Introduction

The European Anti-Poverty Network (EAPN) Ireland welcomes the opportunity to make a submission to Ireland’s National Reform Programme (NRP) 2019 as part of our efforts around anti-poverty advocacy and progressive social policy development and its effective implementation within Ireland and across the EU. EAPN Ireland is also a member of the Better Europe Alliance. The Alliance will publish its response to the European Commission’s 2019 Country Report for Ireland in the coming weeks.

In line with the work of EAPN Ireland, our submission specifically focuses on areas relating to poverty eradication and social inclusion. Whilst we recognise the importance and benefits of economic growth, we believe that sustainable economic targets are wholly dependent upon a foundation of positive and dynamic social policy, in and of itself an investment in human potential and ability, which fuels long-term economic growth in every country. Therefore we believe economic targets alone should not become the defining measure of success within the EU.

Ireland, along with countries all across Europe, has signed up to The European Pillar of social Rights as well as the UN sustainable development Goals. Since the last National Reform Programme the EU institutions have proclaimed the European Pillar of Social Rights (EPSR). Delivering on the principles and rights outlined in the EPSR will be done through the European Semester Process. We believe the Irish NRP needs to outline how Ireland is planning to deliver on the rights outlined under the EPSR.

We believe that Europe must seek to examine and develop a strategy to replace the ambitions of EU 2020, and seize this opportunity for EU member states, such as Ireland, to be a figure heads that meaningfully and purposefully integrate SDG goals and the European Pillar for social Rights into future social policy development post 2020.

In this submission we focus on the following areas

1. Taxation and Investment
2. Impact assessment and Budgetary Policy
3. Poverty and Social exclusion
4. Adequate Social Welfare
5. Employment
6. Engagement with the Semester Process

(1) Taxation and Investment
The EU country report for Ireland 2019 acknowledges Ireland’s robust economic growth, which increased by 7.5% in the first 3 quarters of 2018 and is currently well above the EURO average.\(^1\) However it recognises that this figure is inflated by the presence of multinational companies, attracted to Ireland by the low corporate tax rate. The report also emphasises that while Irish tax revenue continues to increase it is at the mercy of corporate tax. Tax revenue continues to increase but the volatility of the corporate income tax remains a concern. EAPN Ireland has concerns around the over reliance of Irish tax revenue on the presence of a small number of multi nationals. Despite increases in corporate tax revenue in 2018, up 27% from 2017, we also see that 10 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 since 2002.\(^2\)

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 and hope these measures can be integrated into budget 2020. EAPN Ireland has long highlighted the need for Ireland to gradually broaden the tax base in order to fund essential public services such as housing, education, infrastructure and other related social supports. We also 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 report highlights the aging population of Ireland and questions the ability of the Irish taxation system to long-term fund current public healthcare provision. EAPN Ireland believes that specific measures need to be under taken in order to address the future needs of Ireland’s aging population and the services and resources that will be required to provide for an aging population. Ireland has not sufficiently engaged in planning for or responding to the changing demographics of its population, which will drastically impact on the nature of and demand for health care provision and the need for supported housing, community supports, as well as impacts on spending around pension provision.

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(2) Impact Assessment and Budgetary Policy

The country report for 2019 states that “prioritising both public and private investment in infrastructure, decarbonisation, housing, innovation, skills and social inclusion is essential for sustainable and long-term inclusive growth”.

As part of ongoing sustainable growth that encompasses both economic growth and investment in public services, for the benefit of social inclusion, EAPN Ireland has been calling for the expansion and effective implementation of poverty proofing for a number of years and welcomes the newly introduced equality proofing which was announced as part of Budget 2018. We also welcome the introduction of poverty proofing through the Single Affordable Childcare Scheme and hope it can be further developed and expanded upon for other schemes.

We believe that the expansion of poverty proofing and the inclusion of social economic status within equality budgeting, enables the Irish Government to monitor progress around Ireland's targets under Europe 2020 and beyond, as well as measure the impacts of annual budgetary policy and provides a means for greater in-depth analysis around semester process recommendations within the country report, therefore informing the response of the government via the National Reform programme.

The implementation of poverty impact assessment needs to be strengthened to make it a more effective tool for preventing the negative impact of policy implementation and supporting the introduction of policy which reduces poverty and its causes in line with targets under EU2020.

(3) Poverty and Social Exclusion

The country report 2019 acknowledges that Ireland has made some progress towards its national targets under the Europe 2020 strategy.

Results from The CSO Survey of Income and Living Conditions 2017 revealed that in 2017, 15.7% of the population, or over 752,000 people, were living below the poverty line (at risk-of-poverty) of €12,521 per annum. This down from 16.2% in 2016.

The report also showed also see that consistent poverty, those who are in consistent poverty because they are living below the poverty line and experiencing material deprivation fell to 6.7%, or 321,000 people in 2017, down from 8.2% in 2016. Consistent poverty levels for children was 8.8%, the national target is to reduce consistent poverty to 2% or less by 2020.

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Findings relating to a reduction in poverty is reflected in the country report for Ireland 2019, which states that the “The population at risk of poverty and social exclusion continues to fall in line with the recovery. The at-risk-of-poverty-or-social exclusion rate was at 22.7 % in 2017 close to the EU average of 22.4 %. A key driver was the high proportion (16.2 %) of people living in households with very low work intensity”.  

While EAPN Ireland welcomes any reduction in poverty, we note that the fall in poverty is not considered to be statistically significant. We also recognise that in particular sections of society the poverty rate is above the reported average for the general population, this includes children, ethnic minorities, homeless households, Travellers, refugees and migrants.

Government policy also continues to operate within the narrow focus of targeting households distant from the jobs market in order to engage them with the work force. The country report for Ireland credits reduced unemployment and increased income as pivotal elements in poverty reduction. Whilst we welcome increases to income and reduced unemployment and recognise them as a very important aspects of poverty reduction and social inclusion, EAPN Ireland believes that a sustainable and long-term reduction in poverty is far more complex and must encompass a holistic and integrated approach, recognising the complexities of individual households, and the need for efficient and effective public services and support, infrastructure, affordable housing, and a well-funded public education system. EAPN Ireland believes that a reduction in unemployment alone, though welcome, does not address the complexities and barriers specific groups living in poverty experience and that an integrated approach must encompass, decent jobs, adequate income, and quality services.

We believe the feedback from the Country report and input via the National Reform Programme, should place an increased focus on and reflect a multi-faceted approach to sustainable poverty reduction rather than any isolated focus on jobs creation. The focus on houses with “low work intensity” as the main factor issue facing the population at risk of poverty or social exclusion fails the recognises the nuances that exist in Ireland regarding households that live below the poverty line, and external factors including the discrimination that certain sections of society experience, based on ethnicity, socio economic status, and race, that act as often impenetrable barriers to accessing particular supports, services, and employment opportunities.

EAPN Ireland also questions ongoing delays to the National Action Plan for Social Inclusion which was due to be published in 2018. We believe the new National Action Plan for Social Inclusion provides an opportunity to introduce sub-targets for other groups with higher than average poverty levels. This would ensure that drops in poverty within the general population do not mask higher than normal poverty levels in other groups within society, and would serve to highlight additional measures Ireland should take in order to target poverty within these groups.

(3.1) Children

The country report specifically highlights the difficulties Ireland is facing around combating child poverty. Despite the improving economy, the CSO Survey of Income and Living Conditions 2017 reveals that 1 in every 5 children are living below the poverty line.⁶ SILC also revealed that single parent families have a higher rate of poverty, 20.7% relative to the general population. On a European level, The EU Survey of Income and Living Conditions (EU-SILC) in 2017 found that among 15 EU countries assessed, lone parents in Ireland had the second highest rate of income poverty, persistent poverty and severe deprivation.⁷

The country report acknowledges measures introduced in budget 2019 such as increases to the qualified child allowance, and income disregard for lone parents in receipt of one parent family payment and jobs seekers transitional payment, however it is clear that these measure alone will not be sufficient to target child poverty and reach the national target of lifting over 70,000 children (aged 0-17 years) out of consistent poverty by 2020.

Unless the issues around adult poverty are also directly addressed, as indicated by the rates of poverty amongst lone parents, then the child poverty target will become redundant. The response to child poverty must be multi-dimensional and integrated as recommended by the report on the National Policy Framework for Children and Young People, “Better Outcomes, Brighter Futures” and include a graduated increase in investment to services such as adequate affordable housing provision, childcare places, education, and health care, and a targeted approach to the overall familial household issues that children are immersed within and born into, such as income adequacy, and availability quality services and support. Children have also been adversely affected by homelessness and the lack of housing supply in Ireland, which, as of September 2018, saw 1910 homeless children living in hotels/guesthouse accommodation.⁸

We must also consider the issue of child poverty in Ireland within context and the 2012 decision to remove lone parent payments when a child reaches the age of 7, a decision reached in tandem with a promise to address obstacles around affordability and availability of childcare provision, an issue which has not yet been adequately addressed. It is clear that the narrow focus by the Irish Government around jobs activation as a significant response to reducing child poverty has not achieved the desired effect.

We welcome the move to set up an interdepartmental group will be set to improve synergies and policies across departments around child poverty and will be anticipating feedback on the progress of the group in its bid to tackle the varied aspects of childhood poverty.

(4) Adequate Social Welfare

EAPN Ireland along with European counterparts have been advocating around the issue of income adequacy, particularly for those living below the poverty line, as part of the European Minimum Income Campaign. The EAPN Poverty fact sheet 2018 states that social welfare schemes are vital because they:

- Ensure that people who receive them can remain active in society; they help them reconnect to the world of work and allow them to live in dignity.
- Help reduce inequality, which benefits the whole society. Evidence from a variety of sources shows that more equal societies perform better on many social and economic indicators and are more stable than more unequal societies.
- High return on investment, while the cost of non-investing has enormous immediate impacts for the individuals concerned and long term costs for society.
- Act as ‘economic stabilisers’. Within the European Union, countries with high-level social protection systems have been best placed to resist the negative impacts of the recent crisis.

EAPN Ireland believes that social welfare payments should:

- Provide people with the Minimum Essential standard of living (a standard established by the Vincentian Partnership, which nobody should have to live below)
- Lift people above the poverty line.

EAPN Ireland supports the intention within the Social Welfare, Pensions and Civil Registration Bill 2018 to introduce a process of benchmarking of social welfare rates, however we believe that social welfare must be benchmarked at a rate which is adequate for the basic and essential needs of a household. MESL represents the notion of adequacy and the belief of EAPN Ireland in progressive realisation, that in order to significantly reduce poverty and therefore reap the societal benefits of poverty reduction, the Irish Government must make a significant move to benchmark social welfare rates to adequacy, that is, the minimum essential standard of living. We believe that income adequacy is vital where there is a shortfall in the provision of services and supports, and in the long term, with consideration to a progressive taxation system, can operates in tandem with investment in supports and services that provide for a minimum essential standard of living. We also believe that adequacy in social welfare payments contributes to and provides a much needed economic stimulus to areas and communities of disadvantage.

EAPN Ireland supports the assertion within the country report for Ireland that recognises the role social transfers plays in poverty reduction. Furthermore The SILC report 2017 indicates that if social transfers are excluded from income, the at risk of poverty rate would
have been 43.8%, a decrease from the 2016 rate of 44.9%. The corresponding figure for 2012 was 50.2%. The decrease between 2012 and 2017 shows a decreasing dependence of individuals on social transfers to remain above the at-risk-of-poverty threshold for this period. ⁹

However it must be noted the 2019 report states that poverty reductions based on social transfers should be “treated with caution, due to the low level of in-kind benefits relative to the high cost in the economy.” ¹⁰ Despite this note of caution, the report goes onto to laud Irleand Minimum income benefits are amongst “the most adequate in the EU” ¹¹

EAPN Ireland disputes the notion of adequacy of social welfare rates for recipients in Ireland and the tendency within Europe to hold Ireland up as an example of best practice regarding social welfare transfers, a statement which more often than not does not take into account the economic conditions payments must operate within and mitigate. The rigorous work of the Vincentian Partnership for social justice around the adequacy of social welfare rates in Ireland serves to highlight the need for the Irish government to bench social welfare, relative to the lived experience, in order to meaningfully reduce poverty. Based on the Minimum Essential standard of living research, the below table illustrates relevant gaps between the level of social welfare rates received and what people require in order to be lifted above the poverty line.

### Adequacy of Social Welfare to lift people above the poverty line

<table>
<thead>
<tr>
<th>Payment</th>
<th>Rate (March 2018)</th>
<th>Poverty line (2018)</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobseekers Allowance, Disability Allowance, and One Parent Family Payment</td>
<td>€198</td>
<td>€239.95</td>
<td>€-41.95</td>
</tr>
<tr>
<td>Jobseekers Allowance age 18-24</td>
<td>€107.70</td>
<td>€239.95</td>
<td>€132.25</td>
</tr>
<tr>
<td>Jobseekers Allowance age 25</td>
<td>€152.80</td>
<td>€239.95</td>
<td>€87.15</td>
</tr>
<tr>
<td>Old Age Pension (Non-contributory) age 66-79</td>
<td>€232</td>
<td>€239.95</td>
<td>€7.95</td>
</tr>
<tr>
<td>Old Age Pension (Non-contributory) age 80 +</td>
<td>€242</td>
<td>€239.95</td>
<td>€2.05</td>
</tr>
</tbody>
</table>

(See Budgeting.ie)

The report also highlights the recent increases of 5 Euro, under budget 2019, to weekly social welfare payments, as a significant measure that will help to reduce poverty. The report also acknowledges the increase to national minimum wage of 9.80Euro (the recommendation for the living wage in Ireland as of 2018 is €11.80 per hour which

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represents adequacy relative to the cost of living). EAPN Ireland believes that 5 Euro increases to welfare payments on an annual basis will not make any significant indent to poverty and social exclusion in Ireland, this is particularly true for people with children, who incur increasing costs as a child ages. EAPN Ireland therefore views the benchmarking of social welfare as a response and solution to bringing people above the poverty line. Below provides examples of the gap between social welfare received and what is needed to meet the minimum essential standard of living, depending on household type.

**Minimum Essential Standard of Living 2018 for selected social welfare dependent households**

<table>
<thead>
<tr>
<th></th>
<th>Urban family</th>
<th>Rural family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Needed</td>
<td>Actual</td>
</tr>
<tr>
<td>Two parents with 2 children, one in preschool &amp; one in primary school (ages 3 &amp; 6)</td>
<td>461.30</td>
<td>460.02</td>
</tr>
<tr>
<td>Two parents with 2 children, one in primary and one in secondary school (ages 10 &amp; 15)</td>
<td>539.13</td>
<td>464.83</td>
</tr>
<tr>
<td>Two Parents with 3 children, one in preschool and one in primary school (ages under 1, 3 &amp; 6)</td>
<td>545.74</td>
<td>524.13</td>
</tr>
<tr>
<td>Two Parents with 4 children, two in primary, and two in secondary school (ages 8, 11, 14 &amp; 17)</td>
<td>745.96</td>
<td>600.25</td>
</tr>
<tr>
<td>One Parent with 1 child under 7 years in primary school (aged 6)</td>
<td>301.22</td>
<td>276.19</td>
</tr>
<tr>
<td>One Parent with 2 children, one in preschool and one in primary school (ages 3 &amp; 6)</td>
<td>347.47</td>
<td>340.30</td>
</tr>
<tr>
<td>One Parent with 2 children, one primary and one secondary school (ages 10 &amp; 15)</td>
<td>425.30</td>
<td>345.11</td>
</tr>
<tr>
<td>Single Adult of working age living alone</td>
<td>245.38</td>
<td>198.00</td>
</tr>
<tr>
<td>Couple, or Working Age co-habiting, no dependent children</td>
<td>434.61</td>
<td>396.00</td>
</tr>
<tr>
<td>Single Pensioner living alone (Non-Contributory)</td>
<td>246.59</td>
<td>255.18</td>
</tr>
<tr>
<td>Pensioner couple (Both non-Contributory)</td>
<td>310.90</td>
<td>417.08</td>
</tr>
</tbody>
</table>

(See budgeting.ie)

It must be noted, MESL research recognises that residing in rural areas in Ireland incurs additional costs (such as transport) and this is reflected in the actual income social welfare

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12 [https://www.budgeting.ie/living-wage/](https://www.budgeting.ie/living-wage/)
dependent households require in order to live in rural versus urban areas and also meet the Minimum Essential Standard of Living. This is despite, as reflected within the country report, regional discrepancies in employment opportunities and earnings potential. As a result we believe that the benchmarking of social welfare to adequacy is vital part of fulfilling Ireland’s commitments to a socially inclusive society.

**(5) Employment**

The issue of jobless households has been well researched and in 2017 the Government published an Action Plan for Jobless Households.

It is critical that measures to address the needs of those distant from the labour market are implemented in a balanced way as outlined in the EUs active inclusion strategy involving an integrated policy approach to adequate income supports, inclusive labour markets and access to quality services. Within this approach there must be a clear recognition and a focus on supporting people to address the range of barriers they experience in accessing the labour market. This is crucial if progressing towards the employment target is also going to result in progress in addressing poverty and social exclusion.

The 2018 report by the National Economic and Social Council on low-work intensity households presents important findings on the nature of jobless households and range of policy measures needed to support people in these households.

**(5.1) Pathways to Work**

EAPN Ireland has actively engaged with the development of the Pathways to Work strategy to ensure that it is inclusive and works in a positive way to support all people of working age, who need support, to improve the quality of their lives. This includes the publication of a Position Paper on Positive Activation in 2015.

Pathways to Work 2016-2020 expands its focus past those on the live-register to others of working age including people with disabilities, lone parents, qualified adults as well as supporting walk-ins who may not be on any social welfare payment is positive. However, we continued to be concerned about ongoing issues highlighted in our Position Paper about in the implementation of activation measures in Ireland.

The key concern of EAPN Ireland is culture that underpins the Public Employment Service. The existing and dominant culture is a managerial one which involves increased levels of conditionality and works from a position of mistrust of clients. From their introduction in

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2012 until the end of October 2017 penalty rates have been applied to over 42,000 social welfare recipients. Penalty rates have increased substantially since they were introduced.

Instead activation services must be person focused and work from a culture that is positive, supportive and enabling of the clients accessing their service. This same culture must apply to JobPath services and to the delivery of the Youth Guarantee. It is only in this way that they can ensure positive outcomes for people.

The existing negative culture experienced by many could turn what should be the positive and more inclusive expansion of Pathways to Work into a negative experience for those who now engage with it. As highlighted above any engagement with those distant from the labour market must address the barriers experienced by these groups and involve an active inclusive approach which addresses the issues of an adequate income, quality services and an inclusive market in a balanced way which gives equal weight to all elements and results in a better quality of life for people.

The commitment in Pathways to Work to training and upskilling staff in the public employment service is welcome and needs to be thoroughly implemented. Case officers and all frontline staff working in Intreo, JobPath and other employment services should be trained so that they can provide a professional, positive and enabling service to those who need it. This includes having the most up-to-date information and knowledge of the range of different people they will meet and their needs.

As highlighted above, an active inclusion approach must be taken to engaging with those distant from the labour market. This involves an all of Government approach whereby Department of Social Protection works closely with other Departments to provide the best supports for its customers. Not addressing the wider needs of customers and focusing on ‘work first’ could potentially result in those most distant from the labour market and on lower incomes ending up in a cycle of welfare and low-pay. One way of breaking this cycle is to ensure that people of working age are supported to access good quality education and training programmes which enhances their literacy, numeracy and digital skills and improves their chances of securing sustainable and decent employment.

(5.2) Gender and employment

Ireland has a higher rate of inactivity for women relative to the rest of Europe, due to a lack of affordable childcare provision, though measures have been introduced to respond to this, it is still one of the main reasons for inactivity amongst females in Ireland. We see that Ireland has an above average gender gap in employment rates for the age group 20-64, 12.8 % in the second quarter of 2018 vs 11.9 % in the EU.16

(5.3) People with Disabilities

The participation of people with disabilities in the workforce is the lowest in the EU. EAPN Ireland is calling for the full implementation of The Comprehensive Employment Strategy for People with Disabilities as well as the implementation of recommendations in the Make Work Pay for People with Disabilities.

(5.4) Regional discrepancies

The Country report for Ireland highlights sizable regional discrepancies regarding skilled labour, competitiveness, and productivity, which is in no small part due to the concentration of multinationals in Dublin that employ large numbers of highly-skilled employees by offering higher salaries. The report also states that “the resulting lack of qualified employees and skilled managers in small and medium-sized enterprises reduces their innovation capacity and competitiveness. The lack of access to ultrafast broadband in more than 95% of rural areas further aggravates this problem.” There must be a dedicated national approach to responding to employment needs, which includes services such as quality broadband provision, and the decentralisation, where possible, of larger companies.

(6) Housing and Homelessness

Ireland is currently in the midst of a housing and homelessness crisis. The country report for 2019 once again calls for increased investment in public housing and social housing provision and recognises that despite an increase in housing construction, the demand for housing far outstrips provision.

In 2009, social housing leasing schemes were introduced as a means of utilising empty housing properties, and unfinished estates, a result of the economic crash and economic over-reliance on the construction industry during the “Celtic Tiger” years. This move resulted in the past decade of social housing provision and social housing need being reliant upon and responded to by the private sector. However, as indicated in the 2019 country report, the lack of construction alongside historically high rent increases (The RTB Rent Index report revealed the national average rent in December 2018 was €1,122 per month, up from €1,044 one year earlier.) means Dublin is now the 5th most expensive city to rent in Europe. The country report rightly highlights the impact the increasing reliance on

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HAP and RAS has in exacerbating rent increases in an already over saturated private rental market.

It is clear the Irish Government needs to significantly increase capital investment on a long term basis into public housing programmes for family housing, general needs and special needs housing. The current crisis is evidence that the private sector cannot adequately respond to the complexities of social housing need. An example of this would be supported housing for people with disabilities or the need for a response to an increase in Traveller families awaiting appropriate accommodation, while ring-fenced budgets remain unspent by Local Authorities for the provision of traveller accommodation. EAPN Ireland believes in line with recommendations for increased public housing provision, that an Independent Traveller Accommodation Agency needs to be established. This agency would oversee the provision of appropriate and quality accommodation, including Traveller specific accommodation, which meets the needs of all Traveller families in a reasonable timeframe.

The Country report also highlights that “a large number of social homes are under occupied, (notably in the Dublin area), in part due to current succession practices”\(^2\). EAPN recognises that while this issue needs to be evaluated, it would be disproportionate to deem it as a defining factor which is fuelling the housing and homelessness crisis, and its revision should be part of a long-term strategy done in conjunction with tenants. Any hard-line approach in this area could contribute to homelessness, as housing provision, for all household types, is falling a long way behind housing demand.

(7) Engagement with the Semester Process

It is essential that the level of stakeholder engagement in the Europe 2020 and the European Semester process needs to be greatly improved. EAPN Ireland has engaged with this process since 2010 and as part of the Better Europe Alliance which has made further collective submissions and held meetings with the Department of the Taoiseach and the European Commission. These opportunities have been important and welcome.

However, EAPN Ireland believe that as the lead Department on this process, the Department of the Taoiseach, needs to proactively organise opportunities for wider engagement with civil society and other stakeholders to discuss and debate key elements of the Europe 2020 and the wider Semester process. This should include key issues such as how to implement these strategies in a balanced and sustainable manner; something which EAPN Ireland believes is not currently the case. The European Commission has been providing important opportunities for engagement in the Semester process, with the European Semester Officer playing an important role. These must continue to be further developed. The reductions in support for local autonomous groups representing the most marginalised communities and groups, reinforced by restructuring of programmes, has greatly undermined stakeholder engagement. This is particularly the case at local level but directly impacts on voice of these communities and groups in policy development at national level, including in policies related to the European Semester and Europe 2020.

process. This needs to be urgently addressed with resources put in place to support an autonomous community sector.