

SINN FÉIN PROPOSAL PAPER

A SOCIAL WELFARE COMMISSION



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Introduction:

Every year as the Budget approaches much of the debate centres around whether pensioners will receive a €5 increase in their State Pension. In fact, conversations around this very subject have already begun and it is only July.

The last three consecutive Budgets (2017, 2018 and 2019) have included what has become known as ‘a fiver for all’ with a €5 increase across all weekly social welfare payments. These increases typically go to those on the top rate of payments while those on reduced rates or qualified adults only see proportional increases – typically between €2 and €3.

BUDGET 2017: Social welfare payments to rise €5 from next March

BUDGET 2018: All weekly payments to go up by €5

BUDGET 2019: Social welfare rates to rise by €5 a week

The reality is a fiver for “all” is not what social protection should be about. It provides a modest top up to those on the top rate of payment and gives a measly amount to those on reduced payments. It fails to target those that may need increases in their payment most, it fails to protect recipients from poverty and it fails to ensure that those relying on social welfare receive an amount which allows them to meet a decent standard of living.

We should not be leaving those who rely on social welfare support hoping for an increase at Budget time. Instead they should already be receiving an amount that is adequate, protects them from poverty and allows them to meet their needs.

The Budget could then focus on providing greater provision of services for those who are in receipt of Disability Allowance or reducing the cost of living through childcare subsidies for lone parents or abolishing the prescription charge.

It should not be the case that increases in social welfare payments are introduced based on nothing. The Government have now acknowledged this but crucial now is how they choose to set these rates. Linking social welfare rates to the Consumer Price Index or to a percentage of average industrial wages will not ensure adequacy for our most vulnerable citizens and when it comes to social protection, adequacy is key.

The key message from stakeholders such as the Vincentian Partnership for Social Justice, St. Vincent de Paul, Social Justice Ireland and the Anti-Poverty Network is to make social welfare payments adequate.

Adequacy can be achieved through the establishment of a Social Welfare Commission.



A Social Welfare Commission:

Sinn Féin has put forward the idea of establishing a Social Welfare Commission for a number of years. It has been a key priority in our election manifestos, alternative budgets and most recently, through legislation introduced in the Dáil.

The Commission would have three key objectives:

- Reduce poverty
- Ensure a decent standard of living for vulnerable households
- Take the political football out of setting social welfare rates

Its main role would be to report annually on the adequacy of social welfare rates in the State and recommend any necessary increases to Government ahead of the Budget each year. The Commission would also have the power to recommend that any Government Department undertake a poverty impact assessment of a specific measure before it is introduced. So, for example if this Commission was in place when changes to the One Parent Family payment were proposed the disastrous impacts of poverty and deprivation experienced by lone parent families could have been foreseen and therefore, prevented. Likewise future Government plans and/or policy changes such as the introduction of the National Childcare Scheme could be examined through a poverty impact assessment.

“Deep income inadequacy is a persistent issue. Certain household types are particularly vulnerable to deep income inadequacy as particular characteristics of these household’s need are not adequately covered by the current structures of the social welfare system. Deep income inadequacy is now exclusively found in households which are headed by one adult, i.e. single working-age adult and lone parent households, or in households with older children. This raises important questions about the relativities between rates of payment in the social welfare systems currently structured.”

*Findings from the Minimum Essential Budget Standards
Research Centre in their latest Report for 2019*



How would it work?

We propose that the Commission use the Minimum Essential Standard of Living as determined by the Vincentian Partnership of Social Justice across all social welfare supports. This is an annual report which examines different household types (rural/urban, one parent/two parents, at work/unemployed etc.) makes a number of assumptions as regards expenses and calculates what level of income various household types would require to allow them to live with dignity. The work of the Vincentian Partnership is highly regarded and could easily be used by the Commission when determining adequate social welfare rates.

In examining these figures and in consultation both internally and externally (by inviting submissions from key stakeholders) the Commission would use all available evidence to provide recommendations to Government on any necessary increases in social welfare rates ahead of the October Budget.

Membership:

The membership of the Commission would be based on the same membership structure used by the Low Pay Commission. Each member would be appointed by the Minister for Employment Affairs & Social Protection and expected to serve a five year term.

The makeup of the Commission would include:

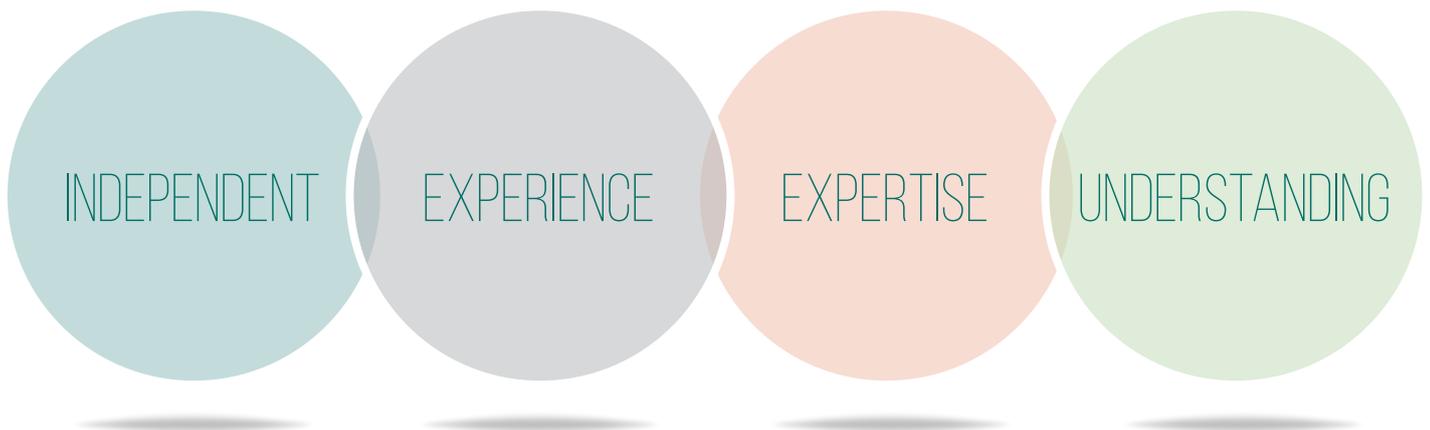
✓ **Four members from independent organisations who assist and support vulnerable citizens reliant on social welfare supports. These organisations are the frontline in supporting those most likely to suffer from poverty and deprivation and their first-hand experience of this would be hugely important to the work of the Commission.**

✓ **Two members with a knowledge/expertise in relation to some or all of the following; economics, statistics and employment law and proven competence in analysing and evaluating economic research and statistical analysis. This would be important when analysing the figures brought forward annually by the Vincentian Partnership for Social Justice.**

✓ **Two members with an understanding of the interests and the issues faced by some or all of the following; lone parents, older people, pensioners, children, people with disabilities, the unemployed, young people, and widows.**

The following would also apply to Members:

- The Chairperson would be appointed by the Minister as the ninth member of the Commission
- No member including the Chairperson can be a current employee of the State
- The Minister should ensure that the membership of the Commission is gender balanced



Cost: **€480,000** annually

We are estimating the annual running cost of the Social Welfare Commission based on the current costs associated with the Low Pay Commission given the common membership structures.

Conclusion:

We believe that the establishment of a Social Welfare Commission would be hugely significant for those who rely on social welfare supports from the State. There are currently 1.47 million beneficiaries of weekly social welfare payments. This Commission would ensure that each and everyone of these people receive a payment that allows their household to meet an adequate standard of living, a very basic aspiration for our citizens.

Its establishment would signal a move away from political interference in our social protection system and therefore take the annual political football out of setting social welfare rates.

This Commission would ensure that the everyone in receipt of a social welfare payment whether they are out of work due to illness, parenting alone, have a disability, or in retirement receive an amount that protects them from poverty and affords them a decent standard of living. It would ensure that any future increases are evidence based and targeted at those that need it. This Commission will lift households out of poverty, that in itself would see a major transformation in society.





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