



Mary Raftery

Hey presto, PDs get rid of problems

It's a good trick, if you can manage it. It presupposes a certain dozziness on the part of the general population, a criterion which we in this country appear eminently capable of satisfying. The question was how to reduce hospital waiting lists.

These had been a major bugbear for successive governments, and had even been credited with losing Fianna Fáil an election or two. The solution was bold and imaginative. Simply stop recording them. If nobody counts them, then they cannot be reported. They will have vanished. Hey presto! No more waiting lists in the new Irish health utopia.

Breda O'Gorman should really be told this. The fact that she has had to wait over six months for an operation to control the extreme pain which she suffers as a result of her multiple sclerosis is clearly an illusion.

What she needs is a simple procedure to insert a pump which will deliver pain killers to the appropriate site. She will then be able to receive physiotherapy. Since Christmas, the agony has been too severe to allow even this, and Breda is deteriorating fast.

The 3,133 children waiting for a psychiatric assessment - assessment, mind you, not even treatment - should know better. Some of them have been waiting for up to two years. But, of course, they are not really on a waiting list.

We don't do waiting lists in Ireland any more.

Those waiting for rehabilitation services, 245 at the most recent count, some of them for up to three years, will doubtless be cheered by Mary Harney's recent statements that our long waiting lists have gone away. Likewise for the 200 patients awaiting urgent neurosurgery treatment, some of who are critically ill.

Similar patterns exist for orthopaedic procedures and for cancer treatments.

Last week's European Health Consumer Index report, produced by a Swedish-based organisation, looked for a while as if it might burst our happy little bubble. It compared a range of consumer-oriented health indicators across the EU. Incomprehensibly, Ireland came out second worst.

Thankfully, Mary Harney was able to clear up the matter for us. The figures used in the EHCI report were all out of date, she explained.

They clearly came from a time when we used to record silly things like waiting lists. Don't these Swedes understand that now that we've stopped doing this, everything is much better?

The Minister for Health tells us that these days no one in Ireland waits for longer than three months. The brilliant new National Treatment Purchase Fund sees to this. It is an ingenious mechanism of funneling public money into private hospitals to allow patients to be treated there at the taxpayers' expense.

God forbid that we should use the money to invest in our public hospitals. When we did that, we used to have waiting lists, after all.

Incidentally, this same National Treatment Purchase Fund is also the body charged with drawing up overall national statistics on waiting lists. But since we don't have any, it of course does not waste its time doing this. It simply chirrups away about what a great job it does.

By highly convoluted and elaborate extrapolations of what paltry figures have managed to survive the cull, it has been estimated that, in reality, over 29,000 patients are on waiting lists for hospital treatment in this country. But we have no way anymore of knowing how long people have been waiting, or how many people die untreated.

Just like we are not allowed know how many people die of MRSA. Officially, no one really does. They die of other things, or of the great catch-all known as "complications".

The innovative approach to solving the problem of hospital waiting lists by the simple expedient of ceasing to record them, is a measure we are likely to see expanded to other areas as a general election approaches.

But there is no reason to confine the success of such a brilliant measure to health alone.

It is surprising that no one has thought of this before. And it is no accident that we have the Progressive Democrats, the brainiest party in Ireland, to thank for it. We know already, for instance, that in the Department of Justice they have attempted something similar by playing fast and loose with the mechanisms for accumulating crime figures.

They should really cut out pussy-footing about and just stop recording crime altogether. Then we wouldn't have a problem, would we?

Pollution could vanish in a similar way, carbon emissions would become a thing of the past, a distant memory of the bad old days when we foolishly measured these phenomena. Climate change would merely mean Ireland becoming a sun destination for foreign tourists.

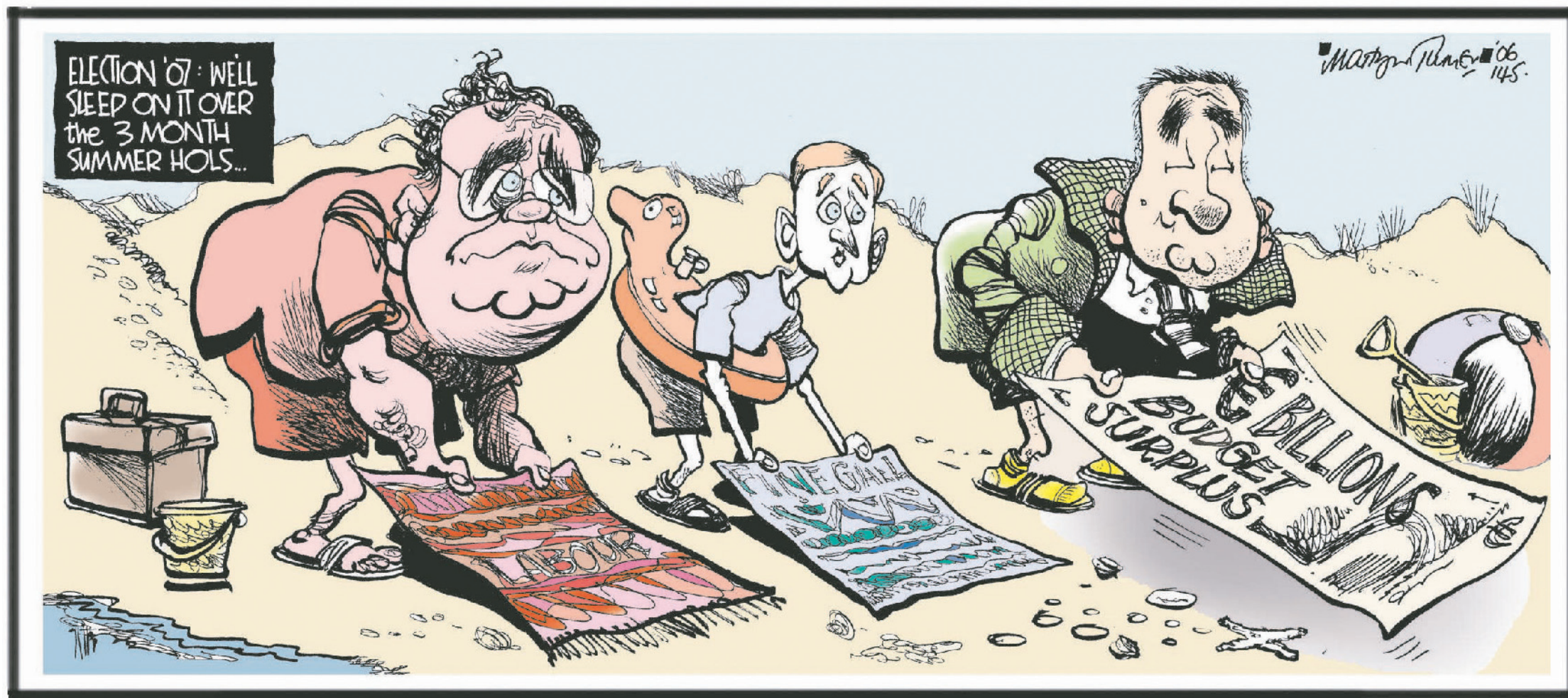
Poverty also would no longer be with us. Nor would obesity or diabetes. But why stop there? Why not abolish death itself? The possibilities are endless. Why have we never thought of this before? In truth, we must all really be dozy. Except for the PDs, of course.

CORRECTIONS & CLARIFICATIONS

In the article entitled "Man held after claiming to have bomb in Dublin airport arrivals" yesterday a wrong time was given for the time the Army bomb disposal unit arrived at the airport. It got there at 2.40 pm, not at 3.50 pm as stated.

A photograph used incorrectly to illustrate the article entitled "Tax breaks for heritage properties" on Monday was of Desmond Fitzgerald, chairman of the Health Research Board, not Desmond Fitzgerald, Knight of Glin.

Where errors occur, it is the policy of The Irish Times to correct or clarify as soon as practicable.



Government's financial position overdependent on construction industry

He had a good run, but now the Tiger is in trouble



Aimless, lopsided and unsustainable, our economy needs remedial action now, writes Marc Coleman, Economics Editor



As well as stamp duties and capital gains taxes, income tax returns have depended on employment growth in the construction sector. Photograph: Alan Betson

our house prices were 15 per cent overvalued. Having grown a further 15 per cent since then, that calculation would imply that they are around 25 per cent overvalued now (at least a third of the subsequent growth in prices being justified by higher incomes).

This brings us back to the subject of this week's revenue figures. The role of the property market developments in driving revenue growth goes beyond the obvious. As well as stamp duties and capital gains taxes, income tax returns have depended on employment growth in the construction sector for what meagre strength they have mustered in the year (some 250,000 workers now work in the construction sector, far above long-term historical average levels).

Corporation tax receipts have benefited from healthy profits in a host of other businesses exposed to the construction sector. The extent to which the Government's financial position depends on construction could now be very great indeed. If what has gone up comes down, that position could deteriorate rapidly.

The Government was elected in 2002 on a tide of economic optimism, generated in no small part by the view that strong Exchequer revenues - published in the run-up to the next election - were proof of a strong economy.

After the election those Exchequer revenues deteriorated rapidly. The resultant hole in the Government's finances was only plugged by unpopular cutbacks in capital spending and inflationary increases in indirect taxation, measures for which the Government reaped a bitter harvest in the 2004 local elections.

Four years later, Exchequer revenue strength is even more illusory than before and, if the OECD is indeed right, any subsequent deterioration will be more severe than in 2002. So will the measures needed to balance the Government's books. And so will the political consequences of not having taken preemptive remedial action now.

If you cut off the head of a chicken, it can still run a good 20 paces around the farmyard before falling down dead. It is a sight only for those with strong stomachs. Feathers wave frenetically and legs accelerate, as if the chicken is making the most of its last seconds of life before the last of its blood flows from the neck.

These days, the Irish economy is no sight for the faint-hearted. If the speed of its movement is fascinating, its direction is unsettling, its sustainability in question. On Tuesday the Government published Exchequer returns showing the Government's tax take for the first half of this year.

Compared with the same period of 2005, overall returns are up by 13 per cent. But for some revenue categories growth is not simply strong, it is absolutely crazy. Capital acquisition tax receipts rose by 31 per cent over the same period of com-

parison, stamp duties by 41 per cent and capital gains tax revenues by 59 per cent.

The gyrations have become more extreme towards the end of this half-year period. In June stamp duties were growing by 53 per cent year on year, while capital gains taxes were growing by an astronomical 133 per cent. But VAT and corporation tax receipts were down, by 9 and 27 per cent respectively.

Income taxes rose by 6 per cent but this is less than expected given record job creation in the economy.

The dark underside of tax revenue growth lies in house price inflation, which has risen from a modest 5 per cent last summer to around 14 per cent in May, truly frightening for young house buyers.

The economic consequence of house price growth is also frightening.

Inflation has also risen, from 2.5 per cent in December to 3.9 per

cent in May. With every month that passes, the economy is resembling less a Celtic Tiger and more a headless chicken. Its forward motion may be fast. But it is also aimless, lopsided and unsustainable. Competitiveness, that precious lifeblood of our economy, is draining away. Galway firm APW this week confirmed 40 layoffs at its Galway plant, just one of several recent examples of firms finding Ireland's high cost environment impossible to work with.

The US Chamber of Commerce recently published a survey of its members operating here, in which 43 per cent of them warned about how Ireland's rising cost base - particularly the cost of housing - was undermining Ireland's attractiveness as a place to invest.

With private sector credit expanding at an extra €60 billion in liquidity - a third of a year's total economic output being pumped into the economy every year - it's no wonder that employment is

expanding by 90,000 people a year, nor that the economy is growing at 5 per cent. However, the quality of growth should not be confused with its quantity. Strong rates of jobs growth in construction and the public sector are dependent on ever-rising debt and a rising tax burden.

This makes them unsustainable and undesirable as a source of jobs growth, when compared with the traded sectors of the economy. Those sectors, mainly manufacturing and tourism, are now negative contributors to growth.

Tellingly, foreign direct investment flows from foreign firms turned negative in 2005, according to recent statistics from the OECD. In more traditional and indigenously owned sectors of manufacturing, we are running a trade deficit. The same is true of the tourism sector, with Irish tourists now spending more abroad than foreign tourists spend in Ireland, despite the latter being more numerous.

Outside of the EMU these trends would self-correct. Our Central Bank would years ago have raised interest rates to levels far higher than now to cool off our property market and moderate inflation generally.

Instead our interest rates have been held around 3 per cent lower than would be normally considered appropriate. While positive in the short term, excessively low interest rates can lead to over-investment in property, creating a bubble in its turn.

Who can say whether Ireland's housing market is overvalued? The Central Bank has said it is, the IMF has said it is and the OECD has said it also.

Too polite to say so directly, the European Central Bank has hinted at it. Foreigners that they are, perhaps they simply lack our native genius for understanding property.

But what if - hard though it might be to contemplate - they are right and it is we who are wrong? Last summer the OECD calculated that

Environment the missing link in social deal

Why does the 10-year social partnership deal have nothing to say on the environment, asks Oisín Coghlan

Environment is the ghost at social partners' feast. The latest social partnership deal is being described as a landmark in public policy for adopting a 10-year time horizon and putting social progress on a par with economic development.

Partnership is no longer a short-term pay deal with social measures bolted on, it is now a long-term framework for "nurturing the complementary relationship between social policy and economic prosperity".

While social campaigners can welcome the deal for recognising the economic and social "as two sides of the same coin", as an environmental campaigner it's hard to see it as anything other than a two-legged stool. *Towards 2016* pays periodic lip service to environmental considerations.

We can surmise this is because there was no one around the table whose first interest and bottom line was environmental sustainability.

It certainly can't be because there was nothing to talk about. We

know Ireland is the fifth-most climate-polluting country in the world per person, and that our emissions are overshooting our Kyoto limit by a factor of two.

We know we produce more waste per person than any other country in the EU. We're one of the most car-dependent countries in the world and carbon emissions from transport have risen a staggering 143 per cent since 1990.

We know that if everyone consumed and polluted like the Irish we'd need the resources of the three planet Earths.

Oddly, *Towards 2016* states "in the past the performance of the economy set limits to our social and environmental possibilities".

This may have been true for aspects of social policy, but the reverse is true in the case of the environment, which sets limits on the future performance of the economy unless we move to a more sustainable model of development.

One fears, however, that when we say "sustainable development" in Ireland we really mean

development which keeps on going, at least to the next election.

A quarter of a century ago the late Charles Haughey told the nation "we are living way beyond our means". What was true fiscally in 1980 is equally true environmentally in 2006.

Then our unsustainable borrowings were from the financial reserves of international banks.

Now they are from the ecological reserves of future generations. *Towards 2016* reiterates Ireland's commitment "to ensure that the interests of people in the world's poorest countries are protected".

It is the poorest in these countries that are the first, and will be the hardest, hit by climate instability - an instability caused by the carbon pollution of the rich world of which we are now so firmly a part.

From outside the talks it's hard to see how the social partners could adopt a 10-year perspective and fail to put climate change at the heart of public policy. The science tells us we have 10 years in which to make global greenhouse gas emissions begin to decline sharply if we are to prevent the growing climate crisis from becoming irreversible climate chaos.

Climate and energy will dominate public debate in the coming decades in the way emigration and unemployment did in past decades.

Why have the social partnership talks so singularly failed to respond to the challenge ahead? It's hard not to conclude that much of the answer lies in a belief that the public have never had it so good and would not welcome the prospect of change. Perhaps we think of ourselves as a people who can wait and fix something up at the last minute, or when the EU forces our hand? This is both short-sighted and wrong-headed.

Firstly, there are no quick fixes or short cuts to climate security. Moreover, the climate crisis and oil peak mean change is coming whether we welcome it or not.

Our choice is what kind of change and whether we manage it ourselves by making the shift to sustainability gradually, starting now, or whether we wait and let change happen to us by way of shocks, disruption and upheaval down the line.

Almost half a century ago TK Whitaker wrote his *Grey Book*, which sparked a paradigm shift in public policy from inward-looking economic self-sufficiency to outward-looking economic internationalism. What followed - investment in education, the targeting of strategic US companies

and the social partnership process itself for example - show that we can in fact be quite good at planning when we put our mind to

it. Nothing less than another paradigm shift will do now.

Oisín Coghlan is director of Friends of the Earth Ireland (foe.ie)

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