HOPE OR AUSTERITY
A Road Map for a Better Fairer Ireland after the Pandemic
When the fiscal crash hit Ireland in 2008 working families, their communities and unions were shocked into near silence as years of mismanagement and pandering to vested interests brought the nation to its knees. Before the shock had receded billions of Euro in private banking and speculators debts had been nationalised. Moreover a decade of austerity was unleashed heralding a massive wealth transfer upward and consistent damage to our crucial public services, including our health service.

It was when the water charges campaign emerged in 2014 that citizens mounted a fightback against the then rampant political impulse to charge the many for the recklessness of the few. On 8 February 2020 citizens in Ireland voted for change. Political change however is not simply about elections. It is also about recognising past mistakes and people arguing, demanding and mobilising for a just, fairer society in their interests. In the coming weeks and months the airwaves and newsprint will be festooned with debate and discussion about ‘the economy’.

But what about society? Our economy is simply a driver for the society we choose to have. For too long now it has served too many people poorly and it is many of those people, families, workers who today are risking their very lives for us. They don’t care about class or wealth. They just want to take care of everybody. Why can we not build a society in that image?

In this paper Unite sets out the case for a society that will work for us all, for poor and rich, regardless of any other factor. It is a vision for a collaborative society of ‘togetherness’, hope, and real fair and needed change. The measures outlined are fiscally sound and politically necessary if we are to do anything other than allow a regressive neoliberal ideology use this emergency to further increase inequality, poverty, homelessness, insecurity and unfairness.

Surely we aren’t going to allow that to happen again?

I want to thank Dr. Conor McCabe for his work in helping Unite produce this paper. It is both substantial and digestible, readable and workable. Conor’s expertise in these matter is deeply appreciated. I am also grateful to Unite’s Rhona McCord for her help in making sure Unite is out there advocating strongly for a better future for all as we go through, and ultimately exit, this pandemic.

Please read this document and help us to promote its analysis and ideas. Together, even from this personal and societal darkness, we have an opportunity to learn and build a better nation for us all.

Brendan Ogle
Senior Officer – Republic of Ireland
In its response to the coronavirus pandemic, government’s measures so far have been based on a “V” shaped recovery. It assumes that all who have been laid off will be quickly rehired. It is increasingly clear, however, that this is not going to happen. The lifting of the shutdown, when it happens, will be staggered. Social distancing and other measures will remain in place in order to dampen the second and third waves of Covid-19. These will continue until there is a vaccine, which could take up to 18 months to develop. There will be no grand rebooting of the system.

On top of this, the structural inequalities that already exist in housing, health, education, childcare, and workers’ rights, will need to be addressed. The recent general election was proof positive that people want change. Those that do not will use the crisis to thwart that desire. This is where the battle lines will be drawn and it is hugely important for the trade union movement to play a leadership role in this struggle.

Proponents of the neoliberal ideology will use this emergency to further their socially destructive agenda - an agenda that has done much to leave our public services and labour market less prepared for this pandemic than it needed to be. This will of course be aided by the fact that we live in a country, and at a time, where we are practically conditioned to accepting an austerity agenda.

This is likely to be pushed aggressively (in fact it has already begun) by vested interests, an incoming government and a national media the majority of which operates as an ideological sect in these matters.

The challenge facing workers, unions and communities in setting and delivering any alternative analysis that aims for a better society and learns key lessons from this emergency is gargantuan. But it is one that we as a movement must take up on behalf of the silent majority in a manner our movement singularly failed to do in the economic emergency just over a decade ago.

This paper looks at the background to the current crisis, as well as providing a critical analysis of the government’s measures so far. It then sets out a number of key objectives that are necessary to not only protect workers and communities but to enable them to lead decent and proper lives.

These include:

- Frontline service workers classified as essential workers
- Full trade union recognition and right to access
- An end to bogus self-employment
- A single-tier health and nursing home system
- Section 39 workers reclassified as public sector workers
- Childcare as a community service, with workers brought into the public sector
- Major nationwide public housing building programme framed by environmental sustainability
- Public housing only on public land – no more selling off of public land to private developers
- Rent moratorium for affected tenants and debt write-down process for the shutdown period
- Co-living units to be made illegal
- A total and enforced ban on Airbnb from all areas of housing need
- Ban on bulk purchase of housing units by vulture funds
- No cuts to USC, income tax, or Household Charge at this time
- No corporate or business tax breaks
- A roadmap towards PRSI contributions to EU average
- Massive state-sponsored public housing programme
- Banks required to target interest-free loans towards vulnerable sectors and businesses
- Interest free overdraft facilities for affected businesses.
- The development of an affordable state sponsored insurance system for business for essential insurance cover
- Commercial rent moratorium with a process for the orderly write down of debt built up as a result of the crisis
- Legislation to ensure credit history is not affected by missed payments during the crisis
- Invest in a Green New Deal and a Just Transition
- Accelerate the rollout of a national retrofitting programme

These measures are needed to ensure that workers and businesses get through this crisis, and that the state has the focus going forward to tackle the health, housing, and environmental issues that dominated the recent election.

We cannot build the future we need unless we plan and fight for it. This document is presented as a contribution towards that wider societal debate and struggle.
On 27 December 2019 three patients with severe pneumonia of unknown cause were admitted to a hospital in Wuhan, China. Initial tests revealed a new strain of coronavirus, and subsequent investigations traced the outbreak to a seafood wholesale market in the city. The first death was recorded on 9 January 2020 and two weeks later the city was in lockdown. By the time the World Health Organisation (WHO) declared a pandemic on 30 January it had spread to other countries in Asia, as well as to the U.S. and Europe. On 11 February the virus was given a name – SARS-CoV-2 – while the disease associated with it became known as Covid-19. The first case on the island of Ireland was announced in Belfast on 27 February. This was followed two days later by the first case in the Republic of Ireland. Both patients had recently returned from skiing holidays in northern Italy.

The Irish government’s initial response to the outbreak was somewhat slow and hesitant. This was in line with other European states. Sandra Zampa, undersecretary of Italy’s Health Ministry, told the New York Times that ‘Italy looked at the example of China ... not as a practical warning, but as a “science fiction movie that had nothing to do with us.”’ It was a sentiment that appeared to hold sway across the continent, an apparent ‘othering’ of Covid-19 as a concern mainly for other European states. Sandra Zampa, undersecretary of Italy’s Health Ministry, told the New York Times that ‘Italy looked at the example of China ... not as a practical warning, but as a “science fiction movie that had nothing to do with us.”’

Events quickly escalated. Deaths and infections in Italy and across Europe rose at an alarming rate, and with increasing numbers affected in Ireland the government’s strategy moved from one of containing the disease to delaying its spread. Over the course of two weeks in March it cancelled all St. Patrick’s Day events; closed schools, colleges and universities; ordered pubs and restaurants shut; and brought in greater social distancing measures before issuing a stay at home order on 27 March. The country, effectively, was in lockdown.

All of this happened in the wake of a general election that was dominated by the legacy of severe cuts in health, housing, transport, and childcare support; as well as issues surrounding the pension age, the overall cost of living, and the need for greater social cohesion. The country suffered a devastating financial crash in 2008, made worse by a disastrous bank guarantee, leading to an EU/ECB/IMF bailout in 2010, and years of austerity budgets. The Taoiseach and leader of Fine Gael, Leo Varadkar, wrote in November 2019 that Ireland had finally turned the corner and had achieved ‘record levels of employment, rising incomes, falling poverty and deprivation, and a budget in surplus despite a difficult and unpredictable global economic environment.’

In reality, the state’s social infrastructure is at creaking point. The accumulative effect of the years of cuts and underinvestment is still being felt, hidden beneath the headline figures of a booming economy. The Irish health system has ‘the worst waiting time situation in Europe’ with hospitals ‘working near full capacity.’ The first full week of 2020 was the ‘worst-ever week for overcrowding’ with 3,143 patients without beds, according to the Irish Nurses and Midwives Organisation (INMO). In terms of housing, which is severely constrained across the state, there were 68,693 households on local authority social housing waiting lists in 2019, with another 45,915 households in receipt of the Housing Assistance Payment (HAP), and 18,697 households in receipt of the Rental Accommodation Scheme (RAS).

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6 The final result was an almost even split in the popular vote between the centre-right parties of Fianna Fáil and Fine Gael (43.1%) and the more progressive left-leaning parties of Sinn Féin, the Green Party, Social Democrats, Labour, and Solidarity. ‘People Before Profit (14%) – the first time such an outcome had occurred in Irish politics, and one that was almost entirely down to the spectacular rise in support for Sinn Féin. redditch boox, however, was in a position to form a majority government. At the time of writing (10 April 2020) Fiona Hahn and Fine Gael have agreed a coalition framework that will nonetheless need the support of at least eight independent TDs or at least one of the smaller progressive parties and two independents.
There were 10,148 people in emergency accommodation in February 2020. Rents are at an all-time high, with the average monthly rent nationwide at €1,402 in the last three months of 2019, some €659 higher than the low point of the rental market, which was recorded in late 2011.

In terms of income, Social Justice Ireland found ‘the median disposable income per adult in Ireland during 2018 was €22,872 per annum or €438.33 per week’ – the most recent figures available. It also found that at least fourteen percent of all adults in Ireland live below the poverty line. For those employed and with small children, the average cost of full-time childcare is €184 per week, while the average part-time fee is €110 per week. On top of this, an estimated 1.83 million people are living in households that are unable to face an unexpected financial expense. This is at a time of effective full employment. It is little surprise that in a recent survey around 40% of Irish workers said that they are living from pay day to pay day.

Given the result of the general election, it is clear that a significant proportion of the Irish electorate has had enough of austerity and its legacy and wants progressive, structural change. An overarching issue that did not factor heavily in the election is climate action. It is one that simply cannot be ignored any longer and one that requires huge investment and change in behaviour over the next ten years if Ireland is to meet its 2030 emission targets.

It is against this backdrop that the Covid-19 pandemic is being played out. And while the Irish government has appeared to embrace more socially and economically progressive thinking in its response, when we dig deeper a conservative continuity and deeply-embedded bias in favour of landlords and financial institutions is revealed.

Covid-19 Measures

The effective shutdown of large sections of the Irish economy has led to the introduction of unprecedented fiscal measures. These fall under three broad headings:

1. Increased health spend
2. Additional income supports
3. Business supports

Health Spend

The government quickly expanded the budget of the Health Service Executive (HSE) and lifted the recruitment embargo on nurses and other key staff. It immediately increased health expenditure by €1 billion with an additional €1 billion planned subject to final approval. The government also approved a framework agreement with private hospitals, with Taoiseach Varadkar stating that they would ‘operate effectively as

The HSE did in the past, but not anymore. This does not mean that the HSE is not recruiting. It is.” Dáil Debates, 28 November 2019, Vol 1990, No.3: 275.

For example, the Tánaiste Simon Coveney in the Dáil in November 2019: “There is no department that allows the sectors that it is responsible for to recruit staff without a budget to do so. That is what the HSE did in the past, but not anymore. This does not mean that the HSE is not recruiting. It is.” Dáil Debates, 28 November 2019, Vol 1990, No.3: 275.

While the HSE insisted there was not a recruitment embargo in place, it did not allocate budgets for additional directly-hired staff in areas of need – a Jesuital distinction that was exposed by Covid-19.

The government’s deal with the private hospitals has been hailed as the nationalisation of the health service and the creation of a single-tier service. The HSE will have full use of all nineteen private hospitals – a seventeen percent increase in public health capacity overnight – with access to beds on a need, not income, basis, both for Covid-19 and non-Covid-19 patients. All private consultants have been offered a public locum contract as terms for their treatment of public patients. As of yet, however, the consultants have not signed up to the deal.
The government insists the arrangement with private hospitals is temporary, initially for three months with the option to extend if necessary. It should be noted that Section 38 of the 2004 Health Act allows for the HSE to enter into a service agreement with a private service provider for the provision of a health or personal social service. It is in effect a business contract where the physical assets remain in private hands while the service is made public. The government is essentially renting the hospitals for twelve weeks, the terms of which have not been made public.

Nevertheless a Rubicon has been crossed. While it is true that under the agreement the physical hospital buildings and equipment remain private and for-profit - it is only the service to the patient itself that has been ‘nationalised’ – it is also true to say that what was once seen as impossible has now been normalised.

State Support

On 16 March the government introduced the COVID-19 Pandemic Unemployment Scheme for those laid off as a result of the shutdown. By the end of March 2020 around 283,000 people were in receipt of this payment. Initially the rate was set at €203 per week, but after intense lobbying by the trade union movement it was increased to €350 per week for twelve weeks. In addition the government raised indirect benefit to the same rate and simplified the application criteria with a waiver on the normal six day waiting period and PRSI contribution qualification requirements – again on the insistence of trade unions.25

The government also introduced the Temporary Covid-19 Wage Subsidy Scheme to enable employees, whose employers are affected by the pandemic, to receive income supports through their employers’ payroll system.26 It allows for a government subsidy of up to 70 percent of the normal net weekly wage, capped at €410. Employers are then free to top up this amount. It is designed to last for twelve weeks and as of 10 April 2020 there are over 200,000 people in receipt of the payment.27

As of 30 March 2020 the unemployment rate in Ireland is 16.5 percent.28 This does not include those on the Wage Subsidy Scheme. Youth unemployment (16-25yrs) is at 34 percent. Even with the additional measures, this sudden and unprecedented spike in job loss raises issues regarding involuntary costs that cannot be put off without consequences, such as rents, mortgages, loans, and utility bills.

With regard to the rental sector, the government’s response has been limited to a three-month moratorium on rent increases and evictions. It has asked landlords to ‘be flexible’ with tenants under financial pressure, but has not set up any mechanism for a rent holiday or the writing-down of rent debt where needed during the crisis period. The moratorium will not stop evictions, only delay them. The right of a landlord to evict a tenant for missed rent payments remains in place – in other words, no exception has been put in place as a result of the pandemic. Rent remains a ‘priority’ debt, fully enforceable by the law.

In terms of utility services – in particular electricity, gas, broadband, and mobile phone networks – the government has kept in place all legal requirements for bills payments to be met or suffer credit rating penalties and/or discontinuance of service. This is at a time of an unprecedented rise in unemployment and when people have been told – under threat of arrest – to stay in their homes save for essential trips and to exercise within a 2km radius of their residence. No additional measures or legally-backed flexibilities have been pursued. During the financial crisis, ESB was used as cash cow by the government to part-fund its bailout of banks. This cannot be repeated. In terms of households and businesses, legislation is needed to ensure credit history is not affected by missed payments during the crisis and that no essential service is discontinued for affected households.

For those with mortgages, the government announced a set of measures that were a rehash of ones already in place. On 18 March the five main banks agreed to ‘defer legal proceedings and repossessions against borrowers in default and extend payment holidays to homeowners and businesses hit by the economic crisis sparked by Covid-19’ for a period of three months.29 Such payment holidays are nothing new. The deferred payments are added to the total loan/mortgage when the ‘holiday’ is up, leading to higher monthly repayments. The Minister for Finance Paschal Donoghue said he expected the banks to waive interest for the three months but the banks declined to do so.30 Outside of these measures the government fell back on moral suasion, with the Minister for Health Simon Harris asking the banks to show ‘compassion’ when it came to those made unemployed as a result of Covid-19.31 Given the history of banks in Ireland, however, that may be something of a lost cause.32
Car loans account for 44 percent (€3.1bn) of all regulated personal loans outstanding.\textsuperscript{33} Car loans under Personal Contract Plans, however, are unregulated and so the Central Bank of Ireland is unclear as to the size and/or depth of that market. With 300,000 people made unemployed because of Covid-19, and with no provisions in place to address this issue, it is clear that personal debt will be a significant concern after the lockdown - one that, unless it is dealt with, will significantly stifle attempts to restart the economy.

**Business Supports**

In its response to the challenges faced by businesses - particularly micro and small to medium-sized businesses (SMES) - the government has been particularly weak. This will have significant implications for employment levels when the current restrictions are lifted, and on the face of it are surprising given Fine Gael's pro-business credentials. A deeper dive into the announced schemes, however, reveals a government that is more concerned with protecting banks and corporate landlords than those that operate in the real economy. This is worrying given the enormous challenges that lie ahead as the country emerges from the shutdown.

To date the government has announced three schemes for businesses. The Credit Guarantee Scheme supports loans to SMES up to €1 million for periods of up to 7 years. Applications can be made to AIB, Bank of Ireland and Ulster Bank. The interest rates are normal business loan rates from the respective banks, with an additional 0.5% charge because of the government guarantee. The Scheme ‘does not substitute for conventional lending that would otherwise have taken place [my emphasis]’.\textsuperscript{34} Also, the Department of Business, Enterprise and Innovation which funds the scheme through the guarantee ‘plays no role in the application or decision-making process, which is fully delegated to the participating lenders’.\textsuperscript{35} The loans that are issued are at the respective bank’s market interest rate.

In other words, the banks that administer the scheme also make the decisions as to whether to issue loans or not based on their own (for-profit) criteria for loan issuance, not those of a government department trying to keep companies afloat during a global pandemic. There is nothing in this scheme that speaks to the pressures that thousands of businesses across the state are under as a result of Covid-19.

At the very least, loans issued under the scheme should be at least interest-free (possibly with a negative-interest rate to encourage uptake) with a six-month moratorium on repayments. It is doubtful that very many businesses are going to take out an interest-bearing loan to cover expenses incurred during a global pandemic – at least, not enough to make a difference on a national scale. It is clear that it has been designed with the interests of banks in mind, and not the wider economy and its employment levels.

The second scheme announced by the government is the Microfinance Ireland COVID-19 Business Loan. These are loans of up to €50,000 for enterprise with fewer than 10 full-time employees, less than €2m annual turnover and a Balance Sheet with Net Worth/Capital Account/Equity that does not exceed €2m. Originally the interest rate was 6.8% if submitted through Local Enterprise Office or referred by your Bank or 7.8% if you apply to the Dept. of Business and Enterprise directly.

However, due to pressure these were reduced to 4.5% and 5.5% respectively. As with the Guarantee Scheme, the Microfinance Ireland loan suffers from a disconnect with reality. Micro-enterprises can only apply if they are having difficulty in accessing finance from Banks and/or other commercial lending providers. Once again, these loans should be interest-free, and given the types of businesses and the nature of funding there is a case to be made that they should be issued at a negative interest rate.

The government has also produced additional funding for the Future Growth Loan Scheme which was established to help businesses plan for up to 8-10 years with regards to Brexit. It is hard to see its adaptability to the more immediate concern raised by Covid-19. How many businesses that are in trouble now will be looking for support that speaks to ten years down the line? It appears that the Department of Business, Enterprise and Innovation is trying to retrofit already-existing schemes in order to appear to be doing more than is actually the case.

The final scheme is the Sustaining Enterprise Fund which has a total budget of €180m. It allows for advances of up to €800,000 for businesses for specific projects. The advances carry a three-year repayment grace, but are subject to a 4 percent administration fee. It is hard to see how this scheme will speak at a structural level to the actually-existing recession that has been caused by Covid-19.

The problems facing most businesses as a result of Covid-19 are not that dissimilar to those of the workforce. Businesses also face a range of involuntary costs that have legal consequences if they are not met. These include commercial rent, loans, insurance, utility bills, and commercial rates. Ireland is heading into a recession that will turn into a depression unless measures are taken now to avert it. If the government wants businesses to bounce back

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\textsuperscript{34} Dept. of Business, Enterprise and Innovation, ‘SME Credit Guarantee Scheme’. https://dbei.gov.ie/en/What-We-Do/Supports-for-SMEs/Access-to-Finance/SME-Credit-Guarantee-Scheme/.
afterwards, it needs to address their involuntary outgoings, preferably through a structured debt write-down.

This is critical to ensure that businesses can indeed open up once the crisis measures are lifted, and that state finances are not put under more pressure than is absolutely necessary.

To make an analogy, significant sections of the economy have been put into a state-induced coma so that our medical services can fight this infection. Countries across the EU, including our own, are purposely shutting down economic activity in order to save lives.

In Ireland it means that there are thousands of businesses that cannot generate income, but under current arrangements they are being treated for the purposes of rent, debt and utilities as if they can and nothing has happened. The government response so far has been to defer payments, not to get rid of them. This merely straddles businesses with debt for the months during which they were told to shut down and not do anything.

When the economy wakes up, we cannot pretend it generated the same income as before while it was under sedation. And when hundreds, possibly thousands, of businesses go bankrupt or are unable to reopen due to lack of funds or weak credit rating, we will have a depression.

We also have to remember that when the crisis measures end, we will still have to tackle housing health, and climate change. It would be counterproductive in the extreme use up critical public funds today — funds we will need to address our significant social infrastructure failings and climate action responsibilities — so that landlords and banks can have a guaranteed 100% income during a global pandemic.

We must avoid businesses shutting down permanently because of debt incurred. A structured debt write-down for workers and businesses is essential to help the economy reboot itself. It is the role of the ECB — not hairdressers, restaurants, and gyms — to ensure that otherwise healthy banks and companies remain solvent. The ECB, for its part, has made it clear it is willing to honour its responsibilities.

Debt is a creature of accountancy and the law. It has no physical presence but has a coercive power due to state enforcement of its mechanisms. Rent, for its part, is essentially parasitic. Both are tolerated in normal economic times, but in times of crisis it is folly for the state to privilege their profit over the survival of the real economy. We have been here before. We cannot do the same again.

We need to introduce a rent and debt freeze and subsequent write-down for the coronavirus months, coordinated by government and the state, and tied into the liquidity response that the ECB has already undertaken.

These measures are needed to ensure that people and businesses get through this crisis somewhat in one piece, and that the state has the resources going forward to tackle the housing and health issues that dominated the recent election, as well as to ensure we can implement a green new deal that is vital to our future.

And it is to that future that we now look, and to a vision of a more progressive and equal Ireland.

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**After the Shutdown**

The current crisis is an interplay between Covid-19 and the deep-rooted inequalities and structural underinvestment that have facilitated its impact. With the exception of the government’s move to temporarily reclassify private hospitals as Section 38 institutions, the measures so far have been income-based, not structural.

The agendas of banks and landlords have been protected above the interests of other businesses and the wider community. Income-based measures can be reversed overnight; structural measures cannot. This is a signal as to how the government sees the present crisis and where its interest lies. The forthcoming Fianna Fáil/Fine Gael-led government will do little to change that.

The trade union movement will play its role in protecting the interests of its members and their communities. This means not only holding the line against austerity and cuts but advancing a progressive programme in housing, health, childcare, home care, the environment, and workers and societal rights.

These are landmark times. Here is an opportunity to advance our interests and enable workers and communities to flourish. The following is a set of proposals to facilitate that process.

**Trade Union rights**

Covid-19 will be with us until a vaccine is developed and distributed. Medical experts stress that this will take
between twelve to eighteen months. This means that the current lockdown and social distancing measures can only be relaxed once we have the following in place:

- Mass testing with real-time results
- Faster contract tracing
- Proper, continued supply and distribution of PPE to all frontline and essential workers
- Health system (including nursing and care homes) fully supplied with necessary equipment, staff, and resources

As a result our health, nursing home, retail, food and accommodation, waste, postal, transport, cleaning services, and homecare workers must be designated as ‘essential workers’ in law for the purposes of statutory employment regulation/recognition, ensuring adequate pay and conditions. This includes the provision of personal protective equipment (PPE) and other physical safeguards.

At the same time we need to have confidence that measures are working. Guideline or ‘best practice’ procedures will not be enough. These protections must be on a legal footing and subject to workplace checks by trade unions. This is to ensure that our members are protected, and that employers adhere to the regulations.

It is imperative that trade unions are given a statutory right to access to the workplace as well as a statutory right to be heard: the right to represent, and advocate for, their members and to have that right recognised by employers.

At the moment an employer can decide whether or not to talk to a trade union representative working on behalf of their members. It is a bit like the prosecution in a court case deciding whether to recognise the defendant’s barrister or not – or the judge saying that the barrister must sit down and keep quiet, and the defendant argue their case alone. It is a ridiculous situation and one that needs to end.

As an example, it was workers on building sites going to their trade unions that got construction sites shut down because of Covid-19. The government was content to keep them open, risking the lives of those workers and their families. Only for trade unions, in particular Unite and OPATSI, there would not have been a pressure point to have that policy changed.

The trade union movement already provides an essential role in monitoring health and safety in the workplace – and given the Covid-19 pandemic it is absolutely essential that it is finally put on a statutory footing.

At a minimum, all state support to the private and public sectors must be on the basis of trade union access and recognition. State support includes any grant, loan, or tax break availed of regardless of size, as well as any public procurement contract.

Vetoes and opt outs for statutory bodies such as JLCs are no longer tenable.

Covid-19 has also exposed the crisis in bogus self-employment. While at the moment bogus self-employment is against social protection rules and the tax code, its enforcement is weak and effectively non-existent. There is a need for a dedicated investigative unit, comprised of trade union representatives, social protection officers, and tax officials, with powers to issue strengthened fines and penalties, in order to tackle this deeply-embedded practice.

Measures:

- Frontline service workers classified as essential workers
- Full trade union recognition and right to access to the workplace
- An end to bogus self-employment and the establishment of a dedicated investigative unit

Public Services

The move towards a single-tier health system must be continued. It cannot be reversed. Covid-19 has shown that despite decades of blockage and bluster it was entirely within the powers of government to create a single-tier system if it had the desire to do so. The current hold-out of 600 consultants cannot be used to stifle and thwart this change.

As part of this process, all Section 39 workers should be reclassified as public sector workers. They provide healthcare, elderly, substance abuse, suicide prevention, and social inclusion supports, as well as education, community development and many other services in communities across the State. We cannot continue the current two-tier system of rights and conditions that exist for workers in these sectors.

Childcare also needs to be seen as a community service, based on a public service, not for-profit, model. All childcare workers should be reclassified as public sector workers.

There is an absolute need for a major nationwide public housing building programme. Housing must be made an essential public service, as well as a constitutional right, so that the needs of the community are not superseded by the profit-seeking rights of land-hoarders. This will tackle both the rent crisis and housing lists, and act as a stimulus to work creation and community re-development. No public land should be sold off to private developers – public housing only on public land. All ‘co-living’ units should be banned on social and health related issues.

The pandemic has shown up the extent of the damage that Airbnb has done to the rental sector in our cities.
and towns. There was a 64 percent rise in rental properties in Dublin alone in the space of a week in March. Yet despite more availability and subsequent drop in price, Dublin City Council is paying ‘full whack’ for Airbnb and vulture fund apartments for use as homeless accommodation, according to Dublin city councillor Anthony Flynn.36

We need a ban on Airbnb from all areas with housing waiting lists, and for it to be made illegal for Airbnb to advertise such services in those areas where it runs counter to the public interest. It has mutated into a parasitic practice, one that needs to end.

Measures:
- A single-tier health system, including nursing homes and home care.
- Section 39 workers reclassified as public sector workers
- Childcare as a community service, with workers brought into the public sector
- Major nationwide public housing building programme
- Public housing only on public land – no more selling off of public land to private developers
- Co-living units to be made illegal
- A ban on Airbnb from all areas of housing need

Tax Measures

Now is not the time for tax cuts. We need to invest and the continued hollowing out of our tax will simply undermine that process. Nor will tax cuts create stimulus or demand. The nature of the current crisis is such that we are facing into a drop in GDP this year of anywhere between 8 to 13 percent. The only way to counter that will be through a massive government-led investment programme – which is why the European Central Bank (ECB) has been calling for such action from eurogroup member states.

We cannot support any cuts to the household charge, USC, or income tax at this time. And given the ECB’s own stimulus actions, nor is it the time to introduce corporate or business tax breaks. The ECB will provide enough liquidity to the system to keep credit flowing. The blockage, if there is any, is with bank lending, as well as insurance and commercial rent payment levels.

Although it may seem counter-intuitive, there is a need for selected tax measures to increase revenue and to give direction to the need for investment. There are a number of tax measures that exist to increase profit of personal wealth. These are a cost to the state at a time of public stimulus. One example is the decision of the Revenue Commissioners to waive the 183-day residency rule for tax exiles during the lockdown. This will not save one job or build one house. This should be shut down immediately.

There is also a need for a wealth tax – the purpose of which is not so much to bring in additional revenue but to map the nature of wealth in this state and the purpose to which it is being used. Then, and only then, can we see what investments are being made and whether they help or hinder a more progressive society. The rich fear a wealth tax because it shines a light on their investments. It brings to the attention of the state that which they want to keep covered.

Finally, we need to begin the process of raising employer PRSI to EU levels. If we are to build a properly-functioning health and welfare system, we need sustainable levels of tax to cover its ongoing functions.

Ireland has the lowest level of comparable PRSI contribution in the EU.37 According to the most recent figures (2018) it equates to 3.8 percent of GDP and is 26th overall.38 The EU average is 12.2 percent.39 Even when we discard GDP and use amended GDP (GNI*) instead – Irish GDP is heavily distorted due to the country’s use as a tax haven – the figure is not much better. Irish PRSI equates to 5.6 percent of amended GDP/GNI* which is 25th overall in the EU, with only Malta lower at 5.4 percent.40

In order to provide the type of sustainable social protections needed, a roadmap towards sustainable PRSI needs to be drawn up.

Measures
- No cuts to USC, income tax, or Household Charge at this time
- No corporate or business tax breaks
- A roadmap towards PRSI contributions to EU average

Fiscal Measures

The era of balanced budgets is over, and with good riddance. It is time for the government to borrow and invest. This will achieve three things: it will help build a more progressive and sustainable public housing and health system, it will deliver the environmental measures that are essential to a sustainable future, and it will counter the fallout from the expected drop in GDP.

But in going down the road of government stimulus, we need to be vigilant that the mistakes of the past are not repeated. There is little point in the government providing grants, loans, or tax breaks in order for workers and businesses to make rent, insurance, and loan payments. The only stimulus here will be for banks, landlords, and insurance companies. Nor can stimulus


37 Denmark and Sweden are lower but operate different systems that are non-comparable.


41 Figures for modified GNI available from CSO at: https://www.cso.ie/en/releasesandpublications/in/nie/in-mgnicp/

be used to bail out industrial and commercial practices that are environmentally damaging. Now is the time to change those practices, and to do so in a job-rich and sustainable way.

As stated above, we need a debt and rent freeze and subsequent write-down for the coronavirus months, coordinated by government and the state, and tied into the liquidity response that the ECB has already undertaken. There is no societal or economic gain in using stimulus to cover dead money. Banks and landlords must take a hit, with the ECB stimulus there to ensure the financial and corporate system itself keeps on functioning.

The government needs to force banks to channel ECB loans directly to the distressed sectors of the economy. If they refuse to do so, the Strategic Banking Corporation of Ireland should be reconstituted to take on this task. Either way, ECB stimulus should be used for just that – to stimulate and protect distressed sectors, not be used as a cash cow for private banks.

Finally, in order to facilitate job retention and creation, the insurance cartel needs to be broken. The three biggest drains for most businesses are commercial rents, commercial rates, and insurance cover. Contrary to the media narrative, wage rates are not the biggest issue. However, because rents, rates and insurance are involuntary payments, most businesses will make cuts in wages and staffing in order to meet them. This process will intensify after the lockdown. In other words, rents, rates, and insurance will act as a block to the rehiring of staff – and even if the business is in a position to open at all. These need to be tackled in order to facilitate the move towards increased employment and stimulus in the real economy.

Measures:
- Massive state-sponsored public housing programme
- Banks required to target interest-free loans towards vulnerable sectors and businesses and provide government guaranteed loans if necessary
- Interest free overdraft facilities for affected businesses.
- The creation of an affordable state sponsored insurance system for business for essential insurance cover, elimination of the current insurance cartel.
- Commercial and residential rent moratorium with a process for the orderly write down of rent and associated debt built up as a result of the crisis
- Legislation to ensure credit history is not affected by missed payments during the crisis

**Just Transition and a Green New Deal**

Now is the time to build our sustainable future. We can do this through a just transition and a green new deal. As Ciarán Nugent and Paul Goldrick-Kelly of NERI have argued,

‘In the context of negative interest rates, low levels of private sector investment and impending environmental collapse, there is a compelling case for targeted state-led investment to drive a growth and employment enhancing transition to a low carbon economy. As private sector investment is lacking, demand-side measures from government will be central to kick-starting green industry and green employment, and protecting communities reliant on environmentally unsustainable industries.’

This is all the more important in light of the lockdown and subsequent economic downturn. Governments will have to invest in order to avoid a depression – and that investment must be environmentally-focused.

At the same time we need to have a just transition that will provide decent jobs, social protection and security to workers, as well as to those communities most affected by the transition, to a sustainable economy. It must ensure that all climate policies are socially and rurally proofed.

No workers or communities can be left behind in the move away from peat production to more sustainable forms of energy generation. This is of prime importance for the Midlands and Moneypoint in County Clare, with ESG and Eirgrid to the forefront of national planning and design of our renewable energy network.

All new housing must be built to the highest environmental standards, and the roll-out of retrofitting accelerated.

We need a clear plan to protect and enhance biodiversity, and protect food sovereignty through the protection of family-owned farms.

**Conclusion**

We cannot allow the right-wing and neoliberal voices in Ireland to dominate and shape the pathway out of the current crisis.

We need to ensure that our collective future is one where we have ‘seized the means of care’ and build the type of community we desire.

The trade union movement has a vital and important role to play in this process.

This document is presented as a tool to feed into the conversations we are having and the strategies and tactics we will pursue.