

# Poverty skyrockets in Ireland as the ruling elite gets richer

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Sixteen percent of the Republic of Ireland's population, 734,120 people, now live in poverty.

Since the financial and economic crisis engulfed the country in 2008 there has been a huge redistribution of wealth from the working class and poorer sections of society to the very wealthy ruling elite. Successive austerity budgets introduced by the ruling Fine Gael/Labour coalition and the previous government led by Fiana Fail have impoverished whole sections of society who depend on social protection.

To alleviate some of the worst aspects of the vicious social spending cuts introduced in the last five consecutive budgets, a huge number of impoverished families have turned to relief from one or other of the 40 religious charities, even though state funding to charities has been cut by over 30 percent.

The Dublin Archdiocese charity Crosscare is now involved in supplying food to 10 different charities throughout Dublin, which is distributed to the growing number of poor and homeless in the city. Diarmuid Martin, the archbishop of Dublin, last week appealed for food from shops and large food outlets, stating that "demand for basic items is outstripping supply."

The charity expects to have distributed 750 tonnes of food by the end of this year, 50 percent more than last year.

The Catholic charity Society of St. Vincent de Paul (SVP) is now making 400,000 home visits a year to families who are struggling to survive as poverty increases. SVP Vice-President Tom MacSweeney stated, "The families we visit are not just those on social welfare, they include people in low-paid employment, the self-employed and people in employment with debts that they cannot handle. The cumulative impact of austerity measures to date on individuals, families and communities has been

devastating."

The increasing gap between the super-rich and the majority of the population is rooted in the crisis-ridden capitalist system, in which the working class has borne the brunt of bailing out the banks after the financial and housing crash of 2008. In total, the spending cuts and tax hikes implemented amount to more than 20 percent of Ireland's economic output.

The most recent figures from the Central Statistics Office show that without social welfare and other state support, 50.7 percent of the population would be at risk of dire poverty.

In an attempt to boost profits, the government with the collaboration of the unions has played a leading role in facilitating a long-term strategy by employers to depress wages.

Since national wage bargaining was ended indefinitely in 2009, a significant minority of employers have cut basic pay levels while requiring employees to work extra hours with no additional pay. The result is that those in low-paid or insecure employment earn a wage that is not adequate to cover the basic costs of living for themselves and their families. The number of people earning less than €11,000 a year has continued to grow since 2011 to a staggering 733,000 people. This means that almost three quarters of a million people in employment are experiencing "at risk of poverty" conditions.

With youth unemployment having remained at 30 percent for the last four years, the majority of the half a million people who have emigrated since the recession began are young people. The slashing of dole rates for those under 26 in the October budget has created a reserve army of young people now being forced to work on "jobbridge" schemes for as little as €50 (US\$68) a week.

Cuts to supports like child benefit, household benefits, medical cards and education as well as the property tax have left many families with little or no disposable income. A 500 percent increase in prescription charges over recent years and the fact that over 10,000 people have been cut off the medical card this year have left thousands of older people living in fear and struggling to survive. The youngest suffer too, as five children a week become homeless while the number of families becoming homeless has doubled in the past year.

At the beginning of November there was widespread anger over the treatment by the Health Service Executive (HSE) of a child from Cork, which exemplified how health service cuts are forcing young families into poverty. Jackie and Ray Connolly were refused a renewal of a medical card for their five-year-old daughter Katie, who suffers from Down's syndrome, asthma, juvenile arthritis and a heart condition. Katie's mother Jackie had already suffered a pay cut earlier in the year and was facing mounting care costs for her daughter. The family organised a protest outside Cork city hall on November 9., which was attended by around 40 other children with Down's syndrome and their parents who have lost their discretionary medical cards in recent months.

"Katie needs her medical card to access community care services within the HSE, so what are we to do now?" Jackie asked. "If Katie does not see a doctor her condition could worsen. She has a compromised immune system and is susceptible to various ailments."

The *Irish Examiner* reported in October that there were now more than 1,000 people a month losing their discretionary medical cards, with a total drop of nearly 10,000 in the first eight months of the year. The cards entitle their holders to free health care services.

The government plans to make a further €666 million in cuts to the health service and €230 million to the social care budget in 2014, as part of the €2.5 billion (1.5 percent of GDP) cuts introduced in the 2014 budget. According to an Organisation for Economic Co-operation and Development report, published on November 21, Ireland has experienced the worst drop in health spending per capita across the European Union. The drop in health spending between 2009 and 2011 was 6.6 percent, second only to Greece with 11.1 percent.

By contrast, the wealthiest 10 percent have never had it so good. This section of the population have actually grown their wealth by 8 percent since 2008. They sit on top of a divided and crisis-ridden society, with one eye on the state and political establishment that genuflects before its every need.

According to the 2013 Sunday Times Rich List, the number of Irish billionaires has doubled since the economic crash. The richest 300 of the country's billionaires and multi-millionaires saw their wealth grow by almost 6.3 percent, or €3.9 billion, last year. The wealth attained by the wealthy elite in Ireland has now grown to a staggering €66 billion. Another review of the wealth of the super-rich in 2013 in the *Irish Independent* revealed that there are just 105 people with net assets of €100 million each. Denis O'Brien, owner of Telecom, is the richest billionaire on the list with a net worth of €3.8 billion.



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