

SECURING FAIRNESS & WELLBEING

Ireland in the coming years

CORI JUSTICE COMMISSION

**TOWARDS A NEW SOCIAL PARTNERSHIP
AGREEMENT**

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1. INTRODUCTION

Ireland is changing dramatically. The country's population is projected to grow to 4.5 million by 2011 and to 5.5 million by 2030 from its current level of just over 4 million. This highlights the scope of the changes that lie ahead and the scale of the challenges these pose for policy-making today. It also highlights the need to avail of the window of opportunity currently available so that these challenges will be effectively addressed for the benefit of all Ireland's people.

A new national agreement should tackle poverty, inequality and social exclusion and move Ireland towards being a society characterised by fairness and well-being. In practical terms this would require commitment to develop initiatives to:

- **Address Ireland's infrastructure deficits** especially on social housing and public transport;
- **Secure appropriate levels of service provision** in areas such as healthcare, education, care, and employment services;
- **Ensure every man, woman and child has sufficient income to live life with dignity** especially through increasing social welfare rates and tackling the 'working poor' issue; and
- **Maximise the participation of all of Ireland's people** in their own development and in the development of the wider society.

Ireland has seen much progress in recent years. Economic growth and very significant job creation have transformed the country. House building is at record levels. A country characterised by forced emigration has been transformed into a country requiring significant numbers of immigrants to maintain its economic development. The public finances have also been transformed and the Exchequer continues to collect far more in tax than it spends in the current account.

However, problems persist. There are high numbers of people at risk of poverty as one in five live in households with income equivalents less than €200 a week for a single person. There is unacceptable inequality in both the health and education systems. There is insufficient social housing, substantial adult literacy, high rates of

early school-leaving, growing social exclusion and problems of racism and discrimination.

Two Key Challenges

The good news is that Ireland has the resources and the capacity to transform this situation and build a society that gives priority to securing the dignity of all people and promotes the common good. As Ireland negotiates its changing reality it faces a number of challenges. Two of these challenges stand out:

- Firstly, there are many people who have benefited little from the economic growth of recent years and who are at risk of poverty and exclusion for a variety of reasons.
- Secondly, there is the challenge of improving people's sense of wellbeing. Growing incomes have not led directly to increased wellbeing for all those who are better off. In fact the growing competitiveness and individualism in society have made some people unhappy.¹

A new national agreement should focus on tackling these two key challenges.

A Guiding Vision Required

Ireland needs a vision that can inspire people by emphasising fairness and well-being. The guiding vision in recent decades has been very focused on increasing economic growth and increasing people's income. As stated earlier there is an assumption that economic growth will, automatically, lead to increased incomes for people generally, which in turn will lead to greater fairness and increased wellbeing for all. This assumption is not valid. Increasing economic growth does not inevitably lead to increased incomes for all people. Some benefit. Others don't. Poverty persists. While having sufficient income is very important, it does not follow that increasing incomes leads automatically to increased wellbeing for people.

The 2005 Human Development Report (published by the UN Development Programme in September 2005) found Irish people had the second highest per capita income of any country in the world (€30,384). In the overall Human Development

¹ For a much more detailed treatment of these two issues cf. Sean Healy and Brigid Reynolds, *Securing Fairness and Wellbeing in a Land of Plenty*, CORI Justice Commission, October 2005, pp.114-147.

Index, (based on economic performance, life expectancy and health and education attainment and adult literacy) Ireland ranked 8th, up ten places since 2002. However, Ireland was shown to be one of the most unequal countries in the world with the third-highest level of poverty among the world's 18 industrialised countries behind Italy and the USA. The 10 per cent of the population with the highest income have 9.7 times more income than the 10 per cent with lowest income. Of the 30 most developed countries in the world, only the USA, Hong Kong, New Zealand and Portugal were found to be more unequal than Ireland.

Of special significance to the issue of fairness and wellbeing in Ireland, is the UN Human Development Report warning that in very unequal societies, economic growth “may have little impact” on reducing poverty and argued that “far more attention should be paid to creating conditions under which the poor can increase their share of future national income gains”. Social capital is eroded by growing and persistent inequality. The work of Professor Robert Putnam shows a critical relationship between social capital and social equality. The regions and states of the USA which are most trusting and civic-minded are also the most equal. On reflection this is simple common sense. People are more likely to show solidarity with those who are not socially distant from them. But it goes beyond that. Work done by Richard Wilkinson² on Robert Putnam's material concludes that the healthiest societies are not the wealthiest but the most equal.

Policies can shape the culture and the society in which we live. Policies are guided by a vision (not always consciously). Consequently, having a guiding vision of a fair society that promotes wellbeing is very important. Such a society would be structured so as to promote right relationships between people, institutions and the environment so that

- Human rights are respected,
- Human dignity is protected,
- Human development is facilitated and
- The environment is respected and protected.

² Richard Wilkinson (2005), *The Impact of Inequality: How to Make Sick Societies Healthier*. The New Press.

Working for this vision requires focused action. It also requires that responsibility be assumed to secure the resources required. As Tom Healy (Ireland's foremost authority on social capital) pointed out recently:

"If we want Berlin-type social services, free early childhood education, smaller classes in schools, better quality school buildings, shorter hospital waiting times, better and more integrated services to the old, the very young and the sick, more opportunities for the long-term unemployed, persons with disabilities..... then someone has to pay. We either let the market do it mainly or entirely in which case some people simply don't make it to the finishing line because they don't even get a head start in an unequal tournament, or, we let the State do it mainly or entirely in which case we can't afford to be around the bottom of the international tax league. There is, also, a role for civil society – possibly in partnership with the State and the market. However, there are no easy options or quick-fix solutions here. Someone has to pay and responsibility needs to be taken and appropriately shared."³

This is an excellent summary of the challenges facing Government and Social Partners in negotiating a new national agreement. It is a challenge that should be embraced not avoided. In the following pages CORI Justice Commission, a Social Partner in the Community and Voluntary Pillar of Social Partnership outlines its key proposals for inclusion in a new national agreement. We make these proposals, as always, within responsible fiscal parameters. We recognise that any one agreement will not be able to address all the challenges Ireland faces. However we believe the following proposals could be implemented in the years immediately ahead, they would not damage Ireland's competitiveness and they would go a long way towards making Ireland a country characterised by fairness and wellbeing.

³ Tom Healy, *Social Capital and Wellbeing in Ireland* in Healy and Reynolds (2005) pp. 50-65.

MAIN PROPOSALS FOR INCLUSION IN A NEW NATIONAL SOCIAL PARTNERSHIP AGREEMENT

Income Adequacy

- Deliver on the NAPS commitment to increase the lowest social welfare rate for a single person to 30% of GAIE by 2007.
- Continue to benchmark the lowest social welfare rate for a single person at 30% of GAIE from 2007 onwards.
- Commit to address the 'working poor' issue by continuing to keep the minimum wage out of the tax net.
- Commit to address the 'working poor' and other issues by integrating the income tax and social welfare systems.
- Commit to reduce the 'risk of poverty' rate from its present level of 19.4 per cent to the EU average of 14.6 per cent.

Children

- Commit to addressing child poverty through providing a refundable tax credit for children.

Housing

- Adopt the recommendations of the NESC on the provision of social housing and take the necessary steps to ensure that this target is reached within the recommended timeframe.

Caring

- Agree to develop a national strategy on caring and carers focused on developing an infrastructure of care that covers children, people with disabilities, older people and their carers.

Healthcare

- Prioritise primary care.
- Improve efficiency – both technical and allocative.
- Take a population health approach to developing policy on health.

Education

- Address child and adult illiteracy.
- Commit the resources to make it possible for adults to 'return to education'.
- Increase the provision of open-access information technology.

Rural Development

- Recognise and resource the shift of rural Ireland from an agricultural to a rural development agenda.
- Expand the Rural Transport Initiative and resource it so that its service is available wherever it is required across all of rural Ireland.

Vulnerable Groups

- Take systematic, comprehensive action to address the multiple problems being experienced by Ireland's most vulnerable groups.

Overseas Development Aid

- Re-commit to Ireland allocating 0.7% of GNP to ODA by 2012 and to reaching the interim targets set out by the Department of Foreign Affairs for 2007 and 2010.
- Allocate a significant proportion of Ireland's ODA funding to addressing the HIV/AIDS crisis.

Taxation

- Commit to building a fairer taxation system.
- Take the necessary steps to integrate the income tax and social welfare systems.
- Resource the investigation of introducing a land rent tax.

Participation

- Establish and resource a forum for dialogue on civil society issues.
- Substantially increase the resources available to the community and voluntary sector to ensure the work this sector does on a wide range of fronts, and the social capital it provides, are secured in the years ahead.

Rights-based Approach

- Develop a rights-based approach to social, economic and cultural issues.

Migration and Human Mobility

- Commit to leading a balanced and informed public debate about the future of migration and take the necessary initiatives to manage the costs and benefits of this migration.
- Secure labour market policies and standards for all people employed in Ireland.
- Rectify the injustices of the current policies being applied to asylum-seekers.

Work

- Commit to ending long-term unemployment and take the necessary actions to achieve this objective.
- Recognise all work.

Infrastructure issues

- Address Ireland's infrastructural deficits particularly those causing social exclusion.

Structural Priorities

- Commit to establishing long-term planning and frame the new national agreement in these terms.
- Commit to a seamless engagement with the Community and Voluntary Pillar of Social Partners on all national plans and strategies e.g. NDP, NSS, NAP/incl, National Women's Strategy, Tipping the Balance, etc.
- Develop a system of 'satellite' or 'shadow' national accounts.
- Resource the collection of relevant, accurate, up-to-date data to ensure timely evaluation of all aspects of public policy.
- Incorporate an escalator funding mechanism into the national agreement.

2. NEGOTIATING PRIORITIES

2.1 INCOME ADEQUACY

2.1.1 Deliver on the NAPS commitment to increase the lowest social welfare rate for a single person to 30% of GAIE by 2007

In 2002, the National Anti-Poverty Strategy (NAPS) review set the following as key targets:

To achieve a rate of €150 per week in 2002 terms for the lowest rates of social welfare to be met by 2007 and the appropriate equivalence level of basic child income support (i.e. Child Benefit and Child Dependent Allowances combined) to be set at 33 per cent - 35 per cent of the minimum adult social welfare payment rate.

CORI Justice Commission welcomed this target. It was a major breakthrough in social, economic and philosophical terms. We also welcomed the reaffirmation of this target in *Sustaining Progress*. The target of €150 a week is equivalent to 30 per cent of Gross Average Industrial Earnings (GAIE) in 2002.

	2002	2003	2004	2005	2006	2007
% Growth of GAIE	-	+6.00	+3.00	+4.50	+3.60	+4.80
30% GAIE	150	159.00	163.77	171.14	177.30	185.80

Source: GAIE growth rates from CSO Industrial Earnings and Hours Worked (September 2004:2) and ESRI Medium Term Review (Bergin et al, 2003:49).

CORI Justice Commission has calculated the projected growth in €150 between 2002 and 2007 when it is indexed to the estimated growth in GAIE. Table 1 presents the expected growth rates and calculates that the lowest social welfare rates for single people should reach €185.80 by 2007.

	2004	2005	2006	2007
Min. SW. payment in €s	134.80	148.80	165.80	185.80
€amount increase each year	-	+14.00	+17.00	+20.00
Delivered		✓	✓	?

Following Budget 2006 the current minimum level of social welfare is €165.80 a week. To finally reach the NAPS target Budget 2007 needs to deliver an increase of €20 in the minimum level of unemployment assistance. We believe that the new national agreement should once again commit government to honouring this commitment.

2.1.2 Continue to benchmark the lowest social welfare rate for a single person at 30% of GAIE from 2007 onwards.

An important element of the NAPS commitment to increasing social welfare rates is the acknowledgement that the years from 2002-2007 marks a period of ‘catch-up’ for those in receipt of welfare payments. Once the existing gap has been bridged the increases necessary to keep social welfare payments at a level equivalent to 30 per cent of GAIE become much smaller.

To make this point, CORI Justice Commission has calculated the increases necessary during the period of the new national agreement (from Budget 2008 onwards to 2010) needed to maintain the link with 30 per cent of GAIE. Table 3 shows the annual increases over this period needed to correspond to the growth of GAIE in that year. These are shown in Table 3 using projections from the ESRI.

Table 3: Increases in minimum social welfare payments, 2008-2010				
	2007	2008	2009	2010
% Growth of GAIE		+5.20	+5.60	+5.60
30% GAIE updates	185.80	195.40	206.40	217.90
€amount increase each year	-	+9.60	+11.00	+11.50

Source: GAIE growth rates from ESRI Medium Term Review (Bergin et al, 2003:49).

2.1.3 Commit to address the ‘working poor’ issue by continuing to keep the minimum wage out of the tax net.

The growth in jobs over recent years has been dramatic and many have benefited from the rapid rise in the number of jobs available. However, it is important to realise that having a job is not, of itself, a guarantee that one lives in a poverty-free household.

The most recent set of EU-SILC poverty statistics published by the CSO indicates that in 2004 some 7 per cent of those employed were living at risk of poverty. Translating this into numbers of people suggests among the 1.98 million employees in Ireland in 2004, almost 140,000 were living at risk of poverty.⁴

This is a remarkable statistic. The new national agreement must commit to addressing this issue. CORI Justice Commission believes that the agreement should contain two policies aimed at addressing the problem of the 'working poor'. First, the new agreement should commit the government to keeping the minimum wage out of the tax net through the updating of tax credits in each of the Budget covered by the new agreement.

2.1.4 Commit to address the 'working poor' and other issues by integrating the income tax and social welfare systems

There are a range of issues that require the income tax and social welfare systems be integrated as a matter of urgency. The most obvious of these concerns the 'working poor' - those with the lowest incomes from employment. If a person does not earn enough to use up his or her full tax credit then he or she will not benefit from any tax reductions introduced by government in its annual budget. In effect this means that, under the present system, those with the lowest pay will not benefit at budget time.

The move from tax allowances to tax credits was completed in Budget 2001. This was a very welcome change because it put in place a system that had been advocated for a long time by a range of groups including the CORI Justice Commission. Further changes are required to secure an effective and efficient integration of the income tax and social welfare systems. Mechanisms to secure such an integrated system are not difficult to develop and implement. Such integration would provide Government with the capacity to address the 'working poor' issue as well as a range of other problems that present themselves when these two systems are not effectively integrated.

⁴ Figures calculated using the EU-SILC poverty figures (2005:11) and results from the Quarterly National Household Survey (CSO, November 2005:20).

2.1.5 Commit to reduce the 'risk of poverty' rate from its present level of 19.4 per cent to the EU average of 14.6 per cent.

Irish people experience one of the highest 'risk of poverty' rates in the EU. The most recent data published by the CSO and Eurostat report the 'at risk of poverty' rates calculated using the 60 per cent of median income poverty line in each country. The risk of poverty in Ireland is 19.4 per cent. The only EU countries with a worse situation are Slovakia and Greece. The risk of poverty which Irish people face is 1 per cent higher than that in the UK and 9 per cent higher than in Luxembourg, Hungary, Slovenia, Denmark and Malta. The EU average is 14.6 per cent. CORI Justice Commission believes Government should adopt the EU average as its next target for poverty reduction and this target should be included in the National Action Plan for Social Inclusion which is currently being prepared.

2.2 CHILDREN

2.2.1 Commit to addressing child poverty through providing a refundable tax credit for children

One of the most vulnerable groups in any society are children and consequently the issue of child poverty is one that deserves particular attention in the next national agreement.

Child poverty is measured as the proportion of all children aged less than 16 years who live in households that have an income below the 60 per cent of median income poverty line. The age category of 0-15 years is chosen to measure child poverty as it corresponds to the international definition of children used by the International Labour Office (ILO). In 2004 there were approximately 903,360 children aged between 0 and 15 years living in Ireland.⁵ Of these the CSO EU-SILC poverty data has shown almost 21.2 per cent were living in households at risk of poverty. This amounts to 191,512 children.

⁵ This figure is calculated from CSO (2005:2).

The scale of this statistic is shocking. Given that our children are our future, this finding is not acceptable. Furthermore, the fact that such a large proportion of our children are at risk of poverty has obvious implications for the education system and the success of these children within it.

To address this problem, the next national agreement should commit to introducing a refundable tax credit payable for every child in the country.

Introducing a refundable tax credit for all children offers government an effective way of addressing both the child poverty issue and the childcare issue in an integrated, efficient and effective manner. The credit should be available for all children, irrespective of whether or not their parents have a taxable income. For those with a taxable income the credit would be added to their existing tax credits (or could be paid directly to the parents if they so wished), for those who have no taxable income the credit would be refundable and available upon request. Parents would be free to decide how to use this payment. It could be used to assist in paying for childcare or to assist a parent who chooses to remain the fulltime carer of the child.

Introducing a refundable tax credit for children offers a number of advantages including the following: (i) the value of the payment is the same for every child, (ii) it respects the right of parents to choose between external childcare or caring for the child themselves, (iii) the system would be easy to implement. The system would also be easy to administer.

Finally, as part of the process of addressing this issue the new national agreement should also commit government to continue those policy measures introduced in Budget 2006 aimed at increasing the supply of childcare.

2.3 HOUSING

2.3.1 Adopt the recommendations of the NESC on the provision of social housing and take the necessary steps to ensure that this target is reached within the recommended timeframe

During the last decade improved levels of economic growth combined with low interest rates resulted in high levels of housing inflation. This in turn resulted in a crisis in housing provision in both the public and the private sectors. In the private sector this crisis can be seen in the rapid increase in house prices and in the severe difficulties experienced by first-time buyers seeking affordable houses. In the public sector the demand (waiting lists) for social housing has remained very high in spite of some efforts to provide additional units.

At the end of 2004 the National Economic and Social Council (NESC) published a major report on housing entitled *Housing in Ireland: Performance and Policy*. The main recommendation of the Council on the issue of social housing called on Government to “create an expanded and more flexible stock of social housing - adding in the order of 73,000 permanent social housing units to bring the stock to 200,000 dwellings by 2012 - in a manner that is consistent with other public investment needs and sound public finances”.

The figure of 200,000 social housing units was calculated based on the projected increases in the Irish population over that period and in the context of limited responses to existing social housing needs. NESC concluded that between 2005 and 2012), an annual increase in excess of 9,000 units is necessary. They also pointed out that an estimated capital investment of €1.4bn a year would be required to achieve a net increase of 73,000 units by 2012. Given the present level of capital expenditure this would mean an additional investment per annum of approximately €500m over what is already projected.

The new national agreement should adopt the recommendations of NESC and commit to funding needed to address this issue during the lifetime of the agreement.

2.4 CARING

2.4.1 Agree to develop a national strategy on caring and carers focused on developing an infrastructure of care that covers children, people with disabilities, older people and their carers.

The provision of care in Irish society has become a much-debated topic in recent times. Care demands relate to children, people with disabilities, older people and their carers. An infrastructure of care is required that addresses each of these groups, their needs and the possible best policy options in addressing these needs.

Any policy development in this area must address issues related to the proper balance between the respective roles of family, the State, the private sector and the community and voluntary sector. It must also recognise the importance of developing properly resourced community services. These are essential to enable people to live with dignity and independence in the community. Currently these services are under-funded and under-developed.

Developing an infrastructure of care makes sense on both economic and social grounds. It is not just a cost to the Exchequer. Investment in such an infrastructure would allow these groups, who otherwise would be excluded, to access further education, training and employment, and enable them to live more fulfilled lives and make a greater contribution to society.

Detailed development of such an infrastructure may not be possible within the process of negotiating a new national agreement. However, the issue has major implications for Ireland's development and for the issues of fairness and wellbeing to which we continue to draw attention. CORI Justice Commission believes that this issue would best be addressed through the development of a national strategy for caring and carers. Such a strategy could outline the shape of an infrastructure of care that would cover the four groups identified here and identify the initiatives to develop such an infrastructure. Commitment to develop such a strategy should be included in a new national agreement.

2.5 HEALTHCARE

2.5.1 Prioritise primary care.

Primary Care has been recognised as one of the cornerstones of the health system. This was given recognition by the publication of a strategy *Primary Care – A New Direction* (2001). Between 90 and 95 per cent of the population are treated by the primary care system. The model of a primary care team presented in the document must be viewed in its most flexible form so that it can respond to the local needs assessment. The principle underlining this model should be a social model of health. This is in keeping with the World Health Organisation's definition on health. Universal access is needed to ensure that a social model of health as outlined in the document becomes a reality. For the development of *Primary Care – A New Direction* there is a clear need for the allocation of more resources. This would need an increase in the percentage of the healthcare budget being allocated for primary care.

Budget 2006 marked a major and very welcome move towards achieving this aim. The increased allocation of €16m (which is equivalent to €28.5m in a full year) will result in 300 additional professionals being made available to secure between 75 and 100 primary care teams by the end of 2006. CORI Justice Commission hopes that this marks the beginning of an approach that will see the whole country served by primary care teams. The new national agreement should recognise the value of primary care and move to prioritise and resource this sector of the healthcare system.

2.5.2 Improve efficiency – both technical and allocative.

Government continues to increase the amount of funds allocated to the healthcare system. This development is welcome although as a nation we still lag behind in the proportion of national income allocated to healthcare. As funding has increased there has been added attention to issues of efficiency, with that phrase now regularly being used with regard to assessing expenditure in this area. CORI Justice Commission welcomes this development. However, we feel that Government, the HSE and others who wish to assess efficiency should do so taking account of both elements of the efficiency concept – technical and allocative.

Assessments of technical efficiency (hospital throughput, value for money etc) are becoming commonplace however there are clear deficiencies in the measurement of allocative efficiency. It requires more attention be paid to social dimensions such as the level of service required in a particular area and whether or not it is being provided. The new national agreement should commit to measuring and improving efficiency - both technical and allocative - within the healthcare system.

2.5.3 Take a ‘population health’ approach to developing policy on health.

Population health is an approach to health that aims to improve the health of the entire population and reduce health inequalities among population groups. In order to reach these objectives it looks and acts upon a broad range of factors and conditions that have a strong influence on our health. This requires a shift in our thinking of how health is defined. The contribution of health to social wellbeing and quality of life should be seen as reciprocal and mutually reinforcing. Health is a capacity or resource rather than just a state. This corresponds with the notion of being able to pursue one’s goals, to acquire skills and education and to grow. This broader definition of health recognises the range of social, economic and physical environmental factors that contribute to health. This concept of health has been defined as “the capacity of people to adapt to, respond to or control life’s challenges and changes”.⁶

A population health approach plans programmes and policies and interventions along the entire spectrum of health action. These would include health promotion and prevention, disease prevention, risk management, medical treatment, rehabilitation and palliative care. This approach could be the unifying force for the entire spectrum of a health system’s interventions such as prevention, promotion, protection, diagnosis, treatment and care. Such an approach would be very beneficial in the development of health policy in the years ahead.

⁶ C. J. Frankish (1996) *Health Impact Assessment as a Tool for Population and Public Policy*, Institute of Health Promotion Research, University of British Columbia, Vancouver.

2.6 EDUCATION

2.6.1 Address child and adult illiteracy

The importance of investment in education is widely acknowledged. For individuals, the rewards from education are clear. Those with higher qualifications earn, on average, far more over their lifetime than those with lower qualifications. However, for those who do not assign great value to improving education levels in themselves, a recent study published by Statistics Canada shows a clear and significant association between pro-active investment in education in any period and a country's subsequent growth and labour productivity (Coulombe et al, 2004). This study, which looked at adult literacy skills of people in 14 countries who entered the labour force in the period 1960 to 1995 identified a clear and significant association between investments in human capital in each period and a country's subsequent growth and labour productivity. Specifically, a rise of 1 per cent in literacy scores relative to the international average is associated with an eventual 2.5 per cent relative rise in labour productivity and a 1.5 per cent rise in GDP per head.

The issue of literacy has been contentious in recent times. Some years ago an OECD survey found that a quarter of the Ireland's adult population performed at the very lowest level of literacy. More recently, a report prepared for the Department of Education in 2004 on literacy standards in disadvantaged primary schools shows more than 30 per cent of children suffer from severe literacy problems (Eivers et al, 2004). This highlights the need to see Ireland's literacy problems as an issue being faced by both adults and by children. Consequently, the new national agreement should commit to addressing literacy at both these levels. In particular Government needs to substantially increase the resources being provided to organisations working on this issue, to the implementation of the next phase of the Adult Literacy Plan and the development of paid education leave for everyone in employment who does not have a Junior Certificate or equivalent.

2.6.2 Commit the resources to make it possible for adults to 'return to education'

Some 3% of young people leave school without any qualification. This figure is unevenly distributed reaching almost one in three young people in some seriously disadvantaged communities. A further 14% of young people do not complete secondary education with meaningful qualifications. Many other are unable, for numerous reasons, to carry on to any type of post leaving certificate education. Given the changing nature of modern societies there is now a clear case for governments to assist as many as possible to return to education at whatever level they need to. As part of the new national agreement, CORI Justice Commission believes that a basic education allowance for full-time and part-time education should be established. This allowance should be available to adults returning to education who have not already benefited from third level education.

2.6.3 Increase the provision of open-access information technology

Increasingly the ability to use information and communications technology (ICT) is becoming a central requirement in modern society. The phenomenon of a technological divide is becoming evident. In particular it is of concern that a number of young people, including early school-leavers, have little or no skill in ICT. Consequently initiatives are necessary to improve information technology provision in schools, as well as to increase its availability in areas such as public libraries and community centres.

CORI Justice Commission welcomed the fact that one of the special initiatives of *Sustaining Progress* addresses the issue of "including everybody in the information society". We are very disappointed with the lack of progress on this special initiative. In addressing this issue it is crucial that priority is given to ensuring access is available to those who currently cannot afford the market costs. Ignoring this will ensure that the "digital divide" will widen social exclusion. Government needs to show greater commitment to this area and the new national agreement should commit itself to addressing this area.

2.7 RURAL DEVELOPMENT

2.7.1 Recognise and resource the shift of rural Ireland from an agricultural to a rural development agenda

Rural Ireland continues to change dramatically. 46 per cent of Ireland's population lived in small villages and in the open countryside in 1996. This figure declined to 40.4 per cent (1,582,921 people) according to the results of census 2002 (CSO, 2003:53). A factor in that reduction is the sustained decline in farm numbers. Agriculture, forestry and fishing now account for only 5.9 per cent of the overall labour force. At present those in farming comprise one-quarter of the rural labour force, and are a minority of the rural population. Furthermore fewer farm children seek a future in farming. Looking to the future the recently published state-funded report *Rural Ireland 2025* outlined a baseline scenario for 2025 where the number of full-time commercial farmers will drop significantly to 10,000 with the remainder of farmers (a further 30,000 full time equivalent jobs) working part-time (2005: 10-11).

Consequently, rural Ireland is likely to experience even more change over the next two decades and the new national agreement needs to recognise this change and to further resource the rural development agenda. Doing so will ensure that rural Ireland remains vibrant and that opportunities exist for those people living in these areas.

2.7.2 Expand the Rural Transport Initiative and resource it so that its service is available wherever it is required across all of rural Ireland.

Public transport remains a problematic issue especially in rural Ireland. The development of the Rural Transport Initiative has been most welcome and has brought very positive developments in its wake where it has been initiated. It has contributed significantly to improving the quality of life of those living in rural areas, particularly older people and has been widely welcomed. However, for this programme to be credible it must be comprehensive, adequately resourced and enhance the current provision. The Rural Transport Initiative should be expanded and resourced so as to be available in every part of rural Ireland where it is needed.

2.8 VULNERABLE GROUPS

2.8.1 Take systematic, comprehensive action to address the multiple problems being experienced by Ireland's most vulnerable groups.

The results of the EU-SULC survey provided a breakdown of those who are at risk of poverty. These risk figures represent the proportion of each group that are found to be in receipt of a disposable income that is less than the 60 per cent median income poverty line. As such, the group of the Irish population that are at highest risk of poverty are people who are ill or have a disability. More than one in every two people who are classified as ill/disabled is at risk of poverty. Apart from those classified as 'others', the next biggest group at risk of poverty are unemployed people. 42 per cent of this group are at risk of poverty and when broken down by gender the risk levels are much greater for unemployed males. More than one in three of those on home duties (primarily women) live with incomes below the poverty line while a similar figure (31 per cent) is recorded among those who are retired. A closer assessment of the risk levels of poverty among the retired reveals that their 'risk of poverty' rate has climbed to its current level of 36.4 per cent from a rate of 5.9 per cent in 1994 (see Whelan et al, 2003:24). Students, whether living in poor families while completing their secondary education or while attending post-secondary education also have a high poverty rate at 30.3 per cent.⁷

The risk of poverty is also unacceptably high among children, older people, households headed by lone parents, Travellers, refugees and asylum seekers among others. The spatial distribution of those at risk of poverty is also a major issue to be addressed. CORI Justice Commission believes its proposals on income, work, housing, healthcare, education and other areas if implemented would go a long way towards addressing the vulnerability of these groups in an integrated way and, consequently, they should be incorporated into a new national agreement.

⁷ For a much more detailed treatment of these and related issues cf. CORI Justice Commission *Pathways to Inclusion*, 2005, pp. 23-44.

2.9 OVERSEAS DEVELOPMENT ASSISTANCE

2.9.1 Re-commit to Ireland allocating 0.7% of GNP to ODA by 2012 and to reaching the interim targets set out by the Department of Foreign Affairs for 2007 and 2010.

Globally, the scale and extent of underdevelopment and inequality remains large. An indication of the size of this problem is outlined annually in the United Nations Human Development Report. Therefore CORI Justice Commission welcomes the recent announcement by the Taoiseach that Ireland will reach the UN target of 0.7% of GNP on overseas aid by 2012. Although this is two years later than we suggested in our contribution to the consultation process, the detailed nature of that commitment is welcome. In particular we welcome the accompanying funding timetable announced by the Department of Foreign Affairs. It commits Ireland to an allocation of 0.5% of GNP in 2007 (some €779m based on Budget 2006 figures), 0.6% in 2010 and reaching the UN target of 0.7% in 2012. In the new national agreement the government should once again reaffirm itself to this commitment and to adhering to the timetable set out for achieving this aim.

2.9.2 Allocate a significant proportion of Ireland's ODA funding to addressing the HIV/AIDS crisis.

The UNAIDS report (2004) revealed that there are 39.4 million people worldwide with HIV/AIDS. This figure comprises approximately 37.2 million adults and 2.2 million children. Predominantly, the crisis is concentrated in poorer African and Asian countries. Of the total, 25.4 million (64.5 per cent) of the infected are in sub-Saharan Africa. In 2004 there were 4.9 million new HIV/AIDS infections and 3.1 million deaths. These figures imply that there are almost 8,500 deaths and 13,500 new infections each day, such that almost 6 deaths and 9 new infections occur every minute. In concluding its 2004 report, UNAIDS states that the world cannot continue as it is and pay limited attention to this epidemic. It suggests that "a massive effort is needed to achieve a response on a scale that matches that of the global AIDS epidemic. Without invigorated HIV prevention strategies that deal boldly with the epidemic, and that also address the wider imperatives of social justice and equality, the world is unlikely to gain the upper-hand over AIDS in the long run" (2004:6).

Given the magnitude of this problem and the long run implications it carries for development in Africa (and in the other developing regions where this problem is growing in size) CORI Justice Commission believes that the new national agreement should contain a commitment by the government to allocate a stated proportion of the ODA budget to addressing this problem.

2.10 TAXATION

2.10.1 Commit to building a fairer taxation system.

Ireland needs a fairer tax system. There is something profoundly unfair about a situation where some millionaires pay no tax while those on low incomes must pay tax. Some of the changes introduced in recent years have moved in the right direction. The introduction of tax credits and some of the reforms announced in Budget 2006 are examples of positive changes.

Over the course of the next national agreement the Government has the opportunity and the resources to make Ireland's tax system much fairer. The most important step that needs to be taken is to address the skewed nature of some parts of the tax system. Tax reliefs, for example, cost an estimated €8.4 billion a year but are skewed dramatically to benefit the better off. Tax reliefs on employee's occupational pensions, for example, are such that the bottom 20 per cent of households gain zero per cent of the relief while the top 40 per cent of households gain 89 per cent of the value of this scheme. CORI Justice Commission estimates that at least €2 billion would be available to the Exchequer if all tax reliefs were standard rated (made available at 20% rather than at 42% which is the case for many of them at present).

While this would be only one step in the right direction it would produce a much fairer tax system while also making substantial resources available. Other initiatives that Government should take to ensure a fairer tax system include: (i) use available

resources to increase tax credits rather than widen tax bands; (ii) take steps to avoid being caught in a 'race to the bottom' which could reduce corporation tax to zero because of competition from some EU countries; (iii) address the issue of windfall gains from rezoning; (iv) move towards introducing a carbon tax and a land-rent tax (proceeds could be used to reduce income tax).

Standard rating all tax reliefs would provide resources that could then be used by Government to, among other things including making tax credits refundable. A fairer tax system is required. Making it fairer would provide the resources to make Ireland a fairer place for all.

2.10.2 Take the necessary steps to integrate the income tax and social welfare systems.

This is the same recommendation as 2.1.4 above. We repeat it here to ensure it is addressed within the context of making the tax system fairer.

2.10.3 Resource the investigation of introducing a land rent tax.

The idea of broadening the tax base through the introduction of a land rent tax is one that CORI Justice Commission has been promoting for some time. In recent times there has been growing support for this proposal from organisations including the Chamber of Commerce of Ireland and the National Competitiveness Council.

A land rent tax is based on the annual rental value of land. The annual rental site value is the rental value which a particular piece of land would have if there were no buildings or improvements on it. It is the value of a site, as provided by nature and as affected for better or worse by the activities of the community at large. The tax falls on the annual value of land at the point where it enters into economic activity, before the application of capital and labour to it.

The arguments for a site value tax are to do with fairness and economic efficiency. Most of the reward of rising land values goes to those who own land, while most of

the cost of the activities that create rising land values does not. This is because rising land values - for example, in city centres or prime agricultural areas - are largely created by the activities of the community as a whole and by government regulations and subsidies, while the higher value of each particular site is enjoyed by its owner.

This means that it often pays land owners to keep sites unused in order to sell them later when (they hope) land values will have risen. In short, site value taxation would lead to more efficient land use within the structure of social, environmental and economic goals embodied in planning and other legislation.

Given the growing support for this tax reform, the new national agreement should commit to establishing a detailed study of this tax so that the costs and benefits of it can be clearly set out. CORI Justice Commission believes that if this process occurs the merits of this tax will be clear.

2.11 PARTICIPATION

2.11.1 Establish and resource a forum for dialogue on civil society issues.

The changing nature of democracy has raised many questions for policy-makers and others concerned about the issue of participation. Decisions often appear to be made without any real involvement of the many affected by the decisions' outcomes. Voter apathy is widespread and turnout has been falling at every election. The 2002 turnout, at 63 per cent, was the lowest voter turnout recorded for a general election and considerably below the average turnout achieved by our fellow European countries at 72 per cent (CSO, 2003:36).

An issue that is contributing to disillusionment with the political process concerns the range of civil society issues that are of major concern to large numbers of people. These are issues that many people feel are not being addressed adequately; insofar as a discussion or debate does take place, they feel excluded.

Social partnership is one process aimed at improving the participation of various sectors in Ireland. However, it is in danger of being overloaded. The various social partners in the four pillars of social partnership - employers, trades unions, farmers and the community and voluntary sector - represent large segments of Irish society. However, they do not represent, nor do they claim to represent, all of Irish society. In fact the case is made, with some legitimacy, that none of these social partners represents their own entire sector.

The development of a new forum within which a civil society debate could be conducted on an ongoing basis would be a welcome addition to the political landscape in Ireland. Such a forum could make a major contribution to improving participation by a wide range of groups in Irish society. Establishment of such a forum would ensure that civil society issues were not being loaded onto the already extensive work of social partnership in the socio-economic area. It would also be complementary to the work of the National Economic and Social Council which already has an extensive agenda.

CORI Justice Commission proposes that government authorise and resource an initiative to identify how a civil society debate could be developed and maintained in an ongoing way in Ireland, and to examine how it might connect to the growing debate at European level around civil society issues. There are many issues such a forum could address. One such issue that comes to mind, given recent developments in Ireland, is the issue of citizenship, its rights, responsibilities, possibilities and limitations in the twenty-first century. Another topical issue is the shape of the social model Ireland wishes to develop in the decades ahead. Do we follow a European model or an American one? Or do we want to create an alternative - and, if so, what shape would it have and how could it be delivered? The issues a civil society forum could address are many and varied. Ireland would benefit immensely from having such a forum and the new national agreement move to establishing this forum.

2.11.2 Take effective steps aimed at promoting gender equality.

The issue of gender equality has been on the national agenda for decades and yet there is a very long distance to go before one could claim that it had been achieved. On

issues ranging from poverty to violence, from employment earnings to childcare, there remains a long list of issues to be addressed.

Commitment to the completion of the promised National Women's Strategy is needed. Specific initiatives directed at implementing this strategy will be essential if gender inequality is to be addressed successfully. An effective mechanism to monitor its implementation will be needed. A commitment along these lines should be contained in a new national agreement. Implementation of a range of other initiatives contained in this publication would also contribute towards gender equity.

2.11.3 Substantially increase the resources available to the community and voluntary sector to ensure the work this sector does on a wide range of fronts, and the social capital it provides, are secured in the years ahead.

Closely related to the issue of civil society are the issues of social capital, active citizenship and participation in society at a range of levels. The community and voluntary sector plays a major role in Ireland's ongoing development in these areas and in service provision generally but its contribution is being taken for granted or ignored. In some cases it is being seriously damaged by Government initiatives that fail to take into account the impact on community and voluntary organisations and their capacity for service delivery and other activities of real value to the local community and/or to society generally. The community and voluntary sector is a key provider of a wide range of social services and is also deeply involved in a range of activities focused on innovation, participation, activation etc. It is a major source of Ireland's social capital. The sector should be recognised as such by Government and should be supported much more comprehensively than has been the case to date by the Exchequer. One part of that support should be focused on adequately resourcing the ongoing participation of the community and voluntary sector in both the County Development Boards and the Strategic Policy Committees across the country. A further requirement is the need to develop a Local Services Support programme to finance the services being provided to local communities by the community and voluntary sector. These services should not be forced to depend on financing being made available solely through the employment of unemployed people.

2.12 RIGHTS-BASED APPROACH

2.12.1 Develop a rights-based approach to social, economic and cultural issues.

CORI Justice Commission believes strongly in the importance of developing a rights-based approach to social, economic and cultural issues. The need to develop these rights is becoming ever more urgent for Ireland and the EU and the new national agreement should address this issue.

Social, economic and cultural rights should be acknowledged and recognised just as civil and political rights have been. Among others, we believe that seven basic rights that are of fundamental concern to people who are socially excluded and/or living in poverty should be acknowledged and recognised. These are the rights to: sufficient income to live life with dignity; meaningful work; appropriate accommodation; relevant education; essential healthcare; cultural respect; and real participation. Until these rights are effectively recognised then Ireland and the EU will continue to have a major credibility problem, as they will be failing to match their commitment to civil and political rights with an equal commitment to social, economic and cultural rights.

To ensure that the recognition of social, economic and cultural rights goes beyond words, however, it is essential to address the question: how can such rights be made justiciable (capable of being vindicated in law)? In particular, how can this be done in a way that respects the political process and does not destroy the balance of power between the judicial and the governmental dimensions of society while also respecting the social, economic and cultural rights of people?

CORI Justice Commission has suggested a number of ways in which these rights could be made justiciable without going the traditional legal route (Reynolds & Healy, 2003, pp. 81-84). The Commission's proposals are aimed at respecting the concerns expressed particularly by politicians while also respecting the need for people's rights to be justiciable. The process of negotiating a national agreement is not the appropriate arena for addressing such detail. However, a new national agreement should contain a commitment to address this issue.

2.13 MIGRATION AND HUMAN MOBILITY

2.13.1 Commit to leading a balanced and informed public debate about the future of migration and take the necessary initiatives to manage the costs and benefits of this migration.

There has been a substantial increase in migration into Ireland in recent years. Ireland has moved very quickly from being a country of emigration to being a country of immigration. In the year to April 2004 over 50,000 people moved to Ireland which produced a net immigration of more than 30,000 in that year. In the early years of this process the vast majority of immigrants were returning Irish people. But there has been a strong growth in the proportion of non-nationals among more recent immigrants. Immigration is projected to continue rising at about 30,000 a year for most of the next decade. This will constitute almost half of the expected growth in the labour force in the coming decade.

Clarity is required on the economic and social effects of migration. A coherent understanding of what Ireland is trying to achieve through immigration is also required. Only when these issues have been addressed will it be possible to develop a coherent set of objectives to guide policy in this area. It is essential that this issue be approached in an integrated way to ensure that both economic and social dimensions are addressed comprehensively and effectively. It is crucial that there be a balanced and informed public debate about the future of migration into Ireland and that the necessary initiatives be taken to manage the costs and benefits of this migration. This debate and the ensuing initiatives must be led by Government.

2.13.2 Secure labour market policies and standards for all people employed in Ireland.

As part of the ongoing development of policy on immigration it is crucial that the implications these developments have for labour market policies and the standards of employment enjoyed by workers in Ireland be addressed. Declining standards undermine the building of a society characterised by fairness and wellbeing.

Substantial changes are required on a range of related issues including the management of demand for migrant labour, the mechanisms through which migrants access the Irish labour market and the issue of whether migrant labour is seen as being 'guest workers' or a permanent part of Ireland's future.

2.13.3 Rectify the injustices of the current policies being applied to asylum-seekers.

CORI Justice Commission welcomed the recently published *National Action Plan Against Racism: Planning for Diversity* (2005). Its implementation will play an important role in forming a cohesive, comprehensive policy to ensure that the new diversity of cultures and ethnic minorities within Ireland is respected as an enrichment of our society. This approach needs to integrate immigration policy with refugee and asylum-seeking policy. It also requires a recognition and acceptance of the importance of equality of respect and esteem in this area.

Ireland has both a moral and legal responsibility towards refugees and asylum-seekers. As a nation whose own people have themselves experienced the pain of emigration in the past, we should be to the forefront in implementing our obligations under the 1951 UN Geneva Convention relating to the Status of Refugees. The non-governmental organisations (NGOs), already playing a major role in addressing the many issues that arise in this context, should be resourced to continue and develop their work.

The number of asylum-seekers coming into Ireland each year has fallen substantially. Asylum-seekers, however, are among the most excluded and marginalised people in Ireland and they have been treated in an unjust way by Irish society. The single most important issue in this context is the fact that they are denied access to employment. Consequently we propose that asylum-seekers whose application for asylum is at least six months old (and who currently are not entitled to take up employment) should be allowed to do so. Removing this restriction would have a major impact on reducing their poverty and exclusion. Likewise, the monetary payments to asylum-seekers in 'direct provision' should be increased substantially.

2.14 WORK

2.14.1 Commit to ending long-term unemployment and take the necessary actions to achieve this objective.

One of the major achievements of recent years has been the increase in employment and the reduction in unemployment, especially long-term unemployment. This transformation is remarkable and has marked a major, and very welcome, shift in Irish society. It has also provided new challenges as well as raising new questions. One of these challenges is the continuation of long-term unemployment although at a much reduced rate of about 1.5 per cent. While there has been remarkable growth in the number of jobs available in Ireland this has not resulted in the desired elimination of long-term unemployment which is the NAPS target on this issue. CORI Justice Commission believes this target should be maintained and a number of initiatives should be put in place to ensure its delivery.

An active labour market programme (ALMP) such as Community Employment is an essential part of an effective response. But more is required. In particular a more effective and targeted high-support programme is necessary to assist those who find it difficult to exit long-term unemployment. Additionally a programme that provides 'supported' employment for those who are furthest from the labour market and who would not benefit from places on an ALMP is needed. The Job Initiative programme was such a programme but it is now being wound down and no replacement has been proposed. A replacement programme is urgently required if the persistence of long-term unemployment is to be addressed successfully.

2.14.2 Recognise all work.

A major question being raised by the current labour-market situation concerns assumptions underpinning culture and policy making in this area. One such assumption concerns the priority given to paid employment over other forms of work. Most people recognise that a person can work very hard even though he or she does not have a conventional job. Much of the work done in the community and in

the voluntary sector fits under this heading. So too does much of the work done in the home.

The need to recognise voluntary work has been acknowledged in the government's White Paper, *Supporting Voluntary Activity* and by the Taoiseach who has stated that: "voluntary activity forms the very core of all vibrant and inclusive societies". A recent report presented to the Joint Oireachtas Committee on Arts, Sport, Tourism, Community Rural and Gaeltacht Affairs provided one small insight into this issue. It establishing that the cost to the state of replacing the 475,000 volunteers working for charitable organisations would be a minimum of €205m and could cost up to €485m per year.

The report of the National Committee on Volunteering entitled *Tipping the Balance* (October 2002) stands as a welcome acknowledgement of this role. The report was prepared to mark the UN International Year of the Volunteer 2001 by representatives of numerous voluntary organisations in Ireland, including CORI's Justice Commission. The report suggested a series of recommendations to assist in the future development and recognition of voluntary activity throughout Ireland. In the light of the commitment to 'promote social capital' in the *Programme for Government* (2002). CORI Justice Commission is hopeful that the recommendations of this report will be implemented by government. In addressing issues of participation in employment, the new national agreement should incorporate these proposals and in doing so recognise the many different form that 'work' takes.

2.15 INFRASTRUCTURAL ISSUES

2.15.1 Address Ireland's infrastructural deficits particularly those causing social exclusion.

Despite the progress of the last decade and a half Ireland is still identified as a country whose infrastructure remains underdeveloped. This has been acknowledged by Government and a major programme of public investment is currently being financed with close to 5 per cent of GNP being used for this purpose annually. Ireland,

however, continues to be ranked close to the bottom of the OECD league when it comes to infrastructural provision.

The new National Development Plan (NDP) to cover the period 2007-2013 should contain a commitment to comprehensive infrastructural development to ensure these deficits are addressed in that period. Otherwise the pressures of infrastructure deficits and rising population numbers will produce an intolerable situation in the following decade and place a huge burden on the public exchequer at a time when resources will be needed to address other emerging challenges.

We believe the process over the coming year of developing the next NDP is the correct arena in which to address Ireland's main infrastructure deficits. However, we have highlighted a number of issues in other parts of this publication that can be appropriately addressed in a new national agreement particularly in the areas of social housing and public transport.

2.16 STRUCTURAL PRIORITIES

2.16.1 Commit to establishing long-term planning and frame the new national agreement in these terms.

An essential element of any society is its ability to plan for the future. In that context an important insight into Ireland's future was provided during late 2004 as part of the Central Statistics Office (CSO) report on expected population trends. Entitled *Population and Labour Force Projections, 2006-2036* the report signalled a dramatic demographic transformation due to occur in Ireland over the next three decades. In that document the CSO forecast that Ireland's population will climb from approximately 4 million people today to 5.1 million people by 2121 and on to 5.8 million people in 2036. In simple terms, this implies that our population will increase by almost 50 per cent or almost 2 million people in just 34 years (2002-2036).

There are major implications for many public policy areas as a result of this increase. Where will all these extra people be housed? How will they travel around?

What additional education and health facilities are required to provide for such additional numbers? How can Ireland ensure that we build a fair and inclusive society which can adequately cater for all these extra people?

CORI Justice Commission believes that these figures necessitate the development of long term planning. Rather than cope with the implications of this population growth once it has happened, we believe it is important to begin to plan now for its arrival. To do this successfully, policies need to be framed within a time frame of at least 10 years. These policies also need to look beyond economic growth as the principal priority driving Government, the policy formation process and society generally.

One initial step to achieve this would be to reform the structure of the current model of social partnership. Given the dynamic nature of an open economy such as Ireland, we recognise the need to agree all pay deals over a short period of between 18 months and 3 years. However, other elements of these national agreements could be agreed on the basis of a ten-year vision. Within this on-going ten-year focus, the current system of 3-year agreements should continue. These agreements would allow the Government and social partners to adopt focused long-range strategies as a part of building the Ireland of the future. Linked to this reform, we believe that the Government should establish a new joint Oireachtas committee with specific responsibility to oversee and monitor progress of these long-term plans and national agreements.

2.16.2 Commit to a seamless engagement with the Community and Voluntary Pillar of Social Partners on all national plans and strategies e.g. NDP, NSS, NAP/incl, National Women's Strategy, Tipping the Balance, etc.

Social inclusion is a key objective of the National Development Plan (NDP), the National Spatial Strategy (NSS), the National Action Plan for Social Inclusion (NAP/incl) and the related National Anti-Poverty Strategy (NAPS), the National Disability Strategy, the National Women's Strategy, Tipping the Balance and a range of other national plans and strategies. There is currently a problem with the fact that Government engagement on each of these issues and the tracking of their outcomes and impact are all done separately. A simplified and streamlined approach is more

desirable and offers a huge opportunity to be more strategic in approach, to have more coherence and integration in development and delivery as well as in measuring outcomes.

The Community and Voluntary Pillar of Social Partners plays a key role in developing and delivering the social inclusion components of these national plans and strategies. Consequently CORI Justice Commission believes there is need for a seamless, structured engagement between the Community and Voluntary Pillar of social partners and Government on all national plans and strategies.

2.16.3 Develop a system of 'satellite' or 'shadow' national accounts.

Conventional economic models of development or progress fail to meet the needs of millions and millions of people on this planet today. This failure is evident even within better-off countries such as Ireland. These conventional economic models also compromise the ability of future generations to meet their needs. As this becomes more evident, there is a growing demand worldwide to find new models that will conserve the planet and its resources and empower people to meet their own needs and the needs of others.

Central to any model of development which has sustainability at its core must be a realisation of the need to move away from money-measured growth, as the principal economic target and measure of success, towards sustainability in terms of real-life social, environmental and economic variables.

Already within mainstream decision-making, this realisation has begun to have some impact. This can be seen, for example, in the growing awareness that environmental taxation should be recognised as a key policy instrument in dealing with environmental concerns. Public concern in the area of genetically modified (GM) food stands as another example. In the context of income and social welfare policy, the increasing recognition of the benefits of a basic income is a further example of the same search for policies that will be sustainable into the future. So too is the growing demand for the recognition of unpaid work being done in society. As can be

seen from these examples, however, there is a long way to go before Ireland or the EU can claim to have placed sustainability at the centre of their development models.

A central initiative in this context should be the development of “satellite” or “shadow” national accounts. Our present national accounts miss fundamentals such as environmental sustainability. Their emphasis is on GNP/GDP as scorecards of wealth and progress. These measures, which came into widespread use during World War II, more or less ignore the environment, and completely ignore unpaid work. Only money transactions are tracked. Ironically, while environmental depletion is ignored, the environmental costs of dealing with the effects of economic growth, such as cleaning up pollution or coping with the felling of rain forests, are added to, rather than subtracted from, GNP/GDP. New scorecards are needed.

Already a number of alternative scorecards exist, such as the United Nations’ Human Development Index (HDI), former World Bank economist Herman Daly’s Index of Sustainable Economic Welfare (ISEW) and Hazel Henderson’s Country Futures Index (CFI). A 2002 study by Wackernagel et al presented the first systematic attempt to calculate how human demands on the environment are matched by its capacity to cope. It found that we currently use 120 per cent of what the earth can provide sustainably each year.

In the environmental context it is crucial that dominant economic models are challenged on (among other things) their assumptions that nature’s capital (clean air, water and environment) are essentially free and inexhaustible; that scarce resources can always be substituted; and that the planet can continue absorbing human and industrial wastes which most economists tend to downplay as externalities. Some governments have picked up on these issues, especially in the environmental area. They have begun to develop “satellite” or “shadow” national accounts, which include items not traditionally measured. Similar accounts should be developed for Ireland and the new national agreement should commit to introducing this system here.

2.16.4 Resource the collection of relevant, accurate, up-to-date data to ensure timely evaluation of all aspects of public policy.

In recent years there has been a quantum leap in the volume and range of data being provided on issues related to public policy. This welcome development is very necessary if policy is to be evidence-based. It should be expanded as there is quite some distance to go before sufficient, up-to-date data are available to ensure that the impacts and outcomes of national plans and strategies and a range of other important policy initiatives can be measured. The availability of accurate, timely and up-to-date information is crucial. A new national agreement should contain a commitment to resource the collection of relevant, accurate, up-to-date data.

2.16.5 Incorporate an escalator funding mechanism into the national agreement.

The central economic forecast on which an agreement is based is crucial. However, it may not be very accurate. In recent agreements it has always substantially underestimated the available resources. These, in turn, for the most part have been appropriated by the better off without reference to the national agreement.

An “escalator” should be included in the new national agreement through which provision would be made for substantial variations in outturn from the central economic forecast underpinning any new agreement. For example, an additional one per cent growth in GNP (or whatever measure was agreed) would result in a series of new initiatives (to be agreed within the original negotiation process producing the agreement or through a mechanism specified in that agreement). Likewise, one per cent less growth than anticipated would result in some initiatives being delayed.

Some development along the lines suggested here is essential if we are not to have a repetition of the situation where a disproportionate share of the additional growth which had not been forecast went to the powerful and those already better off.

3. RESOURCES

As the argument is often made that resources are not available to fund proposals such as those outlined above, we use this section of the document to lay out what resources are available to government over the next few years. We have structured the section in two parts. The first reviews the fiscal position of the economy as outlined by the Department of Finance in Budget 2006 and the second outlines other areas for sourcing additional resources if they are needed.

According to the figures published in Budget 2006 the Irish exchequer remains in excellent health. Despite significant capital account investment, of well over €6b per year, the overall exchequer balance is projected to record very small deficits in the years 2006-2008. This investment represents an important part of Ireland's infrastructural catch-up with the rest of Europe and Eurostat notes that the scale of this investment is such that if it were halved to the EU average Ireland would be recording an overall exchequer surplus (2004:167). However, for the years 2006-2008 the Department of Finance has also indicated that current account surpluses will average at €5.55 billion annually (see table 4 below).

Table: 4 Ireland's Current Budget Surplus and General Government Balance, pre and post current spending of €1.5b extra, 2006-2008			
	2006	2007	2008
Projected current account surplus	€4,397m	€3,372m	€6,879m
Projected GGB as % of GDP	-0.60%	-0.80%	-0.80%
Current Surplus if €1.5b extra spent	€2,897m	€3,872m	€5,379m
Amended GGB as % of GDP	-1.42%	-1.65%	-1.50%

Source: Calculated from Budget 2006 (2005:D5)

These figures also suggest that there remains significant room for further current account spending over the next few years. As the table shows, additional spending of up to €1.5 billion a year is feasible. Its effect would only be to reduce the sizeable current account surpluses and to increase marginally the scale of overall budget deficits. Following such a move, the General Government Balance (GGB) as a percentage of GDP (the key indicator used by the European Central Bank to judge

fiscal policy control) would be 1.42 per cent in 2006, 1.65 per cent in 2007 and 1.5 per cent in 2008. These outcomes comfortably comply with the 3 per cent limit set in the Stability and Growth Pact. In spite of this additional spending, the average annual current account surplus in the 2006-2008 period would be €4.05 billion.

Based on these figures, it is clear that the exchequer can afford to spend significantly more money over the next few years. In the context of the proposals outlined above, it is clear that the resources needed to address the socio-economic problems persisting in Ireland today are available. CORI Justice Commission believes that these funds should be used to address them. Major changes could therefore be achieved during the period covered by the next agreement.

It should also be noted that the above figures are based on the GDP/GNP growth projections of the Department of Finance as outlined in Budget 2006. These projections are conservative when compared to those issues for the same period by the ESRI and many of the banking institutions. Consequently, the projected size of the current account surpluses are likely to be understated.

Aside from the significant resources currently available, we have outlined earlier in this document that there is scope for the government to collect additional revenue through the creation of a fairer taxation system. Our estimates suggest that standard rating all discretionary tax expenditures would provide the exchequer with an additional €2 billion of income and simultaneously address a clear inequity in the tax system. Similarly, the better management of tax expenditures/reliefs through sustained monitoring and cost benefit analysis assessments can minimise the presence of tax loopholes and consequently provide substantial additional resources which can be directed towards the social priorities we outline above.

Just as Ireland has had to invest substantial resources into upgrading our infrastructure to a level equivalent to other European countries, so too will we have to invest to achieve the levels of fairness and wellbeing present in those countries. CORI Justice Commission believes that the resources are available to do this and that they should be used during the period of the next national agreement to address these deficits.

4. CONCLUSION

As we stated in the introduction to this publication Ireland is changing dramatically. There are major challenges ahead but the resources and the capacity exist to address these challenges. A new national agreement should tackle poverty, inequality and social exclusion and move Ireland towards being a society characterised by fairness and wellbeing. In practical terms this would require the agreement to contain commitments to address Ireland's infrastructure deficits, secure appropriate levels of service provision, ensure everyman, woman and child has sufficient income to live life with dignity, and maximise the participation of all of Ireland's people in their own development and in the development of the wider society.

There has been much progress in Ireland in recent years. But problems persist. Two major challenges must be addressed i.e. the challenges of building a society characterised (a) by fairness and (b) by wellbeing. To meet these challenges Ireland needs a guiding vision to guide policy development. Central to such a vision should be the structuring of society in such a way as to promote right relationships between people, institutions and the environment so that human rights are respected, human dignity is protected, human development is facilitated and the environment is respected and protected.

In this publication CORI Justice Commission has outlined a series of practical proposals on a range of issues aimed at developing such a society and that could be implemented in the years immediately ahead. As always they have been developed within acceptable fiscal parameters. The Commission trusts that these proposals will be engaged with by Government and by other Social Partners in all four pillars of Social Partnership. We recognise that the social partnership arena is not the appropriate place to engage on many issues. However, the proposals outlined here appear to CORI Justice Commission as being within the ambit of social partnership and consequently, it commends them to the negotiators of a new national agreement as being appropriate in addressing key challenges recognised by all those involved in the process of trying to build a fairer future for everyone in Ireland.

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