Irish Congress of Trade Unions

10 Key Recommendations for Budget 2013

1. Undertake an investment stimulus of €3bn a year for three years to create some 100,000 new jobs overall and boost GDP by 2% per annum.

2. Introduce a new 48% tax rate for individual incomes over €100,000, along with a 1% Wealth Tax. Profitable corporates must contribute more (by restricting write-offs) abolish SARP, tackle tax fugitives and clamp down on evasion and avoidance.

3. Introduce the Financial Transaction Tax - 10 EU countries have already agreed to do. The tax could raise €500 million annually for Ireland.

4. The EU must mutualise Ireland's bank debts, which were run up by private banks.

5. Deal effectively with the Irish Pension crisis with policies that boost pension take-up and phase in the reform of state pensions (raising the age for pension take-up) to allow workers time to adjust and prepare.

6. Extend the period of adjustment to 2017 and reverse the planned ratio of spending cuts to tax rises.

7. Congress supports Labour Market Activation but it must be fair and focused on encouraging people into the workforce and not just a way of managing expenditure cuts. Broaden the apprenticeship system and introduce a Youth Guarantee to help link young people to skills training and the workplace.

   Increase the effectiveness of monitoring of employment standards to staunch the haemorrhage of tax revenue being lost because of misguided public procurement practices.

8. Effective policies are needed to address poverty traps and fuel poverty. There must be far greater efforts to tackle inequality. The new eligibility criteria for the state pension, for example, impacts most severely on women. The level of cutbacks in disability funding to date – 14% over the past four years has gone too far and must be reversed.

9. There must be no privatisation of major indigenous enterprises to repay the debts of failed Irish banks. Indigenous enterprise should be developed under NewEra and become an engine of the recovery, not eviscerated.

10. The focus on public sector reform has detracted from the necessity to radically reform corporate governance in the private sector, where obsessive secrecy and perverse incentives abounded and the emphasis was on deal making rather than creating value. This must become a priority to stop the mistakes of the past being repeated.

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