

## ***Social Justice Ireland responds to new Programme for Government***

***Social Justice Ireland*** has issued the following initial response to the new Programme for Government.

The new Programme for Government covers a wide range of issues at different levels. It contains very welcome commitments on some issues while being very vague on how it proposes to address other issues. It contains very few numbers or target dates. Its implementation will be very dependent on the EU/IMF bailout agreement being renegotiated so as to reduce the burden and to enable sufficient economic activity to ensure a viable future.

### **On social policy**

*Social Justice Ireland* welcomes the commitments to:

- Stop cutting social welfare rates further.
- Reverse the cut in the minimum wage.
- Reach the 0.7% of GNP target for Overseas Development Aid by 2015.
- Develop a one-tier healthcare system.
- Develop a universal pension system.
- Invest in targeted early childhood education programmes for disadvantaged children.
- Address the issue of literacy.
- Address social housing issues and update the homeless strategy.
- Publish a realistic implementation plan for the National Disability strategy including sectoral plans with timescales and targets.

*Social Justice Ireland* is concerned that

- The section on healthcare is vague on what the new healthcare system would look like to the user. The presentation is vague giving no information on how costs are to be reduced and quality maintained. A similar system in the Netherlands absorbs a

higher percentage of GDP in public expenditure than is being spent in Ireland under the current system.

- It is not clear, for example, how the primary healthcare system is to be funded adequately to ensure full coverage across the country. Nor is it clear how competition between hospitals won't produce a 'creaming' effect which would see a few urban-based hospitals grow dramatically at the expense of others. Appropriate and competent healthcare coverage across the country is essential.
- The changes in the healthcare system will move Ireland away from a 'welfare state' approach and more towards a 'regulatory state' approach. At first glance the proposed abolition of the HSE would suggest that government was shifting back towards a classic welfare state model of governance with direct ministerial control and a greater degree of bureaucratic discretion. Proposals to progressively introduce primary health care services which are free at point of use also appear to shift Ireland closer to the welfare state model of healthcare. However these measures are balanced by the proposal to free hospitals from direct governmental control and, presumably, establish a contractual basis for both the procurement and regulation of healthcare provision. Accordingly the Department of Health may be substantially restricted to policy rather than operational matters in healthcare. It is not clear how this approach will provide a better quality healthcare system.
- Adult literacy issues will not be given sufficient priority or resources.
- Social housing will not be addressed on the scale required to address the level of social housing need.

### **On economic policy**

*Social Justice Ireland* welcomes the commitments to:

- End the 'blank cheques for banks' policy.
- Pursue a number of other strategies in the context of addressing the situation produced by the banking crisis.
- Establish a New Economy and Recovery Authority (NewERA) which will absorb the National Pension Reserve Commission.
- Establish a Strategic Investment Bank and draw up a new National Development Plan.
- Resource a Jobs Fund which will
- Provide for an additional 15,000 places in training, work experience and educational opportunities for unemployed people;

- Provide an additional 60,000 places across a range of schemes and initiatives (including 30,000 additional training places across the education and training system).
- Replace FAS with a new National Employment and Entitlements Service to produce a single delivery unit managed by the Department of Social Protection.
- Take a range of measures to support small and medium-sized enterprises.
- Growing the agri-food sector.
- Ensure a minimum effective tax rate of 30% for very high earners.
- Consider introducing a site valuation tax (with qualifications).

*Social Justice Ireland* is concerned that

- Very few numbers have been produced in this document and it is not clear how the 3% of GDP (gross domestic product) target is going to be met by 2015
- No target has been set for the over-all tax-take as a percentage of GDP. At present Ireland's total tax-take (i.e. all taxes, social insurance payments and local charges) as a percentage of GDP is one of the lowest in the EU. Only Latvia, Lithuania, Slovakia and Romania of the 27 countries in the EU take a lower percentage of GDP in total-tax take than Ireland. Ireland should increase its total tax-take towards 35% of GDP which will still keep Ireland a low-tax country and it should do this without increasing income tax. Instead, Ireland should build a fairer tax system by broadening the tax base and eliminating or adjusting tax breaks that benefit the better off for the most part. It is not possible to provide services and infrastructure and address the current range of crises without increasing the total tax-take.
- The adjustments to the EU/IMF bailout agreement may not be on the scale required for Ireland.
- The failure of European institutions to recognise and address the weaknesses in Europe's banking system may lead to even more serious problems for Ireland and its partners in the EU, problems which would have very negative impacts on Ireland and the EU.

### **On environmental policy**

*Social Justice Ireland* welcomes the commitments to:

- Publish a Climate Change Bill
- Address the many issues regarding water.

- Improve energy efficiency for new buildings as a step towards zero carbon homes.
- Legislate to support the geothermal energy sector.
- Develop a national waste policy.
- Clamp down on illegal dumping.
- Have a public service obligation as part of local waste collection services including a fee waiver scheme for low-income households.
- Re-balance transport policy to favour public transport.

*Social Justice Ireland* is concerned that

- The proposal to establish a new State company to take over water programmes will not resolve the major blockages in the current system i.e. the bureaucracy of the public sector especially in the Department of the Environment that deals with water-related issues.
- Environmental issues generally will be long-fingered in the context of Ireland having to address its current series of crises.

### **On governance**

*Social Justice Ireland* welcomes the commitments to:

- Reform Dail Eireann and extend its sitting days by about 50%.
- Expand the work of the Oireachtas Committee system.
- Establish a clear avenue for Dail Eireann to address EU legislation and have regular attendance by MEPs at relevant Dail committees.
- Reform local government .
- Take a range of initiatives to shift power from the State to the citizen.
- Establish an independent Fiscal Advisory Council (FAC).
- Open up the Budget process to the full glare of public scrutiny.
- Bring forward the annual Estimates cycle to start at the beginning of the preceding year and conclude by the summer.
- Conduct a Comprehensive Spending Review.
- Identify performance indicators to monitor progress on high level priorities.

- Bring new leadership and skills to the Department of Finance.

*Social Justice Ireland* is concerned that

- The wide range of regulatory proposals affecting areas such as financial markets, business, the public sector, consumer protection and the environment raises questions concerning the new Government's views on the shape of the future. The strong focus on increased regulation suggests the new Government is moving from a welfare state model towards a regulatory state model. A regulatory state tends to separate policy making functions from the operating and implementation functions. It tends to rely on rules and to use independent regulatory agencies to monitor and enforce compliance with regulations. The range of regulatory initiatives seems very significant. They include proposals to reinforce freedom of information legislation; to extend the ambit of the public sector ombudsman; to introduce whistleblowers legislation; to more tightly regulate political party finances; to revise legislation governing the relationship between ministers and their civil servants; to establish an Investigations, Oversight and Petitions Committee in the Oireachtas linked to a proposed referendum to permit Dail committees to undertake full inquiries (reversing the Abbeylara decision); to require the publication of Regulatory Impact Analyses prior to the taking of government decisions; to introduce greater 'choice and voice' for users of public services such as schools and hospitals; and to put the Inspector of Prisons on a statutory basis.
- A distinct set of proposals for sale of state assets, to be guided by a report by Colm McCarthy to be published imminently, will reduce the capacity of the state for control through ownership thus continuing the shift from welfare state to regulatory state models.
- The programme has not detailed how it proposes to address the blockages obstructing local government development. Local government reform, to be effective, requires major integration of the work of state agencies (in education, health, employment, industrial development etc.) with the work of the Local Authorities. Likewise it requires effective inclusion of all stakeholders including the Community and Voluntary sector. The experience of the County Development Boards over the past decade and more has shown that this integration was strongly resisted by county managers, state agencies and local politicians.
- The role of the Community and Voluntary sector is not more prominently acknowledged. Only one mention: "During a time of recession and deep unemployment the Government acknowledges the vital role of the community and voluntary sector working in partnership with local communities, State agencies and local authorities." P.52. While the one reference to the sector is welcome it is far too narrow (referring to its role in difficult times only) and fails to recognise the substantial role the sector plays at a national level.