ECONOMIC POLICY

SUMMARY

1. *Abolish water charges, property tax and USC for those under €70,000.*
2. *Reverse the cuts to social welfare and develop quality public services.*
3. *Put Ireland's natural resources under public ownership.*
4. *End Ireland's role as a tax haven and establish a new development model with state enterprise creating tens of thousands of new jobs in areas including childcare, construction, healthcare, water maintenance and infrastructure, education.*
5. *Reverse the post-crash policy of making low and middle income Ireland pay the costs of the crash. Shift the burden onto large corporations and wealthy individuals by:*
   - *Making corporations pay a minimum tax on profits on 12.5% by closing loopholes. Raise the rate to 15% over the life of the Dail.*
   - *Introduce a Robin Hood Tax on financial speculation.*
   - *Introduce higher rates of income tax for those over €100,000. Move towards a maximum income.*
   - *Bring the employers contribution to social security up to the EU average for large firms' overtime.*
   - *End the status of tax exiles – make all with an Irish passport pay taxes to the Irish state.*

- *Introduce a special solidarity tax on the vast profits made from sales of commercial property.*
- *Ensure that companies like Apple who benefitted from special treatment pay all their back taxes.*
- *Close loopholes and tax breaks used by the corporate pensions industry*

People Before Profit's Economic Policy

The Government talks repeatedly about "recovery" or "relaxing austerity". It suggests that its economic policies have brought success and claims that Ireland is one of the best performing economies in Europe.

People Before Profit disagrees. The recovery is both limited and uneven. The underlying model on which the Irish economy is based is deeply flawed.

Limited Recovery: The Irish economy shrank by 16 percent between 2008 and 2011 in the most calamitous crash the country ever experienced. After six years, the economy had still not fully recovered to the level it was before the crash.

In **2008, the GDP of Ireland was €186 billion. At the end of 2014, it stood at €181 billion**.

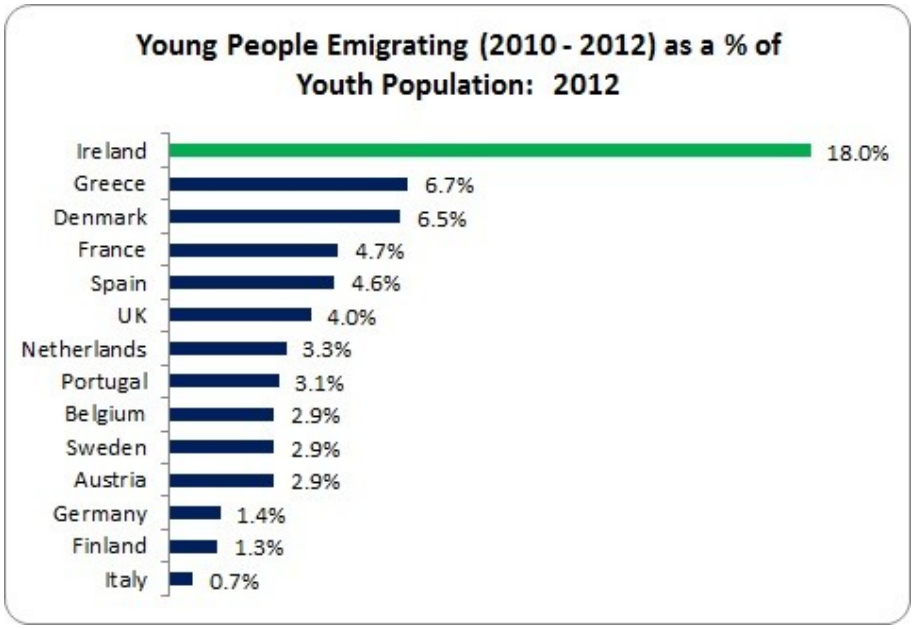
Even these figures are exaggerated because of the effect of 'contract manufacturing'. Essentially global corporations are using Ireland as a tax haven to assign profits to an Irish base – even though no actual manufacturing has occurred here. In 2015 the economy did show signs of growth but even now there are problems with sustainability and more importantly, with fairness.

Uneven Recovery: The limited recovery is not reflected in any substantial gain in living standards. Instead the unspoken element of government policy is to promote emigration – particularly for the young - as a safety valve and to squeeze middle and low income Ireland in order to maintain tax breaks for the wealthy.

A report published by the think tank TASC in 2015 reveals that 34% of all Irish income goes to the top 10% of earners. This is leading to US levels of inequality with government policy designed to get the rich out of recession by directing income towards the top.[1]

The government's employment policy helps to achieve this. While Fine Gael and Labour boast about the decline in the rate of unemployment, they conveniently forget to mention that many of the new jobs are in Canada or Australia. Ireland is particularly suited to becoming a 'store house' for emigration because it is English speaking and previous generations have established support networks for migrants. The following table shows how youth emigration compares with other countries.

1 *See http://www.tasc.ie/download/pdf/tasc_cherishing_all_equally_web.pdf for more details.*



One element of the government's jobs strategy is to continue to encourage emigration by a policy of discriminating against the young in social welfare payments.

The other element is using labour activation schemes to both displace real jobs in the public sector and to develop a culture in the young of accepting lower wages and meekly obeying management. Schemes such as Gateway, TUS and Jobsbridge are effectively compulsory schemes which require people to work for less than the going rate. In all over 85,000 people are now on some form of labour activation scheme.

For the smaller numbers who find 'real jobs', the experience is one of low pay and often poorer conditions. This reflects the government's determination to use the crash to re-configure Ireland as a low pay economy.

The average income for the bottom 90 percent of the population is €27,400 per tax case. This is far lower than the often quoted 'average' earnings figure of €35,000. 20 percent of workers are on low pay - which is defined as €11.50 an hour - one of the highest rates in Western Europe.[2]

The growth in low paid employment is reflected in a large 30 percent increase in the numbers receiving Family Income Supplement.

A Rise in Poverty, Deprivation and Inequality

The other key impact of the austerity policies for which the government are now claiming "success" has been a very dramatic rise in poverty and deprivation suffered by huge swathes of the most vulnerable and least well-off sections of our society. At the same time a very small minority at the top have seen equally dramatic increases in their wealth, income and profits.

2 *Unless otherwise stated, the figures used throughout this piece were derived from Parliamentary Questions submitted to the Minister of Finance over the last 18 months.*

The facts are stark:
The number of households suffering deprivation has risen from 24.5% in 2011 to 30.5% in 2013, the number living in consistent poverty has increased from 6.9% of the population to 8.2%.
Lone parents and children have suffered even more cruelly. The number of one-parent families suffering deprivation has risen from 49.5% in 2012 to 63.2% in 2013 and the number living in consistent poverty has increased from 17.4% to 23% in the same period.

UNICEF found that the number of children living in poverty increased by 130,000 from 10% in 2008 to 28.6% in 2012, and Barnardos say the number of children living in consistent poverty had risen to 12% by 2013, double the 6% figure in 2006. Social justice Ireland say a total of 232,000 children are now living in poverty.

People with disabilities have also suffered a dramatic rise in poverty with 45% now suffering income poverty and 36% experiencing basic deprivation.

A particularly disastrous aspect of the impact of the austerity policies being pursued by the government has been the explosion of one of the worst housing crises in the history of the state.

Yet the frightening rise in poverty, deprivation and homelessness has taken place at precisely the same time that overall economic growth and total national household wealth has begun to increase again. Predictably, the benefits of this growth and increased wealth have become even more concentrated in the hands of a tiny minority of the population – suggesting that the recession and austerity policies have in fact been a mechanism to transfer wealth from low and middle income households to the very richest in society.

According to the Central Bank, by the end of 2014, total household wealth in Ireland stood at €508 billion, marking its seventh consecutive rise since the second quarter of 2012 – a total increase of 13.7%.

While the government refuses to keep a database on wealth distribution, a number of studies and figures produced by others point to a startling increase in the concentration of wealth. The Credit Suisse Global Wealth Report 2014 states that the wealthiest 1% in Ireland own 27.3% of all wealth and the top 10% own an incredible 58.5% of all wealth. TASC estimate that the top 5% own 28.7% of all wealth (i.e. 82,919 households hold €145 billion) and the top 10% own 42.3% of all wealth (i.e. 165,824 households hold €215 billion in wealth). Meanwhile, they estimate the bottom 50% of households (829,122) hold only 12.2% or €62 billion of this wealth between them.

The desperately unequal concentration in wealth is also mirrored in figures on the concentration of annual income, with the CSO suggesting that the top 20% of income earners take almost 40% of all earned income. According to the Department of Finance, the top 1% of income earners (21,650 people) earn annually between them €8.7 billion, with average earnings of €403,703 per year – more than 10 times the average industrial wage.

Corporate profits have also increased, with Gross Trading Profits increasing from €70.3 billion in 2010 to €73.8 billion in 2011.

A Failed Model: For decades, the political establishment have honed a particular model for Irish economic development. This model consists in bending the state to the demands of global corporations by offering them tax haven advantages and light regulation. The Irish rich, who tend to avoid the manufacturing sector, are offered opportunities to invest in the property sector or relatively safe schemes sponsored by the state. This structure is sustained by shifting the tax burden on to low and middle income Ireland.

1. **The Atlantic Tax Haven**: Ireland is marketed abroad as a respectable tax haven for global corporations. The tax rate on company profits is officially set at a very low 12.5 percent rate, but even then a host of tax planners are employed to exploit a myriad of loopholes. Giant corporations are allowed to artificially declare profits in Ireland in order to take advantage of legal tax dodging arrangements. Most years they only pay a tiny 6.25% on their vast profits.

   The official explanation for this practice is that Ireland needs to attract foreign investment in order to create jobs. But Foreign Direct Investment only accounts for 7 percent of the labour force and the tax subsidies that are offered must be paid for by higher taxes on other sectors or by reduced public services. These practices in turn operate as a disincentive to job creation.

2. **Property Speculation**: The wealthy Irish talk a lot about their 'entrepreneurial skills' and claim huge rewards because they are 'risk takers'. But the reality is that they avoid investment in manufacturing and prefer to gain their profits from property speculation and safe government contracts. The Irish state actively colludes in this strategy by adopting policies which favour property bubbles. They refuse to introduce proper rent controls; they cut back on social housing; and the state itself rents from the commercial property sector. To top it off, many establishment TDs are private landlords with their own incentives to squeeze their tenants.

   To support property holders the state has even offered tax breaks to the vulture capitalists in Real Estate Investment Trusts to buy up Irish property in order to re-start a new property bubble. In 2014, the business research company MSCI found that Dublin offered the highest rate of return for commercial property investment in the world. One effect of these policies is growing homelessness and rent levels that crucify many people.

3. **A higher tax burden on low and middle income earners**. These twin imperatives of government policy help to explain the economic policies that lie behind Ireland's recovery. Essentially, both the Fianna Fail-Green government and the Fine Gael-Labour government shifted the cost of paying for the economic crisis onto middle and low income Ireland –while allowing the wealthy to reduce the contribution they made to exchequer funding. Their rhetoric was all about 'sharing the pain' but the data shows that there was a distinct class bias in the austerity policies.

   According to the Irish Tax Institute, income taxes as a proportion of all tax revenue has significantly increased while taxes on capital have decreased.

   In 2007, income tax accounted for 27 percent of all revenue but by 2012 it rose to 42 percent when account is taken of the Universal Social Charge.

   Corporation and capital taxes dropped from 20 per cent to 13 percent in the same period.

   In addition the government introduced a series of indirect taxes such as water and property taxes –even while cutting back on services.

People Before Profit's Approach

People Before Profit's economic policy is designed to support a sustainable recovery on the basis of a more equal distribution of the nation's resources. To this end, the major areas of concern are

1. **Measures to eradicate the unsustainable debt burden.**
2. **Measures to reconstruct the taxation system in the interests of working people.**
3. **A government led stimulus to create 100,000 new jobs over time.**
4. **A major reconstruction of our ailing public services.**

These measures are clearly interrelated. Putting state debt on a sustainable path would help to free at least €4.2 billion annually. Added to this, somewhere in the region of €7 billion could be raised through a minimal number of targeted tax increases on the most privileged sections of society. These funds could then be used for a major jobs stimulus that would end the scourge of labour activation policies such as JobsBridge and flexible (low hours) contracts. The state also needs to take the lead in areas such as water infrastructure, health, education and child care.

Although it is important to cost our proposals, it is worth stressing at the outset that none of these changes will be possible within the straightjacket imposed by the fiscal rules of the European Union. Implementing these polices will necessitate breaking these rules and moving beyond the confines of mainstream economic dogma. This strategy will only be viable in the context of a significant ramping up of working class resistance to austerity. That said, it is important to indicate that contrary to government spin doctors, mainstream press sources and neoliberal economists, there are real choices that could be made to improve the lives of the majority today.

(1) Restructuring Ireland's debt burden*

Ireland's debt burden was roughly €45 billion in 2007. This represented around 25% of the annual economy in terms of Gross Domestic Product (GDP). Over the course of the last eight years the banking collapse has added somewhere in the region of €60 billion to the national debt. In the same period the general decline in economic activity added a further €100 billion. This has left the state with a debt burden of €216 billion – more than 108% of GDP. The consequences for the population at large are incredibly severe. In 2015 the state is due to pay €8.45 billion on its state debt.[3] To put this in context, this is the equivalent of 17 children's hospitals handed over to wealthy bondholders.

If we assume a future interest rate on this debt of 4% (a conservative figure), it means that the bankers' debt is adding around €2.4 billion to our national interest payments annually. Meanwhile, the general collapse associated with the financial and employment crisis is costing us around €4 billion. These figures are approximate, but they do capture the rough orders of magnitude.

3 *Central Statistics office figures for the level of GDP @ http://www.cso.ie/en/releasesandpublications/er/na/quarterlynationalaccountsquarter22015 and Department of Finance public finances section for the level of debt @ http://www.finance.gov.ie/what-we-do/public-finances/forecasts*

People Before Profit proposes a debt audit that would culminate in repudiating all debt associated with the banking collapse, and much of that associated with the economic crisis and the speculative buying of government bonds that happened in the interim. Over the last 8 years, working people have suffered greatly at the hands of the most powerful sections of Irish society. It is simply not acceptable that these same interests continue to gain via loans made to the Irish state in a time of crisis. This will take time, but People Before Profit will immediately cancel €4.2 billion in debt in order to fund the reconstruction of our social services.

People Before Profit proposes repudiating all debt associated with the banking collapse and an increasing amount of the debt associated with the economic collapse – this would raise €4.26 billion in the first fiscal year effectively reducing the states debt burden in half.

(2) Tax Reconstruction

(2.1) Corporate Taxes

Due to its economic model, Irish taxes are disproportionally skewed towards working people. Transnational corporations currently pay only a fraction of the 12.5% headline rate, meaning that vital services must be funded by the working population. There are multiple ways of assessing effective tax rates, but the latest Revenue Commissioner figures available (2013) reveal that corporations earned €64.05 billion in corporate profits, but paid only €4.078 billion.[4] This is an effective rate of just 6.3%.

The latest proposals for a 6.25% rate for those using a 'knowledge box' is scandalous. Large corporations declare a high level of royalties and income from intellectual property in Ireland. By cutting their tax bill to an official rate of 6.25% the government is simply trying to give itself a clean image when faced with OECD opposition to tax havens.

People Before Profit propose to introduce a **minimum effective corporate tax of 12.5%** on total corporate profits, based on existing figures from the revenue commissioners, of companies declaring profits in Ireland.

Our proposed new minimum effective rate will include companies which incorporated in Ireland but who are currently described as not "owned and controlled". This is a large loop hole which we intend to close by making them taxable in Ireland. This means that projected additional yield in corporate tax revenue would be very significantly higher.
Proposal: Establish a minimum effective corporate tax rate of 12.5% on Total Profits Raises: €4 billion.

(2.2) Financial Transaction Tax

The EU commission estimates that imposing a tiny 0.1 tax on securities and 0.01 on derivatives would yield between €490-730 million per year. However, there would be a reduction of €182 million in lost stamp duty.
Proposal: Introduce the FTT to raise €320 million

4 *Revenue Commissioner Corporate Tax Calculation @ file:///C:/Users/boboyle/Downloads/corporation-tax-calculation.pdf*

(2.3) Income Taxes.

The burden of the USC on low and middle income earners has savaged their incomes and spending power. The same is not the case for the high earners. The number of tax payers earning in excess of €100,000 per year is 113,487, this is just 5% of the work force. They receive €20.6 billion in income. Average earnings in this group are €182,336. Average earnings among the top 13,000 earners is very considerably higher at €505,266. These top 113,487 earners pay €7.3 billion in tax and USC – an effective rate of 35%. If they were to pay just 1% more, it would raise €206 million, 2% €412 million and so on, 3% €618 million and so on.

A significant stepped increase in income tax rates on these top earners per year would impose relatively little hardship on such earners and have far less impact on domestic spending in the economy as a whole.
Proposal: **Income Tax - Establish four new tax bands on earnings over €100,000 per year**
50% on earnings between 100,000 and 140,000
55% on earnings between 140,000 and 180,000
60% on earnings between 180,000 and 250,000
65% on all earnings over 250,000
Raise: €922 million.

(2.4) Wealth Tax.

According to the latest Central Bank (Quarterly Bulletin Oct 2014) household net wealth has significantly increased over recent years, and stands currently at €508.5 billion after liabilities are subtracted. Overall net wealth has risen by 13.7% since 2012. Although the government have failed or refused to establish a database of household income and wealth distribution, a number of studies in recent years suggest that this wealth is significantly concentrated in the hands of the very wealthiest households.

The Central Bank itself states that the top 20 per cent of households account for around 70 per cent of net assets. Credit Suisse and the Bank of Ireland have both produced reports in recent years suggesting that the wealthiest 1% of the population account for 20% of this wealth. A more conservative estimate of this wealth distribution was recently produced by the Merrill Lynch, suggesting that the top 1% account for 10% of this wealth.

Taking this most conservative estimate, this means the top 1% of the population account for €50 billion in personal wealth. Consequently, a wealth tax aimed only at this top 1% of the population could generate €500 million for every percentage point of a wealth tax levied. Furthermore, given the enormous concentration of wealth at the top end of society, these assets - whether financial or property - are undoubtedly wealth generating.

This fact is made clear by the year on year increase in the value of overall national household wealth since 2009. This is wealth that is appreciating in value and this appreciation - whether in the form of dividends, profits, rent, deposit interest or appreciating property values - will be even greater for those with very large amounts of property and financial assets, beyond their principal private residence.
Put simply, wealth generates more wealth and the evidence suggests clearly that the appreciation in the value of wealth has been consistently high in recent years. So even a 2% wealth tax, that impacted

solely on the wealthiest one percent would raise €1 billion per year. Such a tax would barely, if at all, impact on this group, as at this level of wealth concentration, the average annual percentage appreciation in the value of these assets is very considerably higher than 2%.
Proposal: Establish an annual wealth tax of 2% on assets (excluding the family home or family farm) over €1 million.

Establish a national database on the distribution and ownership of financial and property assets. Raise €1 billion

(2.5) Pension Reform – reduction in tax breaks for top earners

A cap on pension breaks for top earners would save nearly €200 million as follows:

A reduction in the earnings cap for pensions from €115,000 to €70,000 would achieve a tax saving of €110 million.

A reduction in the standard fund threshold from €2 million to €625,000 would achieve a tax saving of €90 million.

Pension reform: Yield €200 million

(2.6) New Band Of Employers PRSI

Employers in Ireland pay among the lowest levels of employers PRSI in Europe. This needs to be addressed by creating a new band of employers PRSI of 19.75% on the highest earners, earning in excess of €100,000 per year.

New PRSI band. Yield €481 million

Total raised in extra taxes and charges on the rich €11.360 Billion (this includes the figure for the re-introduction of a second home tax and increase to €400 per year yielding €177 million per year from section 4 below)

(3) Job Creation

The government claims that it cannot create employment. Instead they pursue a policy of making it easier for private capital to create jobs. Enda Kenny encapsulated this policy when he claimed that Ireland under his watch would be the best small country in the world to do business.

Over the last three years the government claims to have facilitated the creation of 100,000 new jobs, but this leaves the anomaly of nearly 90,000 people on JobsBridge and other labour activation

programmes. There are also still 375,000 on the live register. This brings the unemployment rate closer to 25% and this is without accounting for the 350,000 that have been forced to emigrate.

On top of these quantitative considerations, it is also undeniable that low paid work and precarious contracts are on the rise. To address the employment crisis in a way that provides sustainable and rewarding employment requires state intervention on a massive scale.

Research by the Nevin Economic Research Institute has estimated that investment of €1 billion over the course of a year would create approximately 16,750 jobs (split 2:1 in terms of direct and indirect jobs). When the tax increases and welfare decreases are factored into account the cost of the jobs falls to around €575 million.[5]

At a net cost of €2.5 billion a year over two years the state could begin to eradicate the scourge of unemployment. The crisis has meant that there are many areas that could immediately benefit from state funding and with a major investment in state training other areas could be rolled out over time.

Priority areas would include:

- **First world healthcare facilities.** Thanks to years of under investment the Irish healthcare system is in serious crisis. Alongside underinvestment there is serious disparity owing to the private model. We need a major investment in new facilities, new doctors and nurses. Thousands of construction workers could be hired in the initial phase. Alongside this thousands of new doctors and nurses could be trained ready to take up posts in the near future.

- **First world education facilities**. The state needs to radically update the education system moving funding away from private schools to DEIS schools and the public system. Thousands of construction workers and teachers could be hired through a government sponsored stimulus programme.

- **New social housing units to take people off waiting lists and provide capacity for future demand**. Instead of accepting that only a couple of thousand new social houses can be built in a calendar year, the state could employ tens of thousands of construction workers to relieve the worst supply shortages over the lifetime of a Dail parliament.

- **Safe, clean drinking water to every citizen in the country**. Instead of commodifying water the state could hire thousands of construction workers to rebuild the water infrastructure, equip buildings with the capacity to harvest rain water, and upgrade the sewerage systems and septic tanks around the country. This could be done from the progressive taxation listed above.

- **Educational, safe and affordable childcare**. In modern Ireland it is essential that every parent has the right to choose whether to work or remain with their children. To support this process the state needs to invest in a network of childcare facilities. The building phase of this project could employ tens of thousands of construction workers. Added to this the

5 *Rory O' Farrell, An Examination of the effects of an Investment Stimulus, Working Paper (July 2012) http://www.nerinstitute.net/download/pdf/neri_working_paper_rof_no_4.pdf*

state needs to take responsibility for the training and/or hiring of thousands of extra child care professionals.[6]

- **High-speed broadband is essential for modern forms of communication, education and commercial viability**. Instead of allowing private corporations to cherry pick profitable parts of the network the state should invest in the latest technology for every home and business in the country.

(4) Reconstruct the Social Infrastructure and Reduce Taxes for Working People.

With spending of €5 billion on job creation (over two years) the state will begin to rebuild many of our essential services at the same time as it creates employment. Added to this spending the state would have a surplus of nearly €9 billion. This money should be targeted to rebuild the social welfare system and the social infrastructure.

Property Tax

The property tax currently levied on all family homes is inherently regressive and fails to take into account ability to pay or to differentiate between the family home and wealth generating property or other assets. It also unfairly discriminates against families that live in areas where property prices happen to be high, but where there is no link between the value of that property and the income or ability to pay of that household.

Abolish the tax on the family home:	**Cost: €440 million**
Re-introduce second home tax & increase to €400 per year	**Yield: €177 million per year**

Water

People Before Profit is committed to abolishing the water tax and the new Irish Water Quango and, instead, establishing a major public works infrastructure rehabilitation programme to repair and renew the state's water infrastructure.

People Before Profit proposes to significantly boost the size of this investment programme. We propose to return the €130 million water conservation grant and make it available to householders that actually install rainwater harvesting and other water conservation measures.

People Before Profit proposes to**:**

Abolish the water tax	**Cost: €274 million**
Boost the water infrastructure repair programme	**Cost: €500 million**
Retain the water conservation grant fund	**Cost neutral**

6 *People Before Profit is currently in the process of developing its childcare policy. This will be formulated by the end of December.*

Universal Social Charge

The Universal Social Charge (USC) has been a crushing burden on low and middle income workers. Despite its name, it has not been used to fund public services or social protection. Rather, it has been imposed as an effective pay-cut, while social spending has also been slashed. It has contributed significantly to the growing phenomena of the "working poor".

People Before Profit proposes to:

Abolish the USC for income less than €35,000 and reduce by 50% for income less than €70,000 per year Cost: €2.07 billion

Social Protection

Each of the Austerity Budgets has included cruel cuts that have savagely eaten into the income of some of the most vulnerable people in our society. We propose reversing the following cuts:

- Abolish the discriminatory JSA rates for under 26 year olds - €161 million
- Restore the Telephone Allowance - €45 million
- Reversal of €50 cut to Back to School Clothing & Footwear Allowance – €16.2 million
- Increase Basic Social Welfare Rates by €10 per week - €711 million
- Reversal of cuts to One Parent Family Payment including reduction of income disregard - €112.2 million
- Restore Back to Education Allowance - €24 million
- Reverse cuts to Child Benefit - €142 million
- Restoration of the Christmas Bonus - €260 million
- Reverse cut to respite care grant – €26 million
- Rent allowance funding increase - €100 million

Total: €1.597 billion

Expand Health Funding

Austerity Budgets are destroying our health service. Despite a growing population spending has been reduced by €3 billion since 2008, 10,000 staff have been lost and there are over 1,500 closed beds. This means that waiting lists have spiralled and despite promises from Enda Kenny, the trolley crisis is getting worse on a daily basis. The Nevin Institute estimates that the health budget needs €300 million extra next year just to stand still.

People Before Profit does not want to "stand still", but instead aspires to a Social Health Service that is Universal, Comprehensive, Democratically planned, funded by progressive taxation and Free at the point of use.

This can be achieved incrementally over the next number of years but we also need immediate investment to relieve the pressure points of waiting lists, overcrowding and discrimination against disabled people and to work towards restoring staffing levels to those of 2008.

We propose the following measures:

- Investment to “stand still” - €300 million
- Recruitment of 1000 nurses and 250 consultants - €145 million
- Primary Care – €60 million
- Children & Family Services – €50 million
- Obesity & Chronic Disease Prevention - €75million
- Residential and home care supports - €60 million
- Residential, respite and PA services – €30 million
- Implementation of Vision for Change - €50 million
- Reduce Prescription Charges (0.50c) and DPS Threshold (€132) to 2012 levels - €100 million
- Discretionary Medical Card €130 million

Total cost of €1 billion

Education:

Primary Education

Irish classes are the second most over-crowded in the EU with more than 125,000 pupils in classes of more than thirty pupils. The austerity agenda in education removed supports from pupils with special needs, those with English as an additional language and those experiencing disadvantage in rural areas. We commit to the reversal of the full range of cuts implemented in these years.

In year 1 People Before Profit proposes the following:

- Reduce PTR from 1:28 to 1:20 - €48 million
- Reverse cuts to capitation grant - €100 million
- Reverse cuts to provision of Guidance Teachers - €15 million
- Increase funding for Resource Teaching Hours by 15% - €70 million
- School building works and expansion of facilities - €100 million
- Remove the cap on SNA’s and broaden the current criteria for SNA support - €33 million

Higher Education

- In 2014-15, despite the increase in student numbers, core income received from the State and students which is used for the general operations of higher education institutions dropped, in absolute terms, from €1.85 billion in 2007 to €1.68 billion in 2014. Reverse this cut - €170 million
- Cap registration fees at affordable levels – A reversal of the last three years increase in the current student contribution (registration fee) - €49 million
- A reversal of the reduction in 3rd level and postgraduate grants - €15 million

Proposal: Reverse education cuts and increase the overall Education Budget.

Cost €600 million.

Rent Controls And Social Housing

The current Housing and Homelessness crisis is unprecedented in the history of the state. Housing Strategy 2020 committed €2.2 billion until 2017. Not only has this strategy failed to deliver the much needed houses to date, it is also destined to fail over the coming years as it relies on the private sector to deliver housing. People Before Profit believes the only long term solution to our housing crisis is investment in large scale public housing programmes to house families into the future. Immediate measures also needed are - the transfer of suitable NAMA properties to local authorities, rent controls and an increase in the CWO budget for rent allowance.

People Before Profit proposes:

- A five year public house building programme to house 70,000 families and individuals in secure permanent social housing – 10,000 houses in the first year - €1.4 billion
- Additional funds to community welfare to allow flexibility in allocation of rent allowance - €100 million (this to come from Social Protection Budget)
- Additional funds for Homelessness and Women's refuges - €100 million

Total Cost: €1.6 billion

Restore The Local Government Fund:

The funding of local authorities has been cut by 26% since 2009. This has resulted in a huge deterioration in local services – road sweeping, housing maintenance, parks maintenance, road and path repairs. Many areas are in a state of total disrepair. The waiting times for basic house repairs and house alterations for disabled and elderly people are unacceptably long.

Cost: €160 million

A Radical Increase in Arts Spending

Ireland's artistic and cultural heritage is one of our greatest assets. Yet, funding for the arts and culture is pitifully low. Ireland has one of the lowest levels of funding for arts and culture in Europe. People Before Profit believes we need to radically increase our investment in the arts and culture. We believe that artistic practice and exposure to the arts and culture should be seen as a right for all citizens.

In particular, we believe children must have greater access to culture and art, both inside and outside the education sector. People Before Profit believes we must increase spending on the arts as a proportion of GDP to the average EU level 0.6% of GDP and establish a "new deal" for artists where we employ several thousand artists in the public sector to work in schools, care homes, hospitals, communities and prisons.

We also propose a new fund especially targeted at promoting access to arts participation in disadvantaged areas for adults and children.

Total spending on arts, culture and heritage currently stands at €211 million per year. People Before Profit proposes to increase the arts budget by more than one-third, an increase of €75 million in 2016.

Increase total arts budget by one third. **Cost: €75 million**

Community Afforestation And District Heating Programme

Ireland has spectacularly failed to meet its afforestation targets over recent years, despite having the most favourable conditions in Europe for growing trees and the enormous economic, employment, amenity and environmental potential for forestry in this country. The McCarthy report on state assets identified 500,000 acres of Coillte land that is currently unused for forestry either because it is considered unsuitable for large-scale commercial forestry or would require significant investment to be viable. We believe some of this currently unused land should be leased at very low cost to community groups and co-ops to develop local forest co-ops and to develop local district renewable energy.

Cost: €100 million

Childcare

Although they can be treated separately it is important to note that childcare, health and education overlap to a large degree. Not only is Ireland failing to meet the quality criteria and needs of the children in this country but it is also estimated to be one of the most expensive systems in Europe. In many cases childcare is delivered via private providers, thus adding unnecessarily to the expense. High costs mean that less than a third of children under 3 are enrolled in childcare services in Ireland compared with 50% in France. We currently spend 0.3% of GDP on childcare while the European average is 0.8% and the UNICEF target is 1%. People Before Profit would aim to reach this UNICEF target over the coming years while simultaneously investing in capital projects that allow us to move away from private providers in childcare.

To progress these aims we propose the following investment in year 1:

Introduce a second free ECCE year for all two year olds - €173 million.

Double current spending on childcare to improve access and to fund the transition from private providers - €260 million.

Total: €433 million

Total extra spending on job creation and service provision €11,349 billion.

*Unless otherwise stated the statistics used in this section come from answers to Parliamentary Questions.