



Social Justice Ireland

National Social Monitor 2017



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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.

Following several difficult years since the crash of 2008, Ireland is doing very well on a range of fronts. GDP is growing, the number of jobs has increased, our population is rising steadily and challenging fiscal targets have been met.

On the negative side Ireland faces a sustained housing and homelessness crisis, long hospital waiting lists and an ongoing poverty problem. There is growing pressure on public services, compounded by major infrastructure deficits and a lack of public investment.

Ireland now has the opportunity to address the challenges it faces and to make real progress, socially, environmentally and economically. In order to ensure that the benefits of such progress are spread across all sectors of society it is important to measure what matters and take a balanced, integrated and long term approach to policy making. *Social Justice Ireland* presents this National Social Monitor as a contribution to the public debate that is needed on Ireland's future and how Ireland is performing in terms of promoting the wellbeing of all in society.

In this 2017 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. Housing
2. Healthcare
3. Education
4. Rural Development
5. Work
6. Governance and Participation
7. Income Distribution
8. Taxation
9. Environment and Sustainability
10. Global Challenges

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. The monitor highlights areas which require attention and resources.

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.

A prosperous and cohesive society is one which recognises the interdependence of social, economic and environmental priorities.

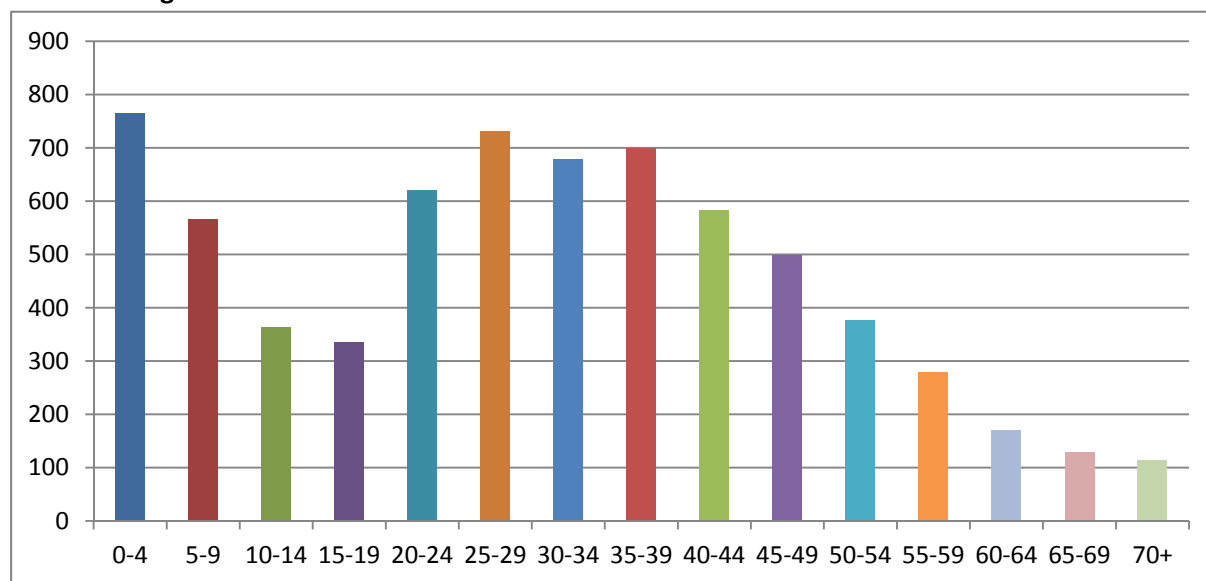
The indicators presented in the following pages show that Ireland has a long way to go to achieve such a vision. But building such a society is possible. It requires recognition of the fact that a future based on the primacy of the market is not likely to be either just or fair and it requires that priority be given to the common good.

Ireland can have a vibrant economy, decent services and infrastructure, just taxation, good governance and sustainability. In order to achieve this we need to make the correct decisions regarding the generation and allocation of resources and implement those policies that can deliver the vibrant society and economy that we want.

In order to deliver on the above we need to debate and decide what kind of society, served by what kind of economy we want in Ireland.

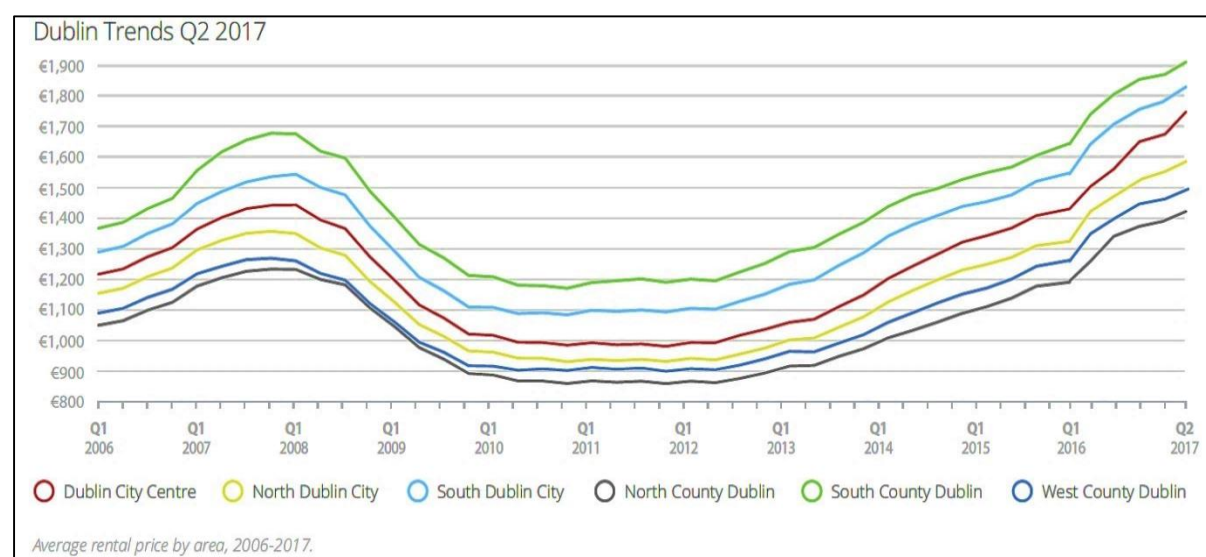
Housing

Chart 1.1: Age Profile of Homeless Persons Census 2016



Source: CSO 2017

Chart 1.2: Rental Trends Dublin (by area) 2006-2017



Source: Daft Rental Price Report, Q2 2017

Housing

The right to appropriate accommodation should be a basic human right recognised and respected by every State. Unfortunately, there is no legal entitlement to housing in Ireland.

The current approach to housing policy in Ireland is not working.

The private sector will never build social housing units on the scale required.

Government must commit to building sufficient social housing units to eliminate the current social housing waiting list. This approach would have the joint benefits of (i) eliminating the social housing waiting list and (ii) significantly reducing the pressure on the private rental sector.

In its *Summary of Social Housing Assessments 2016* the Housing Agency identified 91,600

households which were assessed as qualifying for social housing. Of these, 55 per cent (50,657) were families. The scale of the challenge is evidenced by the fact that 46 per cent of these households have been on the social housing waiting list for four years or more.

The key challenge is to increase the supply of housing generally and of social housing in particular.

The failure of the current approach to housing policy is evident in the rapidly increasing numbers of people who are homeless, and in rental market trends.

Chart 1.1 shows the age profile of homeless persons in Ireland. 1,846 of those homeless in Ireland are under 18 years of age, with 765 of this number children under the age of 4, and a further 565 children aged between 5 and 9 years.

Chart 1.2 outlines the rental market trends in Dublin since 2006. The average rent nationwide has risen by 56 per cent since late 2011 and is now 12.6 per cent above the previous peak in 2008. In Dublin rents are now an average of 18.1 per cent above their previous peak in 2008. From these figures it is obvious that relying on the private rental sector to deliver social housing is not the solution.

Government will never solve the housing problem without substantially increasing the supply of social housing. Increased public investment is required in direct residential construction programmes. In short, Government must expand local authority construction of social housing units.

There is an urgent need to address the issue of how the required increase in social housing is financed. The fiscal rules that set the parameters for each year's budget are blocking Ireland from investing in this essential infrastructure.

(i) Fiscal Rules

Ireland's fiscal commitments under the Fiscal Compact and the Growth and Stability Pact (SGP) should not inhibit Ireland's investment strategy. Government should work at a European level to deliver flexibility within the fiscal rules so that public investment in social infrastructure (in areas such as health, education, social housing and childcare) is excluded from the 3 per cent public deficit threshold in the SGP.

(ii) Special Purpose Vehicle (SPV)

Currently, the Irish Government can borrow substantial sums of money at record low interest rates. Government should put in place an off-balance-sheet mechanism that would access low-cost finance to address the lack of supply of social housing.

There are about 107,000 social housing units owned by Local Authorities and generating rent regularly which could be used as collateral against the loans taken on by an SPV. It should be possible to put together a proposal that meets the Eurostat conditions for an acceptable off-balance-sheet initiative.

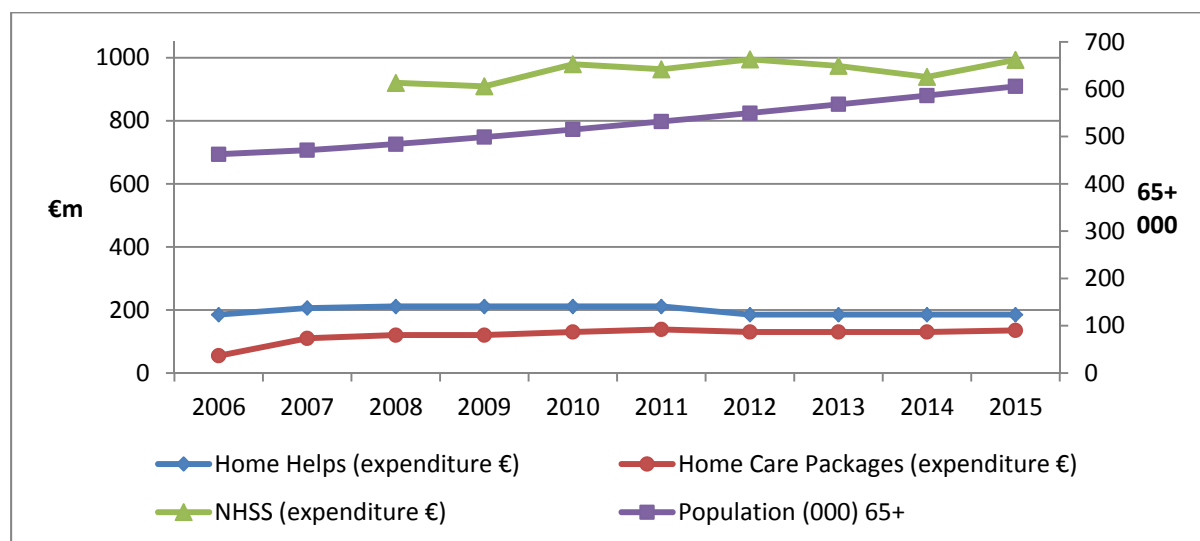
Both of these initiatives would provide the finance for Local Authorities and Approved Housing Bodies to dramatically increase the supply of social housing. This supply is required to stabilise the rental market and enable Ireland to move to a cost-based rental approach.

Policy Priorities

- Government must commit to building sufficient housing units required to eliminate the current social housing waiting list.
- Put a financing structure in place to generate sufficient capital to fund social housing provision by either (i) securing a change to the Fiscal Rules or (ii) establishing a special purpose vehicle.

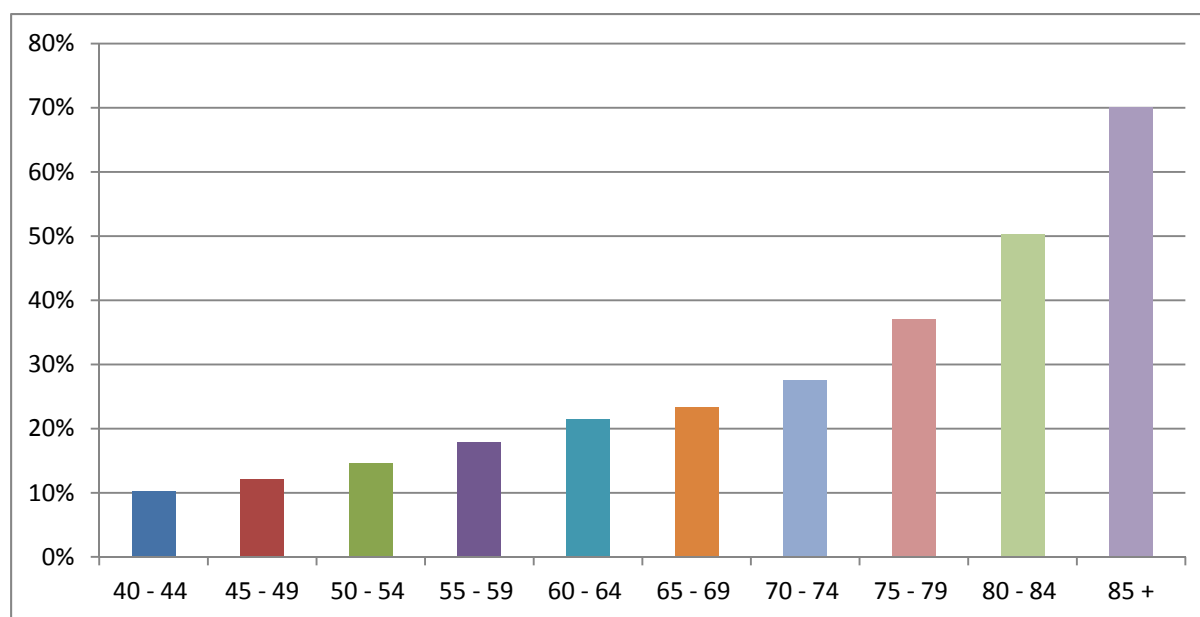
Healthcare

Figure 2.1 NHSS (Fair Deal) and Home Care Funding: 65+ population, 2006-2015



Source: Expenditures, HSE Annual Reports and Review of NHSS Scheme (HSE 2015)

Figure 2.2 Population with a Disability as % of age group (40 years – 85 years +) Ireland 2016



Source: CSO

Demographics

Although Ireland's population is young in comparison to those of other European countries, it is still ageing.

- There were over 626,000 aged 65 and over in 2016 and there will be nearly 1 million by 2031;

- There were 68,000 aged 85 or over in 2016 and there will be some 136,000 of them by 2031.

This level of population ageing will be associated with higher levels of disability and long-term ill-health. Statistics from the Central Statistics Office demonstrate a strong link between disability and increased age (see figure 2.2).

Clearly, significant increases in the numbers of older people are inevitable, particularly the numbers of those who are over 85, and a consequent increase in numbers living with a disability or long-term illness can be anticipated. This requires planning and investment, combined with a greater shift towards primary and community services as a principal means of meeting patient needs.

With this in mind it is important that there is continuity of care and service between home care services and disability services.

Community Care and Home Care

Support for people to remain in their own homes is a key and appropriate policy objective and coincides with the wish of older people. *Social Justice Ireland* is seriously concerned that adequate funding is not being provided to address the ageing of the population that will result in a steady increase in older people and people with disabilities accessing services.

Approximately 60 per cent of the budget for supports for older people is spent on long-term residential care, however only about 4 per cent of people over 65 live in long-term residential care settings.

It is clear that resources are needed to ensure proper supports are available for the 96 per cent of people over 65 who do not live in long-term residential care. With our growing and ageing population this means acknowledging that the amount of funding required for home care and social care will gradually increase over time.

A well-developed, co-ordinated and integrated approach to the management of older people's needs is proven to reduce referrals to long-term residential care. However, formal home care funded by the State in Ireland is considered low by comparison with other countries.

Figure 2.1 shows there were fewer people in receipt of Home Help support in 2015 than there had been in 2008 and there were some 2.24 million fewer hours delivered. The number of people in receipt of Home Care Packages has grown but, as illustrated in figure 2.1, the funding for this scheme has been largely static and the average value of each package has fallen.

This information is indicative of the reduced resources across these key areas of service provision at a time of an increasingly elderly population. The provision of community-based service, albeit at lower capacity over the past 5-6 years, has stretched services as far as possible in order to match need.

Supports that enable people to live at home need to be part of a broad, integrated approach that ensures appropriate access to, and discharge from, acute services. To achieve this, deficits in infrastructure need to be addressed urgently with 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 with consequent negative effects on acute services and unnecessary stress on people and their families.

A commitment to supporting people at home is only aspirational if funding is not provided for home help services, day care centres and home care packages. These are the very areas which must be the subject of investment to address population ageing.

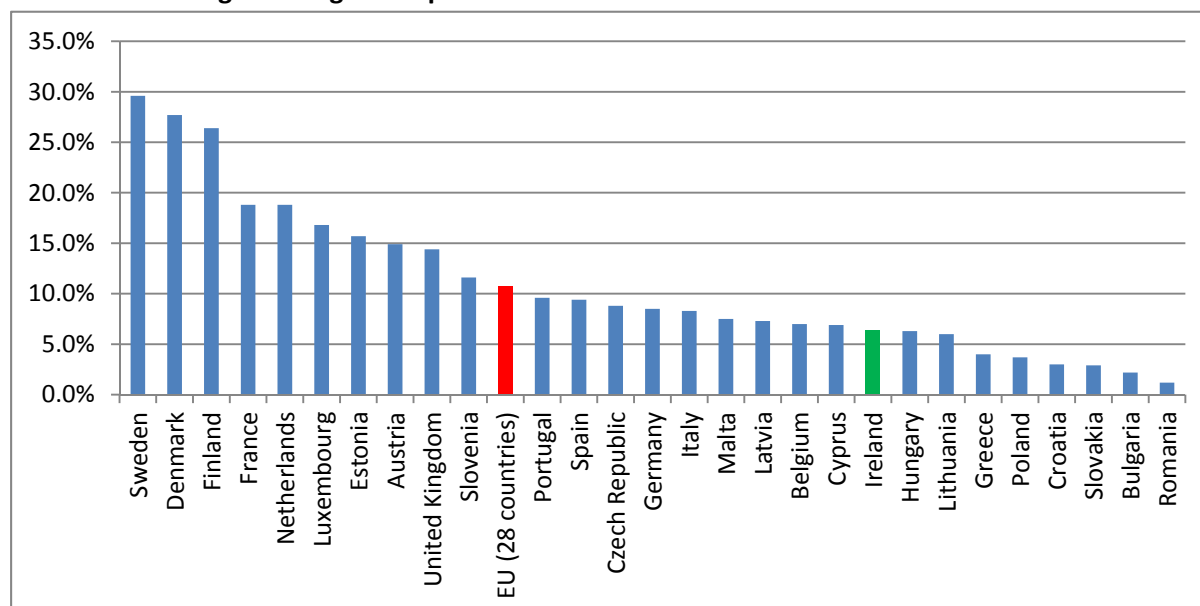
An open and transparent debate on the funding of healthcare services is needed, acknowledging the enormous financial expenditure on healthcare. Ireland must decide what services are required and how these should be funded and prioritised.

Policy Priorities

- Create a statutory entitlement to a Home Care Package. This will require increased funding, but may save the State money long-term, as HCPs allow people to remain living in their own homes, rather than entering residential nursing care.
- Create additional respite care and long-stay care facilities for older people and people with disabilities, and provide capital investment to build additional community nursing facilities.
- Institute long-term planning and investment in the sector, acknowledging the impending demographic changes in Ireland.

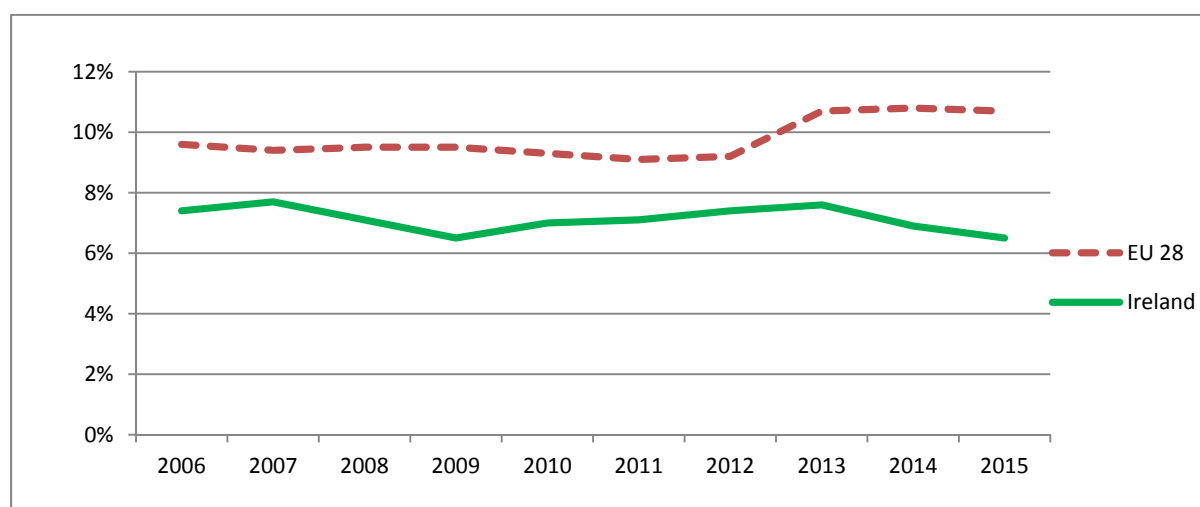
Education

Chart 3.1: Lifelong Learning Participation Rates EU28 – 2016



Source: Eurostat

Chart 3.2: Lifelong Learning Participation Rates EU 28 and Ireland, 2006 – 2015



Source: Eurostat

Education and adult learning

Education and adult learning are important drivers of economic, social and individual development.

Given current trends towards globalisation, as well as technological advancements, a failure to invest in education, skills development, and lifelong learning could

result in high levels of both vacant jobs and unemployment.

Educational success is now about creative and critical approaches to problem solving and decision making, and applying the knowledge that we have to different situations. It is about the capacity to live in a multifaceted world as an active and engaged citizen.

Lifelong Learning

Skills are the currency of the modern global knowledge-based economy. Access in adult life to desirable employment and choices is closely linked to one's level of educational attainment. As the earnings premium and earnings rewards enjoyed by those who have completed higher education rise with age, so too does the earnings disadvantage for those who have not completed upper secondary education. In this context, lifelong learning and community education are vitally important and require on-going support.

Lifelong learning is defined as formal, non-formal, and informal learning for improving basic skills, obtaining new qualifications, upskilling, or re-skilling for employment. Ireland's participation rates in lifelong learning do not compare well with other European countries, a trend which remains little changed over time (see charts 3.1 & 3.2).

An analysis of Ireland's lifelong learning participants reveals further inequities, with just 7 per cent of participants having qualifications of lower secondary or less, and 59 per cent of participants having a third level qualification.

People who already have a 3rd level qualification are four times more likely to be engaged in upskilling than those with lower secondary or less¹. In addition, three times as many people in professional occupations engage in lifelong learning compared to operatives or elementary grades. These are the people who are most likely to be in vulnerable precarious employment and need to reskill / upskill.

The National Skills Strategy 2025 commits to promoting and supporting lifelong learning, particularly in the workplace. A focus on lifelong learning and the promotion of skills is a very welcome development when people

now 'work for life' rather than have a 'job for life'. Participating in lifelong learning has also been shown to be of benefit to people's personal development, mental health and resilience.

One of the barriers to lifelong learning is the lack of any grant aid for part time learners. There is a need to put suitably means tested supports in place to encourage people on low incomes to improve their skills.

Adult learning opportunities

Expanding non-formal adult learning and community education opportunities is a very effective measure that will assist those groups who are furthest from the labour market to gain the skills and confidence necessary to participate fully in society and to take advantage of employment and training opportunities.

It is important to equip people with the skills they need to adapt to changing economic and social conditions throughout their lifetime

It is essential that sufficient resources are allocated to the National Skills Strategy on a multiannual basis. An adequately resourced lifelong learning and adult skills strategy is an opportunity to provide people with opportunities to upskill throughout their working life and contribute to a strategy to combat labour market polarisation.

Policy Priorities

- Commit to reach the lifelong learning target set out in the National Skills Strategy and ensure sufficient resourcing of the strategy.
- Set an ambitious adult literacy target and ensure sufficient resourcing of adult literacy and second chance education programmes through SOLAS.

¹ <http://www.skillsireland.ie/Publications/2016/Lifelong-Learning-Report-2016-Web-Final.pdf>

Rural Development

Chart 4.1: Age Dependency by County 2016

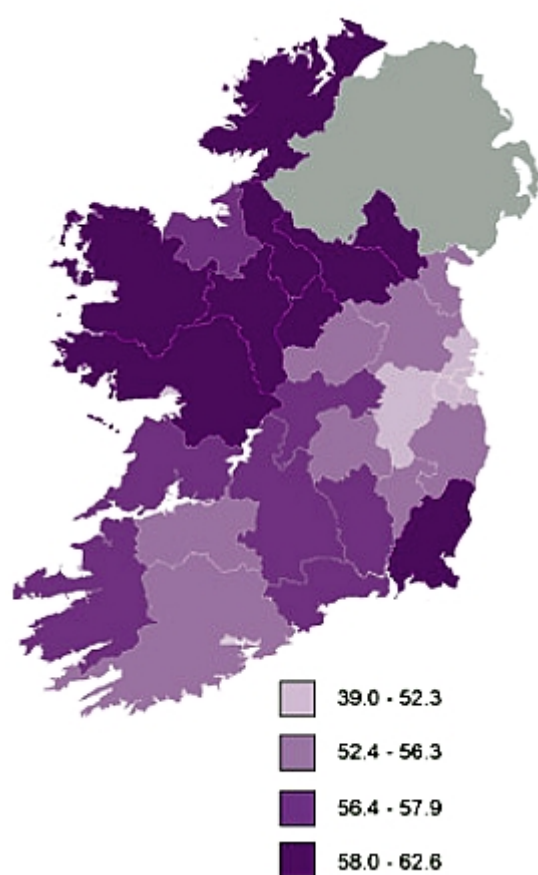
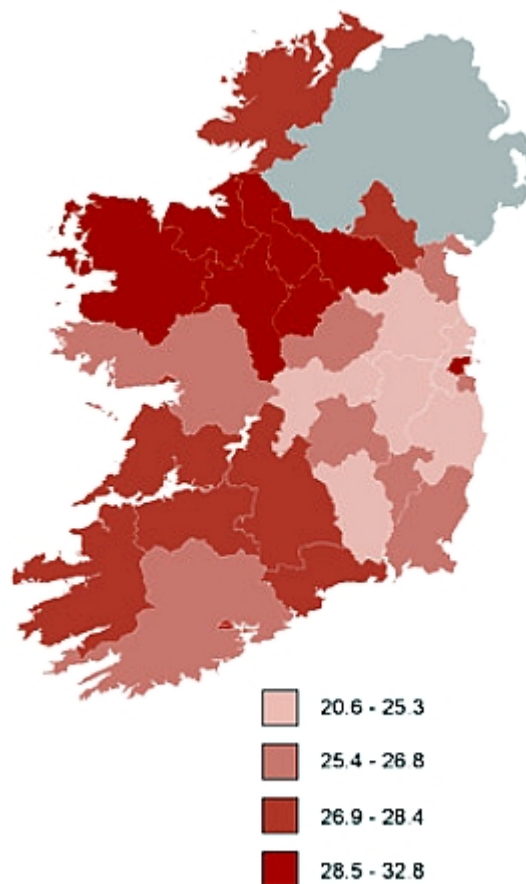
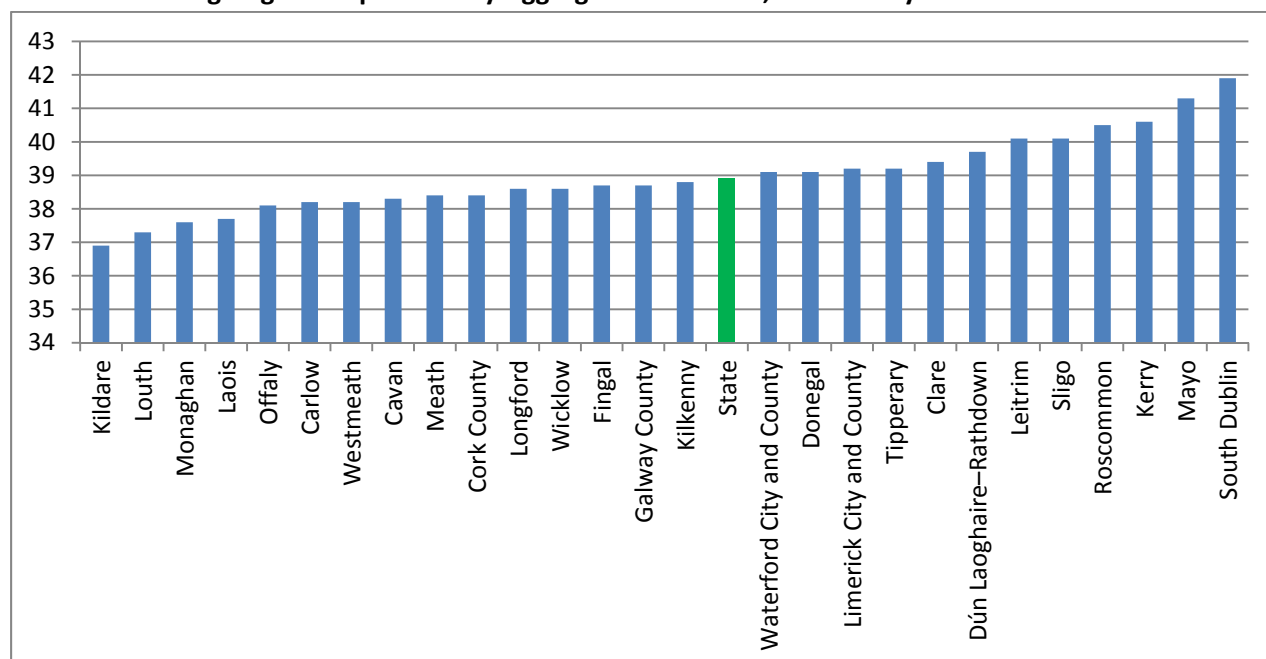


Chart 4.2: % persons aged 65+ Living Alone 2016



Source: CSO, Census 2016

Chart 4.3: Average Age of Population by Aggregate Rural Area, and County 2016



Source: CSO, Census 2016

Rural Areas

The results of the 2016 census contain some very interesting information regarding the changing age profile of rural areas in Ireland. The difference in average age between rural and urban areas increased between 2011 and 2016. In 2016 the average age of the population living in rural areas was 2.4 years older than the population in urban areas.

In terms of population Dublin grew by 5.8 per cent, Cork grew by 4.6 per cent, and Galway City by 4.2 per cent between 2011 and 2016. In contrast the population of Donegal fell by 1.2 percent and Mayo fell by 0.1 per cent.

Age dependency and demography

The decline in persons aged 19 to 25 years in rural areas, as young adults move away to study and work, is a strong feature of the rural population. Chart 4.1 shows the age dependency per county in 2016. Dependency ratios are used to give a useful indication of the age structure of a population with young (0-14) and old (65+) shown as a percentage of the population of working age (15-64).

The total dependency ratio for Ireland increased from 49.3 per cent in 2011 to 52.7 per cent in 2016. The number of people aged 65 and over increased at a rate more than double that of the 15-64 age group between 2011 and 2016. Leitrim had the highest dependency ratio of any county at 62.6 per cent, closely followed by counties Mayo (61.0 per cent), Roscommon (60.8 per cent) and Donegal (60.5 per cent).

Chart 4.2 shows older people living alone as a percentage of private households per county. The highest numbers are concentrated in cities, the west and border regions with the lowest numbers in Dublin commuter counties. Over one third of persons aged 75 and over live alone while almost 45 per cent of persons aged 85 and over also live alone. These figures highlight the need to align and adapt our health policy

to a population that is living longer (discussed further in Healthcare). The age dependency ratio and the proportion of older people living alone have significant implications for the design and delivery of public services, particularly in rural areas.

Provision of services

Decisions need to be made regarding the provision, level and delivery of public services in rural areas and the regions, including the level of investment needed in areas such as childcare, in care for adult dependents, services for older people, and in public transport.

The inadequate provision of public services in rural areas in the context of a falling and ageing population is a cause for concern. As already outlined the population in many rural areas has become dominated by those who are more reliant on public services (the elderly, children and people with disabilities).

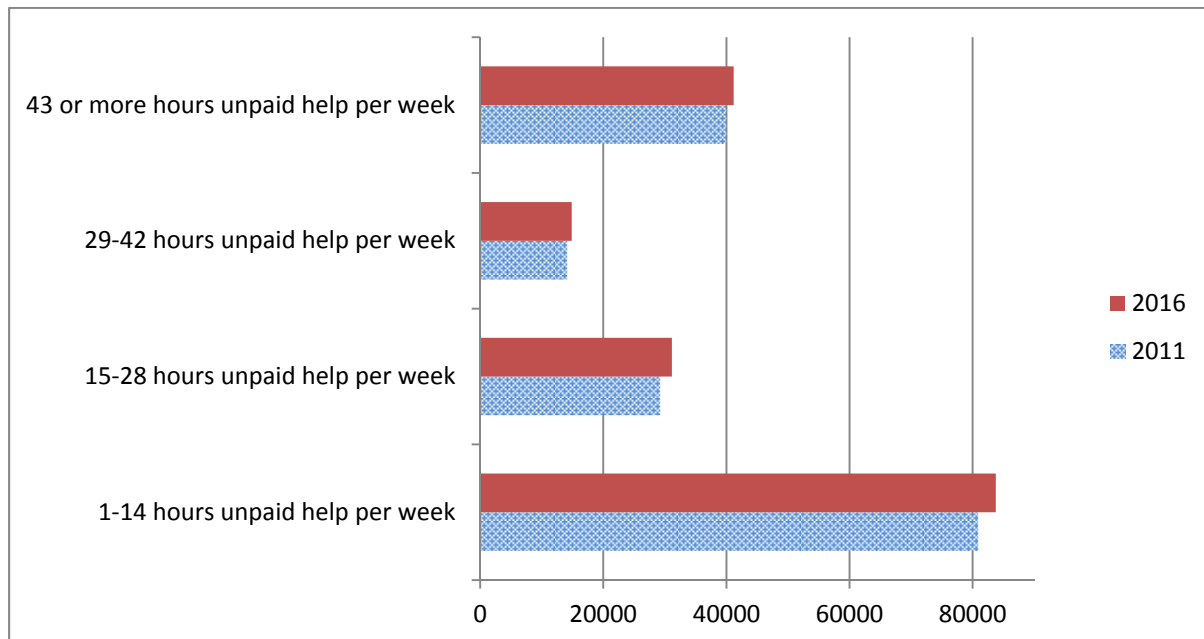
Some European countries adopt the equivalence principle for the provision of services in rural areas – meaning that these countries accept and endeavour to ensure that public services in rural areas should be of an equivalent quality to those in urban areas. *Social Justice Ireland* proposes that this would be a useful guide for investment in an Irish context.

Policy Priorities

- Adopt the equivalence principle as a guide for the design and delivery of public services in rural areas and the regions.
- Ireland 2040 and future regional and rural policies should be guided by demographic trends.
- Ensure sufficient public investment is available for public services. The rollout of broadband is crucial to enable access to public services online.

Work

Chart 5.1: Unpaid Help provided by Carers 2011 and 2016



Source: CSO, Census 2016

Table 5.1: Age Profile of Carers in Ireland 2016

Age	Number of Carers
5 - 9 years	948
10 - 14 years	2,165
15 - 19 years	4,228
20 - 24 years	5,119
25 - 29 years	6,517
30 - 34 years	10,610
35 - 39 years	16,881
40 - 44 years	22,858
45 - 49 years	27,808
50 - 54 years	28,703
55 - 59 years	23,578
60 - 64 years	15,850
65 - 69 years	11,037
70 - 74 years	7,813
75 - 79 years	5,375
80 - 84 years	3,310
85 years and over	1,776

Source: CSO, Census 2016

The Work of Carers

The work of Ireland's carers receives minimal recognition despite the essential role their work plays in society. Unpaid carers account for 4.1 per cent of the population in Ireland, equating to 195,263 people. Every year carers contribute thousands of hours of unpaid work to the economy. The scale of these commitments and the age profile of carers are detailed in chart 5.1 and table 5.1.

This commitment saves the state large costs that it would otherwise have to bear. According to Family Carers Ireland¹, family carers provide €10 billion of unpaid care hours to the state each year. At present one in twenty people in Ireland today is a family carer. Family Carers Ireland predict that this will rise to one in five by 2030 based on demographic projections. This neglected policy area requires immediate attention.

Chart 5.1 outlines the number of unpaid care hours provided by people every week, and this has increased in every category between 2011 and 2016. Just under 1 in 10 people aged 50-54 were providing unpaid care in 2016. The scale of these commitments is evidenced by the fact that 114,883 people provide up to 28 hours unpaid care every week. The dominant caring role played by women is also apparent, highlighted by the fact that 60.5 per cent of all care providers in Ireland are female.

Table 5.1 gives an age profile of Ireland's carers. Strikingly 7,341 carers in Ireland are under 19 years of age, and 8,685 are aged between 75 and 85 years of age. The burden of unpaid care is evident across all age groups.

Policy developments

Social Justice Ireland welcomed the long overdue publication of a *National Carers Strategy* in July 2012. The document included a 'roadmap for implementation' involving a suite of actions and associated

timelines, and identifies the Government Department responsible for their implementation. However, these actions were confined to those that could be achieved on a **cost neutral basis**.

Various progress reports of the strategy have been published to date and point towards some progress on the actions set out. However, these are, as a group, limited given the unwillingness of Government to allocate sufficient resources to supporting those in this sector. It is simply unacceptable in light of current rates of economic growth and demographic trends and projections available to Government that significant additional resources have not yet been allocated to this strategy. Our population is ageing, and ageing is associated with increased rates of disability which in turn will require increased hours of care.

Social Justice Ireland believes that further policy reforms should be introduced to reduce the financial and emotional pressures on carers. In particular, these should focus on addressing the poverty experienced by many carers and their families alongside increasing the provision of respite care for carers and for those for whom they care. In this context, the 24 hour responsibilities of carers contrast with the improvements over recent years in employment legislation setting limits on working-hours of people in paid employment.

Policy priorities

- Significantly increase the resources allocated to the National Carers Strategy.
- Introduce policy reforms to reduce the financial and emotional pressures on carers. In particular, these should focus on addressing the poverty experienced by many carers and their families, and increasing the provision of respite opportunities to carers and to those for whom they care.

¹ <https://familycarers.ie/?s=Budget+2018+submission>

Governance and Participation



Good Governance

People have a right to participate in shaping the decisions that affect them and in developing and moulding the society in which they live.

Ireland is a member of the Open Government Partnership which seeks to “make the State ever more transparent, ever more accountable and ever more inclusive in how it reaches decisions.” The current plan¹ commits to:

- Increased Citizen Engagement, to improve policies and services;
- Increased Transparency, to better understand government activities and decisions;
- Open Data, for transparency and innovation; and
- Anti-Corruption and Strengthened Governance and Accountability, to ensure integrity in public life.

Social Justice Ireland welcomes the plan but notes that full implementation requires constant monitoring and engagement.

Reforming governance and widening participation must be an integral part any real recovery. *Social Justice Ireland* believes the



three principles below should receive immediate priority.

Deliberative Democracy

A deliberative decision-making process is one where all stakeholders are involved in the framing, implementing, and evaluating of policies and measures that impact on them. *Social Justice Ireland* believes that Ireland’s future must be founded on a commitment to deliberative democracy where decisions about what kind of society and economy Ireland wants are founded upon reasoned, evidence-based and enlightened debate, and in which decisions taken by government are justified and acceptable to the public.

The Public Participation Networks (PPNs) in every City / County are currently providing an opportunity for real engagement between people and their Local Authorities. Approximately 12,000 volunteer-led groups are members of 31 local PPNs. Their role is to bring the voices of the community to the table. However, for this to succeed, it is essential a) to build the capacity of PPNs in policy work and b) that Local Authority staff have a full understanding of the benefits of public participation and are active in supporting PPNs across all their sections. *Social Justice Ireland* recommends an increase in the budget for PPNs nationally, and

¹ <http://www.ogpireland.ie/national-action-plan-2/>

continued support for their development right across Government and its agencies.

Social Dialogue

Short-term initiatives such as the Presidents Ethics Initiative, the Constitutional Convention and Citizens Assembly are welcome but need to be mainstreamed and reach all sections of Irish Society. The National Economic Dialogue is held over 1.5 days in summer. The objective is to facilitate open discussions on the competing economic and social priorities facing the Government. Representatives from the Oireachtas, business, unions, research institutes, the academic community, voluntary and environmental groups and the diaspora are invited.

Social Justice Ireland welcomes this approach, but contends that such a single brief event is inadequate to maximise the potential of the deliberative approach. We recommend that Government should convene such a forum on a regular basis, extending its scope from budgetary matters to social, cultural, environmental and sustainability issues also.

Reformed Policy and Budgetary Evaluation

There were many instances of poor, or non-existent, policy evaluation during the past decade. *Social Justice Ireland* welcomes the steps taken by Government to increase their research and evaluative capacity. However, we believe that Government should also take further steps to increase the transparency of budgetary and other important decisions, which are often opaque.

It is imperative that the monies available are spent strategically, and in a way which genuinely addresses disadvantage and poverty, and enhances social capital, active citizenship and participation. For this to happen, decisions must be transparent and based on evidence rather than the demands of vested interests. The recent introduction

of the Lobbying Register has made some welcome steps in this direction.

In any budgeting process it is vital that the impact of different options on all sections of society is projected. Budget proofing should be an integral part of all future Budgets in Ireland including those of Local Authorities. This means that efforts must be made at policy level to ensure the desired outcomes are achieved. This, in turn, requires resources and commitment particularly from the Government of the day but it should also be a priority for all Local Authorities and State agencies.

We note the establishment of an Oireachtas Committee to address these issues, but much more remains to be done. We are still awaiting the “fully resourced independent Budget Office” which was promised in the Programme for Government.

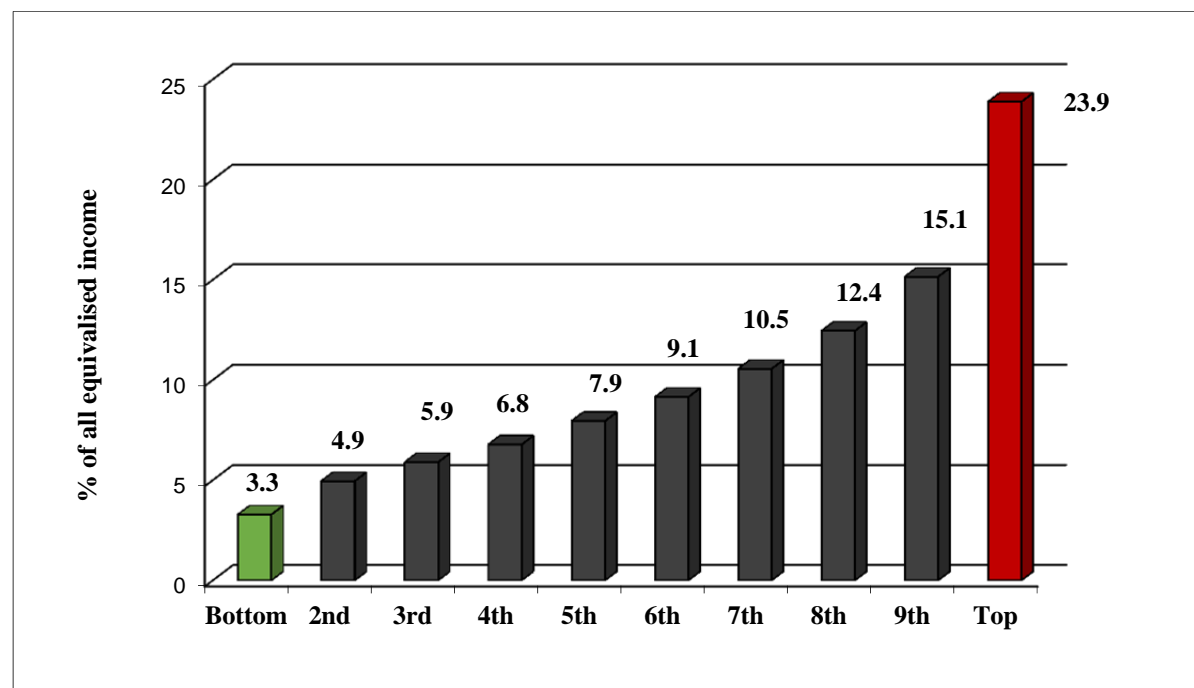
Social Justice Ireland recommends that Government and the Oireachtas take immediate steps to comprehensively, and effectively, address the dearth of openness and engagement, and put in place effective measures to restore public trust in the budgetary process.

Policy Priorities

- Continue to resource and develop the Public Participation Networks as a key mechanism for engagement with Local Authorities.
- Develop further opportunities for social and deliberative dialogue covering economic, social, cultural and environmental issues.
- Increase the transparency and accountability of the Budgetary process at both national and local levels, including the availability of an Independent Budget Office and Participatory Budgeting.

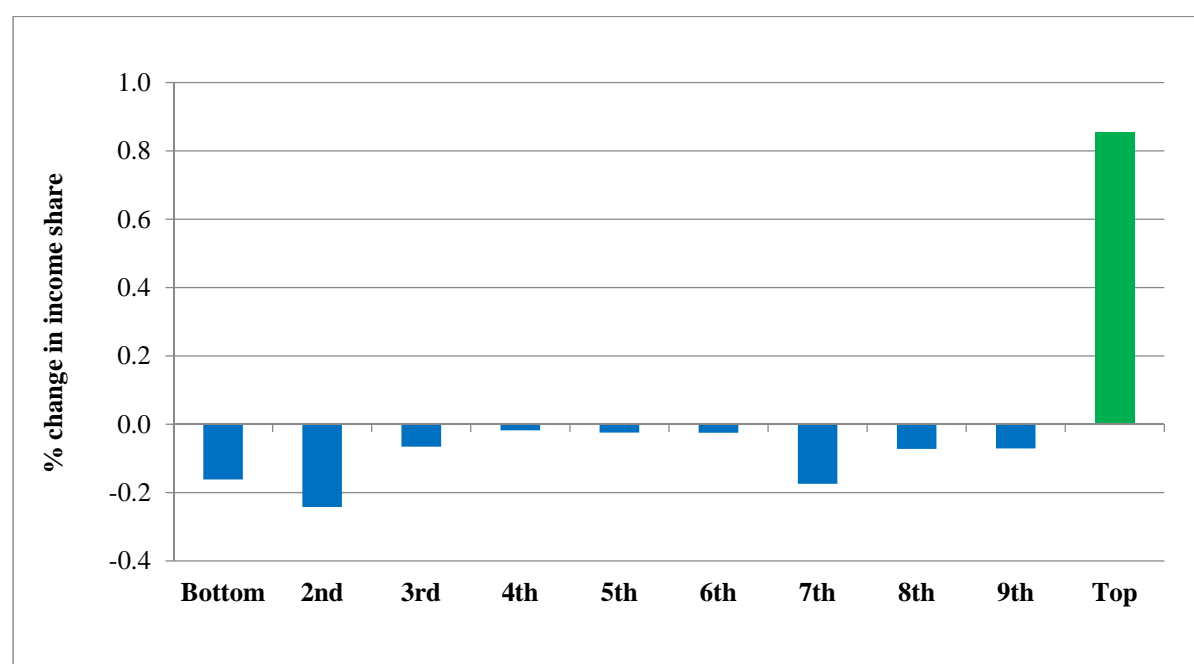
Income Distribution

Chart 7.1: Ireland's Income Distribution by 10% (decile) group, 2015



Source: CSO SILC 2017

Chart 7.2: Change in Ireland's Income Distribution, 1987-2015



Source: Calculated using data from Collins and Kavanagh (2006:156) and CSO (2017)

Income distribution

The persistence of high rates of poverty and income inequality in Ireland requires greater attention than they currently receive. The purpose of economic development should be to improve the living standards of all of the population.

The most recent data on Ireland's income distribution, from the 2015 SILC survey, is summarised in chart 7.1. It examines the income distribution by household deciles starting with the 10 per cent of households with the lowest income (the bottom decile) up to the 10 per cent of households with the highest income (the top decile). It measures **disposable income** which captures the amount of money available to spend after receipt of any employment/pension income, payment of all income taxes and receipt of any welfare entitlements.

In 2015, the top 10 per cent of the population received almost one quarter of the total income while the bottom decile received just over 3 per cent. Collectively, the poorest 60 per cent of households received a very similar share (38 per cent) to the top 20 per cent (39 per cent). Overall the share of the top 10 per cent is more than 7 times the share of the bottom 10 per cent.

Trends over time

Overall, across the period 1987-2015 income distribution is very static. Chart 7.2 examines the change in the income distribution over the intervening years. While a lot changed in Ireland over that period, income distribution did not change significantly; the decile variations are all small. However, within the period there were some notable changes, with shifts in distribution towards higher deciles in the period 1994/95 to 2007.

Compared with 1987, only one decile, the top decile, saw its share of the total income distribution increase. The increase, albeit

small (+0.85 per cent), comes at the expense of cumulative decreases for all other deciles.

What charts 7.1 and 7.2 highlight is an ongoing trend of deeply unequal distribution of direct income with an over reliance on social transfers to address this. Without the social welfare system almost half of the Irish population (46.3 per cent) would have been living in poverty in 2015.

If we wish to address and close these income divides, Government policy must prioritise those at the bottom of the income distribution. Otherwise, these divides will persist for further generations and perhaps widen.

Tackling high rates of poverty and inequality effectively is a multifaceted task. It requires action on many fronts, ranging from healthcare and education to accommodation and employment. However, the most important requirement in tackling poverty is the provision of sufficient income to enable people to live life with dignity. No anti-poverty strategy can possibly be successful without an effective approach to addressing low incomes.

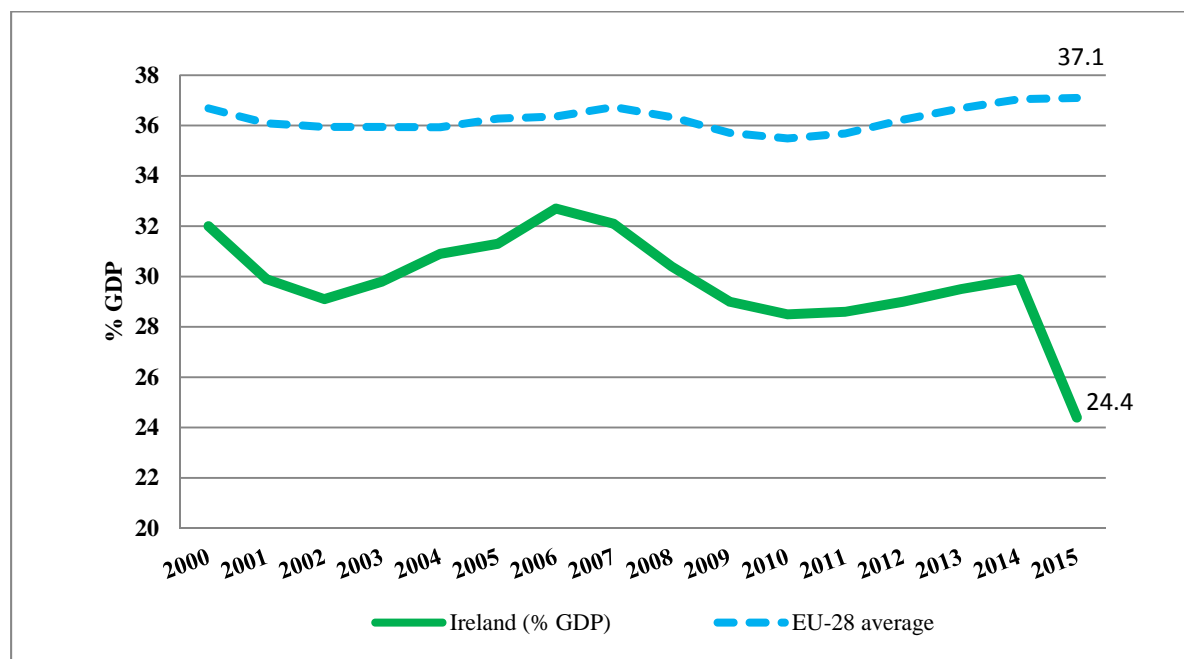
The new National Anti-Poverty Strategy due to be published in 2018 should focus on policies to reverse this trend.

Policy Priorities

- Acknowledge that Ireland has an on-going poverty problem and set a goal of eliminating poverty in the course of a single five-year Dáil term.
- Carry out in-depth social impact assessments prior to implementing proposed policy initiatives.
- The objective of the new National Anti-Poverty Strategy should be to reverse the persistent trend of income inequality.

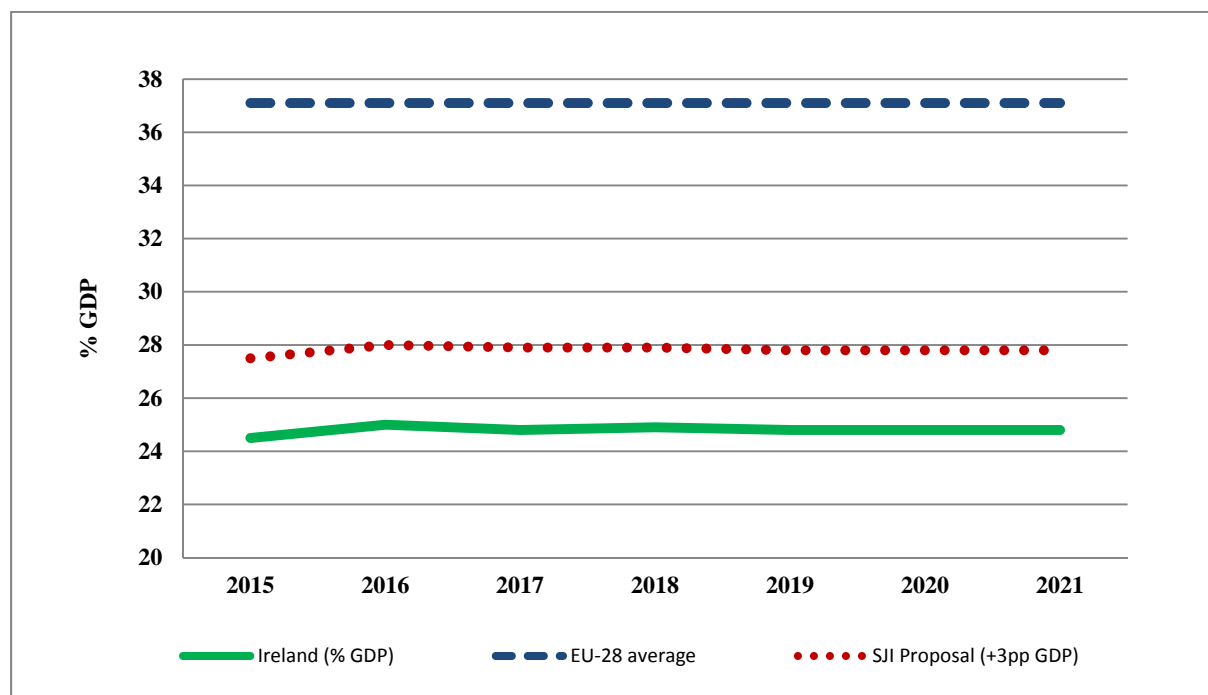
Taxation

Chart 8.1: Trends in Ireland and EU-28 overall taxation levels, 2000-2015



Source: Eurostat online database

Chart 8.2: Ireland's Projected Taxation Levels to 2021 and comparisons with EU-28 average and *Social Justice Ireland* proposed increase of 3 percentage points of GDP.



Source: Calculated from Eurostat and Department of Finance

Note: EU-28 average was 37.1% GDP in 2015 and this value is used for all years.

Taxation

Taxation plays a key role in shaping Irish society through funding public services, supporting economic activity, and redistributing resources to enhance the fairness of society. Consequently, it is crucial that clarity exist with regard to both the objectives and instruments aimed at achieving these goals.

Taxation trends

The most recent comparative data on the size of Ireland's total tax-take has been produced by Eurostat and is outlined in chart 8.1. The figure for 2015 shows a significant drop in Ireland's tax take as a proportion of national income, as a result of the effect of multinational company restructuring on Ireland's national accounts. Prior to this effect, Ireland's tax to GDP ratio stood at 30.5 per cent; still some way below the EU average.

Ireland's overall tax take has remained notably below the EU average over recent years, with the 2015 value representing a record low. The increase in the overall level of taxation between 2002 and 2006 can be explained by short-term increases in construction related taxation sources (in particular stamp duty and construction related VAT) rather than any underlying structural increase in taxation levels.

Social Justice Ireland believes that, over the next few years, policy should focus on increasing Ireland's tax-take. In the absence of a robust measure of national income, it is difficult to propose a measure fixed as a percentage of GDP. However, given the historically low levels of taxation reported in Chart 8.1 we believe an increase in the overall tax-take is more than feasible. For example, raising the overall tax-take by three percentage points would represent a small overall increase and one which is unlikely to have any significant negative impact on the economy in the long term. The average yield from such an increase would average €9bn

per annum in additional taxation revenue between now and 2021.

Using Department of Finance projections on taxation, Chart 8.2 highlights just how far below average EU levels (assuming these remain at the 2015 level of 37.1 per cent of GDP) and the *Social Justice Ireland* target (an increase of 3 percentage points to 27.9 per cent of GDP) Government's planned taxation revenue figures are.

Social Justice Ireland believes that, over the next few years, policy should focus on increasing Ireland's tax-take.

Future taxation needs

Government decisions to raise or reduce overall taxation revenue need to be linked to the demands on its resources. New future taxation needs (such as servicing the national debt and ensuring our public services can adapt and meet the demands of changing demographics), are in addition to those that already exist for funding local government, repairing and modernising our water infrastructure, paying for the health and pension needs of an ageing population, paying EU contributions, and funding any pollution reducing environmental initiatives that are required by European and International agreements.

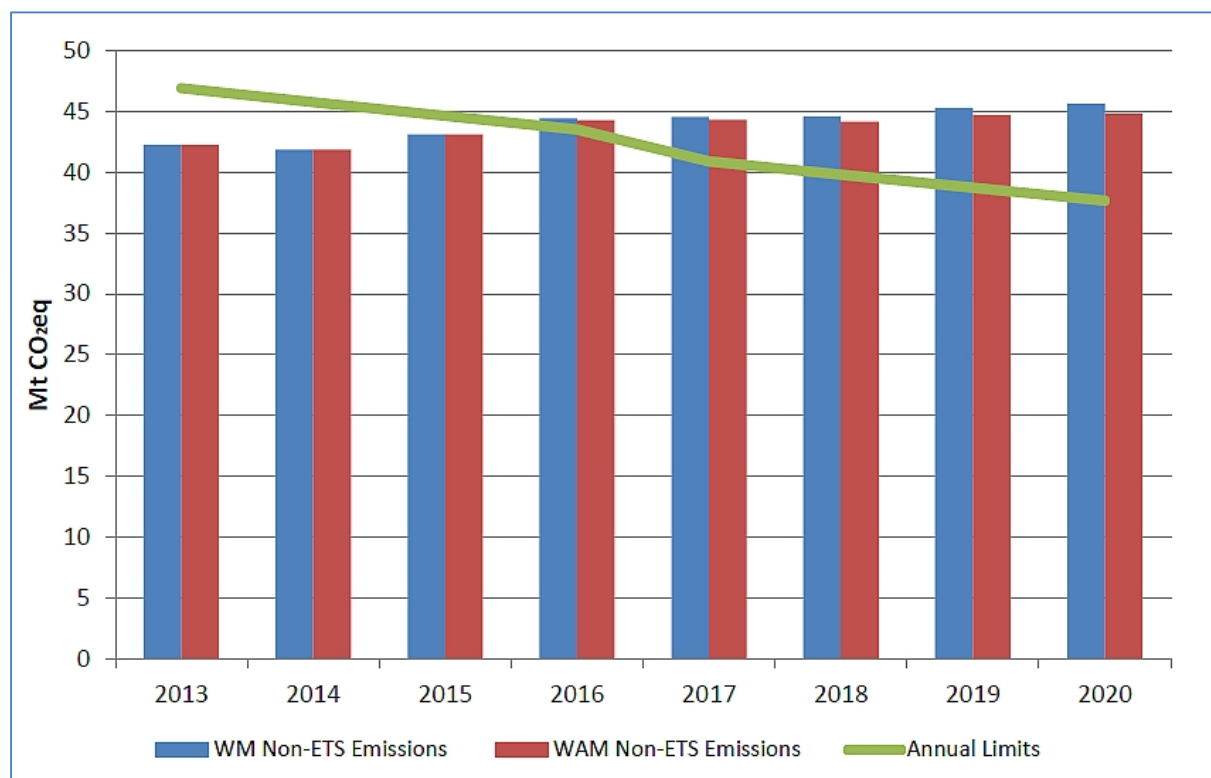
Collectively, they mean that Ireland's overall level of taxation will have to rise significantly in the years to come – a reality Irish society and the political system need to begin to seriously address. We will never bridge the social and economic infrastructure gaps unless we gather a larger share of our national income and invest it in building a fairer and more successful Ireland.

Policy Priorities

- Increase the overall tax take by 3 percentage points of GDP by 2021.
- Adopt policies to broaden the tax base and develop a fairer taxation system.

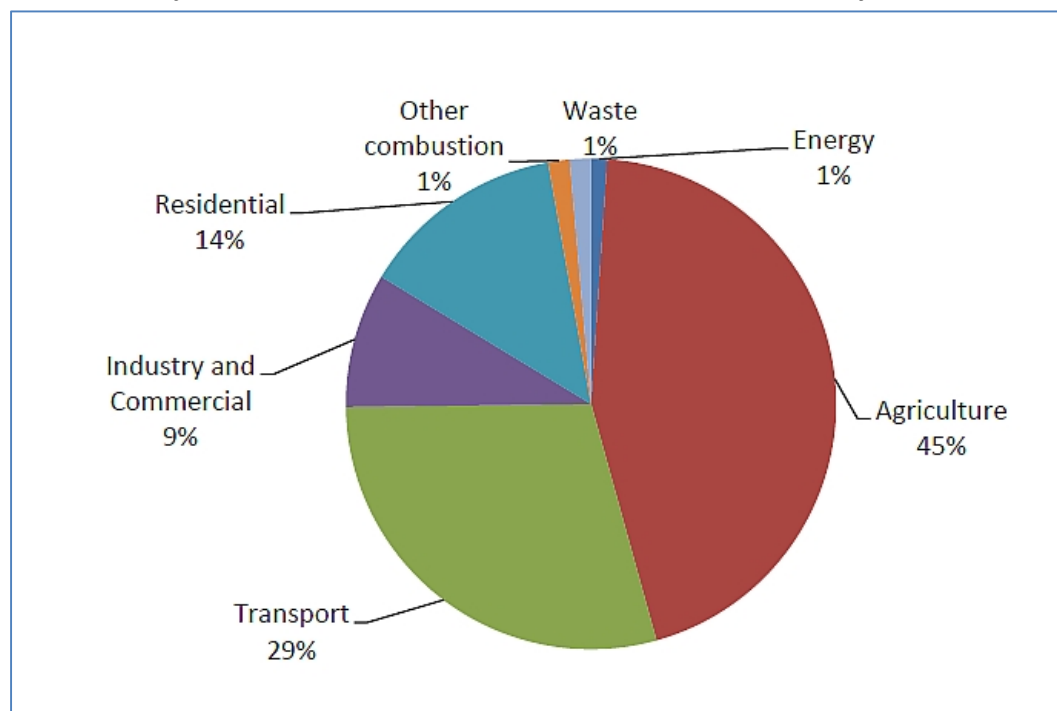
Environment and Sustainability

Chart 9.1: Greenhouse Gas Emissions Projections to 2020



Source: EPA, Ireland's Greenhouse Gas Emissions Projections 2016-2035

Chart 9.2: Projected Sectoral Breakdown Greenhouse Gas Emissions by 2020*



Source: EPA, Ireland's Greenhouse Gas Emissions Projections 2016-2035

* Non ETS Greenhouse Gas Emissions With Additional Measures Scenario

Environment

Careful stewardship of Ireland's natural resources is required to ensure the long term health and sustainability of our environment. Unsustainable use of natural resources is one of the greatest long-term threats to humankind. It is crucial, therefore, that Ireland meets the challenges of responding to climate change and protecting our natural resources and biodiversity with policies that are based on scientific evidence and protecting the common good.

Climate change

The impact of climate change and extreme weather events is one of the key environmental risks in Ireland's *National Risk Assessment 2016*. Among the predicted adverse impacts of climate change for Ireland are an increase in intensity of storms; sea level rise; increased likelihood and magnitude of river and coastal flooding; and adverse impacts on water quality¹. The increased incidence of flooding in Ireland, particularly in 2009, 2015 and 2017, highlight the impact of climate change and changing weather patterns.

The recently published National Mitigation Plan does not contain the ambitious policies and targets required to meet the challenge we face. Climate commitments must be at the heart of government policy. Without this, Ireland will remain unprepared for upcoming challenges and will be faced with the substantial cost of dealing with the impacts of climate change and the irreversible loss of our natural resources.

The commitments that Ireland has signed up to with COP21 (Paris Accord) mean that clear targets are required to ensure that Ireland meets its international commitments to reduce emissions. It is disappointing that

such targets and policies are not evident in the National Mitigation Plan.

Emissions

Ireland's emissions profile is dominated by emissions from the agriculture, transport and energy supply sectors (see chart 9.2). Transport and agriculture represent the most intractable sectors in relation to carbon offsets and emissions mitigations.

At a national level there appears to be a strong degree of policy incoherence in pursuing policies such as Food Harvest 2020 and Food Wise 2025, and the increase in emissions that this will yield, whilst simultaneously committing to international targets for sustainable development and emission reduction.

Ireland is projected to overshoot its emissions targets in 2016 (see chart 9.1). The increased emissions from both agriculture and transport mean that Ireland will be subject to fines for not meeting our European targets. In addition to the immediate financial costs of missing our 2020 targets (potential costs expected in the range of €140m to €600m (DPER, 2014)), the potential social, economic and environmental impacts of climate change are immense and their cost must also be taken into account. The recent flooding event in the North West is a stark example of this.

Policy Priorities

- Set ambitious emissions reduction targets for 2030 and ensure sufficient resources to support implementation of these targets.
- Ensure our climate mitigation plans support implementation of ambitious emissions reduction targets.
- Develop and promote sustainable transport and agriculture practices to reduce Ireland's emissions.

1

<http://www.epa.ie/pubs/reports/research/climate/EPA%20159%20Ensemble%20of%20regional%20climate%20model%20projections%20for%20Ireland.pdf>

Global Challenges

Figure 10.1: Sustainable Development Goals



Source: United Nations (<http://www.globalgoals.org/>)

Figure 10.2: Sustainable Progress Index EU 15 - 2014

Country	SPI Score 2014	Rank 2014
Sweden	72.66	1
Denmark	68.42	2
Germany	63.21	3
Finland	60.22	4
Netherlands	59.13	5
Luxembourg	56.64	6
United Kingdom	55.53	7
Austria	54.86	8
Belgium	51.21	9
France	50.94	10
Ireland	43.46	11
Spain	35.20	12
Portugal	30.94	13
Italy	27.52	14
Greece	20.75	15

Source: Social Justice Ireland, 2017

Global Challenges

The Global Goals for Sustainable Development (SDGs) were adopted at the UN General Assembly on 25th September 2015 and came into effect on 1st January 2016. These goals make up the 2030 Sustainable Development Agenda which is defined as a 'plan of action for people, planet and prosperity'.

The SDGs commit countries to achieving sustainable development in its three dimensions – economic, social and environmental – in a balanced and integrated manner. To ensure these three dimensions are valued equally, new measures of progress will be required to ensure that economic progress does not come at the price of social or environmental progress, which has so often been the case to date.

This will require a move beyond Gross Domestic Product (GDP) as the sole indicator of progress, and developing new indicators to measure progress in areas such as well-being, decent work, sustainable communities, strong institutions and the quality of life on land and life below water.

The SDGs present a challenge for Ireland. The challenge lies in setting national targets, implementing these targets, monitoring progress and ensuring the appropriate budget lines, structures and indicators are put in place to achieve these goals. This requires developing robust data collection processes that measure social and environmental progress, as well as economic indicators.

Ireland will have to set targets and structures so as to ensure effective implementation of the goals. The setting of these targets should not be seen as an objective or a goal to be reached, it is simply the pathway for Ireland to meet its obligations. The targets should be ambitious and reflect the commitment of Ireland and Government to achieving an end to poverty and inequality, and the urgency

of climate action to ensure a vibrant future for all in Irish society.

Sustainable Progress Index

Social Justice Ireland recently published a Sustainable Progress Index examining how Ireland is currently performing on the SDG's (The 17 SDG's were divided into three sub-groups – economy, society and environment). The Sustainable Progress Index examines Ireland's performance over time on the economy, society and the environment and assess whether Ireland has really made progress in these areas over time, and in comparison to our peers in the EU 15.

The indicators were compared to the other 14 countries in the EU-15 to see how the situation had changed over the past decade and to see how Ireland is performing currently. Under all three headings Ireland's ranking is worse now than it was in 2006. Ireland performs particularly poorly on environment, falling from 14th out of the EU-15 to last over the last decade.

What this research highlights is that the economy-only approach does not work: it does not work in addressing social and environmental problems, and ironically, it does not work in improving the performance of the economy. Ireland needs to move beyond GDP and begin measuring progress on areas that impact on people's lives and well-being.

Policy Priorities

- Adopt targets and a reporting system for each of the Sustainable Development Goals and become a global leader on the development and implementation of national targets for each of the 17 goals.
- Develop and publish new measures of progress incorporating society, the environment and the economy on an equal basis.

Social Justice Ireland is an independent think-tank and justice advocacy organisation of 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.



Support *Social Justice Ireland*

If you wish to become a member of *Social Justice Ireland* or make a donation to support our work you may do so through our website www.socialjustice.ie/members or by contacting our offices directly.

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Social Justice Ireland,
Arena House,
Arena Road,
Sandyford,
Dublin D18 V8P6
Phone: 01 213 0724
Email: secretary@socialjustice.ie
CHY number 19486
Registered Charity Number: 20076481
www.socialjustice.ie

