Part A. A gender perspective on ‘making work pay’ debates

The debate in Ireland on ‘making work pay’ needs to be understood against an economic background of high measured growth rates and a political environment in which job growth has been the core government policy in relation to addressing poverty and social exclusion. Following a period of very high economic growth over the second half of the 1990s, Irish growth rates fell sharply during 2001/2 before levelling out again in 2003/4. Throughout this period, growth rates in Ireland have been above EU average levels, at times significantly so. At the same time unemployment levels, including long-term unemployment, fell from a high point of 10% in 1997 to 4% in 1991 and 5% currently. While growth has brought increased wealth, deepening inequality has characterised this new economic situation. Measures of poverty show that while the rate of ‘consistent poverty’ has fallen markedly from 15% to 5% between 1994 and 2000, relative income poverty has in fact risen. The proportion of the population falling below the 60 per cent of median income grew from 16/17% in 1994 to 221/22% in 2000. Public policy during this period of high growth has centered on the creation of a low tax environment combined with high levels of investment in physical and productive infrastructure. Construction employment has risen substantially as well as service employment – both private and public services, including an increase in part-time employment. One of the consequences of the rise in certain private service employments (e.g. retail, tourism, personal services) has been a growth in the numbers of working poor in Ireland, accounting in part for the deepening inequalities in a wealthier economy. Policy towards unemployment has focused on reducing registered unemployment, particularly long-term unemployment, through active labour market programmes and the development of locally based one-to-one services aimed at matching training and employment opportunities with registered long-term unemployed individuals.

The economic situation of women in Ireland has undergone significant changes over the last fifteen years, marked particularly by a dramatic rise in the proportions of women in paid employment. In fact it has been a growth in women's employment which has accounted for most of the recent employment growth. There is evidence that much of women's increased employment has taken place in low wage sectors of the economy - retail, hotel, restaurant, catering and personal services. Women’s employment rate in 2003 was 55.8% and the gender gap in employment rates was 19.2%. Among the older age group 55-64 the gender gap is much higher reflected in a 33.1% employment rate among women and a 64.7% employment rate among men in 2003. There has been a significant narrowing of this gap however - between 2002 and 2003 the gender gap in the employment rate among those aged 55-64 narrowed from 34.2% to 31.6%.

Ireland's recent period of high growth has created a situation in which Ireland has moved from being a country which traditionally exported labour to one with a growing level of immigrant labour, a situation which has yet to be addressed through an appropriate and clear immigration policy. As a consequence many immigrant workers provide a new source of cheap labour, vulnerable to particular forms of exploitation.
Those living in poverty and dependant on social welfare in Ireland comprise largely those on State old age pensions, those registered as unemployed and those drawing One Parent Family Payments. Older people and lone parents, two of the groups most at risk of and experiencing poverty in Ireland, are predominantly women. Ireland's welfare system is predominantly a household-based system despite some changes towards a more individualised structure. Most welfare payments are paid to a main household claimant and include payments for qualified adult and child dependants. Claimants in traditional households are usually men. Women-headed households dependant on welfare are generally drawing One Parent Family Payments and old age pensions. Despite commitments by successive governments to raise welfare payments to 27-30% percent of the average industrial wage this has not been achieved. The fall off in economic growth since 2001 has been accompanied by new restrictions on public expenditure some of which have impacted negatively on policies towards social inclusion. These are detailed in the template below.

A.1 The current national focus on ‘making work pay’ in the social protection system

Ireland has a strong tradition of social partnership reflected at both national level - through national agreements, consultation processes in relation to the National Anti-Poverty and Social Inclusion Programme, taskforces in relation to specific sectors (travellers, disabled people, lesbians and gays) - and local level through local area partnerships in disadvantaged areas. In this context public debate around economic and social policies is highly developed and engages a wide range of actors. Traditional social partner organisations (trade unions and employer organisations) as well as organisations representing the unemployed, women, lone parents, disabled people, immigrant communities, Travellers and others are actively engaged in debates around public policy, particularly in relation to poverty, access to the labour market, provision of care and employment rights. In addition, important statutory agencies such as the Combat Poverty Agency and the Equality Authority as well as national organisations, for example the National Economic and Social Forum, play key roles in facilitating public debate on these issues.

A positive outcome of this process of partnership and consultation has been the adoption of a National Anti-Poverty Strategy (revised in 2003) incorporating specific targets for the reduction of poverty over the period to 2007. These targets include the reduction of the percentages of those living in consistent poverty to 2%. However, it has become increasingly evident in policy debates in Ireland that there are tensions and contradictions between different policy areas. For example, while there are policies (such as moves towards tax individualisation detailed below) whose stated aim is to increase women’s employment rate there are other policies, such as a low level of public provision of childcare, that can have the opposite effect. Targets specified within the reviewed National Anti Poverty and Social Inclusion Strategy for the reduction of poverty among specific groups (women, lone parents, elderly) by 2007-10 can be seen to be contradicted by other policies (primarily budgetary policy) which in practice are reducing the level of resources towards key active labour market programmes.
The Report on the Consultation for National Action Plan against Poverty and Social Inclusion 2003-05 drew together submissions from 65 organisations and individuals (as well as the findings from the first Social Inclusion Forum in January 2003) concluded:

“Perhaps the main critical point raised was the need to link the NAPS and NAPS/incl more fully into the overall government policy process and, in particular, the budgetary process”. National Anti-Poverty Strategy 2003

The key issues in the debate around ‘making work pay’ in Ireland are:

- Loss of significant secondary benefits, in particular medical cards and rent assistance, in the transition from welfare to paid employment.
- Movement towards greater individualisation of the taxation system in order to reduce the high marginal tax rates traditionally imposed on married women in, or taking up, employment.
- Continuation of a predominantly household based social welfare system within which a significant proportion of women are classified as dependants without individual entitlements and consequently limited eligibility to certain labour market programmes.
- Existence of a highly underdeveloped system of child, elder and other care provision to provide the necessary supports to those with care responsibilities who wish to enter or remain in paid employment.
- Recent reduced level of resources allocated to key active labour market and employment programmes.
- Growth in the numbers of those who are in low paid, and frequently casual, employment constituting a new ‘working poor’.
- Emergence of new sectors of low paid and vulnerable workers, particularly among immigrant communities, whose employment rights are severely restricted.
- Establishment and setting of a linkage between welfare rates and average industrial earnings.
- Increased child income support through higher levels of the universal child benefit payment.
- Setting of the National Minimum Wage and its indexation in relation to inflation and to average earnings.
- Level of provision for leave in relation to parenthood and other care responsibilities.
- Methods of measuring poverty levels, particular in relation to relative and absolute measures of poverty.

The Irish National Organisation of the Unemployed (INOU) has played a central role in policy debates focusing on unemployment and social inclusion. In their view

“the term ‘making work pay’ is too pejorative and shifts the blame of being unemployed onto the individuals rather than addressing the structural causes of unemployment”. (INU 2004)
The INOU identify priority areas to address the financial disincentives to take up employment including the low threshold of secondary benefits, removal of National Minimum Wage earners out of the tax net and the introduction of a part-time employment payment. Individualisation of social welfare provisions and entitlements as well as increased child and elder care provision have been the focus of the National Women’s Council of Ireland (NWCI) priorities on social inclusion. Child income supports, particularly increased levels of the universal child benefit payments have been strongly emphasised by the Combat Poverty Agency, NWCI, INOU and others. A new recent focus in debate has been on the employment position of immigrants, particularly non EU immigrants who are under a work permit process under which permits are held by employers and not by workers themselves. This has been strongly criticised by many organisations including the Irish Immigrant Council, trade unions and others.

Retention of secondary benefits and the tapering down of welfare payments on accessing employment have been recognised by many of those involved in the policy process as critical to addressing the unemployment and poverty traps within the Irish social protection system. Positive Irish initiatives in this area have been identified by the European Employment Taskforce (see below), initiatives which are focused on enhancing the return from employment without loss of benefits. However, it is also an area in which contradictory - positive and negative - policy decisions have been taken over recent years. This makes it an important focus for assessing policies towards ‘making work pay’ in Ireland. From a gender perspective, it is critical to understand the way in which such initiatives work in practice, given the largely household nature of the Irish social protection system.

A2. Evaluation of the emphasis of policy initiative from a gender perspective

Retention of Secondary Benefits and Tapered Reduction of Welfare Payments:

Secondary benefits cover a range of different benefits available to households dependent on social welfare or whose income comes under a specific threshold. These include medical cards (providing free access to General Practitioners, prescriptions and other health services, rent supplements, Back to School Clothing and Footwear allowances and fuel allowances. Retention of secondary benefits is vital for those moving from welfare dependence into employment, and particularly so for those in low wage jobs. Recognition of the significance of secondary benefits led to the introduction of a system of tapered reduction of certain benefits under selected programmes in 1997. However, the overall threshold for the retention of secondary benefits has remained unchanged since 1994. This is a weekly figure and if income from social welfare payments and employment exceed this threshold then secondary benefits are lost. This can result in a substantial loss of income if the wages offered upon the take up of employment are marginally above this threshold and acts as a definite unemployment and welfare trap.

A key secondary benefit is the medical card. Ireland does not have a universal health system, so the value of free access to GP services, medicines and other services via the medical card is very significant for low-income households, particular those with children. The income threshold of eligibility for the medical card is not sufficient to
allow for the inclusion of significant numbers of low-paid workers. In recognition of this, an important positive initiative was introduced in 1997 which allowed those who had been unemployed for at least a year to retain their medical card for three years after taking up employment regardless of income.

Another important positive initiative introduced in 2000 is the Back to Work Allowance (BTWA) Scheme which allows people to keep their social welfare payments on a tapered basis on taking up employment. The European Employment Taskforce identified this as a progressive scheme in supporting the transition from welfare to paid employment. A similar scheme, the Back to Education Allowance (BTEA) allows those in receipt of a social welfare payment to return and pursue a second or third level programme of education. Participants receive a standard rate of payment which is not means tested and are allowed to keep any secondary benefits already held.

These positive initiatives have however, been subject to severe restrictions since the 2003 budget. Restrictions on eligibility for these schemes have had a negative effect on stated policy of ‘making work pay’. Eligibility for BTWA was increased from 15 months registered as unemployed to 5 years registered as unemployed and the qualifying period for the BTEA was increased from 6 months to 15 months in receipt of a social welfare payment. These major changes in eligibility criteria mean that new unemployment and welfare traps have been created.

Because the Irish social welfare system operates on a household basis, earnings of each individual adult can have a knock-on effect on the payments and benefits of another. Eligibility for important secondary benefits, such as the medical card, are based on household income and consequently there is a disincentive for women, for example whose spouses are unemployed, to attain earnings above a specific threshold. This means that many women take up low paid part-time, often informal, employment in order to ensure that households retain their benefits.

This situation has been exacerbated by recent changes to the eligibility for rent supplement, another secondary benefit available to those renting private accommodation. Currently if one of a couple is working full-time (30 hours) regardless of wages both are ineligible for rent supplement. This became effective from January 2004, arising from the Social Welfare Act 2003, and is another new and significant unemployment and welfare trap.

From a gender perspective an important factor to take into account when assessing such initiatives is that women are under-represented among those registered as long-term unemployed in Ireland. This is due to the household nature of the welfare system, the fact that only those available for full-time work are entitled to register, and the tendency for women who are not in full time paid employment to be categorised as ‘inactive’ rather than unemployed, particularly in the longer term. In the absence of any real movement towards individualisation, women in welfare dependent household are less likely to be eligible for either the BTWA or the BTEA as both are based mainly on long-term registration as unemployed or receipt of a welfare payment.

There are certain exceptions to this however, and one in particular is important from a gender perspective. Lone parents who have been on the One Parent Family Payment
for 15 months are eligible for BTWA and BTEA. As over 80% of lone parents on social welfare are women, this provision reflects an understanding of the need to provide for female-headed welfare households as well as a recent policy focus aimed at increasing employment rates among lone parents. In this sense, while policy in this area has not been developed with any explicit gender perspective or reference to gender equality and mainstreaming, it does incorporate a sensitivity to specific situations of low income and labour market disadvantage which bring important benefits to a significant number of women.

A3. Evaluation of the policy impact from a gender and social inclusion perspective

Loss of secondary benefits has long been recognised as a key issue in relation to the transition from welfare to employment. Secondary benefits represent significant value to low-income households, particularly medical cards and rent supplements. Phased withdrawal of welfare payments, particularly for those who have experienced long term welfare dependency, has also been seen as an important means of supporting those accessing employment, particularly low-paid employment. In 1996, the Expert Working Group Report on Integrating Tax and Social Welfare called for the “immediate retention of the medical card to people taking up employment” and the introduction of policies to address “traps associated with the withdrawal of rent and mortgage subsidy”. A range of different organisations and agencies have adopted similar positions including the Irish National Organisation of the Unemployed, the National Women’s Council, Irish Congress of Trade Unions, National Economic and Social Forum, Combat Poverty Agency and others. ‘A Woman’s Model for Social Welfare Reform’ published by the National Women’s Council in 2003 detailed a clear and strong case for individualised social welfare entitlements. A recent review of the One Parent Family Payment (Dept of Social and Family Affairs 2003) explored both welfare and employment issues for lone parents. ‘Caring Working and Public Policy’ is the title of a new report from the Equality Authority 2004 focusing on the position of carers inside and outside employment and presents a critical assessment of the level of supports currently available. Analysing the changing policy context in relation to caring, that latest report from the Equality Authority points to the tensions in public policy towards caring and employment:

“Current employment policy is oriented towards increasing participation rates for all groups, including carers, and current health policy is predicated on continued availability of informal carers to provide the vast bulk of care and support in the community.” (Equality Authority 2004)

As a result of these different debates, significant new initiatives were introduced between 1997 and 2000 during the peak of the period of high economic growth. A fall off in growth rates in 2002/3 however was accompanied by a curtailment of these initiatives severely limiting their positive impact. These policy changes have taken place over a time period when employment growth meant a significant reduction in unemployment. Despite the strong position of public finances and the reduced numbers of unemployed, the decision to reverse key positive provisions has meant that their potential impact has been weakened. For the significant proportion of the population - 21/22% - falling below the poverty threshold (at 60% of median income)
this has had a negative impact on critical policies supporting those who wish to, and are in a position to, make the transition into paid employment from welfare. While no detailed evaluation of the effects has yet been carried out, organisations have made critical assessments. Referring to the increased qualifying period for the BTWA (from 15 months to 5 years) the INOU have stated “subsequently the number of unemployed people benefiting from this allowance has reduced drastically.”

None of these policy initiatives and changes has an explicit or direct gender dimension. However, their gender impact is significant. In the first instance, more flexible eligibility criteria for BTWA and BTEA are provided for lone parents, the large majority of whom are women reflecting a new shift in policy towards increasing the employment rate of lone parents. The policy initiative of the three-year retention of the medical card after taking up employment is particularly significant to women, as lone parents and also as primary carers in low-income households. What is evident, however, is that these policy initiatives have been developed in the context of a household-based welfare system and do not address the underlying assumptions of this system. Because of the lack of individual entitlement for many women under a household-based system, many women do not meet the criteria necessary to benefit from such initiatives. Household-based means testing as well as household–based claimant systems means that significant numbers of women are dependants within the Irish welfare system. On the one hand, because they are not claimants in their own right, they do not benefit directly from phased withdrawal of benefits. On the other hand, many women are restricted to low paid, reduced hours and sometimes informal employment due to their concern about the potential negative impact on household income that additional earnings would have.
Part B. ‘Making working pay’ for those with care responsibilities

<table>
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<tr>
<th>1. Are there particular financial incentives to exit or remain in employment created by the tax and benefit system (e.g. child-related payments/tax allowances targeted at low income/all non-employed parents?)</th>
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<tr>
<td>There are different ways in which the Irish system works to provide financial incentives to exit or remain in employment. These are examined below under the headings of Employment Supports, General Income Supports, Individualisation, Barriers to Registering as Unemployed, Retention of Secondary Benefits and finally Specific Issues for Immigrants.</td>
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**Employment Supports**

The National Minimum Wage was introduced in Ireland on 1st April 2000 at a level of £4.40 (equivalent to €5.58), with increases in 2001 and 2002 and a further increase in February 2004 raising it to €7 per hour. The NMW has a role to play in narrowing wage differentials because women tend to occupy a greater proportion of those jobs that pay the NMW. The ESRI has examined the impact of the minimum wage and found that more women than men had been earning below the minimum wage and were typically working less than 30 hours per week, generally as clerical workers or in the services sector (ESRI, 1999). The number of employees on the NMW was highlighted in a more recent study of employers by the ESRI (2003). It showed that 32,500 private sector employees were paid below the NMW in 2002. The Hotels/Restaurants/Bars sector had the highest number of firms with employees working at or below the full adult minimum wage level (38%), followed by the Retail sector (22%), and the Personal and Other Services sector (17%). The authors note that the higher proportion in the Hotels/Restaurants/Bars sector may reflect among other things the increasing prevalence of immigrant workers. While the overall proportion of private sector employees at or below the full adult minimum wage was 4.5 percent (ESRI, 2003) the figure for the proportion of women was 7 percent and as high as 16 percent for women working part-time. Census data show that women are highly concentrated in the broad occupational groupings of Clerical/Secretarial, Personal and Protective Services and Sales (CSO, 2003).
The Employee Tax Credit was increased by €240, from €800 to €1,040 in the 2004 Budget. While this increased tax credit is significant, has not been sufficiently increased to lift single earners on the minimum wage out of the tax net. Currently 10% of the income of those on the National Minimum Wage is subject to tax. While the national minimum wage is an employment support for those in low paid jobs, its impact as a support mechanism has been weakened by the fact that all minimum wage earners are still paying some portion of income tax.

The earnings band relating to the One Parent Family Payment (OPFP), where claimants could have earnings in the range €146.50 to €293 per week and remain entitled to a reduced payment has not been increased since 1997. Where earnings exceed €293 per week, there is no entitlement to OPFP. Up until 2004, an exception to this rule existed for recipients of the payment whose earnings subsequently exceeded the maximum limit. To ease the transition into complete reliance on income from employment, payment of OPFP could continue for another year, at half the previous rate of payment. This transitional half rate payment for lone parents was discontinued following Budget 2004. The earnings disregard had enabled lone parents to retain a level of income support in the transition to employment and reflects a recent policy focus on increasing the employment rate of lone parents. The ceiling on the earnings disregard, and the reversal of a policy of gradual withdrawal, means that in practice lone parents seeking employment tend to seek part-time and often low paid employment.

The Family Income Supplement (FIS) was introduced to increase the reward from work by providing low paid households with additional income. FIS is only available to low income households with children. To qualify for a payment, the family must have a minimum of 19 hours paid employment a week – the hours of two partners can be added together to make up the required hours. The FIS received is 60% of the difference between net family income and the income limit, which applies to the family. There was a €7 per week increase in the minimum FIS payment, from €13 to €20 (the intention being to make the scheme more attractive to people at the lowest Family Income Supplement payment levels) and an increase by €28 in FIS weekly income thresholds, bringing the limits for a family with one child to €407 and €433 for a family with two children. These increases have been criticised for not keeping pace with increases in average
earnings. It is a potentially important income and employment support, however the Department of Social and Family Affairs (DSFA) has estimated that the take-up may be as low as 40% of those entitled (OPEN, 2004). The number of families receiving Family Income Supplement in 2003 was 12,317 compared to 14,686 in 1999. Most of the effort to improve take-up of FIS has focused on information dissemination. Other factors which have been found to inhibit take-up in the UK include perceived eligibility and negative attitudes towards dependence on state benefits. According to the Combat Poverty Agency (CPA) another issue is the means by which FIS is delivered, and suggest the possibility of a tax-based system of identifying and subsequently paying FIS might improve take-up (CPA, 1997).

Other Income Supports

Carers Support
Income support for carers operates primarily through the Carer’s Allowance (means tested) and the Carer’s Benefit, based on insurance contributions. To be eligible for these payments carers must be caring for someone who needs full time care and must not engage in more than 10 hours of employment or training per week. (Equality Authority 2004). Weekly rates for Carer’s Allowance for 2004 was EURO149.70 and for Carer’s Benefit was EURO139.60 (caring for one person). Benefit can be claimed for 65 weeks while the Allowance has no time limit. There is a strict means test for the Carer’s Allowance. Improvements in the means test for Carer’s Allowance, increasing the weekly income disregard by €40 per week for single people and €80 per week for couples, bringing the disregards to €250 and €500 per week respectively, effective from April 2004)

There is a strong argument for abolishing the means test for this allowance. Many carers are prevented from qualifying for Carer’s Allowance because their household means are too high although they themselves may have no access to resources. The value of their contribution is directly affected by their spouse’s income rather than by the degree of work involved in their caring responsibilities (NWCI, 2003).

Child Benefit
Child Benefit is a universal payment payable to all families with dependent children regardless of social
insurance contribution record or household income. Because it is a universal child support payment, it does not have any negative employment related impacts and is often viewed as a direct income support to women, particularly women outside paid employment. It has been increased significantly in recent years and was increased by a small amount in 2004 by €6 to €131.60 per month for the 1st and 2nd child and increased by €8 per month to €165.30 for the third and subsequent children.

*The One-Parent Family Payment (OPFP)*
The One-Parent Family Payment (OPFP) was introduced in 1997 (replacing the Unmarried Mothers Allowance) and represented a further step towards a more employment-friendly support for one-parent families. The new payment changed the way income from employment was assessed. Those on the OPFP are entitled to a significant earnings disregard (see above).

**Individualisation**

The key financial reform adopted by recent governments in relation to the tax/benefit system has been the move from the household based tax system to an individualised tax system. In particular this measure was aimed at making work pay for married women who had traditionally been subject to very high marginal tax rates as ‘second earners’.

Up to 2000 Ireland had a household-based tax system that allowed for transferability of tax bands and allowances between married couples. The effect was that married couples could avail of a standard rate tax band and allowances that were double that available to a single person, even if there was just one earner. At each Budget over the period 2000-2002 incremental reform towards individualisation of the tax bands was implemented but full individualisation has not yet been achieved as was envisaged at the time. The stated aim of individualisation was to ensure that each individual had their own standard rate band and that the standard rate tax bands would no longer be transferable between spouses. After the 2002 budget, the last movement on this reform, the standard rate tax band for a single person was €28,000 and for dual-income married couples it was twice that amount at €56,000. A married couple with one income could still transfer €9,000, about one third, of the non-working spouses standard rate tax band to the working spouse to give a
standard rate tax band of €37,000. In addition married couples qualify for the home carer tax allowance of €3,000 where the home carer is at home to care for a child or dependent. Individualisation was confined to the standard rate tax bands.

An evaluation of the reform showed that married women’s labour supply was more responsive to individualisation than to tax rate cuts and demonstrated how a move to full individualisation would increase married women’s participation by 3 percentage points. However this is still a relatively small effect in the context of the 30-percentage point rise in married women’s participation over the past 20 years. (Russell et al 2002)

**Barriers to Registering as Unemployed**

There was an increase in the numbers of part-time employees of 14,500 between 2001 and 2003, of whom the majority (78%) were women (CSO, QNHS 2003). Under Ireland’s social welfare model only those in search of and available for full-time work receive an unemployment payment. There is currently no entitlement to a part-time unemployment payment; therefore at present, if a woman is seeking part-time work linked to her caring responsibilities she is unlikely to register as unemployed. Thus they are under-represented in the official statistics and remain in the ‘inactivity’ category, adversely affecting their access to labour market and training programmes.

**Retention of Secondary Benefits**

Retention of secondary benefits is vital for those moving from welfare dependence into employment, and particularly so for those on low-income. The threshold for the retention of secondary benefits including rent supplement, Back to School Clothing and Footwear allowance and fuel allowance has remained unchanged at €317.43 (£250) since 1994 neither keeping pace with inflation or wages. This is a weekly figure and if income from social welfare payments and employment exceed this threshold then secondary benefits are lost. This can result in a substantial loss of income if the wages offered upon the take up of employment are above this threshold and is an unnecessary unemployment trap for those wishing to move from welfare to work.
This situation has been exacerbated by recent changes to the eligibility for rent supplement. Currently if one of a couple is working full-time (30 hours) regardless of wages both are ineligible for rent supplement. This became effective from January 2004, arising from the Social Welfare Act 2003. A further restriction in relation to rent supplement introduced in 2004 is that applicants must be renting for a period of 6 months before becoming eligible to apply for a rent supplement. Strong reservations were expressed by many organisations from the community and voluntary as well as statutory sectors about the impact of such a provision on the most vulnerable groups, particularly immigrants and lone parents.

The medical card is another critical secondary benefit, providing access to GP services, medicines and other health. The income threshold of eligibility for the medical card has not been sufficiently increased to allow for the inclusion of all low-paid workers. There was a maximum increase of €15.50 for married couples aged between 70-79, while the minimum increases for others, ranged from €1 to €5 in 2004. Generally people reliant solely on social welfare income are eligible for a medical card and people with income from employment are not. However an important exemption was introduced in 2000 (in recognition of the fact that this could act as a disincentive to employment) which allows people who have been registered as unemployed for at least a year to retain their medical card for three years after taking up employment, regardless of income.

Specific Issues for Immigrants

Over the past decade Ireland has experienced a substantial rise in non-Irish immigration mostly from other EU or EEA countries and a smaller but significant rise in non-EEA immigrants. Given Ireland's very limited immigration policy, the latter group has come as either immigrant workers on permits or visas, asylum seekers or programme refugees. The Immigrant Council of Ireland (2003) have characterized the Irish immigration system as market led. Those who have been recognized as refugees or permitted to remain in Ireland on humanitarian grounds, those with permission to remain on the grounds that they are spouses or parents of Irish nationals and the spouses and dependent children of EEA nationals can work without specific individual permission. Other non-EEA workers do so as temporary workers on work permits, working visas, as international students who have a right to work 20 hours per week, as self
employed people with business permission or as undocumented workers. In 2003, 47,551 work permits were issued. The work permit provided for immigrants is issued to employers giving them permission to employ non-EEA nationals, and as such permits are non-transferable between employment for the immigrant. The permit is issued for a maximum period of one year, is renewable, and where spouses are granted the right to join the worker they do not have an automatic right to work. A much lower number of work visas have been issued each year since its introduction in June 2000, with 1,158 issued in 2003. The number of work permit holders from outside the European Economic Area (EEA) continued to increase through 2003 and into the first quarter of 2004. Increased participation was most notable among women aged over 45 (FÁS, 2004). Ruhs (2003) shows that over one in five non-EU nationals working in Ireland were in the Hotels and Restaurants sector, and one-quarter of work permit holders were engaged in the catering sector.

A study undertaken in 2002 by WERRC for the Equality Authority looked at the experiences of Refugees on the Irish labour market (Equality Authority, forthcoming). A sense of discouragement among refugees about access to and participation on the labour market permeated the findings of this research. Participants experienced both exclusion from and marginalisation on the Irish labour market manifested through both unemployment and under-employment. For the majority displacement had the effect of obliterating their employability, i.e. qualifications, skills and experiences. Therefore the group was left in a position similar to Irish labour market entrants after second level school or in some cases to those who have left school early. Through survey and interview data it was possible to discern structural and cultural barriers to participants' progression towards their own aspirations for employment or simply to securing quality employment. Poor English language skills coupled with low level of provision in English language classes for Refugees and asylum seekers was a principal barrier. Ethnic based discrimination was the second principal barrier to accessing employment identified by study participants. Their perceptions varied to include discrimination on basis including nationality, ethnicity, colour, legal and immigrant status. While participants held high levels of qualifications there are no systems in place in Ireland to recognise participants' qualifications such as Accreditation for Prior Learning. Nor are there any systems of training or education to supplement the qualifications, skills or experiences participants brought to Ireland to tailor
The Immigrant Council of Ireland (2004) undertook a study of Migrants experiences in Ireland and included a focus on work. The report stated that:

“immigrant workers, particularly those on work permits, students and workers with no recognised residence are vulnerable to exploitation. Many immigrant workers work long hours in physically demanding work, have poor working conditions, get lower wages than their Irish counterparts and in some situations have tax deducted by employers who do not pay tax and/or are not registered for tax. Many experience downward mobility and work in jobs far below their skill level and qualifications. They undertake unskilled work which Irish workers are no longer willing to perform.” (p.54)

2. Do the arrangements for maternity and parental leave create incentives to exit or remain in employment? And do people on parental leave retain their employment contract and associated benefits? Are there policy measures targeted at men to encourage them to take parental leave?

Provision for leave entitlements in Ireland is particularly limited. We have a low level of provision for paid maternity leave, no paternity leave and restrictive parental leave.

**Maternity Leave**

New provisions were introduced under the Maternity Protection (Amendment) Act 2004 amending the Maternity Protection Act 1994 including the following:

- extension of Maternity leave from 14 weeks to 18 weeks and additional maternity leave from 4 weeks to 8 weeks - this change had been made already by statutory instrument, so incorporating it into the Act will make no change to current practice
- reduction in the amount of leave that must be taken before the actual date of confinement. Under the existing legislation it was a requirement that an expectant mother would commence maternity leave at least four weeks before the end of the expected week of confinement. However this period will be reduced to two weeks as soon as the legislation takes effect. There is no change to the requirement for the employee to avail of a minimum of four weeks after the birth.
- provision for expectant mothers to attend one set of ante-natal classes without loss of pay and provision
| - provision of a once-off right to fathers to paid time to attend the two ante-natal classes immediately prior to the birth. |
| - breast feeding mothers who have given birth within the previous four months will be entitled, without loss of pay, to either an adjustment of working hours or, where breast feeding facilities are provided by employer, breast feeding breaks. |
| - provision for an employee to postpone the period of maternity leave/additional maternity leave in the event of hospitalisation of the child. |
| - provision that an employee’s absence from work on additional maternity leave will count for all employment rights associated with the employment (except remuneration and superannuation benefits) such as seniority and annual leave. |

Under the review of the national pay agreement (Sustaining Progress 2003-2005) it is stated that Maternity Benefit would be restored to 80% of earnings from its current level of 70% over the lifetime of the agreement (Dept of the Taoiseach, 2004). This commitment has not been fulfilled as yet. There was an increase of €10 per week in the minimum rate of Maternity Benefit, from €141.60 to €151.60 effective from January 2004. In 2003 the duration of adoptive leave benefit was increased by 2 weeks from 14 weeks to 16 weeks.

**Paternity Leave**

Paternity leave is not recognised in employment law in Ireland. Therefore employers are not obliged to grant male employees special paternity leave (either paid or unpaid) following the birth of their child. Special arrangements between employers and employees, e.g. in the case of the Civil Service exist where a 3 day (parental leave) with pay following the birth or adoption of their child is granted but these are entirely discretionary.

**Carer’s Leave**

The Carer’s Leave Act (2001) provides for an entitlement up to a maximum of 65 weeks unpaid leave in order to provide full-time care.
Parental Leave

While male employees are not entitled under Irish law to either paid or unpaid paternity leave, they may be entitled to Parental leave. The Parental Leave Act 1998, as amended from July 2000 entitles both parents who qualify to take a period of up to 14 weeks unpaid leave from employment. An employee is not entitled to pay from their employer while on parental leave nor are they entitled to any social welfare payment equivalent to Maternity or Adoptive Benefit. Regulations to ensure preservation of social insurance records for employees who avail of Parental Leave have been introduced. The Act also provides an entitlement to limited paid ‘force majeure’ leave for urgent family reasons owing to the injury or illness of an immediate family member, in circumstances where the presence of the employee, at the place where the family member is ill or injured, is indispensable. The employee may not be absent on ‘force majeure’ leave for more than 3 days in any period of 12 consecutive months or 5 days in any period of 36 consecutive months. During an absence on parental leave an employee is regarded as being in the employment of the employer and retains all of his/her employment rights (except the right to remuneration and superannuation benefits).

The Parental Leave Act, 1998 states that the dismissal of an employee who exercises his/her right to parental leave or force majeure leave is regarded as unfair under the Unfair Dismissals Acts 1977-2001 unless there are substantial grounds justifying the dismissal. Following an absence on parental leave, an employee has the right to return to work in the same employment and under the same terms and conditions of employment. If it is not reasonably practicable for an employee to return to the same job, suitable alternative employment may be offered.

A report published in 2002 reviewing the Parental Leave Act 1998 provided details of a survey carried out on the uptake of parental leave and force majeure leave up until 2001. 517 private-sector employers and 138 public sector employers participated. The data showed that less than 7% of the labour force was eligible for parental leave. Of these eligible employees in the labour force, it was estimated that one-fifth had taken parental leave, with women accounting for the majority of these. Overall, 2% of employees took ‘force majeure’ leave, amounting to an uptake of 34,330 employees for the entire labour force. As with parental
leave, the uptake was higher amongst women and those employed full-time. Research on attitudes in relation to parental and ‘force majeure’ leave revealed that the largest barrier for employees taking parental leave is concern for their finances (42%).

**Criticisms/Shortcomings**

The Review Group did not reach consensus on either the principle of paid parental leave, which remains unpaid, or paternity leave. This situation has been criticised by a number of organisations, as it does not offer real supports to women at a time when they need it most, and it is argued that it particularly discriminates against low paid workers, who are predominantly women (NWCI, 2003). The majority of the Review Group recommended increasing the duration of Parental Leave by four weeks bringing the total entitlement to 18 weeks. Currently there is no statutory right to take the leave other than in a continuous block. In order to meet the needs of both employers and employees the Group recommended that an employee should have the right to take parental leave in the following forms:

(i) A continuous period of 14 weeks
(ii) In separate blocks consisting of a minimum of 6 continuous weeks, up to a maximum of 14 weeks leave. In addition, unless the employer agrees to more favourable conditions, an employee who has availed of part of their parental leave entitlement in respect of a particular child, should not be allowed avail of another period of parental leave for that particular child, until a period of 10 weeks has elapsed. Currently the maximum age of the child in respect of whom employees may take parental leave is 6 years of age. The Review Group recommended that it should be increased to 8 years of age.

Currently under the Parental leave Act there is no provision to show that 'the continuity of service is preserved' as there is in the Carer's Leave Act, 2001 although it is implied in the Parental Leave Act. The group recommended that for the avoidance of doubt in relation to this issue that the Parental Leave Act should be amended to include a provision similar to that in the Carer's Leave Act, 2001.
<table>
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<th>3.</th>
<th>Are there problems of eligibility for access to refresher training or lifelong learning for those currently taking or finishing an extended period of leave?</th>
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Women’s access to training or lifelong learning programmes has improved over recent years but is restricted due to wider barriers outlined above, specifically women returners are not eligible for certain State training programmes since eligibility for many programmes is based either on the Live Register or on the household income. The Back to Education Allowance (BTEA) and the Vocational Training Opportunities Scheme (VTOS) are the two main State education and training supports available to those returning to education.

The BTEA allows people in receipt of a social welfare payment to return and pursue a second or third level programme of education. Participants receive a standard rate of payment which is not means tested and are allowed to keep any secondary benefits already held. The qualifying period for the Back to Education Allowance has been increased from 6 months to 15 months in receipt of a social welfare payment.

To qualify for the allowance a person must be at least 21 years of age and in receipt of a social welfare payment for at least 15 months for the third level option (with effect from September 2004) and 6 months for the second level option (aged 18 or over if in receipt of a disability payment) or be aged between 18 and 20 years, out of formal education for 2 years and in receipt of UA, UB or OFP for 15 months or in receipt of Disability Benefit for 3 years or more.

Spouses/Partners of persons eligible for BTEA can qualify for BTEA in their own right and will receive an equivalent allowance of the relevant social welfare payment their spouse/partner is in receipt of. The BTEA does not include provision for childcare costs. The total number of people in receipt of the BTEA (including second and third level recipients) in 2003 was 5,696, of whom 2,823 were women and 2,873 were men (DSFA, 2004)

The Vocational Training Opportunities Scheme (VTOS) is an intervention in the Irish labour market to enable, as a priority group, unemployed people who have been on the Live Register for at least six months to access education and training with a view to progression to employment. To qualify for VTOS, a person must be at least 21 years and be in receipt of an unemployment payment or ‘signing’ for credits for at least 6 months. Spouses/partners who also meet these criteria may also participate in VTOS. Some childcare funding is available for VTOS participants, two-thirds of whom of are women. Each Vocational Education Committee (VEC) had limited amounts available for childcare allowances. These allowances must be used to pay registered childcare providers.
Immigrant women with academic, professional and vocational qualifications from other countries face significant obstacles to gaining recognition of their qualifications in the Irish education system and in accessing employment opportunities. The majority of state-funded programmes are closed to asylum seekers and there are few language classes available that meet their needs. Asylum seekers particularly women will face numerous obstacles to accessing full time employment once they have gained refugee status. Access to training and education would facilitate their inclusion in Irish society both during and after the application process. Persons with refugee status are treated on the same basis as Irish nationals in terms of access to vocational programmes within the Further Education sector. However, immigrants are subject to non-national fees for third level education.

Currently fees must be paid for part-time third level education courses. The Taskforce on Lifelong Learning (2002) gave particular consideration to the anomaly whereby fees are payable by learners for courses undertaken part-time, learners undertaking equivalent courses full-time are not generally required to pay fees. This situation particularly affects those on lower incomes and women who may need to combine learning with family and/or work responsibilities and who may not have benefited from third level education to date. The Taskforce recommended that these fee barriers, which deter participation in flexible part-time courses should be removed.

4. Are there particular problems of eligibility for access to active labour market policies, for example for someone who loses their job while on parental leave due to the firm closing?

**Active Labour Market Policies**
The Community Employment Scheme (CE) is by far the most important active labour market programme in Ireland. The CE scheme is managed by FÁS, Ireland's training and employment authority, and is designed to help people who are long-term unemployed and other disadvantaged people to get back to work by offering part-time and temporary placements in jobs based within local communities. CE schemes have played a critical role in the provision of community and care services (e.g. elder care, home helps, meals on wheels, childcare); the loss of any such services inevitably leads to increased unsupported care burdens on households and communities, primarily carried by women. This scheme which primarily targeted long-term unemployed has had the important gender-positive approach of allowing
eligibility for lone parents and the spouses of the long-term unemployed. As a result the majority of participants on the Scheme have been women. Currently, there are a total of 20,598 participants on the scheme, 11,664 of whom are women and 8,934, men (FAS Community Services, September, 2004). Community Employment is particularly important for lone parents (5,268 participants in April, 2004) because it is locally based, it provides childcare, it allows for retention of secondary benefits and it is part-time (OPEN, 2004). The scheme also targets travellers, persons with disabilities and programme refugees (18 years of over, and who has been on the Live Register for any period of time).

Changes were introduced to the Scheme in 2000, to be eligible to participate applicants now had to be over 25, and were barred from spending more than 3 years on CE. Currently placements last for one year for an average of 39 hours per fortnight. These changes were accompanied by a phased reduction in the number of places available. In 2003 there was a cut of 5,000 places on Community Employment (CE) Schemes, while in 2004 the combined participation levels on Community Employment (CE), Job Initiative (JI) and Social Economy Programme (SEP) were maintained at end 2003 levels. The total allocation for Employment schemes was fixed at €351m, supporting 25,000 places across the three schemes. The figures for those participating up to May 2004 were CE: 19,645, SEP: 2,374 and JI: 2,078.

| 5. Are there childcare problems (availability, cost)? Note the cost issue can feed into the financial trap listed at 1) above | Ireland has one of the poorest levels of childcare provision in the EU - only 4% of pre-school children are in publicly supported childcare. Affordable childcare still remains one of the largest disincentives for women attempting to return to work or access training or education supports. Average full day-care costs in Ireland are 20% of average earnings (P2000 Expert Working Group on Childcare, 1999) while the mean for other European countries is 8% (Goodbody Economic Consultants, 1998). The Central Statistics Office (CSO) Childcare Survey carried out in the last quarter of 2002 (CSO, 2003) confirmed the high cost of childcare throughout the country and that it is significantly more expensive in Dublin. The survey shows that the average cost per child per hour in Dublin ranged from €4.09 to €5.47 i.e. €159.51 to €213.33 per week for parents engaged in full time employment. This average cost included paid relatives and carers and so the actual cost of formal childcare places would be much higher than the average cost shown in the CSO |
data. The cost of childcare is a major obstacle for low-paid workers wishing to engage either in full-time or part-time employment. For example, a woman with one child in childcare costing on average €5.47 per hour and on the minimum wage of €6.35 (at the end of 2002) would take home €0.88 for every hour that she worked. The difficulties women on low-incomes face in continuing to stay in employment are evident.

There is no system of publicly provided childcare in Ireland. There is a policy assumption that childcare will be provided essentially on a commercial basis within the private sector (NWCI, 2002). The majority of parents are reliant on informal provision or private-sector provision. CSO data (2003) highlighted the strong demand for childcare with over 40% of families with pre-school children using ‘childcare arrangements’ including relatives, carers and crèches. The situation is unlikely to change in the medium-term as it is predicted that demand for childcare services will increase by between 25 and 50 per cent by the year 2001 (Goodbody Economic Consultants, 1998)

The only exception to the lack of childcare provision is the Equal Opportunities Childcare Programme, whose progress in terms of expenditure and physical progress has been ‘running well below target at this stage’. Progress in terms of the key indicator of ‘number of childcare places created indicate the programme is well behind schedule with little prospect that the mid-term (end 2003) target can be achieved at this stage’ (NDP/CSF Evaluation Unit, 2003). Furthermore the report concluded that, notwithstanding a strong general focus on social inclusion, the programme is not explicitly targeted at groups identified as disadvantaged in childcare terms. There was no increase in the allocation to the Equal Opportunities Childcare Programme following Budget 2004.

The crèche supplement to cover emergency childcare for couples on Supplementary Welfare Allowance Scheme has been discontinued following Budget 2004 because of, according to the Minister, state expenditure on crèche care and increased Child Benefit payments.
6. Are there in-work benefits for employed parents with low incomes? If so, do they create financial dis/incentives against increasing hours/earned income?  

The Back to Work Allowance (BTWA) scheme provides a transitional payment for people who have been long term reliant on social welfare payments and who are returning to work. This allowance proved to be effective in assisting people return to work as it provided a financial cushion to recipients, in the absence of any in-work benefits, in order to ensure that the take up of employment resulted in a genuine increase in income. People participating in the scheme retain a percentage of their social welfare payment (75% of weekly social welfare payment for the first year, 50% for the second year and 25% for the third year) along with secondary benefits for a period of up to three years. To qualify for the allowance a person must be aged 23 or over and be unemployed for 5 years (or at least 3 years if in receipt of a Disability Benefit) and be in receipt of a social welfare payment or have spent time on training programmes.

The qualifying period for this allowance was changed (effective from January 2003) from 15 months to five years registered as unemployed. The changes affected only those in receipt of unemployment payments, and not other categories including lone parents (qualifying period of 15 months) and those in receipt of disability payments. Subsequently the numbers benefiting from this allowance has reduced drastically. In 2002 the number of recipients of the BTWA was 11,496, which dropped to 7,197 in 2003 of which 4,851 were men and 2,346 were women (DSFA, 2004). The smaller number of women participants on the scheme can be explained by the prohibitive eligibility criteria, specifically that an applicant has to be registered as unemployed for five years and also by lack of childcare support.

There was a reduction by 2 years in the qualifying period on the Live Register required to access the Back to Work Enterprise Allowance (BTWEAS), from 5 years to 3 years effective from March 2004.

7. Are there any key features of the quality of the jobs available which limit the viability or sustainability of employment e.g. low wage levels; job instability; time schedules which are

Employment and social welfare policies have both played a role in making low-paid casual employment the only option for certain sectors. Elements of the social welfare system play a role in making low-paid employment the ‘preferable’ option, e.g. lone mothers returning to work may have an incentive to keep their pay below the earnings disregard in order to retain the security of the full OFP benefit, or e.g. the situation where low-paid employment is taken up so as to avoid losing a rent supplement.
<table>
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<th>incompatible with care responsibilities; gender segregated job openings (e.g. predominance of female-dominated service jobs for the low-qualified); specific aspects of gender discrimination by employers?</th>
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<td>In general, employment policy is not aimed at enforcing workers’ access to family-friendly options, particularly in the case of atypical workers. Workers on short-term contracts or in casual employment, many of whom are women, may not be entitled, for instance, to avail either of parental leave or carers’ leave since both entitlements require the worker to be employed by the same employer for a minimum of 12 months before becoming eligible for such leave (NWCI, 2003). Immigrant workers trapped in situations of tied employment are not in a position to seek better employment opportunities on the labour market. The Irish National Organisation for the Unemployed (INOU) have highlighted the fact that in response to the findings that those in low-paid employment are least likely to be offered or undertake training, FAS (the National Training Authority) is shifting its training emphasis to those in employment. (INOU, April 2004).</td>
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References


