

# PEOPLE'S VOICE

# STOP!



## THERE IS A **BETTER, FAIRER** WAY

A **SMALL** number of business, banking and political figures have brought this country to the brink of ruin.

Their reckless practices and misguided policies have left us facing the greatest crisis since the foundation

of the state. If they go ahead with their plans, they will do irreparable damage and turn this country into a social and economic wasteland.

No society in history has eliminated a deficit by austerity and cuts alone.

Those that have tried have simply made the problem worse. We have had two years of cuts, but the deficit is bigger now than when we started.

The numbers out of work have almost trebled in that time, ► **PAGE 3**

**NATIONAL DEMO DUBLIN, SATURDAY, NOVEMBER 27**



## Crisis by numbers How stats stack up

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Protest: 40,000 young people took to the streets of Dublin to voice their fury at the government's education policy

# It's just the beginning

ON November 3, more than 40,000 students took to the streets of Dublin to march on Government Buildings.

This event has been described as the largest student march in a generation and was the beginning of USI's 'Education not Emigration' Campaign.

Its aim was to send a very strong, clear and decisive message to Government that students are no longer the easy target for cutbacks and will no longer allow politicians to destroy the future prosperity of the nation through the 'slashing and burning' of higher and further education.

Students travelled from across the country, with more than 200 buses of students from outside Dublin alone descending on the capital.

The aims of the campaign are three-fold – the existing registration fee of €1,500 must be capped at its current level, the current rate of student supports must be maintained and the Government must tackle the



## By Gary Redmond President of USI

ongoing problem of graduate unemployment.

The USI estimates that over 1,250 people are forced to emigrate from Ireland each week. This combined with increases in the registration fee and cuts in student supports will have a long-lasting and detrimental effect on the economy and our future.

Increases in the registration fee and cuts to the maintenance grants will directly lead to students being forced

to drop out of education. Education is the silver bullet to economic recovery and only by investing in education and continuing to produce graduates of International calibre will Ireland be able to recover.

USI have launched a website [www.tellyourtd.com](http://www.tellyourtd.com) allowing the public to contact their local TDs and the Minister for Education & Skills about the proposed cuts in Budget 2011.

In the 14 days since its launch, USI the site has already generated 25,000 letters which will be delivered to TDs in the coming days.

USI will intensify its campaign in the coming weeks with a march in Galway on November 18 and Cork on December 1.

The message is simple, in the next general election students will vote in unprecedented numbers and politicians who are determined to destroy our future will pay the price at the ballot box.



Pictures: Paula Geraghty & Photocall Ireland



# JOBS & GROWTH THE KEY TO RECOVERY

**Tens of thousands of jobs could be created if Government adopts new investment initiatives proposed by Congress...**

CUTS cannot deliver jobs or growth. And growth will not happen without investment, which fell by 9.5 per cent in recent months.

That means Government must take the initiative and step into the breach. This would also help encourage investment by the private sector.

## Investment in infrastructure

Every €1 million euro invested in infrastructure can create between eight and 12 jobs.

There is huge scope for investment in this area, investment which will create thousands of jobs, generate a return and markedly improve national competitiveness.

Potential projects include: water conservation, a national system of next generation broadband and energy retrofitting of poorly-insulated homes.

They can be financed by using €2bn per year from the National Pension Reserve Fund (NPRF), over three years.

Money from the NPRF has already been 'invested' in the banks from which we are unlikely to see a return.

It would be better to put it to work creating new jobs. Congress has investigated this matter and is fully satisfied that this form of investment can be made without breaching EU rules.

## Making use of the Pension Funds

There is huge potential to supplement the NPRF investment with money from pension funds. This could be done by:

- ▶ Starting auto-enrollment in the state pension fund immediately, generating a huge flow of funds to the Exchequer.
- ▶ Introduce legislation to facilitate pension fund investment in

infrastructural projects, as agreed by Congress and the construction industry.

▶ Encourage PRSAs to invest in the state pension scheme. If 20 per cent is invested next year, it would provide around €1 billion.

▶ Establish the State Holding Company which would attract pension funds into investing in these companies and into much needed public infrastructure.

## Enterprise & Innovation

In addition NPRF money could be used to encourage the development of new enterprises (or the expansion of existing ones) through risk-sharing.

The funds could be channelled through a State Holding Company – as proposed by Congress in 2005 – or a state investment bank could take up to 49 per cent of the equity.

The project company could be structured to enable the majority shareholder to buy out the state investment at a good commercial price within a set timeframe.

## Other potential investment sources

Given the problems we are experiencing with bond markets, it makes sense to maximise investment from domestic sources.

The National Solidarity Bond concept – an idea originated by Congress – is performing well but its terms need to be amended to make it more attractive for people.

For example, the 10 year term needs to be shortened to five. It should be designed to ensure people can invest in specific sectors – an education bond, a school-building bond and so on. That could make it a real winner for the economy and workers

## Multinational sector

Nearly €32 billion in profits is sent home every year by this sector. But multinationals could help Ireland and themselves by deferring repatriation for a time and using the money to

set up an investment fund to invest in new or existing Irish based enterprises and infrastructure.

Such a fund could amount to billions and make a significant contribution towards economic renewal and growth.

## Small enterprises

There are a number of innovative measures we could take in this area.

These include:

### State Credit Guarantee

**Scheme** This has been the most widely adopted measure across developed countries, in response to the crisis. Under this proposal the state would provide a credit guarantee up to a certain portion of a loan, which in turn an SME could use to get short or medium term financing from any of the main banks.

**Citizen's Investment in Innovation** Enterprise Ireland currently participates in venture capital and seed funding worth up to €600m.

This is intended for high potential start up business and for expanding existing businesses.

With funds in short supply there is a need to harness other sources of funding to support business activities in this country.

The National Pension Reserve Fund already participates in these funds as part of its activities, but in order to attract additional investment, we propose that a Government backed Innovation Fund that would attract individual deposit savers to invest in these venture and seed capital funds.

This could be managed by Enterprise Ireland and would not necessarily be limited to Irish residents.

**Restructure Company Debt** A recurring problem throughout the crisis has been the crippling indebtedness now affecting so many companies.

Many viable companies have adapted operations but often any profits are wiped out by interest owing on outstanding loans.

Companies who can demonstrate their potential viability should be helped to restructure and renegotiate part of their existing debt.

# STOP!

◀ **PAGE 1** emigration is a feature of Irish life once more and people are worried about losing their homes. And all Government can promise is (at least) four more years of the same.

That does not add up to success, by any standard.

We are repeatedly told there is no alternative. That is a lie.

We will only begin the recovery when we turn our focus to jobs and growth.

We need to get people back to work. We need to make clever and innovative investments that will create jobs and help drive the recovery.

Down one road lies despair and disaster. The other provides hope.

It is up to the people to decide which path the country takes. We can take the first step on November 27.

# NUMBER CRUNCHING

## BAILOUT COSTS:

**€34 billion** – the potential total cost of the Anglo bailout to the taxpayer.

**€16 billion** – the potential total cost to the taxpayer – according to the Government – of bailing out Bank of Ireland, AIB, Irish Nationwide and EBS.

**€42 billion** – the actual potential cost to the taxpayer of bailing out AIB and Bank of Ireland according to economist Morgan Kelly.

**€40 billion** – the amount NAMA will end up paying to the banks for near worthless property loans.

## AND THEN THE HUMAN COST...

The **long-term unemployment** rate has continued to rise with **147,608** people or **34.3 per cent** of the total out of work continuously for one year or more. This is an increase of more than 60% on October 2009.

**Youth unemployment** is over **32 per cent** and is over three times the Eurozone average.



Another way: Congress chief David Begg

# CLUELESS **ON** TAX

## Government ignores savings and revenue



Man with the plan? Finance Minister Brian Lenihan  
Picture: Photocall Ireland

THE Government says it must cut €6 billion in the coming budget, in order to make savings. Yet at the same time, it ignores obvious sources of new revenue and areas where savings can be made. Congress has a few suggestions:

At this time of national crisis we should extend the income levy to corporate profits, until the 3% budget deficit target is reached. Only companies making a profit would pay.

Multinationals could also defer repatriation of a portion of their profits and help set up a fund to invest in new or existing Irish-based enterprises and infrastructure.

This fund could amount to billions of euro and could make a significant contribution towards economic renewal and development.

Government must act in the interests of its people, not the markets. It must force down the value of all bondholders' holdings – which they risked in recklessly run, private banks – to 10% of their value. This could see a saving of up to €24 billion for taxpayers.

The tax system is rife with exemptions and reliefs. Their combined impact narrows the tax base. Unless there is a proven benefit to the taxpayer, they must be closed.

A rise in the general rate of DIRT to 30% would raise an additional €75million.

The minimum tax for high earners – using avoidance schemes – should be increased to 35% and the

threshold reduced to €100,000. There should be a limit on earnings for pension purposes of €100,000.

The beneficiaries of capital gains are better placed to meet tax liabilities than those on minimum wage. In the United States, capital gains are taxed as income with lower discounted rates on long-term gains. We should do likewise.

The current threshold for inheritance from parents (€414,799) is far too high and should be reduced. Specific protections might be required in cases of people living in inherited property, where these beneficiaries are on low incomes.

### Wealth tax

Place a (temporary) wealth tax on wealth above €2 million, wealth being defined as current value of all assets, including the excess of €1m in the value of private houses.

Reduce the 183 day test for tax residency purposes to at least 90 days, as happens in the UK. Where a tax exile's main centre of vital interest is here or if they are assessed on a permanent home test, they should pay tax here.

The minimum funding standard must be eased to help occupational pension schemes which are under great stress, with most defined benefit schemes in deficit.

We should immediately introduce a 12.5% oil and gas royalty tax - on production and profit and also ensure that this has country has first call on any oil or gas extracted on our territory.



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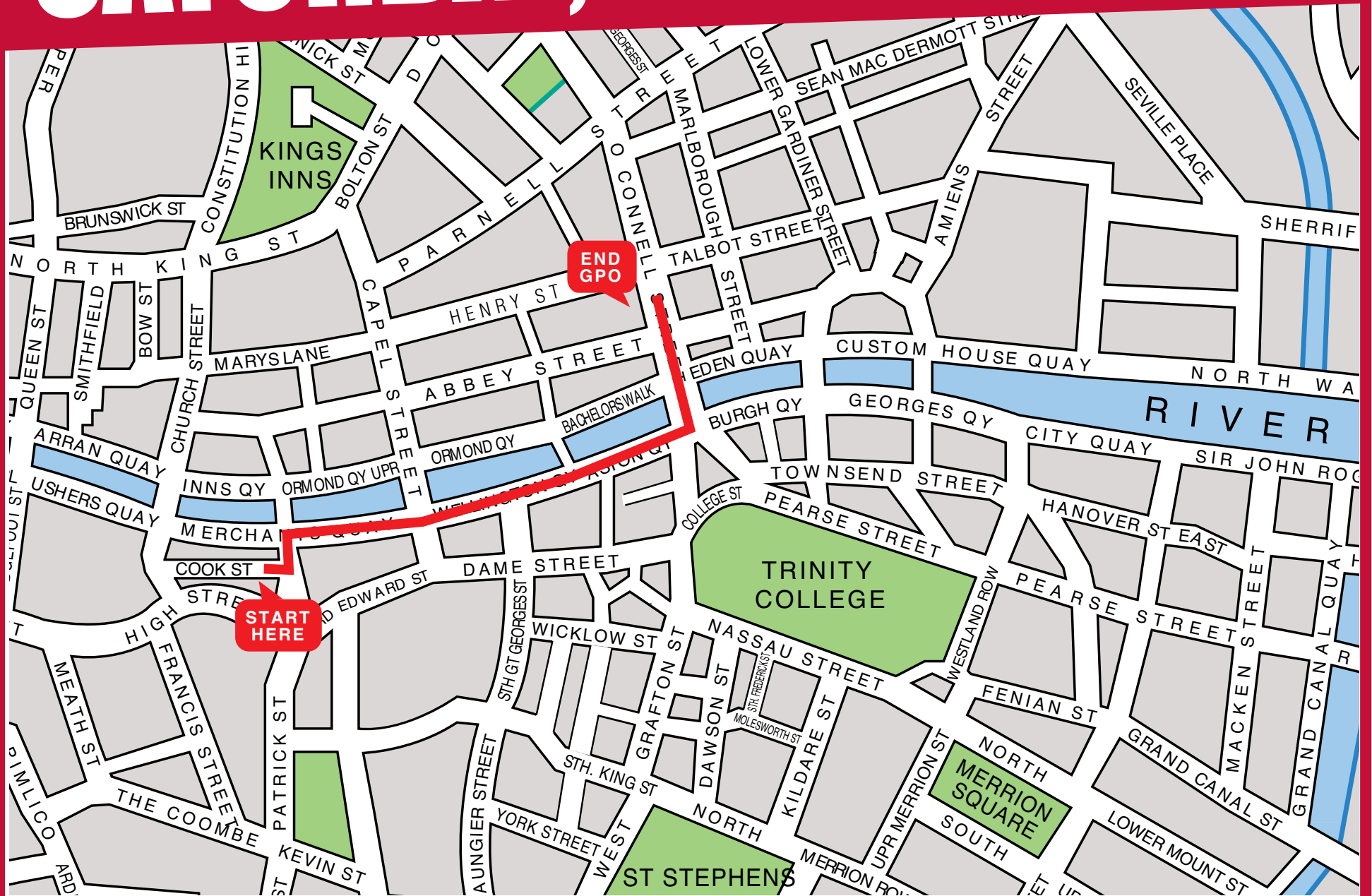
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# NATIONAL DEMONSTRATION

## SATURDAY, NOVEMBER 27



**ASSEMBLE**  
**WOOD QUAY, DUBLIN**  
**12 NOON**

# Pension must not be reduced in the Budget

**F** THE solution to Ireland's fiscal and monetary problems does not lie in cutting benefits for those on social welfare, including pensioners.

It must be found through creating employment and expanding the economy.

A very large group of pensioners depend entirely on the State Pension – a payment we believe is already inadequate.

Under no circumstances must it be reduced in the Budget. There are both moral and economic reasons why this should not happen.

The moral reasons are self-evident. Older people are entitled to an adequate standard of living and while the pension is not in itself adequate, any reduction would be morally unacceptable.

And older people spend their pensions in Ireland and so help maintain demand for goods and services.

**Michael O'Halloran,**  
Congress Retired  
Workers' Committee

## COMMUNITY VOICES

### Marriage Equality

"Marriage Equality works for equality, justice, and fairness for same sex couples seeking access to civil marriage rights in Ireland. We are supporting the march on November 27 in solidarity with all the other families, workers, unemployed and excluded people of Ireland to demand a new way forward, a new model of social solidarity where equality is a meaningful term to all the people of Ireland.

"We support the idea that fairness is not only morally better, it is economically superior as well."

# THE CRISIS **HOW IT** BY NUMBERS

The Government has created the jobs crisis, the fiscal crisis & the banking crisis and now it wants to make it worse by taking a further €6 billion out of the economy and putting 60,000 more people on the dole queues. Here are a few billion reasons how and why there is a better, fairer way...

## €24<sub>BN</sub>

The Government must act in the interests of the people, not the markets. It must force down the value of all bondholders' holdings – which they risked in badly-run, private banks – to 10% of their nominal value. This could see a saving of up to €24 billion for taxpayers.

## €14.5<sub>BN</sub>

We have taken some €14.5 billion out of the Irish economy over the last three budgets but the deficit is higher and unemployment has almost trebled since 2008.

## 270,000 PEOPLE

There are now over 270,000 fewer people at work than in 2007. They are no longer paying income taxes and their spending power is hugely reduced. This is seen in the fall in income tax receipts and retail sales. Putting people back to work should be the priority, not putting more on the dole.

## 30,000 JOBS

A state-of-the-art Water & Waste Network would cost €4.2 billion. Efficient use of water will create considerable long-term environmental savings and has the capacity to create over 30,000 jobs during delivery stage and up to 12,000 permanent jobs.

## €20,000

Every job lost costs the state €20,000 per annum in income tax foregone, reduced spending and welfare payments.

## €630 MILLION

Everyone fortunate enough to be still earning a living pays the income levy. If the 2% levy were temporarily extended to corporate profits it would generate an additional €630 million.

## €100 MILLION

A minimum tax for high earners of 35% on all income over €100,000 and limiting the earnings ceiling for pension purposes to €100,000 would save €100 million.

## €250m

Reform of gift and inheritance tax to ensure people pay their fair share would yield €250 million.



ALL

STACKS

UP



€1m

Every €1 million spent on infrastructure can create eight to 12 jobs. It's time to increase spending, not cut it.



1.4  
MILLION  
JOBS

Germany, Europe's strongest economy, intervened with a stimulus package to protect jobs threatened by the crisis and kept an additional 1.4 million people in work as a result. If it's good enough for them, it's good enough for us. Unemployment is now falling in Germany.

Pictures: Photocall Ireland

# JACK O'CONNOR



PRESIDENT OF CONGRESS

## DON'T STAND IDLY BY join the march for a better, fairer way on **November 27**

THE Government has promised the harshest budget since the foundation of the state as its parting gift to the people of Ireland.

This is the result of allowing speculators, bankers and developers to run riot, pillaging and ruining our economy.

They capped it all by including useless banking institutions in the credit guarantee scheme on September 29, 2008, thus mortgaging the future of everyone who lives in Ireland.

We are told the impending draconian budget is essential to convince investors in the bond markets to lend us the money to run the country. This is exactly the same as what we were told last year when a cut of €4 billion was inflicted. The

proof of the pudding is in the eating. It doesn't work.

More businesses closed, more people lost their jobs and the economy recorded no growth whatsoever. It didn't work in the bond markets either and borrowing rates have escalated.

The bond buyers don't care whether we eat caviar for the next four years or starve to death.

They are only interested in knowing how we are going to grow our economy so that we can pay them their money back.

That cannot happen without a credible plan for investment and measures to promote domestic demand, instead of cutting it.

Our national sovereignty is at stake as a result of the Government's policies.

The EU is insisting on reduction of the gap between our state revenue

and spending to 3% of GDP by 2014. This is a virtually impossible target because it restricts the capacity for growth.

However, if we disregard it there is a real danger that the European Central Bank will stop funding our domestic banks, resulting in a total collapse.

It will not stop at the timeframe for the adjustment.

Already, unbridled free-marketeers in the EU are insisting on restructuring our labour market, i.e. curtailment of people's rights at work, social welfare entitlements, etc.

Repeatedly we are told that there is no alternative and there is no point in protesting.

### *It is time to insist on taxing the greedy and not the needy*

This is completely untrue. **There is a better, fairer way.**

The timeframe for the adjustment is too short. It should be extended to 2017.

Critical issues remain at play.

The economy is in the doldrums because people are afraid to spend. They are afraid of losing their jobs, their homes and their pensions.

Yet the savings ratio has more than doubled since 2007.

The key to recovery is a credible plan for job creation to inspire hope and confidence. This cannot be accomplished without an intelligent strategy for investment.

The Congress of Trade Unions has developed comprehensive proposals.

At least €2 billion per year from the National Pensions Reserve Fund should be deployed for the next three years to fund new projects and businesses. Our commercial

semi-state companies should be directed to raise off balance sheet resources for investment.

Some of the €80 billion held in Irish occupational pension funds can be brought into play. This approach would result in the creation of tens of thousands of jobs. The other great question which remains to be decided is as to who is going to bear the burden of the adjustment?

Over the last two years the Government has inflicted over €14 billion of cuts. The lion's share of these have been shouldered by working people and those who depend most on public services, while the wealthy have remained pretty much insulated. There is talk of broadening

the 'tax base'. In other countries this usually means raising tax on wealth and capital, but here

it seems it's only about middle and lower income families paying more. We must reverse this equation.

The people cannot be expected to endure misery whilst those who contributed most to the cause of the problem go on living pretty much as they always have. It is time to insist on taxing the greedy not the needy.

There are more ways of influencing budgetary policy than waiting until whenever the Government sees fit to call it a day and go to the country. It may be too late by then.

Democracy is about more than just voting in elections once every five years. We must not stand idly by while the final nail is driven into the coffin. We can influence the outcome by turning out and joining the march for '**A Better, Fairer Way**' in Dublin on Saturday, November 27.



# JUSTINE MCCARTHY

## It's time Irish women let off a little steam

**W**HEN world economies went into meltdown in 2008, a common refrain rose up: If Lehman Brothers had been Lehman Sisters, would the financial crisis have been as severe?

The mere asking of the question suggested an acceptance that the virtual exclusion of women from banks, boardrooms and the wider ruling elite had exacerbated the crash.

The obvious conclusion was that, for the sake of all of us, things were going to have to change.

How long ago that seems two years later, as men debate the recession incessantly in the media and in the male bastion that is Dail Eireann.

Authors with such names as Shane, Matt, Fintan and David tour the country opining on corporate ethics while economists of every persuasion except the female one bombard us with their inexact science.

### Official blessing

RTE, the citizens' broadcaster, gave this single-gender culture its official blessing in September with the first instalment of *Freefall*, a two-part documentary on the biggest catastrophe to strike Ireland since the Troubles erupted more than 40 years ago.

Out of 30 commentators interviewed in 50 minutes, not a single Irish woman featured.

Not even Joan Burton, a contender to be the next Finance Minister.

That was bad enough. What was worse was that nobody else seemed to notice. Or, if they did, they didn't think it worth mentioning.

Women have vanished back to the homes they were lured out from by



Ilbec with promises of childcare support when the economy ran short of bodies in the late 1990s.

We had other uses too.

Our profit-generating potential was clinically targeted by designers of obscenely priced handbags and unguents for eternal youth.

The female exodus from the workforce is being impelled by the fact that women are more likely to work in the low-paid, menial jobs that are first to get the chop.

There is anecdotal evidence that females of child-bearing years are being victimised by employers aghast at possibly having to pay them maternity leave.

A lawsuit filed in the US District Court against Citigroup in October

claimed that the bank, while taking government bailout money, was exploiting the financial crisis to purge its workforce of scores of female employees.

**H**OME is no refuge either. An increase in the incidence of domestic violence has been attributed to financial stress caused by the recession, as has a rise in the number of women seeking abortions.

As the traditional homemakers, by and large, women have the task of trying to hold families together on a shoestring.

In the community, women form the majority of carers and advocates for

the marginalised, like abuse victims, the sick, the elderly and victims of discrimination. These are the people at the coalface of the spending clampdown by the State.

The elimination of women from the official narrative and analysis of this recession is the only proof we need that nothing has been learned.

One would have thought that, after the breast-beating about the need to banish cross-over directorships, crony capitalism and acquiescent regulation, this was an opportunity to encourage the participation of women in shaping society.

Changes has been made all right. There are new chairmen, directors and chief executives over-seeing the banks.

There are new financial regulators and new personnel in charge at the Department of Finance, the Central Bank and the National Treasury Management Agency. Virtually all of them are men.

### Planet NAMA

In the case of the newly-created planet known as NAMA, not only are its masters men, but so too are all its clients. How ridiculous is that?

Ireland's financial and corporate landscape is as testosterone-driven as ever it was as it hurtled towards Armageddon. Apart from a myriad other arguments, it's downright stupid not to include women.

Broadening the range of life experiences and perspectives in our decision-making can only be for the good of the whole nation.

Stark crises call for stark solutions. As Eleanor Roosevelt explained: "A woman is like a tea bag – you don't know how strong she is until she gets into hot water."



# I cannot see how we'd survive further cuts

## HUMAN FACE OF THE CRISIS 2



**W**E moved to Longford from Dublin five years ago and my husband was a Parts Manager in a local garage, but he was made redundant in 2008. I was at home with three children aged 15, nine and five and my husband's benefit took eight weeks to come through.

We were solely reliant on the Community Welfare Officer (CWO) until it did.

We were given an amount to live on which left us short every week. As a family of five we had to struggle on this for eight weeks and ended up in debt.

Trying to survive put further financial pressure on the family. We were borrowing from Peter to pay Paul to make ends meet.

We applied for mortgage supplement but this was very time consuming and involved a lot of form-filling. It took several weeks for a decision to come through.

We were told we qualified for €16 per week, so I have no alternative but to use the Children's Allowance to help pay my mortgage.

We couldn't afford to pay the TV licence and then I went to CWO and asked for help but I felt degraded having to do so.

The CWO is not obliged to give you this as it not a necessity.

On one occasion I broke down crying in the office and I would not go back after that as I felt so low.

My husband constantly tried to find work but was unsuccessful. When the benefit ended he had to apply for Job Seekers Allowance and that took eight weeks to come through.

We were back to square one again, borrowing to keep ourselves afloat.

Every week, just as I thought we would catch up, another bill would arrive.

We used to be confident in life and every year we would book a holiday abroad and you always had spare change in your pocket. I could buy new shoes for the children when they needed them, but now I really have to budget and buy the cheapest brands.

The children ask when are we going on holidays when all their friends are going away in the summer and I had to say that we can't. Day trips were not possible for a family of five when you

are living on €415 per week. It's been difficult for the children to adjust.

We had to get rid of the phone as that was a luxury we could not afford.

It's cold now and we do not get fuel allowance because you have to be on Jobseeker Allowance for 15 months to qualify.

My husband went on Back to Education Allowance but still could not access the fuel allowance.

I was accepted onto the Community Employment Scheme with the EDI Centre, Longford.

But financially life is not much better even though I am on a scheme.

People don't do the CE schemes for money – they do them because it builds your confidence, gives you access to training and allows you to feel you are part of the working world again.

I feel it is very important for my well-being and it has

given me the confidence to excel in what I do.

If there are further cuts my husband will not be able to continue his education as he does not get travel allowance.

My daughter is about to do her leaving certificate now and if the college fees are doubled that will just ruin her future. Her dreams of going to college will go down the drain.

I cannot see how we could survive with any further cuts.

The Children's Allowance goes to my mortgage every month and if that is cut we could be facing homelessness.

**Jennifer O'Reagan**  
EDI Centre, Longford

## Have Your Lost Your Job?

### Do you need information on your entitlements and further training?

#### We Can Help

- ▶ Community Employment Scheme
  - ▶ Local Training Initiative
  - ▶ Social Welfare Rights
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Irish Congress of Trade Unions

32 Parnell Square

Dublin

## COMMUNITY VOICES

### Community Sector & Trade Union Campaign

The three unions with significant membership in this sector – SIPTU, IMPACT and UNITE – have joined with key community and voluntary organisations to mount a wide ranging campaign of opposition to the cuts.

We have already seen many cuts by stealth, affecting a wide range of vital services.

This budget is expected to target the poorest communities, their services and organisations and we intend to organise and mobilise people to oppose the implementation of any cuts and to Defend Ireland's Communities.

### Migrant Rights Centre

Many migrant workers and their families have made Ireland their home, contributing hugely as a result. The slump has seen them lose jobs in greater numbers than Irish counterparts. Many report difficulties in accessing their full entitlements and benefits. There is a notable increase in hostility and racism in accessing services and in public places. The number of people becoming undocumented is also increasing. Government attempts to introduce summary deportation without notice represents a breach of fundamental rights. We need greater levels of solidarity across society in these challenging times.

# YOUNG, GIFTED

**Newly-qualified teachers and nurses are struggling to find regular work and many are now looking abroad for jobs. The taxpayer paid thousands to train them. Now other countries will benefit from their skills**

SHOCKING new figures have revealed that most of this year's 1,600 nursing and midwifery graduates have either left the country or will do so before the end of 2010, according to survey carried out by the Irish Nurses and Midwives Organisation (INMO).

Those not in a position to travel abroad face the prospect of minimal work at best, or the dole queue, having spent four years training to degree level at a cost of €90,000 each to the taxpayer.

And the situation is set to worsen. Some 1,900 nursing/midwifery jobs have been lost in the last two and a half years, according to the HSE's own figures and up to 1,000 nurses/midwives are eligible to retire

in 2011. These will not be replaced under current HSE policies.

"It is just soul destroying to see such highly educated young people not being given an opportunity to work in Ireland .

There is now a worldwide shortage of nurses and many of our emigrants will build new lives and settle abroad and will be lost to the Irish Health service forever", said INMO President, Sheila Dickson.

"This is even more frustrating when it is obvious that these new professionals are needed in the Irish health system. We have provided the Minister with a cost neutral way to hold on to them but she has taken no action."

Meanwhile, up to one thousand

fully qualified primary teachers are struggling to find regular work, according to the Irish National Teachers Organisation (INTO).

For much of the last decade leaving college with a teacher qualification meant a guaranteed job in one of the country's 3,200 primary schools.

### Cutbacks

The rising birth rate was the main driver of employment, as well as the need to make sure that every child had a qualified teacher.

Teachers who started a three year primary training course in 2007 had good job prospects.

Overnight that changed. Big cutbacks in school staffing over the last two years has meant fewer jobs leaving this despite schools taking in

more pupils. As a result up to a thousand primary teachers are now unemployed or surviving on occasional substitute work. The primary teachers union says this is indefensible.

"Ireland has some of the biggest classes in Europe," said Sheila Nunan, INTO general secretary. "Over a hundred thousand children are in classes of 30 or more. The average in Europe is 20 pupils in a class."

"The last time we saw teacher unemployment on this scale was in the 1980s. Then thousands of teachers emigrated to teach all over the world. Most of them never returned."

She added that Irish teachers are well regarded throughout the world.



## We really want to stay but we can't

When Ann-Marie King, left, started her nursing degree course in Dundalk Institute of Technology in 2006 she and her classmates were assured there would be jobs for them all in Ireland.

"We were told that nursing was a great career and we would be able to get jobs anywhere we liked in Ireland", she recalls. "In second year we were told that there would be no jobs for us but by then it was too late, we were already well into the course by then."

Ann-Marie starts work in the A&E department of St Richard's Hospital in Chichester in Sussex on Monday, November 22. She dearly wishes she was utilising her hard earned skills in this country.

"I'm delighted to have got a job in A&E, that's the area of nursing I wanted to get into but I'm very, very sad to have to leave home. I'm leaving behind

my family, my friends and my boyfriend of three years. I feel I'm not ready for that yet. I would have loved to stay in Ireland at least for a few years. It would have been good to give something back to the place where I trained."

She also feels a mix of emotions ranging from anger to guilt to disappointment.

"When you come out with your degree after four years hard work and you're told there are no jobs you feel that your degree is worthless and that you're not wanted.

"Also, you feel a bit of a traitor when you're doing your work experience and you are telling hard working nurses in those hospitals that you are leaving the country. They are short-staffed and they need your help but there are no jobs for us there. We'd love to stay here to help but we can't."



# **& GOING**



We're outta here: Queue of mostly young people outside the RDS during last month's emigration expo

Picture: Photocall Ireland

**"I qualified in 2007 and returned home to Mayo to work. For the first two years I got regular temporary or substitute work.**

**"This September when the new school year started it was different. There's more and more teachers looking for work. All that's available**

**now is the odd day subbing. It's very hard. I have applied for every job going.**

**"We have a small child and my partner has no work. I always wanted to be a teacher and trained to work here in Ireland not abroad."**

**Marie,  
Primary teacher in Mayo**

**"I came out of college this year. So far I've had a bit of sub work but nothing else. If I can't get work I'll have to go because a job is a job. I want to teach but there's very little work available and huge numbers looking for it."**

**Emily,  
Primary Teacher in Dublin**

# WE WARNED THEM BUT THEY DIDN'T

## The problem

The crisis has its roots in Government policy going back many years but a pivotal point came in 2003 when the Irish banks began borrowing on the international money markets for the first time. Billions of euro was raised and used to fuel the already unsustainable housing boom.

In that year alone the banks borrowed 10% of Ireland's GDP – by 2007 this had reached 60%. This was a staggering amount of money and it was being used mainly to underpin grossly over-inflated property prices and maintain a bubble economy.

When the global crisis hit, the madness of our banks was exposed. They found that their supply of money had dried up and their creditors were looking to be repaid. Light to non-existent regulation of the financial sector was official Government policy and it gave a green light to reckless bank behaviour.

Meanwhile, Government was busy eroding the country's tax base and had become hugely over-dependent on revenue from the property sector including Stamp Duty and income tax from construction workers wages.

We were consistently critical of the Government's policies and warned they were unsustainable. The entire edifice was literally built on sand.

## Wrong response

Within months the mortgage market had dried up and with it new house sales. Throughout 2008 shares in the three quoted banks fell sharply in value but the bank bosses and the Government were in denial. The public finances too were falling into disarray, but nothing was done.

Finally, in September 2008, the Government announced its €450 billion bank guarantee scheme and since then their focus has seemed to be almost entirely on saving the banks at the expense of the people and the country.

Overnight, taxpayers became responsible for the bad debts run up by private banks.

Earlier this month it was revealed that Irish banks have borrowed €119.1 billion from the European Central Bank. Because of the bank guarantee that burden could fall on the taxpayer.

It was a bad decision and we are paying the price today.

## From bad to worse

To make matters worse, Government responded to the crisis by cutting wages, incomes and public services.

Take money out of the economy in a recession and you deflate it. That means more people lose their jobs.

The National Economic and Social Council said the crisis facing Ireland had five elements: economic, fiscal, social, banking and reputation.

It pointed out that these elements could not be addressed individually or sequentially, but had to be tackled holistically.

Each was inextricably linked with all of the others and only an approach which took that into account could succeed.

Congress has consistently supported this view. Sadly, the Government has not. It has chosen to see the economy as of paramount importance and everything else as subordinate to it.

Congress challenges that view – for us the economy exists within society, not the other way around.

The Government has taken €14.5 billion out of the economy in the three brutal budgets so far and the situation has worsened.

The deficit is bigger and there are more people out of work.

There are 270,000 less people in work now than there were in 2007 and unemployment is running at almost 14%. That's hardly the sign of success.

It is clear that the Government's concentration on bailing out the banks to the exclusion of almost everything else has been an act of folly and that the continuing pursuit of deflationary policies is not working either.

## COMMUNITY VOICES

### The Poor Can't Pay

"If there is one group which cannot make a further contribution it is those on the lowest incomes – people dependent on social welfare and the minimum wage. Families have had electricity disconnected and struggle with rent or mortgage arrears and rising debt. We say The Poor Can't Pay. Tell your local TDs you are one of thousands of voters who want our poorest citizens protected."

[www.thepoorcantpay.ie](http://www.thepoorcantpay.ie)

## THE CONGRESS VIEW

# FAIRNESS: not only morally better..

**AUSTERITY is not working. After three harsh budgets the deficit is bigger and the number out of work has almost trebled. The 2014 target is arbitrary and artificial. Trying to reach it could cause irreparable damage to economy and society. Instead we must:**

### **JOBS**

- ▶ Extend the period of adjustment to 2017 and focus on jobs and growth
- ▶ Take €2 billion per year from the National Pension Reserve Fund for three years and invest in job creation
- ▶ Change the law to let Irish pension

schemes invest in infrastructural projects

- ▶ Tens of thousands of jobs could be created through a new water and waste network; retrofitting older buildings; building a next generation broadband scheme; public transport; better third-level facilities to cope with the

surge in student numbers

- ▶ Create a State Holding Company to maximise the job creation work of the semi-states

### **SOCIAL WELFARE**

- ▶ Reform social welfare rules that discourage taking up work



# M CONGRESS GENERAL SECRETARY DAVID BEGG ON THE STATE WE'RE IN AND WHY LISTEN

## New approach – jobs and growth

Congress has been proved right every step of the way and the Government has consistently been proved wrong. As far back as January 2009 we warned that adopting a 'cuts strategy' would not work.

They must extend the period of adjustment. Four years (until 2014) is far too rapid and short a timescale to correct the imbalance in our public finances.

No one is arguing that a correction doesn't have to be made. We are proposing a longer seven year timescale for the adjustment – until 2017 – and we say it must be accompanied by measures to stimulate the economy.

In Europe, 22 countries chose to prioritise job protection and creation and it was hugely successful, with countries such as Germany suffering no increases in unemployment despite the recession.

We have the National Pension Reserve Fund and we can use this to invest in infrastructure projects and some commercial ventures with the private sector to stimulate economic activity, to protect and create jobs in the short to medium term while we get the public finances back in order.

We cannot cut our way out of this. Jobs and growth are the answer.



Warning: David Begg responds to the Taoiseach's address to a Congress conference in Tralee in July of last year. Picture: Kevin Cooper Photoline

## but economically superior as well

- ▶ Tackle poverty traps
- ▶ Tackle fuel poverty
- ▶ No further cuts

### BANKS & TAX

- ▶ We must burn the bank bondholders and save billions for the taxpayer
- ▶ Close down tax exemptions and

shelters that deliver no benefit to the taxpayers

- ▶ Extend the income levy to the corporate sector
- ▶ Introduce a Temporary Wealth Tax on all wealth above €2 million
- ▶ Bring in a Royalty Tax on all oil and gas production and profits



[www.ictu.ie/publications/fulllist/prebudget-submission-2011/](http://www.ictu.ie/publications/fulllist/prebudget-submission-2011/)

## COMMUNITY VOICES

### Retired Secondary Teachers' Association

"Retired secondary teachers have paid for their pensions through 40 years of contributions. Since 1969 our pension contributions exceeded the payout to those already retired and Government profited to the tune of €5 billion in today's terms. They were happy to get and spend that money. Now it claims there is not enough money to ensure retired teachers get what they paid for. This is unjust."





# Republic of unequals

**C**ONSIDER the words of two great philosophers of our time – Paul 'Gazza' Gascoigne and Roy Keane. "I never make predictions", Gazza once said, "and I never will."

Which tells us something about the nature of predictions: they are usually wrong.

Roy Keane, on the other hand, defined stupidity as "doing the same things and expecting different results."

As Irish citizens, we are caught between these two realities. On the one hand, we cannot trust anything we are being told by "the authorities" about our future.

We were told the bailout of our banks would be the cheapest in the world. It turned out to be the most expensive.

### Endless billions

We were told that pouring endless billions into the banks would get credit flowing again. It hasn't.

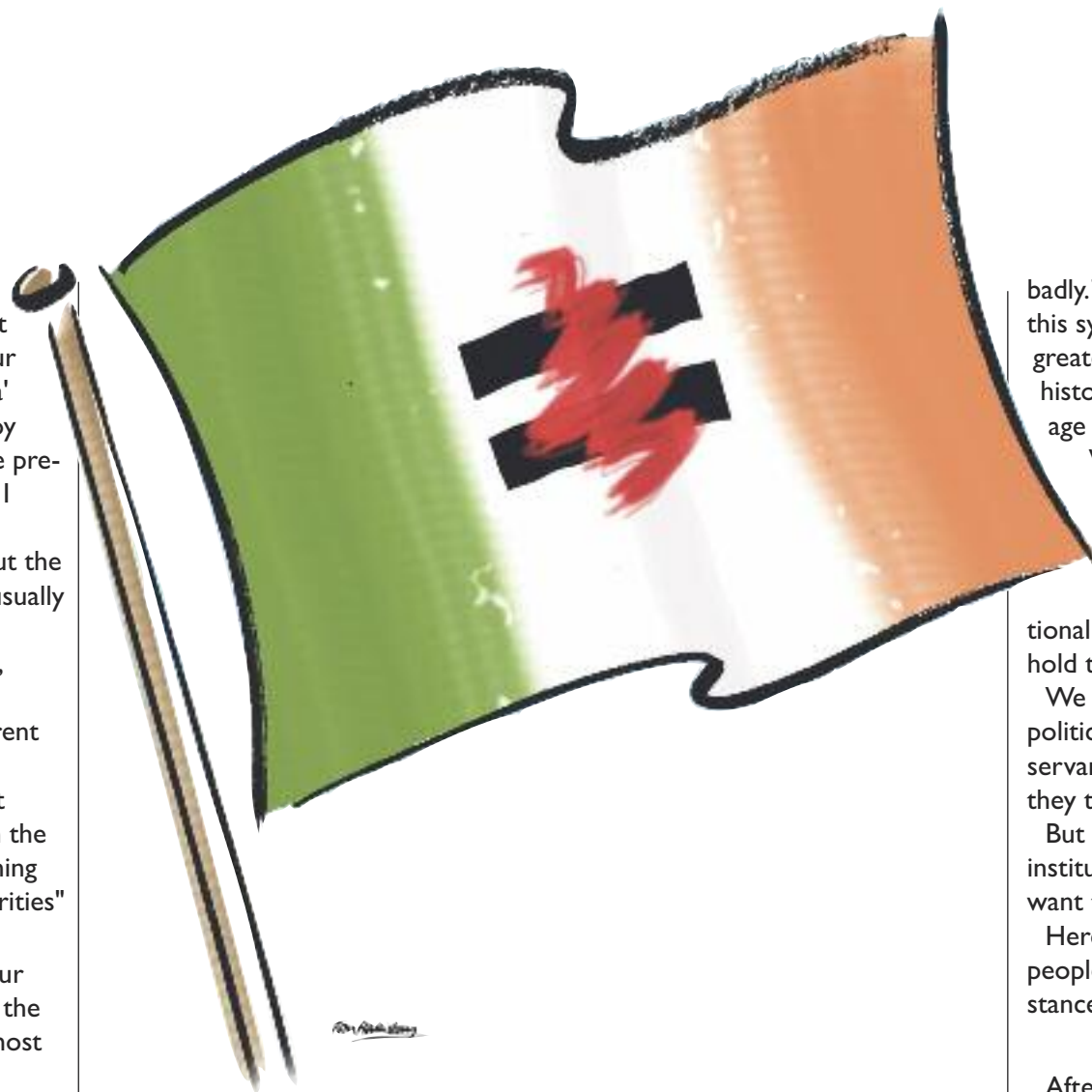
We were told that, after three cruel budgets, the worst of the pain would be over. It is only just beginning.

We were told that feeding those billions to the banks while slashing the budget deficit would make "the markets" happy.

They're so happy they're charging us four times more to borrow money than they're charging the Germans.

And even if we could trust what the Government is telling us about the next four years, what do we have to look forward to?

Four more years of slash and burn, with the most pain borne by the most vulnerable. The continuation of mass unemployment. At least 100,000 people emigrating. A bitterly divided and despairing society. We



will 'celebrate' the 100th anniversary of the 1916 Rising with our sovereignty all but gone and a society that is a parody of a republic of equals.

Which brings us to Roy Keane's definition of stupidity.

We know the results of a very narrow policy that concentrates on pouring money into the banks and cutting everything else. They are disastrous. Why would we keep doing the same things?

But we also know, more broadly, that the same people, the same system and the same political culture that got us into this catastrophe are not going to get us out of it.

We need change – not a tinkering round the edges but a complete transformation of our values, priorities and systems of government.

**W**E also need hope. We need to focus on the things we can do to create a decent society. If we do them, things will still be tough.

But we can hold our heads up in 2016 and say something we can't say now: that we live in a republic.

There are two sides to this change. Firstly, we have to scrap the political institutions that have failed us so

badly. There is a simple question: if this system couldn't manage the greatest period of prosperity in our history, how could it possibly manage our worst crisis?

We have to bring in proper local democracy.

We must change the electoral system to create a smaller Dail with genuinely national politicians who are willing to hold the government to account.

We need to get women into politics. We need to make senior civil servants answer for the decisions they take.

But there's no point in creating new institutions unless we know what we want to do with them.

Here, we should remember what people did in Europe in circumstances much worse than our own.

### Shattered cities

After the Second World War, with shattered cities and shortages of everything, Europeans concentrated on the idea of giving everybody enough.

Within a decade they had created health, education and housing systems that massively improved the lives of most people.

We can do this in Ireland.

We can give every citizen five things: security (decent pensions and housing); a health system that treats everybody according to need; and an education system that doesn't write kids off before they're 10 years old.

We can restore a sense of equality through a fair taxation system and by ending the 'Merks and perks' culture of our governing elite.

And we can restore a sense of citizenship by making laws that punish white-collar crime and instil an idea of morality in business and public life.

These are modest aims and we can achieve them over the next five years. We just have to want them enough.



**Fintan O'Toole's proposals for change are contained in his new book *Enough is Enough: How to Build a New Republic*.**



# Terrified of more cuts & charges

**F** OLDER people are very frightened about where the country is going. They are terrified of more cuts and added charges in the budget. They all want to keep their landlines because if anything goes wrong that's their connection to the outside world.

An unemployed person aged 20 is only entitled to €100 per week – but many are refused based on their parent's income. Parents on low incomes are expected to provide for dependent adults up to the age of 24 years of age. We have appealed this.

Many of the newly unemployed are in shock. A lot would have mortgages and personal debt and their biggest fear is that the mortgage supplement will be cut in the next budget.

The MABS (Money Advice & Budgeting Service) officers are assisting people but it can take up to two months to get an appointment. A huge concern would be child benefit... people are using their benefit for mortgage payments and this has them really concerned. Everybody is cutting back and shopping in discount stores.

So many of the stories you hear are heart-wrenching and you can do nothing but give them the information. We offer full support with form completion, phone calls, social welfare appeals and labour law appeals. We would refer a lot of people to St Vincent de Paul and 99 per cent of them hate having to go down that road.

**Bridie Finnegan,**  
Dundalk Congress Centre

## COMMUNITY VOICES

### ActNow2015.ie

"Ireland's difficulties have prompted the Government to cut the overseas aid budget repeatedly and disproportionately - by some 27% since 2008. Yet recent opinion polls show some 84% of the public still support the promise to spend 0.7% of our national income on aid. Slashing the aid budget will not make much of a difference to Ireland, but it would do enormous damage to people who depend on our aid. We must not balance our books on the backs of the world's poorest people."

# Diary of a Southside Senator



## Monday

Mirror, mirror on the wall, who is the cleverest of them all? Wonderful. That's what I am. The bearded brethren were furious when I exposed them (again) yesterday. I am the people's champion and I am determined to cut down on patronage and cronyism. The Independent senators (Harass and I) will make a determined effort to root out nepotism. As Eoghan himself says, blessed is he who has an entire family organ with which we can fight this evil. Who better than a Trinity-elected senator to lead the charge against privilege – ably assisted by a genius nominated to the Seanad by Bertie Ahern. Never mind what the begrudgers say – I think I'm great.



## Tuesday

I have to complete my declaration of interest as a member of the Oireachtas. It's hard work because I hold down so many jobs: Business Editor, Senator, company director – and bits and pieces on the side.

I'm the Chair of SVM Global, investment trust and Saltire Fund investment trust, Not forgetting my non-executive directorships of Barings Russian Fund in London and the Baring Hedge Select Fund in George Town in the beautiful Cayman Islands.

That's an impressive list for the champion of the little man.

All I hope is that some pesky journalist does not start writing about my interest in hedge funds. Bankers are the root of all evil but hedge fund managers and stock brokers are a different kettle of stinking fish.

## Wednesday

To Seanad Eireann to deliver a speech about abuse of public service funds. On arrival at Leinster House I have to ring Anguish. Apparently some low-paid civil servant from the CPSU is giving out about my column and accusing me of taking advantage of facilities as a senator. Just because I thanked the Oireachtas library staff for helping me research my hugely successful book *Wasters*. I see no problems in making phone calls from Leinster House. And what's the library for if not to help me in my valuable work?

## Thursday

Anguish wants me to write about the public service. Everyone has to do the same. He picks a target and we all fire arrows in the same direction. This week it's public service workers. Again. And I have to write about tax reform. Needless to say we won't be suggesting any changes for tax exiles. We all love my Tony too much for that.

## Friday

Another rainy day. And the cat won't stop meowing. I have to make an appearance at the office in Talbot Street.

Can it get any worse? *Wasters*. That's what they are. The utterly useless civil service, the inept senior management; the incompetent commercial semi-state companies, the lazy employers, the dreadful trade unionists, the horrendous politicians. Democracy is all well but it is grossly exaggerated.

As I said to Dunphy last night: "When are the people of Ireland going to get the message? There is only one person fit to run this country. Only one man knows what is good for this benighted state and that's yours truly..."

# It's real people who have to deal with the grim



Just about scraping by: Forklift driver Tom Fox fears what's in the next Budget

Picture: Paula Geraghty

# GOT NOTHING LEFT TO GIVE

THE rhetoric from the political parties and the right wing commentariat in the run up to the budget has been based on the notion of 'everyone sharing the pain'. This may sound fair and just, but it is simply not true.

Working people have already given all they can.

Those that have held on to their jobs have seen the price of necessities – like petrol and heat and light – increase considerably, whilst also being hit by the levy and other stealth taxes imposed by the Government over the past two years.

Many have also seen their core pay rate frozen or even cut. They have nothing left to give.

**Daniel McCarthy** works in the retail sector in Cork and finds it diffi-

cult to make ends meet:

"My take home pay would average about €300 a week but I don't know from week to week what it will be", he told *People's Voice*.

"I work around 24 hours a week but I don't know how many hours I'll get until the rosters get put up on a Thursday evening. I could get three full days and two half days or the other

way around. You never know."

Daniel lives at home with his parents and contributes €100 a week towards the home.

"After that I have to pay for my car; that's €1,000 a year on insurance, and then there's the road tax and the petrol. After everything I'm left with about €50 a week disposable income. I couldn't take any cut in my

pay. The levy was an absolute disgrace the way it hit people on low pay.

"They should hit the higher paid people who can afford it. If they increase tax again it would be shocking."

**Tom Fox** is a forklift driver with the Kerry Group owned Rye Valley Foods in Carrickmacross, Co Monaghan.

He takes home around €415 a week but has seen his overall income eroded in recent years: "The Kerry Group is into lean manufacturing so it's very difficult to get any improvements in terms of pay and so on.

"Our Christmas bonus is gone and we are still behind a lot of other companies in the area like Bose, who would have higher pay rates than

**I just can't afford more carbon taxes or**



## reality of cuts agenda



Hit hard: Retail worker Daniel McCarthy finds it difficult to make ends meet

here.” After paying his mortgage and other bills Tom says he is lucky if he has “€50 or €60 to play with” each week and that he couldn’t afford any additional taxes that might come as a result of the budget.

“We just couldn’t afford to pay if the Government introduces water rates or property tax. We just don’t have the money.”

**John Montgomery** has worked in the Britvic soft drinks plant in Ballyfermot and regards himself as reasonably well paid in some respects. “Our pay is good by some standards,” he says.

“There wouldn’t be anyone here coming out with less than €450 a week in take home pay.

“We haven’t had to take a direct

pay cut but overtime has been cut back.”

Married with one child John already struggles to make ends meet on his own €480 take home pay.

“I already have a mortgage I can’t afford and I have a 110 mile round trip to work every day from Castelpollard. That costs another €70 a week in diesel alone.

“If the Government was to increase income tax in any way that would really kill me. I certainly can’t afford any more carbon taxes or other stealth taxes.

“Our biggest worry is that they will bring in property tax and water charges and we simply couldn’t afford to pay them.”

## other stealth taxes

# Cap doffing to bondholders is costing us dear

THE Irish government’s cap-doffing attitude to the speculators and bondholders who lent money to the reckless bosses of Anglo Irish Bank and the other banks is costing the taxpayer billions.

The cost is staggering. It is at least €55bn and growing.

“And we will get nothing in return”, says Congress Economist Paul Sweeney.

“As taxpayers, we do not have to repay these debts,” he said.

“They were privately incurred by Anglo, Nationwide, AIB, BOI etc. It is the Government and the bank spokespersons who say that the taxpayers, must repay all of these debts. They say that if we don’t repay the private debts run up by the banks, Ireland will be ‘in default’. They claim this will drive up the cost of loans (they are

high already) or that we might not be able to borrow more.

“Yet even the Financial Times, a paper which knows a bit about the City and bondholders, said on November 1 that Ireland’s leaders were wrong not to burn the bank bondholders. It also said the Irish government is mistaken to see private debt (run by the banks) and sovereign debt (run up by a government to build schools) as one and the same thing.

“There is a risk in not paying the bank bondholders or paying them just 10% of the debts. But the gain is far bigger and worth this risk. If we do not repay the bondholders then we can save around €55bn over the next 10 to 20 years.

“Then other bondholders will happily lend to Ireland – a country that would have €55bn less debt.”

## COMMUNITY VOICES

### Focus Ireland

**We work with the people who have suffered most from the economic crisis. We believe Government policy will drive more people to depend on welfare and homeless services. We believe the Government must: Protect the budget of homeless services; Prioritise social housing for people moving out of homelessness; Fund support services targeted to prevent people from losing their homes.**

# Buying local to save Irish jobs

IT IS estimated that every €250,000 spent by Irish consumers on Irish goods directly supports one job.

If every Irish household – 400,000 in all – were to spend just €1.67 per week extra on Irish food, for example, it would represent an investment of about €35 million directly to the Irish economy.

That would create 140 new jobs for less than the price of two litres of milk, per family, per week.

One of the main arguments against economic stimulus programmes in a small open economy like ours is that the money would be spent on imported goods and services and that Irish people would not benefit in the long run.

However, Irish people have proven time and again that they will buy Irish given the opportunity.

A survey carried out some years ago by *Shelf Life* magazine found that 91%

of Irish people try to buy Irish food whenever possible.

Last year Ireland imported €3 billion worth of food and drink from the UK alone.

If just one third of that could be substituted by Irish products it would result in an additional €1 billion being spent here in Ireland and the creation of up to 4,000 new direct jobs and many more indirect jobs.

We need a campaign to persuade people living and working in Ireland to spend their money on goods and services produced by other people living and working in Ireland.

And no one should attempt to hide behind EU rules on this one – the French have managed to designate hundreds of their food products as in some way ‘unique’ or ‘traditional’ to France under EU labelling regulations. So far, Ireland has managed to designate just a handful.



## Job Wise Dealing with Change Conference

**A FREE half-day conference  
for people seeking new  
opportunities**

**Croke Park, November 23, 2010  
9am to 1pm**

### Key Speakers:

- ▶ **Challenging Times - What this means for the World of Work**  
Sally Ann Kinahan, Assistant General Secretary, ICTU
- ▶ **Making your money Work for You**  
Tony Nugent, Open Financial Services
- ▶ **Exploring options - Thinking outside the Box**  
Jerry Kelly, First HRD
- ▶ **Starting your own Business - Supports and What you need to Know**  
James Martin, TeamLife Training and SchoolForStartups.ie
- ▶ **Identifying Job Opportunities - What's the Best Approach**  
Yanky Fachler, SureSkills

**PLUS** over 15 stands with information on managing your money, volunteering opportunities, training and employment options.

For information or to reserve your place, contact  
**Mark Donoghue** at **01 600 8249** or  
email **mdonoghue@eircom.ie**

A full brochure is available on **www.Positive2Work.ie**

# The campaign has people up for the

# SELLING

ON the hit-list are major employers who contribute key services and revenue to the economy: the ESB, Bord na Mona, RTE, An Post, CIE, our airports, the remaining shareholding in Aer Lingus, VHI and many other important organisations.

They employ over 40,000 people and any sell-off would mean job losses.

The sell-off is the latest brain-wave from the same people who have brought the country to the brink of bankruptcy. They're looking for quick cash from the sale of key state assets to pay the people who are holding the country to ransom at the moment – the international bond markets.

Margaret Thatcher pulled off the privatisation con job in Britain in the 1980s and the Fianna Fail/PD coalition did it here in the late 1990s when they persuaded us to pay twice for an asset we already owned.

The Irish people had paid for Eircom several times over through their taxes and their telephone bills by the time Government came to privatise it in 1999. We are still living with the disastrous consequences of that decision today in the form of a debt-ridden national telecoms provider that cannot afford to invest in the broadband infrastructure critical to Ireland's economic

future. We must learn the lessons of the Eircom debacle if we are not to repeat the whole sorry saga again in our remaining state companies.

The downward spiral of Eircom since it was sold into private ownership has been nothing short of a scandal. A profitable and well-funded company worth €8 billion when it was sold in July, 1999 – and €10 billion one month later – has cut its staff by thousands, failed to invest adequately in new infrastructure and has debts approaching €4 billion.

In the meantime, everyone but the Irish taxpayer has made money out of it. The disastrous decision to sell off its fast growing and highly-profitable mobile phone division – Eircell – to Vodafone in 2001 was just the beginning.

Next came the takeover of the company by Sir Anthony O'Reilly's Valentia consortium in 2001 for just €3.2 billion – less than a third of its value two years earlier.

In a move which fans of Man Utd and Liverpool will understand all too well, O'Reilly and his cohorts financed the takeover with more than €2.7 billion in debt which they quickly transferred to the company.

So a profitable company with cash in the bank found itself in

## COMMUNITY VOICES

### Dolphin House Community Development Association

Dolphin House is one of the estates that was earmarked for regeneration. The collapse of PPP scheme and budget cuts mean that is in serious doubt. Residents are left living in structural poverty conditions: dampness, sewerage problems, ghettos for anti-social behaviour. The Government should fund the regeneration and get people back to work building new houses and community facilities. Existing services are vital to maintaining the fabric of this community. Government policy is wrong and Congress has outlined an alternative strategy. Our voices must be heard. November 27 is the start.

### National Youth Council of Ireland

The scale of the proposed cuts could devastate youth work services that support some of the most vulnerable young people in our communities. The cuts agenda serves to further depress the economy, hinder job creation and deplete the vital education and training that young jobseekers need. A slash and burn budget may make the bond markets happy for a few weeks, but it could destroy the social bonds of our country for a generation.

## COMMUNITY VOICES

### Canal Communities campaign for Equality & Fairness

We represent a large number of community and voluntary projects in the Canal Communities of Inchicore, Rialto and Bluebell, in Dublin. These work directly with families, children and individuals who access a wide variety of services across the Canal Communities that have been slowly built up over the last 25 years. The cuts to date mean projects are now in real danger of being dismantled. We believe it is vital that communities stand together and protest over these cuts. That's why we will be there on November 27.



# already started to 'soften' sale of prized state assets

## US SHORT...



Talking telephone numbers: Tony O'Reilly's Valentia consortium snapped up Eircom for €3.2bn



Sell-off: Margaret Thatcher

hock for almost €3 billion with the new owners having "bought" it for practically nothing.

This group of so-called investors paid themselves huge dividends. Valentia even paid itself huge dividends when it was making losses while selling off everything that wasn't nailed down.

In March 2004, O'Reilly and his pals decided to cut and run and float the company on the stock exchange once again.

The sell-off valued the company at just €1.15 million – not much more than one-eighth of 1999 worth – but still gave O'Reilly and his fellow investors a tidy return of more than €600 million, in addition to the dividends they had previously extracted from the company.

The position had improved

marginally by 2006 when Australian investment group Babcock & Brown took control of 65% of Eircom in a deal which valued the company at €2.4 billion.

But worse was yet to come. Having posted losses of almost €500 million in the first half of 2009, Babcock & Brown too decided to take their money and run and in the first week of January 2010 sold the company to Singapore Technologies Telemedia for a mere €140 million in cash and shares.

This has been the sorry saga of Eircom – thousands of job losses, a disaster for the national economy and profits for everyone but the Irish taxpayer.

Don't get fooled again – don't let the Government sell off any more of our prized assets!

Pictures: Photocall Ireland

### Community Workers' Cooperative

The community sector provides cost effective local solutions to local problems and supports some of the most marginalised people in Ireland. Since 2008, government policy has ensured those who benefited least from the boom have had to pay for the excesses of those who benefited most. We have seen cuts to the welfare system, education & health, along with cuts to the community sector that supports disadvantaged individuals and communities to make long-term changes to their lives. At some point we have to say 'stop – not in our name'.

### COMMUNITY VOICES

#### European Anti-Poverty Network

The European Anti Poverty Network (Ireland) welcomes this opportunity to mobilise in support of the values at the heart of our communities. It is important that those to be affected by the proposed Budget cuts - from young families to the unemployed - take action to encourage a more equal way forward. EAPN supports proposals made by Congress for Budget 2011, such as the 'job protection' initiative. Every person of working age should have access to a quality job. EAPN Ireland opposes any cuts to social welfare rates and essential public services.



## The Informed Choice for Ethical Consumers

Fair Hotels is an initiative of hotel workers employed in Fair Hotels throughout Ireland and our trade union representatives.

Fair Hotels are hotels that treat their staff fairly.

Fair Hotels understand that the hospitality industry is a people industry and that in order to attract and retain a skilled and committed workforce; staff must know that their work is valued.

Fair Hotels pay a fair day's pay for a fair day's work. They accept that hotel workers deserve to be paid a fair wage on which to support themselves and their families.

Fair Hotels take their responsibilities as employers seriously. They respect the fundamental human right of workers to a voice at work.

They engage in collective bargaining with staff.

Hotels listed on the Fair Hotels' website - [www.fairhotels.ie](http://www.fairhotels.ie) - were invited to participate in the Fair Hotels campaign by their own staff and their staff representatives.

Each of the hotels listed has agreed to participate.

Our objective is to support and promote quality employment in the hotel industry in Ireland.

# Five questions for your TD

- 1 Do you believe we should prioritise jobs and growth?
- 2 Do you support Congress' plan for investment in job creation using the National Pension Reserve Fund?
- 3 Do you believe we should extend the Period of Adjustment to 2017?
- 4 Do you agree we need a job protection plan as in other EU states?
- 5 Do you agree that the burden of adjustment must fall heaviest on those who can afford to pay?



## COMMUNITY VOICES

### National Women's Council of Ireland

Women will bear the brunt of this recession. They are more reliant on social welfare payments, which have been cut.

Women do most of the unpaid care work in society and when vital public services are cut, women carry the burden. Women are paid less than men and are over-represented in low paid jobs.

Violence against women has dramatically increased and under-funded services are struggling to cope.

The ongoing strategy of cuts simply exacerbates this inequality.

## AONTAS

Demand for adult education has soared. It is often the first port of call for people wishing to upskill or retrain. Investing in people now will result in long-term benefits for the country. Community education has a significant social impact by responding to inequality, poverty and disadvantage. The adult education sector commands only a small part of the overall education budget – currently less than 5%. AONTAS is asking Government to retain the existing infrastructure and to ensure that adult learners can access financial support to fully take up the opportunities of education.

[www.aontas.com](http://www.aontas.com)

## COMMUNITY VOICES

### Spectacle of Defiance

The Spectacle of Defiance is an act of creative resistance to the cuts being implemented by Government. We aim to bring a new energy and creativity to expressing the concerns facing vulnerable and marginalised communities all over this country. The Spectacle is a grassroots initiative which includes community and youth organisations as well as trade unions, student groups and campaigning organisations. It takes place on December 10, 7pm, from City Hall in Dublin. The theme for the Spectacle is 'STOP Tearing the Heart out of our Communities'.

Contact John Bissett - 087 988 9132

# We worry about what'll happen when we get old

## HUMAN FACE OF THE CRISIS 4

**F** MY husband worked all his life while I reared our four children. He managed a pub/restaurant for 14 years.

When the downturn started he took a 10 per cent pay cut.

He lost two stone in weight and couldn't talk with worry.

After the Christmas break he was made redundant and my eldest son – who is 31 – took voluntary redundancy from the same establishment.

I had a part-time position there for 10 years and I lost my job too. So, over an 18-month period three in our household lost their jobs.

My youngest son is in college in Carlow and he had to repeat one of his modules this year and I cannot get any grant towards this additional year.

He is relying on an application to the student assistance fund in the college.



Living on social welfare is very difficult. The worst part of it is my husband has nothing to do and after working all his life. It is very disheartening.

When you have never experienced this before, it is very hard asking the social welfare office for assistance.

We didn't even know where the social welfare office was.

I felt very down, depressed and shocked but my husband felt it even worse.

He does not know how to occupy himself at all. I was over a year unemployed before I got a place on a CE

scheme and it is working out great.

I am now getting €215 instead of €130 and this is helping the family.

Our mortgage was paid because we had it so long and could afford to finish the payments with the redundancy money.

But this has left us with no surplus and no savings. We worry about what is going to happen as we get older.

We are worried about the budget. My son has qualified for €100 per week. I am going to have to cut back on food and heating if there are any further cuts to social welfare. My son's bus fare to

college in Carlow every week is €40 and I worry he may not complete his degree.

I get really annoyed when I watch ministers on television. They are always in their cars and using hotels and none of them seem to have had anything taken from them yet.

I don't see myself ever going on holidays again unless we win the lotto.

**Barbara Whyte,**  
Newbridge Congress Centre

## COMMUNITY VOICES

### Irish National Organisation of the Unemployed

Social welfare payments to unemployed people were cut by 4.1% last year. The loss of the Christmas Bonus meant another 2% drop in income. Reductions have also been made to other supports, including rent supplement and dental care. Many unemployed people are already struggling to survive. The INOU demands that Government: maintains payments and improves supports; invests resources to address the jobs crisis; produces an integrated and inclusive Jobs Strategy; broadens the tax base based on the principle those who can afford to pay, do pay.

## Community Platform

The Community Platform challenges the notion that there is no alternative to this level of cuts and has identified four realistic and achievable suggestions for how €3bn could be raised in Budget 2011 without further deflating the economy. The Community Platform is calling on the Government to take on board its suggestions for progressive tax reform – '4steps2recovery' – and in so doing begin the journey to social and economic recovery.

## COMMUNITY VOICES

### Community & Voluntary Sector Workers

"The toxic legacy of the budget will be more job losses in the community and voluntary sector. Some 5,000 jobs have gone already. It will also mean more poverty, more social exclusion, hitting hardest at a young generation who will be handed the bill for this crisis.

"Without the vital services that this sector provides, poverty related crime and health problems will soar. It makes no sense to cut when we know the long term consequences will be so severe."

**Shay Cody, General Secretary, IMPACT**



Pictures: Photocall Ireland

That's rich: Harney, left, didn't buy into argument about privacy & earnings. Above & right: Michael Fingleton, Sean FitzPatrick and Brian Goggin

# EMBARRASSMENT

## OF RICHES

### Top execs really didn't want you to know what they earned but luckily Harney just didn't buy it

THE diminishing tally of achievements for current Health Minister Mary Harney should not mask one of the most outstanding, if little remembered, successes of her Ministerial career. She was the one who defeated the attempt to keep top executive pay a secret.

During her stint as Enterprise Minister at the end of the 1990s, Ms Harney fought off a spirited rearguard action by the usual vested interests who maintained that individual executive pay should go unreported.

All manner of spurious reasons for secrecy were put forward to justify the non-disclosure, including the risk that the 'overpaid' would be set up as potential kidnap victims!

#### Perks

Undeterred the Minister pressed ahead with the measure that insisted that the pay, bonuses, perks and pensions of directors of all listed companies should be included in annual reports. So starting in 2000, the public had the opportunity to see how the other half lived.

It was no surprise that pay packages for these senior managers happily mirrored the other excesses of the Tiger economy. By 2007 the pay and perks of the directors of even modest listed companies were three and four times higher than they were at the start of the Millennium.

By the peak of the boom virtually every executive director of a listed bank or financial service company was walking away with salary and pension contributions worth more than €1 million a year. It goes without saying that Anglo Irish Bank led the charge.

The bank's CEO, Sean FitzPatrick, was

the first to pay himself €1m a year; the first to pay himself €2m and would have been the first to pay himself €3m if the climate of greed had not spread so rapidly to the other banks.

We now know that in FitzPatrick's case the salary reported in the company's annual report was only chickenfeed compared with the extra-curricular businesses he was conducting outside the bank, using loans furnished by his board colleagues.

A similar story applied at Irish Nationwide where eyes continually popped at the generosity CEO Michael Fingleton applied to his own earnings. The fact that his society was a mutual and was – on the face of it

– owned by its depositors, and that few if any of these owners knew of his extraneous business ventures, made his pay scale truly 'cheeky'.

As Anglo adopted a leadership role in the pay race, the mainstream banks followed suit with reckless enthusiasm. For the public in general, the straw that broke the camel's back was the admission by an unhappy-looking Bank of Ireland CEO – Brian Goggin – that he was taking a significant pay cut and that for the year in question he would end up with just €2m.

This was the year in which the bank had been forced to shelve dividend payments; the market capitalisation had fallen by an unbelievable 90 per cent and the life savings of people inside and outside the bank had disappeared for-

ever. But banks were not the only one paying obscene salaries to their top managers.

In the 1990s there was controversy and questions raised at AGMs about exceptional payments to people such as Michael Smurfit, but in the course of the 'noughties' everyone got in on the act.

At Independent News & Media, Tony O'Reilly, long retired from the Heinz Corp and a tax exile who could only visit his Irish charges for 183 days a year, pocketed a pay and perks package of €2.2m in 2007, as the company wilted and the share price sank under the weight of heavy bank debts.

#### Temptation

Interestingly, the only high-profile CEO to resist the temptation to pay himself like an Oriental potentate was Ryanair's Michael O'Leary.

He had the advantage of giving his net worth a periodic boost by selling shares that he had accumulated through share options – yet another device for directors to see themselves through the rainy day.

The great Canadian economist, JK Galbraith opined that "the salary of the chief executive of the large corporation is not a market reward for achievement. It is frequently in the nature of a warm personal gesture by the individual to himself."

This was especially the case in the Celtic Tiger years and it is only fair to remember that Mary Harney was the one who changed the rules and allowed the public to see how open-handed and generous Irish executives were to each other.



High flyer: Michael O'Leary



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# THE IN CROWD

NOBODY elected them and before the crisis most people didn't even know their names.

Yet this tiny group of men – and very few women – wielded extraordinary power and influence over the Government during the years when the ship of state was steered onto the rocks.

They supped together in the Galway Tent and in the boardrooms of Ireland they made the calamitous decisions which helped bring the country to its knees.

They are the Golden Circle; the shadowy group of well-connected individuals who helped inflate the property bubble, cause the banking crisis and bring the State to the edge of bankruptcy.

The independent think-tank TASC has identified a network of 39 individuals who held powerful positions in 33 of Ireland's top 40 public organisations and private businesses in the years leading to the bust.

Between them they held more than 93 directorships in these companies during this period; as well as an average of ten directorships each in other companies – that's almost 500 directorships shared among a group of just a few dozen.

But these people were just the outer circle – the back benchers of the shadow government.

The real power was exerted by a much smaller inner cabinet of just 11 people who were particularly well connected.

These exalted eleven had 10 or more links, through multiple directorships, to other members of the Golden Circle and sat on three, four or even five boards of the top 40 companies simultaneously.

It will come as no surprise that Sean FitzPatrick was among the leading lights of this inner circle.

No surprise either that over half the members of the Golden Circle held board positions in at least one of Ireland's four largest financial institutions: Anglo Irish Bank, AIB, Bank of Ireland and Irish Life & Permanent.

And they paid themselves very well for their trouble.

The TASC research found a trend



**Quiz:** Sean FitzPatrick exits Bray Garda station

of excessive pay: for example in 2005-2007, total pay for the CEOs of both private companies and State-owned bodies increased by more than 40 per cent on average, while inflation was at 9.1 per cent for both years combined.

While not all of these people are responsible for the decisions which have wrecked our economy and threaten the same for our society the very existence of this small elite is symptomatic of the malaise which has brought us to ruin.

But one fact that cannot be overlooked is that every member of the inner cabinet of 11 was a director of one of the banks or building societies during the crucial period from 2005 to 2007 when the seeds of the bust were sown.

The boards with most links to other boards within the top 40 companies were all financial institutions: Anglo Irish Bank with 10 links, and Irish Life & Permanent and Bank of Ireland, which each had nine links

to other companies. Allied Irish Bank (AIB) also had a large number of links, to seven other firms. The influence of the Golden Circle was by no means limited to the private sector.

Members were also directors of a number of State companies including: the Irish Aviation Authority, IDA Ireland, Enterprise Ireland, the Dublin Airport Authority, Bord na Mona, Forfas, and most notoriously the Dublin Docklands Development Authority (DDDA) which has exposed the taxpayer to hundreds of millions of euro in losses on the Dublin Glass Bottle site in Ringsend.

It's time to shout stop, to put an end to these Golden Circles and elites which have bedevilled Irish society for generations.

All political parties must commit to bringing in legislation to rein in the activities of such well-connected individuals and ensure that power rests where it should – with the people.

## BOSSSES' PAY WENT UP & UP

**THE level of pay for Ireland's directors – especially Chief Executive Officers and board chairpersons – was exceedingly high over recent years.**

**The average pay of CEOs in 21 of the largest private companies was €1.1 million per annum in 2007, and rose to €1.6 million in 2009.**

**That represents an increase of 46 per cent.**

**Chairpersons were paid €267,600 on average in 2009, for essentially part-time positions.**

**Meanwhile, ordinary non-executive directors were paid on average €66,000 in 2009, for what were very much part-time positions.**

**In 2007, for example, Sean FitzPatrick was paid €774,000 for two chair positions and three non-executive director positions.**

**This level of pay was completely out of kilter with rates in the rest of the economy.**

**In 2009, CEOs were paid over 14 times what could be considered 'high pay' (€119,000) and 136 times the level of income for those 'at risk of poverty' (approx €11,000).**

**One in six households in Ireland lived under the 'at risk of poverty' threshold in 2009.**

**Reform of corporate governance – of how business does its business – is absolutely essential if we are to ensure that we begin to undo the reputational damage that has been suffered.**

**There can be no more 'business as usual'.**

**Source: Mapping the Golden Circle**

Picture: Photocall Ireland

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# IRELAND IN BANKER LAND

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