



European Anti-Poverty Network (EAPN) Ireland

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National Reform Programme Submission 2022

EAPN Ireland welcomes the opportunity to provide a submission to the National Reform Programme 2022.

The Government has in the past year introduced a number of policies and strategies, including the National Recovery and Resilience Plan and the Economic Recovery Plan, in response to the COVID-19 crisis. These strategies focus primarily on economic recovery with references to social reform and progress. EAPN Ireland believes that Ireland's post covid recovery moving forward must be built upon a foundation of equality and social inclusion. It is not possible for the aims of current Government recovery strategies to be met unless the fundamentals of inequality are addressed, providing robust social structures upon which the economy and society can grow and develop. The National Reform Programme must be adequately resourced and represent a whole of Government approach in order to implement current aims and ambitions, this is particularly important in relation to the anti-poverty commitments the Government has signed up to.

Honouring Ireland's Anti-Poverty Commitments

Ireland has signed up to a range of anti-poverty commitments including the European Pillar of Social Rights, the Sustainable Development Goals, as well as the Roadmap for Social Inclusion, which aims to reduce consistent poverty to 2% or less by 2025. This is alongside aims within the Implementation plan for the European Pillar of Social Rights, including Ireland's contribution to reducing the number of people at-risk-of-poverty or social exclusion by at least 15 million by 2030, (5 million of these should be children.) In order for Ireland to meet these commitments it will take significant investment in a range of anti-poverty measures including adequate and accessible public services such as housing, health, child-care, and education, in addition to decent work and income adequacy. Much of this is also reflected in the EU Country Specific Recommendations to Ireland over a number of years.¹

Ireland is now entering its post-COVID recovery phase, we are also in a period where households are bearing the burden of increased living costs.² Ireland's Central Bank has hiked its inflation forecast for 2022 to 4.5% from 2.9%.³ The EU also increased its forecast for inflation in Ireland for 2022 to 4.6% from the 3.1% prediction.⁴ In December inflation in Ireland increased to 5.5 percent its highest rate in two decades.⁵ This economic uncertainty is entwined with the impacts of the COVID crisis which research has shown disproportionately impacted those who are most marginalised across Europe⁶ and particularly groups who were already living in poverty pre-pandemic.

¹ <https://data.consilium.europa.eu/doc/document/ST-8426-2020-INIT/en/pdf>

² <https://www.cso.ie/en/statistics/prices/consumerpriceindex/>

³ https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2022/2022-01-13_inflation-issues-for-ireland-2022_en.pdf

⁴ <https://ec.europa.eu/eurostat/documents/2995521/14233881/2-02022022-AP-EN.pdf/ae797c3b-899c-8d61-afd6-a08eb5f086f6>

⁵ <https://www.cso.ie/en/statistics/prices/consumerpriceindex/>

⁶ <https://ec.europa.eu/jrc/sites/default/files/jrc121598.pdf>

The economic aims as represented within our National Recovery and Resilience Plan and the Economic Recovery Plan, around a green economy, jobs creation and a digital transition, as well as wider objectives regarding taxation and welfare policy, and decent living standards, will be very difficult to achieve if government policy does not take action to address the impacts of the cost of living as well as the increased pressure on social structures and supports, including a lack of housing supply and large waiting lists within our health services. It is essential that that the National Reform Programme recognises the importance of addressing poverty as an intrinsic aspect of Ireland’s social and economic policies moving forwards.

Increasing the provision of Social Housing by Local Authorities and Approved Housing Bodies

One of the recent EU country recommendations for Ireland was to address the housing crisis by increasing the availability of social and affordable housing. In the past 18 months the Government has introduced a number of legislative measures seeking to address the housing and homelessness crisis in Ireland. This includes the Land Development Agency Act 2021 and the Affordable Housing Act 2021 as well as Government housing strategy Housing for All. Ireland’s housing policy since 2009 has represented and overinflated dependence upon the private sector in order to respond to social housing need. This has resulted in a steady increase in homelessness in Ireland since 2013. In the past 12 months, alongside the social and economic uncertainty of the pandemic, we are also seeing an increase in rents and house prices across Ireland in addition to housing supply reaching close to an historic low.⁷

House prices are also close to levels not seen since “Celtic Tiger” days in Ireland.⁸ The Housing Assistance Payment cannot respond to the level of housing need for low-income households within the private rental market. The need for an increase in access to differential rent options, in order to respond to the housing needs of those living in poverty, including single parent households and people with disabilities, cannot be underestimated.

The role of private developers in the provision of social and affordable housing supply must be examined in Ireland. Questions need to be raised around a “for-profit” approach to social inclusion. This is particularly pertinent to the Land Development Agency Act 2021 and the introduction of the Shared Equity Scheme as part of the Affordable Housing Act 2021. We must ensure that this approach to social and affordable housing provision doesn’t in fact result in additional price and rent increases in an already dysfunctional housing market. The Cost Rental Scheme, whilst a welcome addition to the provision of affordable housing, is dependent upon costs incurred during the construction of housing as a means of rent setting. Given that construction costs are on the rise (99% of builders reported a year-on-year increase in the cost of raw materials, and nearly all expect that trend to continue.⁹), it is clear that it is not a housing option currently fit-for-purpose for households living in consistent poverty. It is important to note that CSO SILC 2020 results show that the cost of renting has a major impact on the risk of poverty with almost half (49.8%) of those who rented from a local authority and 55.9% of those renting in the private rental sector -(i.e. accessing housing supports such as the Housing Assistance Payment, Rent Supplement, or the Rental

⁷ https://ww1.daft.ie/report/ronan-lyons-2021q4-daftrental/infographic?d_rd=1

⁸ https://www.ipav.ie/sites/default/files/ipav_barometer_report_19.08.20b_web.pdf

⁹ <https://www.rte.ie/news/business/2022/0117/1274063-building-costs-survey/>

Accommodation Scheme) are at-risk-of poverty after the cost of rent was deducted from their income.

The legislation in Ireland regarding the state provision of social housing is strong as it is relevant to Local Authorities and Approved Housing Bodies. Both Local Authorities and Approved Housing Bodies must be at the forefront of provision for groups most at-risk-of poverty if we are to prevent a further escalation in the housing crisis. There is a need for the state to provide direct and adequate funding to Local Authorities and Approved Housing Bodies in order to provide extensive social housing, offering affordable, and specifically differential rent options, if the overall aims of Housing for All are to be met at any significant level. Ireland's housing and homelessness crisis clearly requires immediate and decisive wide-ranging interventions if is not to entirely impede our economic and social recovery from COVID-19, preventing Ireland from meeting its anti-poverty commitments any time in the near future.

Climate Action via a Just Transition for all

The Irish Government has recently announced its National Retrofitting Scheme, (seeking to achieve a target of 500,000 home energy upgrades, to B2 Building Energy Rating (BER) standard, by 2030). This represents the commitments highlighted within Ireland's National Recovery and Resilience Plan around retrofitting as part of the Green economy. However, questions have been raised regarding the implications of this scheme for HAP recipients within the private rental sector. Will the costs of insulation be passed from landlords to tenants? How can evictions be prevented where a landlord decides to retrofit a rental unit? The retrofitting scheme must all be extended to benefit low-income groups renting in poorly insulated private rental accommodation, who are most at-risk-of poverty and will face greater negative impacts of increasing fuel prices. Budget 2022 saw the fuel allowance increased by €5 to €33 per week. The 18% increase contributes towards offsetting at least some of the current exceptional increases in household energy costs. However, it does not match the increase in prices of electricity, gas and fuel in Ireland of 19.6% in the last year, according to the CSO's Consumer Price Index, with even further increases anticipated in 2022. The questions raised regarding the focus of and implementation of Ireland's National Retrofitting Scheme and the impacts on and the benefits for those most at risk of poverty in Irish society, highlight a wider discussion and ongoing consultation that must be had around Ireland's Just Transition and how we can ensure it is integrated with wider ambitions relating to social inclusion, avoiding unintended consequences for marginalised groups by enabling and facilitating anti-poverty policies and initiatives.

The Economic Recovery Plan and Recovery and Resilience Plan for Ireland has a definitive focus on the need for a move to a Green Economy and a Just Transition. It is important the Ireland's commitment to our climate change targets has a cohesive approach and is not just a number of disjointed or disconnected aims and commitments, given that a total of 37% of the expenditure from the Recovery and Resilience Plan is dedicated to climate and other environmental objectives. There is no doubt around the urgent need to move to a green economy so Ireland can meet its climate change targets, however we believe that advancing the Green Transition must involve an integrated approach which combines moving to a green economy with progressive social policy that seeks to address poverty. The onus must be on the industries and corporations, which contribute most to climate change, to bear the burden of impact in the move towards a carbon neutral economy.

Within the regions in Ireland most likely to experience high rates of unemployment due to the green transition, for example the midlands counties, the focus must be on high quality retraining and learning opportunities that provide secure long-term jobs with adequate income. A focus on contractual, temporary, or seasonal employment, in place of the employment security and associated benefits provided by companies such as Bord Na Mona, does not represent a Just

Transition or an equitable transition for those most impacted. An integrated approach to a Just Transition should align the climate action targets with socially inclusive measures to ensure Ireland can meet its anti-poverty targets. This approach is emulated in countries such as Scotland¹⁰ where a Just Transition has been placed on a statutory basis, encompassing a whole of Government approach that aims to progress a green transition while addressing poverty and social exclusion. In addition, there is ongoing and widespread consultation with the Community and Voluntary Sector, civil society and local communities, to ensure the move to a greener economy also represents a move to a more equitable society for all. This provides a template for the Irish Government regarding how Climate action and a Just Transition represents an opportunity to address inequality.

A Government Commitment to Bench marking Social Welfare to adequacy

As highlighted, the rising costs of living is placing significant pressure and strain on households across Ireland, specifically households most likely to be living in consistent poverty (single adult households and particularly those headed by a lone parent, those who are unemployed, people with disabilities). A vital part of ensuring Ireland reaches its target of 2% or less consistent poverty by 2025, is access to income adequacy. This is also part of the Europe Pillar of Social Rights, which the Irish Government committed to in 2017, recognising the right of people to access adequate minimum income, social protection, and unemployment benefits.

The Recovery and Resilience Plan specifically emphasis the need to promote “good living standards”, in the current climate of inflation and strain upon public services, what does this mean? One way of ensuring good living standards, as well as addressing the regional discrepancies highlighted within the EU country Reports for Ireland, is for the Government to officially commit to ensuring households have an adequate income that enables them to purchase all the goods and services required to lift people above the poverty line and meet a minimum essential standard of living. The Minimum Essential Standard of Living (MESL) is based upon research conducted by the Vincentian Partnership for Social Justice, and represents the standard of living below which people should not have to live. This is a standard of living that meets all basic and essential physical, social, and psychological needs. The MESL for 2021 recognises that while social welfare rates have been gradually moving closer to adequacy there is still a number of households living in what the report describes as “deep inadequacy”, meaning household income meets less than 90% of a household composition’s MESL expenditure need. Deep income inadequacy is associated with single adult headed households, when of working-age and dependent on social welfare, as well as Households with older children (age 12 and over) which comprise a majority of cases demonstrating deep income inadequacy.¹¹

The role social protection plays in ensuring good living standards and lifting people above the poverty line is further highlighted in the recent CSO SILC results for 2020. An analysis of the results of this survey highlights for us that *with* the Pandemic Unemployment Payment (which at €350 per week was significantly higher than other working age welfare payments such as job seekers) the at-risk-of-poverty level for 2020 was 13.2%, slightly down from 13.4% in 2018. However, *without* COVID-19 income supports the at-risk-of-poverty rate in 2020 would have been 20.9%. Income adequacy is fundamental to Ireland progressively moving beyond the social and economic impacts of COVID-19 and our commitment to reduce the consistent poverty rate to 2% or less by 2025.

¹⁰ <https://sites.uef.fi/cceel/just-transition-in-national-climate-law-lessons-from-scotland/#:~:text=The%20just%20transition%20principles%20are%20defined%20in%20the%20Scottish%20legislation%20as%3A&text=Under%20the%20legislation%2C%20the%20government,and%20sectors%20of%20the%20economy.>

¹¹ https://www.budgeting.ie/download/pdf/mesl_2021_annual_update.pdf

Decent work and a living wage

The National Recovery and Resilience Plan seeks to reflect the critical role employment plays in supporting Ireland's economic recovery and advancing social inclusion. Ireland's Economic Recovery Plan states an overarching ambition to exceed pre-crisis employment levels by reaching 2.5 million people in work by 2024. The nature of a sustainable and inclusive recovery is not only dependent upon significant increases to employment levels it much also reflect the nature and conditions of "decent work", if we are to achieve a sustainable and equitable recovery. We are now coming to terms with the negative impacts of COVID-19 on different groups in society including the groups who were most likely to experience unemployment, including women, migrants and younger people.¹² The research emerging regarding the impacts of COVID-19 must form an important part of Ireland's policies as they relate to employment conditions and job creation, ensuring labour market access for marginalised groups. The Pathways to Work Strategy 2021 to 2025 will be a key part of Ireland's recovery. This strategy will focus on range of employment activation measures, for example 50,000 additional places in further and higher education, as well as increases in funding to support an extra 3,000 places for those facing labour market disadvantage, including members of the Traveller and Roma communities and people with disabilities. The Recovery and Resilience Plan acknowledges the need for employment and economic policies that complement those to reduce inequality, and promote sustainability, inclusivity and good living standards. However, the Government now needs to define how this can be achieved, including an integrated whole of Government approach to economic growth that promotes and ensures social inclusion. It is essential that measures and initiatives introduced to address inequality receive ongoing and adequate funding in order to address the needs of marginalised groups seeking to secure access to decent employment.

The nature and conditions of work are intrinsic to ensuring households can meet the cost of living and provide jobs that represent quality of employment and not merely quantity. Decent work represents secure working conditions, regular hours, in an environment that respects and enables the rights and dignity of employees while providing access to a living wage. The Programme for Government has committed to the introduction of a living wage, currently at €12.90 per hour for 2022 as indicated by the Living Wage Technical Group.¹³ However, as of yet a living wage has not been introduced with no indication regarding when or if this will happen, despite the ongoing increases in living costs which households are facing. The importance of a living wage in providing decent living standards and lifting people above the poverty line is reflected in MESL research conducted by the Vincentian Partnership for Social Justice, the findings of which reveal that a Dublin single adult earning minimum wage in 2022 would need to work 60 hours of minimum wage employment per week to afford a socially acceptable minimum standard of living.¹⁴ In addition to the need for a statutory living wage, it is also important to note that people with disabilities face extra costs of €9,482-€11,734 extra a year on top of everyday expenses.¹⁵ This is in tandem with the reality that Ireland has one of the highest rates of unemployment for people with disabilities in Europe.¹⁶ As such we see it is not enough to have general aims and ambitions regarding employment creation as a response to Ireland's economic recovery, instead a targeted integrated approach is necessary involving the provision of funding and resources to ensure access to the labour market for marginalised groups, alongside a commitment to income adequacy and access to affordable and accessible public services and supports. Only then will we have a sustainable recovery

¹² <https://www.esri.ie/publications/covid-19-and-non-irish-nationals-in-ireland>

¹³ <https://www.livingwage.ie/>

¹⁴ <https://www.budgeting.ie/publications/budget-2022-1/>

¹⁵ <https://www.gov.ie/en/publication/1d84e-the-cost-of-disability-in-ireland-research-report/>

¹⁶ https://ec.europa.eu/info/sites/default/files/2020-european_semester_country-report-ireland_en.pdf P39

that generates employment but also assists in meeting Ireland's anti-poverty commitments and promotes social inclusion in addition to economic security.

Ensuring Digital Equality and Accessibility

Ireland's Recovery and Resilience Plan and the Economic Recovery Plan aims to accelerate digital reform and transformation in Ireland. It must be ensured that the digital transition is utilised as an opportunity to address digital inequality. The Recovery and Resilience Plan includes some welcome measures, including a move to distribute laptops to disadvantaged students in further and higher education. However, this initiative cannot be merely be viewed in terms of a necessary and emergency response to the pandemic lock downs but instead must be implemented on an ongoing basis, this is especially important during times of increased inflation as is currently being experienced in Ireland. Recent research from SVP indicated that more than 1 in 5 people are struggling to make ends meet, an issue which existed pre-pandemic but has almost doubled since, with the number of people reporting that they are experiencing financial difficulties increasing since the start of the pandemic in 2020, from 9% to 18% in January 2022.¹⁷ For people struggling to pay for basics such as heating, food and rent, purchasing digital devices and consistent quality internet access represents a luxury item for low-income households. The Government must ensure that initiatives are introduced and adequately funded to ensure that the digital transition includes access to digital devices for those in need of support and affordable quality broadband via the National Broadband plan, for marginalised groups and low-income households, including Travellers and people living within direct provision. An important part of our digital transition will also be guaranteeing adequate funding for the duration of and objectives within the Adult Literacy, Numeracy and Digital Literacy Strategy.



Rialtas na hÉireann
Government of Ireland

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¹⁷ <https://www.svp.ie/getdoc/46ee6f34-44ef-4e3f-9c1b-9661c16d8cbd/number-struggling-financially-has-doubled-since-be.aspx>