



Social Justice Ireland

National Social Monitor

Focus on Delivery



Contents

Introduction	3
Housing for All.....	4
Universal Healthcare.....	6
Better Opportunities through Education and Research	8
Balanced Regional Development	10
A Jobs-led Recovery	12
Reforming and Reimagining our Public Life	14
Income Distribution	16
Taxation.....	18
A Green New Deal.....	20
Global Citizenship.....	22
Other Publications by Social Justice Ireland (see www.socialjustice.ie):	24

Introduction

The Programme for Government (PfG), published in June 2020, outlined a series of commitments made by Government across a range of policy areas. *Social Justice Ireland* welcomed the PfG and believes that it contains several policies and proposals that, if resourced and implemented, would represent a significant step to creating a fairer and more just Ireland. Certainly, the environmental reforms contained within the PfG have the potential to transform Irish society for the better. Many other proposed social reforms also look very positive.

However, the PfG also contains a number of causes for concern, including lack of real ambition around poverty, something we highlighted in our response to its publication.

The focus now is on delivering the commitments made, while highlighting the impact that these commitments have on the real challenges facing Ireland today, such as poverty; climate change; housing and health.

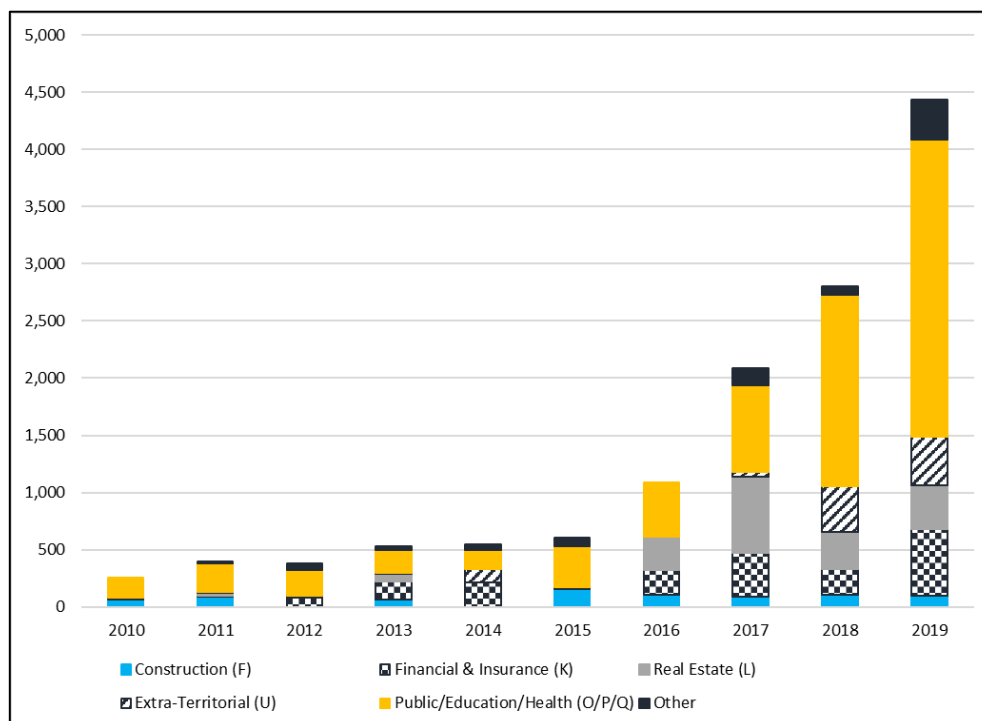
This edition of *Social Justice Ireland's* National Social Monitor does not attempt to cover all the commitments made in the PfG. It is offered as a contribution to the ongoing public debate, specifically on the following issues:

- Housing for All
- Universal Healthcare
- Better Opportunities through Education and Research
- Balanced Regional Development
- A Jobs-led Recovery
- Reforming and Reimagining our Public Life
- Income Distribution
- Taxation
- A Green New Deal
- Global Citizenship

The latest available data is used in our analysis, however some of this may pre-date the publication of the PfG itself. We use these data to highlight the importance of these commitments and the various benchmarks and targets implemented.

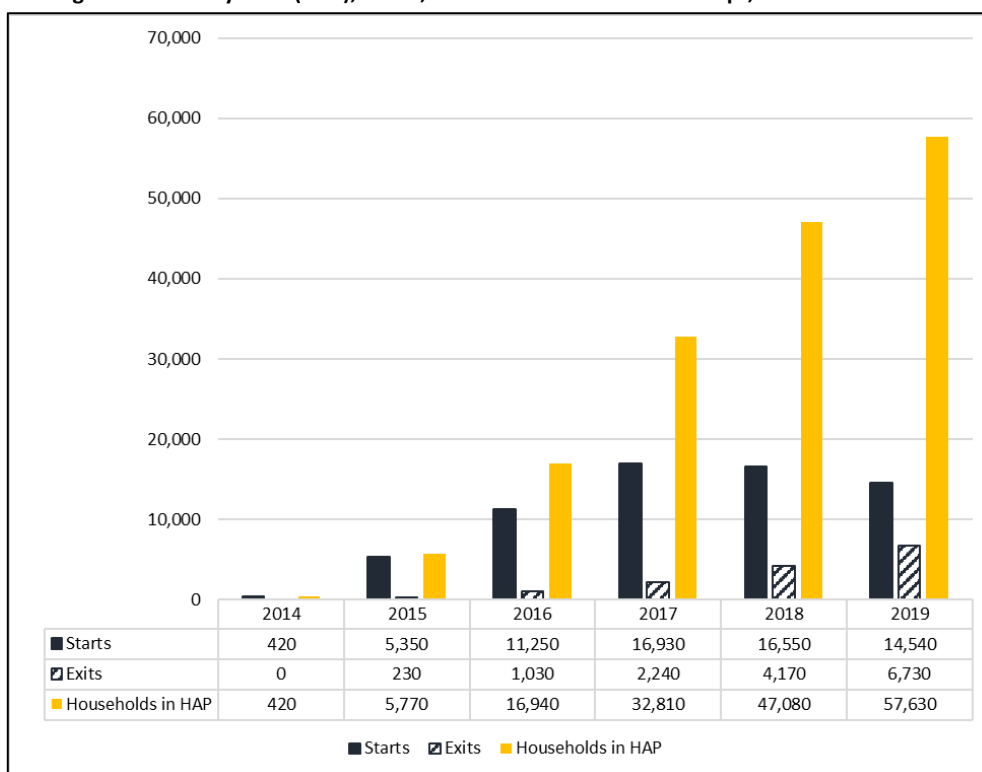
Housing for All

Chart 1.1: Market-based Non-Household Transactions of Residential Dwellings, by NACE Sector, 2010-2019



Source: Central Statistics Office, PxStat HPA10

Chart 1.2: Housing Assistance Payment (HAP), Starts, Exits and Households in Receipt, 2014 to 2019



Source: Central Statistics Office, PxStat HAP01

Housing for All

New Homes



The Programme for Government (PfG) referred to the “large increases in the building of new homes over the past four years.” and committed to building “far more homes.”¹ However, an increasing proportion of newly built homes were bought by “non-household” entities. In 2010, the proportion of new homes purchased by non-household entities was 5.6 per cent. By the end of 2016, the year Rebuilding Ireland was published, this had increased to 21.8 per cent, increasing again to 32.9 per cent by the end of 2019 (Chart 1.1).

Entities in the Public Administration; Education; and Health sectors accounted for 58.5 per cent of all new home purchases by non-household entities in 2019. Other sectors include Construction; Financial & Insurance; Real Estate; Extra-Territorial; and Other. The proportion of new homes purchased by entities in these sectors has increased from 2.7 per cent in 2010 to 13.6 per cent in 2019. Purchases by the Financial & Insurance sector more than doubled between 2016 and 2019; while purchases by the Real Estate sector increased by 30 per cent. Data for 2016 is not available for the Extra-Territorial sector, however between 2017 and 2019, purchases by this sector increased by 840 per cent.

The average price of new homes bought by non-household entities has also risen, from €229,627 in 2016 to €304,811 in 2019. This is an increase of one third during the lifetime of Rebuilding Ireland.

Social Housing

The PfG committed to increasing social housing stock by over 50,000 in five years, with “the majority” being built by Local

Authorities, Approved Housing Bodies and State agencies. It is important that this commitment to building social housing is delivered up on, as the introduction of “social housing solutions” has meant an over-reliance on the private sector.

In September 2014, the then Government introduced the Housing Assistance Payment (HAP) as a long-term social housing solution, similar to the Rental Accommodation Scheme (RAS). As such, households in receipt of HAP or RAS are not included in the data on social housing waiting lists. The impact of HAP can be seen when we consider that the real number of households in need of social housing has increased by 33 per cent since 2016 when the reported data reported 90,600 households. The latest housing waiting list data shows just 61,880 households as at the end of 2020, however the perceived reduction is due in part to the transfer of 14,665 households from Rent Supplement to HAP between 2016 and 2020, and a further 4,857 transfers from Rent Supplement to the Rental Accommodation Scheme, or RAS, in the same period.

But these are not sustainable. Between 2015 and 2019, 65,040 households started HAP tenancies and 14,400 exited from HAP, leaving 57,630 households in HAP tenancies at the end of 2019 (CSO, PxStat HAP01). That is a failure rate of 22 per cent. Data available from the Department of Housing, Local Government and Heritage shows a further 14,476 households started HAP in 2020, with a total of 59,821 households in HAP at the end of last year², suggesting a further 12,285 exits.

Policy Priority

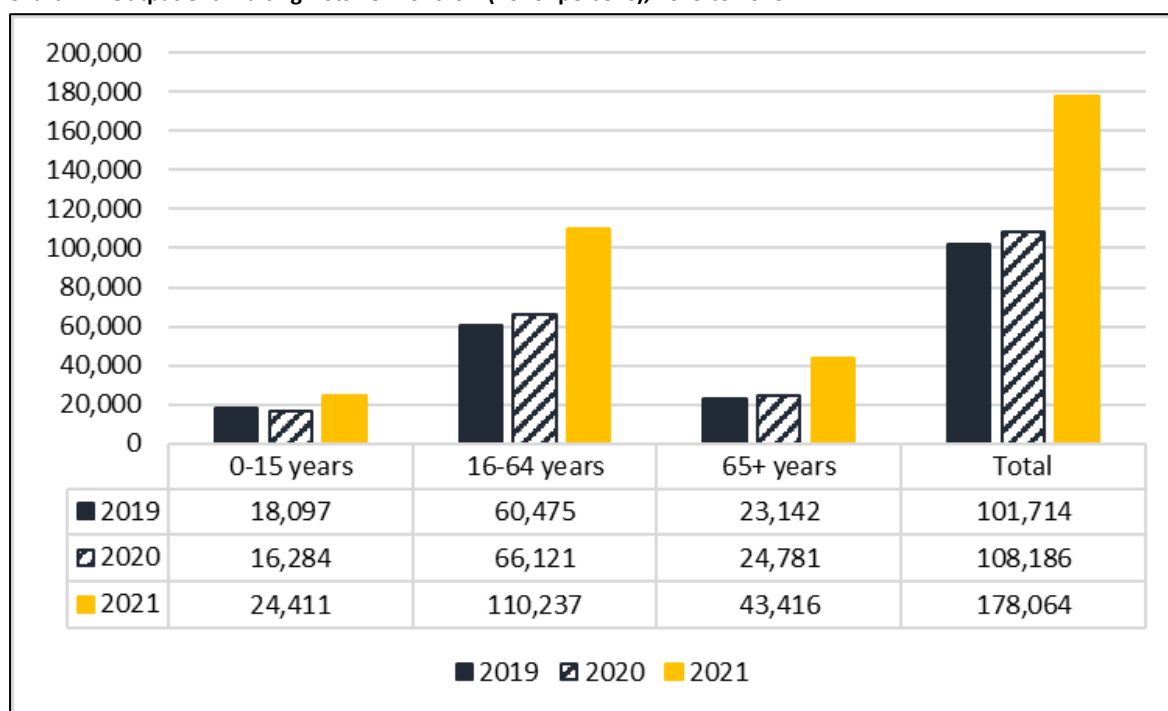
- Adopt *Social Justice Ireland's* [10 Point Plan to deliver Housing for All](#)

¹ gov.ie - Programme for Government: Our Shared Future (www.gov.ie), p.54

² gov.ie - Overall social housing provision (www.gov.ie)

Universal Healthcare

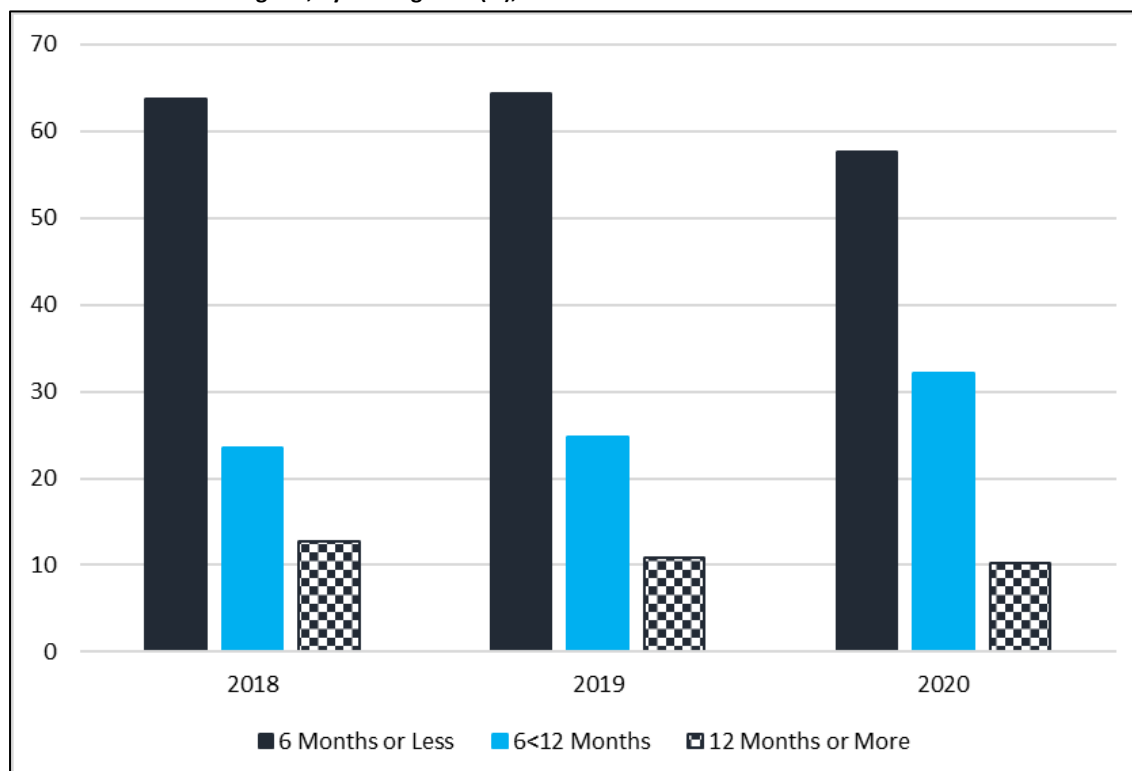
Chart 2.1: Outpatient Waiting Lists 18 Months + (no. of persons), 2019 to 2020



Source: National Treatment Purchase Fund, Outpatient Waiting Lists, various

Note: Data refer to March each year

Chart 2.2: CAMHS Waiting List, by waiting time (%), 2018 to 2020



Source: HSE Management Data Report, various years

Notes: Data refer to September each year. Data unavailable for all CHOs in September 2019. Proportions of the total used in place of numbers of persons.

Universal Healthcare



Waiting Lists

Covid-19 has exacerbated many issues in society, not least when it comes to healthcare. According to data from the National Treatment Purchase Fund¹ there were 178,064 people waiting for 18 months or more for outpatient's treatment in March 2021. This equates to almost three in every 10 of the 628,756 people awaiting treatment that month.

Compared to the same month in previous years, there has been a large increase in the total number of people awaiting treatment for 18 months or more – an increase of 65 per cent on March 2020 and 75 per cent on March 2019. Older people have fared the worst in terms of delays in treatment, with number of older people on outpatient waiting lists for 18 months or more has increased by 68 per cent since 2020 and by 88 per cent since 2019. While still high, the rate of increase among children has not increased to the same extent. Those aged 0-15 years awaiting treatment for 18 months or more increased by 50 per cent on 2020 and 35 per cent on 2019 (Chart 2.1).

Mental Health

According to the latest available data, the HSE Management Data Report for September 2020, 2,112 children and young people were awaiting supports from the Child and Adolescent Mental Health Service (CAMHS). Of these one in ten were waiting for treatment for 12 months or more. This is a slight proportionate decrease on the same period in 2019 when 11 per cent were waiting in excess of 12 months or more, and on September 2018 when the proportion was 13 per cent (Chart 2.2).

The largest proportionate change is in those waiting between six and 12 months,

increasing from one in four in September 2018 and 2019 to one in three in September 2020. The proportion waiting six months or less decreased by six percentage points in the last number of years, from 64 per cent in September 2018 and 2019 to 58 per cent in September 2020.

A mental health crisis is likely to be a prevailing legacy from Covid-19, not just because of the immediate stress; but also the impact of the illness on those who contract it and their wider circle; the impact on healthcare workers and other frontline staff; and the impact on those who live in vulnerable households, including households with domestic abuse².

Policy Priorities

The Programme for Government (PfG) committed to a range of healthcare reforms, including increasing capacity, rolling-out community healthcare, and aiming to become “an international leader in supporting and caring for people with mental health needs”.

While the Government's focus has been on dealing with the pandemic, waiting lists for outpatient treatments have increased. These waiting lists must be managed with those who are the most vulnerable or frail given priority in tandem with a targeted effort to reduce the waiting lists to below 18 months in line with previous Government commitments.

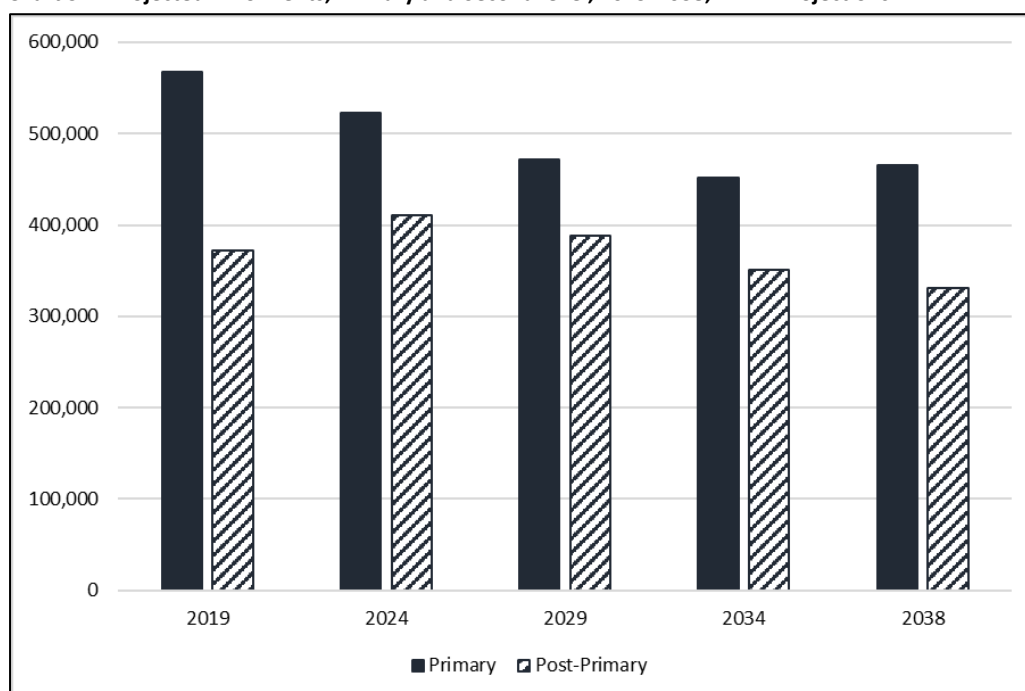
Investing in the infrastructure at community level to support people living with mental illness, including ensuring sufficient capacity in age-appropriate psychiatric beds, and the ongoing current expenditure to secure continuous service provision, must form part of the Government's financial projections for Budget 2022 and beyond.

¹ www.ntpf.ie

² [Impact-of-Covid-19-on-Mental-Health-in-Ireland-Evidence-to-Date.pdf \(imj.ie\)](https://www.imj.ie/impact-of-covid-19-on-mental-health-in-ireland-evidence-to-date.pdf)

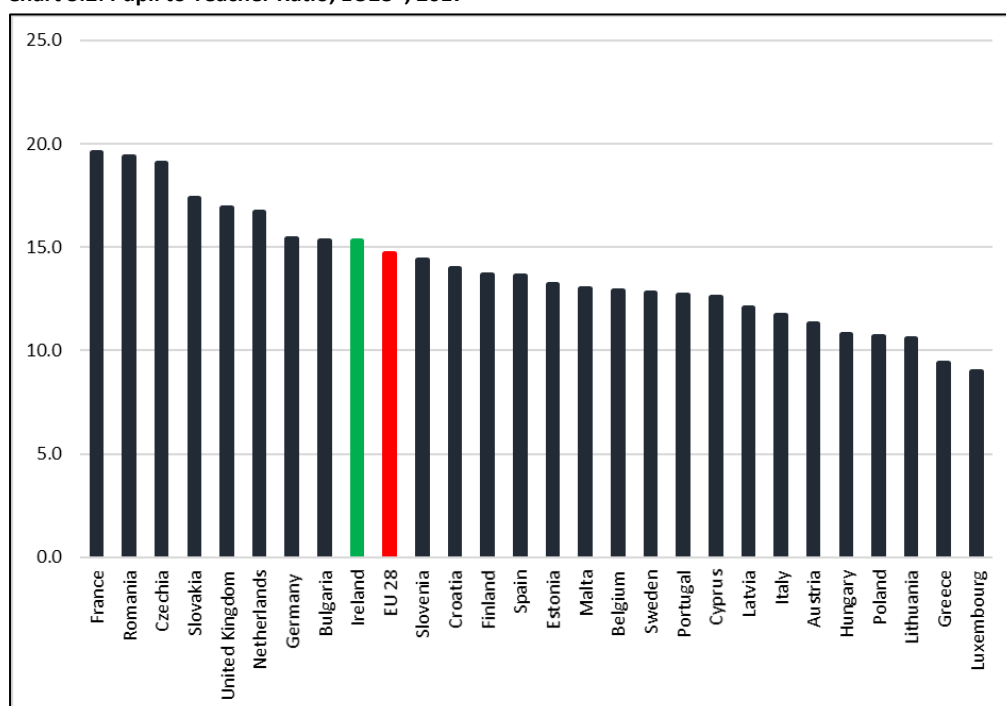
Better Opportunities through Education and Research

Chart 3.1: Projected Enrolments, Primary and Second level, 2019-2038, M1F2 Projections



Source: Department of Education (2020) Projections of Full-time enrolment Primary and Second level 2020-2038

Chart 3.2: Pupil to Teacher Ratio, EU28*, 2017



Source: Eurostat [Educ_uae_perp04]

Note: *Data unavailable for Denmark for the year concerned

Better Opportunities through Education and Research



According to the Department of Education and Skills (DES) there were just over 1,506,663 full-time students in the formal Irish education system for the academic year 2020/2021. At primary level there are 562,589 students, at second level there are 381,485 students and 196,609 students are at third level. Numbers at primary level peaked in 2019 and are projected to decline to a low of 451,971 by 2034 and rise again thereafter reaching 464,984 enrolments by 2038. At second level enrolments have risen by eight per cent over the past five years and are projected to peak in 2024 with 410,415 pupils, falling gradually thereafter (Chart 3.1).

These projections have obvious implications in terms of resourcing and meeting pupils' needs as they move through the education system. The Department should use these projections to inform investment, plan for reducing class sizes and pupil teacher ratios (a persistent problem which Covid-19 has highlighted), and ensure that our education system has all of the resources that it requires to meet our national ambitions. The education system as a whole should be sufficiently resourced to ensure it has the capacity to meet current and future needs and to address the challenges outlined in this chapter.

A reduction in student numbers does not necessarily mean a knock on reduction in expenditure. The publication of a technical paper on developing a teacher demand and supply model is a useful first step in planning to meet current and future demands⁵. A surplus of teachers at primary and post primary level is projected in 2036 if no actions are taken now. Potentially we can implement policy instruments now to reduce our class sizes (particularly at primary level), reduce pupil teacher ratios, and ensure that demand and supply are managed appropriately. Issues

such as how to best utilise existing resources (personnel or financial) to reduce pupil teacher ratio and to reduce class sizes, whilst ensuring our system adapts to meet changing needs, are just some of the areas that require in-depth discussion and analysis. It is important that as student intake changes, existing resources are used to address persistent challenges within the education system such as pupil teacher ratios and addressing educational disadvantage which persists in our education systems.

Ireland has a pupil teacher ratio (PTR) at primary level of 15.3 and among the highest in the EU-28 (Chart 3.2) and an average class size of 25. Clearly there is progress to be made in terms of reducing our PTR and class sizes at primary level. These figures should inform policy development in terms of managing supply and demand within the education system up to 2036. As smaller class sizes make the biggest difference to the youngest classes, Government policy must ensure that the PTR in the youngest classes in primary school is at a level which allows teachers to provide early interventions without disruption. This is vital to ensure the best educational outcomes for all children and a smooth transition from early years settings to the formal education system.

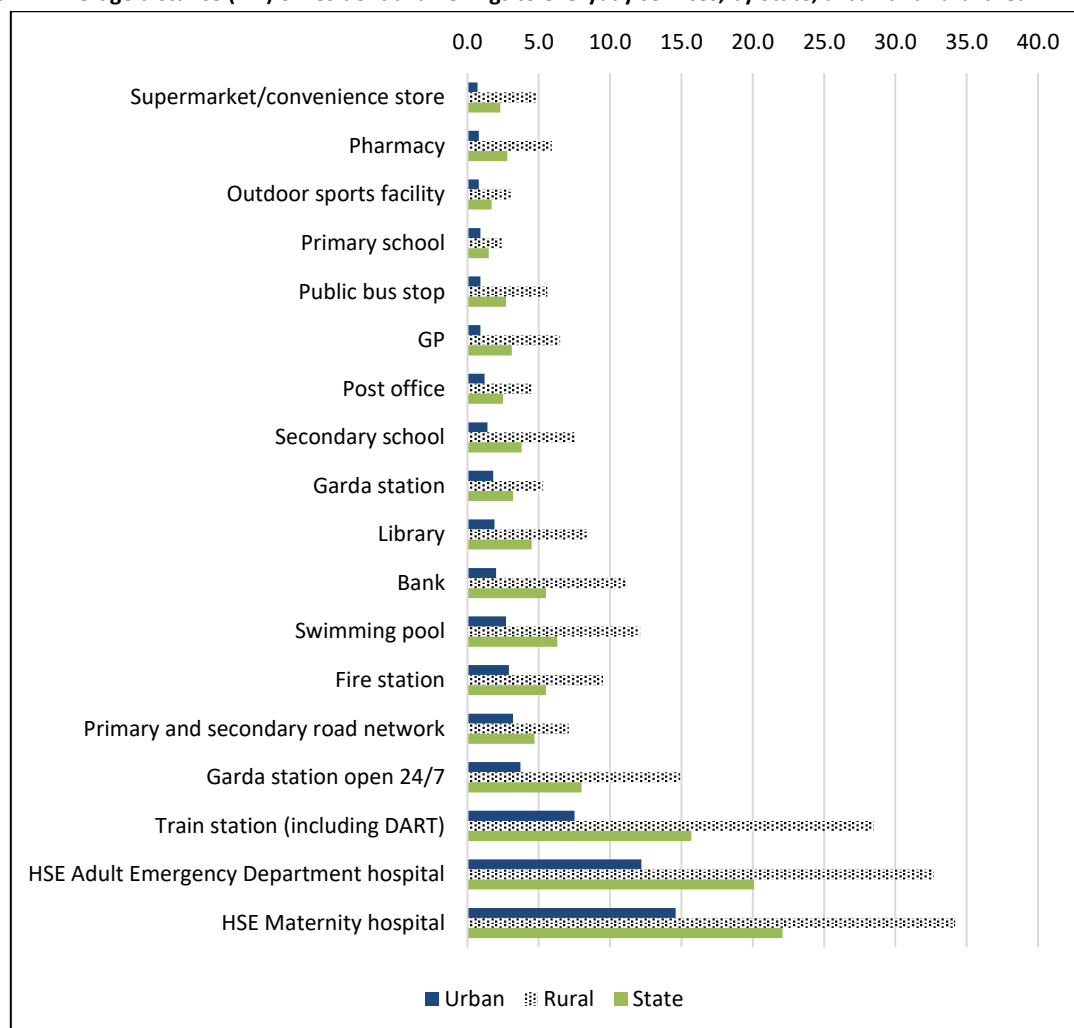
Policy Priorities:

- Invest in reducing class sizes and pupil teacher ratios at primary and post primary level.
- Use the Department of Education projections in terms of enrolment and staff numbers to inform that investment, plan for reducing class sizes, reducing pupil teacher ratios, and ensuring that our education system has all of the resources that it requires to meet our national ambitions.

⁵ [developing-a-teacher-demand-and-supply-model-for-ireland-2020-2036.pdf \(education.ie\)](#)

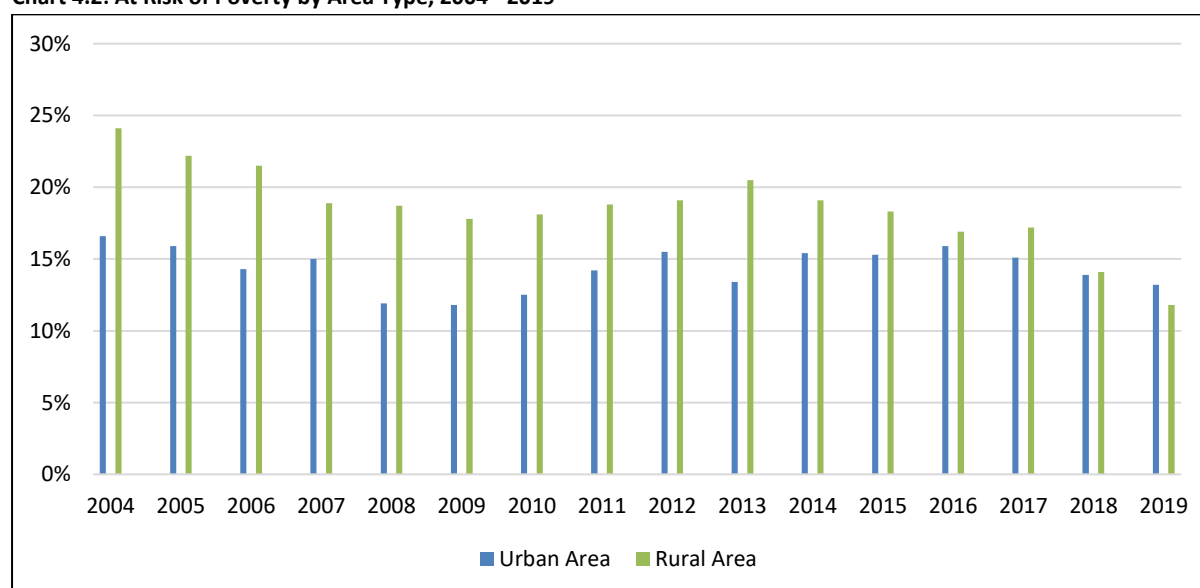
Balanced Regional Development

Chart 4.1: Average distance (km) of residential dwellings to everyday services, by State, urban and rural area



Source: CSO Statbank 2019

Chart 4.2: At Risk of Poverty by Area Type, 2004 - 2019



Source: CSO PxStat 2020

Balanced Regional Development



Provision of Services

The age profile varies widely between urban and rural areas. Countryside areas and settlements of less than 1,500 people are characterised by a lower proportion of young adults, and a higher proportion of older people compared with areas with populations over 50,000. This combination of outmigration of young adults for Third Level education and/or work and an ageing population poses a significant challenge for the delivery of services and the sustainability of rural economies.

Reports from the CSO show that the average distance to most everyday services for rural dwellings was at least three times longer than for urban dwellings. For supermarkets/convenience stores, GPs and pharmacies, the average travel distance was seven times longer for rural dwellings. People living in Donegal, Galway, Mayo, Leitrim and Roscommon have the highest average distances to most everyday services in Ireland (Chart 4.1). These data also give an insight into the challenges that rural and regional communities face. Rural and regional policy has to grasp with issues such as higher poverty rates, lower median incomes, higher dependency ratios, distance from everyday services, and a higher rate of part-time employment – issues which have persisted over time. Rural areas are very diverse, not all face the same challenges.

Rural Poverty

The economic recession and restructuring of agriculture led to a narrowing of the economic base in rural areas. Low-paid, part-time and seasonal work and long-term underemployment are significant factors in

rural poverty and exclusion⁶. The impact of Covid-19 on employment in rural areas has been prolonged and points to the need to integrate income and labour market supports in regional economic policy.

The amount of money required to achieve the Minimum Essential Standard of Living (MESL) is estimated to be just under €50 per week higher for rural couples with children than for their urban counterparts according to the latest MESL figures from the Vincentian Partnership for Social Justice. Higher costs in 2020 related to transport, insurance and fuel. This trend will have been exacerbated by the impact of the pandemic.

A consistent trend over the past decade is the increased at-risk-of-poverty rate in rural areas (Chart 4.2). The latest figures on poverty and deprivation for 2019 show a welcome reduction in the poverty and deprivation rates for rural areas. This progress is welcome, but it will be challenging to reverse the persistent trend of poverty and deprivation in rural areas, particularly in light of the economic and social impact of Covid-19.

Policy Priorities

Social Justice Ireland welcomed the recently published 'Our Rural Future' a comprehensive approach of the strategy, which encompasses the economic, social and environmental aspects of rural development. To fully meet its ambition, Government must:

- Invest in public services and infrastructure, including Broadband.
- Invest in sustainable rural economies.
- Provide training and upskilling to support a Just Transition.

⁶ Walsh, K. & Harvey, B., (2013) Employment and Social inclusion in Rural Areas. Dublin: Pobal.

A Jobs-led Recovery

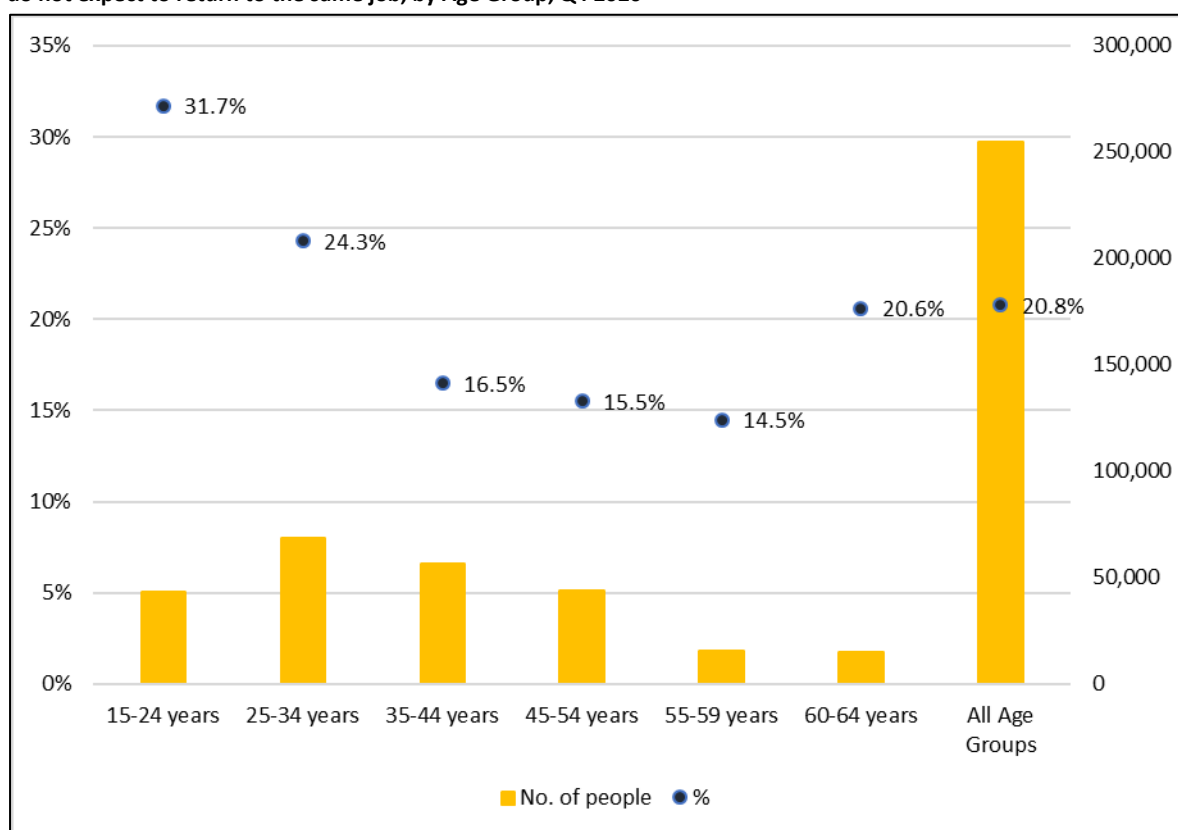
Table 5.1: Percentage of persons aged 15-64 years whose employment was affected by Covid-19 (self-reported) by expectation of return to the same job and separately for those benefitting from the PUP and EWSS, 2020

	PUP recipients	EWSS recipients	All
Yes, expect to return to the same job	64.4%	41.3%	33.3%
Yes, have already returned to the same job	14.3%	51.6%	45.7%
No	21.3%	7.1%	21.0%
Total	100%	100%	100%

Source: CSO Labour Market Insight Bulletin, Series 5 Q4 2020 (Feb 2021)

Notes: Data is for the final three months of 2020. 'All' refers to all persons who reported their employment as being affected by Covid-19, including those on PUP, EWSS and others.

Chart 5.1: Number and Percentage of persons aged 15-64 years whose employment was affected by Covid-19 and who do not expect to return to the same job, by Age Group, Q4 2020



Source: Labour Force Survey (LFS), Central Statistics Office, Ireland.

Notes: The data presented shows the impact of COVID-19 on the employment status of all persons aged 15-64 years who answered the questions on COVID-19 in the survey. This included persons who were either employed, unemployed or inactive at the time of interview. The Economic sector includes the sector that those who were employed in Q4 2020 worked in and the previous sector of employment for those who were unemployed or inactive. Therefore, the percentages presented are of all persons in that age group interviewed rather than just those in the Labour Force.

Data may be subject to future revision.

Data may be subject to sampling or other survey errors, which are greater in respect of smaller values or estimates of change.

Reference period: Q4=Oct-Dec.

A Jobs-led Recovery



Throughout the pandemic, the CSO's Labour Force Survey (LFS) has included special questions for those in receipt of Covid-19 income support payments; either the PUP or the Employment Wage Subsidy Scheme (EWSS). Table 5.1 presents the results from the final three months of 2020 to the question asking individuals if they expect to return to the same job. While most have or expect to return (79 per cent of recipients) one-fifth do not expect to return to their previous employment. In the absence of other employment opportunities, these individuals would move to jobseekers' payments. At the end of 2020 there were 335,599 individuals receiving the PUP and approximately 321,000 employees receiving the EWSS. This equates to a total of 656,599 people. The figure for 'All' in Table 5.1 also includes people who self-reported as having their employment affected by Covid-19 but who could not or did not avail of pandemic-related State supports.

Acknowledging the difficulty inherent in providing a definitive number when the survey took place over three months, and the nature of the restrictions were such that people could have been in and out of work during this time, the CSO estimates, based on this self-reporting, that the total number of people aged 15-64 whose employment was affected by Covid-19 was 1,225,800. This equates to just over 50 per cent of the number of people in the labour force in Q4 2020. The number of people whose employment was affected by Covid-19 and who do not expect to return to the same job (21 per cent) is 254,966. If we assume that all 1,225,800 whose employment was impacted by Covid-19 were in employment at the beginning of the pandemic, this suggests that the unemployment rate may increase to 16.1 per cent of the labour force (as at Q4 2020) post-pandemic if other employment opportunities were not available.

Employment impacts due to Covid-19 have been characterised by age, with much of the narrative surrounding younger workers. Indeed, and possibly due to the sectors involved, younger workers were more likely to be impacted by job losses due to the pandemic. However, when it comes to an expectation of return to work, it is not just younger workers who are likely to experience challenges. Older workers are disproportionately impacted. The highest proportion of those who do not expect to return to the same job after the pandemic are in the youngest age bracket, 15-24 years, followed by those aged 25-34 years. The next most affected cohort who do not expect to return to the same job are those aged 55-59 years, and those aged 60-64 years. (Chart 5.1).

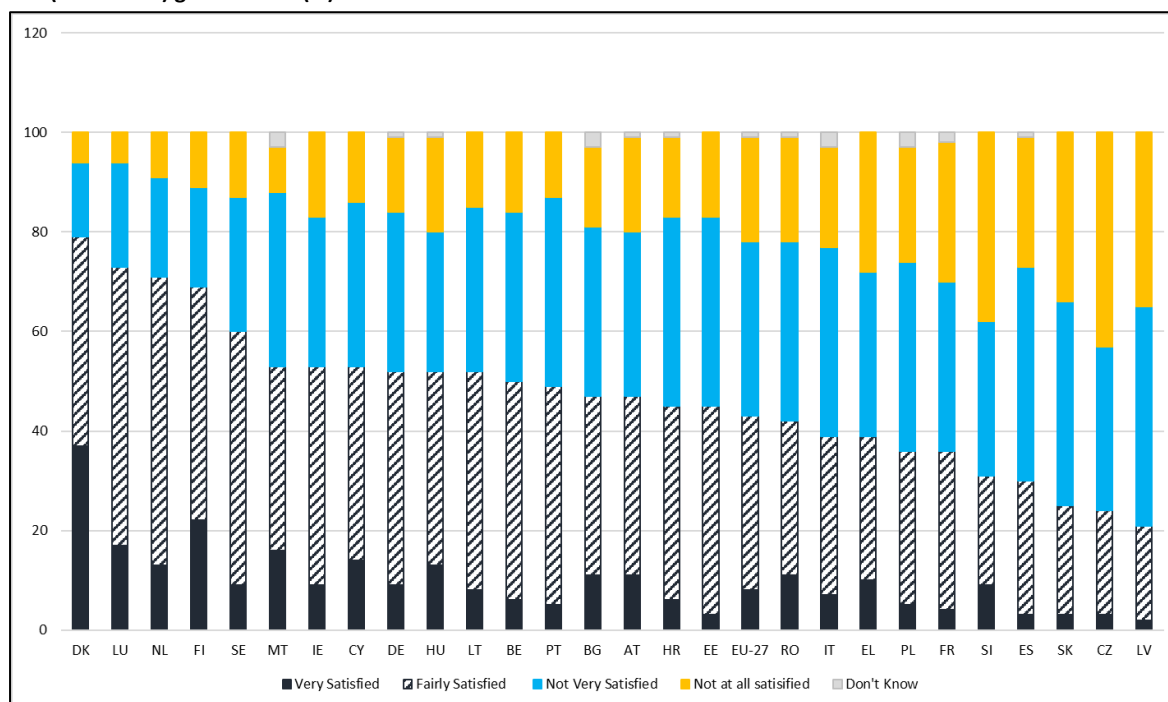
Of the 136,064 people aged 15-24 years whose employment was impacted by Covid-19, 43,132 did not expect to return to the same job. Of the 283,160 people aged 24-35 years in this situation, 68,808 did not expect to return to the same job. And of the 72,322 aged 60-64 years whose employment was impacted by Covid-19, 14,898 did not expect to return to the same job.

Policy Priorities

- With an estimated 111,940 younger people aged 15-34 years not expecting to return to the same job (44 per cent of the total workers who do not expect to return to the same job), activation programmes, education and training opportunities that specifically target younger workers will be necessary to avoid a long-term youth unemployment crisis.
- Develop a bespoke policy approach for older workers facing the pre-retirement years in unemployment

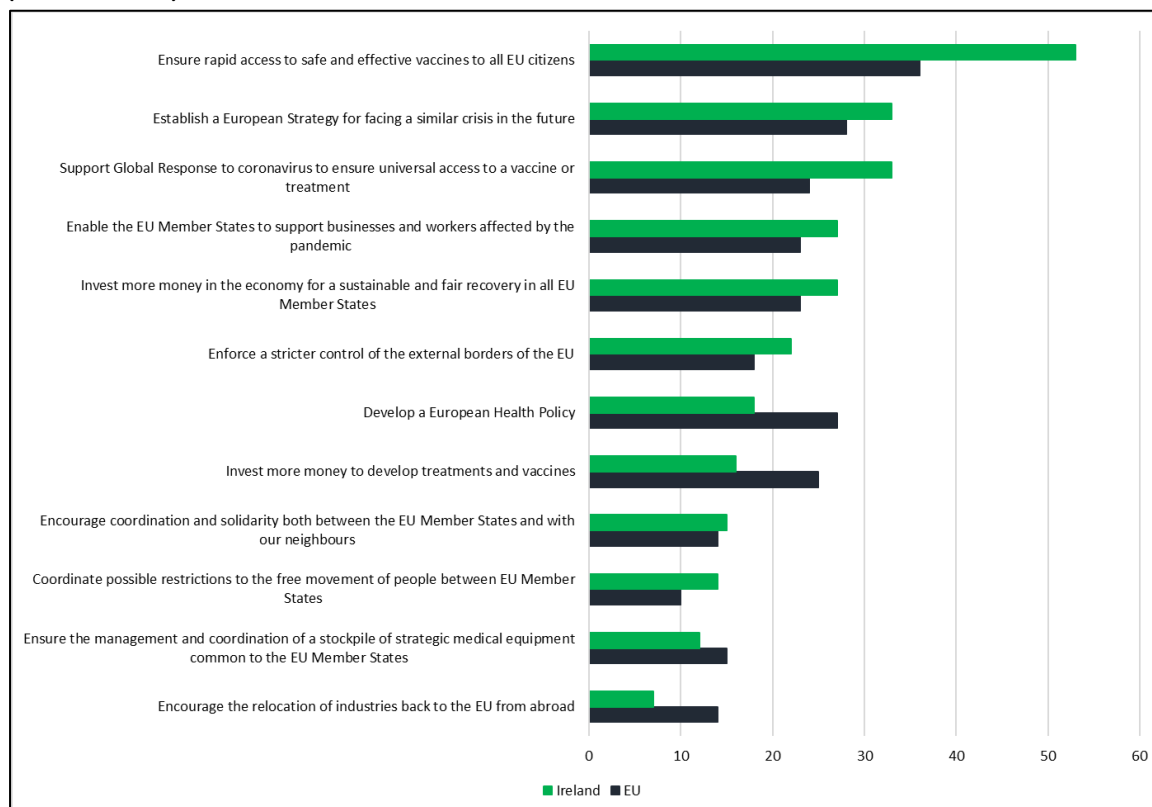
Reforming and Reimagining our Public Life

Chart 6.1: Responses to “In general, how satisfied are you with the measures taken to fight coronavirus pandemic by...? The (NATIONAL) government (%)”



Source: Extracted from European Commission (2021) Standard Eurobarometer 94 Winter 2020-2021, The EU and coronavirus pandemic

Chart 6.2: Response to “What should the European Union now prioritise in its response to the coronavirus pandemic? (MAX 3 Answers)”



Source: Extracted from European Commission (2021) Standard Eurobarometer 94 Winter 2020-2021, The EU and coronavirus pandemic

Reforming and Reimagining our Public Life



The European Commission's Eurobarometer surveys have focused on the responses to the pandemic and the satisfaction of citizens with those responses at local, regional, national and European levels. In the latest publication⁷, citizens in Ireland are more likely to be satisfied with the national Government's response (53 per cent) than unsatisfied (47 per cent), and are comparatively more satisfied than the EU-27 average (43 per cent satisfied; 56 per cent unsatisfied, 1 per cent Don't Know) (Chart 6.1). However Irish citizens, like their counterparts in all other European countries, are less satisfied based on responses to the most recent survey than they were in the Summer of 2020, with a decrease of 28 percentage points in reported satisfaction (p.12). It would appear that the longer the pandemic continues, the less satisfied citizens are with the response.

Looking to the future, the survey asked what the European Union should now prioritise in its response to the coronavirus pandemic (respondents to choose a maximum of three answers). The top three priorities for the EU were to ensure rapid access to safe and effective vaccines to all EU citizens (36 per cent); establish a European strategy for facing a similar crisis in the future (28 per cent) and to develop a European health policy (27 per cent). In Ireland, the top three responses were to ensure rapid access to safe and effective vaccines to all EU citizens (53 per cent); establish a European strategy for facing a similar crisis in the future (33 per cent) and to support Global response to coronavirus to ensure universal access to a vaccine or treatment (33 per cent) (Chart 6.2). This may reflect Ireland's long-standing commitment to supporting the Global South.

It is important that the responses seen as a priority by Ireland are treated as such by Government. In order to do this, a robust mechanism for Social Dialogue⁸ is required. This should involve Government, trade unions and employers, the community and voluntary sector, as well as farmers and environmental groups. Any structure for Social Dialogue that excludes any of these groups would be a recipe for ensuring that inequality would grow as most of Ireland's resources would be captured by those participating in these discussions. Such an approach would simply lead to deepening divisions in Ireland.

Government needs to engage all sectors of society, not just trade unions and employers, in addressing the huge challenges Ireland currently faces in the areas of infrastructure and services, climate and regional development, taxation and unemployment, and so on.

The design and implementation of our recovery after the COVID-19 crisis will reshape our society and economy for the longer-term and indeed for future generations. It is important that we get these decisions right. Ireland's economic growth has been spread very unevenly; we must ensure that this trend does not continue. In the absence of a real Social Dialogue at national level, the strongest can fight their corner in the open market or in the political realm, while the weakest will be left behind.

Policy Priority

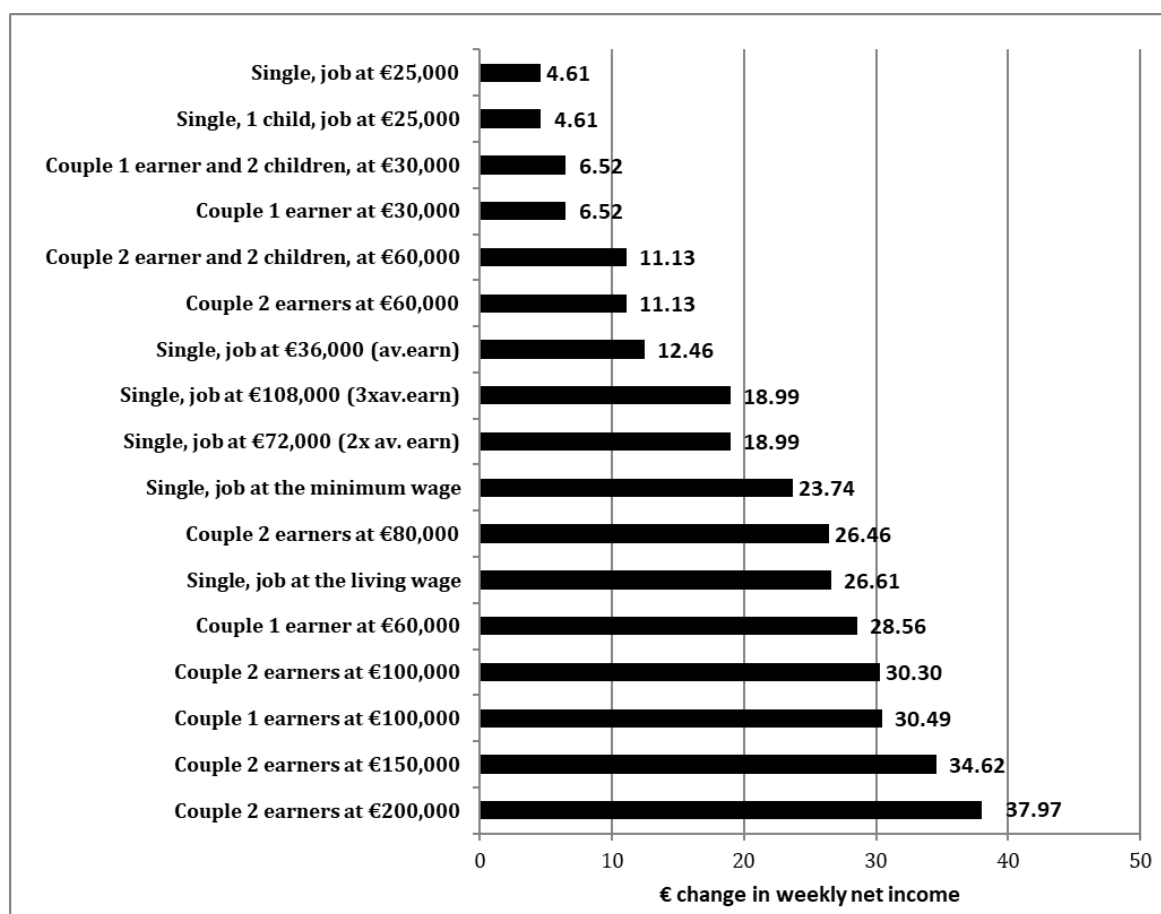
- Implement a process of Social Dialogue involving all, and not just some of, the sectors in Irish society to provide a key mechanism in maximising the resources for moving forward and ensuring citizen priorities are Government priorities.

⁷ [Eurobarometer \(europa.eu\)](https://ec.europa.eu/eurobarometer/eurobarometer)

⁸ [Social Dialogue key to Covid Recovery | Social Justice Ireland](#)

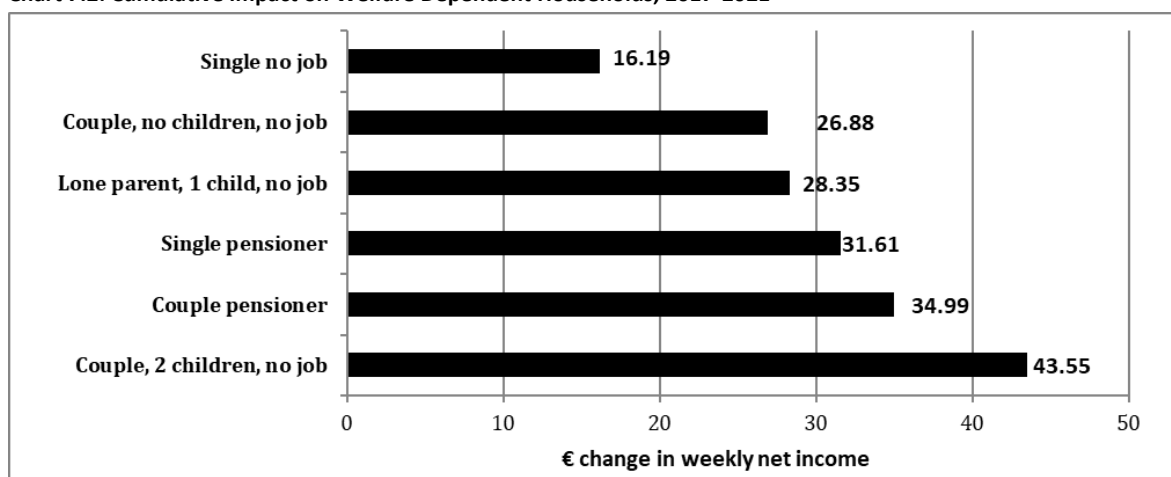
Income Distribution

Chart 7.1: Cumulative Impact on Households with Jobs, 2017-2021



Source: Social Justice Ireland Income Distribution Model.

Chart 7.2: Cumulative Impact on Welfare Dependent Households, 2017-2021



Source: Social Justice Ireland Income Distribution Model.

Income Distribution



Over the past few years *Social Justice Ireland* has developed its ability to track the distributive impact of annual Budgets on households across Irish society. Our analysis tracks changes from year to year (pre and post each Budget) and across a number of recent years.

Following Budget 2021, we assessed the cumulative impact of changes to taxation and welfare over the five Budgets delivered by the last Government (Budgets 2017, 2018, 2019 and 2020) and the first by the current (Budget 2021). As different policy priorities can be articulated for each Budget, it is useful to bring together the cumulative effect of policy changes on various household types.

The households we examine are spread across all areas of society and capture those with a job, families with children, those unemployed and pensioner households. Within those households that have income from a job, we include workers on the minimum wage, on the living wage, workers on average earnings and multiples of this benchmark, and families with incomes ranging from €25,000 to €200,000.

In the case of working households, the analysis is focused on PAYE earners only and therefore does not capture the changes in recent Budgets that were targeted at the self-employed.

At the outset it is important to stress that our analysis does not take account of other budgetary changes, most particularly to indirect taxes (VAT and excises), other charges (such as prescription charges) and property taxes. Similarly, it does not capture the impact of changes to the provision of public services or the many emergency measures that have been introduced to respond to the Covid-19 emergency. As the impact of these measures differs between

households it is impossible to quantify precise household impacts.

Over the years examined (2017-2021) all household types record an increase in disposable income. Among households with jobs (see Chart 7.1), the gains experienced range from €4.61 per week (for single workers on €25,000) to over eight times as much, €37.97 per week, for a couple with 2 earners on €200,000. Overall, across these households the main gains have flowed to those on the highest incomes.

Among households dependent on welfare, the gains have ranged from €16.19 per week (for single unemployed individuals) to €43.55 per week (for unemployed couples with two children) - see Chart 7.2. The gains experienced by welfare dependent households explain much of the reasons why the levels of income inequality and poverty have fallen in recent years. *Social Justice Ireland* has consistently argued for the prioritisation of low income welfare dependent families in Budgetary policy and welcome these outcomes.

However, the analysis also reveals that the two most recent Budgets have shifted away from this approach. By implication, much of this recent progress will be reversed unless policy reasserts a focus on welfare increases and supports for those households on the lowest incomes.

Policy Priorities

- Acknowledge that Ireland has an on-going poverty problem.
- Adopt targets aimed at reducing poverty among particular vulnerable groups such as children, lone parents, jobless households, and those in social rented housing.
- Index social welfare rates to 27.5% of average earnings, an increase of €19 over the next two Budgets.

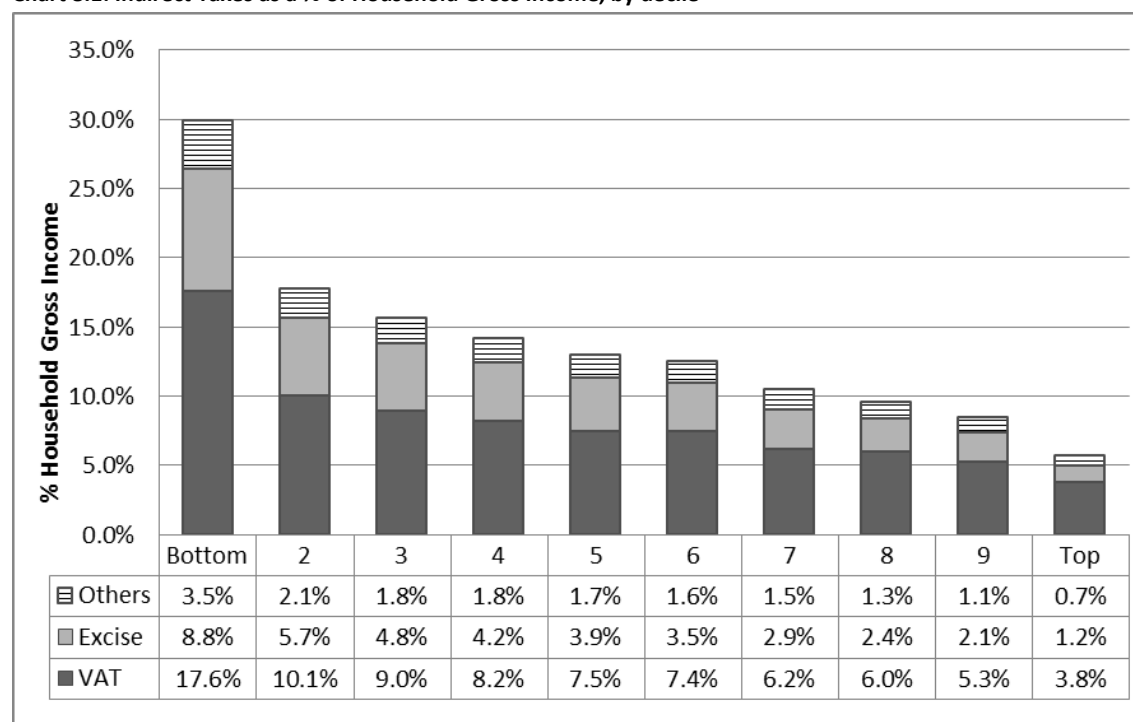
Taxation

Table 8.1: Income Taxation and Ireland's Earnings Distribution, 2021

From €	To €	No. of cases	Av. income	Av. Tax & USC	Effective Tax Rate
-	10,000	480,932	€4,514	€0.83	0.0%
10,000	13,000	136,602	€11,508	€5	0.0%
13,000	15,000	96,820	€14,005	€101	0.7%
15,000	18,000	141,383	€16,501	€191	1.2%
18,000	20,000	98,120	€18,997	€530	2.8%
20,000	25,000	238,652	€22,485	€1,119	5.0%
25,000	27,000	94,840	€26,012	€1,655	6.4%
27,000	30,000	123,314	€28,561	€2,076	7.3%
30,000	35,000	205,565	€32,442	€2,802	8.6%
35,000	40,000	186,687	€37,378	€3,932	10.5%
40,000	50,000	259,494	€44,756	€6,066	13.6%
50,000	60,000	183,802	€54,695	€9,080	16.6%
60,000	70,000	128,375	€64,693	€12,090	18.7%
70,000	75,000	50,739	€72,370	€14,269	19.7%
75,000	80,000	44,539	€77,438	€16,188	20.9%
80,000	90,000	68,578	€84,750	€18,971	22.4%
90,000	100,000	49,909	€94,793	€23,062	24.3%
100,000	150,000	113,659	€119,366	€33,803	28.3%
150,000	200,000	32,925	€170,569	€57,616	33.8%
200,000	275,000	17,044	€231,108	€86,658	37.5%
Over	275,000	16,993	€540,046	€232,037	43.0%
Totals		2,768,972	€41,255	€7,920	19.2%

Source: Calculated from Revenue Commissioners (2020) based on projections for the 2021 income tax structure.

Chart 8.1: Indirect Taxes as a % of Household Gross Income, by decile



Source: Collins, M.L. (2014a) 'Total Tax Contributions of Households in Ireland' NERI Working Paper, 2014/18. Dublin: NERI.

Note: Others include levies, vehicle taxes and TV licences.

Taxation

Income taxation and the income distribution



An insight into the distribution of income taxpayers across the income distribution is provided each year by the Revenue Commissioners. The Revenue's ability to profile taxpayers is limited by the fact that it generally examines 'tax cases', or taxpayer units, which may represent either individual taxpayers or couples who are jointly assessed for tax. The latest data is the post-Budget 2021 projection by Revenue of the structure on income and income taxes in Ireland during 2021 (see Table 8.1).

The progressivity of the Irish income taxation system is well demonstrated here – as incomes increase the average income tax paid also increases. The data also underscores the fact that a large proportion of the Irish population survive on low incomes. Summarising the data in the table, 17.4 per cent of cases have an income below €10,000; just over half have an income below €30,000 and 87 per cent of cases are below €75,000. At the top of the income distribution, 6.5 per cent of tax cases (just over 180,000) receive an income in excess of €100,000.

The data also highlights the dependence of the income taxation system on higher income earners, with almost one-quarter of income tax coming from cases with incomes of between €60,000 and €100,000 and 51 per cent of income tax coming from cases with incomes above €100,000.

While such a structure is not unexpected, a symptom of progressivity rather than a structural problem, it does underscore the need to broaden the tax base beyond income taxes.

Indirect taxation and the income distribution

Department of Finance (2020: 32) tax forecasts for 2021 project that after income tax (€22.7bn), the second largest source of taxation revenue will be VAT (€13.9bn) and the fourth largest will be excise duties (€6bn). These indirect taxes tend to be regressive – meaning they fall harder on lower income individuals and households⁹.

An assessment of how these indirect taxes impact on households across the income distribution is possible using data from the CSO's Household Budget Survey (HBS), which collects details on household expenditure and income every five years. Chart 8.1 presents the results of an examination by Collins of the 2009/10 HBS data. It shows that indirect taxation consumes more than 29 per cent of the lowest decile's income and more than 13 per cent of the income of the bottom six deciles. These findings reflect the fact that lower income households tend to spend almost all of their income while higher income households both spend and save. When it comes to policymaking, it is important that the impact of indirect taxes on lower income households is taken into consideration when budgetary decisions are made regarding indirect taxes, minimum wages and social welfare rates.

Policy Priorities

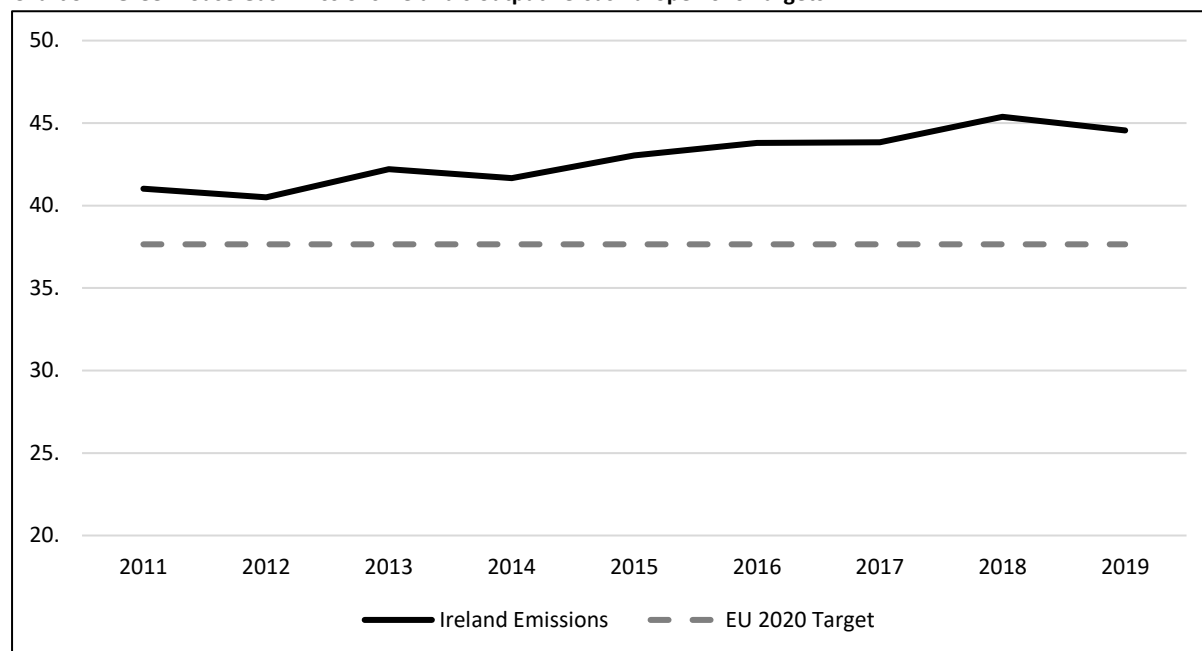
- Recognise the problem of the 'working poor'. Make tax credits refundable to help address the situation of households in poverty which are headed by a person with a job.
- Support the adoption of the Living Wage so that low paid workers can afford a minimum standard of living.

⁹ Barrett, A. and Wall C. (2005) *The Distributional Impact of Ireland's Indirect Tax System*. Dublin: Combat Poverty

Agency; and Collins M.L. (2014) "Taxation". In O'Hagan, J. and C. Newman (eds.) *The Economy of Ireland* (12th edition). Dublin: Gill and Macmillan.

A Green New Deal

Chart 9.1: Greenhouse Gas Emissions Ireland's output versus Europe 2020 Targets



Source: Eurostat, 2021

Table 9.1: Sustainable Progress Index 2021

Country	Index Score	Country Rank
Sweden	0.663	1
Denmark	0.651	2
Netherlands	0.606	3
Finland	0.602	4
Austria	0.554	5
Germany	0.544	6
United Kingdom	0.499	7
France	0.477	8
Luxembourg	0.476	9
Belgium	0.474	10
Ireland	0.456	11
Portugal	0.403	12
Italy	0.385	13
Spain	0.376	14
Greece	0.340	15

Source: Social Justice Ireland Sustainable Progress Index 2021

A Green New Deal



Chart 9.1 tracks Ireland's progress over time in relation to our Europe 2020 emissions reduction targets.

What is clear is Ireland came closest to our targets in the period 2011-2012, during the economic recession. The EPA noted at the time that Ireland's reduced emissions resulted from reduced economic activity, not from any policy success, and has since noted that emissions continue to increase in line with economic growth.

There will be challenges in meeting our emissions targets in all sectors. In terms of agriculture, improvements in production efficiency will not be enough to meet and the long-term trajectory for the livestock sector must be considered. Continued support for the beef sector must be contingent on much stronger conditionality and essential income support for low-income farm households via CAP (Common Agricultural Policy) should be consistent with the green transition and emissions reduction ambitions¹⁰. We must move away from the existing approach whereby the targets in our agricultural and food strategies serve to undermine the targets in our environmental policies.

Early estimates for 2020 show that Covid-19 and the resultant public health measures have had an impact on our emissions. Total greenhouse gas emissions for 2020 are estimated to have decreased by almost 6 per cent, the biggest fall since 2011. Emissions from Energy Industries and Transport show the greatest decline, emissions from the Residential sector however are estimated to have increased, reflecting increase in home working, and Agriculture emissions are estimated to have been largely unaffected¹¹. Emissions in Ireland are cyclical, and even though emissions fell during the recession,

they immediately increased as economic activity increased. Even with the impact of the pandemic taken into account, Ireland will miss our energy and climate targets for 2020. There is an urgent need to decouple emissions from economic growth.

Sustainable Progress Index

Social Justice Ireland monitors Ireland's performance towards achieving the SDGs through our Sustainable Progress Index¹². Ireland's first Sustainable Progress Index, published in 2017, argued against GDP as the main barometer of a country's wellbeing and success and compared Ireland's performance across all 17 SDGs with those of the remaining EU-15 countries. Using these criteria, Ireland ranked 11th out of the EU-15 countries in 2017; improved one place to 10th in 2018; and slipped back to 11th in 2020 (Table 9.1).

The results of the Index suggest that Ireland faces significant challenges in meeting the development objectives enshrined in the SDGs. Focusing exclusively on GDP will divert the attention of policymakers from the action that must be taken to achieve the SDGs. A new National Index of Progress encompassing environmental and social indicators of progress as well as economic ones would assist Ireland in achieving the SDGs.

Policy Priorities

- Set ambitious emissions reduction targets for 2030 and ensure sufficient resources to support implementation of these targets.
- Adopt targets and a reporting system for each of the Sustainable Development Goals.

¹⁰ Climate Change Advisory Council (2020) Annual Review 2020. Dublin: Climate change Advisory Council.

¹¹ Environmental Protection Agency and Sustainable Energy Authority of Ireland (2021) The impact on 2020 greenhouse gas emissions of COVID-19 restrictions January 2021. Dublin: EPA

¹² [Measuring Ireland's Progress - Sustainable Progress Index 2021 | Social Justice Ireland](#)

Global Citizenship

Chart 10.1: Ireland's net overseas development assistance, 2006-2021

Year	€m's	% of GNP / GNI*
2006	814.0	0.53
2007	870.9	0.53
2008	920.7	0.59
2009	722.2	0.55
2010	675.8	0.52*
2011	657.0	0.52*
2012	628.9	0.50*
2013	637.1	0.47*
2014	614.9	0.41*
2015	647.5	0.40*
2016	725.8	0.42*
2017	743.4	0.40*
2018	791.6	0.40*
2019	869.9	0.41*
2020	837**	0.41*
2021	867**	0.42*

Source: Government of Ireland (2020:75) and various Budget Documents.

Notes: * Estimate based on GNI*, which Social Justice Ireland considers to be a better measurement of Ireland's national income (GNI* data from CSO National Income and Expenditure Annual Results, various years).

**Projections from Budget documentation and Estimates

Global Citizenship



Before the launch of the Government's Annual Report on Official Development Assistance (ODA) for 2018, the Tánaiste, Mr. Simon Coveney TD, noted that:

“the world is facing some generation-defining challenges. Including addressing climate change and achieving the Sustainable Development Goals. Ireland's official development assistance programme is a crucial component of our ability to shape and influence how these challenges are addressed and underpins why the Government remains committed to reaching the internationally agreed target of 0.7 per cent of Gross National Income by 2030”.

While *Social Justice Ireland* welcomed the Tánaiste's re-commitment to the ODA target, it is regrettable that the date was pushed forward to 2030. However, reaching even that goal will require increased effort in the years ahead. As Table 10.1 shows, over time Ireland had achieved sizeable increases in our ODA allocation. In 2006 a total of €814m (0.53 per cent of GNP) was allocated to ODA, which was the interim target set by the Government. Budget 2008 further increased the ODA budget to reach €920.7m (0.59 per cent of GNP). However, since then the ODA budget has been a focus of government cuts and in 2014, Ireland's ODA was €614.9m (0.41 per cent of GNI* and a reduction of over 33 per cent on 2008). Since 2014, the monetary value of Ireland's ODA has increased. In 2019, it was €869.9m, however as a proportion of GNI*, Ireland's contribution has remained relatively static at 0.41 per cent.

Social Justice Ireland recognises and welcomes the increased contributions in recent Budgets

to ODA¹³. In his Speech on Budget 2020 the Minister for Finance announced that Ireland would double its annual contribution to the Green Climate Fund which provides much needed financial support to reduce GHG emissions in developing countries. This equates to a commitment of €4m per annum until 2023.

However, Ireland still lacks a strategy for reaching the UN-agreed 0.7 per cent target and we call on the Government to develop such a strategy with a view to reaching this target by 2030. Notwithstanding our current economic difficulties, Ireland must continue to recover lost ground in relation to our ODA commitments if developing countries are to have a chance of emerging from this pandemic.

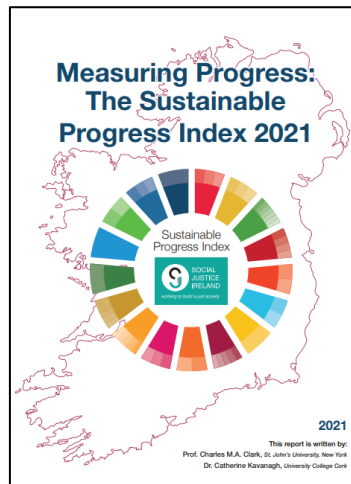
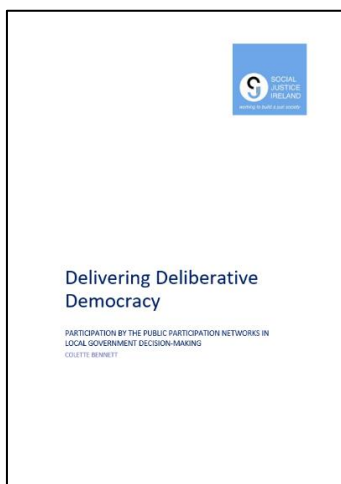
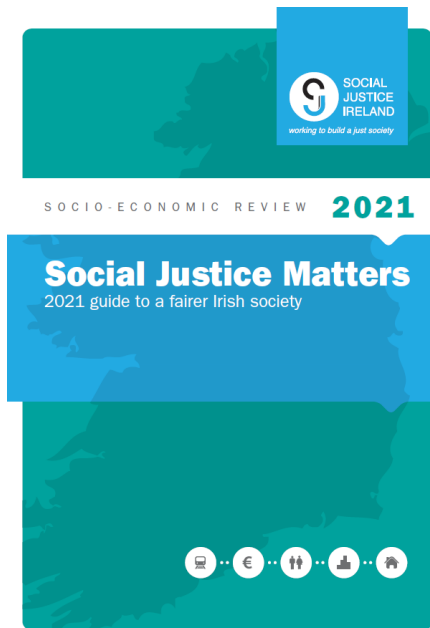
Rebuilding our commitment to ODA and honouring the UN target should be important policy paths for Ireland to pursue in the coming years. Not only would its achievement be a major success for government and an important element in the delivery of promises made but it would also be of significance internationally. Ireland's success would not only provide additional assistance to needy countries but would also provide leadership to those other European countries who do not meet the target.

Policy Priorities

- Frontload ODA investment between now and 2030 to bring our commitment in line with the Global Ireland strategy.
- Develop a comprehensive strategy setting out a pathway to meeting Ireland's UN-agreed target of 0.7 per cent.

¹³ Data for 2019 refers to the actual amount spent as per the Government of Ireland's Irish Aid Annual Report 2019. The allocation for ODA in Budget 2019 was €817m

Other Publications by Social Justice Ireland (see www.socialjustice.ie):



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.



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