

February 2016

Delivering Solidarity and Sustainability for Ireland

General Election 2016 Briefing



Table of Contents

Introduction	3
Context	3
Vision and Values	3
Five key policy areas	4
Policy Framework	4
i) A Vibrant Economy	5
ii) Decent Services and Infrastructure	5
iii) Just Taxation	6
iv) Good Governance	6
v) Sustainability	7
An Integrated Approach	7
A National Debate	7
A fair and sustainable future is possible	8
Use your influence - VOTE	8



Introduction

General Election 2016 comes at a critical moment for Ireland. Decisions made in the next Dáil will have major impacts on Irish people and shape the future for a considerable time to come.

Whether or not the decisions of the next Government produce a just and sustainable future depends on those elected to the 32nd Dáil. They will decide the priorities to guide policy and shape Budget decisions each year.

They will also decide whether Ireland is a nation committed to solidarity and sustainability or whether it becomes a nation where greed triumphs over need.

Consequently, it is very important that voters focus on where they believe Ireland should be in ten years time. They should then consider four key questions:

- What services and infrastructure are required to reach that destination?
- How are these to be delivered?
- How are these services and infrastructure to be paid for?
- How can we maintain a vibrant and sustainable economy and society while travelling towards that destination.

The answers to these questions should determine how people vote in this General Election.

Context

Looking at Ireland through a particular lens almost a decade after the crash of 2008, one could come to the conclusion that all is well and that the future looks bright. Economic growth has been dramatic. The very challenging fiscal targets that had to be met have, in fact, been exceeded.

Employment is growing while at the same time unemployment is falling. Exports are growing and this growth has been strongly supported by the weakness of the euro. Interest rates and oil prices are at an historic low.

On the other hand, one could look at Ireland's current situation through a different lens and come to a very different conclusion.

- Poverty and social exclusion persist despite the economic growth and deprivation has risen dramatically.
- Ongoing high levels of public and private debt are deeply worrying.
- There is a persistently high level of long-term unemployment.
- The failure to reverse many of the hits taken by the vulnerable since the crash of 2008 is regrettable.
- Growing urban/rural divisions are of major concern.

The high levels of emigration, long-term unemployment and youth unemployment raise serious questions that challenge any benign interpretation of how Ireland has succeeded in addressing the consequences of the economic crash.

There is a widespread desire not to repeat the mistakes that created the crash in the first place. There is also a widespread concern that decision-making may revert to the failed patterns of the past.

In this General Election Briefing *Social Justice Ireland* sets out its views on how Ireland can ensure the future does not repeat the mistakes of the past.

It provides a guiding vision for a just and inclusive society and a policy framework that would deliver a just future for all.

Vision and values

Ireland should be guided by a vision of becoming a just society in which human rights are respected, human dignity is upheld, human development is promoted and the environment is respected and protected.

The core values of such a society would be human dignity, equality, human rights, solidarity, sustainability and pursuit of the common good.



It is very important that voters focus on where they believe Ireland should be in ten years time. They should then consider four key questions:

- *What services and infrastructure are required to reach that destination?*
- *How are these to be delivered?*
- *How are these services and infrastructure to be paid for?*
- *How can we maintain a vibrant and sustainable economy and society while travelling towards that destination.*

The answers to these questions should determine how people vote in this General Election.

Being guided by such a vision and underpinned by these values Ireland would become a nation in which all women, men and children have what they require to live life with dignity and to fulfil their potential: they would have sufficient income; access to the services they need; and active inclusion in a genuinely participatory society.

These outcomes reflect the aspirations of the majority of Irish citizens. *Social Justice Ireland* believes such a future could and should be delivered. A policy framework to deliver such a future is set out in the following pages.

The 32nd Dáil should focus on five key areas

If Ireland is to move towards the vision and values set out on page 3, it needs to develop:

- a vibrant economy;
- decent services and infrastructure;
- just taxation;
- good governance, and
- sustainability.

We set these out in a table below. In the following pages we will address key components of each of these five areas.

These areas overlap but it's of value to separate them out for analytical purposes. These five key areas must also be addressed comprehensively and in an integrated manner.

It is important to recognise that these policy areas must be worked on simultaneously and not sequentially. We do not accept that the economy must be 'fixed' first and that other issues can be

addressed subsequently.

Instead we believe that decent services and infrastructure, just taxation, good governance and sustainability are essential if the economy is to be stable and vibrant and grow in a way that is most suited to the development of a society characterised by justice and well-being.

Unless these areas are addressed simultaneously and in an integrated way then Ireland's recovery is likely to follow the well-worn path of the past and lead in due course to another crash.

It is crucial that the political system adopts the long-term approach Ireland's current challenges require. This would mean that policymakers move away from the current dominant view that economic growth will solve all problems and consequently should be prioritised over all other areas of policy to a position that recognises the interconnections between the various policy areas identified here and then acknowledges that balanced development between these areas is essential if there are to be fair and just outcomes.



It is crucial that the political system adopts the long-term approach Ireland's current challenges need. It must move away from the view that economic growth will solve all problems and should be prioritised over all other areas of policy.

Instead it needs to recognise the interconnections between the various policy areas identified here and then acknowledge that balanced development between these areas is essential if there are to be fair and just outcomes.

Policy Framework: Five policy areas to deliver a just and sustainable future

Vibrant economy	Decent services and infrastructure	Just taxation	Good governance	Sustainability
Fiscal and financial stability and sustainable economic growth	Secure services and social infrastructure	Bring taxes towards EU average	Deliberative democracy & PPNs	Promote climate justice and protect the environment
Adequate investment programme	Combat unemployment & underemployment	Increase taxes equitably and reduce income inequality	Social dialogue – all sectors in deliberative process	Balanced regional development
Reduce Ireland's debt burden	Ensure seven Social, Economic and Cultural rights are achieved	Secure fair share of corporate profits for the State	Reform policy evaluation	New indicators of progress and new Satellite National Accounts

Policy Framework

i) A vibrant economy

If Ireland is to have long-term macroeconomic stability and a vibrant economy, then a reduction in Ireland's debt burden is required together with a substantial increase in the level of public investment.

While Ireland's economy has seen dramatic recovery and has outperformed most of its global competitors, it remains very vulnerable to external developments.

Investment is needed to produce a well-functioning economy, to develop inclusive labour markets, to secure adequate income support and to ensure access to high-quality services for all. This investment should not be impeded by the requirements of the Stability and Growth Pact, which was developed for a different purpose.

Ireland did not address the social impacts of the bailout measures from the beginning, with very unfair consequences. Now there is an urgent need



Seven basic rights should be acknowledged, recognised and vindicated. These are the rights to:

- *sufficient income to live life with dignity;*
- *meaningful work;*
- *appropriate accommodation;*
- *relevant education;*
- *essential healthcare;*
- *cultural respect; and*
- *real participation in society.*

to rebalance the economic and social aspects of Irish development.

To ensure a vibrant economy in the long run Ireland needs to tackle its infrastructure deficits in areas such as broadband, social housing, water infrastructure, education and primary care facilities. This would require a substantial increase in the current level of investment.

Such investment would generate an increase in the number of full-time jobs available while also improving the long run productivity of the Irish economy.

Within the current fiscal rules the level of investment required will not be secured. So Ireland needs a change in the fiscal rules or else the development of an off-balance-sheet investment programme on the scale required to have a real impact on the current infrastructure deficits.

ii) Decent services and infrastructure

Ireland has serious deficits in services such as education and health and in infrastructure such as social housing, childcare and broadband.

Most Irish people would like to see their services and infrastructure equal to the norm in Western Europe but, in practice, it falls short of that in many areas.

There have also been significant cuts to social services and payments since 2008. Many of these cuts have been socially destructive and counter-productive.

Adequate social infrastructure and services are necessary to support economic development. They are also essential if Ireland is to achieve dignity and equality for all citizens, from children to older people to all those experiencing disability, particularly in the context of an increased total fertility rate and gradually ageing population.

Basic Income

The social welfare system is not fit for purpose in the 21st century. *Social Justice Ireland* has consistently argued that the present tax and social welfare systems should be integrated and reformed through the introduction of a basic income system.

A basic income is an income paid unconditionally to every person without any means test or work requirement. In a BI system every person receives a weekly tax-free payment from the Exchequer while all other personal income is taxed. The BI payment would replace income from social welfare for a person who is unemployed and replace tax credits for a person who is employed.

The next Government should introduce a Basic Income system.

It is important to remember that although Ireland's population is young in comparison to those of other European countries, by 2031 almost one million people in Ireland will be over 65 with 136,000 being over 85. The number of young people is also growing.

These are positive developments but they present challenges that must be addressed now if all are to have access to decent services and infrastructure.

There has been a welcome focus on addressing unemployment and this must continue. In particular, the need for well-paid, quality, full-time jobs must be recognised. The persistence of high levels of long-term unemployment must also be addressed as a matter of urgency.

Likewise there is a need to recognise all work, including work in the home, work done by voluntary carers, and by volunteers in the community and voluntary sector. Their contribution to society is significant in terms of economic, social and individual well-being.

iii) Just 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. Policy in this area will be severely constrained in the years immediately ahead, not least because the EU's fiscal rules now require that additional discretionary expenditure must be funded by additional discretionary revenue.

The Government's Budget documentation shows total expenditure falling from 35.1% of GDP in 2015 to 28.4% of GDP in 2021 on a 'no policy change' basis. In the same period Government is projecting a fall in total revenue from 33% of GDP to 30.9%.

This is in stark contrast to the EU which is estimated to have total expenditure of 47.9% and total revenue of 45.3% of GDP in 2013 (Eurostat 2015). It will not be possible to provide decent services and infrastructure or to maintain a vibrant economy without an increase in total taxation.

Ireland must increase its total tax-take and do so in a fair and equitable manner. This will, among other things, involve shifting taxation towards wealth and ensuring the corporate sector pays a fair share of tax.



The community and voluntary sector plays a key role in providing research, services, advocacy and supports for people all across the life-cycle. The sector has a major contribution to make to improving Ireland's governance and the unfair cuts it has experienced should be reversed.

Reducing inequality must be a core objective of Government policy.

Though the promotion of pre-redistribution income equality is important, redistribution through tax and spending decisions should be used to achieve greater equality in Ireland.

A key medium-term priority must be the reconceptualisation of the role of the Irish corporation tax regime. Ireland needs to change its stance towards the corporation tax debate in Europe and negotiate a Europe-wide minimum headline corporation tax of 17.5%. In the meantime there should be a minimum effective corporate tax rate as a step towards a fair resolution of the current unacceptable situation.

iv) Good Governance

Events have shown that Ireland's governance was not at the required standard in certain areas prior to the economic crash of 2008. This is particularly true in the area of financial regulation.

In the years following the crash government made decisions that subsequently were seen to be very damaging. These decisions, some financial some budgetary, were made in haste and did not involve any meaningful consultation with major sectors of Irish society.

Reforming governance and getting much broader participation in decision-making are essential if Ireland is to have a just and inclusive future.

To facilitate real participation a process of 'deliberative democracy' is required. Deliberative democratic structures enable discussion and debate to take place without any imposition of power differentials. Issues and positions are argued and discussed on the basis of the available evidence rather than on the basis of assertions by those who are powerful and unwilling to consider the evidence. Such debate produces evidence-based policy and ensures a high level of accountability among stakeholders.



How can Ireland provide social services and infrastructure at an EU average level, which is what most Irish people seem to want, while reducing revenue to levels that are already dramatically below the EU average?

It is not possible to provide European levels of infrastructure and services with US levels of taxation. Ireland can have one or the other but can't have both.

At a national level a new structure for Social Dialogue is required where the issues outlined in this briefing may be discussed in a deliberative manner. Government needs to engage all sectors of society, not just trade unions and employers, in addressing the huge challenges Ireland currently faces.

If government wishes all of us to take responsibility for producing a more viable future then it must involve all of us. Responsibility for shaping the future should be shared among all stakeholders.

Policy evaluation has been extremely poor over the years in Ireland's policy development processes. While there has been some improvement in recent years there is still a long way to go.

Evaluation as a tool for ongoing learning should be a part of all Government initiatives. A step in the right direction, for example, would see Government increase the transparency of budgetary and other important decisions, which are often opaque.

v) Sustainability

Sustainability should be at the heart of all government decision-making. Environmental sustainability, economic sustainability and social sustainability all form part of this reality.

Prioritising sustainability will require the introduction of measures to promote climate justice and protect the environment; the promotion of balanced regional development; and development of new economic and social indicators to measure performance, alongside traditional national accounting measures such as GNP, GDP and GNI.

In recent years there has been a growing realisation of climate change and climate justice. Commitments made at the COP21 conference in Paris in 2015 were based on the growing realisation that our environment is finite - a fact that had often been ignored in the past.

It is essential that all public policy be consistent in promoting climate justice and protecting the environment. This provides Ireland with special challenges as it seeks simultaneously to prioritise a type of agricultural development that will have negative impacts on the environment.

Ireland should also exercise leadership



It is essential that all public policy be consistent in promoting climate justice and protecting the environment. Without such consistency the very existence of human life on this planet is threatened. This provides Ireland with special challenges

in a global context by meeting its Third World Aid target during the lifetime of the 32nd Dáil.

In order to prevent a two-tier recovery between urban and rural areas from becoming embedded in Ireland, policy must ensure balanced regional development through the provision of public services – including cultural, economic and social services - and through capital spending projects, and the adoption of a new National Spatial Strategy, which could be formulated through a deliberative national debate.

Creating a sustainable Ireland requires adoption of new indicators to measure progress. GDP alone as a measure of progress is unsatisfactory, as it only describes the monetary value of gross output, income and expenditure in an economy. A report on measuring progress, led by Amartya Sen and Joseph Stiglitz, argued that new indicators measuring environmental, financial sustainability, well-being, and happiness are required. Ireland should develop and apply these indicators.

An integrated approach

If there is to be an inclusive and just recovery all five of these policy areas must be developed in an integrated and sustainable manner.

Priority must be given to long-term outcomes. To this end multi-annual budgeting is essential, as is a constant focus on medium to long-term policy goals.

Substantial investment over a protracted period is required if Ireland's social and physical infrastructure deficits are to be addressed. Such investment is also required given the demographic changes the country faces in the coming decades as the population grows and ages.

The policy challenges which Ireland faces in the coming decades require a framework such as the one set out here if they are to be addressed in an integrated and sustainable manner.

Global Goals (SDGs)

UN development framework

The Sustainable Development Goals (SDGs) are an intergovernmental 17-point plan, with 169 targets, to end poverty, halt climate change and fight injustice and inequality. They were agreed by the United Nations in 2015 and apply to all countries in the world.

The next government should develop a national action plan setting out the steps Ireland will take both at home and abroad to ensure these goals are attained by the target date of 2030. This plan should be co-ordinated by the Department of the Taoiseach to ensure cross-department integration. This plan should be developed in a participatory and inclusive manner and should contain measurable targets.

A national debate

There should be an ongoing national debate on the four key questions set out on page 3:

- What level of public infrastructure and services do Irish people want?
- How are these to be delivered?
- How are they to be financed?
- How can we secure a vibrant and sustainable economy as we travel towards the destination this debate would identify?

Future policy development will likely involve increasing public spending and tax levels as well as changes in how services are delivered.

It is important to ensure that all policy decisions in the years ahead work to deliver sustainable outcomes that respect this and future generations.

In a society characterised by good governance these questions would be openly debated and decided upon.



SOCIAL
JUSTICE
IRELAND

working to build a just society

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

A fair and sustainable future is possible

Social Justice Ireland believes that a fair and sustainable future is possible. When people vote they are making choices not just about the candidates but also about the policies they (and their Parties or groupings) support. People are, in fact, expressing their own preferences for the future of their country and their local communities.

For example, decisions by government can have a major impact on Ireland, nationally and locally.

As responsible participants in the democratic process there is an onus on all voters to study the policies of the various candidates, to avail of opportunities to inform candidates of their opinions and to engage in debate about the issues.

At election time the voices of the articulate and well organised are heard. Political parties are sensitive to their issues. It is therefore important that the needs and concerns of those with scant resources are equally represented.

Social Justice Ireland has produced this Election Briefing on the upcoming general election to assist people in this process. We strongly believe that people generally would be very positive about decisions taken locally, nationally, internationally, that were seen to be aimed at producing a future that was both fair and sustainable.

Recent developments have

shown clearly that many decisions taken in recent decades failed to prioritise these two dimensions. Consequently, a very unfair society has emerged which is not sustainable from an economic, environmental or social perspective.

The people of Ireland deserve better. It is possible to build a better future. But it requires a commitment to make different choices based on values that give priority to people and the common good over greed and the market. This is a challenge that must be met.

Further information

Further information on all the issues raised in this briefing together with our recent publications and research is available at the *Social Justice Ireland* website: www.socialjustice.ie

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 or by contacting our offices directly.

Use your influence— VOTE

Many people feel voting is a waste of time. They claim decisions are made without real consultation and that their major interests are not given real consideration by politicians.

Very often they feel the issues are remote and not immediately relevant to their lives. Sometimes people feel that the Oireachtas has no power to do anything.

These perceptions do not coincide with reality. Major decisions are made all the time by government and the Dáil has the right to debate these issues and vote on whether or not they should be accepted.

The government and the Dáil will make decisions on major issues in the years ahead. Those decisions will shape our future for decades to come.

Choose wisely. Use your influence. **VOTE and encourage others to do so.**

Social Justice Ireland is an independent think-tank and justice advocacy organisation of individuals and groups throughout Ireland who are committed to working to build a just society where human rights are respected, human dignity is protected, human development is facilitated and the environment is respected and protected.