



Social Justice Ireland

National Social Monitor 2014



Table of Contents

1. Introduction	2
2. Healthcare	3
3. Education	5
4. Housing	7
5. Public Participation and Citizen Engagement	9
6. Income Distribution	11
7. Taxation	13
8. Job Creation and Unemployment	15
9. Rural Development	17
10. Sustainability	19
11. Global South	21

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Introduction

It is important to monitor society's progress. *Social Justice Ireland* understands progress as being principally about promoting the wellbeing of individuals and society as a whole.

At present, across the world in general and in Ireland in particular, the emphasis in policy-making is primarily focused on economic growth and how the market economy is developing. However there is far more to progress than getting the market right. A balance is required between the various aspects of life if the wellbeing of this and future generations is to be secured. *Social Justice Ireland* presents this National Social Monitor as a contribution to the public debate that is urgently needed on Ireland's future and how Ireland is performing in terms of promoting the wellbeing of all in society.

In this 2014 National Social Monitor, *Social Justice Ireland* outlines the present situation on a range of policy issues that impact on people's well-being. The issues presented are:

1. Healthcare
2. Education
3. Housing
4. Public Participation
5. Income Distribution
6. Taxation
7. Job Creation and Unemployment
8. Rural Development
9. Sustainability
10. Global South

All of these issues have implications for Ireland's economy and how the market performs. However, they also have implications for the well-being of all of Ireland's population and for Irish society as a whole. Society's values guide its decision-making. Its decisions shape how resources are distributed. Its

values, decision-making and resource distribution guide how relationships are organised in society.

The policy areas presented in this Monitor are ones that most people would identify as crucially important for their well-being. While there has been some improvement since the crash of 2008, many of these indicators have been moving in the wrong direction.

On the positive side, the country has exited the bailout and some commentators claim the economy is improving. The number of jobs has increased and unemployment has fallen.

On the negative side people have been through five years in which poverty rose, unemployment reached record levels, emigration escalated dramatically, waiting lists for social housing rose, child poverty, long-term unemployment and the numbers of working poor people all became entrenched parts of Ireland's reality. During these years public services were also reduced significantly.

Social Justice Ireland has long advocated a new guiding vision for Irish society; one based on the values of human dignity, equality, human rights, solidarity, sustainability and the pursuit of the common good. These values are at the core of the vision for a nation in which all men, women and children have what they require to live life with dignity and to fulfil their potential: including sufficient income; access to the services they need; and active inclusion in a genuinely participatory society. These are not minority views as is sometimes stated, but reflect the aspirations of the majority of Irish citizens.

The indicators presented in the following pages show that Ireland has a long way to go to achieve such a vision.

But building such a society is possible. On the one hand it requires recognition of the fact that a future based on the primacy of the market is not likely to be either just or fair. On the other hand it requires that priority be given to the common good

Healthcare

Table 1.1: HSE Support to Older People in the Community 2007 - 2012

	2007	2008	2009	2010	2011	2012
People in receipt of Home Help	54,736	53,000	53,971	54,000	50,986	44,387
Hours delivered (million)	11.35m	12.64m	11.97m	11.68m	11.09m	9.8m
People in receipt of Home Care Packages	8,035	8,990	8,959	9,941	10,968	10,526

Source: HSE December Performance Reports, 2008, 2009, 2011, 2012; November Performance Report, 2010 and Annual Report 2010

Table 1.2: Ireland - Current public expenditure on health care, 2002 - 2011

Year	Total (€m)	% of GNI	% of GDP	Per capita at constant 2012 prices (€)
2002	7,933	7.3	6.1	2,645
2003	8,853	7.4	6.3	2,755
2004	9,653	7.5	6.4	2,773
2005	11,160	7.9	6.9	3,026
2006	12,248	7.9	6.9	3,091
2007	13,736	8.4	7.2	3,223
2008	14,588	9.3	8.1	3,193
2009	15,073	11.1	9.3	3,269
2010	14,452	10.9	9.1	3,249
2011	13,728	10.4	8.4	3,044

Source: CSO Measuring Ireland's Progress 2012

Healthcare

Healthcare is a social right for everyone. For this right to be upheld governments must provide the funding needed to ensure that the relevant services and care are available when required. Although Ireland's population is young in comparison to those of other European countries, it is still ageing. Those over 65 years of age increased by 14.4 per cent between 2006 and 2011 and those aged over 85 years increased by 22 per cent (CSO, 2012¹). By 2025 the number over 85 years will have doubled (Department of Health, 2012², p.2). Supports that enable people to live at home need to be part of a broader integrated approach that ensures appropriate access to acute services when required. To achieve this, the specific deficits in infrastructure that exist across the country need to be addressed urgently. There should be an emphasis on replacement and/or refurbishment of facilities. If this is not done the inappropriate admission of older people to acute care facilities will continue, along with the consequent negative effects on acute services and unnecessary stress on older people and their families.

As Table 1.1 shows, there were more than 10,000 fewer people in receipt of home help support in 2012 than there had been in 2007 (a decrease of 18 per cent) and there was a decrease of some 2.5million in the hours delivered (a decrease of 21 per cent). During the same period there was an increase in the numbers in receipt of Home Care Packages (by 2,491 people) representing an increase of nearly 24 per cent. However, the numbers in receipt of Home Care

Packages had decreased slightly between 2011 and 2012.

Ireland's public spending on healthcare has reduced in recent years as Table 1.2 shows. Continuing budgetary cuts raises serious concerns regarding access to necessary services for certain groups in the opinion of international experts (WHO & European Observatory on Health Systems and Policies, 2012³).

The projected increases in population forecast by the CSO imply that there will be more people living in Ireland in 10 to 15 years time. One clear implication of this will be additional demand for healthcare services and facilities. In the context of our past mistakes it is important that Ireland begins to plan for this additional demand and begins to train staff and construct the needed facilities.

Primary care is one of the cornerstones of the health system and has also been identified as an essential pre-requisite in the new health services reform strategy *Future Health*⁴ (2012). Its importance to health promotion and the prevention of illness is recognised in *Healthy Ireland*⁵ (2013). Between 90 and 95 per cent of the population is treated by the primary care system. The model of primary care adopted must be flexible so that it can respond to the local needs assessment. Paying attention to local people's own perspective on their health and understanding the impact of the conditions of their lives on their health is essential to community development and to community orientated approaches to primary care.

¹ CSO (2012) *Measuring Ireland's Progress*. Dublin: CSO

² Department of Health (2012) *National Carers Strategy*. Dublin: Department of Health

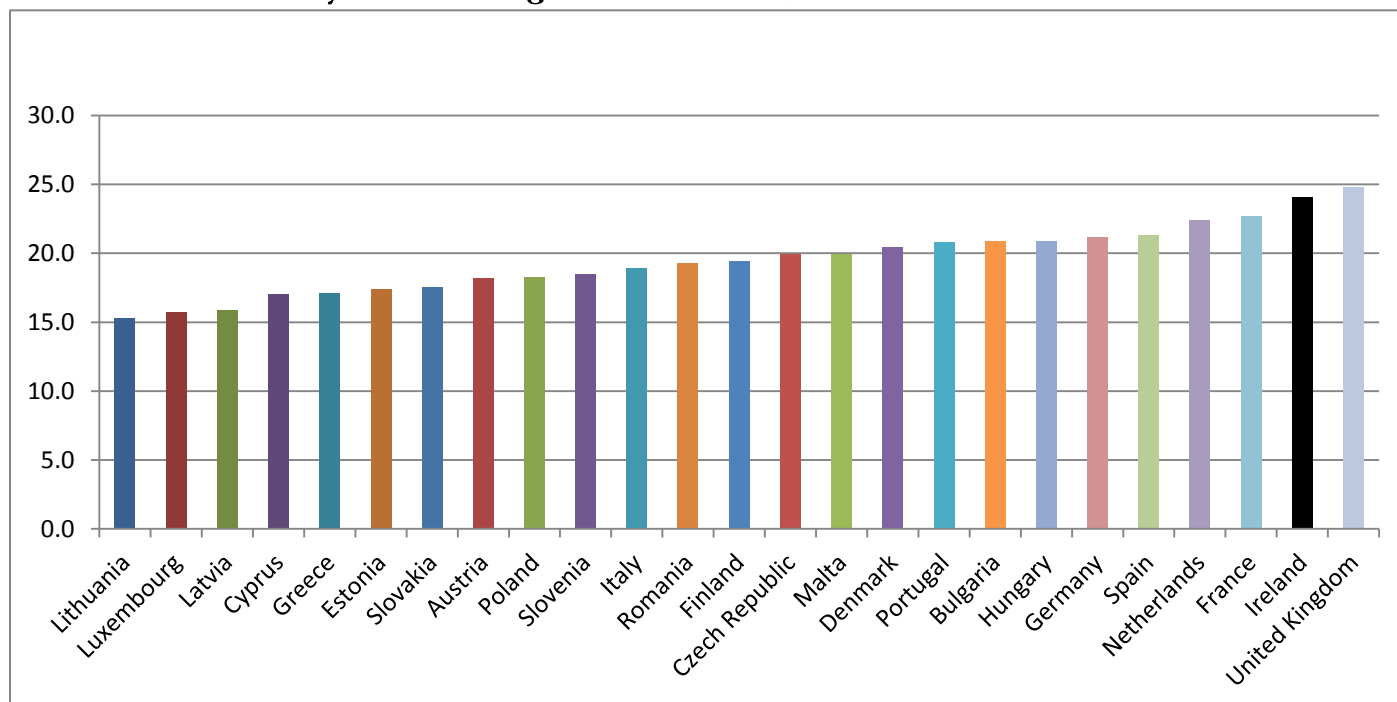
³ WHO (2012) *Health Systems and the Financial Crisis*. WHO

⁴ Department of Health (2012) *Future Health*.

⁵ Department of Health (2013) *Healthy Ireland*.

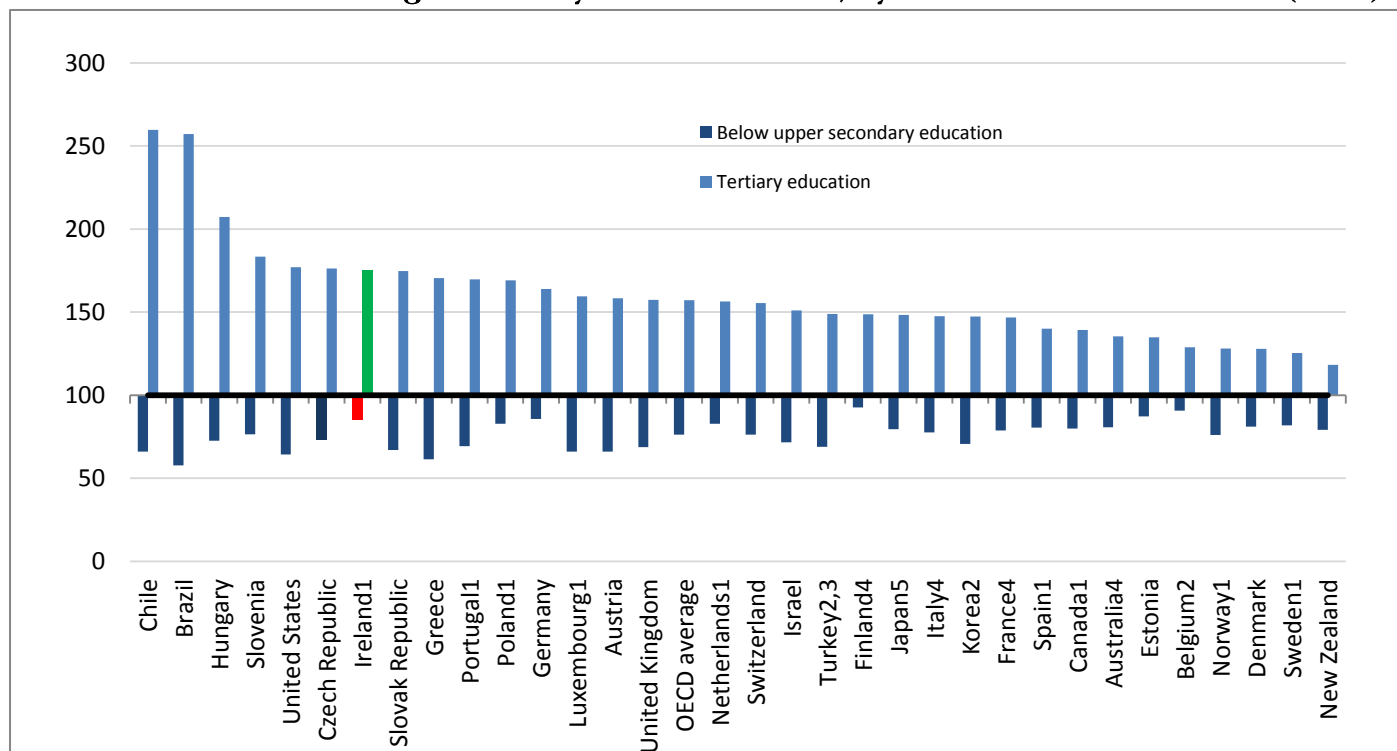
Education

Chart 3.1 EU Primary Level average class size 2010/2011



Source: CSO, Measuring Ireland's Progress 2012

Chart 3.2 Relative earnings of 25-64 year-old workers, by educational attainment (2011)

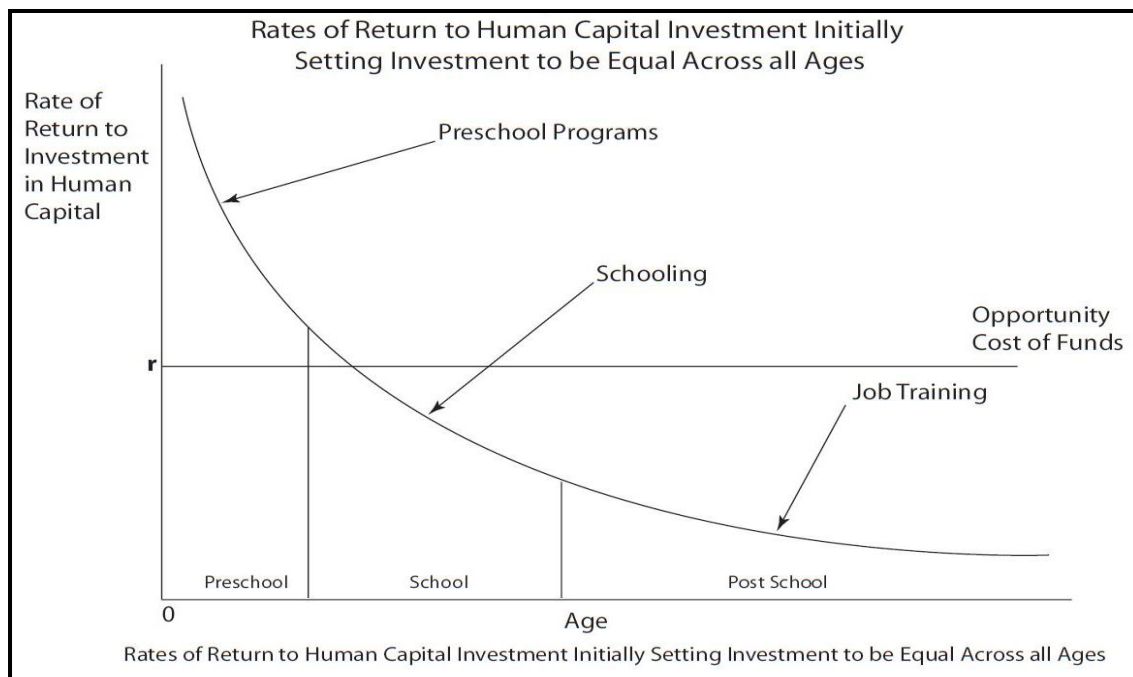


1 = Year of reference 2010

Source: OECD Education at a Glance, 2013.

Education

Chart 3.3: Rates of Return on Investment in Education



Source: Carneiro and Heckman, 2003

Education and training are crucial to achieving the objective of an inclusive society where all citizens have the opportunity to participate fully and meaningfully in social and economic life. The development of the education and skills of people is as important a source of wealth as the accumulation of more traditional forms of capital.

It is widely acknowledged that **early childhood (pre-primary) education** helps to build a strong foundation for lifelong learning and facilitates equity in education. It also improves children's cognitive abilities, reduces poverty and can mitigate social inequalities. It is seen as essential significant foundation for successful lifelong learning, social integration, personal development and later employability.

The most striking feature of investment in education in Ireland relative to other OECD countries is our under-investment in early childhood education relative to international norms. Ireland spends 0.1 per cent of GDP on pre-primary education compared with the OECD average of 0.5 per cent (OECD⁶ 2012: 339). The evidence shows that early childhood education has the greatest potential to provide more

equal educational opportunity to those students from lower socio-economic backgrounds. The importance of investment in education is widely acknowledged and the rewards for both individuals and the state are clear.

There are strong arguments from an equity perspective that those who benefit from higher education and who can afford to contribute to the costs of their higher education should do so. The earnings premium in Ireland for those with higher education has increased by 22 percentage points since 2010. Third-level graduates in employment in Ireland earn on average 64 per cent more than those with a leaving certificate only (OECD, 2011⁷).

Ireland is one of the few countries where the relative earnings of 25-64 year olds tertiary educational qualifications are more than 100 per cent higher than the earning of people with upper secondary or post-secondary education (OECD, 2013⁸).

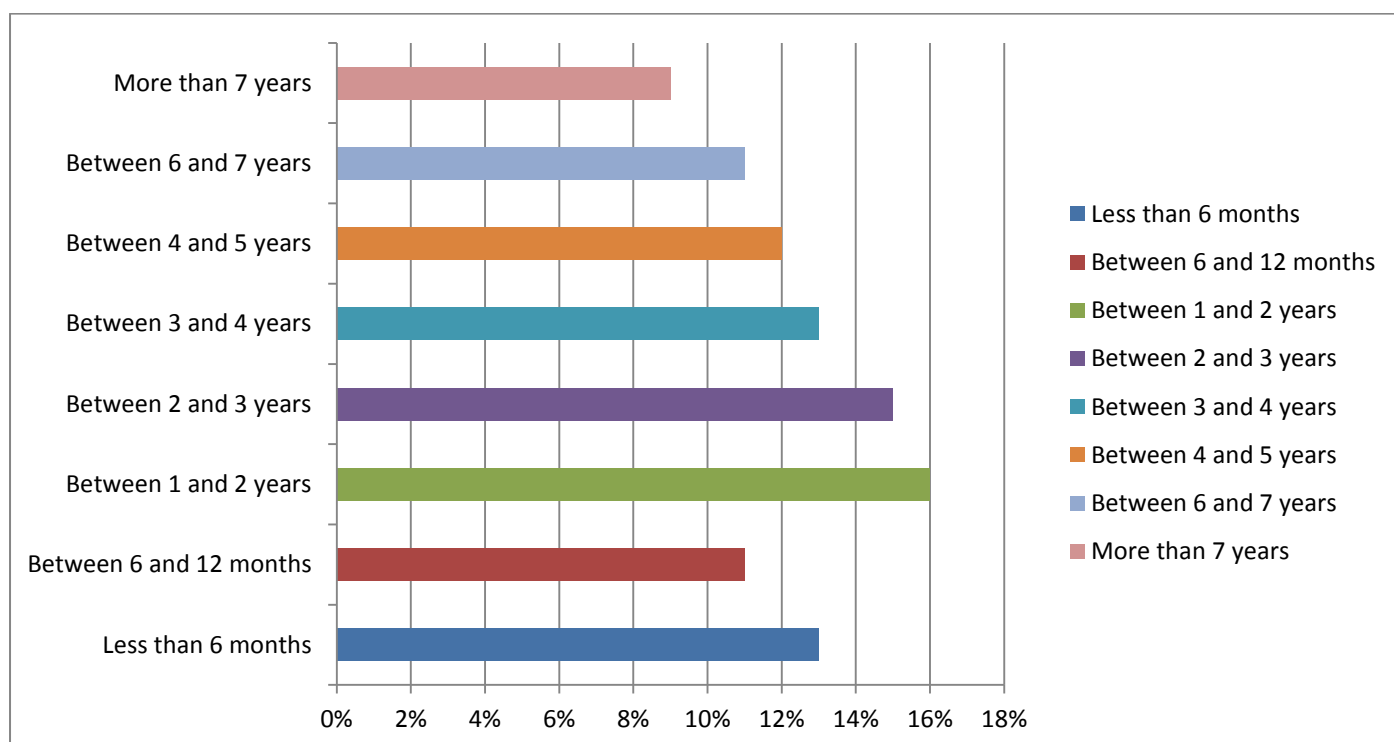
⁶ OECD (2012) *Equity and Quality in Education: Spotlight on Ireland*. Paris: OECD

⁷ OECD (2011) *OECD Factbook 2011: Economic, Environmental and Social Statistics*. Paris: OECD

⁸ OECD (2013) *Education at a Glance 2013: OECD Indicators*. Paris: OECD

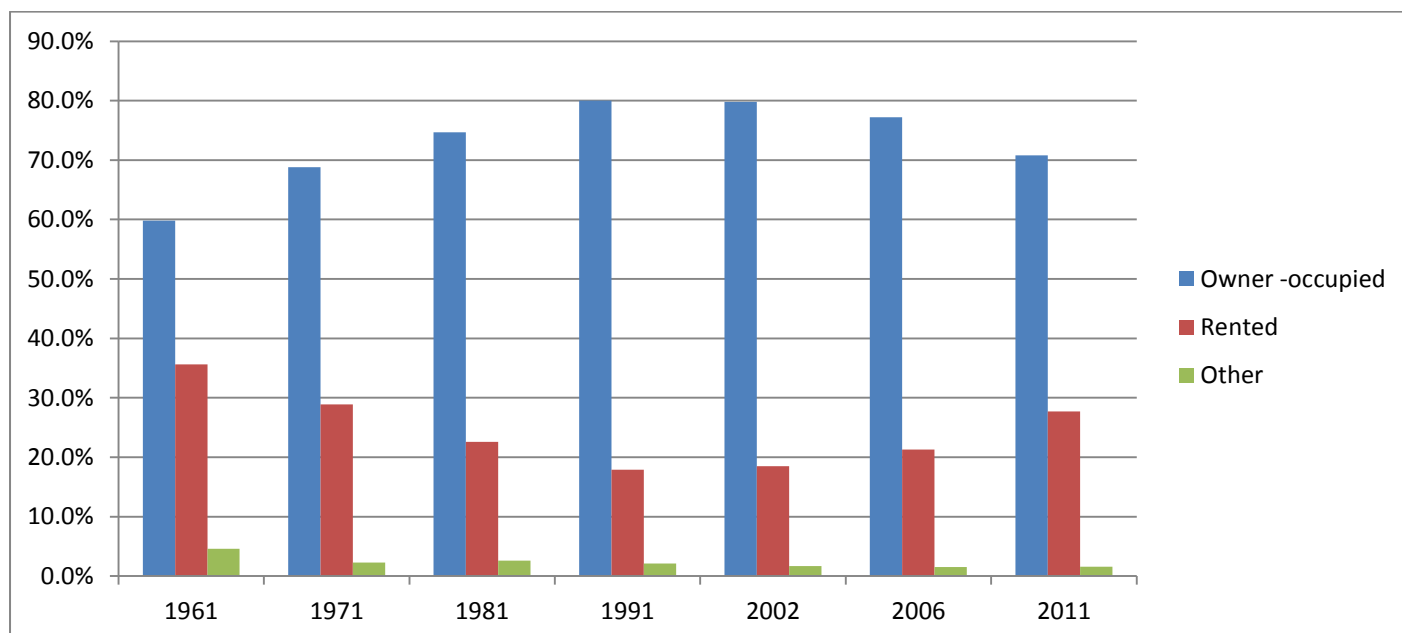
Housing

Chart 4.1: Length of time of qualified households on social housing waiting list



Source: Housing Agency (2013:11)

Chart 4.2: Occupancy of Private Households in Ireland 1961-2011



Source: CSO, 2012.

Housing

Table 4.1: New Social Housing Output 2001 – 2012

Year	Local Authority Completions	Local Authority Acquisitions	Voluntary/Cooperative Completions	Total Completions and Acquisitions
2007	4,986	2,002	1,685	8,673
2008	4,905	787	1,896	7,588
2009	3,362	727	2,011	6,100
2010	1,328	850	741	2,919
2011	494	325	745	1,564
2012	363	351	677	1,391

Source: Department of Environment, Community and Local Government, 2012.

Social Justice Ireland strongly endorses the need to view **housing as a fundamental social right**. Over recent times it is clear that housing in Ireland has been seen as a commodity rather than a home and this has had major implications for Irish society. Had society adopted the approach of viewing housing as a social right over the past decade the Irish economy, and many Irish families, would not be in the precarious financial position they are now in. It is time that we formally incorporated this approach into our national housing policy.

Ireland's housing policy historically resulted in very high levels of owner occupation to the detriment of other tenure types. Housing policy in the past favoured investment in residential development which, combined with policies of mortgage-interest tax relief and very favourable tenant purchase schemes, has resulted in a high level of home ownership.

In 2013, 89,872 households were assessed as qualified for housing support. The need for housing in Ireland is currently at crisis level. These numbers represent the most vulnerable people in Irish society. *Social Justice Ireland* has repeatedly highlighted the

unacceptably slow rate of progress being made in regard to addressing this issue; it is imperative that swift and significant action is taken to address this current state of affairs. It is interesting to note that the majority of households qualifying for social housing support were found to be dependent on social welfare as their only source of income. Social welfare was the only source of income for 72 per cent of households, 6 per cent had income from employment and social welfare, with 11 per cent of households having income from employment only.

Social Justice Ireland recognises that the means by which social housing provision on the scale required is to be financed is of central concern and requires exploration. For example consideration could be given to the establishment of a National Housing Authority which would be answerable to the Minister for the Environment, Community and Local Government. It would assume charge of the current stock of local authority houses and a range of other issues related to social housing. Such a body could have responsibility for the delivery of social housing and could also take on the role of providing finance to voluntary and cooperative housing agencies.

Public Participation and Citizen Engagement

Figure 5.1: Public Participation Networks

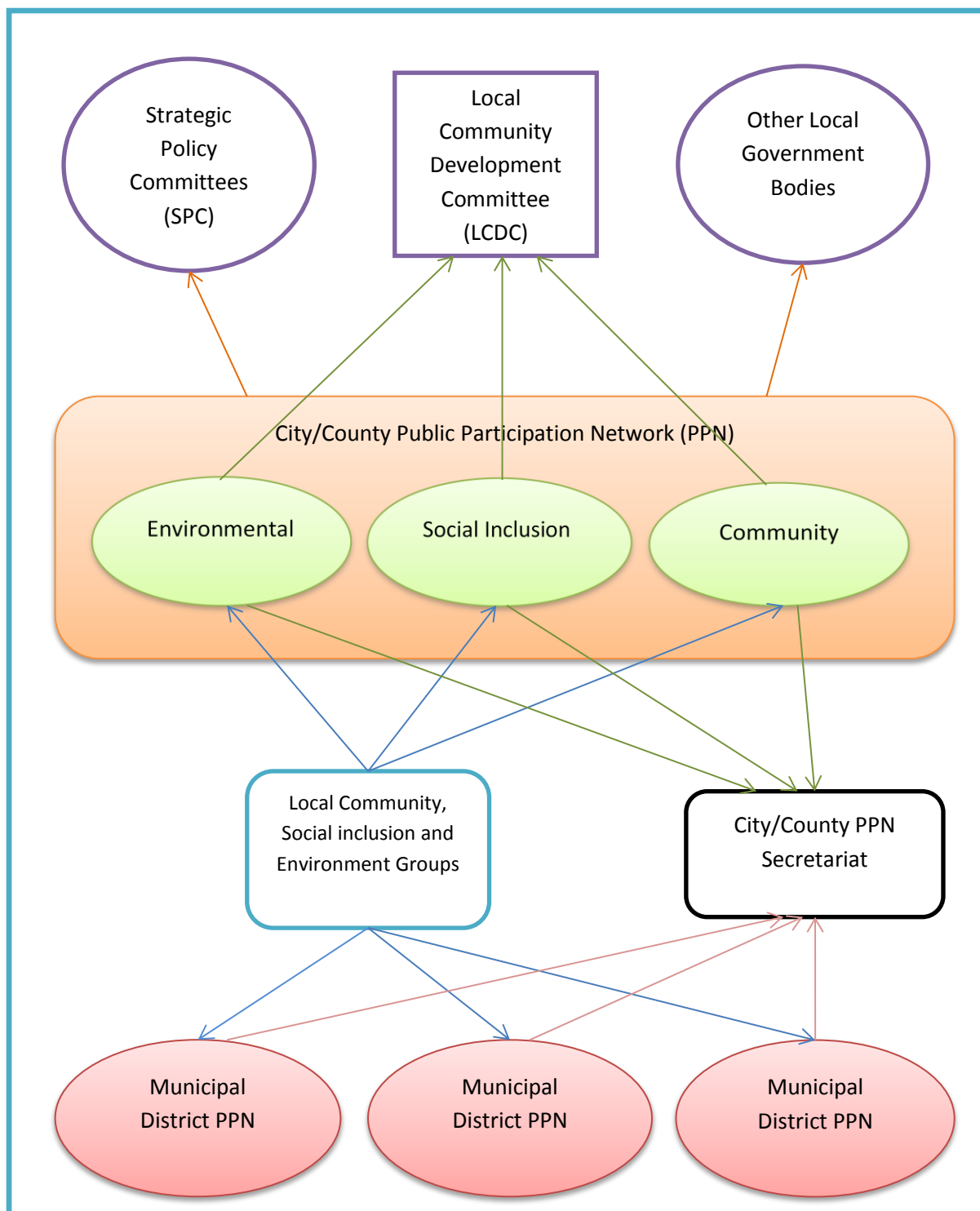


Diagram to show the relationship between the Public Participation Network Structures and Local Government Bodies – the arrows indicate nominating rights of the different bodies. This is just an example, there may be more than three Municipal Districts.

Public Participation and Citizen Engagement

People have a right to participate in shaping the decisions that affect them and to participate in developing and shaping the society in which they live. Most people would agree that decisions taken by government should be openly debated both inside and outside the Oireachtas. In recent years however, many measures have been implemented by Government with little public debate and often with a lack of explanation and justification.

A simple contrast serves to illustrate this reality. On the one hand in recent years many decisions were taken that saw services and supports being reduced or cut in a manner that had a far greater negative impact on those with low and middle incomes than they had on the better-off. Little or no consultation was entered into by Government with organisations representing those hardest hit. On the other hand Government provided a high-level forum called the *IFSC Clearing House Group* for the financial industry. As a measure of this group's influence twenty three changes were made in the Finance Act 2012 alone to accommodate this group.⁹

Of course it was essential that Government take action to reduce exchequer borrowing when the crisis hit in 2008. However, the fact that decisions with huge negative impacts were made without consultation with the poorer parts of society which had to bear the consequences while regular consultation was entered into with those representing a sector that had been one of the major causes of the crash and which represented some of the richest in society raises serious questions concerning fairness where participation and citizen engagement are concerned.

Social Justice Ireland believes that **a new social model for Ireland must be founded on the idea of deliberative democracy**, in which decisions about what kind of society and economy Ireland needs are founded upon reasoned and enlightened debate, and in which decisions taken by government are justified and accessible to the

general public.¹⁰ A deliberative decision making process is one where all stakeholders are involved, but the power differentials are removed. In such a process stakeholders are involved in the framing, implementing and evaluating of policies and measures that impact on them.

Each citizen should have a role and voice in how our society is governed. This should not be confined to five-yearly general elections, particularly when election debates do not provide substantive discussions on our country's future. The **Public Participation Networks** (PPN), currently being introduced in Local Authorities as part of the reform of local government will **provide an opportunity for real engagement between local people and the Local Authorities** across the country.

These networks were first proposed by the *Working Group on Citizen Engagement with Local Government* which reported to Government in December 2013. They are now being rolled out in all local authorities across the country. Figure 5.1 (taken from the Working Group's Report) sets out how PPNs are to be structured and operate.

The PPNs enable effective, ongoing engagement by local community, voluntary, social inclusion and environmental organisations in the decision-making processes of the Local Authorities. Of particular significance is the fact that they enable all such organisations who are stakeholders in a particular area to be engaged on an ongoing basis with the decision-making structures that affect them.

If this new structure is to succeed in improving participation and engagement it is imperative that:

- a) PPNs are rolled out as designed in every Local Authority.
- b) PPNs are adequately resourced to ensure they can build appropriate capacity and maintain their independence from the Local Authorities.
- c) There is no return to the situation where the many are 'represented' by the few.

⁹ McGee, Harry (2012) 'IFSC lobby group powerful in shaping policy', *The Irish Times*, October 8, 2012.

¹⁰ See Gutmann & Thompson (2004) and Healy and Reynolds (2011) for more on the concept of deliberative democracy.

Income Distribution

Table 6.1: The numbers of people in poverty in Ireland, 1994-2012

	% of persons in poverty	Population of Ireland	Numbers living in poverty
1994	15.6	3,585,900	559,400
1998	19.8	3,703,100	733,214
2001	21.9	3,847,200	842,537
2003	19.7	3,978,900	783,843
2004	19.4	4,045,200	784,769
2005	18.5	4,133,800	764,753
2006	17.0	4,232,900	719,593
2007	16.5	4,375,800	722,007
2008	14.4	4,485,100	645,854
2009	14.1	4,533,400	639,209
2010	14.7	4,554,800	669,556
2011	16.0	4,574,900	731,984
2012	16.5	4,585,400	756,591

Key issues on income distribution and poverty in Ireland

Since the onset of the recession the number of people in poverty in Ireland has increased by almost 120,000. Today there are more than 750,000 people living in poverty. This is a major concern.

The most recent data on poverty also shows that:

- 16 per cent of Ireland's adults who have an income below the poverty line are employed—these are the working poor.

- 58 per cent of those in poverty are not connected to the labour market (i.e. retired, students, caring roles or ill/disabled).
- Almost one in five children live in households with incomes below the poverty line (18.8%). Overall children represent one-quarter of Ireland's poor.
- It is important to note that social welfare is of critical importance in addressing poverty. The latest figures from the CSO (Survey on Income and Living Conditions 2012, published in 2014) show that without social welfare payments more than half of Ireland's population would be living in poverty. Social welfare payments reduced this to 16.5%.

Income alone does not tell the whole story concerning living standards and command over resources. Since 2007 the deprivation rate, which measures the number of people forced to go without at least 2 of the 11 basic necessities examined, has more than doubled. There are now more than 1.2 million people (26.9 per cent of the population) experiencing deprivation at this level.

This is all happening as the poverty line has been falling (down more than 15% since 2008). Even though the poverty line has been falling, the proportion of Ireland's population below the poverty line has risen by almost 15% in the same period. Although all groups experienced added financial stress, only those on the lowest incomes recorded levels well above the average for both the 2004-8 period and the 2009-2011 period.

The inequality in Ireland's income distribution also needs to be addressed. The top 10 per cent of households received 24 per cent of the total disposable income while the bottom decile received 3 per cent. Collectively, the poorest 60 per cent of households received a smaller share (37.9%) than the top 20 per cent (39.1%).

Income Distribution

Table 6.2: The Minimum Weekly Disposable Income Required to Avoid Poverty in 2014, by Household Types

Household containing:	Weekly poverty line	Annual poverty line
1 adult	€214.95	€11,208
1 adult + 1 child	€285.89	€14,907
1 adult + 2 children	€356.82	€18,606
1 adult + 3 children	€427.76	€22,304
2 adults	€356.82	€18,606
2 adults + 1 child	€427.76	€22,304
2 adults + 2 children	€498.69	€26,003
2 adults + 3 children	€569.62	€29,702
3 adults	€498.69	€26,003

Where is the poverty line?

Table 6.2 shows what income corresponds to the poverty line for a number of household types. The figure of €214.95 is an income per adult equivalent figure. It is the minimum weekly disposable income (after taxes and including all benefits) that one adult needs to be above the poverty line. For each additional adult in the household this minimum income figure is increased by €141.87 (66 per cent of the poverty line figure) and for each child in the household the minimum income figure is increased by €70.93 (33 per cent of the poverty line).¹¹ These adjustments reflect the fact that as households increase in size they require more income to meet the basic standard of living implied by the poverty

line. In all cases a household below the corresponding weekly disposable income figure is classified as living at risk of poverty. For clarity, corresponding annual figures are also included.

One immediate implication of this analysis is that most weekly social assistance rates paid to single people are almost €27 below the poverty line.

Core Policy Objective

Social Justice Ireland believes the core policy objective in this area should be: to provide all with sufficient income to live life with dignity. This would require enough income to provide a minimum floor of social and economic resources in such a way as to ensure that no person in Ireland falls below the threshold of social provision necessary to enable him or her to participate in activities that are considered the norm for society generally.

Policy Priorities on Poverty and Income Distribution

If poverty rates are to fall in the years ahead, *Social Justice Ireland* believes that the following are required:

1. Benchmarking of social welfare payments;
2. Equity of social welfare rates;
3. Adequate payments for children;
4. Refundable tax credits;
5. A universal state pension; and
6. A cost of disability payment.

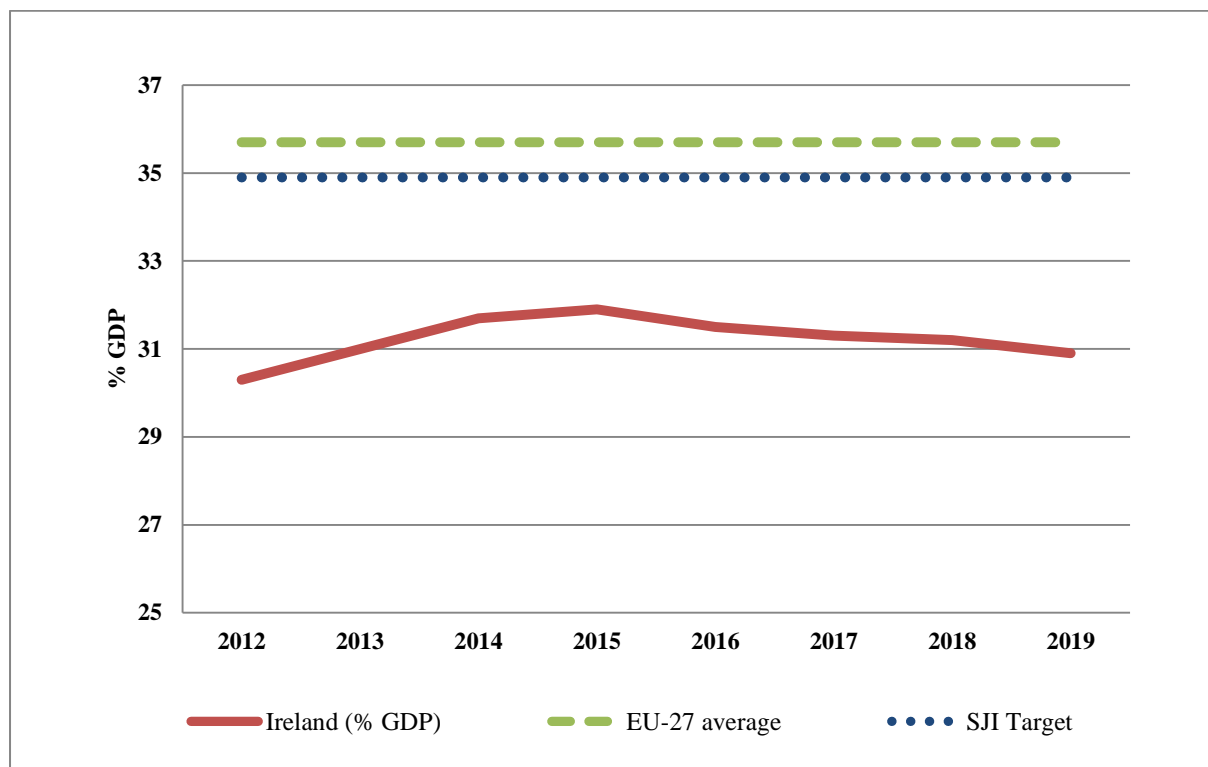
Long-term solution

The long-term solution is to move towards introducing **a basic income system**. This approach has the capacity to ensure all members of society have sufficient income to live life with dignity while eliminating all poverty and unemployment traps.

¹¹For example the poverty line for a household with 2 adults and 1 child would be calculated as €214.95 + €141.87 + €70.93 = €427.76.

Taxation

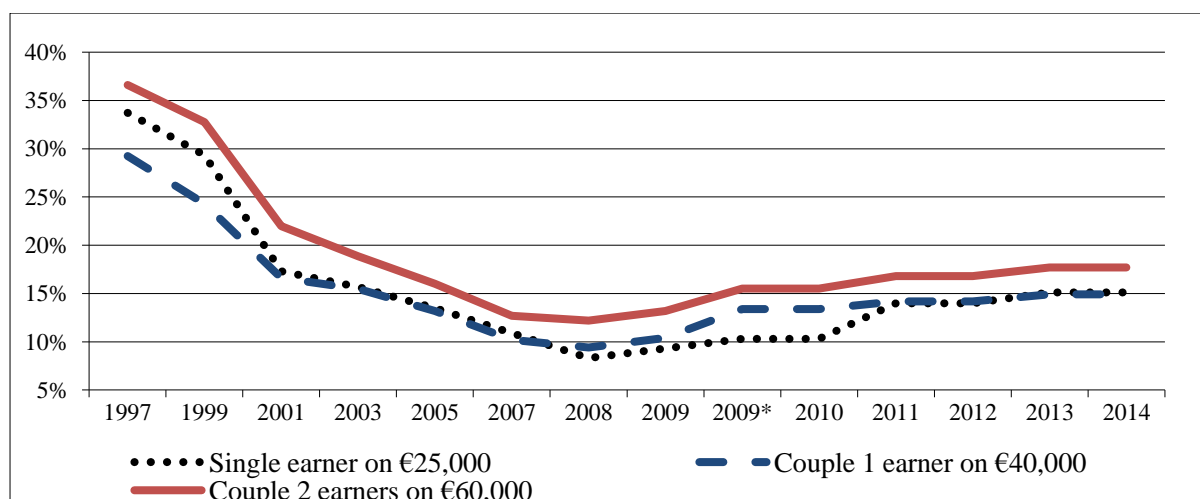
Chart 7.1: Ireland's Projected Taxation Levels to 2015 and comparisons with EU-27 averages and Social Justice Ireland target



Source: Calculated from Eurostat (2013: 172) and Department of Finance SPU (2013: 49, 50, 53).

Note: The EU-27 average was 35.7% of GDP in 2011 and this value is used for all years.

Chart 7.2: Effective tax rates in Ireland, 1997-2014



Source: Department of Finance, Budget 2013 and Social Justice Ireland (2012:8).

Notes: Tax = income tax + PRSI + levies/USC. Couples assume 2 children and 65%/35% income division. 2009*= Supplementary Budget 2009 (April 2009). All workers are assumed to be PAYE earners

Taxation

Table 7.1: Ireland's projected total tax take and the tax gap, 2012-2019

Year	Tax as % GDP	Total Tax Receipts	The Tax Gap
2012	30.3%	49,569	7,525
2013	31.0%	52,049	6,548
2014	31.7%	55,245	5,577
2015	31.9%	57,914	5,446
2016	31.5%	59,574	6,430
2017	31.3%	61,442	7,067
2018	31.2%	63,882	7,576
2019	30.9%	66,304	8,583

Source: Calculated from Department of Finance SPU (2013: 49, 50, 53).

Notes: * Total tax take = current taxes + Social Insurance Fund income + charges by local government.

**The Tax Gap is calculated as the difference between the projected tax take and that which would be collected if total tax receipts were equal to 34.9% of GDP.

Tax Base too narrow

The need for a wider tax base is a lesson painfully learnt by Ireland in recent years. A disastrous combination of a naïve housing policy, a failed regulatory system and foolish fiscal policy and economic planning caused a collapse in exchequer revenues. It is only through a determined effort to **reform Ireland's taxation system** that these mistakes can be addressed and avoided in the future.

The **narrowness of the Irish tax base** resulted in almost 25 per cent of tax revenues disappearing, plunging the exchequer and the country into a series of fiscal policy crises. Tax revenues collapsed from over €59 billion in 2007 to €45 billion in 2009. While a proportion of this decline in overall taxation revenue was related to the recession, a large part was structural and requires policy reform.

Social Justice Ireland believes that over the next few years policy should focus on increasing Ireland's tax-take to 34.9 per cent of GDP, a figure defined by Eurostat as 'low-tax' (Eurostat *Taxation Trends in the European Union*, 2008:5). Such increases are certainly feasible and are unlikely to have any significant negative impact on the economy in the long term.

As a **policy objective**, Ireland should remain a low-tax economy, but not one incapable of adequately supporting the economic, social and infrastructural requirements necessary to support our society and complete our convergence with the rest of Europe.

Despite claims to the contrary, **Ireland is not a high-tax country**. Chart 7.1 shows Ireland's total tax-take (current taxes + Social Insurance Fund income + charges by local government) since 2012 projected through 2019 are far lower than the EU-28 average. Chart 7.1 also shows *Social Justice Ireland's* recommended total tax-take which is still below the EU-28 average. The difference in the total tax-take between the Government's projected level and the recommended level is set out in Table 7.1. Ireland must plan to have sufficient revenue to pay for servicing the debt incurred in rescuing banks and related costs together with meeting the costs of providing services at the level people expect. This can be done while remaining a low-tax country.

Ireland's income tax system is progressive and effective tax rates are far lower today than they were in the late 1990s. **The challenge** is to broaden the tax base with the corporate sector in particular paying a fair share.

Job Creation and Employment

Table 8.1: Labour Force Data, 2007 – 2013

	2007	2010	2013	Change 07-13
Labour Force	2,260,600	2,168,200	2,163,100	-4.3%
LFPR %	63.8	60.2	60.1	-3.7%
Employment %	68.8	59.0	61.4	-7.4%
Employment	2,156,000	1,857,300	1,909,800	-11.4%
- Full-time	1,765,300	1,422,800	1,453,000	-17.7%
- Part-time	390,700	434,400	456,800	+16.9%
- Underemployed	n/a	116,800	143,300	-
Unemployed %	4.6	14.3	11.7	+7.1%
Unemployed	104,600	310,900	253,200	+142.1%
LT Unemployed %	1.4%	7.9%	7.2%	+5.8%
LT Unemployed	31,700	172,100	155,500	+390.5%

Source: CSO, QNHS on-line database.

Notes: All data is for Quarter 4 of the reference year. LFPR = Labour force participation rate and measures the percentage of the adult population who are in the labour market. Underemployment measures part-time workers who indicate that they wish to work additional hours which are not currently available. Comparable underemployment data is not available for 2007.

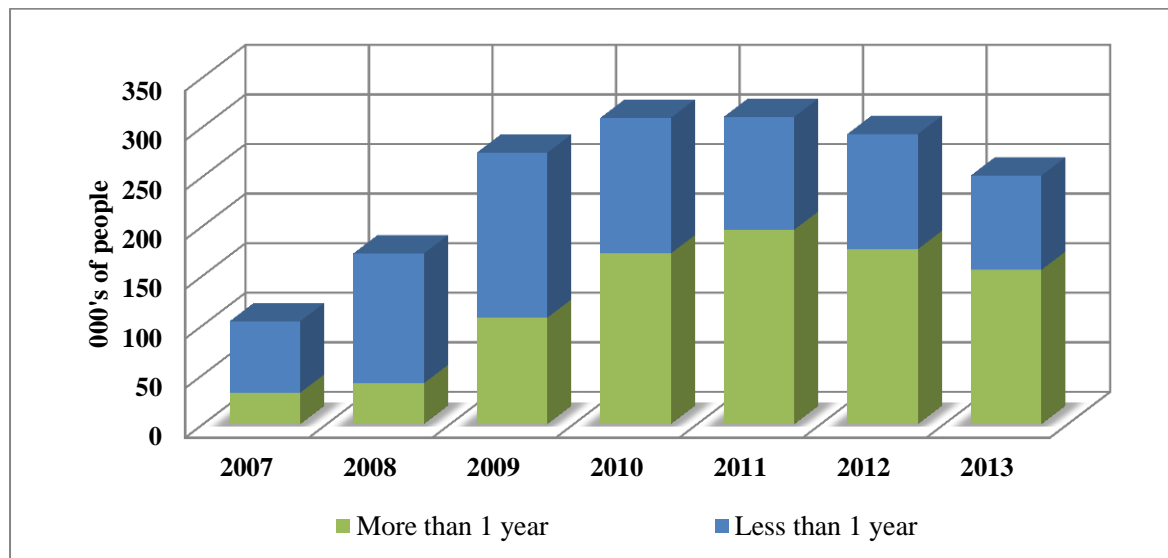
LT = Long Term (12 months or more).

The nature and scale of the recent transformation in Ireland's labour market is highlighted by the data in table 8.1. Over the seven years from 2007-2013 the **labour force** decreased by just over 4 per cent, **participation rates** dropped, **full-time employment** fell by almost 18 per cent, representing some 312,000 jobs, while **part-time employment** increased by almost 17 per cent.

By the end of 2013 the number of **underemployed** people, defined as those employed part-time but wishing to work additional hours, had increased to 143,300 people – almost 7 per cent of the labour force. Over this period **unemployment** increased by over 150,000 people, bringing the unemployment rate up from 4.6 per cent to 11.7 per cent.

Job Creation and Employment

Chart 8.1: The Increased Presence of Long-Term Unemployed in Ireland, 2007-2013



Source: CSO, QNHS on-line database. **Note:** Data is for Q4 of each year

Long-Term Unemployment

The number of long-term unemployed was less than 32,000 in 2007 and has increased since, reaching 155,500 at the end of 2013. For the first time on record, the QNHS data for late 2010 indicated that long-term unemployment accounted for more than 50 per cent of the unemployed and by the end of 2013 the long-term unemployed represented just over 60 per cent of the unemployed.

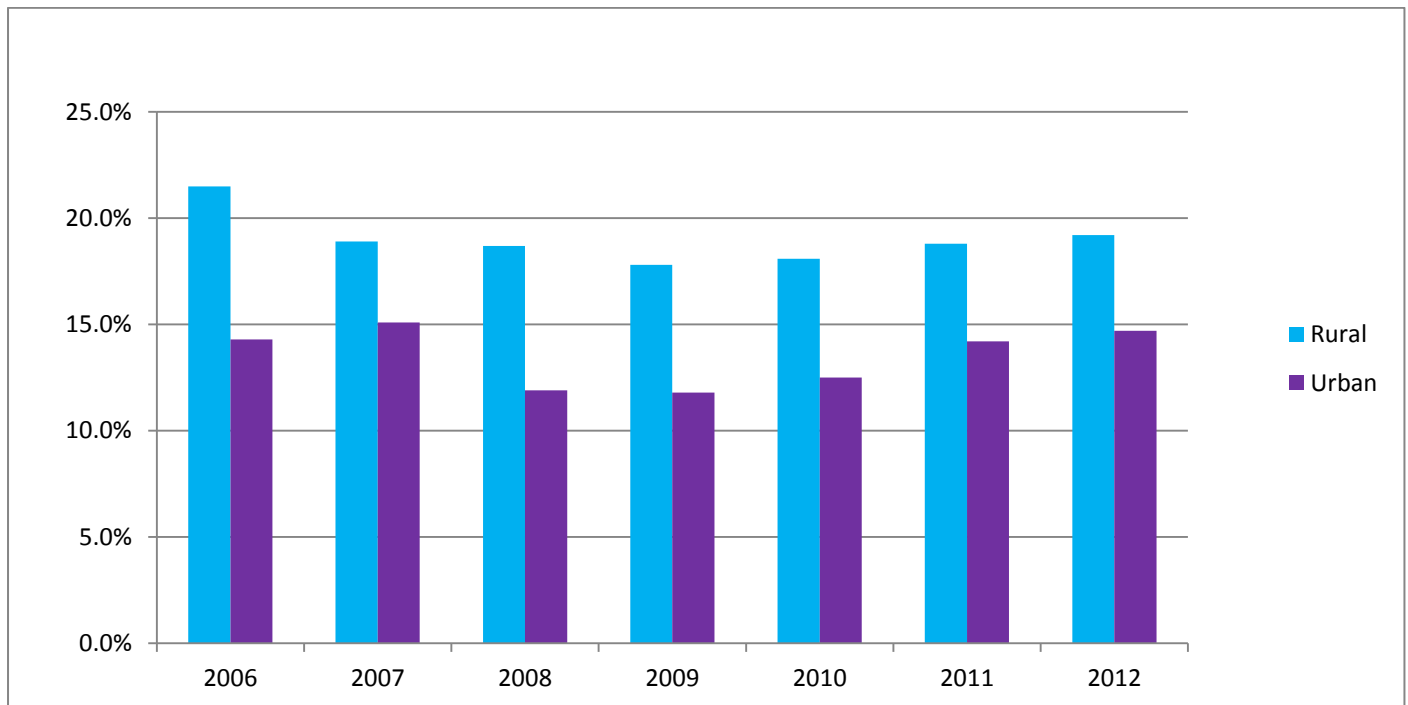
The transition to these high levels since 2007 has been rapid – see chart 8.1. The experience of the 1980s showed the dangers and long-lasting implications of an unemployment crisis characterised by high long-term unemployment rates. It remains a major policy failure that Ireland's level of long-term unemployment has been allowed to increase so rapidly in recent years. Furthermore, it is of serious concern that to date Government policy has given limited attention to the issue.

Policy Priorities on Job-Creation & Unemployment

- Launch a major investment programme focused on creating employment and prioritise initiatives that strengthen social infrastructure, e.g. school building and social housing programmes.
- Resource the up-skilling of those who are unemployed and at risk of becoming unemployed through integrating training and labour market programmes.
- Maintain a sufficient number of active labour market programme places available to those who are unemployed.
- Adopt policies to address the worrying trend of youth unemployment. In particular, these should include education and literacy initiatives as well as retraining schemes.
- Recognise that many of the unemployed are skilled professionals who require appropriate support other than training.
- Recognise the scale of the evolving long-term unemployment problem and adopt targeted policies to address this.
- Funded programmes supporting the community should be expanded to meet the growing pressures arising from the current economic downturn.

Rural Development

Chart 9.1: 'At Risk of Poverty' rate, rural Ireland and urban Ireland, 2006-2012



Source: CSO SILC, various.

Table 9.1: Permanent, Full-time Employment – All Companies by Region, 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	% Change 2004 – 2013
BMW	69,900	73,256	74,051	74,766	72,863	64,742	62,915	63,855	65,240	67,667	-3.2%
Midlands	12,199	13,125	13,732	13,818	13,831	11,674	11,102	10,908	11,158	11,751	-3.7%
North East	16,605	17,508	17,750	18,176	17,161	14,657	14,012	13,984	14,434	15,003	-9.6%
North West	13,659	13,604	13,281	13,238	13,024	11,700	11,042	11,150	11,221	11,387	-16.6%
West	27,437	29,019	29,288	29,534	28,847	26,711	26,759	27,813	28,427	29,526	7.6%
Dublin	96,965	101,326	108,857	112,394	111,281	102,388	99,359	101,642	105,752	109,323	12.7%
Rest of South & East	134,937	136,917	140,323	140,921	137,222	121,781	119,776	120,891	123,584	126,165	-6.5%
Mid East	31,441	31,334	31,362	30,890	28,977	25,968	26,103	25,938	26,359	26,707	-15.1%
Mid West	28,370	28,354	30,468	30,433	28,929	24,137	23,276	22,959	23,157	23,392	-17.5%
South East	29,787	29,867	31,121	32,560	31,779	28,261	27,625	26,557	26,465	26,377	-11.4%
South West	45,339	47,362	47,372	47,038	47,537	43,415	42,772	45,437	47,603	49,689	-9.6%
All Regions	301,802	311,499	323,231	328,081	321,366	288,911	282,050	286,388	294,576	303,155	0.4%

Source: Forfás Annual Employment Survey 2013.

Rural Development

The **primary purpose of rural development policy is to underpin the economic and social wellbeing of rural communities**. It is clear that in order to diversify the rural economy, Ireland needs to move from agricultural development to rural development, from maritime development to supporting coastal communities and to support small, local, sustainable and indigenous enterprises, farming and fishing. The areas that are highlighted as possible drivers of rural job creation are social enterprise and social services (e.g. child care and elder care), tourism, 'green' products and services and cultural and creative industries. Rural development and the challenges facing rural areas in terms of generating sustainable employment are either absent or barely referenced in key national policies such as the Action Plan for Jobs and the National Skills Strategy. Employment and enterprise policy should have a rural specific element designed to support local enterprises, rural specific jobs and be cognisant of the need to create full-time, high quality jobs with career progression opportunities.

The economies of rural areas have become increasingly dependent on welfare transfers, with the **'at risk of poverty' rate in rural areas being 4.5 percentage points higher than that of urban areas** in 2012. The economic recession and restructuring of agriculture and subsequent decline in off-farm employment has led to a narrowing of the economic base in rural areas. Small and medium sized towns have seen unemployment increase by 193 per cent during the recession and the share of working age households with no one is employed is 20 per cent higher than the national average at 31 per cent. Table 9.1 shows the impact of the fall in employment on the regions throughout Ireland. The considerable disparity in figures underscores the need for a rural and regional employment strategy.

A rural broadband strategy should be developed and implemented by Government as a matter of priority to support the development and growth of rural enterprise and the creation of employment in rural areas. State intervention must be prioritised in order

to prevent a two-tier digital divide developing between urban and rural areas. Small rural firms and rural entrepreneurs need to be supported in developing their businesses and in overcoming the spatial disadvantage to benefit from the growth in the 'knowledge economy'. Sustainable, integrated public transport serving rural Ireland and reliable high speed broadband must be given priority in order to support rural businesses and the development of the rural economy through diversification and innovation.

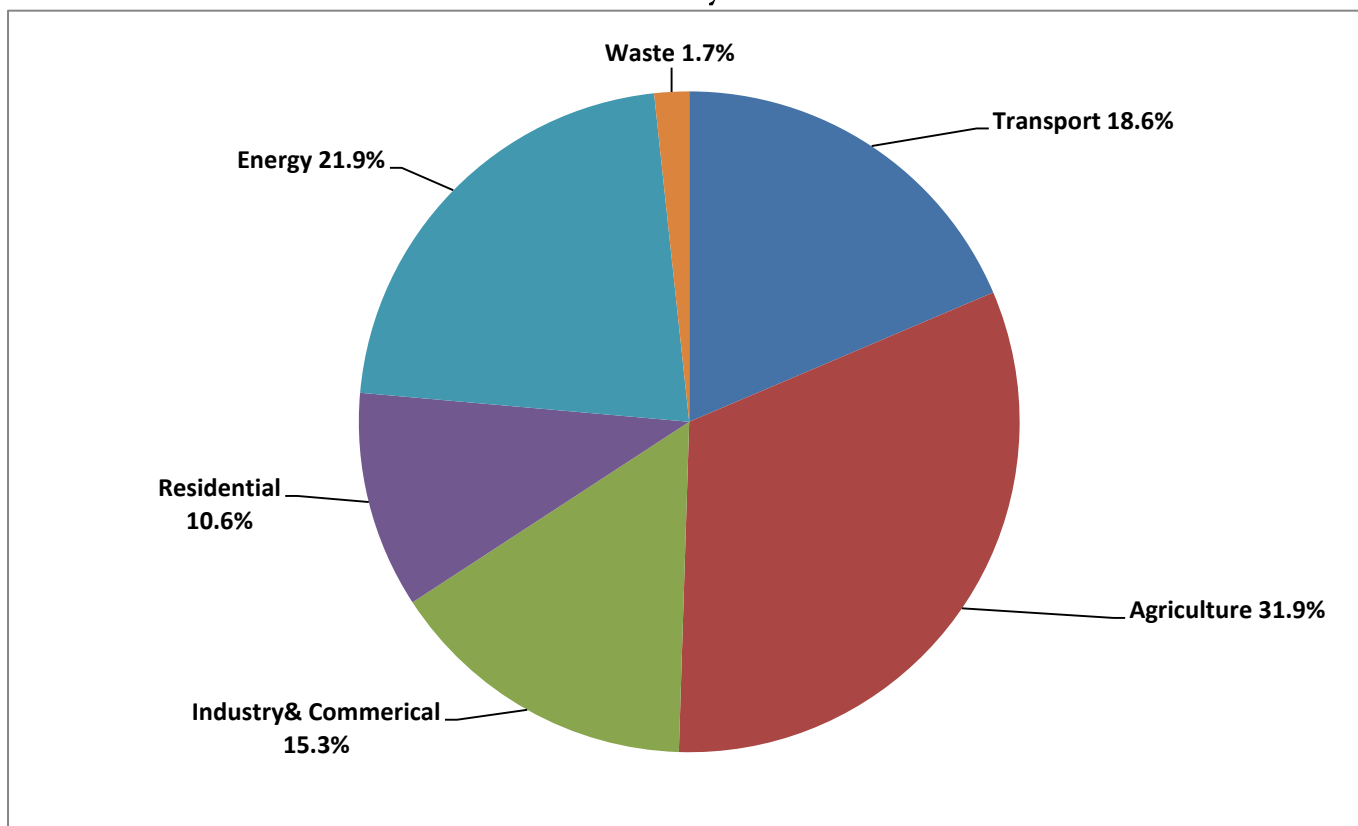
The impact of sustained high levels of unemployment and subsequent high levels of emigration among young people in rural communities cannot be overestimated. It has led to a loss of young people in rural communities. This in turn means that the development of the rural economy has been hindered and it will continue to struggle in any future upturn due to the lack of skilled workers and the corresponding emergence of an ageing population.

Key Policy Priorities on Rural Development

- Develop a new national rural strategy. This strategy should be part of a new national spatial strategy.
- Develop a rural and regional employment strategy as part of the Action Plan for Jobs.
- Prioritise rolling out high speed broadband to rural areas.
- Ensure all policies are based on equity and social justice and take account of rural disadvantage.
- Decisions around services and provision of services must be made in the context of a national spatial strategy.
- Support young people to remain in their communities and implement policies to ensure rural areas can adapt to a changing demographic profile in the longer-term.

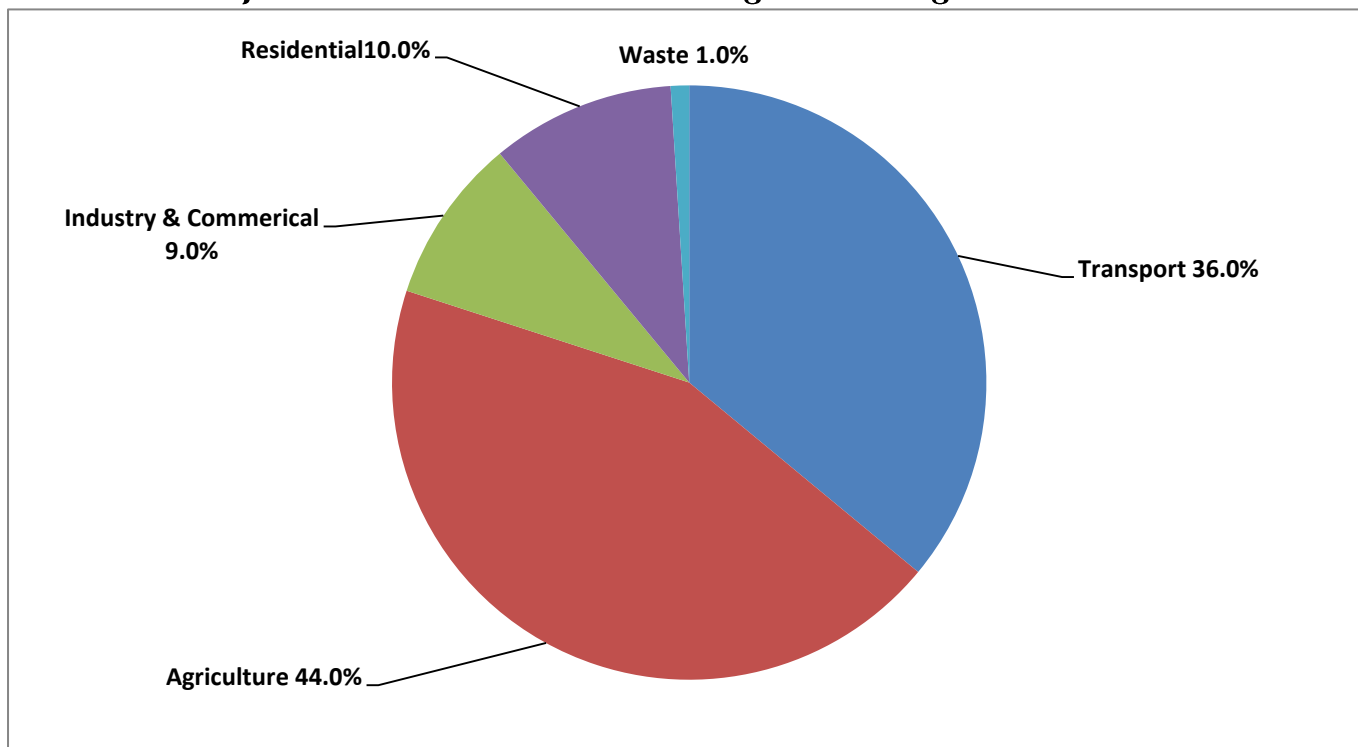
Sustainability

Chart 10.1: Greenhouse Gas Emissions 2012 by Sector



Source: EPA , Ireland's Greenhouse Gas Emissions 2012.

Chart 10.2: Projected sectoral share of non-ETS greenhouse gas emissions in 2030 WAM*



Source: EPA , Ireland's Greenhouse Gas Emissions Projections 2013-2030. *With Additional Measures / Best Case Scenario

Sustainability

Climate change is one of the most significant and challenging issues currently facing humanity. Increased levels of greenhouse gases, such as CO₂, increase the amount of energy trapped in the atmosphere which leads to global effects such as increased temperatures, melting of snow and ice and raised global average sea-level. If these issues are not addressed with urgency the projected effects of climate change present a serious risk of dangerous and irreversible climate impacts at national and global levels. Food production and ecosystems are particularly vulnerable.

Chart 10.1 outlines the Greenhouse Gas Emissions in Ireland by sector and chart 10.2 shows the projected share of emissions by sector in 2030. The EPA (Environmental Protection Agency) Greenhouse Gas Emissions Projections Report 2013-2030 highlights the challenges to moving Ireland onto a pathway to a low-carbon economy.

According to EPA projections total national greenhouse gas emissions are projected to, at best, decrease by an average of 0.4% per annum up to 2020 if all national policies are implemented and delivered. Furthermore, emissions are projected to increase between 2020 and 2030 (12% in total) with transport a key contributor to this trend in the absence of additional policies and measures. The 'best case scenario' assumes that Government targets for 2020, for example renewables targets, will be fully achieved. Under this scenario, emissions decrease by 3% by 2020.

Our **eco-system is worth €2.6 billion to Ireland annually** yet our biodiversity capital is decreasing rapidly. Ireland missed the 2010 target to halt biodiversity loss and lacks fundamental information on such issues as the distribution of species and habitats that inform planning and policy in other countries. Biodiversity underpins our eco-system, which supports our natural capital and in particular the agriculture industry. It is critically important that our biodiversity is preserved and maintained and that the effects of policies and developments on biodiversity are monitored in order to inform environmental policy in the short and long-term. One way in which Government could begin to raise awareness about the value of Ireland's eco-system and biodiversity is to measure this in our national accounts. This could be done through developing shadow national accounts which would measure the value of our natural resources and also measure the cost of the depletion of such resources.

Promoting a sustainable economy requires that we place a value on our finite natural resources and that the interdependence of the economy, wellbeing and natural capital are recognised. This requires that natural capital and ecosystems are assigned value in our national accounting systems. *Social Justice Ireland* recommends that government commit to producing shadow national accounts which commit to measuring (amongst others) the environmental cost of economic performance and resource depletion and degradation as a cost to society. (For a comprehensive listing of the indicators *Social Justice Ireland* proposes are included in these accounts see page 221 of 'Steps Towards a Fairer Future' - Socio-Economic Reviews 2014).

Key Policy Priorities on Sustainability

- A common understanding of sustainable development must be communicated across all Government departments, policy makers, stakeholders and civil society. This should underpin all public policy decisions.
- The economic value of biodiversity must be accounted for in all environmental policy decisions.
- Shadow national accounts should be developed to move towards a more sustainable, resource efficient model of growth.
- A progressive and equitable environmental taxation system should be developed in a structured way that does not impose a disproportionate burden on certain groups.
- A detailed roadmap towards the development of a low carbon sustainable economy, with targets to be met towards 2020 and beyond, should be adopted and published.
- Investment should be made in sustainable infrastructure projects which will have substantial long-term dividends.

Global South

Table 11.1: Ireland's net overseas development assistance, 2005-2014

Year	€m's	% of GNP
2005	578.5	0.42
2006	814.0	0.53
2007	870.9	0.53
2008	920.7	0.60
2009	722.2	0.55
2010	675.8	0.53
2011	657.0	0.50
2012	628.9	0.48
2013	622.0	0.48
2014	601.6	0.43

Source: Irish Aid (2012:73) and various Budget Documents.

Table 11.2: United Nations development indicators by region and worldwide

Region	GNI per capita (US\$ PPP)*	Life Expectancy at Birth (yrs)	Adult Literacy %**
Least Developed Countries	1,385	59.5	60.7
Arab States	8,317	71.0	74.5
East Asia + Pacific	6,874	72.7	93.8
Europe + Central Asia	12,243	71.5	98.1
L. America + Caribbean	10,300	74.7	91.3
South Asia	3,343	66.2	62.8
Sub-Saharan Africa	2,010	54.9	63.0
Very High HDI^	33,391	80.1	n/a
Worldwide total	10,184	70.1	81.3

Source: UNDP (2013: 144, 172), * (GNI) Data adjusted ** Aged 15 yrs and above

Global South

The fact that the current inequality between rich and poor regions of the world persists is largely attributable to unfair trade practices and to the backlog of unpayable debt owed by the countries of the South to other governments, to the World Bank, the International Monetary Fund (IMF) and to commercial banks.

The effect of **trade barriers** cannot be overstated; by limiting or eliminating access to potential markets the Western world is denying poor countries substantial income. In 2002 at the UN Conference on Financing and Development Michael Moore, the President of the World Trade Organisation (WTO), stated that the complete abolition of trade barriers could 'boost global income by \$2.8 trillion and lift 320 million people out of poverty by 2015'. Governments that are obliged to dedicate large percentages of their country's GDP to debt repayments cannot afford to pay for health and educational programmes for their people.

Debt and Development Coalition estimate that revenue lost from Global South countries through illicit capital flight is at €660 - €870 billion per year. It is not possible for these countries to develop the kind of healthy economies that would facilitate debt repayment when millions of their people are being denied basic healthcare and education and are either unemployed or earn wages so low that they can barely survive. It is now important that Ireland campaign on the international stage to reduce the debt burden on poor countries. Given Ireland's current economic circumstances, the Irish population now has a greater appreciation of the implications of these debts and the merit in having them reduced.

Ireland's Policy for International Development, *One World, One Future*, reiterates the Programme for Government's commitment to achieve the target of 0.7 per cent of Gross National Income allocated to international development cooperation. As table 13.1 shows, over time Ireland had achieved sizeable increases in our ODA allocation. However, since 2008 the ODA budget has been a focus of

government cuts and has fallen by €319.1m – more than 34 per cent. Rebuilding our commitment to ODA and honouring the UN target should be important policy paths for Ireland to pursue in the years to come. Not only would its achievement be a major success for government, and an important element in the delivery of promises made, but it would also be of significance internationally. Ireland's success would not only provide additional assistance to needy countries, but would also provide leadership to those other European countries which do not meet the target.

Key Policy Priorities

- Ensure that Ireland delivers on its promise to meet the United Nations target of contributing 0.7 per cent of GNP to Overseas Development Assistance by the EU deadline of 2015.
- Take a far more proactive stance at government level on ensuring that Irish and EU policies towards countries in the South are just.
- Continue to support the international campaign for the liberation of the poorest nations from the burden of the backlog of unpayable debt and take steps to ensure that further progress is made on this issue.
- Ireland should play a prominent role in the development of Sustainable Development Goals for the planet.
- Engage pro-actively and positively in the Post-Rio+20 Sustainable Development Goals process.
- Work for changes in the existing international trading regimes, to encourage fairer and sustainable forms of trade. In particular, resource the development of Ireland's policies in the WTO to ensure that this goal is pursued.

Social Justice Ireland is an independent think-tank and justice advocacy organisation that advances the lives of people and communities through providing independent social analysis and effective policy development to create a sustainable future for every member of society and for societies as a whole.



Social Justice Ireland,
Arena House,
Arena Road,
Sandyford,
Dublin 18
Phone: 01 213 0724
Email: secretary@socialjustice.ie
Charity Number: CHY 19486
www.socialjustice.ie

