

Social Justice Ireland

National Social Monitor

Autumn 2018



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Introduction

It is important to monitor society's progress. *Social Justice Ireland* understands progress as being principally about promoting the wellbeing of individuals and society as a whole.

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

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

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

In this Autumn 2018 edition of our National Social Monitor, *Social Justice Ireland* outlines the present situation on a range of policy issues that impact on people's wellbeing. The issues presented are:

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

All of these issues have implications for Ireland's economy and how the market performs. However, they also have implications for the wellbeing of all of Ireland's population and for Irish society as a whole.

The Global Goals for Sustainable Development were adopted at the UN General Assembly on 25th September 2015 and came into effect on 1st January 2016. These goals make up the 2030 Sustainable Development Agenda which is defined as a 'plan of action for people, planet and prosperity'. In this process world leaders have committed to seventeen Global Goals (also known as Sustainable Development Goals (SDGs)) containing 169 targets to achieve three distinct aims: to end poverty, fight inequality and tackle climate change over the next 15 years.

One proposal *Social Justice Ireland* has made is that all Government initiatives should identify the particular SDG to which they relate. As with our Budget Choices 2019 briefing, in this Monitor, we have put this into practice and have identified the SDG to which each issue, and our proposals for tackling them, applies.

Society's values guide its decision-making. Its decisions shape how resources are distributed. Its values, decision-making and resource distribution guide how relationships are organised in society.

The policy areas presented in this Monitor are ones that most people would identify as crucially important for their wellbeing. The monitor highlights areas which require attention and resources.

Social Justice Ireland has long advocated a new guiding vision for Irish society; one based on the values of human dignity, equality, human rights, solidarity, sustainability and the pursuit of the common good. These values are at the core of the vision for a nation in which all men, women and children have what they require to live life with dignity and to fulfil their potential including: sufficient income; access to the services they need; and active inclusion in a genuinely participatory society.

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

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

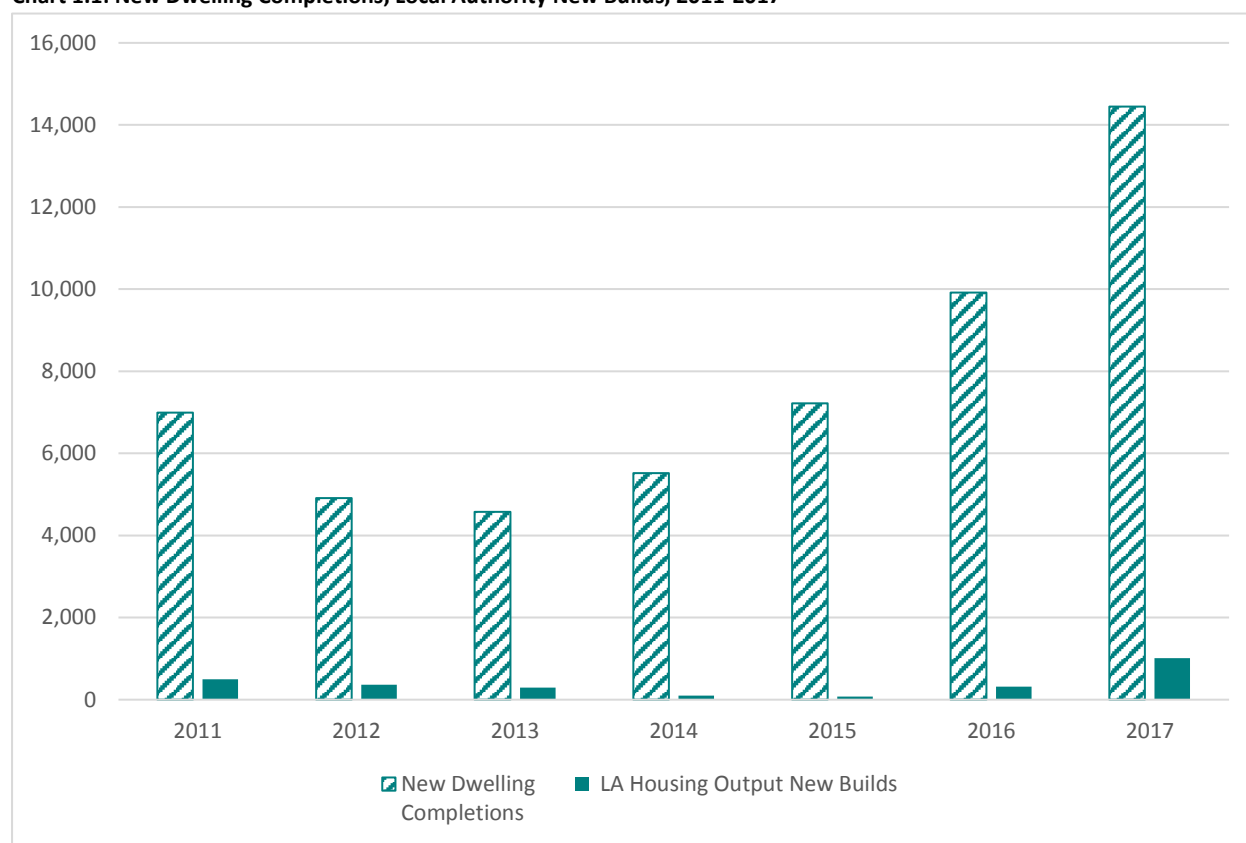
Ireland can have a vibrant economy, decent services and infrastructure, just taxation, good governance and sustainability. In order to achieve this we need to make the correct decisions regarding the generation and allocation of resources, and implement those policies that can deliver the prosperous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

In order to deliver on the above we need to debate and decide what kind of society, served by what kind of economy, we want in Ireland. For further analysis and proposals, see our recent publications:

- Socio-economic Review – Social Justice Matters: 2018 guide to a fairer Irish society
- Budget Choices 2019

Housing and Homelessness

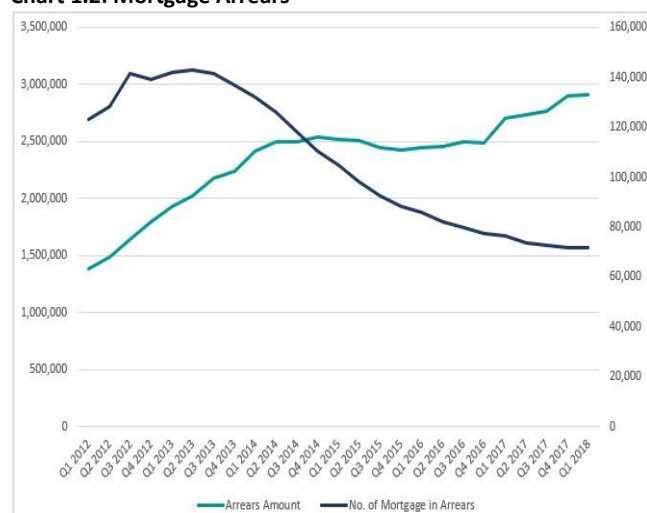
Chart 1.1: New Dwelling Completions, Local Authority New Builds, 2011-2017*



Source: CSO, Department of Housing, Planning and Local Government Housing Statistics

*LA New Build includes units delivered through Rapid, Traditional, Turnkey and Regeneration

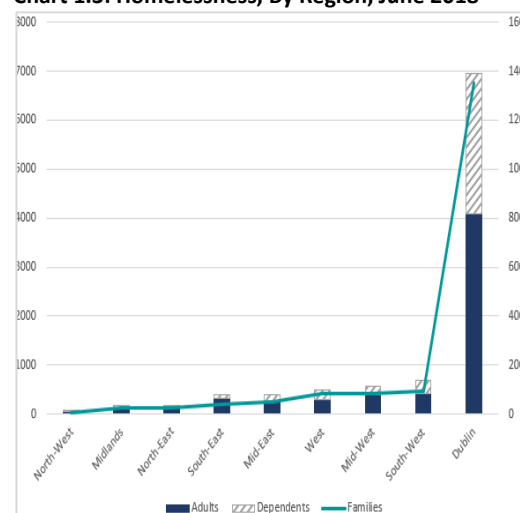
Chart 1.2: Mortgage Arrears



Source: Central Bank of Ireland, Residential Mortgage Arrears & Repossession Statistics

*Arrears Amount is in €m

Chart 1.3: Homelessness, By Region, June 2018



Source: Department of Housing, Planning and Local Government, Homeless Statistics

Housing and Homelessness

Housing



The housing crisis in Ireland is showing little sign of abating. There are 85,799 households on social housing waiting lists, 10,000 people accessing emergency accommodation, including over 3,600 children and over 1,700 families, and almost 72,000 mortgages in arrears. Having somewhere to call home is a basic necessity. The impact of deep deprivation on our nation's children will be felt for generations.

In June 2018, the CSO published the first accurate data on house building completions. This release showed that completions had been over-reported by over 31,000 units in the period from 2011 to 2017. Housing policy founded on inaccurate data is doomed to fail. However, now that the data exists, it is incumbent on Government to use it to provide appropriate accommodation solutions for all. Chart 1.1 shows the number of house completions between 2011 and 2017, as reported by the CSO, compared to the number of local authority builds for the same period, as reported by the Department of Housing, Planning and Local Government. The number of homes built by local authorities is also disputed, as the figures for 2016 and 2017 include 'turnkey' acquisitions. However even using official figures, it is clear that construction of social housing is seriously lacking. With rising private rents and house prices, Government must ensure that housing is delivered for all residents of this country, not just those who can afford market rates.

Mortgage Arrears

There is a persistent problem with late stage mortgage arrears. The latest data from the Central Bank of Ireland shows that both the number of accounts, and value of arrears, have increased since the end of 2017 (see Chart 1.2). There are currently 71,833 mortgage accounts in arrears, owing €2.9bn in arrears alone – the highest value of arrears

since the beginning of the crash. The majority of the €2.9bn arrears (90%, €2.62bn) is owed in respect of the 29,509 mortgages that are in arrears of more than 720 days. These mortgages are most likely unsustainable and require a policy response to ensure that those 29,509 households are not put at risk of homelessness.

Homelessness



Almost 10,000 people reportedly accessed emergency accommodation in June 2018. This does not include the hidden homeless, people 'couch-surfing' with friends and family, nor does it include people housed in temporary rented accommodation (a change made earlier in the year), or rough-sleepers. In reality the number is much worse.

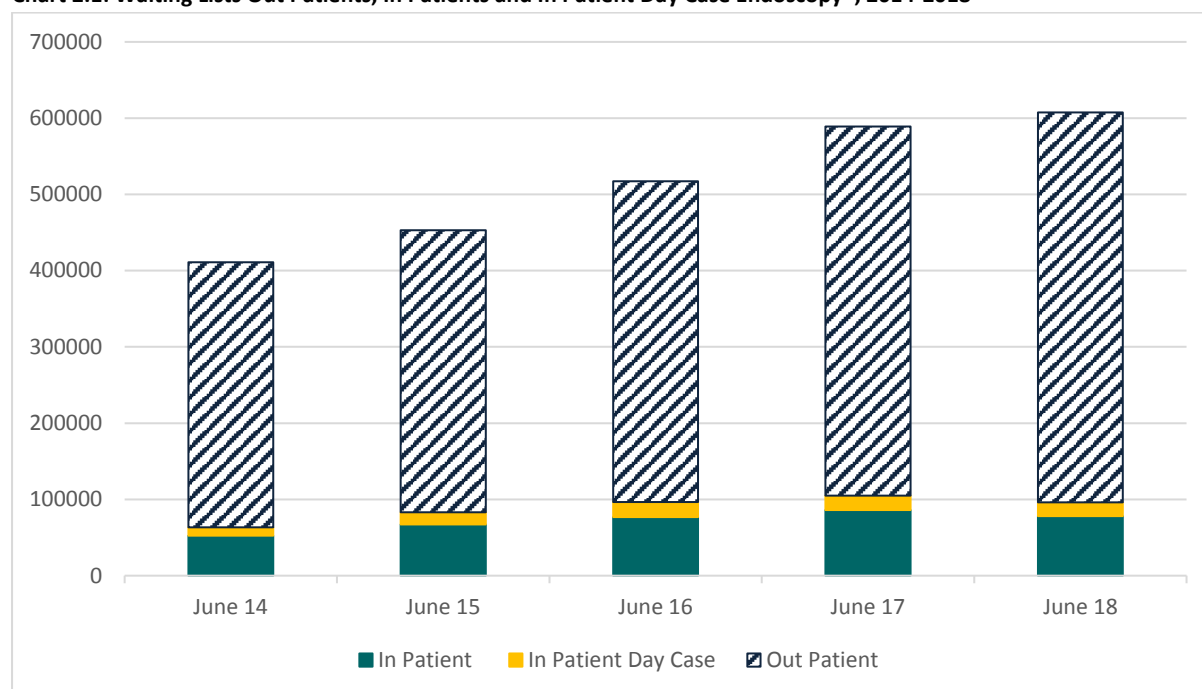
Chart 1.3 shows the regional spread of reported homelessness, with Dublin accounting for 70% of the total. There could be a number of reasons for this, with inward migration from other counties to the capital certainly a factor. In addition to building more social and affordable homes, Government needs to ensure access to adequate homeless services in all counties and supports for those at risk of homelessness in their own communities, as appropriate.

Policy Priorities

- Increase construction of social and low-cost homes.
- Review each case in persistent late-stage mortgage arrears for suitability for Mortgage to Rent and make sufficient provision to fund applications.
- Provide greater supports, nationwide, for people experiencing or at risk of experiencing homelessness.

Healthcare

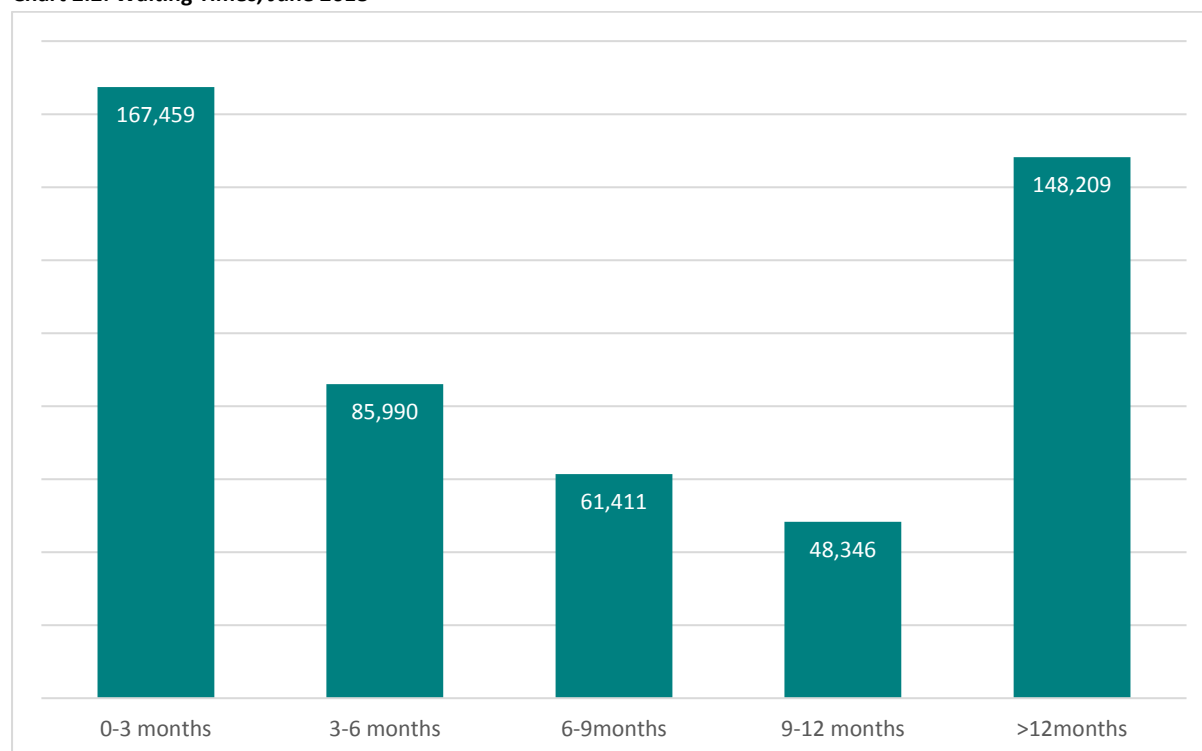
Chart 2.1: Waiting Lists Out Patients, In Patients and In Patient Day Case Endoscopy*, 2014-2018



Source: National Treatment Purchase Fund, National Waiting List Data, www.ntpf.ie

Does not include planned procedures or day case appointments to come in, for which comparable data across the period was unavailable

Chart 2.2: Waiting Times, June 2018



Source: National Treatment Purchase Fund, National Waiting List Data, www.ntpf.ie

Healthcare



Ireland ranks 24th in the Euro Health Consumer Index 2017 due mainly to issues around lack of access to healthcare. According to the EU-SILC data, over 20% of those at risk of experiencing poverty had ‘great difficulty’ accessing healthcare.

Data made available by the National Treatment Purchase Fund shows that the number of people awaiting treatment has increased by 48% between 2014 and 2017 (Chart 2.1), with the HSE reporting that the total number of people currently on waiting lists now exceeds 700,000.

One third of people waiting for an outpatient’s appointment are waiting between 0-3 months, while almost one third (29%) were waiting in excess of 12 months (Chart 2.2). A memo from the HSE and Department of Health referred to in the Euro Health Consumer Index 2017 (p.16), in response to the 2015 publication, advised of a programme to reduce waiting lists to no more than 18 months. Even where that target is reached, the Index states, it will still be the worst waiting time situation in Europe. In June 2018, 80,697 people (16% of the total waiting list) were waiting longer than 18 months for an outpatient’s appointment. Of these 80,697 people, over one-fifth (22%, 17,735) are aged 65+ and a further 15,293 (19%) were aged between 0-15 years.

Waiting lists disproportionately affect those on low incomes and those who cannot afford private healthcare, creating a two-tiered health system. 41% of those waiting more than 18 months for an appointment are either children or the elderly.

In Ireland, 10.7% of the population had ‘great difficulty’ affording care services, compared with an EU28 average of 4.2%. For those living below the poverty line (that is, below 60% of median equivalised income), the rate doubles to 20.4% in Ireland and 9.6% across the EU28. Those living above the poverty line

fare only slightly better than the general population, with 8.7% reporting having ‘great difficulty’ affording care services, compared to 3.2% in the EU28.

State intervention plays a significant role in supporting those with incomes below the poverty line to access care services. According to EU-SILC data for 2016, 47.1% of those living below the poverty line reported that it was ‘very easy’ to afford care services. This is due in no small part to the availability of the medical card, GP card, free GP services for under-6s. While these supports seem to be working for those who can access them, it is clear that in the absence of investment in universal and community-led healthcare that their reach needs to be broadened.

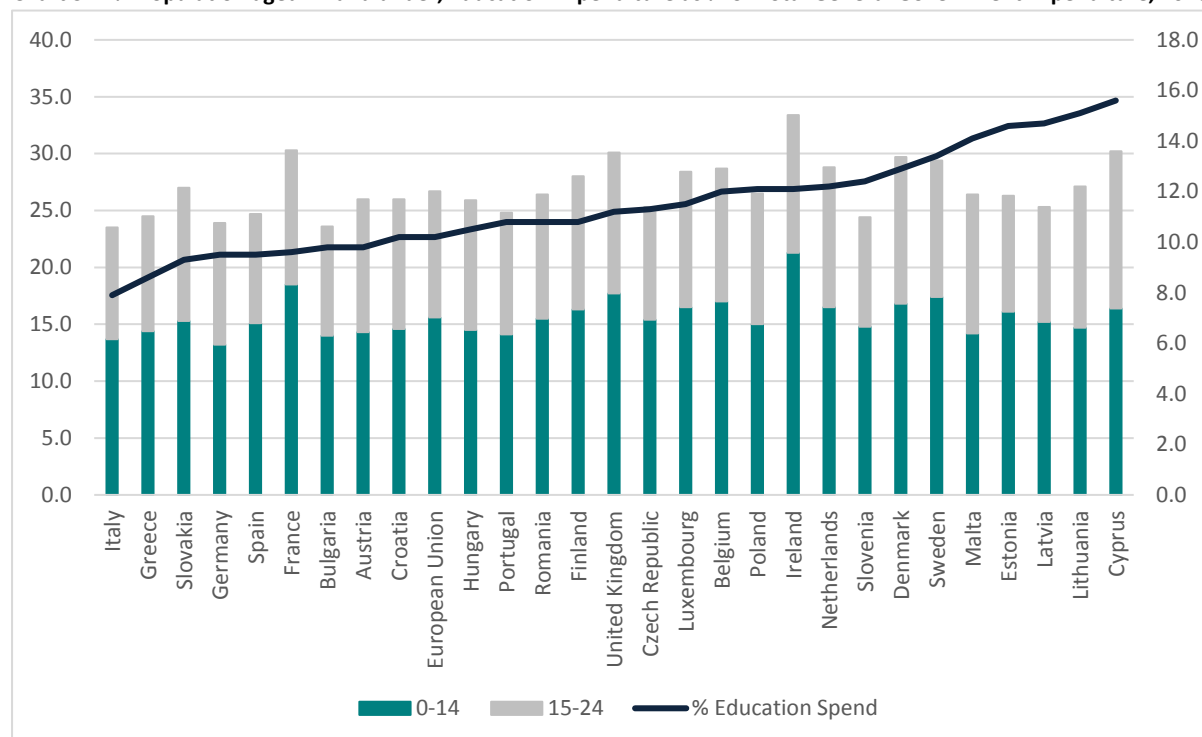
With an increasing and ageing population, the Government must design services that are inclusive for all, and support those who are most vulnerable.

Policy Priorities

- Give priority to the establishment of a statutory scheme for the provision of homecare services for older people, people with disability, mental health needs, and other vulnerable groups.
- Roll out 96 primary care networks (average population 50,000) intended, inter alia, to support primary care teams.
- Invest in the establishment of community nursing facilities to provide additional capacity each year in priority locations to meet the needs of local communities.
- Support the provision of additional services at community level for persons with disability, including respite and care services, and mental health and suicide prevention.

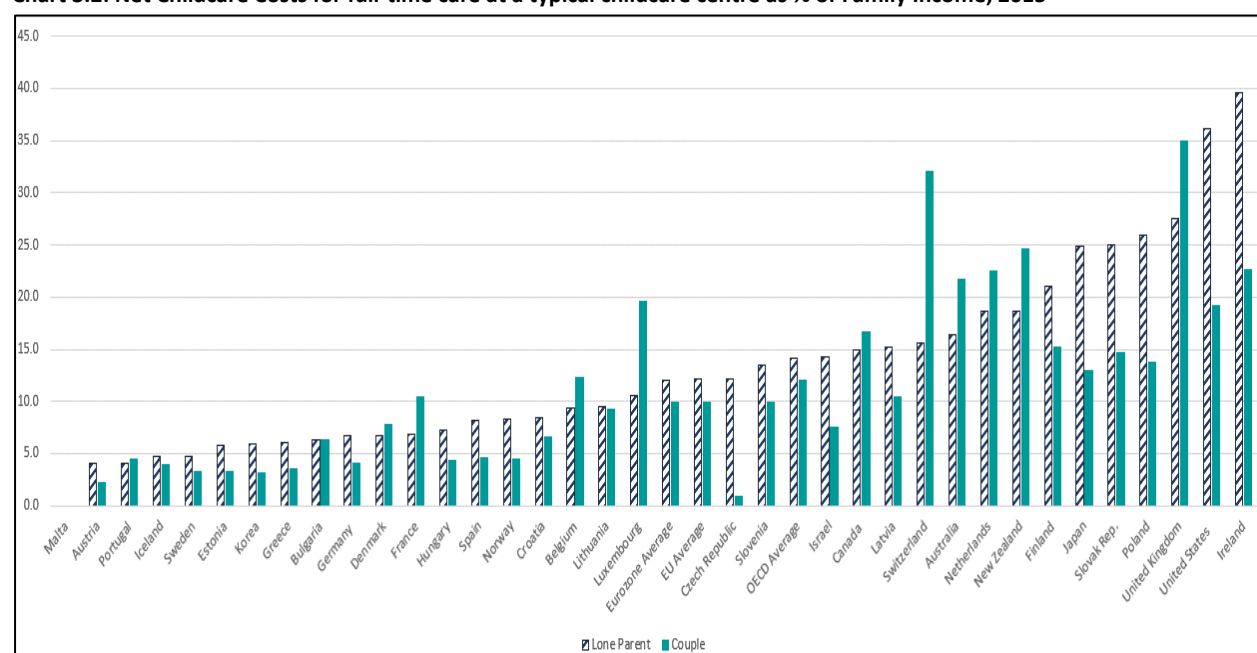
Education and Childcare

Chart 3.1: % Population aged 24 and under, Education Expenditure as % of Total General Government Expenditure, 2016



Source: Eurostat

Chart 3.2: Net Childcare Costs for full-time care at a typical childcare centre as % of Family Income, 2015*



Source: OECD, https://www.oecd.org/els/soc/Childcare_2015_EN_20170802.xlsx

*Full-time earnings = 100% of Average Earnings (LP) and 100% + 100% of Average Earnings (Couple)

Education and Childcare

Education



Access to quality education from a young age can have a transformative effect, particularly on children living in disadvantaged areas. The ESRI recently identified five barriers to social inclusion: belonging to a jobless household, being a lone parent, having a disability, being homeless or experiencing housing exclusion, and belonging to an ethnic minority. They reported that higher educational attainment is associated with a lower probability of social exclusion across all potential barriers.

The Government's commitment to the provision of quality education throughout the life-cycle is evidenced by how we compare to our European counterparts in terms of expenditure. Chart 3.1 shows that while Ireland has the highest proportion of people aged 0 to 24 in the EU28, our expenditure on Education ranks 10th as a percentage of total general government expenditure. Provision of quality education is one of the UN Sustainable Development Goals (SDG 4). In his address to the United Nations High-level Political Forum on Sustainable Development, Minister Naughten referenced Ireland's strengths in relation to education, however if we are to continue to maintain this strength, we must invest in it. Public investment is particularly lacking in the area of third level education where, according to the OECD, Ireland's expenditure on tertiary education was just 2.7% of public spending in 2014.

Given current trends towards globalisation, as well as technological advancements, a failure to invest in education, skills development, and lifelong learning could result in high levels of both vacant jobs and unemployment. The Final Report of the Independent Expert Panel (the Cassels Report) recommends a transparent model of funding providing clarity on where such

funding is channelled. It further recommends flexibility of funding allocation depending on student demand and discipline-based weightings in favour of institutions providing courses which are high-cost, such as STEM, in line with the Government's policy to build skills bases in these areas

Childcare



As can be seen in Chart 3.1, Ireland has the highest proportion of people aged 0-14 across the EU28. The provision of quality, affordable, accessible childcare for parents is essential, particularly for families who have moved away from their home base (towns and counties), and familial support structures, to take up employment. Childcare is also essential for those who are furthest from the labour market to gain the skills and confidence necessary to participate fully in society and to take advantage of employment and training opportunities.

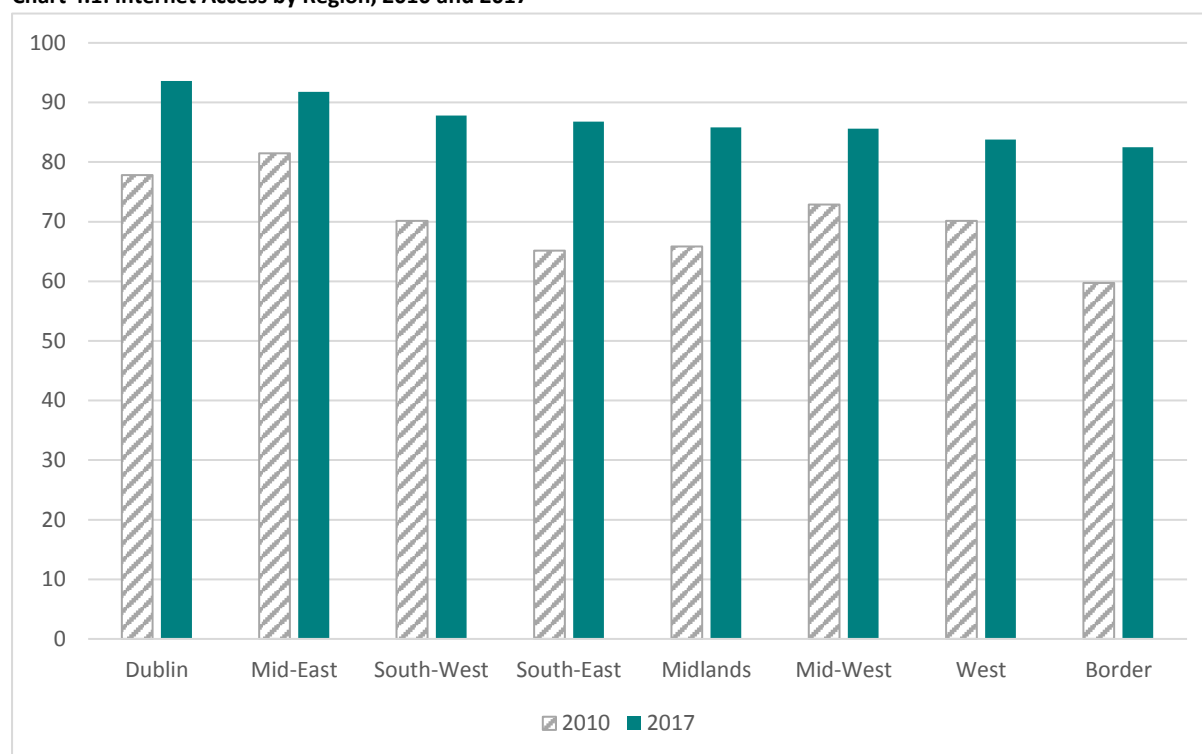
High childcare costs present a barrier to employment, particularly among young women with children. Chart 3.2 shows that, as a proportion of average earnings, the cost of full-time care at a typical childcare centre is highest for lone parents in Ireland and accounts for almost 23% of the full-time earnings of a couple. Lack of community and affordable childcare presents a significant barrier to labour-market participation for low-income families, particularly women who may wish to return to employment following the birth of their children.

Policy Priorities

- Implement the funding provisions contained in the Strategy for Funding Higher Education.
- Increase the Community Childcare Subvention (Universal) Scheme for under 3s.

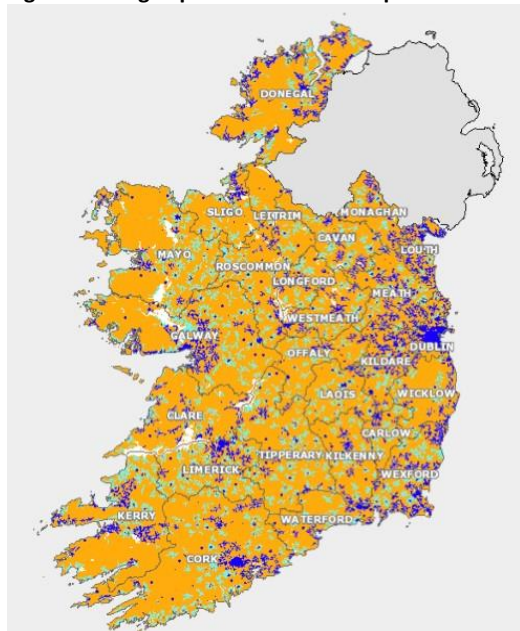
Rural Areas

Chart 4.1: Internet Access by Region, 2010 and 2017



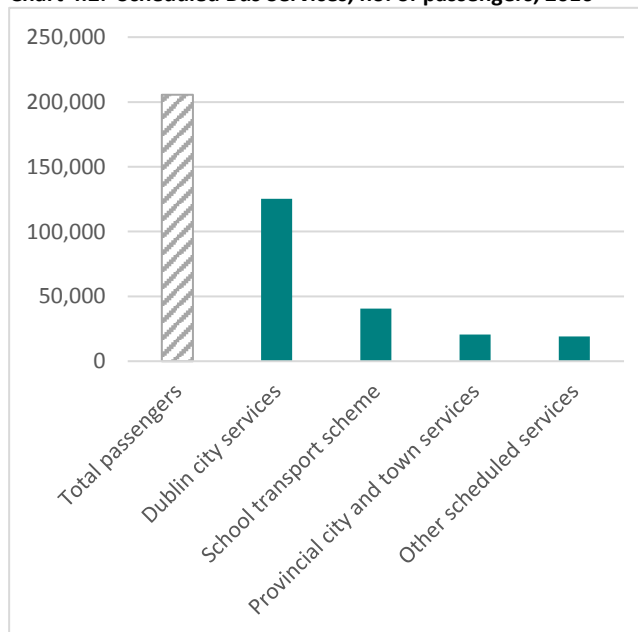
Source: CSO, Information Society Statistics – Households 2017, Table 1(a) Households with internet access, 2010 to 2017

Figure 4.1: High Speed Broadband Map



Source: Department of Communications, Climate Action and Environment, High Speed Broadband Map, www.dccae.gov.ie

Chart 4.2: Scheduled Bus Services, no. of passengers, 2016



Source: CSO, Transport Omnibus 2016

Rural Areas

Internet and Broadband



Internet coverage is available in 89% of households, according to the CSO Information Society Statistics – Households 2017. However, as can be seen from Chart 4.1, while there has been an increase in internet access in every Region since 2010, the extent of this access is not universal across all Regions. Dublin has the greatest coverage, at 94%, followed by the Mid-East, at 92% and the South-West, at 88%. The areas with least coverage are Border and West, with 83% and 84% respectively. Of those with internet access in the Border and Midlands Region, only 72% have broadband, compared to 93% in Dublin and 80-84% in the other Regions.

In 2012, the Government published its National Broadband Plan, committing to delivering high speed broadband to 1.3 million premises, with minimum download rates of 30Mbps for all, reaching up to 100Mbps for at least half of the premises included, by 2015. This Plan was revised twice to reduce the original commitments made, so that by April 2017 the commitment was for 542,000 premises to receive download speeds of 30Mbps by 2020.

The procurement process for this Plan has been protracted and mired by delays and vested interests. In July 2016, three preferred bidders were announced – Eir, the Enet consortium and SIRO. In September 2017, SIRO announced they were exiting the process, taking 500,000 contracts with them on a commercial basis. Then in January 2018 Eir announced they were also withdrawing, taking their 300,000 commercially viable contracts. This left the Enet consortium as the only bidder. In July 2018 SSE announced that it had left the Enet consortium.

We live in an information age. Irish users are more likely than our European peers to use the internet for online banking, shopping, social networking and video calls. It is a

useful tool for connecting people, particularly in areas of increased social isolation, such as rural areas. It is also vital for the sustainability of local business competing in a global market. Figure 4.1 above is the Department's own map of High Speed Broadband, where amber denotes the areas that are subject to the ongoing tendering process, blue denotes areas where commercial operators are currently active, and light blue areas denote where Eir has committed to commercial rural deployment to 300,000 premises by the end of 2018. Clearly there is a long way to go.

Rural Transport



Another measure for combating social isolation in rural communities is the availability of adequate public transport. According to the National Travel Survey, the use of public transport was greater in densely populated areas (at 7.9%) than thinly populated areas (at 2.7%), with use in Dublin (at 14.5%) being almost six times higher than the rest of the country (at 2.5%).

As can be seen in Chart 4.2, the number of passengers on Dublin City Bus services accounts for over half of all Bus Passenger Services in Ireland in 2016, whereas Provincial City and Town services make up just 10%.

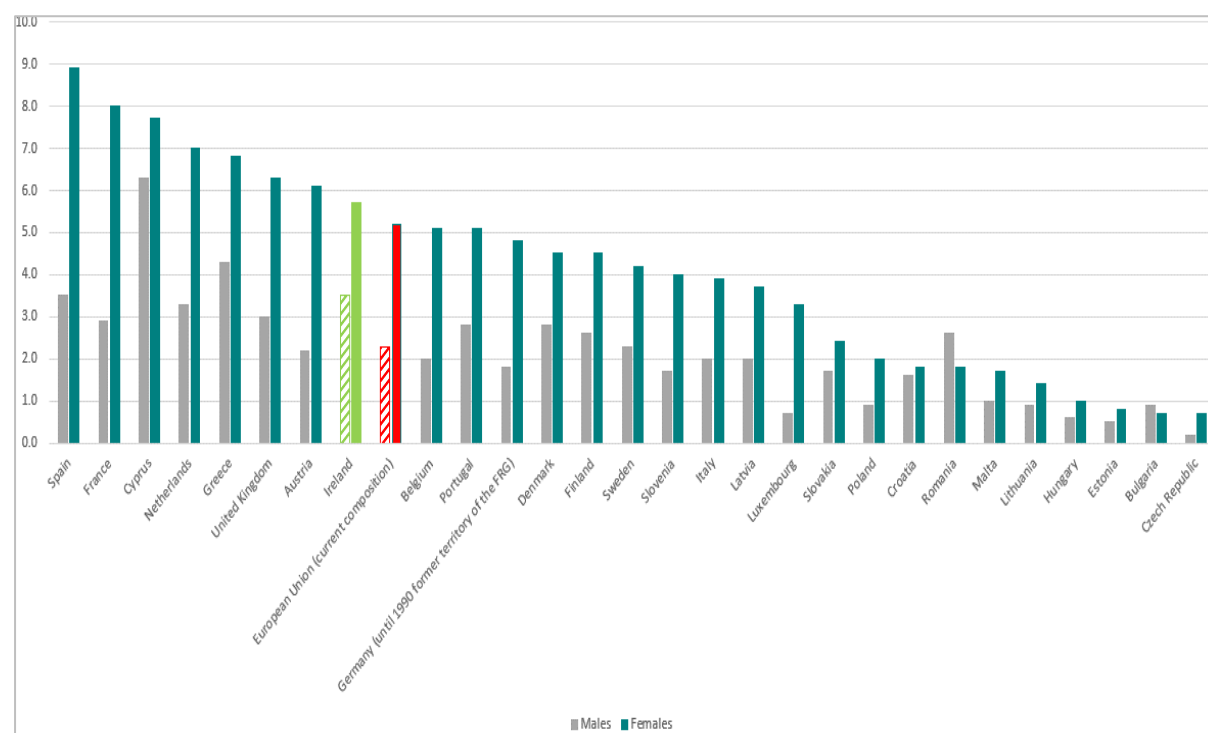
In order to sustain rural communities, Government must choose to prioritise social solidarity over market forces.

Policy Priorities

- Expedite the roll-out of the National Broadband Scheme.
- Increase funding to Local Link services to at least the 2016 target of €18m.
- Preserve local post offices as a social hub for those who may be experiencing rural social isolation.

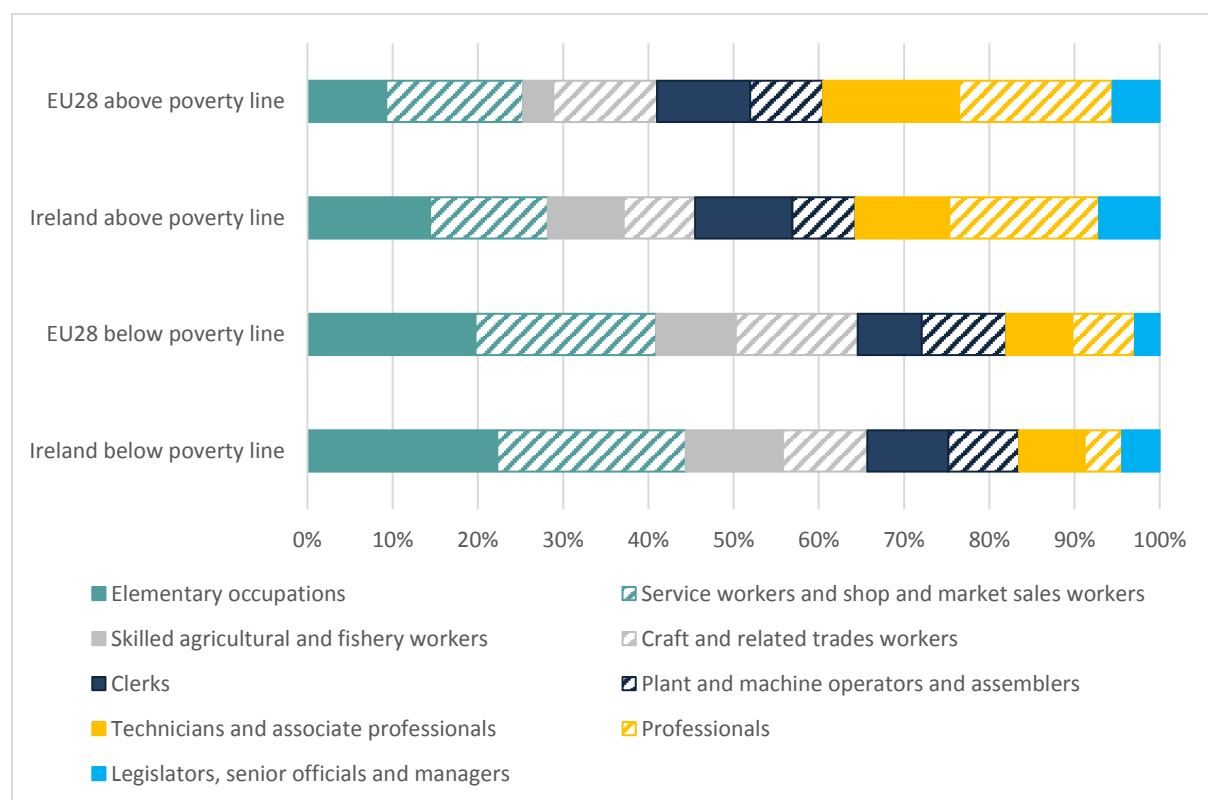
Work

Chart 5.1: Underemployed Part-time Workers aged 15-74 as % of Active Population, EU-28, 2017



Source: Eurostat, [lfsi_sup_a]

Chart 5.2: Distribution of population aged 18 and over by occupation and income group*, 2016



Source: Eurostat, [ilc_lvhl03], excluding Armed Forces as not statistically relevant

Work

Underemployment



Employment in Ireland increased by 2.9% in the year to Q1 2018 to 2,220,500. Participation in part-time employment fell during this period, by 9,900 people, from 19.9% of the total labour force in Q1 2017 to 19.3% in Q1 2018, while participation in full-time employment increased by 72,100, from 72.9% of the labour force to 75% within the same period.

However, the number of underemployed people, those working part-time but available to work more hours, has increased from 96,100 to 113,700 in the same period. This equates to 4.8% of the total labour force in Q1 2018. Women account for a greater proportion of this increase than men, with female underemployment increasing by 15,300 compared to an increase in male underemployment of 2,400.

This disproportionate distribution of underemployment amongst women is also seen at European level. Chart 6.1 shows the underemployment rate of males and females aged 15 to 74 as a percentage of the active population in 2017 across the EU28. Ireland's female underemployment rate was 5.7%, compared to 3.5% male underemployment. Compared to other EU28 countries, Ireland ranks 8th in female underemployment and 3rd in male underemployment, and above the EU28 average of 5.2% and 2.3% respectively.

Younger workers are far more likely to be underemployed, with 8.4% of all active 15-24 year olds reported as underemployed in Ireland in 2017 (9.9% female, 7.1% male), compared to an EU28 average of 6.4% (7.8% female, 5.2% male).

As seen earlier, Ireland has the highest proportion of the population aged 0-14 in the EU28. We rank 8th of the EU28 countries in

terms of underemployment among active 15-24 year olds. Improving education is only part of the solution; we must also ensure decent work for a reasonable wage.

In-Work Poverty



There were over 105,000 people at work and at risk of poverty in 2016. This represents 13.3% of all those at risk of poverty and 5.3% of all people in employment. A further 236,510 people at work experienced enforced deprivation, 23.5% of the total. Chart 5.2 shows the distribution of occupations in two income groups; those whose income is above the poverty line and those whose income is below it. The highest proportion of those whose income is below the poverty line work in Elementary Occupations, at 22.3% (23,453 people), Service workers and shop and market sales workers, at 22.1% (23,243 people) and Skilled agricultural and fishery workers, at 11.4% (11,990 people). Ireland has a higher proportion of lower-skilled workers living in poverty than the EU28 average.

According to the CSO Earnings and Labour Costs Annual Data 2017, workers in the Accommodation and Food Services sector had the lowest average hourly earnings (€12.70), followed by those in the Arts, Entertainment, Recreation and Other Service activities (€16.71) and Administrative and Support Services (€17.56)¹. These are occupations that traditionally have a young, predominantly female, workforce.

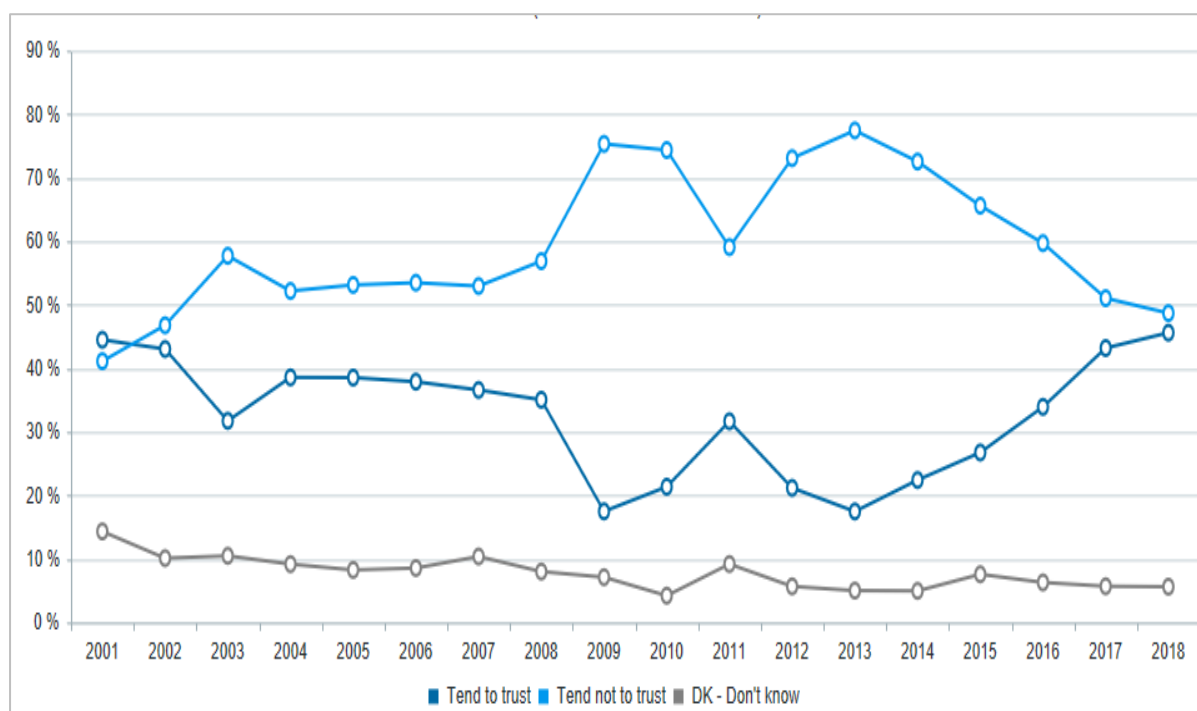
Policy Priorities

- Eliminate precarious employment.
- Introduce a Universal Basic Income to ensure that everyone can afford a reasonable standard of living.
- Make tax credits refundable to help alleviate in-work poverty.

¹ Inclusive of overtime and irregular earnings

Governance and Participation

Chart 6.1: Trust in Irish Government, 2001 to 2018



Source: Eurobarometer, 2018

Governance and Participation



Trust in institutions is essential in any functioning democracy. Active citizen engagement, whether individually or through civil society organisations, promotes trust through open dialogue, transparent decision-making and accountability. When Ireland's economy crashed in 2008, the Irish people lost trust in their Government. According to Eurobarometer, when asked how much trust Irish people had in their Government, responses of 'tend not to trust' rose from 53% in 2007 to 75% in 2009, while responses of 'tend to trust' fell from 37% to 18% within the same period (Chart 6.1). Since 2013, however the gap between these two responses has begun to narrow, so that by 2018 49% responded that they did not trust Government, compared to 47% who did.

In 2014, Ireland joined the Open Governance Partnership making a series of 26 commitments across the three areas of

transparency, participation and accountability in its first Open Government National Action Plan 2014-2016. The second National Action Plan, for 2016-2018, contained 15 commitments across these three areas, and added anti-corruption and strengthened governance and accountability as a fourth. This plan expired in June 2018. To date, there has been no consultation on a subsequent draft.

While *Social Justice Ireland* welcomed these plans and the commitments made, with almost 50% of people still lacking trust in the Irish Government, it is clear that there is much more action required.

Transparency

Social Justice Ireland welcomed the development of the Parliamentary Budget Office in 2017 as a means to create greater transparency around the national Budget at all stages of the Budget cycle. However, as the

Budget affects everybody in the State, in order for this process to be truly transparent, it must be accessible to everyone. Greater use of infographics, video and audio files, and plain English documentation would greatly enhance the dissemination of information from this service and allow for a more informed citizenship.

The introduction of the Lobbying Register was also a key step towards greater transparency in Government decision-making. *Social Justice Ireland* welcomes the intention of the proposed Code of Conduct for persons carrying on lobbying activities. However without recognition of the diversity of those persons, from commercial lobbying agencies to civil society organisations, its operational effectiveness is questionable.

Participation

There are now 31 Public Participation Networks (PPNs) across the State with over 12,000 members (PPN Annual Report, 2017). 882 representatives are actively engaged in a process of deliberative democracy whereby informed citizens engage in a meaningful way with policy makers to effect change for their communities. This takes the form of attendance at consultation events, engaging with their membership through a range of communications channels and making written submissions on policy areas. PPNs operate through a 'flat' structure with a rotating chairperson for Secretariat meetings to ensure that every voice is heard. Considering that PPNs are just coming through start-up phase, and their operational budget is relatively small, the work undertaken has already enhanced citizen engagement. If this engagement is to be sustained, increased funding is required to provide administrative support to the Resource Workers and Secretariat to allow them to fulfil their objectives.

Accountability

Engaging with civil society organisations allows Government to be kept informed

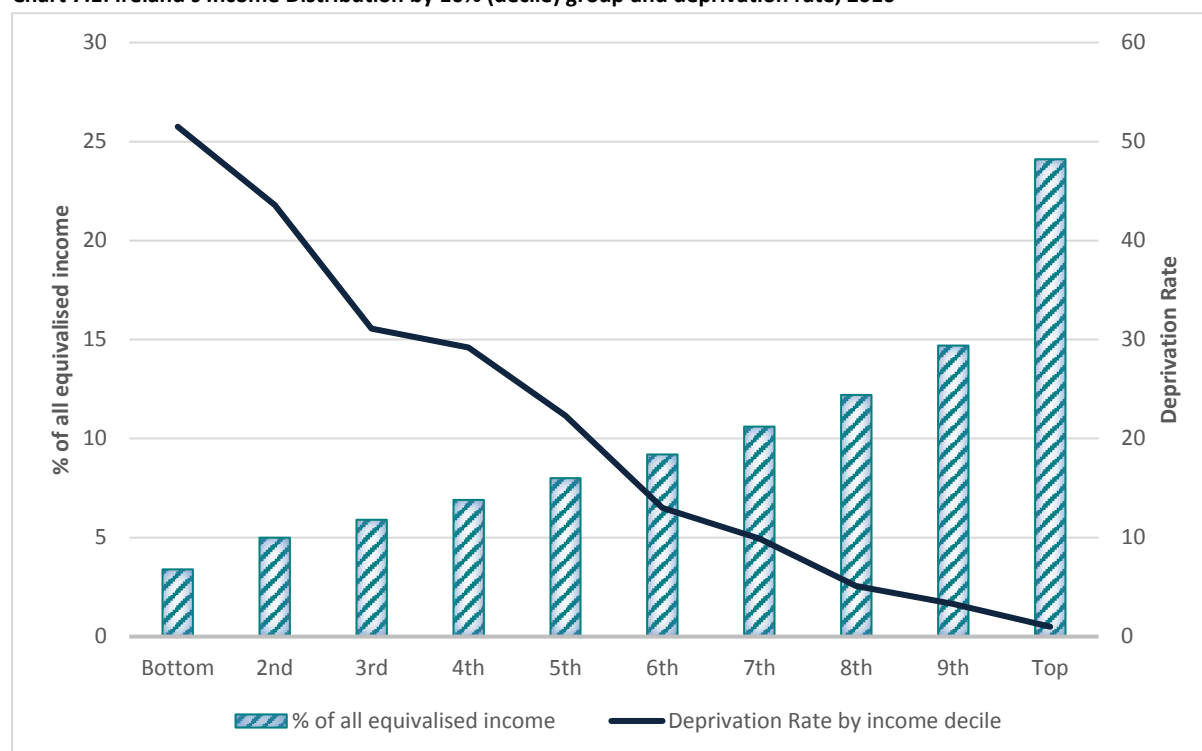
about the issues affecting communities, especially the vulnerable sectors of society. In recent years this engagement has become an information exchange, rather than an active discussion of the issues presenting and the role both Government and civil society can play in developing solutions. The format of Pre-Budget Forums, including the National Economic Dialogue, have changed to the extent that serious policy matters must be reduced to 3-minute soundbites, and a wide variety of organisations are asked to distil their priorities to a 'top 3'. This is not engagement. Civil society is diverse and representative of a wide breadth of areas, with a range of skills and expertise to develop innovative solutions to enhance Government policy. It is therefore incumbent on Government to engage in a meaningful dialogue, through the re-establishment of the Social Dialogue processes, whereby all parties are accountable for their participation and outcomes.

Policy Priorities

- Information dissemination using accessibility principles, to inform the greatest number of people in a way that allows them to engage.
- Review the Lobbying Act, 2015 and the draft Code of Conduct for persons carrying on lobbying activities to ensure that it meets its objectives without creating a barrier to meaningful engagement by civil society organisations.
- Increase funding to the PPNs, now that they are coming out of 'start up' phase, to allow them to fully meet their objectives of engaging citizens in deliberative democratic processes.
- Re-form Social Dialogue so that Government and civil society can engage meaningfully to develop solutions to Ireland's many social crises.

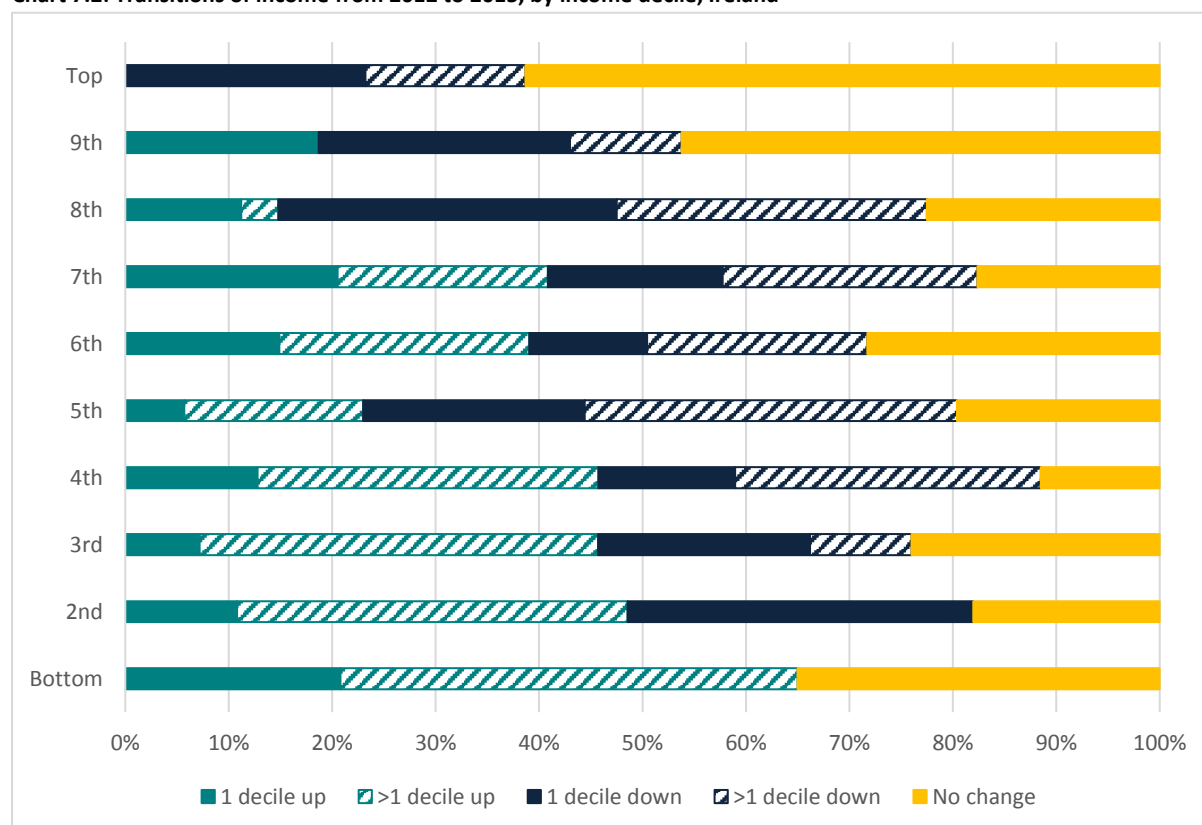
Income Distribution

Chart 7.1: Ireland's Income Distribution by 10% (decile) group and deprivation rate, 2016



Source: CSO, EU SILC (2017)

Chart 7.2: Transitions of income from 2012 to 2015, by income decile, Ireland



Source: Eurostat, [ilc_di30c]

Income Distribution



Ireland ranks 13th out of the EU28 countries in terms of income inequality. Here, the top 20% of the population, in terms of income, received 4.4 times as much as the bottom 20%. This is, however, below the EU28 average of 5.2, with a range extending from 3.5 in the Czech Republic (the most equal) to 8.2 in Bulgaria (the most unequal).

As indicated in Chart 7.1, in 2016, the top 10% of the population received almost one quarter of the total income while the bottom decile received just under 3.5%. Collectively, the poorest 60% of households received a very similar share (38%) to the top 20% (39%). Overall the share of the top 10% is more than 7 times the share of the bottom 10%. As might be expected, there is an inverse correlation between income deciles and deprivation rates. Those in the bottom decile had a deprivation rate of 51.1%, while those in the top decile had a deprivation rate of just 1%.

Income Transitions – Widening Gap



Income distribution data for the last few decades suggested that the overall structure of that distribution has been largely unchanged. One overall inequality measure, the Gini coefficient, ranges from 0 (no inequality) to 1 (maximum inequality) and has hovered around 0.3 for Ireland for some time. In 2015 it stood at 0.297, a reduction from 0.296 the previous year. However, it is interesting to see the pattern of transitions between income deciles as, while the overall income distribution has not changed much, there has been some movement between deciles in the three years to 2015. Chart 6.2 shows the transitions between income deciles in the three years to 2015. Within this period, 65% of those in the bottom decile moved down by one or more decile within the 3 years to 2015, with 35% remaining unchanged. 33% of those in the second decile also moved down within this

period, while 48.5% moved up by one decile or more. Of the top 20%, 61.3% of those in the top decile and 46.5% of those in the 9th experienced no change. 38.7% of those in the top decile, and 35.2% of those in the 9th, experienced a move down of one or more deciles and 18.7% of those in the 9th decile moved up by one. This chart clearly shows that in the period up to 2015, when the rate of unemployment was in double-digits, with the exception of the bottom decile, over half of the poorest 60% of households either moved down by one or more deciles or remained the same, while 61.3% of those in the top remained there.

Poverty



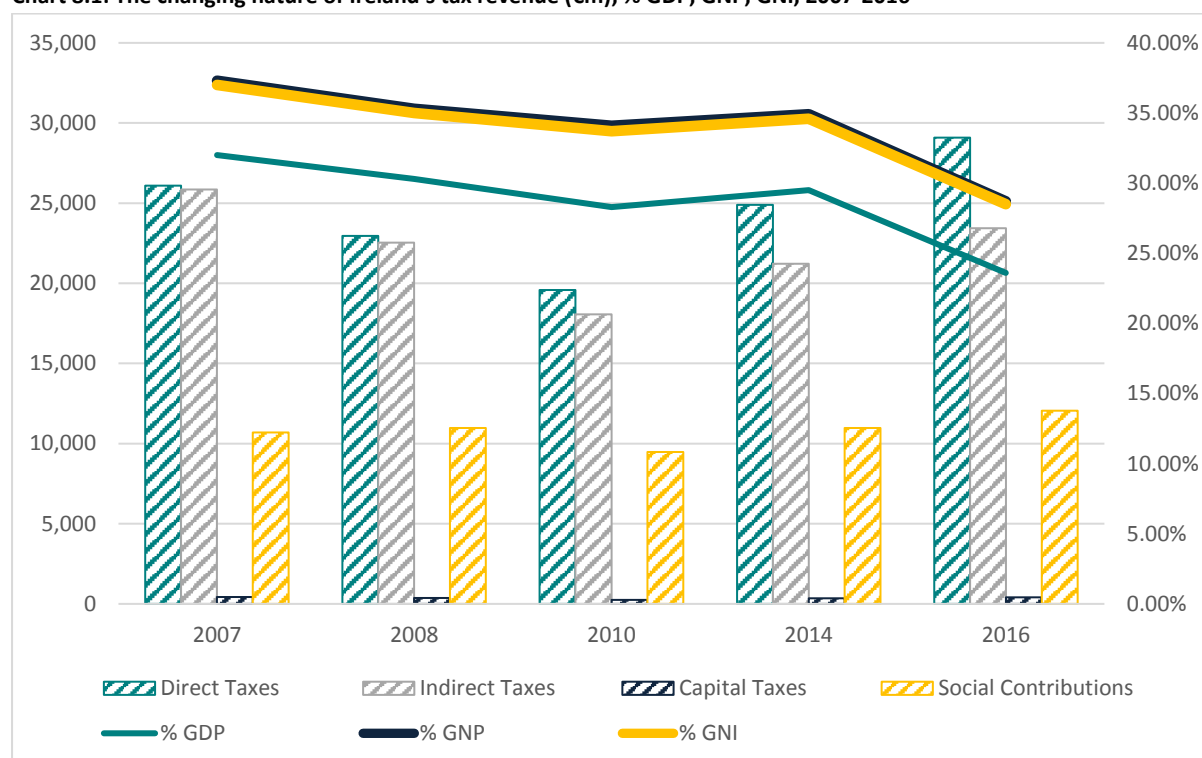
Approximately 790,000 people are living in poverty in Ireland, and over one million are experiencing deprivation. Over 250,000 of those in poverty are children aged 0-17, over 116,000 are engaged in work inside the home, 106,000 are unemployed and over 76,000 are not at work due to disability or illness. Those in poverty are more likely to be women (51.7%) than men (48.3%). Poverty also disproportionately affects the most vulnerable groups. Poverty traps, such as difficulty accessing quality education, housing, and decent work have been discussed earlier, however there are other measures that Government could implement to bring people out of poverty.

Policy Priorities

- Increase and equalise social welfare payments.
- Ensure adequate payments for children.
- Introduce a cost of disability payment.
- Introduce a fully Universal State Social Welfare Pension.

Taxation

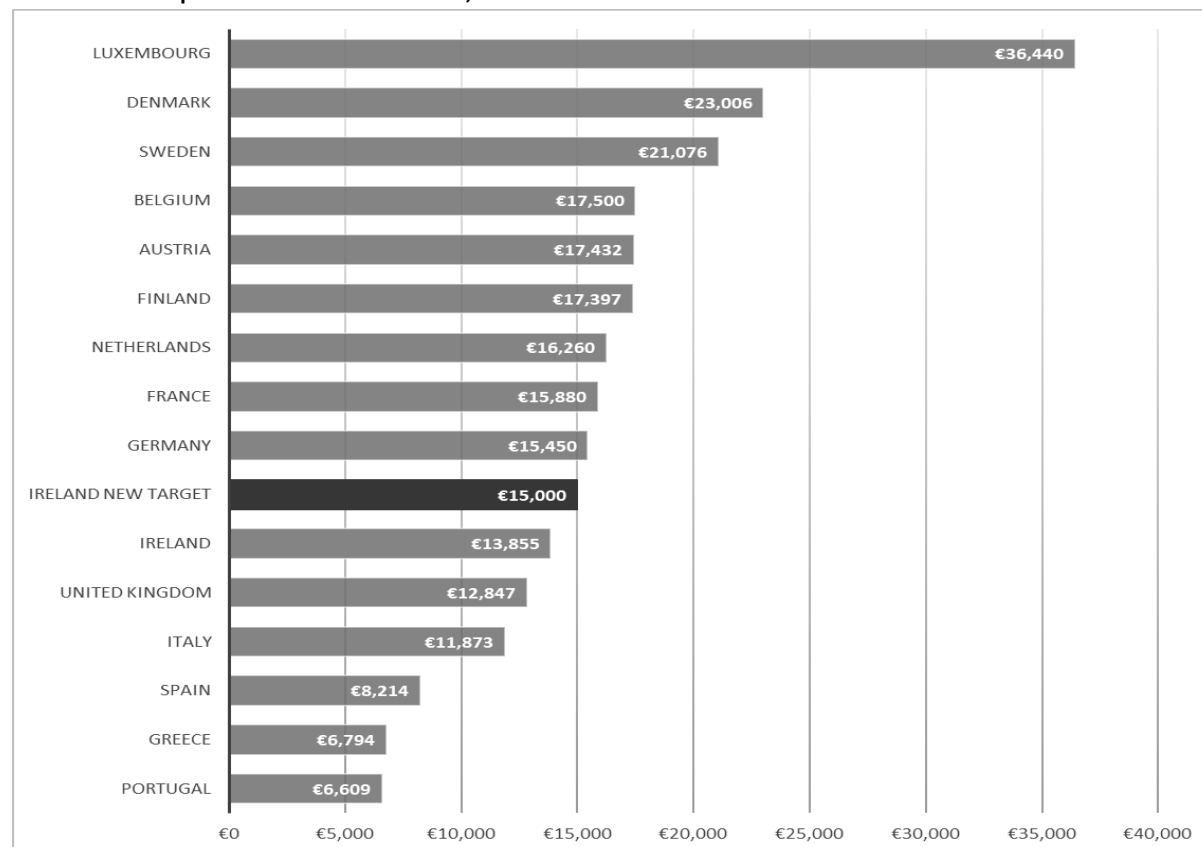
Chart 8.1: The changing nature of Ireland's tax revenue (€m), % GDP, GNP, GNI, 2007-2016



Source: CSO online database tables GFA03 and N1503

Note: Total taxation expressed as a percentage of published CSO national income figures at current prices

Chart 8.2: Per-Capita Tax Take in EU-15 states, 2016



Source: Social Justice Ireland, Social Justice Matters 2018 Guide to a fairer Irish society

Taxation

Broadening the Tax Base



In March this year *Social Justice Ireland* welcomed the re-statement by the European Commission of its recommendation that Ireland broaden its tax base.

The need for a wider tax base is a lesson painfully learnt by Ireland during the recent economic crisis. A combination of an ill-judged housing policy, a failed regulatory system, and foolish fiscal policy and economic planning caused a collapse in exchequer revenues. The narrowness of the Irish tax base resulted in almost 25% of tax revenues disappearing, plunging the exchequer and the country into a series of fiscal policy crises. Tax revenues collapsed from over €63bn in 2007 to a low of €47.3bn in 2010, but have since increased to exceed 2007 levels, reaching almost €65bn in 2016 (these figures are disaggregated by tax type in Chart 8.1). It is only through a strategic and determined effort to reform Ireland's taxation system that previous mistakes can be avoided in the future.

Social Justice Ireland believes that there is merit in developing a tax package which places less emphasis on taxing people and organisations on what they earn by their own useful work and enterprise, or on the value they add or on what they contribute to the common good. Rather, the tax that people and organisations should be required to pay should be based more on the value they subtract by their use of common resources. Whatever changes are made should also be guided by the need to build a fairer taxation system which adheres to the policy objective of collecting sufficient taxes to ensure full participation in society for all, through a fair tax system.

There are a number of approaches available to Government in reforming the tax base². The political will must exist to ensure that we create a more sustainable revenue stream and become less vulnerable to financial shocks.

Increasing the Tax Take



Over the next few years, policy should focus on increasing Ireland's tax take. As can be seen in Chart 8.2, Ireland is a low tax country. Compared to our EU15 peers, we rank 10th in terms of per capita tax take. Previous benchmarks, set relative to the overall proportion of national income collected in taxation, have become redundant following recent revisions to Ireland's GDP and GNP levels as a result of the tax-minimising operations of a small number of large multinational firms. Consequently, an alternative benchmark is required.

We propose a new tax take target set on a per-capita basis of €15,000 per capita; an approach which minimises some of the distortionary effects that have emerged in recent years. Our target is calculated using CSO population data, ESRI population projections, and CSO and Department of Finance data on recent and future nominal overall taxation levels. This increase would not change Ireland's ranking vis a vis other EU15 countries, where we would still rank 10th.

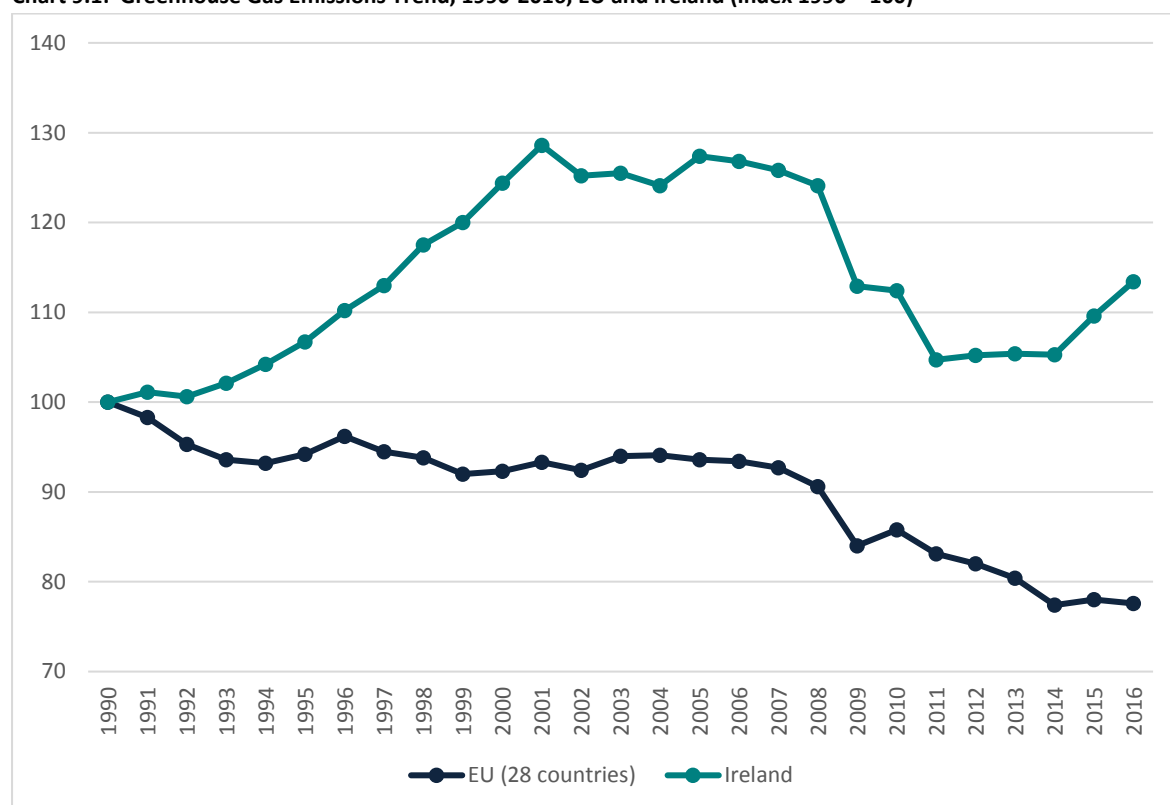
Policy Priorities

- Broaden the tax base to secure Ireland's revenue stream and reduce vulnerability to financial shocks.
- Increase Ireland's overall level of taxation to a level equivalent to €15,000 per capita in 2017 terms, benchmarked to growth in GNI*.

² For more detail on *Social Justice Ireland's* proposals for tax reform, see our *Socio Economic Review, Social Justice Matters 2018 Guide to a fairer Irish society*

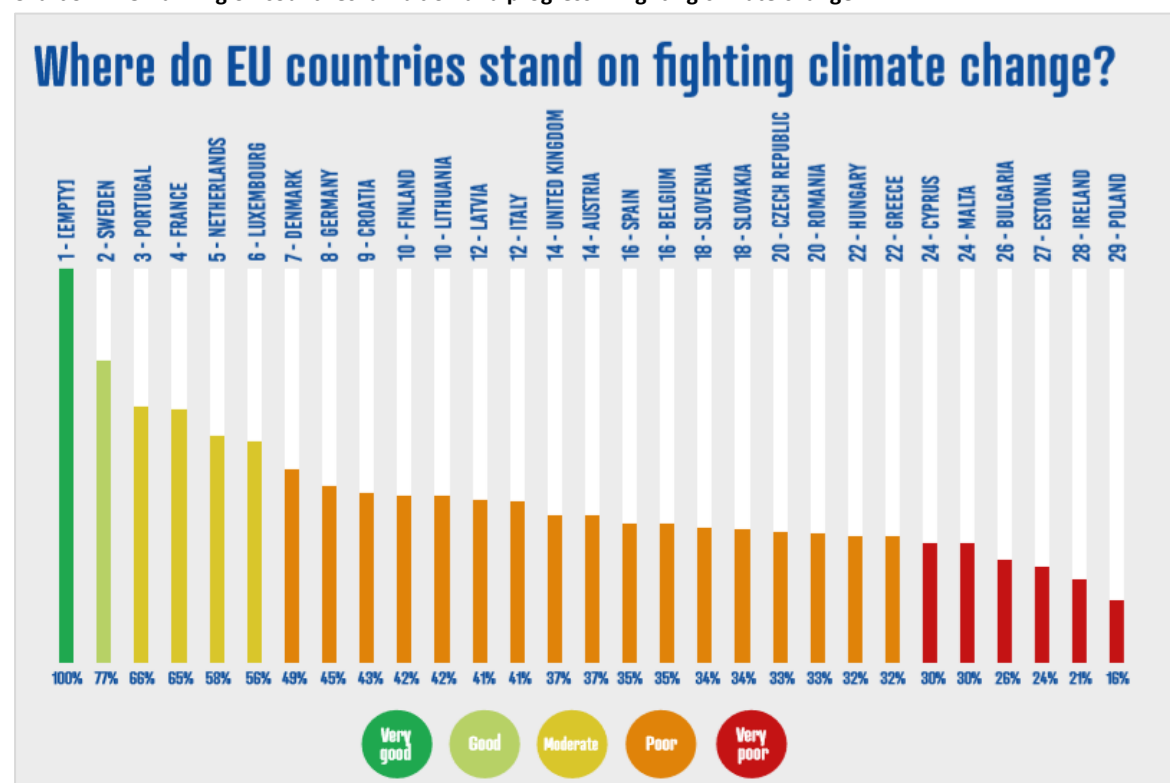
Environment and Sustainability

Chart 9.1: Greenhouse Gas Emissions Trend, 1990-2016, EU and Ireland (Index 1990 = 100)



Source: Eurostat (sdg_13_10)

Chart 9.2: EU Ranking on countries' ambition and progress in fighting climate change



Source: Climate Action Network (CAN) Europe, Off Target: Ranking of EU countries' ambition and progress in fighting climate change, June 2018

Environment and Sustainability



The trend for Ireland's greenhouse gas emissions is going in the wrong direction. While still below the peak reached in 2001, our 2016 emissions were the highest they have been since 2010. As can be seen in Chart 9.1, using 1990 levels as a baseline, the gap between Ireland and the EU28 average has been widening since 2010.

In April 2016, Ireland signed up to the Paris Agreement, which aimed to limit the global temperature increase to 1.5°C above pre-industrial levels, and keep it below 2°C above. As part of the Nationally Determined Contribution of the EU and its Member States, Ireland committed to an economy-wide absolute reduction from base year (1990) emissions, with a minimum target of 40% reduction in greenhouse gas emissions by 2030. This built upon the 20% reduction commitment to 2020 previously made. While the EU28 may be moving incrementally towards this target, it is hampered by Ireland's upward trend (Chart 9.1).

In July 2018, the Climate Change Advisory Committee (CCAC), an independent advisory body tasked with reviewing national climate policy, published their Annual Review stating that Ireland was "completely off course in terms of achieving its 2020 and 2030 emissions reduction targets" and called on Government to take urgent action to reverse the trend.

Ireland's failure to adhere to the commitments made in Paris was further highlighted by Climate Action Network (CAN) Europe in their June 2018 report. As can be seen from Chart 9.2, from the CAN publication, Ireland ranks second-last of the EU28 due to our "stiff opposition to climate action nationally and in the EU"³. The ranking assesses both the targets set by member states and the progress made in reducing carbon emissions and promoting

renewable energy and energy efficiency. According to CAN, Ireland has made only 8% progress towards our 2020 target, with emissions from the transport and agriculture sectors increasing significantly. The report suggests that "Without new, immediate and substantive efforts to cut emissions, Ireland faces annual non-compliance costs of €500 million".

As identified by CAN, and reported by the CSO⁴, the Agriculture (at 32.3% of the total) and Transport (at 20%) sectors are major contributors to Ireland's greenhouse gas emissions. The third (at 20.4%) is the Energy sector. Combined, these three sectors account for almost three quarters of Ireland's total greenhouse gas emissions. The National Mitigation Plan identified the development of an 'approach to carbon neutrality' for the agricultural sector as a priority in July 2017 however, as noted by the CCAC, there is no definition of what that means, and therefore no way of implementing or assessing it.

While *Social Justice Ireland* welcomed the passing of the Fossil Fuel Divestment Bill in July 2018, and commends Government for making Ireland the first country in the world to divest public money from fossil fuels, this is only a minor part of the solution to a major problem.

Policy Priorities

- Increase the rate of carbon tax.
- Increase the proportion of energy generated by renewables.
- Develop a workable definition of an approach to carbon neutrality for the agriculture sector and implement it.
- End subsidies for harmful environmental practices.

³ Off target: Ranking of EU countries' ambition and progress in fighting climate change

⁴ Environmental Indicators Ireland 2018

Global Issues

Table 10.1: Sustainable Progress Index

Country	Index Score	Country Rank
Sweden	78.96	1
Denmark	74.81	2
Finland	65.76	3
Netherlands	54.98	4
Germany	54.82	5
Austria	53.67	6
United Kingdom	50.96	7
France	50.71	8
Belgium	49.62	9
Ireland	44.25	10
Luxembourg	43.75	11
Spain	40.53	12
Portugal	39.76	13
Italy	35.74	14
Greece	22.92	15

Source: *Social Justice Ireland*, Sustainable Progress Index 2018

Figure 10.1: EU Progress towards the 17 SDGs



Source: Eurostat, Sustainable Development in the European Union — Monitoring report on progress towards the SDGs in an EU context, 2017

Global Issues



The Global Goals for Sustainable Development were adopted at the UN General Assembly on 25th September 2015 and came into effect on 1st January 2016. These goals make up the 2030 Sustainable Development Agenda which is defined as a ‘plan of action for people, planet and prosperity’. In this process world leaders have committed to 17 Global Goals (also known as Sustainable Development Goals (SDGs)) containing 169 targets to achieve three distinct aims: to end poverty, fight inequality and tackle climate change over the next fifteen years.

Ireland was one of the key stakeholders in the development of the Sustainable Development Goals, however our progress in implementing them has been lacking. Every February, *Social Justice Ireland* publishes a Sustainable Development Index, benchmarking Ireland’s progress against our EU15 peers. In our 2018 publication, Ireland ranked just 10th of the EU15 (see Table 10.1). Our progress on the Environmental indicators, on which we rank 13th, is particularly poor. While the overall ranking represents an improvement on the previous year, when we ranked 11th, there evidently remains a lot of work to do.

The Eurostat monitoring report on the progress of European countries under the SDGs⁵, based over a five-year span, found that Europe had made progress across all goals. However, with some indicators (for example, SDG 15 – Life on Land) that progress has not necessarily been enough to make a real change for Europe (see Figure 10.1). Of those SDGs for which trend data was available, moderate progress was made in SDG 10 (Reduced Inequalities), SDG 2 (End Hunger), SDG1 (No Poverty), SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth). The five SDGs on which the most

moderate progress has been recorded are those most associated with people and society.

Social Justice Ireland welcomed the launch of the SDG National Implementation Plan 2018-2020 in April 2018, and the commitment of Government to document the specific SDGs to which each current and new Government policy relates. *Social Justice Ireland* calls for the addition of an impact assessment for each of those policies in achieving Ireland’s goals and the closing of data gaps to support the development of an achievable SDG strategy. However, only one of the 19 actions specifically relates to how Ireland might achieve its SDG commitments - Action 2, in which Government plans its SDG strategy. This strategy must contain tangible targets for Ireland under each SDG, based on Ireland’s current position, together with a roadmap and timeline to 2030 of how we get there.

In July 2018, Minister Naughten presented Ireland’s Voluntary National Review to the UN High-level Political Forum on Sustainable Development. While understandably this Review presented Ireland in its best light, and *Social Justice Ireland* welcomes the acknowledgement of the need for greater data collation, it underplayed the significant work Ireland needs to do to meet our 2030 targets.

Policy Priorities

- Resource the CSO to collate adequate data on Ireland’s progress towards the SDGs.
- Develop an SDG strategy which contains tangible targets for Ireland under each SDG, together with a roadmap and timeline to 2030.

⁵ Sustainable Development in the European Union — Monitoring report on progress towards the SDGs in an EU context, 2017

Social Justice Ireland is an independent think-tank and justice advocacy organisation of that advances the lives of people and communities through providing independent social analysis and effective policy development to create a sustainable future for every member of society and for societies as a whole.



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An Roinn Tithíochta,
Pleanála agus Rialtais Aitiúil
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