



National Women's
Council of Ireland

Comhairle Náisiúnta
na mBan in Éirinn

SUBMISSION TO SUPPLEMENTARY BUDGET

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INTRODUCTION

In its review of the current economic situation, the National Economic & Social Council outlined five areas in our society which are in crisis: Fiscal, Banking, Economic, Social and Reputational. The NWCI supports that analysis of the crisis and urges the Government to take a long term view in this Supplementary Budget to addressing Ireland's economic and social recovery.

It is critical that Government does not attempt to 'cut' its way out of the recession. The NWCI urgently calls for the Government to take a strategic view in national recovery and supports the Agreement reached in January 2009 with Social Partners in taking an "Equitable Approach" to the necessary adjustments needed in Expenditure and Taxation.

We believe that this is a time, an opportunity, to provide a new way forward for our economic and social policy. The supplementary Budget must show evidence of a new national plan which will start to introduce positive measures into our national recovery. We support the common recognition that short-term and 'sectoral' self-interest will simply recreate the problems we face. As a matter of urgency, Ireland needs integrated socio-economic structures and systems which will provide for a thriving, equal and just society based on clear principles of human rights and equality.

In addressing the economic and social crises, the NWCI calls for the introduction of welfare, work, education and training systems which recognise that most adult workers in Ireland are parents and carers. They are "Worker-Carer-Citizens", the "Worker-Citizen" model of the past is out-of-date and out-of-touch with current reality.

The rise of dual-earner households makes the provision of integrated and flexible work, welfare and education systems a matter of urgency. The NWCI proposes that the "flexicurity model" offered by Government as a way to mitigate the effects of the economic crisis be expanded to a 'full flexicurity' model, placing care at the centre. This model would cater for "Worker-Carer-Citizens" in integrating working conditions, welfare support, case-sensitive activation measures and education and training systems for ALL those living in Ireland.

The impact of the economic crisis on women¹ :

- Women headed households face the greatest risk of poverty. 37.6% of lone parents are at risk of poverty and the risk of poverty for older people living alone has risen from 19.3% in 2006 to 24.3% in 2007².

¹ Notes from Women and the Recession Workshop, in the NWCI International Women's Day event 2009

² CSO, 2008, Survey on Income and Living Conditions 2007 (SILC), CSO Dublin

- The recession is affecting both women and men, exposing all adults to unemployment. Recent trends have shown that while job losses were in sectors with a greater concentration of male workers (construction and manufacturing), areas with a higher concentration of female workers (retail and services) are now making increasing redundancies and these areas are expected to contract further in a deepening recession. In 2008, the retail and wholesale trade was the next sector to experience significant employment losses of 18,200 with the construction sector experiencing losses of 45,900. The hotel and services sector experienced losses of 10,500³.
- Women dominate in the lower paid, atypical, part-time, flexi and contract work. They work in smaller places, in the private sector, in domestic work. Consequently they are often “invisible” in national economic assessments.
- Women are experiencing reduced working hours and the structure of the social welfare system makes it very difficult to compensate the loss earnings with social welfare payments.
- Women are less likely than men to have savings and face increasing risk of poverty.
- Companies cutting back are targeting supports for women, e.g. supports to statutory maternity payments, as part of cost-saving measures. This will put pressure on women to leave the workforce, with serious personal and social consequences.
- Women’s higher educational achievement has not translated into higher employment positions and power. In addition, women face particular barriers in finding new employment. When women lose jobs, it is difficult for them to find new work which enables them to meet the commitments which continue, unjustly, to fall on them alone; Childcare, Caring and Household labour.

THE WORKER-CARER-CITIZEN – FULL FLEXICURITY

The Government in its agreed ***Framework for a Pact for Stabilisation, Social Solidarity and Economic Renewal*** (Jan 28th 2009) set out the need for a new approach to the current crisis in economic and social policy. Within this Framework, the Government calls for the development of ... “ *a flexicurity approach appropriate to Irish conditions which keeps people working where feasible and equips people to return to employment as quickly as possible by maximising the availability and impact of education, upskilling and training supports*”

The call to adjust flexicurity to “Irish Conditions” requires FULL attention to the realities of childcare demands, costs and infrastructural deficits, the necessity to

³ CSO (2009) Quarterly Household Survey 2009

enable and facilitate men in their parenting roles and conversely the necessity to maintain levels of female employment. Given the high educational levels of women and girls, the argument for developing a “Smart Economy” will be meaningless without the inclusion of those *who are already* well educated, but need social and economic structures to reflect their multiple roles as “Worker-Carer-Citizens”. If this opportunity is lost, Irish society cannot benefit from the skills and experience of women living in Ireland.

A “**Full Flexicurity**” model, would include incentives to draw in, and up-skill, all those furthest from the labour market through integrated welfare to work programmes and case sensitive activation/education measures which facilitate:

- keeping people in their jobs, while acknowledging their caring and parenting needs.
- Targeting the skills and knowledge of those excluded from the market place because of caring and parenting responsibilities.

NWCI RECOMMENDATIONS FOR SUPPLEMENTARY BUDGET 2009

CHILDCARE: PROTECTING CHILDCARE PAYMENTS

Support for parents to pay for childcare is critical for women to survive in the recession. The low level of Government investment in childcare has led to an increasing high level of childcare costs in Ireland. The current NWCI survey into ‘the importance of Child Benefit for parents’ has shown that childcare costs have increased for 49.4% of parents. Only 3% of respondents to the survey stated that childcare costs had decreased. Currently the only supports for parents are through Child Benefit and the Early Years Childcare Supplement. The NWCI has advocated for the introduction of a publicly subsidised quality childcare infrastructure. Early Childhood Care and Education should be placed in the same context as primary education, so that quality childcare for all children can be guaranteed.

NWCI Recommends

- That Child Benefit payment levels are maintained at current levels
- That the Early Years Childcare Supplement is reformed to introduce a subsidy for parents paying for childcare, targeted in this Budget to ensure a free pre-school place for all children.

PROTECTING THE MOST VULNERABLE

There have been continuous commitments that the current recession should not hit the most vulnerable. Maintaining the social welfare rates at current levels is critical to ensure the recession does not increase the numbers of people living in poverty and

negate the work of the government to combat poverty. Women headed households face the greatest risk of poverty. 37.6% of lone parents are at risk of poverty and the risk of poverty for older people, mostly women, living alone has risen from 19.3% in 2006 to 24.3% in 2007⁴.

NWCI Recommends

- That all social welfare rates remain at current levels.

Women are more likely to be in low paid employment. It is essential for women that the minimum wage maintains its current value. 31.3% of those at risk of poverty are headed by a person in employment. There has been a commitment by Government to keep the minimum wage earners out of the tax net in order to maximise the earnings of the low paid and this commitment is particularly critical in the current economic crisis.

NWCI recommends

- That workers on the minimum wage are kept out of the tax net.

SOCIAL WELFARE REFORM

The current social welfare system is not equipped to address the unemployment and social crises. The NWCI has been engaged in a long term campaign to reform the social welfare system into a modern system that meets the challenges and diversity of the current labour market, one that places care and equality at the centre. The high levels of unemployment and the increasing diversity of both male and female working patterns has exposed many of the inequalities and hidden discriminations which women have always faced within the Irish welfare system. This crisis presents an opportunity for reform which will generate long-term social and economic benefits.

NWCI Recommends

- Recognition of atypical work in the system, through calculating unemployment on the basis of hours instead of days.
- Removal of the two year rule.

Pensions

Women significantly rely on the state pension system as a result of not being in a financial position to invest in a private pension. Unfortunately, for both men and women, the implications of the near collapse of the private pension system now means that there will be an increase in the reliance on the state pension for all people in their older years. The thrust of Government policy regarding pensions has been to encourage people to invest in private pensions and the state has supported people to take out pensions by providing tax reliefs of €2.9 billion per annum. Clearly a new direction is urgently required to ensure that all people have a decent standard of living

⁴ CSO, 2008, Survey on Income and Living Conditions 2007 (SILC), CSO Dublin

in their older years. The ESRI in its work on pensions, showed that to reduce tax relief's to the standard tax of 20% would provide an increase to the state pension of €50 per week.

NWCI Recommends

- Introduction of a universal pension for all, funded through the removal of tax relief's for private pensions.

TAXATION REFORM

It is clear that the impact of narrowing the tax base in previous budgets has contributed significantly to the current fiscal crisis. The NWCI has consistently advocated for a wider tax base so that a high level of public services can be delivered and maintained. In reforming the taxation system, basic principles of redistribution must apply where those who have the most wealth and earnings contribute most to the state finances.

NWCI Recommends

- That the tax base is widened through the introduction of a third tax band for higher earners.
- Provision of all tax reliefs at the standard rate tax band.

PROTECTING JOBS

In addressing the economic crisis and the alarming increases in our unemployment rates, this Budget must provide a clear strategy to sustain employment. Supporting those in employment to remain in their jobs is central to this strategy. Adopting innovative measures to move people from welfare back into employment is critical to ensure that our current employment crisis does not become a long term unemployment crisis. Currently it costs the state approx €20,000 euro (between welfare payments and revenue loss) when a person loses their job⁵. In order to develop a new 'Smart Economy' therefore, it must specifically support women to access employment which matches their skills and working patterns. This Budget must be creative in identifying how to support people quickly back into employment.

NWCI Recommends

- Adoption of a Sustainable Jobs Strategy that will;
 - Introduce support measures for the employer and employee for the maintenance of jobs
 - Identify and support sectors for job creation
 - Introduce innovative welfare to work strategies
- That the "Jobs and Skills Summit" proceed as proposed in the document '*A Framework for a Pact for Stabilisation, Social Solidarity and Economic Renewal*'.

⁵ Combat Poverty Agency (2009) Submission on Supplementary Budget 2009

HEALTH

Gender Specific Health Programmes

In our Pre- Budget Submission 2009, NWCI highlighted a number of Health programmes for Government's prioritization, including the full roll out of the Irish Cervical Screening Programme (ICSP) and the National rollout of Breast Check. This roll out has not yet been achieved in the North West Region. NWCI notes Government's commitment to a National rollout of Breast Check, to all areas by the end of 2009.

It is essential that this programme is completed as a matter of urgency. We also support the Government's proposal to ensure the establishment of 8 specialist cancer centres and best practice triple assessment in breast cancer screening which I promised to be complete by the end of 2009.

The Government's decision to shelve the roll out of the National Cervical Cancer Immunization programme, for 12 yr old girls, to protect them against the HPV virus is of critical concern to the NWCI. The importance of this programme in terms of education and the long-term prevention of this fatal disease, cannot be over-stated.

NWCI recommends

- That the HSE set a date for full implementation of the immunization programme and immediately incorporate into its current plans, opportunities to support and encourage any pilot projects that may be underway, such as The Well Women Centre/ GlaxoSmithKline initiative in Coolock, Dublin.

Medical Card Eligibility

This Budget must recognise the importance of the medical card to vulnerable groups in the current economic situation. The NWCI does not support any policy shift away from the notion of universal access to primary care services. Access to health care for the over 70's, based on financial means, is a gender equality issue. Up to 35% of the over 70's population are women living alone, dependent on a fixed income (pension). Coupled with rising food and fuel prices, this measure will precipitate increased financial hardship and reduced economic and emotional independence for older women who have a right to lead a full and independent life.

NWCI recommends

- That government increase medical card eligibility in line with social welfare payments and lower income levels.
- That Government reinstate the over-70's automatic entitlement to a medical card.

Current Government Health Strategies

In its previous submission, the NWCI recommended a full allocation of resources to the *Mental Health Strategy* and the *Primary Care Strategy*. Our position has not changed.

The NWCI welcomes the Minister for Health's recent announcement regarding the establishment of an Expert Group on Resource Allocation and Financing the Health Sector. Our members have called for a re-balancing of health resources towards health promotion and prevention, including primary and community care, and mental health services.

The NWCI is of the opinion that the method by which we raise public funds, whether we finance healthcare through taxation or compulsory private or social insurance, has a direct bearing on both the availability and access to quality healthcare for all citizens, regardless of income or status. This position is supported by international "best practice" research into the financing of health systems in OECD countries, which demonstrates that taxes and social insurance schemes provide the most sustainable and equitable basis for health financing.⁶

NWCI recommends

- The incorporation of a gender dimension into health policy planning, including resource allocation and methods of financing the Health Service, at the earliest possible stage of development

PROTECTING THE NATIONAL WOMEN'S STRATEGY AND THE EQUALITY FOR WOMEN MEASURE

In Budget 2009, funding available for gender equality initiatives amounted to €5.4 million. This represents an astonishing 46% cut in funding. Additionally, there is uncertainty in relation to existing funding for implementation of the *National Women's Strategy*.

Over the past 6 months, NWCI members have been contacting us expressing concern at the lack of response to their applications and at their own inability, as a result, to develop already planned local responses to women's unemployment.

In this period of economic downturn the provision of supports to women to access employment opportunities is needed more than ever. The barriers which women face in accessing employment (including discrimination, lack of choice due to lack of childcare and inflexible working conditions), make the prospect of this recession and the reality of poverty which many women face all the more immediate.

⁶ P.Ostlin, WHO Regional Office for Europe's Health Evidence Network, (2005) *What evidence is there about the effects of health care reforms on gender equity, particularly in health?*

NWCI Recommends

- That Strand 1 of the EWM (Access to Employment) and funding for the implementation of the National Women's Strategy is protected.
- The funding to implement the National Women's Strategy is continued and ring-fenced.