



## European Anti-Poverty Network (EAPN) Ireland

### Submission to Budget 2020

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### EAPN Ireland's Proposals in summary

The European Anti-Poverty Network Ireland is made up of over 170 local and national organisations representing and working with people experiencing poverty and individuals who support our objectives. We welcome the opportunity to make a submission to the budget process for 2020. We believe the annual budgetary process plays a vital part in honouring and actively responding to the anti-poverty commitments that Ireland has signed up to, such as EU 2020 targets on poverty, the European Pillar for Social Rights, and the UN Sustainable Development Goals.

Our proposals for our Budget 2020 submission are fundamentally underpinned by the intention of DEASP, as part of the Social Welfare Pensions and Civil Registration Act 2018, to activate a benchmarking process for the purposes of establishing social welfare rates on an annual basis. EAPN Ireland believes that any benchmarking process for social welfare must be conducted from a point of 'adequacy' only, in order to ensure progressive positive impacts upon those at-risk of poverty in Ireland. We believe that benchmarking as an exercise is futile unless conducted from the standpoint of achieving income adequacy for those who depend on social welfare supports. Below are EAPN Ireland's proposals for Budget 2020.

#### 1: Benchmarking Social Welfare

EAPN Ireland as part of the Minimum Income Network Ireland, a network of 14 organisations from the Community and Voluntary Sector, have been advocating around the need for adequate and accessible social welfare supports. This group was established as part of the European Minimum Income Network campaign around adequate minimum income supports for those most in need across the EU.

We recognise that the right to an income which allows us to participate fully in society and live with dignity is enshrined in international human rights and also within the Global Goals for Sustainable Development, which Ireland has signed up to. This right does not differentiate regarding the source of income whether through employment or social welfare. Ireland has also signed up to the European Pillar of Social Rights which states that '*everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life*'. A lack of income adequacy represents a major obstruction in Ireland's bid to meet its imminent National Social target for poverty reduction of 2% or less, by 2020. Income adequacy therefore plays a huge part in ensuring Ireland will meet its anti-poverty targets and commitments.

EAPN Ireland believes that an adequate income should:

- Provide the Minimum Essential Standard of living, (MESL), that is the standard below which nobody should have to live.
- Lift people above the poverty line.

The Vincentian Partnership for Social Justice updates its MESL research annually and recently released its figures for 2019. The MESL research reflects the goods and services households require in order to meet their physical, psychological and social needs and includes a variety of household types, including those in receipt of social welfare. Below we see a sample of updated figures for 2019.

**Table 2: Minimum Essential Standard of Living 2019 for selected social welfare dependent households**

	Urban family Eur			Rural family Eur		
	Needed	Actual	Gap	Needed	Actual	Gap
<b>Two parents with 2 children</b> , one in pre-school & one in primary school	461.56	473.20	11.64	517.67	473.20	-44.47
<b>Two parents with 2 children</b> , one in primary and one in secondary school	542.31	481.49	-60.82	593.91	481.49	-112.42
<b>One Parent with 2 children</b> , one in pre-school and one in primary school	347.76	350.62	2.86	424.20	350.62	-73.58
<b>One Parent with 2 children</b> , one primary and one secondary school	428.50	358.90	-69.60	500.44	358.90	-141.53
<b>Single Adult of working age living alone</b>	245.39	203.00	-42.39	284.07	203.00	-81.07
<b>Single Pensioner living alone (Non-Contributory)</b>	249.97	260.62	10.64	312.01	260.62	-51.39
<b>Pensioner couple (Both non-Contributory)</b>	314.60	425.82	111.22	386.11	425.82	39.71

See budgeting.ie

The MESL research indicates that this is the fifth year where there has been a move towards a decline in the MESL costs and a reduction in the adequacy gap for the majority of household cases examined. We see that core social welfare is now meeting a greater proportion of MESL need, this is positive progress and highlights the importance of building upon such progress for the purposes of benchmarking. It is vital that this momentum is maintained and that social welfare rates are not allowed to fall behind changing living costs and need again.

However, an important finding within MESL 2019 reveals that particular households are still not in receipt of income levels that enable the Minimum Essential Standard of Living and are living in what the MESL research refers to as “deep income inadequacy”. That is a consistently inadequate income which means doing without what is necessary to meet basic needs. The research shows that

households in deep inadequacy predominantly includes household headed by one adult, that is single adult households and single parent households, particularly those with older children. In 2019 MESL research, 63 of the cases examined show deep income inadequacy, where social welfare meets less than 90% of MESL expenditure need.<sup>1</sup> CSO research also backs up the findings of the MESL research, whereby SILC Data for 2017 reveals that single parent households are far more likely to be living in consistent poverty, with an average rate of consistent poverty of 20.7%, with single adult households at a poverty rate of 20%<sup>2</sup>. On a European level, the EU Survey of Income and Living Conditions (EU-SILC) in 2017 found that among EU countries assessed, lone parents in Ireland have one of the highest rates of income poverty, persistent poverty and severe deprivation.<sup>3</sup>

It is also important to note that MESL research differentiates between the cost of living within urban and rural areas. Once again the findings for 2019, indicate the added expenses of rural living, such as transport costs. We see from the above table that all household types living in rural areas as represented by the above MESL scenarios, were deemed to be in receipt of an inadequate level of income relative to the Minimum Essential Standard of Living. This serves to highlight the importance of service provision in enabling low income households to achieve income adequacy, particularly in rural areas, where services and supports are often sporadic or unavailable.

We believe adequacy of social welfare must also lift people above the poverty line, we see below that social welfare rates in 2019, are inadequate as a means of doing so for the majority of recipients.

**Table2: Adequacy of Social Welfare to lift people above the poverty line**

Payment	Rate (2019)	Poverty line(2017)	€ Gap
<b>Jobseekers Allowance, Disability Allowance, and One Parent Family Payment</b>	€203	€239.95	-36.95
<b>Jobseekers Allowance age 18-24</b>	€112.70	€239.95	-127.25
<b>Jobseekers Allowance age 25</b>	€157.80	€239.95	-82.15
<b>Old Age Pension (Non-contributory) age 66-79</b>	€232	€239.95	-7.95
<b>Old Age Pension (Non-contributory) age 80 +</b>	€242	€239.95	+2.05

Despite increases in social welfare rates between 2017 and 2019, we note that payments are still below the 2017 poverty line of €239.95 per week for all recipients, apart from those on the State Pension. We also see the largest gap is for those under 26 years of age, with this age group living €127.25 and €82.15 per week below the poverty line respectively. Despite increases in recent budgets, we believe the under 26's have been unfairly targeted for lower rates of welfare, fuelled by speculation that this age-range automatically have options such as remaining in their family home or have access to other

<sup>1</sup> [https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf\\_p2](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf_p2)

<sup>2</sup> [https://www.cso.ie/multiquicktables/quickTables.aspx?id=sia12\\_sia20](https://www.cso.ie/multiquicktables/quickTables.aspx?id=sia12_sia20)

<sup>3</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php/People\\_at\\_risk\\_of\\_poverty\\_or\\_social\\_exclusion#Analysis\\_of\\_populations\\_at\\_risk](https://ec.europa.eu/eurostat/statistics-explained/index.php/People_at_risk_of_poverty_or_social_exclusion#Analysis_of_populations_at_risk)

family/parental supports. While Increases in Budget 2019 were welcome, it is clear that in order to meaningfully bridge the gap between what households receive and what in reality they require to live above the poverty line and access essential goods and services, benchmarking needs to be linked to a point of adequacy. We believe that point of adequacy is represented by the Minimum Essential Standard of Living

## **Consumer Price Index (CPI) versus Minimum Essential Standard of Living**

As indicated by our recent submission to DEASP on bench marking of social welfare rates, we do not believe that bench marking social welfare rates should be linked to CPI. CPI represents a basket of goods which has little relevance to the lived experiences of those experiencing poverty. The basket of goods represented by MESL is tailored to specifically to include low income households and those in receipt of social welfare. If social welfare increases or decreases are simply based on changes in inflation or deflation (e.g. CPI) there is no link to adequacy or the needs of those dependent on social welfare. For example, welfare payments based on CPI could rise by 1% due to inflation, but if inadequate to start with it will never be enough for people to live on and will only serve to maintain social welfare at changeable and inconsistent points below the poverty line. *CPI does not provide an appropriate basis for measuring the change in needs and costs for those dependent on social welfare supports or households on low income.*<sup>4</sup>

Our full submission to DEASP on benchmarking social welfare and can be found [here](#).

### **Proposal 1**

#### **Bench Marking Social Welfare rates**

- 1. Social welfare must be benchmarked to a point of adequacy, that is, ensuring a Minimum Essential Standard of Living, as well as lifting people above the poverty line. This is particularly pertinent to household experiencing 'deep inadequacy', ie single adult households, single parent households, particularly those with older children, as indicated in MESL updated figures for 2019**
- 2. We recognise the need for "Progressive realisation" to ensure a long-term move to adequacy for social welfare rates, progress which has already been made for some households must be built upon to ensure that payments are not allowed to fall behind changing living costs and need again.**
- 3. Restoration of under 26's welfare payments to full adult rates over successive budgets must be part of establishing the benchmarking process**

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<sup>4</sup> [https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf) p13

## 2: Children and lone-parent Households

As stated research has consistently shown children and lone parents are most likely to be living in consistent poverty<sup>5</sup> and more likely to be experiencing deep income inadequacy as per MESL research 2019.<sup>6</sup>

Lack of social and affordable housing and childcare options also inhibit women from entering or re-entering the work force in Ireland and this finding has been recognised at European level which indicates that Ireland has one of the lowest rates of employment for women in the EU because of the lack of dedicated supports.<sup>7</sup>

The extra costs associated with older children were recognised in budget 2019, however we believe this should be further build upon in budget 2020. Despite increases to the qualified child allowance, MESL 2019 indicates that single adult households, particularly those with older children, 12 and over, are still more likely to be living in poverty. MESL research has shown that households with older children (age 12 and over) continue to make up the majority of cases demonstrating “deep income inadequacy.”<sup>8</sup>

### Proposal 2

#### Children and Lone Parent Households

4. **Increase the value of the weekly income disregard for all lone parents receiving the One Parent Family Payment, Jobseekers Transitional Payment and Jobseekers Allowance to €165.62 in order to restore 2011 levels in terms of hours worked in National Minimum Wage employment. Estimated cost: €10 million**
5. **Link earning disregards, means-tests and income tests for supports such as the Back to School Clothing and Footwear Allowance and Medical Card and in-work income supports to increases in the National Minimum Wage, maintaining the value of and access to these supports year on year.**
6. **Put in place measures to ensure no parent is worse off when transferring from the Community Childcare Subvention Scheme to the new National Childcare Scheme. To ensure equality of access, remove the link between principal economic status and eligibility for childcare subsidies.**
7. **Equalise the income thresholds for the Back to School Clothing and Footwear Allowance for one and two parent families. Currently, the thresholds for one parent families are lower which makes it harder for these families to qualify for the payment.**

<sup>5</sup> [https://www.cso.ie/multiquicktables/quickTables.aspx?id=sia12\\_sia20](https://www.cso.ie/multiquicktables/quickTables.aspx?id=sia12_sia20)

<sup>6</sup> [https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf) p14

<sup>7</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf) p4

<sup>8</sup> [https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf) p3

### 3: Taxation and Investment

EAPN Ireland is calling for Budget 2020 to recognise the important part investment in supports and services plays in ensuring that households most in need can achieve the Minimum Essential Standard of Living and live above the poverty line. Taxation, to ensure a redistribution of resources, and investment must be structured to recognise the cost of living in Ireland via the Minimum Essential Standard of Living (MESL) research. Strategic and adequate investment in supports and services, also assist in lifting people out of poverty by alleviating the pressure on the expected reach of limited income within households earning minimum wage and/or in receipt of social welfare. The universal GP Visit medical card for under sixes, demonstrates a current example of the ability of supports to reduce MESL expenditure. The blanket availability of this support contributes to the relatively low MESL costs of pre-school aged children. However, health costs for an adolescent are 2 ½ times greater than that of the pre-school children; therefore investment into free GP care to all children would facilitate lower MESL costs across all ages.<sup>9</sup>

Such measures should be part of a long-term strategy to approach anti-poverty measures in an integrated manner to ensure a long-term sustainable positive impact on households experiencing poverty. However, the availability of services and supports in order to bring low income households to MESL and above the poverty line, ensuring the maintenance of progress already made, must be in tandem with changes to the Irish taxation system to ensure sustainable funding streams.

Once again EAPN Ireland calls on Budget 2020 to broaden the tax base in order to protect tax revenue from fluctuations associated with the over reliance on streams such as transaction based taxation. We call on any changes to the taxation system to be socially progressive and must ensure additional investment in areas such as adequate social welfare supports, public services and infrastructure. In 2017, tax revenue (including social contributions) in the EU-28 stood at 40.2 % of GDP and accounted for around 90% of total government revenue. Tax revenue to GDP was highest in France (48.4 % of GDP), Belgium (47.3 % of GDP), Denmark (46.5 % of GDP), followed by Sweden (44.9 % of GDP) and Finland (43.4% of GDP). Ireland compares poorly to these high tax economies as Ireland had one of the lowest shares in the EU recorded at 23.5 % of GDP, a decrease since 2016 and an on a par with countries such as Romania and Bulgaria.<sup>10</sup> The Departments of Finance Fiscal and Economic Outlook 2018 projects total revenue and expenditure to be 25.9 % and 26% respectively in 2019. However, there is currently no meaningful indication of any change in Irish government policy regarding the operations of our taxation system despite the increasing evidence of the need for the contrary.

In addition, whilst acknowledging Irelands robust economic growth, the EU Country Report for Ireland 2019 raises concerns around Ireland's over reliance upon a small number of multinationals for a disproportionate amount of Ireland's tax revenue, attracted to Ireland due to our low corporate tax rate. The report emphasises that while tax revenue continues to increase, the volatility of the corporate income tax remains a concern. Despite increases in corporate tax revenue in 2018, up 27% from 2017, we see that 10 multinational companies account for 39% of tax revenue and foreign owned multinational enterprises paid 80% of corporate taxation, with corporate taxation increasing a percentage of total taxation amounting to 12.2% of taxation in 2017, the highest level

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<sup>9</sup> [https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf)

<sup>10</sup> [https://ec.europa.eu/eurostat/statisticsexplained/index.php/Tax\\_revenue\\_statistics#General\\_over\\_view](https://ec.europa.eu/eurostat/statisticsexplained/index.php/Tax_revenue_statistics#General_over_view)

since 2002.<sup>11</sup> This places Ireland's taxation revenue in a precarious position whereby a disproportionate amount of income to the exchequer is reliant upon the availability of one specific low tax rate to large multinational companies.

EAPN Ireland has long highlighted the need for Ireland to gradually broaden its tax base in order to fund essential public services such as housing, education, infrastructure and other related social and income supports. We believe this is essential in order to ensure resources are available to fund the National Development Plan 2018-2027, Project Ireland 2040, and the National Action Plan for Social Inclusion. The public are also showing an increasing awareness of the need for policy development that is environmentally conscious and progressive and we believe this provides an opportunity for relevant taxation measures within the corporate sector.

EAPN Ireland supports the intention of the Minister for Finance to propose measures in 2019 to address the increased concentration of overall taxation revenue on corporation tax receipts, we hope these measures can be integrated into budget 2020. The current taxation system in Ireland is not fit for purpose if we are to long-term invest in ensuring we meet Ireland's anti-poverty targets. We note, for example, that Ireland's aging population will drastically impact upon the nature of and demand for health care provision, the need for supported housing, community supports as well as impacts on pension provision and income supports.

We reject any notion that suggests the investment in supports and services should be a deterrent to, or in place of, benchmarking social welfare rates to adequate levels. The interaction between adequate rates of welfare, services, and supports are vital and interdependent. Adequate income is essential as a part of addressing issues around poverty and social exclusion and responding to basic needs such as food, clothing, household goods, utilities, day to day living. Meaningful reforms to address poverty and inequality require that every household should have access to adequate income, alongside, and in tandem with, investment in public services, such as health care and housing.

The complexities and associated costs of poverty already places a strain on social supports and services, however an integrated approach and the positive dynamics between adequate and accessible income supports, and public services and supports, can mitigate the negative and costly impacts of poverty. This will however require meaningful changes to Ireland taxation system to ensure we investment in the future needs of Ireland's population.

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<sup>11</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf) (p5)

### Proposal 3

#### Taxation and Investment

8. Broaden the tax base to ensure a revenue stream based not just on income.
9. Officially and strategically recognise the positive interactions between income adequacy, services and supports as a means of meeting and the need for targeted investment in this area.
10. Introduce a “polluter’s pays” tax which protects the environment but also raises revenue from corporations who may be profiting at the expense of the environment. This is another way to increase revenue for the government in a more consistent and proactive manner.
11. Ensure that those furthest away from poverty and who benefit the most contribute the highest level of tax This includes the corporate sector based in Ireland.

### 4: Equality Proofing

EAPN Ireland has consistently highlighted the importance of poverty proofing as part of policy development in order to ensure all relevant policies, including economic policy, are consistent with commitments to reducing poverty, social exclusion and inequality. The Programme for Government contains the commitment to *“develop the process of budget and policy proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights.”* This includes specific commitments in relation to the annual Budget process. As part of Budget 2018 the Government published a report on Equality Budgeting outlining the process it wished to undertake in relation to Equality Budgeting and Budget 2019 expanded pilots on equality budgeting, beyond the initial pilots on gender budgeting, to also include disability and socio-economic status. The process needs to move forward in a transparent and effective manner as part of budget 2020.

The Government also needs to carry out ex-ante impact assessment of all budget measures to ensure they do not have a negative impact on poverty levels and support delivery of the poverty reduction target.

### Proposal 4

#### Poverty Proofing

12. Provide opportunities for regular engagement with members of Community and voluntary sector with expertise on poverty, socio-economic status, gender and disability, for the purposes of informing pilot initiatives of equality budgeting.

## 5: Welfare to Decent Work

We believe that those in employment should receive an income that ensures they are living above the poverty line and achieving a Minimum Essential Standard of Living. The Irish economy will hit 'full employment' in 2015 with the unemployment rate falling to 5.4% in Q4 of 2018. However, the European Commission Country Report for Ireland 2019 recognises that *"nominal compensation per employee grew by 0.9 in 2017, and it is estimated to have reached 2.7% in 2018...this remains slightly lower than could be expected..."*<sup>12</sup>. Despite achieving full employment, there have not been proportionate wage increases to match the growth in employment and job uptake in Ireland. This raises questions around the quality of jobs, job security and adequacy of wage levels currently on offer within the growing Irish economy. We believe quality secure jobs and decent pay are more representative of positive economic and social growth than the rudimentary measurement of employment versus unemployment.

The Country Report for Ireland 2019 indicates that Ireland has a particularly low level of labour market participation for low skilled workers and women. The gap between the employment rates for high, medium, and low skilled workers is one of the highest in the EU in 2017 (despite decreases since 2014). The report also states that *"In 2017, 54.2 % of inactive Irish females reported caring responsibilities as the main reason for inactivity, against an EU average of 31 %"*<sup>13</sup>. We also see within the CSO Labour Force Survey Employment Series Q2 2018, that 1 in 10 employees are on a temporary contract and that significant numbers of those in part time work are considered to be underemployed, meaning they would like to work more but an increase in working hours is not available. This is backed up by the EU Country Report for Ireland 2019 which states that approximately a quarter of all part-time employees in Ireland in 2017 would take fulltime employment if they could find it.<sup>14</sup>

The high level of part time work, temporary/contract work, and the discrepancies between the employment levels of high skilled, medium skilled and low skilled workers are some of the features behind the full employment versus slow rates of wage increases within the Irish economy. This is also reflected within findings in MESL 2019 that indicate that earnings from minimum wage jobs are not enough to achieve income adequacy relative to the cost of living. The low participation of women and low skilled workers in the labour market, highlights the need for dedicated investment in training and up skilling for low skilled/medium skilled workers as well as significant investment in supports and services such as secure affordable childcare and affordable accommodation across Ireland, to ensure women who wish to take up employment can do so.

Future Jobs Ireland 2019 has a target of 3 percentage point increase in overall participation rates for people aged 25 to 69 years to 78% by 2025 with higher increases for females and older people. In order to achieve this target and the aims within Future Jobs, the framework must recognise the specific needs of women within and seeking to enter the work force. It must also address the low

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<sup>12</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf) p8

<sup>13</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf) p35

<sup>14</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf)

participation of low/medium skilled workers in the labour force in Ireland, including older people who wish to take up employment or remain in employment. These groups must also be specifically facilitated in areas such as lifelong learning and up skilling, particularly in relation to digital skills as part of Future Jobs Ireland.

In recognition of a person's right to decent work, EAPN Ireland welcomes the Employment (Miscellaneous Provisions) Act 2019 as a step in the right direction in tackling the problem of precarious work. This Act offers protection to employees by banning zero hours contracts, requires the provision of written evidence around terms and conditions of employment within 5 days of starting work, and enables greater certainty around working hours. We ask that this legislation is monitored closely to ensure its full implementation and enforcement of worker rights.

We also call on the Government for a gradual movement towards the living wage in tandem with the plans to benchmark social welfare rates. MESL 2019 highlights the precarious situation of minimum income households, whereby achieving adequacy relies heavily upon the availability of secure employment with regular hours, the availability of affordable childcare (Community Childcare Subvention), and housing (differential rent as part of social housing being the preferable option as opposed to HAP alongside a top-up) as well as effective, well designed in work supports (built upon the Working Family Payment/One-Parent Family Payment). It is vital to note however that these assumptions are unlikely to be fulfilled across the board in the current climate, particularly in relation to housing, access to childcare, and the guarantee of secure employment, and as such represent a "best case scenario" regarding, for example, a household with children relying upon minimum wage.<sup>15</sup>

The MESL research 2019 also presents scenarios at rates of pay above the minimum wage, to highlight possible structural issues and poverty traps in the operation of in-work supports such as the Working Family Payment, One-Parent Family Payment, the Community Childcare Subvention Plus scheme, as well as the impact of housing costs. Minimum wage rates cannot be expected to address poverty and income inadequacy alone. Rates of pay, including the minimum wage, do not take account of household composition, number of people dependent on a wage, etc. Social supports must work in conjunction with an adequate minimum wage floor, in order to facilitate additional and different needs.<sup>16</sup>

### **5.1: Making work pay for people with disabilities**

The European Commission 2019 Country Report for Ireland once again highlights that Ireland has one of the lowest employment rates for people with disabilities in the EU (26.2 % compared to 48.1 % in the EU in 2017).<sup>17</sup>

The Comprehensive Employment Strategy for People with Disabilities must be implemented alongside effective measures for making work pay for people with disabilities. We also believe that People with Disabilities must be included in measures for lifelong learning and digital upskilling as per the aims of Future Jobs Ireland. People with Disabilities incur extra costs and these require

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<sup>15</sup> [https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf) P 7

<sup>16</sup> [https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf) p29

<sup>17</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-ireland\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf) p38

special measures to guarantee an adequate income. The recommendations from the report to Make Work Pay for People with Disabilities are therefore most welcome and need to be implemented. We also welcome the recent request for tenders from the Department of Employment and Social protection for a research into the cost of disability, which was part of budget 2019, and which we hope will be completed by year end.

## **5.2 Making work pay for lone-parents**

Recent reforms to the One Parent Family have exacerbated the prevalence of poverty experienced by lone parents, these include the abolition of features that enabled lone parents to take up part time work and education. A review of the reforms published in 2017 around the One Parent Family Payment indicated that despite a slight increase in full-time employment, the majority of lone-parents were worse off financially.<sup>18</sup>

We believe those on the Jobseeker Transitional (JST) payment should be seen as a distinct group with a specific set of needs. The time spent on JST is a unique opportunity to invest in a package of supports and services which ensure that parents have the best chance of transition into the labour market. The Department of Employment Affairs and Social Protection can offer JST recipients flexibilities in acknowledgment of these needs and/or widen access to JST for other lone parents who are currently excluded. Those lone parents whose youngest child is between 7 and 14 years cannot retain the JST if they are in work. This poses challenges for many lone parents, many of whom still incur childcare and after school care costs.

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<sup>18</sup> [https://www.welfare.ie/en/downloads/DEASP\\_OFP\\_Review.pdf](https://www.welfare.ie/en/downloads/DEASP_OFP_Review.pdf)

## Proposal 5

### Welfare to Decent Work

- 13. Incrementally increase the National Minimum Wage to a living wage, calculated as €11.90 for 2018 by the Living Wage Technical Group. (This should occur in tandem with the 'progressive realisation' of benchmarking social welfare rates to MESL)**
- 14. Implement the proposals in the report to Make Work Pay for People with Disabilities.**
- 15. Long-term strategic investment in services and supports order to address the barriers to higher labour market participation and achieving the Minimum Essential Standard of Living for those on lower incomes e.g. quality affordable childcare, housing, secure regular employment**
- 16. Increase earnings disregard to €162.62 to restore supports to 2011. Before the 2012 cuts were introduced, the earnings disregard equated to 16.9 hours of National Minimum Wage employment.**
- 17. Lone parents who are in employment, whose children are aged between 7 and 14 should receive both Jobseeker's Transition Payment (JST) and Working Family Payment (WFP) to make work pay.**
- 18. Make 15 hours per week the threshold for the Working Family Payment, current threshold of 19 hours for this payment can be shared between two working adults in two-parent families, while one-parent families must reach this alone.**

## 6: Housing

The European Pillar of Social Rights, which the Irish Government has signed up to, proclaims the right to access social housing for those in need. EAPN Ireland is calling on the budget 2020 to restore the direct build public housing programme and move away from an over reliance on the private market as the main provider of social housing. The current homelessness crisis sees, as of April 2019, 10,378 people are homeless. We see that 1729 families are accessing emergency accommodation. This figure includes 3794 children.<sup>19</sup>

A Public housing programme, facilitating construction by Local Authorities and Approved Housing Bodies, must operate as the main source of provision of secure affordable accommodation to those most in need. The maintenance of public funding streams, for specialised housing projects, for example, via the Capital Assistance Scheme, is also essential even as Approved Housing Bodies continue to move towards capital investment via private

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<sup>19</sup> [https://www.housing.gov.ie/sites/default/files/publications/files/homeless\\_report\\_-\\_april\\_2019.pdf](https://www.housing.gov.ie/sites/default/files/publications/files/homeless_report_-_april_2019.pdf)

finance. It is vital that the government is directly funding the construction of new build social and affordable housing in order to directly and meaningfully respond to increasing figures in homelessness and the diminishment in tenure options such as access to home ownership, affordable housing options, stable affordable rents, and direct access to public housing offering a differential rent. We reject any long-term use of family hubs and co-living accommodation options which are not representative of a secure housing tenure option, instead representing a serious regression in tenants' rights (tenancy agreement versus license agreement).

The MESL research has highlighted that households that cannot access differential rent and therefore rely on the private rental market are much less likely to achieve income adequacy.<sup>20</sup> EAPN Ireland also recognise that any social and affordable housing programme must be representative of the needs of those most likely to be experiencing poverty, such as lone parents, households with older children, people with disabilities and members of the Travelling community.

The Housing Assistance Payment and additional top-up, which currently represents the predominant means of assisting those on low incomes to access the rental accommodation, is not responding to the housing crisis and is placing further strain on an already over stretched and overheated housing market. Housing Assistance Payments are unable to proportionately match the increasing rise in rents in the private rental sector in Ireland, with Dublin now being the 5<sup>th</sup> most expensive city in Europe to rent in, climbing 35 places to 26<sup>th</sup>, globally, in the 12 month period 2018 to 2019.<sup>21</sup> Research has also shown that the majority of families who are homeless became homeless due to having to exit private rented accommodation (i.e. landlords withdrawing a property from the market).<sup>22</sup> We believe the housing and homelessness crisis will only increase if the construction of new build social and affordable housing is not prioritised over the uncertainty of social housing provision within private rental market conditions. The private sector has a role to play within the provision of social and affordable housing however not as a main source of housing for low income households.

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<sup>20</sup> [https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf) p9

<sup>21</sup> <https://www.eca-international.com/news/march-2019/irish-capital-enters-top-five-most-expensive-locat> .

<sup>22</sup> <https://www.focusireland.ie/wp-content/uploads/2019/06/Long-et-al-2019-Insights-Vol-2-No-1-Family-Homelessness-in-Dublin-%E2%80%93-Full-Report.pdf>

## Proposal 6

### **Social and Affordable Housing**

- 19.** Investment in a Public housing programme via Local Authorities and Approved Housing Bodies, as the predominant source of social and affordable housing provision, for general and special needs housing, in order to address the increasing homelessness crisis and to ensure security of tenancy and tenants' rights.
- 20.** Construct family housing, particularly 1-2 bed houses, recognising those who are most likely to be experiencing poverty and less likely to achieve a Minimum Essential Standard of living, ie lone parents, one person households, households with older children.
- 21.** Increase the CAS (Capital Assistance Scheme) funding to ensure the construction of special needs and supported housing is not diminished over the long-term.
- 22.** Utilise State land for the provision of social and affordable housing options.