BUDGET 2011

Social Justice Ireland

ANALYSIS AND CRITIQUE

Unjust choices rob the poor, protect gamblers, damage the economy

Budget 2011 is unjust, unfair and unacceptable. The choices made will rob the poor to protect people and institutions who caused many of Ireland's problems through their reckless gambling with banks. It will seriously damage Ireland's economy, social services and infrastructure.
Poor people will be the big losers as a result of the decisions made by Government in this Budget. The working poor, low income families with children and people on social welfare will see their poverty deepen or will be pushed into poverty. (p.3)
People depending on public services will be seriously disadvantaged as these services decline and the cost of accessing them will put them beyond the reach of many. (p.19)
On the other hand, the rich and powerful, including senior bond holders and the corporate sector, will be the main beneficiaries in that they are not required either to pay for their misdeeds or to make a contribution towards Ireland's rescue.
The Minister for Finance claimed that Ireland is continuing "to work off the excesses of the boom". While accusations of excess could be levelled at some of the people who created the mess Ireland now finds itself in, it cannot be truthfully applied to Ireland's poor people.
Likewise, it is misleading for the Minister to point to the increases in welfare rates in recent years to justify their reduction in Budget 2011.
An analysis of the past quarter century shows that the better off have benefitted far more than the working poor or those depending on welfare payments. For example the net, take-home, income of a Government Minister in 2011 (after the current budget changes are implemented) will be €1,034 a WEEK higher than it was in 1986. On the other hand the take-home income of a person in receipt of jobseekers benefit will have risen by only €136. This cannot justify a decrease in social welfare rates. We provide a range of similar comparisons on page 10.

(Continued on page 2)

Taking the 'hit'

- The working poor
- Low income families with children
- Poor people
- Carers
- Sick people
- People with disability
- Children
- Unemployed people
- People depending on public services

Escaping the 'hit'

- Senior bond holders
- The corporate sector
- Corporations and individuals who benefit from a wide range of tax breaks that have not been removed.

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Budget 2011 Follows the Same Old Failed Model of Development

(Continued from page 1)

Bad for the economy

Budget 2011 takes huge risks with the Irish economy by implementing adjustments of €6bn. Government has provided no serious assessment of the appropriateness of such an adjustment which is likely to depress Ireland's growth rate to a level lower than projected by Government. The scale of the adjustment is too severe. It will have a negative impact on Ireland's potential to recover. (p.6)

Failing on taxation

Government failed to act on the scale required to increase Ireland's total tax-take by broadening the tax base and eliminating tax breaks that benefit the better off for the most part. We welcome the moves towards eliminating tax breaks and reform of the tax system. However, failure to deal with the reality of Ireland's very low total tax-take (all taxes + social insurance + local charges) means too much of the Government's fiscal adjustment will come from cuts. (p.7)

Failing Ireland's poorest

Social welfare recipients and the working poor will see themselves pushed deeper into the degradation of poverty to pay for the actions of others, actions in which they had no hand, act or part. In Budget 2011 their payments were reduced by €8 a week for a single person, €13.30 a week for a couple. This means a single person is now expected to live on €188.00 a week (€312.80 for a couple). It will be almost impossible to survive in Ireland in 2011 on that income let alone life with dignity. Ireland's poorest have been condemned to penury by this Government's choices. (pp.8+9)

Failing on unemployment

The Government is projecting a small reduction in unemployment but also expecting a small fall in employment. This means that the fall in unemployment is being driven by emigration. The latest ESRI study projects 60,000 people to emigrate this year.

Failing the working poor

The situation of the working poor has been seriously worsened by choices Government made in this Budget To address this issue tax credits should be refundable i.e. the low-paid could benefit from their full value. Government chose to make their situation worse by bringing the working poor into the tax net. This, combined with the impact of the Universal Social Charge and the reduction in the minimum wage condemn the working poor to living in poverty for years to come. Government sought to justify this by saying the low-paid should contribute to Ireland's recovery. At the same time Government failed to make the same demand of senior bond holders, the corporate sector or many companies and individuals who benefit from huge tax breaks.

Negative impact on services

The reduced funding for education, healthcare and the community and voluntary sector will mean that services will be reduced or will have to be paid for across a wide range of activities. As well as cuts in health services there will be negative impacts on a wide range of services ranging from rural transport to adult literacy, from meals on wheels to school transport. (p.7)

Ireland's poorest have been condemned to penury by this Government's choices

There are alternatives

This Budget is based on the failed assumptions of the past decade and more. It is based on a development model that:

- sees the future being reached through having one of the lowest total tax-takes in the EU;
- gives priority to the economy over all else;
- believes that cuts in public expenditure are the key.
- believes no major bank must be allowed to collapse no matter what the cost may be.

Experience shows this doesn't work. But there are alternatives to this failed approach. Four core values that should underpin a guiding vision for Ireland are: human dignity, sustainability, equality/human rights and the common good. Guided by these values Ireland needs new policy priorities aimed at paying our way, securing economic and social development, securing the necessary economic and social infrastructure, tackling unemployment, reducing poverty, reforming the public sector and getting value for money.

A good starting point would be the development of a multi-year plan that would be guided by this approach. A key component of any viable plan must be the commitment to move Ireland's total tax-take to 34.9% of GDP. The details are spelt out on pages 21+24.

Conclusion

The Minister's claim that Budget 2011 was progressive and had distributed the burden of adjustment fairly is patently not true. While high earners did take some of the 'hit', it was the working poor, families, children and people depending on welfare who have been hardest 'hit'. Many will be driven into poverty as a result of this Government's choices. Others will be in much deeper poverty in 2011. This Budget was not progressive. In fact it was deeply unjust and unfair.

Social Welfare Cuts Hit the Weakest in Society Hard

Budget 2011's decision to cut jobseekers allowance by €8 per week burdens the poorest in our society with a disproportionate share of the Budget's cuts. From the start of 2011, a single unemployed person aged over 25yrs will receive €188 per week, a 4% reduction from current levels. An unemployed couple will receive €13.30 less per week - seeing their income falling from €326.10 to €312.80 (-4%).

While the percentage reduction in income (4%) may be smaller than that imposed on others by the Budget, it should be remembered that jobseekers allowance is just €188 per week, that people struggle to survive on this and can only do so by cutting back on life's essentials. Research from the *Vincentian Partnership for Social Justice* has already shown that jobseekers allowance falls short in providing recipients with a 'minimum essential standard of living'. As a consequence of these cuts, we can safely predict that the lives of Ireland's poorest will become even more difficult and the basic day-to-day living standard choices they face will become all the harder. Despite the current challenges, is this the type of society we want?

While the percentage reduction in income (4%) may be smaller than that imposed on others by the Budget, it should be remembered that jobseekers allowance is just €188 per week, that people struggle to survive on this and can only do so by cutting back on life's essentials

A further impact of these jobseekers' allowance cuts will be to increase the national poverty rates in the years to come. The Budget's cuts ignore the very important role that social welfare plays in addressing poverty. As part of the SILC results the CSO has provided a detailed insight into the role that social welfare plays in tackling poverty levels. They have calculated what the levels of poverty are before and after social welfare benefits. Table 3.1 presents these results and shows that without the social welfare system Ireland's poverty rate in 2009 would have been 46.2%. The actual poverty figure of 14.1% reflects the fact that social welfare payments reduced poverty by 32%.

Reducing welfare payments will drive poverty up. It is not acceptable that Ireland's poorest be condemned to even deeper poverty in the year ahead.

Table 3.1: The role of Social Welfare (SW) payments in addressing poverty

	2001	2004	2006	2009
Poverty levels before SW	35.6	39.8	40.3	46.2
Poverty levels after SW	21.9	19.4	17.0	14.1
The role of SW	**-13.7**	**-20.4**	**-23.3**	**-32.1**

Low Income Families: An Unfair Target

Among those who will feel the impact of this Budget most will be low income families. Families, who are ending up paying a large price for the banking and fiscal misadventures of recent years - something for which they had no responsibility.

The combined effect of a reduction in the minimum wage (by €1 per hour), a reduction in tax credits (of 10%), the new universal social charge (USC) and a cut to child benefit payments means that these families experience large reductions in their disposable income.

Table 3.2 illustrates this effect through an examination of the pre and post Budget situation of a low income family on an income of €30,000 per annum. The analysis distinguishes between a couple with 1 earner and a couple with 2 earners. In both cases, we consider the situation of a family with three children and we assume that their wages are linked to the minimum wage (i.e. as it reduces their pay rates will also reduce by the same amount - €1 per hour).

The collective impact of the Budget 2011 changes sees these households experience significant reductions in income.

Table 3.2: Impact on Low Income Family with €30,000 per annum, 2 Adults and 3 Children

	Couple 1 Earner		Couple 2 Earners	
	2010	**2011**	**2010**	**2011**
Employment Income	€30,000	€27,920	€30,000	€26,880
- Tax, PRSI & USC	€2,730	€2,126	€900	€806
TAKE HOME PAY	**€27,270**	**€25,794**	**€29,100**	**€26,074**
+ Child Benefit	€5,844	€5,304	€5,844	€5,364
DISPOSABLE INCOME	**€33,114**	**€31,158**	**€34,944**	**€31,438**
Change 2010-2011	-	**- €1,956**	-	**- €3,506**
Change per week	-	**- €37.51**	-	**- €67.24**

Notes: Wages linked to National Minimum Wage; Couple 2 earners with 65%/35% income division and 60 hours work per week.

The Social and Economic Context of Budget 2011

To provide a brief overview of the social and economic context of Budget 2011, table 4.1 brings together a range of data and indicators reflecting various aspects of Ireland today.

The Budget has been framed in the context of a severe recession from which Ireland is just beginning to emerge. The background to that recession derives from three major economic factors that have significantly undermined the exchequer's finances:

(i) the collapse of the Irish construction sector and associated housing bubble;

(ii) the collapse of the Irish banking system and the decision by government to effectively rescue all the major Irish financial institutions and engage in substantial borrowing to fund that rescue; and

(iii) an international economic slowdown associated with the 'credit crunch' in the United States and its international repercussions.

The net result of these simultaneous events has seen a rapid increase in the national debt, large increases in personal taxation and pressure to make cuts in government spending. However, effective taxation rates (the % of total income that is paid as tax) are low in historical and international terms.

The Budget is also framed in the context of high, though declining, poverty levels; a sustained problem with child poverty; ongoing literacy challenges; rapidly increasing unemployment and lengthening social housing waiting lists. Current and future challenges arising from environmental pollution levels and projected population growth are also of relevance.

More detail on all of these indicators is provided in our 2010 Socio-Economic Review available on our website: www.socialjustice.ie

Table 4.1: Ireland's Social and Economic Context — Budget 2011

Population		**Taxation: Historical Data**	
Population 2006 Census	4,239,848	Tax as % GDP in 2000	31.7%
Population 2011* / 2016 *	4.685m / 5.093m	Tax as % GDP in 2006	32.6%
Population 2021* / 2041*	5.449m / 6.247m	Tax as % GDP in 2011	30.5%
Income Levels		Value of all Tax Reliefs (per annum, 2006)	€11.5 billion ++
Average Gross Household Income (2009)**	€1,083.21 per week	**Labour Market and Emigration**	
Average Disposable H-hold Income (2009)**	€880.78 per week	Minimum Wage (per hour / 39hr week)	€7.65 / €337.35
Poverty		Labour Force	2,152,700
Poverty line 1 Adult (week / year)	€224.75 / €11,719	Employment	1,859,500
Poverty line 2 Adults (week / year)	€373.09 / €19,454	Unemployment 2009 /rate (ILO Basis)	293,600 / 13.6%
Poverty line 1 Adult + 1 Child (week / year)	€298.92 / €15,586	Live Register (increase since last yr)	425,002 (+11,497)
Poverty line 2 A + 2 Children (week / year)	€521.42 / €27,188	Projected Emigration 2011 (year to April)	60,000
% of population living in poverty **	14.1%	**Inflation** **	
% of children living in poverty **	18.6%	CSO annual CPI inflation rate (yr. to Oct '10)	+0.7%
Social Welfare Rates		CPI excluding mortgages (year to Oct '10)	-0.5%
Minimum Social Welfare Payment (1 adult)	€188.00	**Literacy & Environment**	
2 Adults on Min Social Welfare Payment	€312.80	Illiteracy rate of adult population (1996 data)^	25%
Old Age Pension: contributory/non-contrib	€230.30 / €219.00	% Waste Landfilled (2008 data)	63.9%
Child Benefit: 1st and 2nd / 3rd / 4th child	€140 / €167 / €177	Greenhouse Gas Emissions v. Kyoto target	+8.3%
Housing		**Overseas Aid**	
LA Housing Waiting list - households (2008^)	56,249	ODA as % GNP: 1999 / 2005 / 2008	0.30 / 0.40 / 0.54
LA Housing Waiting list - persons	approx 150,000	ODA as % GNP: 2009#2 / 2010 / 2011	0.56 / 0.48 / 0.50

Sources: Department of Finance Budget Documentation and various publications from Eurostat, Central Bank, ESRI, CSO and various Government Departments and Agencies.

Note: * = projection; ** = latest CSO data; ^ = no data collected since

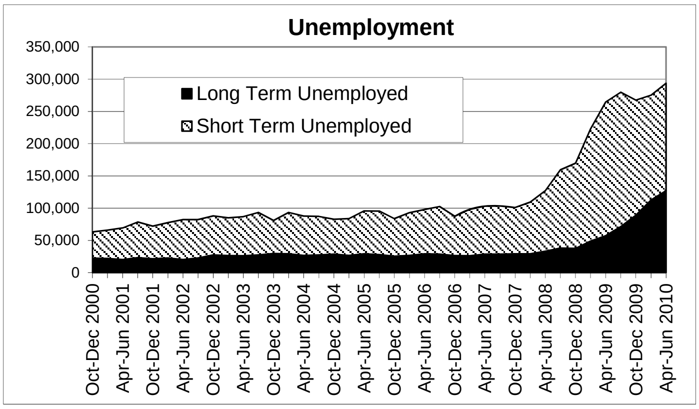
Budget 2011 - Key Numbers, Data & Trends

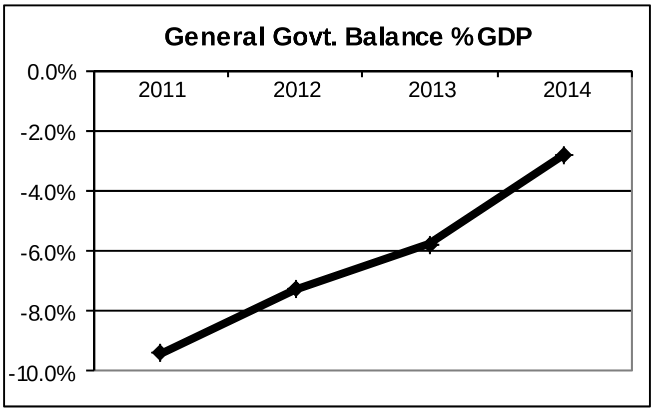
To accompany the Budget speech the Department of Finance has published a series of documents detailing the changes announced in the Budget. Through this *Analysis and Critique* document we examine various aspects of these changes. The table below brings together the key figures from the published Budget documents. It presents the Department of Finance's expectations of National Income (GDP and GNP) next year, and for the next three years. It outlines the projected exchequer budgetary position over that period. Expectations of future changes to employment, unemployment and inflation are detailed. The table also includes details on the taxation system following the implementation of the Budgetary changes. Finally, the table outlines the Department of Finance's calculations regarding the full year cost of the tax and social welfare changes announced in the Budget.

Table 5.1: The Budget in Numbers - Key Data from Budget 2011 (NUMBERS AND TITLES TO UPDATE)

National Income		**Inflation and the Labour Market**	
GDP in 2011	€ 161.2 bn	HICP inflation in 2011	0.7%
GNP in 2011	€ 127.9 bn	HICP inflation 2011-2014 (average)	1.3% per annum
GDP growth in 2011	1.75%	Unemployment rate in 2011	13.25%
GNP growth in 2011	1.0%	Employment growth in 2011	-0.25%
GDP growth 2011-2014 (average)	2.7% per annum	Unemployment rate 2011-2014 (average)	11.5%
GNP growth 2011-2014 (average)	8.5% per annum	Employment growth 2011-2014 (average)	1.06%
Exchequer Budgetary Position		**Taxation**	
Current Budget Balance, 2011 (€m)	- €11,530	Income Taxation - lower rate	20%
Net Capital Investment, 2011 (€m)	€8,800	Income Taxation - higher rate	41%
Capital Investment paid from current resources, 2011 (€m)	Zero	%Tax on €25,000 income (single / 2 earners)	14.0% / 2.5%
Capital Investment paid from borrowing, 2011 (€m)	All	%Tax on €60,000 income (single / 2 earners)	33.4% / 16.8%
Exchequer Borrowing, 2011 (€m)	€18,400	%Tax on €100,000 income (single / 2 earners)	40.9% / 29.7%
General Government Balance (%GDP)	-9.1%	Corporation Tax Rate	12.5%
Current Budget Balance 2012 (€m)	- €8,795	Capital Gains Tax Rate	25%
Current Budget Balance 2013 (€m)	- €5,280	**Yield from Budgetary Changes**	
Net Capital Investment 2011-2014 (€m)	€8,700 (average)	Yield in 2011 of Tax/PRSI changes (€m)	€1,410
Exchequer Borrowing 2011-2014 (€m)	€14,100 (average)	Avg. yield of Tax/PRSI changes 2011-14 (€m)	€1,278
National Debt 2011 % GDP	98.6%	Yield in 2011 of Social Welfare changes (€m)	€873
National Debt 2014 % GDP	100%	Full year yield of Social Welfare changes (€m)	€920

Sources: Minister's speech and various tables throughout Budgetary publications





Major Economic Risks Associated with €6b Adjustment

The scale of the economic adjustment announced in Budget 2011 is very large by national and international standards. Indeed, the eyes of the world are on Ireland to see how a country with the scale of economic problems we possess, and the sluggish economic recovery we are displaying, can cope with such a large adjustment to its economy.

Government has avoided any serious assessment of the appropriateness of such an adjustment. *Social Justice Ireland* believes that a smaller adjustment, of say €4b to €4.5b, would have been in the longer term interests of the economy and its recovery. Such an adjustment would have allowed higher economic growth in 2011 (about 0.5-0.75% more) and the additional taxation revenues and employment creation/support associated with this would have enhanced the ability of the economy to adjust towards the EU/IMF requirement of a deficit of 3% of GDP by 2014/15.

A further worrying aspect of the current situation is the contrast between the optimistic economic projections from the Department of Finance, in Budget 2011 and the Four Year Plan, and those produced by the EU last week (see table 6.1). The Department's figures also contrast with those issued by the ESRI in the Autumn *Quarterly Economic Commentary* (which reported numbers associated with a €4b adjustment).

Budget 2011, and year 1 of the Four Year Plan, have been built on the basis of these optimistic economic forecasts. If economic growth is nearer to the figures suggested by the EU and ESRI, then the Government's taxation revenue projections are unlikely to hold-up and the deficit facing the economy at the end of 2011 will be even greater than projected.

Overall, the scale of Budget 2011 is too severe and the impact it will have on Ireland's potential to recover is excessive. A smaller adjustment accompanied by a more realistic national adjustment plan, to reach the 3% target by 2016, would have been a better option.

We expect the job of realising this mistake and taking measures to redraft a more realistic National Recovery Plan (four year plan) will be an early task for the new government in early/mid 2011.

Table 6.1: Contrasting Economic Outlooks: Dep of Finance (4 yr plan) and EU

	Dep of Finance	EU	Dep of Finance	EU
	2011	**2011**	**2012**	**2012**
GDP growth	+1.7%	+0.9%	+3.2%	+1.9%
Components of GDP growth:				
Consumption	0%	-1.8%	+0.9%	-1%
Investment	-5.9%	-10%	+5.2%	0%
Government	-3.1%	-5.7%	-2.1%	-0.8%
Exports	+4.9%	+4.5%	+4.9%	+4.5%
Imports	+2.8%	+0.9%	+3.1%	+2.5%
Other Economic Indicators:				
Employment	-0.2%	-0.8%	+1.3%	+0.6%
Unemp rate	13.2%	13.5%	12.0%	12.7%
Inflation (HIPC)	0.7%	0.4%	1.2%	0.6%

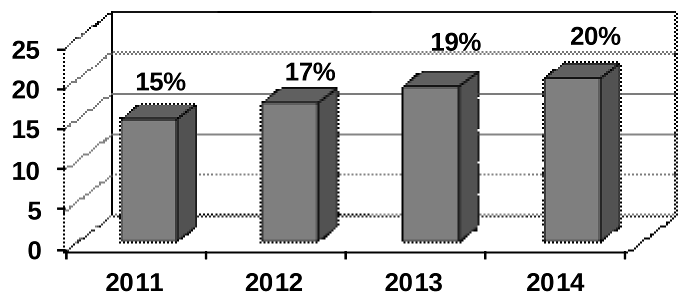
Debt Burden, Interest Payments and Bondholders

A combination of the collapse in taxation revenues, associated with a narrow and unstable tax base, the collapse of the building industry and the ongoing bailout for the Irish Banks has turned Ireland from a low-debt to high-debt country in the space of three years. In 2007 Ireland's Debt equalled 25% of GDP, and the scale of this transformation is highlighted in table 6.2. As the debt climbs, so too does the cost of servicing it - requiring 20% of all tax revenues by 2014. Given this, the obvious question arises regarding why the Irish state has been levied with the costs (ongoing) of the bank bailouts. *Social Justice Ireland* believes that all bondholders should also share this burden - negotiations are long overdue.

Table 6.2: National Debt as a % GDP, 2011 onwards

	2011	2012	2013	2014
Dep of Finance	98.6	102	102	100
EU	107	114.3	n/a	n/a

Chart 6.1: Debt Interest Costs as % Tax Revenue



Impact of the new Universal Social Charge (USC)

The introduction of a Universal Social Charge (USC) in Budget 2011 marks a significant transformation in the structure of the Irish taxation system. The new charge replaces both the income levy and the health levy. In effect, the structure of the USC is such that it represents an expansion of the income levy so that taxation revenue is collected from all incomes starting from €4,004 upwards. In his Budget speech the Minister for Finance also reformed the structure of the PRSI system and signalled the prospect of a further expansion of the USC in future Budgets where PRSI would be abolished and merged into the USC.

While the need for a structural reform of the income taxation system is overdue, it is of concern that the new charge is being borne by income earners from a level of €4,004 upwards. At such a level the USC will impact on the disposable income of the working poor—hitting those working more than 10 hours per week at the (new and lower) minimum wage. As we have highlighted elsewhere, Ireland has a serious working-poor problem with a large proportion of those in poverty being at work but earning a low income. The impact of this measure will be to reduce this income further and increase the depth of poverty that such individuals and families experience.

Finally, we regret that the USC was not levied on a broader base capturing all income of all types with the exception of welfare.

Table 7.1: Structure of the new USC

€ amount	**Rate**
€0 - €4,004	0%
€0 - €10,036	2%
€10,037 - €16,016	4%
More than €16,016	7%

Strategy Limits Potential Taxation Reform

Budget 2011 is the first stage of the four year plan (National Recovery Plan) to bring the exchequer deficit into line with EU requirements. Within that plan the government has indicated that the required €15b adjustment over the next few years will be achieved through a combination of spending reductions (€10b) and taxation increases (€5b).

Social Justice Ireland believes that this distribution is inappropriate. Taxation changes offer a significantly greater potential for reform and Ireland should adopt an approach to brings its tax to GDP ratio up from approximately 30% in 2010 to a figure of 34.9% by 2015. Based on the figures in the Four Year Plan, this would imply that by 2015 government would be collecting €66b in total taxation revenue (current taxes + PRSI + local government charges) almost €18b more than in 2011.

Reaching such a figure would result in Ireland continuing to be a low-tax economy (below Eurostat's 35% threshold) but would assist in providing a realistic and sustainable basis for government to run the country. Furthermore, given the growing cost of servicing our national debt (see p6), an increase in the tax take to these levels would make it more feasible for society to carry that debt burden. Certainly, it will not be possible over the next number of years to have even reasonable public services, sustain and develop our infrastructure, rebuild our economy, retrain the unemployed and service our national debt unless we increase the tax take accordingly.

While Budget 2011 has made some tax changes, the serious work of broadening the tax base has been left for future years and another government. Ireland is unlikely to re-establish its economic independence and societal stability unless we seriously address taxation reform and increase our national tax take.

Government Could have made Different Choices

The requirement to produce the National Recovery Plan (Four Year Plan) has necessitated Government and the Department of Finance to think about a broader set of potential spending and taxation reforms than it would otherwise have considered. At least as an exercise, this is welcome and the difficulty Government had in compiling these changes reflects the limited scope of our policy making process over recent years.

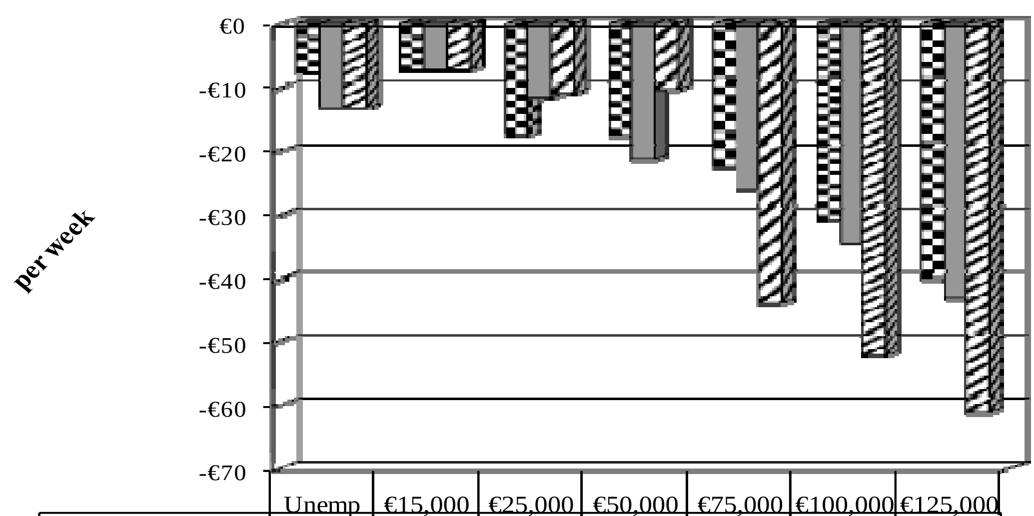
On the basis of the details in the plan alongside other documents such as the costed adjustments *Social Justice Ireland* published in October last, it is clear that other choices were open to government - choices that could have been made without reducing welfare rates, cutting the minimum wage and damaging the vulnerable. These choices, which are detailed in our pre-budget publication *'Budget Choices'*, include:

- immediately standard rating the pension tax break
- immediately removing a number of tax breaks as highlighted by the Commission on Taxation (the Budget did make some progress here, but it is limited)
- introducing a text tax
- levying corporate profits via a temporary 2.5% levy
- introducing a third-level loan system alongside the reintroduction of fees

Together these measures would have allowed Government to protect the vulnerable, adequately fund programmes to retrain the long-term unemployed, further support our international aid programme and commit resources to addressing issues such as adult literacy, social housing and primary healthcare.

We regret that the choices made in Budget 2011 ignored many of these groups and issues.

Chart 8.1: Income Distribution and Budget 2011



	Unemp	€15,000	€25,000	€50,000	€75,000	€100,000	€125,000
Single	-8.00	-7.65	-17.80	-17.91	-22.71	-31.02	-39.92
Couple 1 Earner*	-13.30	-7.65	-11.86	-21.36	-26.16	-34.47	-43.37
Couple 2 Earners*	-13.30	-7.65	-10.90	-10.33	-44.09	-52.40	-61.30

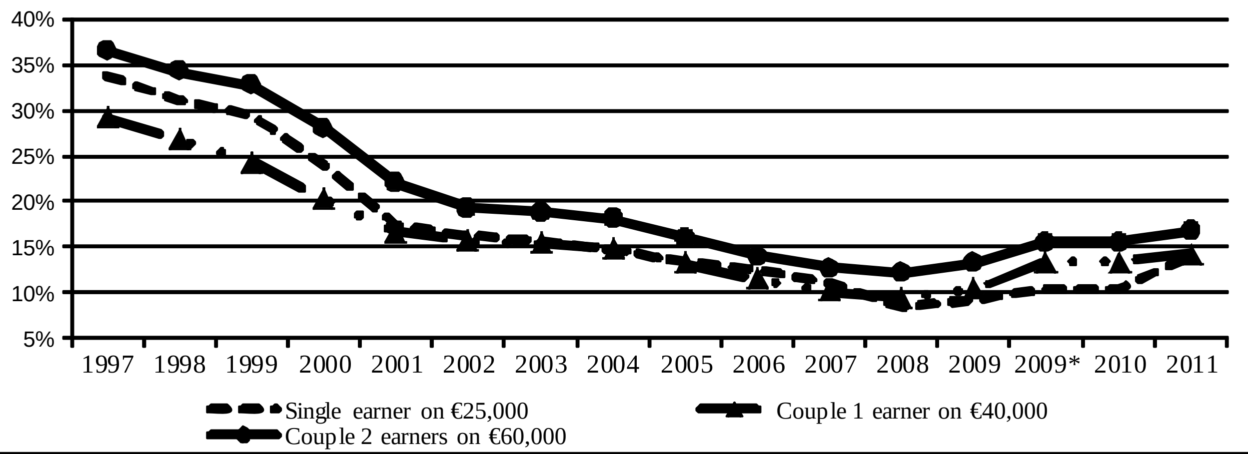
Notes: * Except in case of the unemployed where there is no earner
Couple with 2 earners are assumed to have equal shares of income.

Table 8.1: Effective Tax Rates following Budget's 2000/ 2008/ 2011

Income Level	Single Person	Couple 1 Earner	Couple 2 Earners
€15,000	13.9% / 0.0% / 2.7%	2.5% / 0.0% / 2.7%	0.8% / 0.0% / 2.0%
€20,000	13.9% / 0.0% / 9.8%	8.3% / 2.7% / 6.3%	6.1% / 0.0% / 2.3%
€25,000	24.0% / 8.3% / 14.0%	12.3% / 2.9% / 7.2%	11.0% / 0.0% / 2.5%
€30,000	28.4% / 12.9% / 16.8%	15.0% / 5.1% / 8.6%	14.6% / 1.7% / 4.7%
€40,000	33.3% / 18.6% / 24.2%	20.2% / 9.4% / 14.2%	17.5% / 3.6% / 9.2%
€60,000	37.7% / 27.5% / 33.4%	29.0% /19.8% / 26.2%	28.0% /12.2% / 16.8 %
€100,000	41.1% / 33.8% / 40.9%	35.9% /29.2% / 36.5%	35.9% /23.8% / 29.7 %
€120,000	41.9% / 35.4% / 42.7%	37.6% /31.6% / 39.1%	37.7% /27.2% / 33.4 %

Notes: Total of income tax, levies and PRSI as a % total income. Couples assume: 65%/35% income division.

Chart 8.2: Effective Tax Rates in Ireland, 1997-2011



An Analysis of Income Tax and SW Changes in 2011

When assessing the change in people's incomes following any Budget, it is important that wage and tax changes be included as well as changes to basic social welfare payments. Unemployed people, for example, do not experience any wage or income taxation changes while those with jobs may experience both. In our calculations on this occasion we have not included any income changes beyond those signalled in the Budget; therefore possible further alterations to private sector pay levels during 2011 are not included.

Chart 8.1 (page 8) sets out the implications of the Budget announcements on various household groupings in 2011. The additional impact of changes to child benefit are explored in the next story.

Single people who are long-term unemployed will be €8.00 worse off per week (€417 a year) in 2011. Those on €25,000 a year will see a reduction of €17.80 a week (€929 a year) in their take home pay while those on €75,000 a year will be €22.71 a week (€1,185 a year) worse off in the coming year.

Couples with one income on €25,000 a year will be €11.86 a week (€619 a year) worse off while those on €50,000 will be €21.36 a week (€1,115 a year) worse off in the coming year

Couples with two incomes on €25,000 a year will be €10.90 a week (€569 a year) worse off while those on €50,000 will be € 10.33 a week (€539 a year) worse off in the coming year.

The impact of Budget 2011 on the distribution of income in Ireland can be further assessed by examining the rich-poor gap. This measures the gap between the disposable income of a single person on long-term unemployment and a single person on €50,000 per annum. Budget 2011 has reduced the rich-poor gap by €9.91 to €485.31 per week.

The Impact of Child Benefit Changes on Families

The changes to child benefit announced in Budget 2011 carry further income distribution implications, over and above those outlined above, for families with children.

These changes add to a series of reductions to child benefit introduced over the last five budgets (from 2008 onwards including the 2009 supplemental budget). Table 9.1 summarises these changes and shows how the child benefit payments have been reduced over that period. For a family with one child, income support via child benefit has fallen by €26 per month (€312 per annum). The table does not take account of the additional reduction in income associated with the removal of the early childhood supplement payment which in 2008 was worth in excess of €1,000 per annum for families with young children.

Taken together, these reductions have had a serious impact on the living standards of low income families. For such families, child benefit acts as an essential income support payment and its decrease will continue to drive up the child poverty figures which are already worryingly high.

Table 9.1: Monthly Child Benefit Rates, 2008-2011

	2008	2009	2010	2011	2008-11
1 child	€166	€166	€150	€140	- €26
2 children	€332	€332	€300	€280	- €52
3 children	€535	€535	€487	€447	- €88
4 children	€738	€738	€674	€624	- €114

Effective Tax Rates after Budget 2011

Central to the ongoing debate on taxation in Ireland are effective tax rates. These rates as calculated by comparing the total amount of income tax a person pays with their pre-tax income. For example, a person earning €50,000 who pays €10,000 in taxation will have an effective tax rate of 20 per cent. Calculating the scale of income taxation in this way provides a more accurate reflection of the burden of income taxation faced by earners.

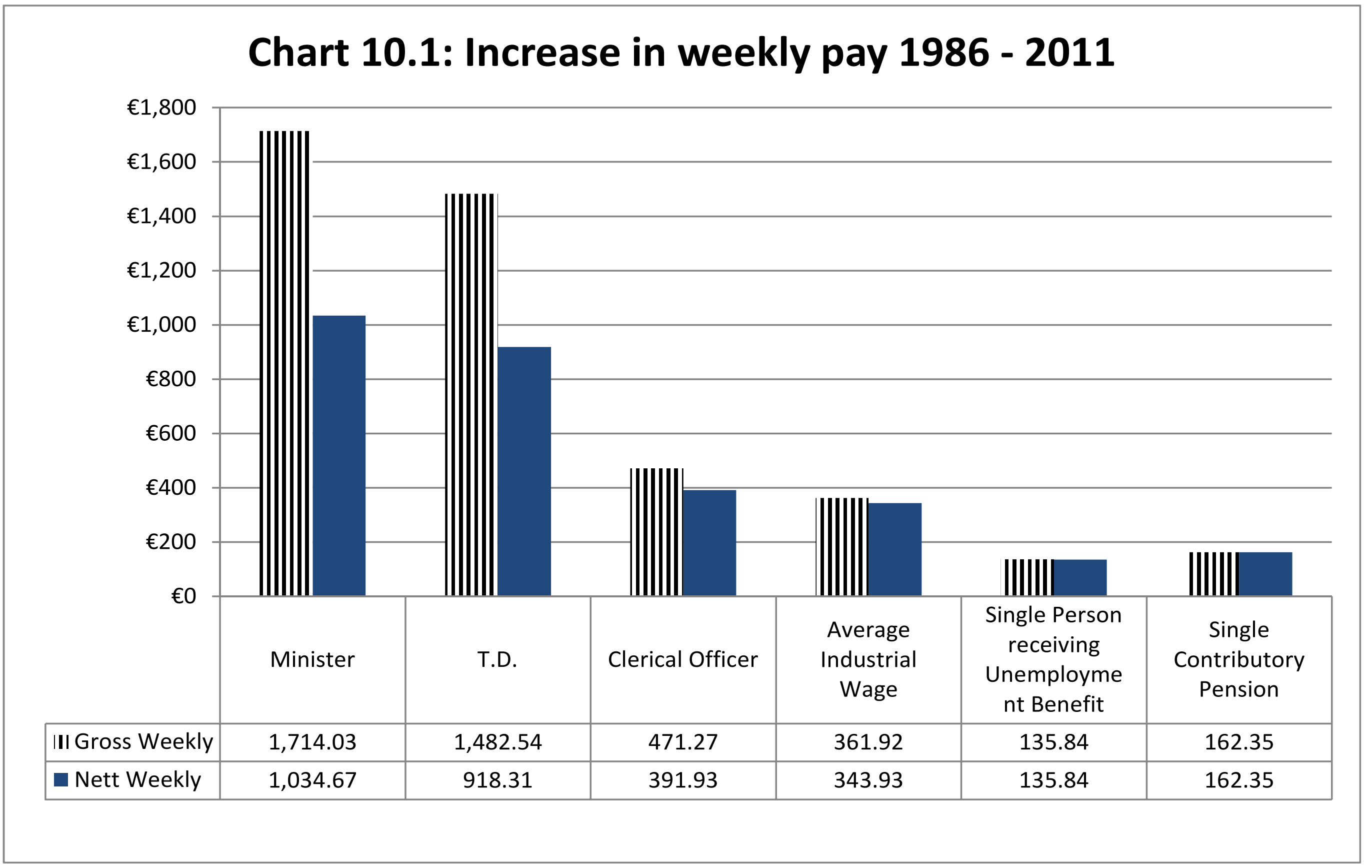
Following Budget 2011 we have calculated effective tax rates for a single person, a single income couple and a couple where both are earners. Table 8.1 (page 8) presents the results of this analysis. For comparative purposes, it also presents the effective tax rates which existed for people with the same income levels in 2000 and 2008.

Effective tax rates provide a more accurate reflection of the burden of income taxation faced by earners.

In 2011, for a single person with an income of €15,000 the effective tax rate will be 2.7%, rising to 14.0% of an income of €25,000 and 42.7% of an income of €120,000. A single income couple will have an effective tax rate of 2.7% at an income of €15,000, rising to 7.2% at an income of €25,000, 26.2% at an income of €60,000 and 39.1% at an income of €120,000.

In the case of a couple where both are earning and their combined income is €40,000 their effective tax rate is 9.2%, rising to 33.4% for combined earnings of €120,000.

As chart 8.2 (page 8) shows, despite recent increases, these effective tax rates have decreased considerably over the past 14 years for all earners.



Budget 2011 delivered a series of cuts to the take home pay of Ministers, workers and social welfare recipients. In his Budget speech, the Minister for Finance announced a reduction in the basic social welfare payment, jobseekers benefit, and signalled that further reductions should follow. Social Justice Ireland rejects the suggestion that these basic welfare rates are too high (see page 3) and we further question the short-sighted justification for these reductions.

As the analysis above shows (post Budget 2011 reductions), in the past quarter century the take-home pay of TDs rose by €918 a week while unemployment benefit rates for a single person only rose by €135 in the same period. Government ministers' take-home pay rose by more than €1,030 a week in the same period. Similarly, the take-home pay of clerical officers in the public sector rose by €406.80 a week; the take-home pay of a person on the average industrial wage rose by €342.66 a week; and the contributory old age pension for a single person rose by €162.35 a week.

These are dramatic numbers in the context of this year's Budget and Social Welfare Bill which will be considered by the Dail this week. It appears that ministers whose take-home pay has risen by more than eight times the rise in social welfare rates are proposing that social welfare rates be reduced. Likewise, TDs whose take-home pay rose by seven times the rise in social welfare rates will be voting on whether or not welfare rates should be reduced.

2000-07: Welfare Boom or Catching up?

A worrying feature of some commentary over the past few months has been a claim that there was a boom in welfare payments since 2000. These assessments tend to miss one key point—that welfare rates did increase since 2000, but that that increase followed a period, as the Celtic Tiger began to appear, where the living standards of people in Irish society had increase rapidly while welfare payments had barely changed. Table 10.1 below provides some telling evidence to reflect this. In 1994 the first Irish income distribution survey from the ESRI commenced and recorded poverty rates of 5.3% for those on old age pensions, 5.5% for those on widowed pensions and 10% for those who were ill or disabled. Seven years later these poverty rates had rocketed reflecting the fact that these groups were left behind as the economy boomed. Subsequently welfare payments did increase, but this was merely catching up so that recipients could enjoy basic living standards.

Table 10.1: Welfare Recipient Poverty Rates, 1994-01

	1994	1997	1998	2000	2001
Old age pension	5.3	19.2	30.7	42.9	49.0
Unemployment benefit/assistance	23.9	30.6	44.8	40.5	43.1
Illness/disability	10.4	25.4	38.5	48.4	49.4
Lone Parents allowance	25.8	38.4	36.9	42.7	39.7
Widow's pension	5.5	38.0	49.4	42.4	42.1

Common Good

In his Budget speech the Minister for Finance spoke four times of the common good. He said: I believe that politics in this country must put the common good at the centre of the stage in all that it does. The job of the Government on behalf of the State is to ensure that the common good is served: that requires saying 'No' at least as often as saying 'Yes'. *Social justice Ireland* agrees. However, a close analysis of the Budget suggests it did not serve the common good.

Social Justice Ireland understands the term 'common good' as "the sum of those conditions of social lifef by which individuals, families and groups can achieve their own fulfilment in a relatively thorough and ready way" (Gaudium et Spes no. 74). This understanding recognises the fact that the person develops their potential in the context of society where the needs and rights of all members and groups are respected. The common good, then, consists primarily in having the social systems, institutions and environments on which we all depend, working in a manner that benefits all people simultaneously and in solidarity.

A 2009 NESC study states that "at a societal level, a belief in a 'common good' has been shown to contribute to the overall well-being of society. This requires a level of recognition of rights and responsibilities, empathy with others and values of citizenship."

This analysis of Budget 2011 shows that choices made by Government impacted most negatively on the working poor, low income families, poor people, carers, sick people, children, people with disability, unemployed people and those who depend on public services. These people will suffer profoundly for years because of Government's decision that they should pay for Ireland's crisis while some of those who caused the damage should not be touched and while others such as the corporate sector should not be asked to make any contribution to paying for this crisis. This Budget cannot honestly be called a Budget for the common good.

Official Development Aid

Budget 2011 curtailed the allocation to the Official Development Assistance programme by €35 million.

Social Justice Ireland is disappointed that the government cut overseas aid again and has not moved to meet its commitment of spending 0.7% of our national income on overseas aid by 2012. In fact we are moving backwards - from spending 0.52% of gross national income on overseas aid in 2010 to 0.49% of gross national income in 2011. *Social Justice Ireland* maintains that continued and reliable support for the world's poorest people should remain a government target despite the current crisis.

Continued and reliable support for the world's poorest people should remain a government target despite the current crisis

Public Services Hit

While the Budget's cuts to social welfare, child benefit, the minimum wage and take home pay are very visible and likely to be discussed at length over the coming days, it is important to be aware of the less visible impact of the Budget's measures.

A number of the expenditure cuts detailed in the Budget documentation will also have a significant impact on the living standards of many people throughout Ireland and in particular those who are vulnerable. These include, cuts to disability services (by €1m), cuts to Community and Voluntary services (who provide many of the frontline services to disadvantaged communities and the elderly), reductions in the household benefits package (proposed to be offset by 'energy savings'), a small reduction in the Rural Transport Budget, cuts to the Adult Literacy funding, reductions in the funding of drugs initiatives, cuts to Traveller supports, decreases in Youthreach funding and cuts to the library service.

Disability

People with a disability continue to be one of the groups at highest risk of poverty in Ireland. The latest CSO poverty figures, published in November 2010, indicate that one in four of this group (21.7%) live below the poverty line.

Furthermore, research from the *National Disability Council* and the *Disability Federation of Ireland* has shown that people with a disability experience higher everyday costs of living because of their disability when compared to others in society. Policy had begun to address these challenges, but recent Budgets have reversed or stalled much of this progress.

Budget 2011 cut the disability payment by €8; something we regret. It will make the lives of many people with disabilities even more challenging in 2011.

Refundable Tax Credits

During the past year *Social Justice Ireland* published a detailed study on the subject of refundable tax credits. Entitled '*Building a Fairer Tax System: The Working Poor and the Cost of Refundable Tax Credits*' the study identified that the proposed system would benefit 113,000 low-income individuals in an efficient and cost-effective manner. When children and other adults in the household are taken into account the total number of beneficiaries would be 240,000. The cost of making this change would be €140m.

The *Social Justice Ireland* proposal to make tax credits refundable would make Ireland's tax system fairer, address part of the working poor problem and improve the living standards of a substantial number of people in Ireland. We regret that Budget 2011 did not introduce this reform.

Public Finances, 2010-2014

Below we outline the government finances for this year, next year and the following two years. The current budget comprises the income (or receipts) and expenditure associated with the day-to-day running of the country. Income includes revenue from taxation and flows of funds to the government from other sources including the Central Bank and the National Lottery. Collectively these give a figure for the total income expected to be received by the government. Expenditure includes interest payments on the national debt, contributions to the EU and the costs associated with running on a day-to-day basis Ireland's economic and social services. When transfers to the social insurance fund (PRSI) and unspent resources from previous years are excluded a figure for ***net current expenditure*** planned for next year is reached. The ***current budget balance*** indicates how much day-to-day income exceeds (if positive), or falls short of (if negative), day-to-day spending. The capital budget captures government investment. Collectively the current budget balance and capital budget balance combine to give the Exchequer Balance. Finally, the General Government Balance measures the fiscal performance of all arms of Government, thus providing an accurate assessment of the fiscal performance of a more complete "government" sector. This is the measure used by the ECB in assessing compliance under the Stability and Growth Pact.

Rounding may impact on totals	**2011**	**2012**	**2013**	**2014**
CURRENT BUDGET	€m	€m	€m	€m
Expenditure				
Gross Voted Current Expenditure	52,845	50,915	49,415	48,030
Non-Voted (Central Fund) Expenditure	6,675	8,545	9,590	10,470
Gross Current Expenditure	**59,520**	**59,460**	**59,005**	**58,500**
less Expenditure Receipts and Balances	11,120	11,250	11,605	11,965
Net Current Expenditure	**48,400**	**48,210**	**47,400**	**46,535**
Receipts				
Tax Revenue	34,900	38,315	41,255	44,420
Non-Tax Revenue	1,970	1,100	865	870
Net Current Revenue	36,870	39,415	42,120	45,290
CURRENT BUDGET BALANCE	**-11,530**	**-8,795**	**-5,280**	**-1,245**
CAPITAL BUDGET				
Expenditure				
Gross Voted Capital	4,655	4,300	3,900	3,500
Non-Voted Expenditure	3,960	3,965	3,965	3,955
	8,615	**8,265**	**7,865**	**7,455**
less Capital Receipts	335	320	320	320
Net Capital Expenditure	**8,280**	**7,945**	**7,545**	**7,135**
Capital Resources	**2,140**	**1,635**	**1,800**	**1,830**
CAPITAL BUDGET BALANCE	**-6,140**	**-6,310**	**-5,745**	**-5,305**
EXCHEQUER BALANCE	**-17,670**	**-15,105**	**-11,025**	**-6,550**
GENERAL GOVERNMENT BALANCE	**-15,180**	**-12,330**	**-10,155**	**-5,210**
% of GDP	*-9.4%*	*-7.3%*	*-5.8%*	*-2.8%*

Taxation

The Context

- Ireland's total tax-take is one of the lowest in the EU even though it has been falling dramatically as a percentage of GDP since 2007.
- The figure for 2009 represented the lowest total tax take for Ireland since Eurostat commenced compiling this data and it has risen only slightly since then. It is now one of the lowest in the developed world.
- Eurostat defines a country as being low-tax if its total tax-take is below 35% of GDP. Ireland is a very long way from there.
- Ireland can remain a low-tax country and could have a fairer tax system.
- Ireland should raise its total taxtake towards 34.9% of GDP over a number of years.
- Government proposes in its Four-Year National Recovery Plan 2011-2014 to only raise €1 in tax for every €2 it takes in cuts. This is not a progressive way to proceed.
- If Ireland is ever to exit from its present very grave economic situation it must have a tax-take that is closer to the EU average.

For more information see:

Analysis and policy recommendations in the Taxation section of our website: www.socialjustice.ie/content/taxation

The Budget

Income Tax

- There has been a reduction of 10% on tax credits and standard rate bands.
- It is expected that both of these measures combined will raise €830 million in 2011 and €1,115 million in a full year.
- PRSI ceiling of €75,036 is to be abolished; this will collect €100 million in 2011 and €145 million in a full year.
- An increase in PRSI rate class S (self employed) from 3% to 4% will bring in €53 million in 2011 and €80 million in a full year.
- The pension related deduction, which is charged to earnings in the public service, will be liable for PRSI and Universal Social Charge accounting for an increase to the exchequer of €55 million in 2011 and €60 million in a full year.

Universal Social Charge

- The Health Levy and Income Levy have been abolished and will be replaced with a new Universal Social Charge; this will be applied at the following rates: 0% < €4,004, 2% €4,004 to €10,036, 4% €10,037 to €16,016, 7% > €16,016. This will be revenue neutral in 2011 and will yield €420 million in a full year.

Tax Reliefs

- Several tax reliefs will be abolished from the 1st of January 2011 yielding €58.2 million in 2011 and €147.8 million in a full year.
- Rent relief is to be phased out over 8 years expecting to yield €19 million in 2011 and €97 million in a full year.
- There will be a phased abolition of several property-based 'Legacy' reliefs. These changes will bring in approximately €60 million in 2011 and €100 million in a full year.

Pension Reforms

- A number of pension reforms will bring in a total of €117 million in 2011 and €235 million in a full year.

Stamp Duty

- Changes and reforms in regard to stamp duty will cost €36 million in 2011.

Excises

- Increased duty of 4 cent per litre on petrol and 2 cent per litre on auto diesel. This will yield €106m in a full year.
- Air travel tax will be reduced to a single rate of €3. This will come into effect from the March 1, 2011 at a cost of €56m for 2011.

Corporation Tax

- There has been an extension to the 3 year tax exemption scheme for start up companies at a cost of €6 million to the exchequer in a full year.
- There has been no change to corporation tax which remains at 12.5%.

Farm Taxation

- The existing general 25% stock relief for farmers and the special incentive stock relief of 100% for certain young trained farmers are being extended from January 1, 2011 for a further two years subject to clearance with the European Commission under State Aid rules.

Other

- Changes to DIRT and Exit taxes which apply to life assurance policies and investment funds will bring in €22.5 million in 2011 and €30 million in a full year.
- Adjustments to Capital Acquisitions tax will yield €27 million in 2011 and €40 million in a full year.
- Put a ceiling of €40,000 on the tax exempt earnings of artists.

Taxation (continued)

Our Response

- While we acknowledge the increase in the overall tax take we suggest that government could have done more. At least twice this amount should and could have been collected.
- *Social Justice Ireland* welcomes the government's efforts in Budget 2011 to eliminate/amend some of the tax breaks in existence;
- However, we believe that this is not anywhere close to the scale which was possible. Many tax breaks as set out in the report by the Commission on Taxation and more recently in the paper "Expenditure Cuts: The Bell also Tolls For Tax Expenditures" by Collins and Walsh (2010) have not been addressed.
- There has been a lack of progress in regard to the development of the site value tax.
- The corporation tax has remained at its current very low level. We believe that the corporate sector, like all other sectors, should have made a contribution towards rescuing Ireland from its current difficult situation. They have not been asked to do so by Government in this Budget. As a result there has been an unfair and unjust distribution of the 'hit' in this budget.
- *Social Justice Ireland* has long challenged efforts made to protect the corporate sector while allowing the vulnerable and the working poor to take a major 'hit'. We proposed that a levy of 2.5% be placed on corporate profits, it was envisaged that this levy would only be left in place until such time as Ireland is in a more stable position and as such will not require this additional income.
- Almost a quarter of at risk of poverty in Ireland live in households headed by a person with a job. The working poor will now be deeper in poverty as a result of the implementation of the Universal Social Charge.

The core objective of taxation policy should be to collect sufficient taxes to ensure full participation in society for all, through a fair tax system in which those who have more, pay more while those, who have less, pay less.

Capital Budget

The Context

- Ireland's infrastructure in areas such as public transport and broadband is far from the levels expected of an average EU economy.
- Ireland's social infrastructure which supports the delivery of services is also far from being at the level one would expect in a country with Ireland's level of wealth.
- The erosion of this social infrastructure is putting the delivery of services by both the state and the community and voluntary sector at risk as these services cannot be delivered effectively without this.

For more information see:

Analysis and policy recommendations in the Budget section of our website: www.socialjustice.ie/content/2011

The Budget

- The capital spending provision will be 3.6% of Gross Domestic Product 1n 2011.
- Under Transport 21, €1.5bn was supposed to be spent on roads. The allocation for 2011 is €720m.
- 40 major road projects have been suspended.
- Iarnród Éireann's rail interconnector in Dublin city will continue through planning, but there will not be money to move towards construction.
- The National Pensions Reserve Fund has confirmed a willingness to invest in Irish infrastructure assets on a commercial basis.
- The capital programme will be augmented by the investment programmes of the commercial State sponsored bodies.

Our Response

- The capital spending provision is in line with the Government's four-year plan.
- It is clear that little or no development is likely for quite some time on a wide range of infrastructure projects that are necessary for economic growth.
- The failure to address the broadband deficit is very disappointing especially in light of the fact that broadband is so essential to promote Ireland's recovery.
- The lack of recognition of the importance of Ireland's social infrastructure in the whole area of front-line service delivery is most disheartening.
- Not alone will services decline but the erosion of this infrastructure will mean that Ireland's social development will be impeded once an economic recovery emerges.

Social Welfare

The Context

The recent CSO study on poverty in Ireland in 2009 (published November 2010) shows that:

- One in seven or 14.1% of people are at risk of poverty. This shows a significant fall in poverty in recent years. It was 19.4% in 2004.
- However deprivation has increased by more than 25% in one year. This has resulted in an increase in the consistent poverty rate from 4.2% in 2008 to 5.5% in 2009.
- By age group, children (0-17) continue to have the highest risk of poverty with just under one in five children (18.6%) in this category.
- Persons aged 65+ had the lowest risk of poverty at 9.6%. (This was a decrease of 1.5% from 11.1% in 2008)
- Social welfare payments have a major role to play in combating poverty.
- Without social welfare payments 46.2% of Ireland's population would be in poverty; (up from 43% in 2008). Of the age group 65 and over, 88% would be at risk of poverty without social welfare payments.
- Almost half of those at risk of poverty (44.2%) live in households headed by a person who is outside the labour force (i.e. persons who are older or ill, or have a serious disability or are in caring roles.)

The Budget

- **Reduced overall spending for Social Welfare by €920 million (full year). Spending on Social Welfare for 2011 will be €20.62 billion.**
- **Reduced Social Welfare payments by approximately 4% or €8.00. The basic social welfare payment is now €188.00, a change from €204.30 in 2009. People in receipt of Jobseekers Allowance (those over 25), the Carer's Allowance (for those under 66), the One Parent Family Payment, Disability Allowance and Blind Person's Pension are some of the recipients who will be affected by this reduction.**
- **Reduced the Qualified Adult Allowance by €5.30 in most cases.**
- **Reduced Child Benefit by €10.00 for the first and second child to €140.00; €20 reduction for the third child only to €167.00 and €10 reduction for the fourth and subsequent children to €177.00. A family with four children will see a reduction of €50 per month in Child Benefit.**
- **Reduced Jobseekers Allowance for those aged 25 and over from €196.00 to €188.00; from €150.00 to €144.00 for those aged 22-24. There is no change in the €100.00 per week. rate of Jobseekers Allowance for those age 18 -21.**
- **Reduced the weekly personal rate of Supplementary Welfare Allowance by €10.00 (5.1%) from €196.00 to €186.00.**
- **Imposed an additional €2.00 per week contribution by certain welfare recipients towards the cost of rent.**
- **State Pensions are unchanged.**
- **Did not restore the Christmas Bonus.**
- **Introduced a once-off additional payment of €40.00 for those in receipt of the Fuel Allowance.**

Our Response

- Social Justice Ireland is appalled that instead of increasing Social Welfare rates by €5.00 per week, payments in general were reduced by approximately 4% or €8.00. This constitutes a drop of €16.30 over the last two years in basic Social Welfare rates for those trying to meet the cost of living on Social Welfare transfers.
- The reduction in Child Benefit and the failure to increase the Qualified Child Payment will inevitably lead to an increase in child poverty. From an age perspective children (age 0 -17) remain the most susceptible to poverty with an at-risk of poverty rate of 18.6% in 2009 (EU SILC 2010). The cut to Child Benefit will undoubtedly result in more financial hardship for families. Furthermore, research shows that costs increase significantly when there is an adolescent in the household and it is these families that can least afford such a drastic cut in income.
- Among the greatest casualties of this draconian budget are those who are unemployed and for whom job prospects remain very bleak.
- Those in receipt of Disability Allowance and Carer's Allowance are also on the receiving end of reduced payments, many of whom will be precluded from participating in the new work schemes.
- We regret the failure to address the inadequacy of the Living Alone Allowance, (which stands at €7.70 and has not been increased since 1996) and the failure to increase the Family Income Supplement and the Back -to- School Allowance.
- The accumulative affect of the decreases in Social Welfare transfers on individuals and households since 2008 will lead to greater financial hardship, indebtedness and social exclusion.
- We recognise the once-off payment in the Fuel Allowance of €40.00 and the fact that the State Pension has remained unchanged.

Work/Unemployment/Job Creation

The Context

- The unemployment rate is 13.5% (CSO; November 2010): The rate is higher in some regions e.g.16.3% in the mid west and 18.1% in the south east.
- The numbers on the live register (which includes some part-time employees) is 438,800 (end November 2010). This number was 181,400 in January 2008.
- 82,922 of those on the live register are under 25 years. One third of all those on the live register have been on it for more than one year.
- The recent CSO study (November 2010) on poverty in Ireland shows that 23% of all households at risk of poverty are headed by a person with a job.
- This study also shows that 26% of all households headed by an unemployed person is at risk of poverty.
- The minimum wage is being reduced by €1 to €7.65.
- Registered Employment Agreements (REA) and Employment Regulation Orders (ERO) are to be reviewed before March 2011 to reduce costs and facilitate greater flexibility.
- Government has paid only lip service to forms of work other than paid employment.
- Irish people take a job when its available as was seen when Ireland had low unemployed rates.

The Budget

- **Refocused the National Employment Action Plan (NEAP) providing 15,000 additional supports, work places and internships for the unemployed, costing €200million:-**
- **10,000 places for private and public sectors, to be delivered through the Department of Education and Skills**
- **5,000 places to the community and voluntary sector (*Tús i*nitiative), to provide work opportunities in the community under the auspices of the Local Development Companies (LEADER/Partnership)**
- **Indicates a decrease in unemployment (from 13.4% to 13.2%) as well as a fall of 0.2% in employment in 2011**
- **Reduced the following:**
- **FÁS allocation to training for unemployed by 15% (€43 million) i.e. 15,410 less places**
- **all skills and training allowances and supports by €8 per week**
- **long-term unemployment bonus to VTOS students and FÁS trainees, from €31.80 to €20 per week**
- **the minimum wage to €7.65 an hour**
- **Introduced Employer Job (PRSI) Incentive Scheme**
- **Created a new tax incentive to support employment and improve energy efficiency in homes.**

For more information see:

Analysis and policy recommendations in the Work section of our website: www.socialjustice.ie/content/work

Our Response

- We highlight the reality of a decrease in training and supports for unemployed people, as the 15,410 FÁS places lost cancel out the 15,000 new NEAP activation places. This does nothing to address the urgent issue of rampant unemployment.
- A new *Part- time Job Opportunity Programme*, recommended by Social Justice Ireland, could provide real part-time jobs for 100,000 long-term unemployed people, with the transfer of participants' social welfare payments . This would cost €300 million and contribute to a reversal of the rapid rise in unemployment, while providing much needed services for local communities.
- A reduction in unemployment (from 13.4% to 13.2%), plus a 2011 fall of 0.2% in employment, means big numbers leaving the labour force - either taking early retirement or emigrating en masse. This gives credence to the ESRI's prediction of 60,000 emigrating per annum.
- The €8 cut in training allowances and reduced unemployment bonus to VTOS students and FÁS trainees are regressive moves.
- The €1 reduction in the minimum wage is unacceptable as it will expose the lowest paid to even greater poverty and inequality. In addition it will lower the floor at which salaries commence and have a downward impact on all salaries. The minimum wage has already been subject to the 2% levy from May 2009.
- It is regrettable that Government has once again failed to address the working poor issue and has not recognised unpaid forms of work.
- We acknowledge the new tax incentive to support employment and improve home energy efficiency.

Healthcare

The Context

- Healthcare is a social right that every person should enjoy. People should be assured that care in their times of vulnerability is guaranteed.
- Ireland has a two-tier healthcare system.
- Despite huge increases in the budget for health the system is far from efficient of effective.
- The link between poverty and ill health has been well established. Poor people get sick more often and die younger than those in higher socio-economic groups.
- Ireland spends 7.5 per cent of GDP on health; well below the EU-27 average of 8.6 per cent.
- Primary care has been recognised as the cornerstone of the health system. The National Social Partnership Agreement Towards 2016 committed Government to the establishment of 500 Primary Care Teams by 2011. To date 316 teams have been put in place and 75 teams in development.
- There are 50 Community child and adolescent mental health service teams in place.

For more information see:
Analysis and policy recommendations in the Healthcare section of our website:
www.socialjustice.ie/content/health

The Budget

- **Reduced the allocation by 5% to €14.1 billion; Department of Health & Children by €37m (10%); Health Service Executive by €683m (5%); Office of the Minister for Children and Youth Affairs by €7m (2%)**
- **Seeks economies on demand led schemes (drug payment scheme, dental treatment service scheme, professional fees etc) of €380m**
- **Seeks savings on procurement and non-core pay cost of €200m**
- **Seeks economies on Administrative & other savings (from DoHC & OMCYA) of €43m**
- **Seeks saving from voluntary exit package in HSE of €123m**
- **Reduces the National Childcare Investment Programme (NCIP) by €2.5 million.**
- **Reduces capital expenditure by €92m**
- **Increases charges for Private/ Semi Private Treatment in Public Hospitals between 11.78% - 41.95%**
- **Increases allocation of €115m to medical cards**
- **Allocated an additional €6m for Fair Deal**
- **Allocated an additional €8m for Home care packages**
- **Allocated an additional €10m for Disability**
- **Allocated an additional €8m for Cancer**
- **Allocated an additional €9m for Child Protection**
- **Allocated an additional €1m for Suicide**
- **Allocated €3m for referendum on the rights of the child.**

Our Response

- There is no provision for continued development of the primary care teams. This is a disappointment as this service is still in its infancy and needs government support to survive. While welcome, the extra funding for "fair deal" & homecare packages does not address the deficits in infrastructure that exist at present to provide appropriate community-based services. The savings gained by the redundancy scheme has implications for services, particularly in the light of the non-filling of vacancies which will arise in the normal course of events. While no additional savings will arise from the Dental Treatment Services Scheme there will be a continued negative impact on those who require this service, which is already at crisis management level.

- The addition of €115m for 120,000 medical cards is welcomed but if the demand exceeds this level, where does the extra funding come from? There will be an increase in the 2011 gross capital provision to be financed through receipts next year from the disposal of surplus mental health properties. This funding should be used for the continued development of mental health services, particularly for Community Child and Adolescent Mental Health Teams. We welcome the move to full cost recovery for private treatment in public hospitals. We welcome that there are no increases in the A&E charge, the statutory day and inpatient charges, or the monthly threshold for the Drug Payment Scheme. Additional savings on drug costs and professional fees (this includes reductions in GP fees) are welcomed.

Education

The Context

- Ireland's education system continues to mediate the cycle of disadvantage and social exclusion between generations.
- Early school leaving is a particularly serious manifestation of wider inequality caused by the structures in the system itself.
- A significant proportion of the adult population and of those in disadvantaged primary schools have problems with literacy.
- The importance of investment in education is widely acknowledged. For individuals, the rewards from education are clear. Those with higher qualifications earn, on average, far more over their lifetime than those with lower qualifications.
- Studies also show a clear and significant association between proactive investment in education and a country's subsequent growth and labour productivity.
- The number of children born in Ireland each year is now at its highest level since before the Famine. The school spaces they will require must be provided.

For more information see:

Analysis and policy recommendations in the Education sections of our website: www.socialjustice.ie/content/education

The Budget

In Budget 2011 the government:

- **Reduced overall expenditure on Education and Skills by €207m.**
- **Allocated €491m for capital expenditure**
- **Capped the number of Special Needs Assistants at existing levels and the number of National Educational Psychological Service psychologists at 178.**
- **Reduced teacher numbers by 1,200 (700 primary and 500 post-primary) and deferred the provision of 150 extra teachers in September 2011.**

Removed:

- **Rural Co-ordinator teaching posts.**
- **Visiting Teacher Service for Travellers and associated teaching posts.**

Reduced:

- **Programme grants to schools and VECs by 5%.**
- **Allocation to the National Training Fund by 14%.**
- **Grants for Adult Literacy, Community Education, School Completion Programme and Youthreach by 5%.**
- **Non-pay grant to Higher Education Institutions by 5%**
- **Student support grant rates by 4%.**

Introduced:

- **A flat rate student contribution of €2,000 for Higher Education and €200 for students in Further Education (PLC).**
- **A change to the non-adjacent Student Support qualifying criteria.**
- **A €50 increase for school transport at first and second level.**

Our Response

- A reduction in capital expenditure to €491M means government cannot adequately plan and provide for the increased demographic pressures throughout the education system. This will have very negative long-term consequences.
- A reduction in teacher numbers is deplorable in light of the increased population growth as is the reduction in teachers who serve particular social groups at risk of underperforming.
- An increase in school transport charges at primary and post primary will have a huge impact on struggling families.
- A cap on the number of psychologists in the National Educational Psychological Service will put even more pressure on an already overburdened system in light of the increasing student population.
- A reduction in Student Support, the change in qualifying criteria for non-adjacent rates and the introduction of a flat rate student contribution for further and higher education is of huge concern. Reducing student support rates by 4% will make higher education more inaccessible to students from lower socio-economic backgrounds and ingrain the class inequalities in our system. *Social Justice Ireland* proposed the implementation of an income contingent loan facility where all students would be treated on the same basis and part-time students would be included.
- Reduced funding for School Completion Programme, Youthreach, Adult Literacy and Community Education means the most vulnerable will lose out. These programmes provide training and skills to those at risk. Again, poor and vulnerable people will not be provided with the skills to participate fully in Ireland's recovery and the cycle of disadvantage and social exclusion continues.

Public Services

The Context

- Public services in Ireland are underdeveloped. Even during the 'Celtic Tiger' years public services were not given the priority they needed. This is very short sighted and regrettable.
- While good public services are essential to economic growth, they are particularly important to poor and excluded people as they rely on them more than those who are better off.
- Increased unemployment and the cutbacks of recent years have put increased pressure on public services.

For more information see:

Analysis and policy recommendations in the Public Services section of our website: www.socialjustice.ie/content/public-services

The Budget

- · **Libraries**: Reduced the grant to Public Libraries by 15% (€1.3m). This is a reduction of 65% (€13.8m) over a two year period.
- · **Transport**: The public transport budget was cut by 26% (€298m). Reduced the Rural Transport Initiative slightly to €10.6m
- · **Sport**: Grants to support sporting activities in disadvantaged areas has been discontinued.
- · **Equality**: Grant to Equality Proofing was cut by 68% (€210,000)
- · **Disability**: In the budget of the Dept of Community, Equality & Gaeltacht Affairs the grant to Disability Projects was cut by 60% (€282,000)

Our Response

- This budget is a clear illustration of the empty rhetoric from EU/ IMF and the Government who have protested that their plans protect the poor and vulnerable .
- · The reduction to the Library Services is particularly short sighted at this time of high unemployment and big reductions to family incomes. Libraries play a significant role in the continuum of educational provision and the provision of public access to information and communication networks.
- · We regret the cut in the grant to support sporting activities in disadvantaged areas. The cumulative negative affect of the economic downturn is particularly harsh in these communities. Greater efforts should be made to support children, in particular, in these areas.

Community & Rural Development

The Context

- The National Recovery Plan (November 2010) announced the end of funding for all Community Forums throughout Ireland. These were established to bring together all Community and Voluntary organisations in the County to enhance the life of the community.
- At a national level the risk of poverty is 14.1% (CSO, November 2010) However the risk of poverty for people living in rural areas is 18.7%. This figure masks regional disparities e.g. the risk in Midland areas is 23.5% and the Mid-West is 22%.
- People in rural Ireland especially those who are poor and vulnerable have a high dependence on public services. Recent Government cutbacks of these services have intensified the marginalisation of these communities.

The Budget

- Reduced:

Supports for the Community and Voluntary Sector from €14m to €10m. (29%)
Local and Community Development Programmes from €67.5m.to €63.5m. (6%)
RAPID programme from €5.6m to €3.1m (44%) and CLAR programme from €8m to €.5m. (94%)
Dormant Accounts funded initiatives for tackling economic and social disadvantage from €6.6m to €2m. (70%)
Drugs initiatives from €36.1m to €33.7m. (7%)
Rural Recreation and Rural Development Schemes from €4.7m to €2.9m.
Western Development Commission funding from €1.7m to €1.5m. (11%).
Supports to the Gaeltacht and Islands Development from €68.9m to €40m.

- Increased funding to the LEADER Rural Development Programme 2007-2013 by 29% from €48m to €62m.

Our Response

- We welcome the increase in funding for the LEADER Programme, but regret the decrease in funding for a range of other programmes aimed at supporting the work of local communities.
- While noting the commitment to prioritise front line services and supports to beneficiaries at the expense of administration costs, we recognise that this may be difficult to achieve under the current financial circumstances.
- At a time when the public faith in local democracy has been severely challenged, we regret the failure to provide voter education for young people and the lack of increased resources to promote active citizenship at national and local level .

Housing and Accommodation

The Context

The waiting lists for social housing have not been updated since 2008. At that time there were more than 56,000 households waiting for appropriate accommodation. These have risen dramatically since then.

In advance of Budget 2011 the social housing sector has already experienced the following cutbacks:

- The capital budget for social housing has been reduced by €600 million since 2008.
- Regenerating existing estates accounts for 30% of capital budget so less is available for new stock.
- Elimination of funding scheme for providing social housing for families (CLSS).
- Reduction of 20% & 25% to management and maintenance allowance required to provide for on-going maintenance of schemes.

The Budget

- Reduced the allocation to social housing by a further €300m (36%) to €530m
- Reduced the allocation to local authority estate regeneration and remedial works by €36.675m (15%) to €204.7m
- Committed to making the terms of the existing tenant purchase scheme more attractive during 2011. Full details of the scheme to be published later.
- Introduced reliefs to promote energy efficient homes, to a maximum of €10.000 pa at standard rate income tax. €30 million will be available for remedial works on a minimum of 15,000 homes.

Our Response

- We regret the failure of Government to address the critical issue of housing waiting lists. A fundamental human right i.e. the right to appropriate accommodation, is not being honoured in Ireland. The 36% reduction to social housing will have a serious effect on the over 60.000 households waiting for accommodation. A commitment to social housing would also be good for the economy as it support jobs and keeps the construction skills alive.
- We regret that the homeless strategy has not got the attention it needs.
- We welcome the reliefs to promote energy efficient homes.

Environment

The Context

- Ireland's changing weather patterns have emphasised the importance of environmental issues locally. The UN Climate Change Conference in Cancun served to highlight the urgency of the issues at an international level.
- There is a growing need worldwide to find new models of development that will conserve the planet and its resources and empower people to meet their own needs and those of others.
- Research by the CSO in 2007 showed that Ireland's energy demands derived from transport, from residential households, from industry, from agriculture and from the services sector in that order.
- Renewable energy provides only 2.9% of Ireland's electricity generation needs.
- While 63.5% of our waste goes to landfill, 36.1% is recycled.

The Budget

- Reduced the following:

The Carbon Fund by 87% from €32.2m to €4.2m.

Funding to the Environmental Protection Agency from €27m to €19.7m (27%).

The allocation to the Environmental Radiation Agency by 28% from €4.5m to €3.3m.

Landfill remediation from €4m to €1m. (75%).

Heritage funding , including the heritage council grant and funding for natural and built heritage by €34.2m (60%).

- Introduced reliefs to promote energy efficient homes, to a maximum of €10,000p.a. at standard rate income tax.
- Extended the scheme of accelerated capital allowances for corporate expenditure on certain energy saving equipment for 3 years to the end of 2014.

Our Response

- There is no evidence of the ongoing implementation of the commitment given in the 2010 budget to use some of the yield from carbon tax to boost energy efficiency, support rural transport and alleviate fuel poverty.
- The decreased commitment to environmental protection measures at a time when
- there is international recognition of the importance of such measures, in order to
- face the threats presented by climate change, is regrettable.
- We welcome the increased reliefs to energy efficiencies in the home for their own sake and for the employment opportunities which they will present.
- We also welcome the incentives for companies to invest in energy saving equipment

An Alternative is Possible

The dominant narrative that underpins policy-making and public discourse in Ireland at present is deeply flawed. A narrative in this context sets out how we explain ourselves to ourselves and others. It addresses key questions of how we got to be in the situation we're currently in, where we are now, our vision of the future and how we can reach that desired destination.

A more accurate narrative for Ireland would include the following:

1. **Ireland's policy-making for more than a decade was guided by many false assumptions concerning economic growth, taxation, services and infrastructure.** Among these were the following:

- Economic growth was good in itself and the higher the rate of economic growth the better it would be for Ireland. The promotion of growth as an end in itself became the focus of policy.
- The benefits of economic growth would trickle down automatically.
- Infrastructure and social services at an EU-average level could be delivered with one of the lowest total tax-takes in the EU.
- The growing inequality and the widening gaps between the better-off and the poor were not important.
- Low taxation was good and reducing tax rates would lead inevitably to an increase in tax-take.
- "Giving people back their own money", through reducing taxes, was far better than investing that money in developing and improving infrastructure and services.
- Ireland had a great deal to teach the rest of the world development.

2. **Many policy failures arose from these false assumptions.** Among them were:

- Failure to take action to broaden the tax base or to promote tax equity.
- Failure to overcome infrastructure deficiencies, such as broadband, public transport, primary health care, water, energy, social housing and waste.
- Failure to adequately address high energy costs or to promote competition in sheltered sectors of the economy, such as professions.
- Failure to appropriately regulate banking and financial services or to manage the growth of personnel numbers in the public service.

3. **These, and similar, policy failures produced much of the current series of crises that Ireland is facing** – banking, public finances, economic, social and reputational.
4. **These crises are being exacerbated by persevering with failed policies and false assumptions.**

Principal among these are an insistence by Government that:

- Ireland's total tax-take must remain as one of the lowest in the EU.
- The economy should have priority over all else.
- Preventing all the major banks from collapse is the top economic priority.
- Cuts in public expenditure are the key. (These are important but only part of the solution).

The emphasis on individualism over community has led to growing anxiety and greed.

5. **Ireland needs a new vision to guide policy development and decision-making.** Four core values that should underpin a guiding vision for Ireland are: human dignity, sustainability, equality/human rights and the common good. Ireland needs to see these values at the core of the vision of its future as a country where:

- Every man, woman and child has what is required to live life with dignity i.e.
  - ⇒ Has sufficient income, has access to the necessary services and is actively included in a genuinely participatory society.
- Sustainability (economic, social and environmental) is a central motif in policy development. This would mean that:
  - ⇒ International economic competitiveness is developed and sustained; economic development, social development and environmental protection are seen as different sides of the same reality, all interdependent; balanced regional and global development would be at the heart of the vision of Ireland's future;
- Equality and a rights-based approach are at the core of public policy.
- The common good is a constant goal of policy development.

6. **Policy priorities for moving Ireland towards a desirable alternative vision** include:

- Raising Ireland's total tax-take in a fair and equitable manner while keeping Ireland a low-tax economy (i.e. below 35% of GDP which is the cut-off level provided by Eurostat for a low-tax economy).
- Providing the necessary resources over time to raise Ireland's infrastructure and social services at least to the EU-average level.
- Focusing economic growth on increasing per-capita National Income.
- Reforming the Public Service to ensure it maximises its capacity and delivers appropriate outcomes.
- Ensuring Ireland's economy is internationally competitive.
- Addressing the reality of unemployment for both short-term and long-term unemployed people.
- Continuing to reduce poverty with a particular focus on reducing child poverty.
- Developing long-term planning and ensuring all actions taken serve the long-term needs of Irish society.
- Tackling inequality and developing a rights-based approach to policy development.
- Ensuring that getting value for money is the norm where public expenditure is concerned.
- Minimising the exposure of the taxpayer to losses incurred by banks and consequent expenditure of taxpayers' money on rescuing these.

A good starting point would be the development of a multi-year plan that would be guided by this approach. A key component of any viable plan must be the commitment to move Ireland's total tax-take (all taxes + social insurance + local charges) to 34.9% of GDP. It would also require that those currently escaping the 'hit' contribute their share.

SOCIAL WELFARE: **Social Insurance** changes January 2011

PERSONAL AND QUALIFIED ADULT RATES	**Present Rate**	**New Rate**	**Change**
State Pension (Contributory)			
(i) Under 80:			
Personal rate	230.30	230.30	0.00
Person with qualified adult under 66	383.80	383.80	0.00
Person with qualified adult 66 or over	436.60	436.60	0.00
(ii) 80 or over:			
Personal rate	240.30	240.30	0.00
Person with qualified adult under 66	393.80	393.80	0.00
Person with qualified adult 66 or over	446.60	446.60	0.00
State Pension (Transition)			
Personal rate	230.30	230.30	0.00
Person with qualified adult under 66	383.80	383.80	0.00
Person with qualified adult 66 or over	436.60	436.60	0.00
Widow's/Widower's Contributory Pension			
(i) Under 66:	201.50	193.50	-8.00
(ii) 66 and under 80:	230.30	230.30	0.00
(iii) 80 or over:	240.30	240.30	0.00
Invalidity Pension:			
(i) Under 65:			
Personal rate	201.50	193.50	-8.00
Person with qualified adult under 66	345.30	331.60	-13.70
Person with qualified adult 66 or over	407.80	399.80	-8.00
(i) Age 65:			
Personal rate	230.30	230.30	0.00
Person with qualified adult under 66	374.10	368.40	-5.70
Person with qualified adult 66 or over	436.60	436.60	0.00
Carer's Benefit			
Personal rate	213.00	205.00	-8.00
Occupational Injuries Benefit - Death Benefit Pension			
(i) Personal rate under 66	226.50	218.50	-8.00
(ii) Personal rate 66 and under 80	234.70	234.70	0.00
(iii) Personal rate 80 or over	244.70	244.70	0.00
Occupational Injuries Benefit - Disablement Pension			
Personal rate	227.00	219.00	-8.00
Illness/Jobseeker's Benefit			
Personal rate	196.00	188.00	-8.00
Person with qualified adult	326.10	312.80	-13.30
Injury Benefit/Health and Safety Benefit			
Personal rate	196.00	188.00	-8.00
Person with qualified adult	326.10	312.80	-13.30
Guardian's Payment (Contributory)			
Personal rate	169.00	161.00	-8.00
Increases for a qualified child			
All schemes except for those underneath	29.80	29.80	0.00

Changes in Monthly Rates of **Child Benefit** from January 2011

	€	**€**	**€**
Child Benefit			
(i) First and Second Children	150.00	140.00	-10.00
(ii) Third Child	187.00	167.00	-20.00
(iii) Fourth and Subsequent Children	187.00	177.00	-10.00

SOCIAL WELFARE: **Social Assistance** changes January 2011

	Present	**New Rate**	**Change**
State Pension (Non-Contributory)	**€**	**€**	**€**
(i) Under 80:			
Personal rate	219.00	219.00	0.00
Person with qualified adult under 66	363.70	363.70	0.00
(ii) 80 or over:			
Personal rate	229.00	229.00	0.00
Person with qualified adult under 66	373.70	373.70	0.00
Blind Person's Pension			
Personal rate	196.00	188.00	-8.00
Person with qualified adult under 66	326.10	312.80	-13.30
Widow's/Widower's Non-Contributory Pension			
Personal rate	196.00	188.00	-8.00
One-Parent Family Payment			
Personal rate with one qualified child (not age 18)	225.80	217.80	-8.00
Carer's Allowance			
(i) Under 66	212.00	204.00	-8.00
(ii) 66 or over	239.00	239.00	0.00
Disability Allowance			
Personal rate	196.00	188.00	-8.00
Person with qualified adult	326.10	312.80	-13.30
Supplementary Welfare Allowance			
Personal rate	196.00	186.00	-10.00
Person with qualified adult	326.10	310.80	-15.30
Pre-Retirement Allowance/Farm Assist			
Personal rate	196.00	188.00	-8.00
Person with qualified adult	326.10	312.80	-13.30
Guardian's Payment (Non-Contributory)			
Personal rate	169.00	161.00	-8.00
Increases for a qualified child			
All schemes in respect of all children	29.80	29.80	0.00

Changes in Maximum Weekly Rates of **Jobseeker's Allowance** January 2011

18 to 21 years of age			
Personal rate	100.00	100.00	0.00
Person with qualified adult	200.00	200.00	0.00
22 to 24 years of age			
Personal rate	150.00	144.00	-6.00
Person with qualified adult	280.10	268.80	-11.30
Over 25 years of age			
Personal rate	196.00	188.00	-8.00
Person with qualified adult	326.10	312.80	-13.30

*Reduced rates apply to new claimants from 30 December 2009. Where a person has a dependent child and in certain other circumstances the basic rate (€188.00) applies to 18-24 year olds.

Changes in Maximum Weekly Rates of **Health Allowances** from January 2011

Supplementary Allowance payable to Blind Persons in receipt of a Blind Pension			
(i) Blind Pensioner	61.00	58.50	-2.50
(ii) Blind Married Couple	122.00	117.00	-5.00

Election 2011: A need for Vision

The scale of the various crises (banking, public finance, economic, social and reputational) facing Ireland today is dramatic. They imply a period of recovery, one that will take a number of years and at least one term of a new government. The nature of that recovery has both international and national aspects. While the former is out of our control, decisions regarding our national policy responses to these crises will need to be considered and taken over the next few months and years.

Social Justice Ireland believes that these national decisions should be framed in the context of one central question:

Where does Ireland, and Irish society, want to be in 10 years time?

The forthcoming General Election, and the subsequent *Programme for Government* and revised *National Recovery Plan*, offers an appropriate opportunity to outline an answer to this crucial question.

As we have outlined in our 2010 Socio-Economic Review (available at www.socialjustice.ie; see section 2.4) we believe that such a long term vision should incorporate each of the following:

- Collect Sufficient Taxes with a Fair Tax System
- Protect Social Provision
- Address Unemployment and Support Employment
- Continue to Reduce Poverty
- Develop Long Term Planning
- Shift Policy to Target Growth of per-capita National Income
- Restate Commitments to the High Level Goals in *Towards 2016*
- Avoid Upwards Redistribution in Supporting Banks and Developers
- Maintain Ongoing Dialogue with Social Partners
- Develop a Rights-Based Approach

Department of Finance Reforms

Budget 2011 is likely to be the final Budget issued by the Department of Finance in its current format. During the past year, the Minister for Finance commissioned an independent study from international experts to identify reforms for the Department. The group is expected to report over the next few months and is likely to recommend a substantial reform to the Department's structure and a overdue addressing of its significant skill deficits.

Social Justice Ireland made a detailed submission to this group and had a lengthy meeting with its members. We highlighted issues such as limited medium and long-term planning, limited critical thinking, deficiencies in economic and social policy evaluation, difficulties with evidence based policy making, capacity deficits and limited transparency. We look forward to this reform which is long overdue.

Social Justice Ireland Publications

We're on the web
www.socialjustice.ie

Recent Publications from *Social Justice Ireland*

- The Future of the Welfare State
- Building a Fairer Tax System: The Working Poor and the Cost of Refundable Tax Credits
- Policy Briefing on Poverty
- An Agenda for a New Ireland: Socio-Economic Review 2010
- Beyond GDP: What is progress and how should it be measured?

All of these are available on our website at www.socialjustice.ie Printed copies can be purchased from the Social Justice Ireland offices.

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 at *www.socialjustice.ie* or by contacting our offices directly.

Social Justice Ireland is a research and advocacy organisation of individuals and groups, lay and religious, 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. It has taken over the programmes and projects previously run by *CORI Justice* including its social partnership role.

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