



When the Celtic Tiger Falls: Economic and Social Rights at Risk in Ireland

[Oct. 1, 2011] *Despite the existence of practical human rights-centered alternatives, Ireland's economic recovery policies have significantly undermined the already weak system to guarantee economic and social rights in the country, especially amongst the most vulnerable. Instead of ensuring shared sacrifices, Ireland's conduct risks undermining its commitments under the International Covenant on Economic, Social and Cultural Rights (ICESCR), particularly related to the human rights to an adequate standard of living, housing, education, health and work.*¹

Human Rights-Centered Economic Policies In Crisis

In accordance with its obligations under the ICESCR, the Irish government must mobilize and allocate the 'maximum available resources' towards progressively fulfilling economic and social rights.² Before implementing any policy that might inhibit or endanger the enjoyment of these rights, the government is obliged to assess the appropriateness of the measure and fully examine alternative options,³ including available tools to generate new sources of revenue, through taxation or monetary policy, for example. Economic and social rights guarantees are not luxuries to be dispensed with when the national coffers run low. Instead, Ireland has an immediate obligation under international law to ensure the minimum essential levels of enjoyment of economic and social rights, and to guarantee that the most vulnerable are not *de jure* or *de facto* discriminated against in economic recovery measures.

Disregard for economic and social rights was already apparent in the fiscal policies implemented during the boom years. In 2007, for example, Ireland's expenditure on social protection stood at

¹ Prepared in advance of the 12th session of the UN's Universal Periodical Review of Ireland, this paper is a summary of a more in-depth human rights analysis of Ireland's economic recovery measures to be soon published by CESR.

² For more information on the tools government's can use to mobilizing the maximum available resources for economic and social rights, including through taxation, monetary policy and deficit financing, see *Maximum Available Resources and Human Rights: Analytical Report*, Center for Women's Global Leadership, 2011. See: www.cwgl.rutgers.edu/globalcenter/publications/marreport.pdf

³ United Nations, International Covenant on Economic, Social and Cultural Rights, United Nations, New York. See: <http://www2.ohchr.org/english/law/cescr.htm>

18.9 per cent of GDP, as compared to 30.5 per cent in France, 28.4 per cent in the Netherlands and 25.3 per cent in the UK.⁴ Despite impressive overall economic growth figures⁵, relatively few resources were channeled into social and infrastructural investments that would have helped secure the long-term welfare of Irish society.⁶ Rising social welfare transfers between 2003 and 2008 did make a significant impact on poverty levels,⁷ but inequality remained all but unchanged.⁸ Crucially, the country's infrastructural deficit was never addressed.⁹

In 2007, Ireland slipped into its worst economic recession in decades. Instead of protecting the most vulnerable and ensuring shared sacrifices, however, Ireland's handling of the economic crisis has significantly undermined the already weak system to protect and fulfill economic and social rights. As pointed out by the UN Special Rapporteur on Extreme Poverty and Human Rights in her visit to Ireland,¹⁰ social service cutbacks tend to affect the most vulnerable in society disproportionately, while modest, progressive tax reforms can shift the burden to those able to cope with the crisis. Yet despite these warnings, the Irish government decided in its National Recovery Plan (NRP) 2011-2014 to prioritize drastic cuts in social expenditures rather than establish common-sense progressive tax reforms which would raise the resources necessary to prevent retrogression in the enjoyment of economic and social rights, especially of the most vulnerable.¹¹ This in a country, which ranks among the lowest in Europe for overall tax levels,¹² with a corporate tax rate amongst the lowest in the industrialized world.¹³ In this way, the NRP - itself a product of negotiations with the International Monetary Fund and European Union rather than participation with Irish society - fails to properly consider alternative, human rights-centered economic recovery

⁴ Central Statistics Office, 2011, and Eurostat 2011, cited in Healy, Reynolds, Collins, *A New and Fairer Ireland*, Social Justice Ireland, Dublin, May 2011.

⁵ Averaging 9.8 per cent per year from 1996 to 2001. Eurostat Real GDP Growth Rates for EU 27 countries. Accessed at: <http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsieb020&language=en>

⁶ O'Toole, F., *Ship of Fools*, Faber and Faber, London, 2010.

⁷ Social Justice Ireland, 'Policy Briefing: Poverty', SJI, February 2010. See: <http://www.socialjustice.ie/sites/default/files/file/SJI%20Briefing%20Docs/2010-02-01%20-%20Policy%20Briefing%20Poverty%20Feb%202010%20FINAL.pdf>

⁸ Social Justice Ireland, 'Policy Briefing: Poverty and Income Distribution', SJI, January 2011. See: <http://www.socialjustice.ie/sites/default/files/file/Policy%20Issues/2011-01%20-%20Policy%20Briefing%20on%20Poverty%20and%20ID%20-%20Final.pdf> (Calculations based on data from Central Statistics Office, 'National Survey on Income and Living Conditions (SILC) 2009', Government Publications Office, Dublin, 2010. See: <http://www.cso.ie/releasespublications/documents/silc/current/silc.pdf>)

⁹ O'Toole, F., *Ship of Fools*, Faber and Faber, London, 2010. See also, Healy, Reynolds, Collins, *Annual Socio-Economic Review: A New and Fairer Ireland*, SJI, Dublin, 2011. Available at: <http://www.socialjustice.ie/content/new-and-fairer-ireland-full-text>

¹⁰ See: UN Independent Expert on Extreme Poverty and Human Rights, Report on Mission to Ireland. This report can be accessed at: <http://www.ohchr.org/EN/Issues/Poverty/Pages/AnnualReports.aspx>

¹¹ Two-thirds of all budgetary adjustments will take the form of reductions in public expenditure; one-third will be comprised of tax- and revenue raising measures; NRP, p. 5.

¹² At 29.3 per cent of GDP in 2009, it was 8 per cent below the EU average; only Latvia, Slovakia and Romania sourced a lower proportion of their annual revenue from tax. Taxes actually decreased by 4 percentage points from 2006 to 2009. Eurostat 2010, "Tax Revenue and Statistics", Accessed at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_a_tax_ag&lang=en

¹³ Accounting firm UHY notes that Ireland's rate of corporation tax is among the lowest in the industrialized world. In Europe, only Estonia asks for less revenue from the business sector. See: <http://www.uhy.com/pages/posts/corporate-taxes-vary-widely-between-countries-uhy-study-finds168.php>

policies. The cutbacks stemming from the Plan may well affect a number of specific human rights, with disproportionate impacts on those who are already facing the brunt of the economic crisis - such as women, children, asylum-seekers, the disabled and the traveller community.

Right to work: Long-term unemployment more than doubled in 2010, and accounted for almost half of overall unemployment.¹⁴ Large-scale job losses resulting largely from the collapse of an unsustainable government-backed housing boom, together with a failure to adequately resource and reinvigorate the national training agency FÁS, fuelled this situation.¹⁵ A job-creation initiative, comprising cuts to Value Added Tax (VAT) and employers' social insurance payments, was unveiled in May 2011, though at the time of writing its impact cannot be discerned. Young people have been affected disproportionately, with recent estimates putting the proportion of under-25s who are out of work as high as 29 per cent.¹⁶

Right to Education: Even at the peak of its boom, Ireland invested just 4.7 per cent of GDP in education, placing its 30th out of the 33 OECD countries.¹⁷ The 2010 budget further reduced education expenditures such as teachers' pay, student grants and support to the disadvantaged,¹⁸ with an overall cut of €229 million or 2.3 per cent on the previous year's spend.¹⁹ Some 1,200 teachers posts were done away with, and the scrapping of resource teachers for traveller and immigrant children is likely to have a particularly pernicious impact on these populations. The National Recovery Plan projects €690 million in cuts over four years, disproportionately affecting the most vulnerable and likely contributing to Ireland's slippery slide down international rankings of literacy and competency in maths.²⁰ Already, Ireland has dropped 12 places in the country rankings for reading ability and 10 places with regard to basic maths capacity.²¹

¹⁴ RTE, 'CSO figures show that the rise in total unemployment is slowing down, but long-term unemployment is rising', RTE, Dublin, 9 December 2010. See: <http://www.rte.ie/news/2010/1209/jobless-business.html>

¹⁵ O'Toole, op cit.

¹⁶ Public Affairs Ireland, 'Youth unemployment at 29.1% in Ireland', Public Affairs Ireland, Dublin, 2 February 2011. See: <http://www.publicaffairsireland.com/news/630-youth-unemployment-at-29-1-in-ireland>

¹⁷ OECD, 'Education at a Glance: 2010', OECD, Paris, 2010. See: http://www.oecd.org/document/52/0,3746,en_2649_39263238_45897844_1_1_1_1,00.html

¹⁸ RTE News, 'Government outlines €690 million in education cuts', RTE News, Dublin, 24 November 2010. See: http://www.rte.ie/news/2010/1124/economy_education.html Details of the budget can be accessed at: <http://www.budget.gov.ie/budgets/2011/2011.aspx>

¹⁹ Press release: 'Tánaiste outlines contribution of education and skills sector to National Recovery Plan', Department of Education and Skills, Dublin, November 2010. See: <http://www.education.ie/home/home.jsp?maincat=10861&pcategory=10861&ecategory=10876§ionpage=12251&language=EN&link=link001&page=5&doc=51522>

²⁰ OECD, 'Education at a Glance: 2010', OECD, Paris, 2010. See: http://www.oecd.org/document/52/0,3746,en_2649_39263238_45897844_1_1_1_1,00.html

²¹ OECD Programme for International Student Assessment. 'PISA 2009 Results: What Students Know and Can do'. OECD, Paris, 2010. See: http://www.pisa.oecd.org/document/61/0,3746,en_32252351_32235731_46567613_1_1_1_1,00.html

Right to Health: Austerity measures will see an estimated €1.2 billion slashed from Ireland's already struggling health service over the next four years. Moreover, with only 24 per cent of lower income groups enjoying private medical cover, as compared to 64 per cent of higher income households, it is likely that less-well off sectors will be particularly prejudiced by these adjustments.²² Again, it should be noted that while per capita expenditure on health rose significantly between 1997 and 2007, Ireland still lags behind most OECD countries.²³

Right to Housing: Adequate and affordable housing remains out of reach for many Irish people. In 2010 it was estimated that 345,000 Irish homes – or one in five of the total number – were vacant,²⁴ while over 100,000 families were on social housing waiting lists.²⁵ With crisis-induced mass defaults on mortgages expected to increase the number of people at risk of homelessness,²⁶ the right to housing looks more and more at peril unless the government steps in to ensure access to adequate, affordable, appropriate and quality housing, particularly for the most vulnerable.

Poverty and the Right to an Adequate Standard of Living: The ramifications of the crisis on Ireland's most vulnerable are already beginning to show, even as the worst cutbacks are still on the horizon. Measures of consistent poverty jumped from 4.2 to 5.5 percent in 2009, as the previous trend of increasing social welfare payments was thrown into reverse.²⁷ The numbers of people experiencing material deprivation rose by 25 percent the same year, with some 17 percent of the population finding themselves unable to meet the costs of basic needs such as adequate meals, clothing or shoes.²⁸ Children are particularly exposed, with nearly one in five deemed to be at risk of poverty.²⁹ Keeping in mind that the draconian social welfare cuts implemented in the 2010 and 2011 budgets are not manifest in these figures, it is very likely that forthcoming surveys will deliver far gloomier results.

²² Central Statistics Office, 'National Survey on Income and Living Conditions (SILC) 2009', Government Publications Office, Dublin, 2010. See: <http://www.cso.ie/releasespublications/documents/silc/current/silc.pdf>

²³ 'Benchmarking Ireland's Health System', Oireachtas Library and Research Service, Houses of the Oireachtas, Dublin, November 2010. See: http://www.oireachtas.ie/parliament/media/housesoftheoireachtas/libraryresearch/spotlights/Benchmarking_Ireland's_Health_System.pdf

²⁴ Brendan Williams, Brian Hughes, Declan Redmond, 'Managing an Unstable Housing Market', UCD Urban Institute Ireland, Working Paper Series, Dublin, March 2010. See: http://www.ucd.ie/news/2010/03MAR10/050210_housing.html

²⁵ Editorial: 'Social housing a miserable failure', *The Irish Independent*, Dublin, 21 December 2009. See: <http://www.independent.ie/opinion/editorial/social-housing-a-miserable-failure-1983417.html>

²⁶ See FLAC: http://www.flac.ie/download/pdf/flacs_submission_to_the_upr.pdf; Morgan Kelly, 'If you thought the bank bailout was bad, wait until the mortgage defaults hit home', *The Irish Times*, Dublin, 8 November 2010.

²⁷ See: <http://www.irishtimes.com/newspaper/opinion/2010/1108/1224282865400.html>

Central Statistics Office, 'National Survey on Income and Living Conditions (SILC) 2009', Government Publications Office, Dublin, 2010. See: <http://www.cso.ie/releasespublications/documents/silc/current/silc.pdf>

²⁸ CSO, *ibidem*.

²⁹ Children's Rights Alliance, 'Did you know?', Children's Rights Alliance, Dublin. See: <http://www.childrensrightrights.ie/?q=childrens-rights-ireland/did-you-know>

Right to Non-discrimination: What is more, the crisis has not hit everyone equally. Among those worst affected by backsliding on economic and social rights provisions are women, children, the elderly, disabled people, asylum-seekers and the traveller community. Despite the sobering poverty statistics, child benefits were cut dramatically in both the 2010 and 2011 budgets. Rising unemployment has meanwhile had a disproportionate impact on women, while the exorbitant costs of childcare are exacerbating other obstacles to female participation in the workforce.³⁰ The recently published “All Ireland Traveller Health Study” meanwhile reveals that, on average, traveller men live 15 years less than their counterparts in the wider population.³¹ Three out of 10 adults in this sector, which numbers approximately 40,000 in Ireland, have literacy problems, while half of adults have never completed primary education.³² The government has failed to recognize travellers as an ethnic minority, or to confront their long-standing marginalization in the spheres of health, education and housing, despite calls from the United Nations Committee for the Elimination of Racial Discrimination to do so.³³

Cutbacks to Human Rights Institutions Compound the Crisis: Government institutions designed to monitor and protect social and economic rights in Ireland were the first in the firing line of budget cuts. At precisely the time when its work is most needed, the Irish Human Rights Commission - which is mandated to hold Ireland’s to its human rights obligations - saw its funding slashed by 32 percent, while the Equality Authority (EA) was effectively hamstrung when 43 per cent of its funding was taken away in 2008. The Combat Poverty Agency was dismantled and absorbed into the Office for Social Inclusion, which was subsequently integrated into the Department of Community, Equality and Gaeltacht Affairs.³⁴

Recommendations for a Human Right-Centered Economic Recovery

If the Irish government is to step up to its historic duties to realize the equal enjoyment of economic and social rights by all to the greatest extent possible, it must urgently integrate human rights principles of non-discrimination, equality, transparency, participation and accountability into its economic recovery measures. Echoing a number of reviews of Ireland’s human rights record by

³⁰ National Women’s Council of Ireland, ‘Submission to Budget 2011’, NWCI, Dublin, September 2010. See: http://www.nwci.ie/download/pdf/pre_budget_submission_2011.pdf In Ireland, childcare costs average 45 percent of average wages, in comparison to an OECD average of 12 per cent.

³¹ “The All-Ireland Traveller Health Study”, (various authors), University College Dublin, September 2010, Dublin. See: <http://pavee.ie/ourgeels/>

³² Ibidem.

³³ The UN Committee for the Elimination of Racial Discrimination, Concluding observations of the Committee on the Elimination of Racial Discrimination, 4 April 2011, Geneva. See: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/G11/418/40/PDF/G1141840.pdf?OpenElement>

³⁴ See Irish Human Rights Commission submission to the Universal Periodic Review, March 2011. See: http://www.ihrc.ie/download/pdf/ihrc_report_to_un_universal_periodic_review_march_2011.pdf

United Nations experts,³⁵ CESR's research suggests a set of actionable steps Ireland should take to begin the transition to a sustainable and effectively human rights-centered economic policy.

1. Immediately conduct a *human rights impact assessment* of economic recovery plans and policies since 2007, and use these inquiries to inform a new human rights-centered NRP. In doing so, full civil society participation must be ensured in the design, implementation and monitoring of economic policies for recovery. This first assessment should be followed by regular human rights impact analyses of all social, economic and anti-poverty policies, especially as related to women, children, travelers, the elderly, asylum-seekers and people with disabilities.³⁶
2. Provide stronger *protections for particularly vulnerable sectors*, including women, children, travellers, the elderly, asylum-seekers, and people with disabilities. Cuts to social welfare payments such as jobseeker's allowance, disability benefits, and lone parent benefits should be reconsidered in light of Ireland's human rights obligations. Reductions in child benefit payments should also be reversed, while any restrictions on asylum-seekers entering the labor market should be removed.
3. Introduce *progressive tax reforms*, which will increase the astoundingly low overall tax base needed to mobilize the maximum available resources for ESC rights, while limiting tax increases, such as the VAT, which disproportionately affect the poorest and most vulnerable. Increasing its tax revenue in this way will allow Ireland to minimize the need for cuts to public services and social protection, thereby protecting the most disadvantaged from further harm.
4. Adopt new targets for the availability, accessibility and affordability of *social housing*, corresponding to increases in local authority waiting lists, along with the necessary budgetary allocations. Resources should also be progressively committed to eradicate homelessness and provide adequate accommodation provisions for travellers.
5. Provide adequate state support to *prevent homelessness due to over-indebtedness* or unsustainable mortgages. People who have fallen victim to predatory lending should be enabled to remain in their homes or, at the very least, be provided with suitable alternative accommodation.
6. Ensure that the targets related to economic and social rights in the national planning documents *Towards 2016* and *NAP Inclusion* are achieved in a non-discriminatory manner.
7. Restore adequate state support to *agencies promoting and protecting ESC rights*, particularly the Irish Human Rights Commission. Independence and proper funding is an essential precondition for the effective functioning of such an institution, in accordance with the

³⁵ See: UN Independent Expert on Extreme Poverty and Human Rights, Report on Mission to Ireland. This report can be accessed at: <http://www.ohchr.org/EN/Issues/Poverty/Pages/AnnualReports.aspx>. See also: CEDAW concluding Comments: Ireland, July 2005, Available at: <http://www.un.org/womenwatch/daw/cedaw/cedaw33/conclude/ireland/0545060E.pdf>

³⁶ See: CEDAW concluding Comments: Ireland, July 2005, Available at: <http://www.un.org/womenwatch/daw/cedaw/cedaw33/conclude/ireland/0545060E.pdf>

Paris Principles.³⁷ In light of the Combat Poverty Agency being effectively dismantled, it is also imperative that an independent statutory body focused solely on poverty and inequality be reestablished.

8. Give effect in domestic law to *international human rights standards*, especially as related to economic and social rights. The ICESCR is particularly important in this regard, as was noted by the CESCR in 2002.³⁸ The Optional Protocol to ICESCR should also be ratified, along with the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.

Questions for Ireland on the Occasion of its Universal Periodic Review

1. What has been done to protect the most vulnerable in Ireland's economic recovery measures?
2. How have Ireland's human rights obligations figured into the design and implementation of its National Recovery Plan? And its negotiation of the IMF-EU bailout agreement? How has civil society participation been ensured herein?
3. Has Ireland examined alternatives to its significant cuts in social expenditures, for example by mobilizing available resources through progressive tax reform and modest increases in the comparatively low corporate tax rate?
4. Are there plans to restore funding to state human rights institutions, such as the Irish Human Rights Commission? Why was the Combat Poverty Agency dismantled and will it be replaced by a similar independent statutory body?

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³⁷ See the Principles relating to the Status of National Institutions (The Paris Principles), adopted by General Assembly resolution 48/134 of 20 December 1993

³⁸ UN Committee on Economic, Social and Cultural Rights: Concluding observations: Ireland, June 2002, Geneva: See: <http://www.unhcr.org/refworld/publisher,CESCR,,IRL,3df61ba34,0.html>

About Us

The Center for Economic and Social Rights (CESR) works to promote social justice through human rights. In a world where poverty and inequality deprive entire communities of dignity, justice and sometimes life, we seek to uphold the universal human rights of every human being to education, health, food, water, housing, work, and other economic, social and cultural rights essential to human dignity. Extreme poverty and rising inequality should not simply be considered an inevitable tragedy. Rather, they are often the result of conscious policy choices by governments and other powerful actors (such as corporations or international financial institutions) that undermine people's access to the full range of human rights. CESR therefore seeks to hold governments and other actors accountable to their obligations to respect, protect and fulfill economic and social rights, as well as civil and political rights.



Fuencarral, 158-1^ºA, 28010 Madrid, Spain

Tel: +34 91 448 3971, Fax: +34 91 448 3980

162 Montague Street, 3rd Floor, Brooklyn, NY 11201, USA

Tel: +1 718 237-9145, Fax: +1 718 237-9147

E-mail: rights@cesr.org

www.cesr.org