



European Centre of Expertise (ECE) in the field of
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Labour Market Policy Thematic Review 2017: An in- depth analysis of the impact of reforms on inequality

IRELAND

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1 Introduction: Overview of inequality in Ireland

From 2004 to 2010, there was a slight reduction in income inequality in Ireland as measured by the Gini coefficient (Table 1, column 1). However, from 2010 onwards, income inequality increased slightly, yet it remains below its 2006 level. A similar story emerges when we examine alternative measures of income inequality, such as the S80/S20, P50/P10 and P90/P50 ratios. These indicators show the difference between earnings in the upper end of the disposable income distribution to those in the lower end. For example, the S80/S20 ratio is the ratio of average income in the top quintile to that of the bottom quintile. These indicators also show modest declines in income inequality up to 2010, followed by a levelling off or slight increase in inequality up to 2013.

Table 1. Gini Coefficient for Ireland, 2004 to 2013

Year	Gini	S80/S20	P50/P10	P90/P50
2004	0.324	5.2	2.2	1.9
2005	0.324	5.1	2.1	2.0
2006	0.318	5.0	2.1	1.9
2007	0.305	4.7	2.0	1.9
2008	0.296	4.5	2.0	1.9
2009	0.314	4.9	1.9	2.0
2010	0.300	4.7	2.0	1.9
2011	0.302	4.7	2.0	1.9
2012	0.304	4.7	1.9	2.0
2013	0.309	4.8	1.9	2.0

Source: Organisation for Economic Co-operation and Development (OECD)¹

A number of recent studies have examined the nature of inequality on Ireland and the extent to which levels of inequality have been impacted by public policy. Savage et al. (2015) examined inequality in Ireland from 2008 to 2013, a recessionary period characterized by the adoption of fiscal austerity policies. Their analysis provides more detail surrounding the headline inequality indicators. Their results indicate that the greatest fall in income was experienced by the bottom 10 % of earners, and that this was mainly due to falling incomes of individuals who moved into the bottom decile from higher up the wage distribution. Savage et al. (2015) note that during the recession, Ireland's progressive tax-transfer system mitigated some of the inequality pressures associated with greater unemployment and lower income. Savage et al. (2015) examine the change in the Gini coefficients both before and after policy interventions. Before the onset of the recession, changes to Ireland's transfer system and tax system reduced the Gini coefficient annually by approximately 0.15 and 0.05 respectively; indicating that the transfer system plays a much more important role in reducing inequality in Ireland compared to the tax system. However, the corresponding figures from 2010 were in the region of 0.20 and 0.07, indicating a slightly stronger policy effect.

¹ See <https://stats.oecd.org/Index.aspx?DataSetCode=IDD>

Holton and O'Neill (2016) examine wage inequality in Ireland from 2004-2013, applying decomposition techniques to evaluate the role played by changes in the returns to skills over this period. They find that inequality in Ireland increased during the height of the economic boom, with this increase driven almost entirely by increasing returns to skills. However, during the recession inequality decreased as wages at all points in the wage distribution above the tenth percentile declined. This was driven by declines in the returns to skills from 2007-2012.

There have been several notable policy developments in recent years which may impact inequality. One of these was the establishment of the Low Pay Commission (LPC) under the National Minimum Wage (Low Pay Commission) Act, 2015. The role of the LPC is to make recommendations to the Irish government regarding the implementation and maintenance of a fair and sustainable minimum wage that assists as many low-paid workers as is reasonably practicable, without creating significant adverse employment and competitiveness consequences. Following recommendations from the LPC, the national minimum wage for an adult worker increased from EUR 8.65 to EUR 9.15 per hour in January 2016, and in Budget 2017 the Irish government announced that the national minimum wage would further increase to EUR 9.25 in January 2017. Autor et al. (2016) find that minimum wages reduce earnings inequality in the lower end of the earnings distribution in the US, with females being the main beneficiaries. For Ireland, Holton and O'Neill (2015) find that minimum wages protect the income of low-skilled workers, particularly during recessions. However, MaCurdy (2015) and Logue and Callan (2016) indicate that a minimum wage is an inefficient tool for widespread poverty reduction, as a substantial proportion of the benefits associated with minimum wage increases go to households in the higher end of the wage distribution; as noted by MaCurdy (2015) one quarter of families in the top fifth of the income distribution has a low-wage worker and this is the same share as in the bottom fifth of the income distribution. As such, the Irish Low Pay Commission suggests that the minimum wage by itself is a blunt instrument for tackling poverty.

Another major policy change has been the introduction of free General Practitioner health care to children under six in 2015, with plans to roll this scheme out to all children under 12 in 2017. This policy will have implications for equality of access to health care for poorer families. However, given that the policy is entirely based on age, irrespective of income, it will also benefit wealthy families. As such, much like the minimum wage, this appears to be a blunt instrument for tackling inequality.

Given the severity of the recent recession and the accompanying persistent unemployment, several labour activation policies have been progressed, with the aim of restoring income and employment to those without jobs. These programmes include JobBridge, Jobpath, Momentum, and Intreo reforms. There have also been changes to the tax and welfare system, the provision of childcare and support for first-time home buyers, all of which are discussed in Section 2.

2 Country-specific recommendations and their impact on inequalities

2.1 Country-specific recommendations (CSRs) 2015 and 2016

In May 2015, recommendations, which may potentially impact on inequalities, for Ireland to take action in 2015 and 2016 include:

1. Broaden the tax base and review tax expenditures, including on value-added taxes (CSR1);

2. Take steps to increase the work intensity of households to address the poverty risk of children by tapering the withdrawal of benefits and supplementary payments upon return to employment and through better access to affordable full-time childcare (CSR3).

In May 2016, the Commission presented the following CSRs for Ireland to address over the next 12 to 18 months (2016 and 2017), which may also potentially impact on inequalities:

1. reduce vulnerability to economic fluctuations and shocks, inter alia, by broadening the tax base (CSR1);
2. expand and accelerate the implementation of activation policies to increase the work intensity of households and address the poverty risk of children (CSR2);
3. pursue measures to incentivise employment by tapering the withdrawal of benefits and supplementary payments (CSR2);
4. improve the provision of quality, affordable full-time childcare (CSR2).

Reforms implemented by the Irish Government in keeping with these CSRs made by the council in 2015 and 2016 that impacted in some way on inequality include (i) changes to Ireland's tax and welfare system in Budget 2016 and 2017 (ii) the Back to Work Family dividend, (iii) changes to the National Minimum Wage, (iv) childcare reforms, and (v) changes to active labour market policies.

Changes to the tax and welfare system in Budget 2016 and 2017

Callan et al. (2016), in a research note to the Quarterly Economic Commentary (QEC), analysed the distributive impact of Budget 2017 taking into account most of the major tax and welfare initiatives. On the taxation side, they include the reductions in universal social charge and the increases in the self-employed and home carer tax credits. On the welfare side, they take account of the EUR 5 per week rise in personal payment rates for all welfare schemes, the increase in the Christmas bonus from 75 % to 85 % and the increase in the earnings disregard for lone parents. For most income groups, the impacts of Budget 2017 changes are shown to be rather small, with the greatest gains seen in the lowest income quintile. Therefore, the conclusion is that Budget 2017 is close to distributionally neutral overall, but with some additional resources targeted towards those on the lowest incomes. The increase in welfare payment rates, the first for non-pension payments in several years, is noted as being particularly important in this respect (see Annex 1 for a list of these tax and welfare initiatives).

Callan et al. (2015) provides a nationally representative picture of the impact of the main tax and welfare changes in Budget 2016. The analysis takes into account the increase in the National Minimum Wage and the provision of free pre-schooling. The findings show that compared to a wage-indexed benchmark, the 2016 Budget led to a modest increase of about 0.7 % in aggregate household disposable income². For the 20 % of households with the lowest incomes, on average the Budget impact for 2016 is shown to have a similar impact to a neutral, wage-indexed budget. Changes to the 2016 Budget for all other income groups show gains of between 0.5 % and 1 %, compared to a neutral or wage-indexed budget. Furthermore, looking at the family unit level over the longer timeframe of 2009 to 2016, the greatest losses are shown for single unemployed people while the lowest losses were for pensioners. This is mainly due to substantial cuts in welfare payments for young people in particular and

² Incomes including welfare payments and net of income tax, USC and PRSI.

the rise in pension payments. Therefore, the analysis of Callan et al. (2015, 2016) indicate that both the 2016 and 2017 budgets had relatively modest to neutral impacts.

The Back to Work Family Dividend

The Back to Work Family Dividend, introduced in 2015, provides an incentive for families to move from welfare to work by tapering the withdrawal of benefits. Families can retain the full Qualified Child increase of EUR 29.80 per week per child for 12 months after they return to work and 50 % of the payments in the second year, amounting to EUR 1 550 in year one and EUR 755 in Year two. The Back to Work Family Dividend will be paid in addition to any entitlement the family may have under the Family Income Supplement (FIS) scheme and will not affect the level of the FIS payment. The policy initiative goes some way to reducing the poverty risk of children by tapering the withdrawal of benefits on the return to work (CSR3 2015), however, its impact on improving the access to affordable childcare to low-income families and facilitating increased female labour supply (CSR3 2015; CSR4 2014) are likely to be limited.

Changes to the National Minimum Wage

Budget 2015 announced the establishment of a statutory Low Pay Commission (LPC) that would make annual recommendations regarding the National Minimum Wage (NMW). The role of the LPC is to make recommendations to the Irish government regarding the implementation and maintenance of a fair and sustainable minimum wage that assists “as many low-paid workers as is reasonably practicable, without creating significant adverse consequences” in terms of employment and competitiveness.³ In making its determinations, the LPC undertakes to set a rate that (a) assists low-paid workers (b) is fair and sustainable (c) is adjusted incrementally and (d) is progressively increased. Following recommendations from the LPC, the NMW for an adult worker increased from EUR 8.65 to EUR 9.15 per hour in January 2016, and in Budget 2017 the Irish government announced that the NMW would further increase to EUR 9.25 in January 2017. Increasing the NMW may incentivise employment and potentially increase the work intensity of households (CSR 3 in 2015 and CSR2 in 2016).

In order to understand the impact of changes in the NMW and its potential impact on inequality, it is important to take into account the rather limited overlap between low pay and household poverty.⁴ Most households in poverty do not contain an employee, and of those which do, most do not contain a minimum wage employee. In Ireland, just under 16 % of NMW workers belong to households whose income is less than 60 % of the median equivalised household income, compared to a rate of 3.1 % of non-NMW workers. In terms of deprivation rates (defined as being unable to afford at least 2 out of 11 basic items, including food, clothing, heating, furniture and some social participation activities) 28 % of NMW workers are defined as being deprived, relative to 19.5 % of non-NMW workers.⁵ With regard to the incidence of consistent poverty (defined as being both at risk of poverty and deprived) 4.5 % of NMW workers fall into

³ “Ireland: Speech by Ged Nash TD Minister for Business and Employment”, European Union News, 12 March 2015 issue.

⁴ This is a feature common to many countries, and has been confirmed in the Irish context by a number of studies such as Nolan (1993) and Collins (2015).

⁵ Authors own calculations using EU SILC 2014.

this category compared to 1.4 % of non-NMW workers⁶. Therefore, as noted by the Irish Low Pay Commission (2016), a minimum wage by itself appears to be a blunt instrument for tackling poverty. This is consistent with Callan et al. (2015), who state that low-paid employees are found in a range of household situations, such as, adult children living in households where the earnings of parents ensure that the household is not in poverty, others are second earners, and the earnings of primary and secondary earners are sufficient to bring the household above the poverty line. Employees in poor households are more often earning wage rates above the minimum, but fall below the poverty line because of the number of people depending on that income, or part-time working at a wage above the minimum. Therefore, this group is targeted by measures such as the Family Income Supplement and the Back to Work Family Dividend mentioned above.

Childcare Reforms

In Budget 2016, the Early Childhood Care and Education (ECCE) Scheme was extended to children aged between three and five and half years, or until they start primary school. Also, the number of places on the Community Childcare Subvention Programme was increased to 8 000. In addition, from January 2017, children aged zero to five years whose parents are homeless will be offered free childcare for 25 hours a week. This relates to CSR3 in 2015 and CSR2 in 2016.

Budget 2017 announced that from September 2017 a new Single Affordable Childcare Scheme will provide a targeted subsidy, based on parental income, for children aged between six months and 15 years and a universal subsidy, for all families, for children aged between six months and three years.⁷ The highest level of targeted subsidy will be provided to those on incomes up to EUR 22 700 net per annum – this will be approximately EUR 8 000 a year, based on the maximum of 40-hours childcare a week.⁸ The rate of subsidy will taper downwards as net income rises, with no targeted subsidy payable when net income reaches EUR 47 500. The income thresholds increase if there is more than one child in the family. The universal subsidy provides up to EUR 80 per month towards childcare costs equating to over EUR 900 per annum for parents working full-time and will be paid pro-rata. The subsidies will be paid for children attending a Tusla-registered childcare provider which include centre-based providers and child minders.⁹

Furthermore, in relation to Pre-school education, an additional EUR 86 million has been provided for the full year costs of the extended Early Childhood Care and Education Scheme and the rollout of the Access and Inclusion Model (AIM) to enable children with disabilities to access the scheme.

In addition to impacting equality of access to early childhood care and education, the reforms mentioned above are important for income equality. Ireland's rate of joblessness is relatively high by European standards and CSR3 in 2015 highlights the

⁶ Authors own calculation using EU SILC 2014.

⁷ Jonathan Sheehan, "Ireland's Budget 2017", Mondaq Business news, 14 October 2016.

⁸ The information in the rest of the paragraph is excerpted from a Statement by Dr. Katherine Zappone, Minister for Children and Youth Affairs, Department of Children, European Union News, 14 October 2016

⁹ Tusla is an Irish state agency responsible for improving outcomes and wellbeing of children.

importance of increasing work intensity. One of the main risk factors for living in a Very Low Work Intensity Household (VLWI) relates to adults who are lone parents (Watson et al. 2012). Prohibitively high early childcare costs may present a barrier to work for some single parents and therefore, policies to improve accessibility and reduce these costs may be important steps towards reducing the incidence of joblessness in Ireland. No evidence is yet available regarding the impacts of these policy reforms.

Changes to active labour market policies

Most of the activity during 2015 centred on the implementation of previously announced policy initiatives (Jobpath and SICAP) and the commissioning of evaluations and reforms to existing activation programmes (Intreo, Momentum and JobBridge). These activation programmes relate to CSR3 in 2015 and CSR2 in 2016.

Jobpath

Jobpath is an employment activation programme that is targeted towards individuals who are long-term unemployed, or those who are recently unemployed but require intensive support to find work. The programme commenced in July 2015 and is administered by two private sector companies. Claimants are referred to Jobpath by the Department of Social Protection. Individuals participating in Jobpath attend a one-to-one meeting with an advisor who provides intensive support to assist the unemployed individual find a job. The duration of Jobpath services is one year, and should the individual secure employment, they may continue to receive support for the first year of that employment. There has been no evaluation of the effectiveness of the Jobpath programme due to the short time period since its implementation. However, the Department of Social Protection has indicated that an evaluation will be conducted once the necessary data has been gathered.

Intreo Reforms

Intreo is the name of the service provided by the Department of Social Protection which acts as a single point of contact for jobseekers in Ireland. Labour activation reforms were introduced by Intreo in 2012. These reforms centre around a Record of Mutual Commitments, whereby Intreo commits to identifying suitable employment and upskilling opportunities for the jobseeker, and the jobseeker commits to engaging with the service, including attending meetings arranged by Intreo and taking up activation programmes suggested by Intreo. Cases are actively managed through regular meetings with jobseekers, the frequency of which depend on the characteristics of the individual relating to their risk of remaining unemployed. An econometric evaluation of the effectiveness of the Intreo reforms commenced in 2016 and is ongoing.

Momentum

The Momentum programme was initially introduced in 2013 to assist individuals in long-term unemployment gain the skills needed to find employment by providing free training and education. The programme ran until December 2014, at which point an evaluation of its effectiveness was carried out by Solas. Of the 3 532 long-term unemployed individuals who participated in Momentum, there was a positive outcome for 1 333 individuals. The Solas evaluation report indicated that the programme compares favourably to outcomes-based programmes for the unemployed in the UK and Australia. The Irish government announced a further round of Momentum funding in September 2014, as part of its Action Plan for Jobs.

JobBridge

JobBridge is an internship scheme which provides work experience opportunities for unemployed people. The duration of the internship is either six or nine months and the participating individual retains their social welfare payment and gets an additional EUR 52.50 per week. JobBridge closed to new applicants on 21 October 2016. At the same time, the Minister for Social Protection announced that a consultation process will take place with unions, employers and other stakeholders with the aim of creating a new, more targeted work experience programme.

SICAP

The Social Inclusion and Community Activation Programme (SICAP) replaced the Local Community Development Programme in 2015. It was allocated a budget of EUR 46 million and is administered by the Department of the Environment, Community and Local Government (DECLG). SICAP aims to tackle poverty, social exclusion and long-term unemployment through local engagement and partnership between disadvantaged individuals, community organisations and public sector agencies. It was rolled out on 1 April 2015 and will run until December 2017. Pobal has been appointed by DECLG to provide management and oversight for the programme, including in respect of co-funding under the European Social Fund (ESF). Pobal was mandated to manage the set-up and design of the new social inclusion programme, and drew up the preliminary Programme Framework. It is a national programme and following a public procurement process, contracts for the implementation of the new programme have been awarded.

CSR2 in 2016 was to 'expand and accelerate the implementation of activation policies to increase the work intensity of households and address the poverty risk of children'. The activation programmes within SICAP aims to cater for individuals that are further from the labour market and will provide support for approximately 30 000 people to improve work prospects. The idea is to provide an additional level of labour market supports to vulnerable individuals over and above those available through mainstream departments. The target groups are: children and families from disadvantaged areas, lone parents, new communities (including refugees and asylum seekers) and Roma, people with disabilities, unemployed people (including those not on the Live Register) and members of the travelling community.

SICAP allows for the provision of activation services and supports to individuals who might otherwise fall through the net of existing supports. The SICAP programme is administered by providers appointed, following a tendering process, with appropriate supports and direction provided by Local Community Development Companies (LDCs). LDCs are established within each local authority with the objective of developing, coordinating and implementing a coherent and integrated approach to local and community development. The duration of each SICAP contract is for a maximum of 33 months: 1 April 2015 to 31 December 2017. Continued funding is subject to a satisfactory performance review annually, which will commence in December each year and be completed by the following January.¹⁰ Pobal have recently commissioned the ESRI to undertake an evaluation of SICAP, however, the research is at a very early stage and no results are currently available.

¹⁰ See <http://gcp.ie/sicap/>

2.2 Unaddressed country-specific recommendations and their hypothetical impact on inequality

In the CSRs for 2015 and 2016, the European Commission recommends that Ireland widens its tax base, stating that efforts to widen the tax base thus far have been limited. Specific reference is made to changing the structure of value-added tax, noting that zero and reduced rates make Ireland's VAT system less efficient than the EU average. The implications for inequality of changing the zero and reduced rates of VAT are difficult to assess, and will likely depend on the specific types of goods and services targeted. Zero-rated goods and services include exports, intra-Community supplies of goods to VAT-registered persons in other EU Member States, certain food and drink, oral medicine, certain books and booklets, certain animal feeding stuffs, certain fertilisers, seeds and plants used to produce food, clothing and footwear appropriate to children under 11 years of age and supplies to VAT-registered persons authorised by Revenue under the zero-rating scheme for qualifying businesses. Exempt goods include financial, medical and educational activities as well as admissions to, and promotion of, certain live theatrical and musical performances. The introduction of VAT to certain goods and services may generate a relatively large burden on poorer families. However, the overall impact on inequality would also depend on how the extra tax revenue is used by the government.

3 Other important reforms and inequalities

In 2015, free General Practitioner (GP) health visit cards became available for all children under six years of age. The Government had planned to extend this scheme to all children under 12 years of age by the end of 2016, however the implementation date has been delayed. This scheme depends only on the child's age and disregards the income of the family. Therefore, households across the income distribution benefit from this programme. While low income households will benefit, this policy is seen by some as a blunt instrument for tackling inequality of access to health care, due to its disregard of family income.

In Budget 2017, the government announced plans for implementing the Help to Buy Incentive which came into effect in January 2017. This is an income tax rebate to help first-time buyers of new homes fund the mortgage deposit. The scheme involves a rebate of income tax paid over the previous four years. For new homes costing up to EUR 400 000, a rebate of up to 5 % of the purchase price will be available. For homes costing between EUR 400 000 and EUR 600 000, the maximum relief will be EUR 20 000. This may have implications for equality of access to adequate housing by helping individuals and families to secure a mortgage to purchase their first home. However, the incentive will likely benefit individuals at both the upper and lower ends of the income distribution. Opponents of the scheme suggest that the result of such an initiative will see first-time buyers bidding against each other, thereby driving up the price of houses above their fundamental value.

4 Conclusions

Over the period the Irish government has introduced a raft of policies, many of which will have had some impact on both earnings inequality and inequality of opportunities. While no one policy will have had a major impact on inequality, it is likely that the combined impact will have led to moderate reductions in the level of earnings inequality in Ireland. The analysis to date has indicated that, at least with respect to earnings inequality, the impacts of changes to the system of taxes and transfers have

been moderate with reforms to the system of transfers having a much larger impact than changes to the tax system.

Given that most individuals with high poverty risk tend to belong to workless households, the evidence suggests that further extending the system of earnings with regard for long-term unemployed individuals returning to work is likely to have the most substantial impacts in reducing both earnings inequality and inequalities of opportunities. For example, the low replacement rate¹¹ for lone parents found by Savage et al. (2015b) is directly related to the flexibility within the benefit system for them to retain benefits when returning to work. The Back to Work Family Dividend applies a similar approach to families with children and Savage et al. (2015) find that this scheme, if fully utilised, could lead to significant improvements in the financial incentive to work facing such families. Increasing work incentives through a more flexible approach to retaining benefits is likely to yield more results. While the change to FIS is credible, it will not, in itself, be adequate to fully address the disincentive effects of leaving welfare for employment. More needs to be done to incentivise the move from unemployment, particularly long-term unemployment, to employment for those claimants not likely to be in receipt of the Back to Work Family Dividend. Given that many of the other policies considered within this assessment (such as increases in the minimum wage, reductions in USC, free GP services etc.) tend to benefit households right across the earnings distribution, their impacts on inequality are likely to be limited. With respect to labour market activation policy, no evidence of the impact of major reforms such as Jobpath or Intreo is, as yet, available.

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¹¹ The replacement rate shows the proportion of income when employed that would be replaced when out of work (Replacement Rate = Out-of-Work Disposable Income / In-work Disposable Income). A replacement rate greater than 70 % is considered to be excessive. Savage et al. (2015) results show that less than 30 % of claimants in receipt of benefits in Ireland have replacement rates above 70 %, indicating that the vast majority of claimants would experience substantial increases in disposable income from returning to work.

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Annex 1: Summary of Reforms Impacting on Inequalities

No.	Short title of the reform	CSR-relevant (yes / no)	Policy area (e.g. labour taxation, consumption taxation, social protection, education, healthcare, etc.)	Short description of the reform	Direction of impact on inequality: increasing/ decreasing	The magnitude of impact on inequality: strong/ moderate/ limited	The reform has primarily impact on: - income inequality - inequality of opportunity	Target groups: are reforms targeted at some particular groups?	Time aspect: impact on inequalities now / expected in the future
1	USC	yes	Labour taxation	Reduction in USC for those earning below EUR 70 044	decreasing	moderate	Income inequality	Those earning below EUR 70 044	Now and in the future
2	Self-employed tax credit	yes	Labour taxation	Credit increased from EUR 550 to EUR 950	unclear	limited	Income inequality	Self-employed	Now and in the future
3	Social welfare payments	yes	Social protection	EUR 5 weekly increase	decreasing	moderate	Income inequality	People receiving social welfare payments	Now and in the future
4	Christmas bonus	yes	Social protection	Bonus for people getting a long-term social welfare payment	decreasing	limited	Income inequality	Long-term benefit recipients	Now
5	Earnings disregard for one parent family payment	yes	Social protection	Earnings disregard will increase from EUR 90 to EUR 110 per week	decreasing	moderate	Income inequality	One parent families	Now and in the future
6	Back to Work Family Dividend	Yes	Social protection	Tapered withdrawal of benefits when returning to work	decreasing	moderate	Income inequality and inequality of opportunity	People transitioning from welfare to employment	Now and in the future

7	Minimum wage	yes	Income	Increased from EUR 8.65 to EUR 9.15 in January 2016 and to EUR 9.25 in January 2017	decreasing	moderate	Income inequality	Low paid individuals	Now and in the future
8	Early childhood care and education scheme	yes	Education	Free preschool care for children aged 3-5.5 years	decreasing	moderate	Income inequality and inequality of opportunity	Parents of young children	Now and in the future
9	Community Childcare Subvention Programme	yes	Education	Reduced childcare rates for disadvantaged parents	decreasing	moderate	Income inequality and inequality of opportunity	Disadvantaged parents of young children	Now and in the future
10	Free childcare for homeless parents	yes	Education	Free childcare for children whose parents are homeless (up to 25 hours per week)	decreasing	moderate	Income inequality and inequality of opportunity	Homeless parents with young children	Now and in the future
11	Single affordable childcare scheme	yes	Education	targeted subsidy, based on parental income, for children aged between 6 months and 15 years and a universal subsidy, for all families, for children aged between six months and three years (from Sept 2017)	decreasing	moderate	Income inequality and inequality of opportunity	Parents and young children	Now and in the future
12	Access Inclusion Model	yes	Education	Increased support for children with disabilities allow them to access the early childhood care	decreasing	moderate	Inequality of opportunity	Children with disabilities	Now and in the future

				and education scheme					
13	Jobpath	yes	Employment, social protection	Intensive support to help unemployed people find a job	decreasing	moderate	Income inequality and inequality of opportunity	Unemployed people	Now and in the future
14	Intreo reforms	yes	Employment, social protection	Labour activation initiatives	decreasing	moderate	Income inequality and inequality of opportunity	Unemployed people	Now and in the future
15	Momentum	yes	Employment, social protection, education	Free education and training for long-term unemployed	decreasing	limited	Income inequality and inequality of opportunity	Long-term unemployed	Now and in the future
16	JobBridge	yes	Employment, social protection, training	Internship scheme for unemployed people	decreasing	moderate	Income inequality and inequality of opportunity	Unemployed people	Now and in the future
17	Social inclusion and community activation programme	yes	Employment, social protection, education and training	Tackles poverty, social exclusion and long-term unemployment through local engagement and partnership between disadvantaged individuals, community organisations and public sector agencies	decreasing	moderate	Income inequality and inequality of opportunity	Individuals experiencing poverty and social exclusion	Now and in the future
18	Free GP visits for children under six	no	Healthcare	Free General Practitioner doctor visits for children under six years old	decreasing	limited	Income inequality	Children under six	Now and in the future

19	Help to buy scheme	no	Housing	Tax rebate for first time buyers of new homes	decreasing	limited	Inequality of opportunity	First time house buyers	Now and in the future
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Annex 2: Proposed indicators to assess inequalities

Growth in real GDP per capita

Growth in real disposable income per capita

Growth rates of the median disposable income and of the disposable income of the first bottom decile of the income distribution, in real terms (compound annual, over 5 years)

Gini index of households' income after tax and transfers (source: Eurostat)

Gini index of households' income after tax and before transfers (source: Eurostat)

Redistributive impact of taxes and transfers: difference between post-tax and transfer Gini index and market based Gini index (source: OECD, Eurostat)

Median/mean equivalised disposable income, before/after social transfers/pensions

Ratio S80/S20 of disposable income, after social expenditures (source: Eurostat)

Ratios S90/S50 and S50/S10 of disposable income, after social expenditures

At risk poverty rate before/after social transfers (pensions included in social transfers), for the total population and for the elderly

Severe material deprivation rate

At persistent risk of poverty after social transfers

Indices of wealth distribution

Note: the indicators also include other breakdowns (e.g. by age or type of households).

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