

Budget 2016

Submission from the National Women's Council of Ireland

Established in 1973, the National Women's Council of Ireland (NWCI) is the leading national women's membership organisation in Ireland. NWCI seeks full equality between men and women and derive our mandate from a membership of over 180 groups and organisations across a diversity of backgrounds, sectors and locations. We also have a growing, committed individual membership.

NWCI are currently working with our members to develop a full pre-budget submission for the Irish Government which will be published following the forthcoming National Economic Dialogue. This shorter pre-submission document outlines just a few key issues relevant to the Dept. of Social Protection (DSP).

The Context

Recent years have seen a serious deterioration in the economic situation of women in Ireland. The Gender Pay Gap has widened from 12.6% to 14.4% while the Gender Pension Gap is now 35%. Lone parents, the majority of whom are women, now experience deprivation rates of 63% and it is women, through their unpaid care work, who have had to bridge many of the gaps caused by cutbacks in public services and supports. ESRI research has shown that women in couples suffered a 14% loss in income during the recession compared to 9% for men and those sectors where women predominate have been at the frontline of aggressive casualisation and the erosion of wages and hours. Recent research shows that one third of part time workers actively want full time work while CSO figures from 2014 tell us that 50% of women workers earn €20,000 or less, far below the national median wage. Meanwhile crisis levels of Violence Against Women remain unaddressed and Ireland's childcare lags behind all of Europe.

Ireland simply cannot afford a budget which delivers more of the same or offers only small adjustment to our current course. Budget 2016 needs to turn things around for women and deliver real results for those on lower incomes, those who have suffered the worst impacts of the recession and for the current and future generations of citizens who rely on our public services and national infrastructure.

The Choices

On the macroeconomic level, the Government has indicated that it plans to divide any increased resources evenly between public expenditure and tax cuts. While firstly noting that tax cuts are a form of public expenditure, NWCI believe that dedicating 50% of all additional revenue to tax measures does not represent the most strategic or far-sighted use of hard earned public funds. Indeed, NWCI have long supported introduction of a wealth tax or a third rate of income tax which might allow those on very high incomes to make a greater contribution to the common good. Crucially, income tax is also a counter-cyclical and essential for longer term planning. If we wish to improve take home incomes we need to do so at source by raising wages and taking action against the spread of precarious, low paid work. Workers on lower incomes are most likely to spend locally and support further job creation but they need predictability.

We believe Ireland's priority now should be the truly urgent task of repairing the damage done over the course of the recession, reversing unsustainable cutbacks and investing in the solid groundwork needed for a more equal and sustainable future, including an affordable, accessible childcare system. NWCI believe that improved public services are a very tangible way to 'give back' to citizens as they reach and benefit all.

Given that the Government has placed significant emphasis on 'reform' it is unfortunate that crucial and overdue reforms and targets in gender mainstreaming, equality and social inclusion were notably absent from the Spring Statement. They must, however, be at the heart of Economic Dialogue and Budget 2016.

Key Recommendations for Department of Social Protection

As well as providing an essential safeguard against poverty, our national social protection system represents an important manifestation of the principles of social solidarity and redistribution. The DSP represents the ‘frontline of Government’ for many citizens and is often called upon to implement, or in some case to redress the impact of, decisions made in other departments. It also plays a crucial role as investor in Ireland’s people and in the security, equality and inclusion essential to sustainable growth.

For this reason, DSP is uniquely placed to ensure that these considerations are placed at the heart of fiscal decision-making in Budget 2016. This could, for example, mean highlighting the practical need for greater investment in public services like transport, housing or childcare or seeking attachment of social clauses with decent work standards to all public spending. NWCI therefore outline both specific and ‘wider picture’ priorities in the section below, while offering more detailed recommendations on the following pages.

Within DSP

- Suspend July 2nd transition from OPFA and review policy in consultation with one parent families.
- Restore Income Disregard for one parent families and carry Income Disregard over to JST
- Deliver promised Homemakers Credit, backdated to 1973. Ensure it also serves as Re-Entry Credit.
- Take steps towards restoration of payments which have suffered erosion in recent years including Reduced Rate Contributory Pension and under 25’s Jobseekers Allowance.
- Extend subsidised childcare places to lower-income families in all services, through extension and reform of the Community Childcare Subvention.
- Increase universal Child Benefit payment by €5 as planned and remove HRC as condition of access.
- Introduce 2 weeks paid Paternity Leave entitlement for fathers, separate from existing maternity leave. Begin phased introduction of paid parental leave during 2016
- Raise earnings threshold for FIS and seek legislation to address spread of 15 hour contracts.
- Attach strong social criteria, clauses and conditionality to employer incentive schemes such as Jobs Plus or JobsBridge including company-wide gender equality and employment standards.
- Initiate a Cross-Departmental campaign to promote the ‘Living Wage’ through policy and practice.
- Review HRC and its impact on migrant and Traveller women and women affected by violence.
- Introduce measures to improve speed and sensitivity of response to women affected by violence.
- Introduce budget line for implementation of ‘Positive Duty’ beginning with Gender Audit in 2016.

Wider Picture

- Press for a rebalancing of Budget 2016 to prioritise strategic public investment over tax cuts.
- Require a full cost/benefit analysis and progressivity test for all tax expenditure.
- Significantly increase spending on quality public childcare this year and scale up to 1% of GDP (OECD recommended investment level) over next five years.
- Invest in improved quality and quantity of ECCE and accessible, affordable out of school hour care.
- Seek attachment of strong social criteria and clauses to all Public Spending arising from Budget 2016 - procurement, grants and investment as part of a joined up approach to decent work.
- Support Minimum Wage increase, JLCs and regulation such as banded hour contracts.
- Restore funding to organisations delivering frontline and policy work on violence against women and scale up resources to ensure Ireland is ready to meet Istanbul Convention standards in 2016.
- SIA and gender-proof budget proposals prior to introduction and produce ‘Equality Statement’.
- Support restoration of funds for NWCI to strengthen policy engagement and consultation.

NWCI engage with the Department of Social Protection on a regular basis and over the last year alone have made detailed policy submissions on areas ranging from pension policy to public procurement. We have also produced a number of publications which offer in depth perspectives, analysis and ideas on key areas of social policy. These include *Careless to Careful Activation* (2013), *Pensions: What Women Want* (2008), *Forgotten Women* (2008) and *Towards an Affordable Childcare Model*. These publications and submissions are available on our website www.nwci.ie and we will not reiterate their contents here. We instead focus on identifying key thematic priorities for Budget 2016 and are of course happy to expand on these proposals at the Pre-Budget Forum or in further correspondence.

Support Lone Parents

Recent CSO figures which show 63% deprivation levels in one parent families should be seen as an alarm bell, demanding an urgent review of policy in this area in consultation with the parents themselves. NWCI have joined the myriad voices from across civil society who is urging the Government to suspend transition arrangements until the necessary and promised supports are in place. We welcomed the decision to suspend further cuts to income disregard following Budget 2015 and we are now calling for those income disregards to be restored and extended to JST recipients.

Recommendations

- Freeze rollout of transition from OFP until full childcare and appropriate education and training supports are in place and measures to tackle precarious work established.
- Institute review of current one parent family policy in consultation with civil society.
- Reverse cuts to Income Disregard and continue Income Disregard for those who move to JST.
- Introduce specific measures to support lone parents on Jobseekers Allowance with child under 18.
- Responsibility to bridge gap between prevailing 15 hour contracts and 19 hour FIS requirement must fall to government not to individual women. Ensure no lone parent asked to take job without 19 hour guarantee.
- Make reducing deprivation and child poverty levels in one parent families a priority and test of Budget 2016

Challenge Precarious Work

The widening of Ireland's Gender Pay Gap in recent years is one manifestation of often systematic attempts to erode wages and employment security over the course of the recession, with sectors where women predominate at the frontline of aggressive casualisation. CSO figures tell us that 50% of women workers earn €20,000 or less, far below the national median wage. Many workers are now at risk of poverty. It falls increasingly to DSP to bridge these gaps, but while in-work payments such as FIS provide a vital support for many families, DSP also need to play a leading role in a joined up response to the underlying problem of low pay and precarious work, beginning with stronger regulation and use of social clauses.

Recommendations

- Maintain or increase in-work income supports such as Family Income Supplement (FIS).
- Increase the earnings threshold for access to FIS and review hours threshold, addressing gap between 15-hour contracts and 19 hour requirement.
- Recognise atypical work patterns by calculating unemployment on hours rather than days per week.
- Ensure no-one required to accept poorly paid, insecure, non-fixed hour jobs as 'reasonable offer of work'.
- Attach strong social criteria, clauses and conditionality to Employer Incentives like Jobs Plus or Jobs Bridge
- Demand attachment of strong social criteria and clauses to all Public Spending arising from Budget 2016 including procurement, grants and investment - e.g. gender equality at all levels or ensuring that companies with high proportion of staff qualifying for FIS are not eligible for Public Tenders.
- Initiate a Cross-Departmental campaign to promote the 'Living Wage' through policy and practice.
- Support increase in Minimum Wage and ensure 'cost of living', 'adequacy' and 'in-work poverty levels' are identified as a key considerations for Low Pay Commission in setting rates. Currently they are not.
- Support regulation for Banded Hour contracts or to limit numbers of staff below FIS income threshold.

Move from Careless to Careful Activation

Over recent years our Social Protection system has made radical changes in many aspects of its operation. However, it still carries forward not only the legacies of gender inequality but many of its outdated assumptions. The all or nothing approach to availability or the emphasis on mandatory over voluntary activation have real impact on income adequacy, economic independence and access to opportunity for many women. Many of the 90% of Qualified Adults who are women are not only distant from the labour market but from the social protection system itself. 2016 should be the year in which DSP actively engages with women in their own right and opens up a wider range of voluntary activation supports, recognising the balancing of care and work. NWCI has previously offered detailed proposals in this regard and we are currently engaged in follow up research focusing on young women and their experience of activation.

Recommendations

- Actively invite women into the system and promote administrative individualisation and claim sharing.
- Deliver on commitments to introduce Homemakers Credit and consider linking this to re-entry credit.
- Develop options for extension of scheme similar to JST to Qualified Adults and other groups.
- End the limitation rule and promote Administrative Individualisation at first point of contact
- Gender –proof all new activation initiatives and ensure that women are not further disadvantaged.
- Widen voluntary access to high-quality activation opportunities for women outside the Live Register.
- Pilot quality part time voluntary activation initiatives to engage women distant from the labour market.
- Additional public resources must be allocated to the EYG rather than rerouting of existing resources.
- Engage with NWCI following the publication of our research on young women and activation
- Ensure that all activation of parent caregivers remains voluntary until full public childcare system is in place.

Build Security Across Generations

Only 16% of those receiving a full State Contributory Pension are women. This is partly a legacy of the marriage bar and partly the result of a system which is still not designed to support individual entitlement or recognise care. However rather than address these inequalities, we have allowed them to deepen. While the men who receive 84% of full contributory pensions have had that payment protected during the recession the many women on reduced rates have seen their payments steadily eroded. NWCI have recently made detailed submission to DSP in the area of pensions and we believe a key priority for Budget 2016 must be the long promised delivery of a 'Homemaker's Credit' which also serves as a re-entry credit.

Another intergenerational concern which Ireland still fails to acknowledge is the loss of hundreds of thousands of our young people to emigration. It is notable that a steady majority of those emigrants under 24 years old have been young women. Initial research from NWCI identifies payment cuts, the rise in precarious work and the loss of entry level jobs to internship culture as potential drivers. There is need for formal DSP research in this area. Reduced rate pensions and payments for under 25's should also be reviewed and restored with particular regard to gender impact.

Recommendations

- Develop proposals and open consultation on a 'Universal Pension'.
- Prioritise investment in correction over gaps and gender inequalities within First Tier Pension system over introduction of any Second Tier supplementary system
- Introduce promised Homemakers Credit, backdated to 1973. It should also serve as a Re-Entry Credit.
- Conduct Gender Impact Assessment on changes to Contributory Pension and Voluntary Contributions.
- Reverse cuts to lower bands of Reduced Rate Contributory State Pension.
- Remove marginal tax reliefs for private pensions.
- Increase Jobseekers Allowance for under 25's.

- Conduct review of Jobsbridge scheme in consultation with civil society and youth groups including examination of criteria and regulation and assessment of impact on availability of entry level jobs.
- Promote holistic approach to European Youth Guarantee with emphasis on quality and options.
- Fund research into drivers of emigration including potential impact of payment cuts and internship culture.

Invest in Children and Families

Childcare is the missing piece of infrastructure essential to sustainable progress and without which we will not achieve gender equality. Care always costs and it is usually women who absorb those costs, often in reduced incomes or loss of economic independence. A majority of childcare workers are also women, often without adequate pay, training opportunities or job security. Ireland lags behind all of Europe and invests just a fraction of the OECD average in this crucial area. DSP have previously recognised the need for a Scandinavian style model of publicly subsidised, affordable and accessible childcare, Budget 2016 needs to be the moment when that is pushed to the top of the agenda, beginning with improvements in the quality and quality of the current ECCE year. DSP will also play an important role in supporting delivery of the promised Paternity Leave for fathers, an important step forward in the sharing and recognition of care.

Recommendations

- Press for a significant increase in quality public childcare spending this year , scaling up to OECD recommended 1%of GDP investment over next five years.
- Extend subsidised childcare places to lower-income families in all services, through extension and reform of the Community Childcare Subvention.
- Invest in quality audit of early year's services and link public funding to quality.
- Make salary scales and training/progression opportunities a requirement in services receiving public funds.
- Extend ECCE hours from 15 to 20 per week
- Look at options to extend current 38 week ECCE cycle and in the meantime, facilitate smoother transition to jobseeker payments during summer months.
- Move towards a Second Free Pre-School Year by allowing entry at multiple points and from age three.
- Increase support for accessible and affordable out of school hour's childcare.
- Support more consistent access to Breakfast Clubs and work with 'Healthy Food for All' on policy.
- Increase universal element of the Child Benefit payment by €5 as planned.
- Remove the Habitual Residency Condition as a condition for access to child benefit.
- Introduce 2 weeks' paternity leave entitlement for fathers around the time a child is born, separate from and additional to existing maternity leave.
- Begin phased introduction of 6 months paid parental leave beginning with 6 weeks in 2016

Address Violence Against Women

Research by Women's Aid has found that lack of a place to go and financial dependency on the perpetrator are two of the main reasons why women do not leave violent partners. There is real danger that an inadequately responsive social protection system can serve as an obstacle to women seeking to leave an abusive situation. Our members have also expressed concern that changes to One Parent Family policy may serve as an obstacle for women seeking to leave abusive relationships and this should be examined.

On a wider lever, we call on the DSP to actively support the allocation of budgetary resources to restore and scale up of services and supports in the VAW area in order to ensure that Ireland can meet Istanbul Convention targets. NWCI also have serious concerns around Direct Provision in terms of both individual or institutional violence. However as a report is due to be published this week we will not address that here.

Recommendations

- Grant full benefit entitlement to women who are switching their benefit having separated due to domestic violence immediately - there should be no 3 month delay.
- Support women formerly registered as 'qualified adults' who seek to establish an individual benefit claim following separation due to violence, with sensitivity to difficulties around means testing during separation.
- Offer flexibility around Rent Allowance levels when a woman is transitioning from an abusive situation.
- Deliver impact assessment of HRC looking at possibilities for abolition and offer HRC exemption to women experiencing violence and Traveller and Roma women from the nomadic tradition.
- Direct all Community Welfare Officers to grant essential support regardless of whether HRC is satisfied.
- Evaluate potential impact of changes to OFP policy on lone parents leaving violent situations.
- Support restoration of funding to organisations delivering frontline and policy work on violence against women and scale up of resources to ensure Ireland is ready to meet Istanbul Convention standards in 2016.

Mainstream Gender Equality and Women's Voices

NWCI believe that a more equal society is not an aspirational idea which might eventually be achieved through the overspill of a 'trickle down' economy, rather it is the core foundation upon which any sustainable economy must be built. Indicators such as 'deprivation levels', risk of poverty 'consistent poverty' 'Gini Coefficient and crucially the 'gender pay gap' must be seen as crucial tests of any recovery and should be at the centre of economic decision making. NWCI are calling for a Budget 2016 Equality Statement along with stronger gender proofing within Social Impact Assessment(SIA) . We encourage the DSP to continue its promotion of SIA in all Departments in advance of Budget 2016 and would also ask it to show leadership by designating a specific budget line for implementation of the 'Positive Duty' for public bodies and conducting a full departmental Gender Audit in 2016.

NWCI welcome the ongoing engagement we have had with the DSP and it is also crucial that women's voices be heard in other areas of policy. However cutbacks of 45% mean that our capacity is often overstretched. It is essential that Budget 2016 restores funding to NWCI and other civil society groups to support the consultation and participation which are the essential foundations of participatory democracy .

Recommendations

- SIA and gender proof budgetary proposals during Economic Dialogue and prior to introduction. Strengthen gender and equality dimension of SIA and continue to promote its use across all Departments,
- Show importance of SIA in decision making by ensuring that Budget 2016 improves situation for those worst impacted by previous Budgets – e.g. lone parents or older women on reduced rate pension.
- Produce a Budget 2016 'Equality Statement' in line with that produced in Scotland
- Support restoration of funding for NWCI and sustainable resourcing for grassroots womens organisations.
- Designate a specific budget line within DSP for delivery of gender equality targets under Positive Duty for Public Bodies. National Women's Strategy and EU gender mainstreaming requirements.
- Begin in 2016 by funding and delivering a full gender audit of DSP policy, structures and services.
- Resource and deliver Departmental implementation of National Traveller and Roma Integration Strategy
- **Support restoration of funds for NWCI to strengthen policy engagement and consultation.**

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