



An Roinn Coimirce Sóisialaí
Áras Mhic Dhiarmada
Sráid Stórais
Baile Átha Cliath 1.



Department of Social Protection
Áras Mhic Dhiarmada
Store Street
Dublin 1.

☎: (01) 7043000

Case Number: REPS-2017-7618

Mr Colm Murphy
Meeting Administrator
Corporate Performance and Change Management
South Dublin County Council
County Hall, Tallaght,
Dublin 24.



Tuesday 18 April 2017

Dear Mr Murphy,

The Minister for Social Protection Mr Leo Varadkar T.D. has asked me to thank you for your recent correspondence regarding debating the introduction of a Basic Income (your reference: M03/0217). The Department is constantly reviewing this issue and will continue to do so into the future.

The current system of taxes and transfers is extremely effective in reducing inequality and poverty and in incentivising work. In 2015, Irish social transfers delivered an income inequality reduction effect of 30.4%, double the EU average for that year. The system is also extremely effective in reducing poverty, and is ranked 4th lowest among the EU-28 in terms of in-work poverty rates.

Research by the ESRI shows that almost four out of five unemployed jobseekers would see their income increase by at least 40% upon taking-up employment. Certain groups, such as unemployed jobseekers with children, have a relatively high risk of facing weak incentives to work. However, even among this group, fewer than 1 in 20 would be financially better off not working.

Layering a Basic Income on top of a system of supports which is already effective for the majority of people, as is suggested in your motion, could be very costly, could considerably



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increase the burden on the Irish tax payer, and would be a step away from the Department's contingency, targeted based approach to social welfare.

The Department will consider your submission in any future discussions on the Basic Income. I hope you find this information useful. If I can be of any further assistance please do not hesitate to contact me.

Yours sincerely,

Éamonn Fahey
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