analysed the outcomes for students who started second level education in 2011 – 2013. When comparing early school leavers to those who completed the Leaving Certificate, the report found that just 43.8 per cent of early school leavers were in employment compared to 74 per cent of their peers who finished school, and that the median earnings for early school leavers were €65 less than their peers (€345 per week compared to €410 per week).

Despite the progress made on early school leaving, these figures are a cause of concern. The poor labour market status of early school leavers as outlined in Chart 3 points to the need for a continued focus on this cohort and on addressing educational disadvantage. As we move towards a future where digital transformation will disrupt the labour market, having the greatest impact on people with lower levels of education and skills (OECD, 2019), it is important that this cohort are not left behind.

Higher Education

Full-time enrolment in higher education has increased by almost 33 per cent in the last decade to 186,890 students (DES, 2018) and numbers are projected to reach 222,514 by 2030. An increasing population of school-leavers demands that considerable investment is required to ensure that the higher education sector in Ireland can continue to cope. However public funding for higher education in Ireland has been decreasing since 2009 despite steadily increasing enrolments both full- and part-time. The Parliamentary Budget Office, in a recent report on tertiary Education Funding in Ireland (PBO, 2019), estimates that funding per undergraduate student (full-time, part-time, remote and FETAC) enrolled in 2019 was 50 per cent lower than in 2008. The report presents a clear and detailed outline of the challenges facing the sector. The report recommends that any increases in State funding are accompanied by the recommended administrative reforms. Crucially it recommends that funding be sourced from sustainable revenues to prevent a repetition of the cuts to funding seen during the last economic and fiscal crisis.

Lifelong Learning

Lifelong learning has an important contribution to make to people's wellbeing, to creating a more inclusive society and to supporting a vibrant and sustainable economy. Lifelong learning and community education also bring major social and health benefits to participants outside the labour force and this non-vocational element must also be resourced.[6]

Ireland's lifelong learning participation rate is slowly improving, rising to 13 per cent in 2019 (see Chart 4). Our national target is to reach 15 per cent by 2025 as set out in the National Skills Strategy. As progress is being made, Government should consider revising this target to reach 15 per cent by 2021 and to reach 20 per cent by 2026. This would bring us in line with the European Union which has a lifelong learning target of 15 per cent by 2020.

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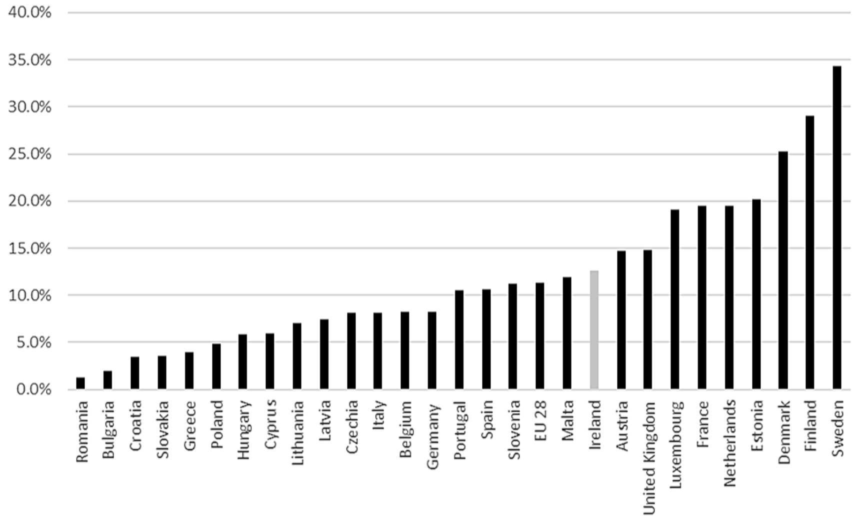
[6] http://www.aontas.com/pubsandlinks/publications/community-education-more-than-just-a-course-2010/

Chart 4: EU-28 Lifelong Learning Participation Rates, 2019



Source: Eurostat (2021).

Access to lifelong learning should be an integral part of the education system to address the income and labour market challenges that some members of society face. It also must be accessible and flexible to address the challenges which were identified in the Adult Skills Survey, those of unmet demand and being difficult to access.[7]

Those engaged in lifelong learning are more likely to be professionals than low-skilled operatives and employed in public administration, professional services and finance, sectors that are more likely to provide in-house training, continuous professional development and have policies for subsidising education, than the retail or construction sectors. Employers must be encouraged and incentivised to participate in the development of any lifelong learning strategies. This supports the development of the employee and contributes to the retention rate and effectiveness of the business, which in turn reduces the costs associated with hiring and developing new staff.

[7] https://www.cso.ie/en/releasesandpublications/er/aes/adulteducationsurvey2017/

Various agencies (European Commission, Expert Group on Future Skills Needs) identify generic skills and key competences as a core element of the lifelong learning framework. These include basic skills such as literacy, numeracy, digital competence, language skills, people-related and conceptual skills, critical thinking, problem solving, creativity, risk assessment and decision making. The *Action Plan for Education 2019* contained a commitment to rolling out Springboard+, offering courses to all those in employment for the first time and developing new traineeships and apprenticeships. These actions are welcome, but need to be developed and extended to all employees who wish to partake in further education.

Social Justice Ireland welcomed the Department of Education's commitment to doubling the number of apprenticeships registered to 9,000 by 2020, with 26 new national apprenticeships approved for further development across a range of sectors including healthcare assistants. The pandemic has interrupted the delivery of apprenticeships, education, and training. To meet the aforementioned target by 2021 Government must fully implement the five action areas identified in the review of apprenticeship participation by SOLAS (2018).

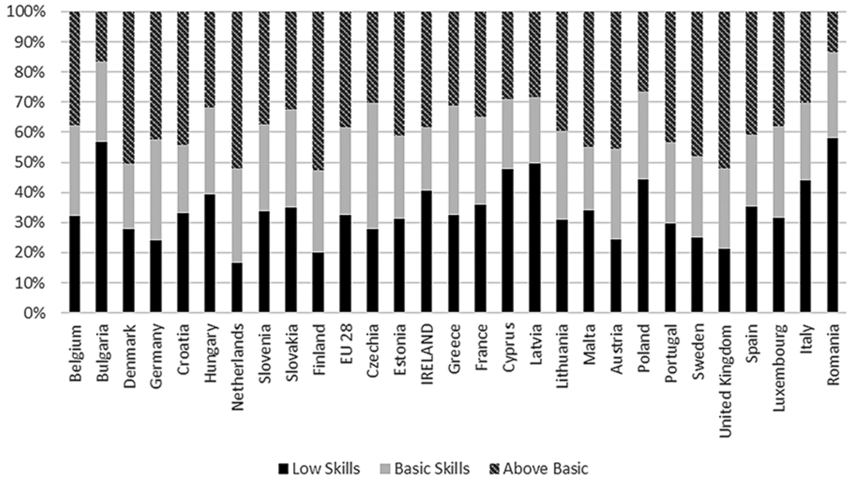
Skills Development

One of the problems that Europe and Ireland now faces is that progress not only needs to continue to be made to address the areas in which targets were set in the Europe 2020 strategy, but also to manage other issues such as low basic skills amongst disadvantaged socio-economic groups. Ongoing attention is required to issues of literacy and numeracy across all age groups.

While Ireland performs relatively well in terms of skills development among young people, a comparatively small share of the adult population performs well on all levels of the PIAAC. Managing digital transformation in the labour market and the shift to a green economy requires investment in human capital and a well-trained and skilled general workforce at all levels (Cedefop, 2020). Continuous investment in skills development, adult learning and lifelong learning are the best policy tools available, allowing investment in human capital and ensuring we can manage these transitions.

Ireland's performance on digital skills is concerning (see Chart 5). Over 55 per cent of the population have low or basic digital skills.

Chart 5: EU-28 Digital Skills Levels, 2019



Source: Eurostat (2021)

The skills that are easiest to automate or outsource are routine technical skills. Educational success is now about creative and critical approaches to problem solving, decision making and persuasion, applying the knowledge that we have to different situations. It is about the capacity to live in a multifaceted world as an active and engaged citizen.[8]

According to the World Economic Forum (2018) without investment in our social welfare, training, skills development, and education systems we risk facing into an era of technological change accompanied by job losses, mass unemployment, growing inequality and skills shortages. This report also points to the skills that will be in demand by 2022 which include analytical thinking and innovation, technology competencies, active learning creativity, originality and initiative, critical thinking, persuasion, and negotiation.

This is supported by the OECD in a report on Well-being in the Digital Age (2019) which found that the digital transformation could compound existing socio-economic inequalities, with the benefits in terms of earnings and opportunities

8 http://oecd.org/general/thecasefor21st-centurylearning.htm

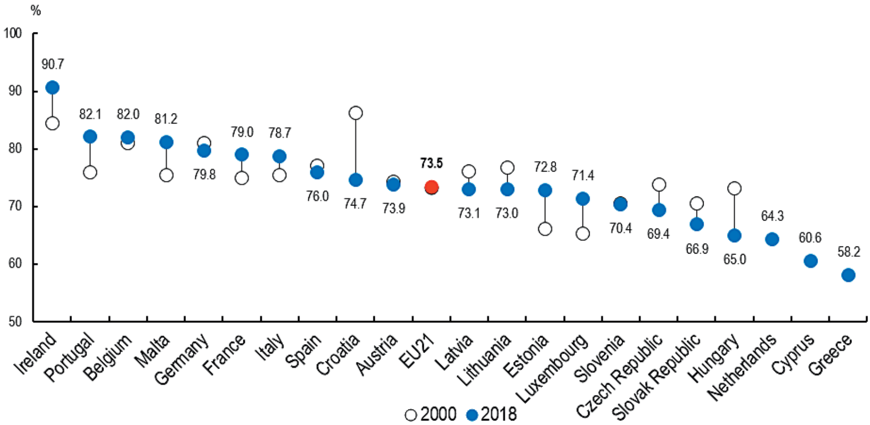
accruing to a few, and the risks falling more heavily on people with lower levels of education and skills. The report notes that 14 per cent of all jobs are at high risk of being lost due to automation, with another 32 per cent at risk of significant change over the next 10 to 20 years. This means that nearly half of the labour force will be impacted by changes to their jobs because of automation by 2040. Our training and skills development policy must be adapted to meet this challenge.

Health

The current global public health crisis is unprecedented and has been termed the worst in a century. Ireland remains the only western European country without universal coverage for primary care (OECD, 2019b). One of the most obvious concerns about the Irish Healthcare system is to do with access. Ireland's health system ranked 22nd out of 35 countries in 2018 (Health Consumer Powerhouse, 2019), but on the issue of accessibility, Ireland ranked *worst*.

That report notes that even if a waiting-list target of 18 months were reached, it would still be the worst waiting time situation in Europe. Irish hospitals are working near full capacity. The occupancy rate for acute care beds is among the highest in OECD countries, and while having a high utilisation rate of hospital beds can be a sign of hospital efficiency, it can also mean that too many patients are treated at the secondary care level (OECD / European Union, 2020). (See Chart 6, below). By comparison with other OECD countries, the share of the Irish population delaying, or forgoing, care is comparatively high (above 30 per cent) (OECD, 2019c).

Chart 6: Occupancy Rate of Curative (acute) Care Beds, 2000 and 2018 (or nearest year)



Source: OECD/European Union (2020) from OECD Health Statistics 2020 Eurostat Database.
Note: The EU average is unweighted

Ireland's complex two-tier system for access to public hospital care means that private patients have speedier access to both diagnostics and treatment, while those in the public system can spend lengthy periods waiting for a first appointment with a specialist and for treatment. Official statistics suggest that an enormous 628,756 people were waiting for an outpatient appointment in March 2020 while 35,634 people were waiting for treatment as an in-patient or day case (National Treatment Purchase Fund, 2021). The Covid-19 pandemic may have contributed to the numbers on the waiting lists in 2020. However, as Table 5 shows, there have been very high numbers on waiting lists over many years.

Those waiting for outpatient appointments in March 2021 numbered almost 630,000 an increase of 16,180 on November last year. Both the 2020 and March 2021 figures represent very large increases over the figure for the end of 2014. Those waiting for 18+ months numbered 178,064 in March 2021 (up from 156,955 in November 2020). The number waiting for in-patient appointments (35,634) in March 2021 was less than half the number of the previous November (when it was just above 72,000) (Table 5).

Table 5: Waiting Lists for Outpatient and Inpatient/Day Case, 2014-2020

	Dec 2014	Nov 2016	Nov 2018	Nov 2020	March 2021
Outpatients					
Total waiting	385,781	440,629	515,360	612,576	628,756
Waiting 18+ months	20,474	29,478	88,361	156,955	178,064
Inpatient/Day Case Active Waiting List*					
Total waiting	63,105	81,103	70,989	72,843	35,634
Waiting 18+ months	566	4,001	5,413	8,629	2,331

Source: National Treatment Purchase Fund (2020).

**People waiting for an appointment date for their treatment are categorised as 'Active'*

In addition, there are other lists published by the National Treatment Purchase Fund. These include lists such as 'Patients who have a scheduled date for their admission are categorised as To Come In' (with 13,774 people on this list, Nov 2020), the 'Planned Procedure list' and a 'Planned Procedure GI Endoscopy'.

Before the onset of Covid-19 the Irish public hospital system was already operating under pressure from high population growth and ageing, and because of system cuts to bed capacity in the preceding decades (Keegan, 2018). The COVID-19 pandemic has exposed the insufficient preparation of countries to cope with major public health emergencies. A report from the OECD and the European Union suggests that the costs of having more resilient health systems pale in comparison with the huge economic consequences of failing to do so (OECD / European Union, 2020). However, that report also notes that other looming crises, such as climate change and environmental degradation, are likely to increase the probability of repeated public health shocks and that building the resilience of our health systems and promoting a green recovery has never been so urgent.

Certain groups continue to experience health difficulties and need a particular policy focus, and inequalities still need to be addressed as disparities, such as in life-expectancy, continue to be great between socioeconomic groups.

Taxation

Government decisions to raise or reduce overall taxation revenue needs to be linked to the demands on its resources. These demands depend on what Government is required to address or decides to pursue. The effects of the economic crisis a decade ago, and the way it was handled, also carry significant implications for our future taxation needs. The rapid increase in our national debt, driven by the need to borrow both to replace disappearing taxation revenues and to fund emergency 'investments' in the failing commercial banks, has increased the on-going annual costs associated with servicing the national debt. Similarly, the need for the state to rescue or support so many aspects of our economy and society during the Coivd-19 pandemic has triggered large scale borrowing and future liabilities to both service and repay this debt.

Ireland's national debt increased from a level of 24 per cent of GDP in 2007 - low by international standards - to peak at 119.9 per cent of GDP in 2013. Documents from the Department of Finance, to accompany Budget 2021, indicate that debt levels fell to 57 per cent of GDP (€204 billion) in 2019 but will rise to at least 66.6 per cent of GDP (€240 billion) during 2021. The unpredictable nature of the pandemic, and the likely challenging recovery from it, suggest that the national debt may climb further in the immediate years ahead. The large revision in GDP for 2015 has had a significant effect on this debt indicator. Despite favourable lending rates and payback terms, there remains a recurring cost to service this debt – costs which must be financed by current taxation revenues. The estimated debt servicing cost for 2021 is €4.5bn (DoF, 2020).

These new future taxation needs are in addition to those that already exist for funding local government, repairing and modernising our water infrastructure, paying for the health and pension needs of an ageing population, paying EU contributions and funding any pollution reducing environmental initiatives that are required by European and International agreements. Collectively, they mean that Ireland's overall level of taxation will have to rise significantly in the years to come – a reality Irish society and the political system need to begin to seriously address.

As an organisation that has highlighted the obvious implications of these long-terms trends for some time, *Social Justice Ireland* welcomes the development over the past few years where the Government has published a section of the April *Stability Programme Update* (SPU) focused on the long-term sustainability of public finances.

Research by Bennett et al (2003), the OECD (2008) and the ESRI (2010) have all provided some insight into future exchequer demands associated with healthcare and pensions in Ireland in the decades to come. The Department of Finance has used the European Commission *2018 Ageing Report* as the basis for its assumptions from 2020-2070 which are summarised in table 6. Over the period the report anticipates an increase in the older population (65 years +) from approximately 712,000 people in 2020 to 1.2m in 2040 and to a peak of 1.49m in 2060. Over the same period, the proportion of those of working age will decline as a percentage of the population and the old-age dependency ratio will increase from almost five people of working age for every older person today to less than three for every older person from 2040 onwards (Department of Finance, 2020, p. 52). While these increases imply a range of necessary policy initiatives in the decades to come, there is an inevitability that an overall higher level of taxation will have to be collected.

Table 6: Projected Age-Related Expenditure, 2020-2070

Expenditure areas	2020	2030	2040	2050	2060	2070
% GDP						
Gross Public Pensions	5.1	5.8	6.7	7.4	7.2	6.6
of which:						
Social protection pensions	3.8	4.3	5.2	6.1	6.3	6.0
Public service pensions	1.3	1.5	1.5	1.4	0.9	0.6
Health care	4.3	4.6	4.9	5.1	5.2	5.1
Long-term care	1.4	1.7	2.1	2.7	3.1	3.3
Education	3.5	3.6	3.2	3.4	3.5	3.3
Unemployment benefits	0.8	0.9	0.9	0.9	0.9	0.9
Total age-related spending	**15.1**	**16.6**	**17.8**	**19.6**	**19.9**	**19.2**
% GNI*						
Gross Public Pensions	8.0	9.1	10.5	11.7	11.3	10.3
of which:						
Social protection pensions	6.0	6.8	8.1	9.5	9.9	9.4
Public service pensions	2.0	2.3	2.4	2.2	1.5	1.0
Health care	6.6	7.2	7.7	8.0	8.2	8.2
Long-term care	2.2	2.7	3.4	4.0	4.7	5.1
Education	5.6	5.6	5.0	5.3	5.5	5.2
Unemployment benefits	1.2	1.4	1.4	1.4	1.4	1.4
Total age-related spending	**23.6**	**26.0**	**28.0**	**30.4**	**31.2**	**30.3**

Source: Department of Finance (2020: 52).

Social Justice Ireland believes that 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 more 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 the core policy objective of collecting sufficient taxes to ensure full participation in society for all, through a fair tax system in which those who have more pay more, while those who have less pay less.

Delivering Leadership

For *Social Justice Ireland,* every person has seven core rights that need to be part of the vision for the future:.

i. sufficient income to live with dignity,
ii. meaningful work,
iii. appropriate accommodation,
iv. relevant education,
v. essential healthcare,
vi. to real participation, and
vii. cultural respect.

For these seven rights to be vindicated, greater public expenditure to fund a broader provision of services is required.

As part of a new Social Contract, Government should ensure that future tax and spending policy is focused on building up Ireland's social infrastructure, prioritising areas such as healthcare, social housing, education, childcare, and early education facilities. These are areas in particular where Ireland is experiencing an infrastructure deficit. Without adequate future planning for the kinds of social 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.

Once Covid-19 has been defeated, all countries will face a major challenge: to decide if the experience of these past 20 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.

To achieve the vision just set out, *Social Justice Ireland* has proposed a policy framework for a new Social Contract that identifies five key policy outcomes and sets out three key areas for action within each (Table 7).[9] Each of these five key policy outcomes must be achieved if we are to deliver a more just and sustainable society. It is not enough to have three or even four of the five, while neglecting other areas. All five must be worked on simultaneously. It's not a question of getting the economy right and everything else will follow. That approach has led us from boom to bust to boom to bust. This must end.

Table 7: 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				

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

9 See also Building a New Social Contract – Policy Recommendations, https://www.socialjustice.ie/content/publications/building-new-social-contract-policy-recommendations

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.

It will also require recognition that our tax and welfare systems are not fit for purpose in the twenty first century. The time has come to set a minimum floor of income and services below which no one should fall. 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. This should be accompanied by the development of Universal Basic Services to secure the wellbeing of all.

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 settle for a two-tier healthcare system when this pandemic has passed. Ireland will emerge from the pandemic with a larger public sector. We must ensure that this change delivers the foundation of a new Social Contract, that everyone benefits from a larger public sector, and that these much needed services and infrastructure are adequately resourced going forward.

Now is the time for creative thinking about what society should look like when the pandemic has passed. Business as usual is not acceptable. Delivering the leadership required demands the implementation of that engage citizens, foster trust, and build a more just society.

In this paper, we have looked at how these rights are currently being realised or otherwise in the areas of income, work, education, and healthcare. We now turn to look at some potential policy alternatives in the areas of income, work, and service-provision.

The following national-level proposals then flow from that framework.

1. **Prioritise Investment:** Large-scale, investment programmes are needed to ensure a sustainable and inclusive recovery from the current crisis which operate in job-intensive areas and assist growth as well as social and infrastructural deficits. The focus would need to be tailored to each individual country/ region but might include development of renewable energy sources, health and social care infrastructure, housing, education, and early childhood care infrastructure.
2. **Implement the European Pillar of Social Rights:** Establish processes involving social partners and civil society partners to implement the European Pillar of Social Rights in ways that are legally binding, aiming for equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion
3. **Strengthen Welfare Systems:** Government needs to introduce social protection schemes that are more resilient and that tackle inequalities within the present systems, ensuring equal access to services and to strengthen social cohesion. The national minimum wage must be replaced, over time, with the Living Wage.
4. **Adopt Effective Labour Market Measures:** Activation measures in the wake of the pandemic which focus on supporting unemployed people, aiming to maintain and develop appropriate skills and to not be accompanied by the threatened loss of welfare benefits or assistance. Employment measures must not be implemented in a way that removes income security and increases in-work poverty.
5. **Tackle Low Pay by supporting the Living Wage concept and moving toward a Basic Income System:** Start to tackle low-paid employment by supporting the widespread adoption of the Living Wage, including giving public recognition to organisations (including SMEs) that commit to paying the Living Wage, and consider moving toward a basic income system.
6. **Develop Sustainable Approaches to taxation and increase the tax take:** Sustainable and inclusive growth requires approaches to raising revenue that generate enough to support vital services and to move to a social investment approach. Measures should not disproportionately negatively affect low income groups, which means, amongst other things, avoiding increases in indirect taxes on essential items.

7. **Tackle Tax Evasion**: Tax evasion and the grey economy are a particular problem in some countries where a disproportionate burden falls on compliant tax-payers. Tax evasion must be tackled and fair taxation systems introduced in which all sectors of society, including the corporate sector, contribute a fair share and those who can afford to do pay more.
8. **Consider how Government could become an employer of last resort**: Given the ongoing impact of unemployment, governments in badly affected countries should consider being an employer of last resort through voluntary programmes framed so as not to distort the market economy.
9. **Ensure Inclusive Governance and promote Social Dialogue:** Engage with key stakeholders to ensure that groups at risk of poverty and social exclusion, and unemployed people can influence policy-direction and implementation, and that their experiences become part of the dialogue with national and European institutions to try and repair social cohesion and political legitimacy.
10. **Poverty Proofing and Monitoring**: All Government decisions should be subject to a poverty-proofing process that ensures actions taken will not increase poverty under any heading or cumulatively impact negatively on any particular groups. Integrate social assessments of the impacts of policy changes into decision-making processes that focus beyond short-term cost saving. Use macroeconomic modelling processes to assess the impact of proposed changes in social policies.
11. **Avail of the social investment aspects of the programming of EU funds** to fund measures that address the social situation, including support for initiatives set out in the EU's Social Investment Package such as supporting social enterprises or facilitating the implementation of the Recommendation on Investing in Children.
12. **Commit to appropriate regional strategies** that ensure that investment is balanced between the regions, with due regard to sub-regional areas, aiming to ensure that rural development policy is underpinned by goals of social, economic, and environmental wellbeing.

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