



COMMUNITY PLATFORM

Pre-Budget Submission 2010

The Community Platform is a network of 29 organisations in the community & voluntary sector working to address poverty, social exclusion and inequality. Organisations currently in the Community Platform include: ATD 4th World, Age Action Ireland, Community Action Network, Community Workers' Co-operative, Cairde, European Anti-Poverty Network Ireland, Focus Ireland, Gay and Lesbian Equality Network, Immigrant Council of Ireland, Irish Association of Older People, Irish National Organisation of the Unemployed, Irish Penal Reform Trust, Irish Refugee Council, Irish Rural Link, Irish Traveller Movement, Migrant Rights Centre Ireland, National Adult Literacy Agency, National Network of Women's Refuges and Support Services, National Traveller Women's Forum, National Women's Council of Ireland, Older Women's Network, OPEN, Pavee Point, Rape Crisis Network Ireland, Simon communities of Ireland, Threshold, Voluntary Drug Treatment Network, Vincentian Partnership for Justice, Women's Aid.

Introduction

“At the very heart of our ambition as civil society organisations is a commitment and belief that a more equitable, just and inclusive Ireland is possible” - Preface to A Better Ireland is Possible

The Community Platform is a network of 29 national organisations in the community and voluntary sector that work to address poverty, social exclusion and inequality. Member organisations have come together to develop a collective pre-budget submission in order to influence Government decisions as they prepare their budget estimates. This pre-budget submission is informed by the direct relationship that Community Platform member organisations have with people experiencing poverty and inequality and their knowledge and insight into how the current economic and social crisis is impacting on their lives.

Community Platform members acknowledge the current difficult economic climate. We are committed to working in partnership to identify creative solutions to the crisis that will not jeopardise social cohesion and ensure that Ireland is in a strong position to take full advantage of the economic upturn when it arises. There can be no effective solution without solidarity, and that requires a strategic and integrated response founded on the principles of inclusion, equality and diversity. The Government must therefore urgently begin to consider alternative models of socio-economic development that will produce more equal and sustainable outcomes. In *A Better Ireland is Possible* (2008), the Platform outlines alternative models of development and offers a concrete analysis of the choices which face us.

The Community Platforms' absolute priorities in this budget are the maintenance of high quality public services and the protection of the incomes of the poorest individuals and families.

The Community Platform shares the views outlined in the National Economic and Social Council (NESC) *Ireland's Five Part Crisis: An Integrated National Response*, of the interdependence and complementarity between economic and social policy and the requirement to focus first and foremost on insulating the most vulnerable from the worst effects of the recession. **The Community Platform would therefore strongly argue that the recommendations contained in the McCarthy Report must be poverty and equality proofed before the Government is in a position to make informed decisions about their implementation.** Decisions on any of the hugely significant changes proposed by the McCarthy report must be made on the basis of rigorous and informed analysis in the context of impacts on the most vulnerable. The government has maintained its commitment to ending consistent poverty by 2016, to achieve this, progress made to date cannot be undermined by short term measures which would jeopardize long term social cohesion and economic recovery.

Representing the most vulnerable and excluded groups in Irish society the Community Platforms' absolute priorities for the next budget are the maintenance of high quality public services and the protection of the incomes of the poorest individuals and families. Adequate income and access to quality services are fundamental in:

1. Reducing the impact of the recession on the well being of the most vulnerable.
2. Reducing social inequalities and therefore improve the likelihood of social well being for everyone.
3. The possibility of a well functioning and productive economy capable of taking its place in a knowledge driven global economy.

Consequently this submission identified five key priority areas:

1. Taxation.
2. Income.
3. Employment.
4. Services.
5. Community and equality infrastructure.

1. Taxation

Revenue gathering rather than public expenditure cuts should continue to be the focus of budgetary policy.

The Community Platform seeks to present details of new revenue gathering strategies that have the potential to develop a more distributive tax/welfare model. We believe that there is still scope to broaden the tax base in Ireland, and that the tax system should be more progressive and the tax base should include all forms of wealth with full compliance.

Key recommendations include:

- Abolishing tax exemptions except when used to create sustainable employment or for social gain; they should only be available at a standard rate of tax and have a clear time limit.
- Introducing an increased rate of tax for high earners appropriate to a multiple of average industrial earnings.
- Targeting carbon emissions tax revenue at fuel poverty initiatives.¹
- Capping tax relief on pensions at the standard rate and re-distribution of resources towards a comprehensive public pension for all.
- Terminating state subsidisation of private services e.g. private education and health care.
- Taxing property as a source of wealth.
- Remove anyone on the minimum wage from the tax net, including all levies.
- Maintain current levels of child benefit/support. In the absence of progressive reform of Child Income Supports child benefit should remain at current levels to support families and children.
- Reverse recent VAT increases. VAT is the most regressive form of taxation and impinges disproportionately on those least well off. Consider mechanism to decrease the impact of VAT on poorer households, while securing full VAT compliance.

¹ Combat Poverty Agency (2008) Proposal for recycling of revenue from a carbon tax to tackle fuel poverty http://www.cpa.ie/publications/submissions/2008_Sub_CommissionOnTaxation-CarbonTax.pdf

2. Incomes

Government must maintain current rates of social welfare; adult rate, qualified adult rate and payments for children.

The Community Platform acknowledges the achievements to date in reducing levels of consistent poverty from 15% (1997) to 6.8% (2007) but cautions that anti-poverty strategies must be at the core of Government policy if it is to achieve its own target of reducing the rate to 2% by 2012 and ending consistent poverty by 2016. Community Platform members are acutely aware of the challenges faced by individuals and families trying to survive on low incomes. A recent report *Minimum Essential Budgets for Six Households 2008* published by the Vincentian Partnership for Social Justice found that most households on social welfare or the minimum wage do not have enough income to sustain a basic standard of living. According to the CSO, in 2007 60% of median income poverty line for a single adult was €228.65 a week. Using predicted increases in average industrial earnings in order to update this figure to 2009 levels, produces a relative income poverty line of €229.47 for a single person. In 2009, any adult below this weekly income level will be counted as being at risk of poverty. The maximum social assistance paid to single people is currently €25.17 below the poverty line².

Community Platform members are therefore concerned that the Budget 2009 decisions to amend the rent supplement scheme and to abolish the Christmas Bonus have already resulted in a reduction of the real incomes of the poor. These have the same impact as a real decrease (of approximately 8%) in the level of the social welfare income. In this context the Community Platform recommends that:

- Cuts to social welfare income must be reversed and no other cuts of this type, which reduce the real income of the poorest, should be introduced.

Home owners, particularly those who have become unemployed are experiencing considerable difficulty with mortgage repayments. The Platform recommends:

- Extending the six month moratorium on repossessions should to two years.

The Community Platform recognises the need to maintain and protect incentives to work. To this end the Community Platform recommends:

- Reforming the interaction of social welfare payments and supplementary benefits with minimum wage and taxation in such a way as to protect the transition from welfare to work.

The Community Platform is very aware of the real vulnerability of migrants, and particularly those subject to: asylum seekers direct provision programme, the social welfare Habitual Residence Condition (HRC) and the provision to limit social insurance eligibility for newly unemployed migrants on work permits. To begin to address these issues the Platform recommends:

- Increasing the direct provision allowance of €19.10.
- Amend the Habitual Residence Condition to ensure that it does not push more people into poverty.
- Reverse the decision to limit social insurance eligibility for newly unemployed migrants.

² www.thepoorcantpay.ie

3. Employment

Budget 2010 must support innovative and creative jobs maintenance and creation programmes, addressing unemployment and promoting socially progressive projects.

Unemployment is now one of the biggest crises facing Ireland. Evidence from previous recessions shows that the failure to tackle the problem of unemployment will have a long term legacy, inflicting significant damage on both the individuals concerned and the state's efforts to recover from the current crisis. The Community Platform welcomes the recent initiatives by the Government to seek to address the employment crisis but believe that the Government's response is inadequate and does not meet the scale of the problem. The Community Platform would favour 'stimulus packages' to create employment such as the public works programme initiated by the Spanish Government which created much needed employment for construction workers and has resulted in a fall in unemployment numbers. Not only do such initiatives create employment they also address infrastructural deficits such as sub-standard school buildings.

The Community Platform have identified a number of priority issues for the people we collectively represent, the most vulnerable to exclusion and long term unemployment.

Long-term Unemployment

Of particular concern to the Community Platform are those people who were excluded from society and the economy during the Celtic Tiger era - those who have experienced severe exclusion and are most distant from the labour market. The government and its agencies should not forget these individuals and their families in the rush to assist the 'newly' unemployed. Previously targeted programmes that both employ and provide services to the most vulnerable people and communities, must be protected and enhanced. Such approaches must be cognisant of the need to build capacity amongst those most distant from the labour market to facilitate active participation in such schemes and programmes.

For Community Employment (CE) to be a meaningful pathway to permanent employment, for those most distant from the labour market, the Community Platform recommends:

- Increased investment in education and training for CE participants who will find it more difficult to progress into employment, given rising unemployment levels.
- Maintain targeting of all CE places at vulnerable groups such as the long term unemployed, lone parents, Travellers and people with disabilities.

People in employment who are most vulnerable to long-term unemployment

There are currently 479,900 people in the labour force who have less than a FETAC level 4 qualifications.³ These workers are particularly vulnerable to unemployment and are poorly equipped to take advantage of progression and promotion. Once unemployed, they face greater risk of falling into long term unemployment. The Community Platform recommends:

- Prioritising funding for workplace training for workers with less than a level 4, as identified in the National Skills Strategy. The Workplace Basic Education Fund/Skills for Work (current budget of €3 million for 2009) should be maintained and increased where appropriate in order to cater for this priority focus and equip employees with adequate literacy and numeracy skill.

³ CSO website: http://www.cso.ie/qnhs/main_result_qnhs.htm, Table 23, September – November 2008

- Matching education and training to opportunities in the new economy and combined with labour market experience e.g. the traineeship model.
- Targeting the Back to Education Initiative (BTEI) at people with less than FETAC level 4 qualifications
- Ensuring that mainstream training provision should be family friendly, at a minimum FAS specific skills training should be available at times which suit those with caring responsibilities, this is particularly critical for women's access.

Reform of Social Welfare System for job maintenance

The social welfare system should be reformed to ensure that it is a more equitable and modern system and that it plays an active role in maintaining jobs. The Community Platform recommends:

- Ensuring that all those on the live register have access to training provision.
- Ensuring that the social welfare payment should be based on lost earnings and not on the number of days that the person is not working. This would remove barriers to remaining in employment with a reduced working day.
- Reforming the pension system to provide a comprehensive public pension guarantee for all.

Social Innovation Fund and Social Economy Supports

The Community Platform supports the development of a social innovation fund to support a range of initiatives to address new and existing social needs e.g. elder care, childcare, and at the same time create opportunities for the unemployed to utilise their skills and experience in their communities. The development of the social economy will be a crucial part of Ireland's economic recovery programme. A strong community infrastructure is key to this development.

4. Services

High quality, efficient and effective public services are critical to the achievement of a better and more equitable society and economy.

Public services play a vital role in addressing deep-seated disadvantage, helping to provide high quality affordable housing, healthcare and education. Cutting these crucial public services will have a long-term impact on peoples' physical and mental well being and will undermine their ability to participate as active members of society, and consequently social cohesion.

People on low incomes are more reliant on public services – put simply they cannot afford to buy the equivalent service in the private market. In the absence of high quality public services, for which there is widespread support, people have little opportunity to escape poverty and disadvantage.

The state must protect the adequate funding of public services, consequently the Community Platform recommends:

- Terminating state subsidisation of private services such as subventions for private education and tax reliefs for investment in hospital co-location projects
- Prioritising the life chances of the most vulnerable by protecting frontline services from cuts, for example homelessness services and supports, drugs services, adult literacy, and home adaptation grants which facilitates older people's ability to live at home.
- Reviewing and undertaking a poverty impact assessment of the embargo on replacing workers in the public service to ensure that critical positions can be replaced in areas of economic or social disadvantage.
- Continuing to address infrastructural and capacity problems such as bed capacity and occupancy rates in public hospitals.
- Ensuring that there are no further cuts to the provision of childcare places.

Educational Disadvantage

From both child wellbeing and economic viewpoints research shows that high quality early education programmes for all children, but particularly for children living in poverty, contributes to children's intellectual and social development and to their school success and economic performance in adulthood. The Community Platform recognises that investment in high quality education for disadvantaged children is core to breaking cycles of poverty and exclusion and strongly recommends:

- Protecting budgets for early education, and primary and second level from any further cuts.
- Ensuring adequate supports for special needs provision in all schools.
- Urgently rolling out and extending the provision of a free pre-school place for all children

Homelessness and Housing Exclusion

As the risk factors for homelessness are increasing it is critical that there is no regression in gains that have been made in recent years in the area of homelessness and housing exclusion. The Community Platform recommends:

- Fully implementing the National Homeless Strategy, *The Way Home*, realising commitments to end the need to sleep rough and long term homelessness by 2010
- Ring fencing the budget for the full implementation of the Traveller accommodation strategy to ensure the delivery of Traveller accommodation.

Transforming the Public Service

It is essential that the public service is efficient in providing high quality public services and the Community Platform supports efforts to increase efficiency and effectiveness. However, it is clear the many cuts to the public service have a negative impact on services to the most vulnerable in society particularly in areas such as health and care, education, housing, equality etc. Efficiency imperatives should not result in short term savings with longer term negative implications for these people, their families and communities, and society more generally.

5. Community and Equality Infrastructure

A strong community and equality infrastructure is critical at a time of economic crisis.

The community sector plays a key role in assisting local communities particularly those most distant from the labour market, to address the challenges posed by the recession and to identify opportunities for the future. The community sector is well placed to contribute to the achievement of social inclusion and economic recovery and if the State does not prioritise the constructive mobilisation of the most marginalised in a time of crisis, the result will be a more disjointed, less cohesive society.

The dismantling of the infrastructure to support community development and equality is a cause of great concern. Cuts to the community sector, such as the budget cuts and imposed restrictions in activity to the projects funded under the Community Development Programme, the Local Development Social Inclusion Programme and others, will result in a loss of the local infrastructure so crucial to the delivery of service to the most disadvantaged communities and individuals. The Community Platform recommends:

- Protecting the local community infrastructure, including the Community Development Programme, the Local Development Social Inclusion Programme, and the National Organisations that support the work taking place at ground level, in order to ensure that communities do not fall further into disadvantage and individuals further marginalised.

A number of decisions have weakened the national equality, rights and advocacy infrastructure including the 43% cut in funding to the Equality Authority, the absorption of Combat Poverty Agency into the Department of Social and Family Affairs and the abolition of the National Consultative Committee on Racism and Interculturalism. The proposals in the McCarthy Report, if implemented would result in a further dismantling of the infrastructure and in the NGO's advocating the rights of groups and individuals experiencing inequality. In addition, there are a number of key strategies, the product of years of development, which have been rendered ineffective or are coming under threat as a result of cuts.

The Community Platform recommends:

- Providing adequate funding to the Equality Authority to enable it fulfil its functions
- Putting in place measures to ensure that the new division in the Department of Social & Family Affairs delivers on its commitment to give a stronger voice to poverty issues, including urgently establishing clear structures for consultation with people who experience poverty and the organisations that work with them.
- Developing and implementing a strategy to ensure that the work of the National Action Plan against Racism is not lost (critical at a time when racism and discrimination are on the increase)
- Rigorous assessment of proposals to integrate support for community services into Local Authorities, including a poverty impact assessment.
- Providing adequate funding for the full implementation of *The National Women's Strategy*, *The National Homeless Strategy*, *Traveller Education Strategy* and the *National Drugs Strategy*.

Conclusion

The Community Platform welcomes the commitment of Minister for Social and Family Affairs, Mary Hanifan, T.D. to assess the proposals contained in the McCarthy report for her Department for their impact on families. The Community Platform calls for all proposals across all government Departments to be poverty and equality proofed.

In the interests of accountability and transparency the poverty proofing process should be clearly demonstrable, and be based explicitly to the Office for Social Inclusion's *Guidelines for Poverty Impact Assessment* referred to in the Cabinet handbook and the 2005 government decision on *Regulatory Impact Assessment* (RIA). These guidelines require any policy decision which is of significance in terms of national/departmental policy, expenditure and impact on groups vulnerable to poverty to undergo a poverty impact assessment. The findings of which should be published, by each Department, as a contribution to the ongoing national debate on the choices which face us.

The Community Platform is committed to a constructive debate on choices facing the Irish Government in Budget 2010 and we are prepared to submit detailed proposals on all of the recommendations contained in the Budget Submission.