



European Anti-Poverty Network (EAPN) Ireland Submission to Budget 2022

EAPN Ireland's Proposals

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The European Anti-Poverty Network Ireland is made up of 170 local and national organisations representing and working with people experiencing poverty.

EAPN Ireland welcomes the opportunity to make a submission to Budget process for 2022. Research shows that the annual public service cost of poverty to Ireland is almost €4.5bn.¹ Ireland is on the brink of moving beyond the COVID-19 crisis, and this presents an important and unique opportunity for the Government to develop socially inclusive policy and implement initiatives for the benefit of social and economic progress and as a means of ensuring that Ireland can meet the anti-poverty commitments the Government has signed up to.

The Government recently published its Economic Recovery Plan and a summary version of the Recovery and Resilience Plan. The Economic Recovery Plan focuses on rebuilding the Irish economy, supports for employment and enterprise and assisting people to return to work. The Plan also states that the recovery must adopt a balanced approach, addressing regional discrepancies, boosting wellbeing and raising living standards. In addition, the summary Recovery and Resilience Plan announces Ireland aims and ambitions around advancing a green transition, a digital transition, social and economic recovery and Job creation. Both plans have commonalities and cite aims that are focused on economic and societal progress, post pandemic transition and transformation. However, a sustainable and inclusive recovery can only be achieved if the core of this recovery is justice, equality and impactful policies that address poverty. Consistently throughout Covid-19, dedicated research and grass roots feedback from within the Community and Voluntary Sector has shown that Covid-19 had the greatest impacts on those in society that were furthest behind prior to the pandemic. The strategies and subsequent policy development that are formed to lead us out of the Covid-19 crisis must be address the inequalities and poverty which existed before the pandemic and have been further perpetrated by the pandemic, specifically the groups that suffered the greatest negative consequences. Budget 2022 has an essential part to play in ensuring Ireland can move forward in a manner that focuses on social inclusion for the benefit of those most likely to be at risk of living in poverty. Ireland has signed up to a range of anti-poverty commitments, including the European Pillar of Social Rights, the Global Sustainable Development Goals and national strategy the Roadmap for Social Inclusion which aims to reduce consistent poverty to 2% by 2025, a commitment also contained in the Economic Recovery Plan. These commitments can be met if the annual budget, including budget 2022, contains a concerted effort to address poverty and inequality through initiatives including the progressive realisation of income adequacy and adequate investment in public services.

¹ <https://www.svp.ie/getattachment/869467cb-2d60-4fe2-b612-a8c6e4357cdc/The-Hidden-Cost-of-Poverty.aspx> p6

1: Investment in Public Services

The annual budgetary process must recognise the importance of consistent and adequate investment in public services. Public services are most likely to be used by low-income households and those living in poverty as a means of meeting basic and essential needs and accessing supports, low-income households are far less likely to have the capacity to access services within the private market.

Investment in public services however requires Ireland to broaden the tax base. The EU Country Report for Ireland 2020 acknowledges that Economic activity in the years preceding 2020 and the onset of the pandemic, was strong in Ireland. GDP grew by 6.6% year-on-year in the first half of 2019. However, it is recognised that the headline figures for GDP disproportionately rely upon the activities of multinational companies operating in Ireland.²

Ireland must examine its volatile reliance on multinationals and seek to broaden our tax base in order to protect and secure the provision of public services moving forward, especially in light of an aging population in Ireland.

1.1 Health

“Everyone has the right to timely access to affordable, preventive and curative health care of good quality.”³

Ireland health service has experienced a level of pressure and demand in response to covid-19. In order to address the health needs of Ireland and respond to this medical crisis. This involved the integration of our public and private health services at great cost to the exchequer to ensure that public hospitals could respond to the extra strain and stress of responding to a national medical and social emergency.

The importance of a universal healthcare system cannot be underestimated and its vital importance highlighted due to the COVID-19 crisis. The implementation of Sláintecare as a priority in order to achieve this is essential. It is particularly important as we try to move beyond COVID-19 to a point where we live with and manage the impacts of the virus, but also respond to the ramifications relating to other health issues supports and services that were impacted or delayed due to the pandemic. We welcome the Government commitment in the implementation plan for Sláintecare to address health inequalities, as well as the commitment to Progressing Healthcare reform under Slainte Care as part of the National Recovery and Resilience Plan.⁴

There must be ongoing and adequate funding to ensure that the implementation of Slaintecare is conducted as a priority over the next 12 months and beyond in order to mitigate health inequality in Irelands most disadvantaged and marginalise communities.

In August 2020 EAPN Ireland published a research report entitled *Giving health inequalities a Voice*. This research report was conducted pre-COVID 19 and with the participation of disadvantaged communities who are most likely to experience social exclusion including health inequality. This research highlighted the common health inequalities experienced within these communities, including reduced life expectancy. The report also highlights the Intersection between poverty and health inequalities, access to services and supports within disadvantaged communities, income inadequacy and the link between quality affordable housing and long term health outcomes. The

² https://ec.europa.eu/info/sites/default/files/2020-european_semester_country-report-ireland_en.pdf p9

³ https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-20-principles_en

⁴ <https://www.gov.ie/en/publication/d4939-national-recovery-and-resilience-plan-2021/> p7

implementation of Sláintecare, with a focus on reducing health inequality, is essential to Ireland meeting its commitments under the European Pillar of Social Rights and under the European Child Guarantee, meeting Ireland's the funding and resources to do this must be made available on an ongoing basis starting with Budget 2022.

You can view recommendations from "Giving Health Inequality a Voice" to address health inequality from communities experiencing inequality as well as from EAPN Ireland [here](#) (starts p6).

EAPN Ireland Recommendations Budget 2022

- Prioritise and accelerate the implementation of Sláintecare by ensuring adequate funding for the implementation of Sláintecare in order to secure a single tiered universal health care system that aims to facilitate affordable, quality, and efficient access to health services, with a focus on reducing health inequalities for those on low incomes and within marginalised communities.

1.2: Housing

As of April 2021, there were 8082 people homeless in the week of April 19th to April 25th in Ireland. This consists of 925 families accessing emergency accommodation including 2,193 children. The number of homeless families has increased by 232% since July 2014 when the monthly figures started being published.⁵ This includes 2,193 children. In June 2021 the Irish Government signed up to a number of further anti-poverty commitments. This includes the European Child Guarantee, which through signing, Ireland agrees to guaranteeing children access to basic services, including housing. This ties in with the European Declaration on Combatting Homelessness, another recent anti-poverty commitment which the Irish Government is a signatory to. This declaration represents the Irish Government's agreement to implement a number of measures to address homelessness and housing needs, including access to permanent housing and the provision of support services to the homeless; as well as support for housing policy measures through adequate funding and, when appropriate, make use of EU funding as a means of addressing homelessness in Ireland.

The issue that presents itself, now that Ireland has signed up to these commitments, alongside a commitment to social housing, adequate shelter and assistance for the homeless contained in the European Pillar of Social Rights, is that the current model for housing provision in Ireland ensures the Government will inevitably fail in meeting its commitments to end homelessness and provide social housing to those in need unless radical change is enacted that will disrupt the dysfunctional speculative nature of the Irish market and the gap between affordable and social housing demand versus the capacity for supply.

New measures proposed under the Affordable Housing Bill 2020 seeks to increase the supply of affordable rental accommodation. The introduction of a Cost Rental Scheme, is a welcome addition as a tenure option within the Irish housing market. However, as per our health care system, a tiered approach to housing can exacerbate inequalities. It must be recognised the Cost Rental Scheme will benefit moderate income earners as opposed to those living on low incomes, the homeless and marginalised groups more likely to be living in poverty.

The need for an increased in differential rent options should not be overlooked. In line with this the Government must examine the discrepancy between the level of HAP payments and market rents,

⁵ <https://www.focusireland.ie/resource-hub/about-homelessness/>

as well as the need for an increase in social housing as provided by Local Authorities and Approved Housing Bodies.

Questions have arisen around the introduction of a shared equity scheme as part of the Affordable housing Bill 2020. The Economic and Social Research Institute has expressed concerns that it will lead to an increase in house prices due to an increase in demand but not necessarily in supply. This perspective is backed up by research conducted by UK Controller and Auditor General on the impact of the scheme on the UK housing market and how it has led to an increase in profits for private developers. The role of private developers in the provision of social and affordable housing via the must also be scrutinised and regulated. The Government must ensure that this legislation, and other measures introduced in order to reform the housing market, do not result in unintended consequences, such as increases to housing prices and pushing those living below the poverty line deep into poverty due to a lack of affordable rental options for those with inadequate incomes. The need for Government to investment in social housing and move away from provision of low-income housing via the private sector was recently backed up by the ESRI who have stated that Ireland will not meet the demand for housing unless the Government moves to borrow an additional 4 to 7 billion a year⁶. The research also references the elevated cost of housing in Ireland as one of the main reasons for the high cost of living in Ireland relative to other EU countries.⁷ If Ireland is to meet its anti-poverty commitments, then housing must be accessible to all with a dedicated focus on secure permanent housing provision for those who are homeless and most likely to be living in poverty.

There is a need for direct capital investment, in social housing provision specifically towards groups poverty such as people with disabilities, Travellers, single parent households (predominantly led by women), single person households and long term unemployed. An increase in provision of social housing specifically targeting those living in consistent poverty must be a significant part of public expenditure for Budget 2022.

EAPN Ireland Budget 2020 Recommendations:

- Increased investment in the provision of social and affordable housing with differential rent options, as provided by Local Authorities and Approved housing bodies, for the benefit of households most likely to be living in poverty and experiencing homelessness.
- Ensure that HAP payments are aligned with market rent increases
- Ensure a poverty impact and equality impact assessments on housing legislation and policy to ensure there as no unintended consequences as per concerns expressed regarding Housing Affordability Bill 2020.

⁶ https://www.esri.ie/system/files/publications/QEC2021SUM_SA_MCQUINN.pdf p8

⁷ https://www.esri.ie/system/files/publications/QEC2021SUM_SA_MCQUINN.pdf p5

2: Making Work Pay

There is a strong focus within the Economic Recovery Plan on employment activation supports, particularly for those distant from the labour market, this is welcome given the high rates of unemployment as a consequence of Covid-19. In April 2021, we see that the Covid-19 adjusted unemployment rate was 22.4%. While this is lower than the April 2020 rate of 30.5%, the impact of Covid-19 on unemployment rates is still significant.⁸ Within the Economic Recovery Plan the overall ambition is to exceed pre-crisis employment levels by having 2.5 million people in work by 2024.⁹ However it is not enough to focus on employment activation, if it does not lead to decent secure work and a living wages. Announcements made as part of Budget 2022 have an important role in ensuring the employment activation policies focus on those who require the most support and that such policies are ambitious in their commitment to decent secure work.

Underpinning this commitment is the publication and implementation of the Pathways to Work strategy 2021-2025. EAPN Ireland has called for employment activations services under the Pathways to Work strategy to adopt a holistic person-centred approach. Within the recently published Recovery and Resilience Plan, a Work Placement Experience Programme has been announced in order to keep those unemployed close to the labour market. It is essential that the core aim within the ambitions of the Economic Recovery Plan, the national Recovery and Resilience plan, and Pathways 2021-2025 is quality jobs and job security. It is important that work placement programmes do not become an avenue through which employers secure unpaid or poorly paid labour with no supported route towards decent work and income adequacy. Employment activation under Economic Recovery Plan, the new Pathways strategy and the Recovery and Resilience Plan must have a commitment to focus on those who are most likely to be living in poverty and those who are part of marginalised communities who are most likely to experience unemployment¹⁰ and are more likely to be living in poverty,¹¹ this includes people with disabilities, migrants, Travellers, one parent households. Employment activation has a significant part in ensuring Ireland can meeting its commitment to reduce consistent poverty to 2% as per the Roadmap for Social Inclusion.¹²

EAPN Ireland Budget 2022 Recommendations:

- Utilise Budget 2022 as a platform for the development of policy and initiatives that ensure job creation under the National Economic Plan, the Recovery and Resilience plan, and the revised Pathways to Work strategy lead to decent secure work
- Initiate the introduction of the Living Wage as per the Government in the Programme for Government and Economic Recovery Plan. This must meet the standard of the Living Wage Technical Group which is €12.30 in 2020/21 for a single person working full time.
- Ensure that employment services developed under new pathways are non-profit and adopt a holistic, person centred approach with a specific focus on marginalised communities and groups most distant from the labour market.
- Ensure the full implementation of recommendations within The Comprehensive Employment Strategy for People with Disabilities

⁸ [Monthly Unemployment April 2021 - CSO - Central Statistics Office.](#)

⁹ [gov.ie - Economic Recovery Plan \(www.gov.ie\)](#) p15

¹⁰ [Monitoring decent work in Ireland \(ihrec.ie\)](#)

¹¹ [SILC-Briefing-2019-Final.pdf \(eapn.ie\)](#)

¹² <https://www.gov.ie/en/press-release/0b2e3d-minister-doherty-publishes-roadmap-for-social-inclusion-2020-2025/> p5

3: Income adequacy for those on Social Welfare

“As well as the tragic loss of life, the Covid-19 pandemic is imposing significant socioeconomic costs on those already struggling to make ends meet. Research and data show that across the world the impacts are highly unequal and are exacerbating existing inequalities (Adams- Prassl et. al. 2020).”¹³

Part of Ireland's post pandemic recovery for our economy and society, as well as to ensure Ireland meets its anti-poverty commitment, must include a focus on income adequacy. The pandemic has clearly hit hardest those who were furthest behind pre pandemic.

Research has shown that Minimum Wage employees are more likely to work in sectors that have been most affected by the Covid 19 Pandemic.¹⁴ Research conducted by the Vincentian partnership for Social Justice consistently reveals that households on Minimum Wage are unable to meet their basic needs without an array of income support and public services and supports in place i.e. access to housing with a differential rent. The MESL research also reveals that despite social welfare payments gradually moving closer to adequacy in the past number of years, payments are still inadequate for many, with specific households experiencing long term “deep inadequacy”, meaning, “consistently inadequate income doing without what is required to meet basic needs, to take part in normal activities, and to participate in society.”¹⁵ The MESL research revealed that deep inadequacy is exclusively found in households headed by one adult (such as single working-age adults and lone parent households, the vast majority of which are led by women) and households with older children.¹⁶

The findings of MESL are in contrast to last year's announcement of a non-means tested Pandemic Unemployment Payment (PUP) in response to the economic fall-out of Covid-19. The initial Covid-19 Pandemic Unemployment Payment, set at flat rate of €203 per week, equivalent to a Jobseeker's main claimant, received extensive criticism due to the inadequacy of the payment versus the cost of living. In response, on March 26th 2020, the Government announced that the PUP would increase to €350 per week. This u-turn by the Government essentially introduced the operation of a two-tiered welfare system in Ireland, with a higher rate of payment available to those made unemployed during the pandemic, but not for those accessing social welfare prior to the pandemic. Many people, such as people who experience higher living costs as a result of having a disability, are expected to survive on inadequate social welfare payments for the rest of their lives, and struggle with poverty and social exclusion as a result. The experience of COVID-19 highlighted this inequality.

Budget 2021 did not see any increase to core social welfare rates for the second year. The Government has also now outlined a plan to discontinue the PUP in its Economic Recovery Plan and does not address the role of income adequacy in Ireland's recovery, in order to address inequality and poverty.

Members of the EAPN Ireland Basic Necessities Working Group, formed at the end of 2020, have noted that 2020 saw a significant increase in the requests for help with basic items such as food, baby items, heating hygiene products to name but a few. However, the group notes that an increase in demand preceded the pandemic.¹⁷ Not being able to afford basic items is a sign of deep-rooted poverty and inequality that has no place in Ireland in 2021. The root cause of this material deprivation is income inadequacy.

¹³ [PowerPoint Presentation \(svp.ie\)](#)

¹⁴ [A comparative assessment of minimum wage employment in Europe \(esri.ie\)](#)

¹⁵ https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf p16.

¹⁶ https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf p15

¹⁷ <https://www.eapn.ie/wp-content/uploads/2021/05/Meeting-Basic-Needs-Final-May-27.pdf> p2

The Government has committed to a living wage as part of the Programme for Government and the Economic Recovery Plan. The Government also recommends engaging in research on the best approach to piloting a universal basic income based on international best practice. EAPN Ireland welcomes these initiatives. However, we strongly recommend that the development of both policies must be rooted in providing an income which is adequate, to achieve a minimum essential standard of living and lift people above the poverty line.

EAPN Ireland Budget 2020 Recommendations

- Utilise budget 2022 as a starting point for the progressive realisation of benchmarking social welfare rates to a level that is adequate to lift people above the poverty line and provide them with a Minimum Essential standard of Living (MESL) .
- An increase to Disability Allowance and other disability payments as a temporary measure, until the Cost of Disability study is completed and can be used as the basis for a proper cost of disability provision
- Progressive restoration of entitlement to the full rate of Job seekers for those aged 18 to 24

4: Just Transition

“In Ireland, understanding the transition in terms of local places and geographies could help the examination of issues around the rural and urban experience. Rural communities, while having the potential to make changes if supported, will face challenges that are not necessarily faced to the same extent by those in urban areas” (OECD, 2018c).

The recently published summary of Ireland’s Recovery and Resilience Plan reports a total spend of €503 million by the Irish Government on measures to advance a Green Transition. This includes welcome commitments including large scale retrofitting and decarbonisation for enterprise. However, the Recovery and Resilience Plan for Ireland presents the Government with a unique opportunity to integrate Ireland’s move to reduce our carbon omissions and move to green industry with our anti-poverty commitments and a move to address energy poverty. Our climate change policies and the Just Transition process must align with Ireland’s anti-poverty commitments to ensure that the burden of meeting our climate change aims does not lie with those in society that are most marginalised and most likely to be living in poverty. The National Economic and Social Council research report, “Addressing Employment Vulnerability as Part of a Just Transition in Ireland” highlights an approach to a Just Transition that embeds social justice and climate justice into climate and economic policy and the importance of “developing inclusive place-based development and investment...a place-based approach that recognises specific contexts and communities has value. It shows that developing inclusive place-based strategies that invest in low-carbon and digital ready infrastructure and community, enterprise and household supports can stimulate community action and empowerment. “¹⁸

The EU country Report for Ireland 2020 highlights that regional disparities are among the highest in the EU and increasing. Economic growth follows a distinct geographic pattern with an intense focus around Cork and Dublin, the location of highly competitive multinational companies. In terms of gross value added per capita, the difference between the richest and the poorest region in Ireland

¹⁸ [Transition.pdf \(nesc.ie\)](#) p72

has doubled between 2000 and 2016.¹⁹ Rural areas will most impacted by the move to a green economy, and will be most in need of quality training, decent secure jobs with a living wage, and social welfare payments that are benchmarked against the Minimum Essential Standard of Living.

The new Climate Action Bill which has been processing through the Dail has been criticised for not focusing enough on the impacts of climate change on local communities and marginalised groups or the opportunity for reform that a Just Transition represents, that will address the climate change emergency in a manner that focuses on equality and social inclusion as a driving force behind a just transition. The burden of addressing our climate emergency must lie with industry and large corporations and this must be expressly stated with our Climate Action Legislation. A disjointed approach to the green transition, which amounts to a series of disconnected individualised aims will not result in a just transition for all nor will it amount to a sustainable approach to addressing a climate emergency or the advancement of a green economy. The annual budgetary process, including budget 2022, has an essential role to play in facilitating equitable progress under Just Transition policies and initiatives.

Addressing the emergency issue of Climate change can actively be a process that addresses inequality and social exclusion. This approach has been applied in Scotland where a Just Transition is seen as an opportunity for a Fairer and Greener Scotland. The Just Transition Commission in Scotland believes climate action can be a driver for positive social change and an increase in population well-being. This includes plans for a Just Transition where high-emitting industrial sectors of the Scottish economy have clear milestones up to 2045, a focus on real income for different groups and geographical areas, distributional measures of income and poverty indicators. This commission also recommends that all public funding for climate action should be conditional on Fair Work terms.²⁰

The Scottish approach to a Just Transition provides the Irish Government of a template for what can be achieved when the ambition to address climate change is combined with aims to achieve a fairer most just society for the betterment of everyone.

EAPN Ireland Budget 2022 Recommendations

- Investment in a low carbon transport system that enables people to access the supports and services they need, specifically in rural areas where transports cost are most likely to cause households to live below the poverty line.
- Ensuring appropriate social protection services and infrastructure adequate and accessible social welfare supports those who are most impacted by the Green Transition and climate change, as a means of protecting against poverty and social exclusion as per Ireland's anti-poverty commitments.
- Announce as part of Budget 2022 an expansion and increase just transition funding for specific communities and regions across Ireland.
- Ensure that the move to a green economy provides decent secure work with a living wage
- Introduction of Social Clauses into Just Transition tendering process that benefits and encourages local and community business development as part of the Green transition.

¹⁹ https://ec.europa.eu/info/sites/default/files/2020-european_semester_country-report-ireland_en.pdf p8

²⁰ <https://www.gov.scot/publications/transition-commission-national-mission-fairer-greener-scotland/pages/6/>

5: Community Development

It is important to recognise that many communities have experienced the pandemic from a position of disadvantage. As the crisis point passes, the Government must seek to put in place sustainable and long-term structures around our communities that will ensure those most in need are not left behind during the inevitable recovery period. This must involve a firm commitment to a properly funded autonomous community development programme within disadvantaged communities.

It is estimated that between 2008 and 2011 disproportionate cuts were made to the community and voluntary sector by the Government, estimated at between 35 to 41%, far higher than cuts made to other sectors, (of approximately 7%).²¹ Budget cuts were accompanied by changes in how community development programmes were funded. A top-down individualized service delivery approach replaced more collective forms of engaging communities, in identifying their own priorities, and working as key actors with others to bring about the changes that are needed to improve the lives of people in their communities.

A Government commitment has been made in the five-year strategy to support the Community and Voluntary sector in Ireland for the period 2019-2024, including a sustainable funding model for 'core funding for autonomous community development and local development at local level, including employment of professional community workers' EAPN Ireland welcomes the commitment in the Programme for Government to introducing a number of projects similar in approach to Community Development Projects and the initial allocation of €1 million in Budget 2021 for a pilot Community Development Pilot Programme. This is an important first step to build on and must be expanded as part of Budget 2022. A well-funded and resourced autonomous Community Development Sector ensures that the most socially excluded communities can take an active part in the process of policy development and ensuring it is effective in addressing their needs and the issues they face within their communities.

EAPN Ireland Budget 2022 Recommendation

- Announce as part of budget 2022 significant investment to fund autonomous community development as per the aims of the 2019 Government strategy "Sustainable, Inclusive and Empowered Communities" and further expansion of the Community Development Pilot Programme

6: Equality Budgeting

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. Budget 2019 committed to expanded pilots on equality budgeting, beyond the initial pilots on gender budgeting, to also include disability and socio-economic status. While this commitment was welcome EAPN Ireland is concerned at the lack of progress in expanding equality budgeting to socio economic status and poverty.

The Government also needs to more effectively carry out ex-ante poverty impact assessment of all relevant budget measures to ensure they do not have a negative impact on poverty levels and inequality and support the delivery of the national poverty reduction target. This is already a requirement as part of Regulatory Impact Assessment. This would be congruent with the anti-poverty commitments the Government has signed up to including the Roadmap for Social Inclusion

²¹ http://irc-equality.ie/wp-content/uploads/2018/11/Kelleher_O'Neill_2018_Paper-on-the-Destruction-of-Community-Development.pdf
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2020-2025, the UN Sustainable Development Goals, the European Pillar of Social Rights. This would also include the full implementation of Poverty Impact Assessment Guideline across the Government.

EAPN Ireland Budget 2022 Recommendation

- Commit to the full inclusion of socio-economic status and poverty as part of the remit for equality budgeting
- 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.
- Improve the implementation of effective and transparent ex-anti Poverty Impact Assessment

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