



**Roadmap for Social Inclusion: Mid-Term  
Review Consultation**

Submission to Department of Social Protection



# Contents

Introduction.....	3
Submission.....	3
Progress.....	3
Success.....	4
Challenge.....	4
Priorities.....	4
Comments.....	5
The Roadmap for Social Inclusion considers poverty through four main policy areas:.....	7
Cost of Living.....	7
Employment and Unemployment.....	7
Low-paid Work and Precarious Work.....	9
The Working Poor.....	9
Education.....	13
Early Childhood Care and Education.....	13
Primary Level.....	15
Second-level Education.....	16
Early School Leaving.....	18
Higher Education.....	21
Further Education and Training.....	21
Lifelong Learning.....	22
Adult Literacy.....	23
Skills Development.....	24
Education Policies and Reforms for inclusion in the Roadmap Review.....	26
Health.....	28
Healthcare Model.....	29
Policy Priorities for the Roadmap Review.....	30
Housing.....	38
Vacancy and Dereliction.....	38
Housing Affordability.....	39

Homelessness.....	40
Social Housing.....	42
Mortgage Arrears.....	43
Private Rented Sector.....	45
Tenure and Poverty.....	46
Accommodation for Persons with Disabilities.....	47
Traveller Accommodation.....	49
Measuring Poverty.....	51
The Cost of Poverty.....	59

## Introduction

*Social Justice Ireland* is an independent think tank and justice advocacy organisation that advances the lives of people and communities through providing independent social analysis and effective policy development to create a sustainable future for every member of society and for societies as a whole. We welcome the opportunity to respond to the consultation on the Roadmap for Social Inclusion: Mid-Term Review.

*Social Justice Ireland* is available to the Department to expand or elaborate on any area within this submission.

## Submission

Since 1997, the definition of poverty and social exclusion used in the Government's various Action Plans has been:

People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.

## Progress

**What progress do you feel has been made in reducing poverty and social exclusion since publication of the Roadmap for Social Inclusion 2020 – 2025 in January 2020?**

The second Progress Report shows that there has been limited success in reducing the share of people who are at risk of poverty (ARPE). A decrease from 20.8 per cent in 2018 to 20 per cent in 2021 means reaching the goal of 16.7 per cent in 2025 will require concerted effort. The Report of Commission on Taxation and Welfare note that "the adequacy of social welfare rates is central to poverty reduction".<sup>1</sup> Considering Budget 2023 did not increase core social welfare rates to the required rate, 2025's goal looks increasingly unlikely to be met.

Similarly, the measure of the share of people who are at risk of poverty before social transfers, including pensions, has increased from 41 per cent in 2018 to 43.3 per cent in 2021. Again, the goal of 37.9 per cent by 2025 will require targeted resources which were not forthcoming in Budget 2023. Progress is acknowledged for share of people who are at risk of poverty after social transfers with levels dropping from 14.9 per cent in 2018 to 12.9 per cent in 2021. The goal of 12.8 per cent is within reach and as a result, should be updated to reflect that more can be achieved.

The ARPE rate for children under 18 years of age was 24.7 per cent in 2018. This is reducing slowly reaching 22.8 per cent in 2021 but again, in order to achieve the goal of 16 per cent in 2025, a lot of work remains to be done.

The ARPE rate for people with disabilities sees a similar trajectory. The figures stood at 36.8 per cent in 2018 and has increased to 38.9 per cent in 2021. To achieve the target of 28.7 per cent for 2025 will need to see the recommendations of the Cost of Disability report enacted amongst other measures.<sup>2</sup>

The share of the population living in households with very low work intensity figures are concerning at a time of full employment. Barriers to meaningful employment such as access to affordable

<sup>1</sup><https://assets.gov.ie/234316/b4db38b0-1daa-4f7a-a309-fcce4811828c.pdf>

<sup>2</sup><https://assets.gov.ie/206636/f8e1b2af-af48-442b-9ca0-aff9efd35bd7.pdf>

childcare, educational attainment levels, transport and the high levels of low paid work in Ireland will need to be addressed if the goal of 5.5 per cent is to be reached from the current level of 13 per cent which has hardly moved since 2018. The lack of data on some of the measures is a concern as we approach the mid point of the Roadmap.

## Success

**In your experience, what has worked well in reducing the number of people in Ireland experiencing poverty and social exclusion?**

*Social Justice Ireland* acknowledges and welcomes the advances made and accomplishments listed in the Second Progress Report. However, some of these key achievements listed are linked to publications and codes. As important as these are, real progress will be made when resources are allocated directly to the communities most in need. Poverty is not just about income but it is always about income. The social welfare increases set out in the Second Progress Report were less than needed at the time and Budget 2023 has been even less effective in lowering the rates of poverty once the temporary measures wash through. Services play a key role in reducing and eliminating poverty so childcare, housing, education and healthcare initiatives will also be of vital importance.

## Challenge

**And in your experience, what has not worked so well or is challenging in reducing the number of people in Ireland experiencing poverty and social exclusion?**

The targets contained in the Roadmap are neither ambitious nor realistic enough to make real inroads into alleviating poverty in Ireland. As well as ensuring that households have enough income, access to affordable and appropriate services must be a priority. Affordable, appropriate, secure sustainable housing must be available to all. Educational supports must be available right the way through life with an emphasis on early years education where the biggest impacts can be made. Access to affordable, flexible childcare is a major issue across the country as is access to regular and reliable public transport. It is notable that the Department of Transport does not have any commitments in the Roadmap.

## Priorities

**What would you like to see prioritised in terms of moving people out of poverty and social exclusion, up to the end of the Roadmap for Social Inclusion 2020 – 2025 in 2025?**

Welfare payments must provide sufficient income to live life with dignity. This requires enough to provide a minimum floor of social and economic resources in such a way as to ensure that no person in Ireland falls below the threshold of social provision necessary to enable him or her to participate in activities that are considered the norm for society generally. Social welfare rates as they currently stand must rise. *Social Justice Ireland* believes that benchmarking minimum rates of social welfare payments to movements in average earnings is therefore an important policy priority. Almost 15 years ago, Budget 2007 benchmarked the minimum social welfare rate at 30 per cent of Gross Average Industrial Earnings (GAIE). This was a key achievement and one that we correctly predicted would lead to reductions in poverty rates, complementing those already achieved and detailed earlier<sup>17</sup>. Since then, the CSO discontinued its Industrial Earnings and Hours Worked dataset and replaced it with a more comprehensive set of income statistics for a broader set of Irish employment sectors. A subsequent report for *Social Justice Ireland* found that 30 per cent of GAIE is equivalent to 27.5 per cent of the new average earnings data being collected by the CSO. <sup>3</sup>A figure of 27.5 per cent

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<sup>3</sup><https://www.socialjustice.ie/system/files/file-uploads/2021-09/2011-02-benchmarkingswpayments.pdf>

of average earnings is therefore the appropriate benchmark for minimum social welfare payments and reflects a continuation of the previous benchmark using the current CSO earnings dataset.

## Comments

**If there are any specific aims, ambitions, commitments or targets in the Roadmap for Social Inclusion 2020 – 2025 that you would like to comment on, please provide details. This can include identifying gaps in what is included in the Roadmap, or any other comments you may have.**

### Income Distribution

The Roadmap aims to address income poverty by:

Reducing the share of people at risk of poverty before social transfers (incl. pensions) from 41% (2018) to 37.9% (2025) – leaving almost 2 million people reliant on our welfare system to bring them out of poverty.

Reducing the share of people at risk of poverty after social transfers from 14.9% (2018) to 12.8% (2025) – leaving over 673,000 people in poverty and making no substantive change to the current number of people in poverty in 2018 (there were 689,000 people in poverty in 2018).

Reducing the in-work at risk of poverty rate<sup>[2]</sup> from 4.8% (2018) to 3.5% (2025). The population “at work” was estimated by the European Centre for the Development of Vocational Training to increase to approximately 2.3 million people by 2025<sup>[3]</sup>, which would mean leaving over 80,000 people with jobs in poverty.

Reducing the AROPE rate for children under 18 from 23.9% (2018) to 16% (2025), which would leave 191,000 children behind.

Reducing the AROPE rate for people with disabilities from 36.9% (2018) to 28.7% (2025). Projections are not available for the number of persons living with a disability in 2025, however given that Ireland has an ageing population, and the prevalence of disability increases greatly with age, it is likely that this number will remain significant.

Under National Measures and Targets, the Framework restates the original commitment to reduce the percentage of the population living in consistent poverty to 2%. *Social Justice Ireland* acknowledges that the Government did not increase this target to 4%, as proposed in the consultation on the National Action Plan for Social Inclusion in 2018. While this would have the effect of reducing the number of people living in consistent poverty by 170,000 on 2018, it would still leave 105,000 people behind. James Gregory writes that “policy shapes beliefs and attitudes and these in turn shape policy”.<sup>4</sup> Zero poverty is possible and should be the target.

The Framework also re-commits to the Better Outcomes, Brighter Futures (BOBF) target of lifting 70,000 children out of consistent poverty by this year, a reduction of at least two-thirds on the 2011 figure. As of 2018, there were over 97,500 children aged 0-17 living in consistent poverty in Ireland. While the target to reduce this number to 37,000 this year would be a very positive achievement, there is insufficient detail within the Framework as to how this objective might be achieved.

The Roadmap also contains targets on health, education and housing and while we welcome the acknowledgement that tackling poverty and social exclusion requires a whole of Government approach, more is required from each individual Department to achieve greater equality in these areas.

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<sup>4</sup><https://policy.bristoluniversitypress.co.uk/social-housing-wellbeing-and-welfare>

The Income Quintile Share Ratio measures the ratio of total income received by the top 20% of earners (the highest earners) to the total received by the bottom 20%, the lowest earners. In Ireland in 2018, those in the top 20% earned 4.2 times as much as those in the bottom. The Roadmap targets a ratio of 3.8 times the lowest income. This ratio has fluctuated between 4.2 and 5 year on year since 2005. To reduce this ratio below 4 in the most equitable way possible will require a concerted effort to increase the income of those most at risk of poverty. This necessitates an increase in basic Social Welfare rates across the board and a move to benchmark Social Welfare payments to the Minimum Essential Standard of Living. It requires supporting those at-work and in poverty, by introducing a Refundable Tax Credit, and ensuring that our older people have a reasonable income in older age by introducing a real Universal State Social Welfare Pension. None of these supports are included in the Roadmap, which begs the question as to how this target might be achieved.

### **Education**

We further welcome the commitments in the Framework to address educational disadvantage, however continuing with the DEIS plan will be insufficient if the recommendations of subsequent reports of the Educational Research Centre are not also incorporated.

### **Health**

*Social Justice Ireland* has consistently highlighted the need to strengthen the resourcing of home care and home care packages, and has consistently advocated for a statutory basis to the right to home care. We welcomed the recent publication of a Report on the Provision of Home Care Services by the Oireachtas Committee on Health, however the recommendations made within this report need to be expedited so as to ensure that hospital discharges in acute centres, already experiencing overcrowding and waiting lists are not delayed further, and that older people and people living with disabilities can enjoy a reasonable standard of living and be socially included.

### **Housing**

The number of social housing units proposed within the Roadmap (12,000 annually) is insufficient to meet current demand. There are currently 59,247 households on social housing waiting lists across the country as of 2021. This figure does not include those households in the private rented sector whose landlords are receiving the Housing Assistance Payment. It does not include all homeless families enumerated as accessing emergency accommodation. It does not include victims of domestic violence. It does not include asylum seekers granted protection orders and living in transitional accommodation. And it does not include the over 6,000 people in Direct Provision centres. These are the households most at risk of poverty and social exclusion, for whom the Framework is providing very little.

It is also concerning that the 12,000 units will not be purpose built, but delivered through construction, refurbishment, acquisition and leasing programmes, at greater cost than allowing Local Authorities and Approved Housing Bodies to develop social housing.

The Roadmap for Social Inclusion 2020-2025 took over two years to develop and, at the end of its term, will leave Ireland with almost exactly the same number of people in poverty and very little of substance in terms of additional supports.

We will expand on those four key themes in more detail below.

## The Roadmap for Social Inclusion considers poverty through four main policy areas:

- Employment Activation
- Education
- Health
- Housing

Since the introduction of this Roadmap there has also been two significant global events: the Covid-19 pandemic and the cost of living crisis.

In this submission we set out the current context in which the Roadmap is now situated, and provide an analysis of these policy areas to inform the review of the Roadmap for Social Inclusion 2020-2025, we then look at how poverty might be better measured in order to ground more appropriate policies.

### Cost of Living

Inflation in Ireland and across the Euro area has increased steadily since late 2020. The Parliamentary Budget Office puts overall inflation in Ireland at 5 per cent in January 2022.<sup>5</sup> Analysis by the Central Bank, however, indicates that the rate is as high as 6.1 per cent for households in the bottom 20 per cent of the income distribution, while those in the top 20 per cent experienced an increase of 5.3 per cent. Older households, aged 65+, also experienced a higher rate of inflation (6.1 per cent) than younger households (5.2 per cent for those aged <35).<sup>6</sup>

Heatmaps produced by the Parliamentary Budget Office indicate that Transport, Communications, Clothing and Footwear, and Furnishings and Household Maintenance were key commodity groups driving inflation.<sup>7</sup> Ireland was also found to be the second most expensive country in the EU27 (40 per cent above the EU average), in terms of comparative price levels of consumer goods and services. And that's before we talk about the cost of housing.

The cost of living crisis is an issue of adequate income. While *Social Justice Ireland* welcomed the package of measures introduced in Budget 2023 to mitigate some of the worst effects of the crisis on low income households, many of these measures are temporary, will leave the most marginalised further behind in 2023, and fail to deal with the reality of the unavoidable trade-offs people living on inadequate incomes have had to make for two years because core social welfare rates were not increased in either Budget 2020 or Budget 2021, and the increases in Budget 2022 and 2023 fell far short of what was required.

### Employment and Unemployment

Following the impact of the pandemic on employment and unemployment in Ireland, Quarter 4 of 2021 saw an increase in employment levels in certain sectors and a subsequent reduction in unemployment. It is interesting, however, to note that the number of people in long-term employment has increased, from 36,800 in Quarter 4 2020 to 44,300 in Quarter 4 2021. The number of people who are underemployed has also increased during this period, from 423,800 to 551,000. This suggests that the recovery has not been felt evenly and that many jobs have yet to recover. In fact, the situation is worsening for those furthest away from the labour market (Table 1).

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<sup>5</sup>Bedogni, J., & Wrynn, A. . Economic Update March 2022, A visual presentation and analysis. Dublin: Parliamentary Budget Office

<sup>6</sup>Lydon, R.2022. Household characteristics, Irish inflation and the cost of living. Ireland: Central Bank of Ireland.

<sup>7</sup>Bedogni, J., & Wrynn, A. . Economic Update March 2022, A visual presentation and analysis. Dublin: Parliamentary Budget Office



**Table 1** Ireland's Labour Force Data, 2020–2021

	2020	2021
Labour Force	2,418,500	2,633,300
LFPR %	60.6	65.1
Employment %	67.0	73.0
Employment	2,276,800	2,506,000
<i>Full-time</i>	1,853,000	1,955,000
<i>Part-time</i>	423,800	551,000
<i>Underemployed</i>	98,900	110,200
Unemployed %	5.9	4.9
Unemployed	141,700	127,400
LT Unemployed %	1.5	1.7
LT Unemployed	36,800	44,300
Potential Additional LF	173,000	104,000

**Source:** CSO, LFS Quarter 4 2021 and associated releases (CSO, 2022).

**Notes:** Data is for Quarter 4 2020 and Quarter 4 2021 (provisional).

LFPR = ILO labour force participation rate and measures the percentage of the adult population who are in the labour market.

Employment % is for those aged 15–64 years.

Underemployment measures part-time workers who indicate that they wish to work additional hours which are not currently available.

LT = Long Term (12 months or more). LF = Labour Force.

Compared to the financial crash of 2008, employment in Ireland has returned to its pre-crisis level considerably faster. It took just 7 quarters for the return post-Covid, compared to 37 quarters following the 2008 recession.

Alongside these emerging challenges, it is important not to overlook the pre-pandemic labour market issues that remain. In particular, long-term unemployment remains a major labour market challenge. The number of long-term unemployed was 33,300 in 2007 and increased to exceed 200,000 by 2012 before falling again to almost 36,800 in 2020. This increased again to 44,300 in 2021. For the first time on record, in late 2010 the Labour Force Survey (LFS) data indicated that long-term unemployment accounted for more than 50 per cent of the unemployed. It took from then until late 2017 for this number to consistently drop below that threshold, reaching 34.8 per cent of the unemployed in the fourth quarter of 2021. The transition to these high levels was rapid and it is of concern that we might once again experience such a change. The experience of the 1980s showed the dangers and long-lasting implications of an unemployment crisis characterised by high long-term unemployment rates. It remains a policy challenge that Ireland's level of long-term unemployment remains high and that it is a policy area which receives limited attention.

Addressing a crisis such as this is a major challenge and we outline our suggestions for targeted policy action later. However, it is clear that re-skilling many of the unemployed, in particular those with low education levels, will be a key component of the response. Using data for the third quarter of 2019, 48 per cent of the unemployed had no more than second level education with 20 per cent not having completed more than lower secondary (equivalent to the Junior Certificate). As employment recovers and as unemployment declines, *Social Justice Ireland* believes that major emphasis should be placed on those who are trapped in long term unemployment – particularly those with the lowest education levels.

Previous experiences, in Ireland and elsewhere, have shown that many of those under 25 and many of those over 55 find it challenging to return to employment after a period of unemployment. This highlights the danger of the aforementioned expected increases in long-term unemployment and the potential for the emergence of a large structural unemployment problem in the years

immediately ahead. Given this, *Social Justice Ireland* believes that a major commitment to retraining and re-skilling will be required in the years ahead.

### Low-paid Work and Precarious Work

Figures also point towards the growth of various forms of part-time and precarious employment over recent years. While the number of people employed is higher now than in most years since 2007 among these jobs, part-time employment has become a more frequent occurrence and now represents almost one in five jobs. Within those part-time employed it is worth focusing on those who are underemployed, that is working part-time but at less hours than they are willing to work. By the fourth quarter of 2021 the numbers underemployed stood at 110,200 people, 4.2 per cent of the total Labour Force and about one-fifth of all part-time employees.

Judged over time, the CSO labour force data suggest the emergence of a greater number of workers in precarious employment situations. The growth in the number of individuals with less work hours than ideal, as well as those with persistent uncertainties concerning the number and times of hours required for work, is a major labour market challenge and one which may grow in the period ahead. Aside from the impact this has on the well-being of individuals and their families, it also impacts on their financial situation and adds to the working-poor challenges. There are also impacts on the State, given that the Working Family Payment (formerly known as Family Income Supplement (FIS)) and the structure of jobseeker payments tend to lead to Government subsidising these families' incomes, and indirectly subsidising some employers who create persistent precarious employment patterns for their workers.

A report from Collins<sup>8</sup> provided new insights into the scale and composition of low pay in Ireland. It established that 25 per cent of employees (almost 345,000) earned less than the (then) Living Wage of €11.45 per hour. The paper found that low pay was most common among: female workers; young workers; those in retail, hotels and security sectors; single parents; and those on temporary contracts. Looking at the household level, the paper also found that a higher proportion of low paid employees are living in households that struggle financially, borrow for day to day living costs, and experience deprivation.

*Social Justice Ireland* believes that now is the time to adopt substantial measures to address and eliminate these problems. Our commitment to the development and adoption of a Living Wage reflects this.

### The Working Poor

Having a job is not in itself a guarantee of freedom from the risk of poverty. As Table 2 indicates, 6.2 per cent of those who were employed in 2020 were living at risk of poverty and 9.7 per cent of those in employment experienced enforced deprivation<sup>9</sup>.

Despite decreases in poverty among many other groups, poverty numbers for the working poor have remained static, reflecting a persistent problem with low earnings. In 2020, over 133,000 people in employment were at risk of poverty and almost 208,000 were experiencing enforced deprivation. Notwithstanding the pandemic, these are remarkable statistics, given everything we know about positive trends in employment and the economy, and it is important that policy-makers finally begin to address this problem.

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<sup>8</sup> Collins, M.L. (2017) 'Earnings and Low Pay in the Republic of Ireland'. *Journal of the Statistical and Social Inquiry Society of Ireland*, Vol. XLV pp. 146-176.

<sup>9</sup> A change in the methodology used in the 2020 SILC means that comparisons are informative, but not exact.

**Table 2. Risk of Poverty Among all Persons Aged 16yrs+ by Principal Economic Status, 2004-2020**

	2004	2010	2015	2020
At work	7.0	5.7	5.7	6.2
Unemployed	37.2	27.3	41.0	27.8
Students and school attendees	23.6	22.7	32.6	18.8
On home duties	32.1	19.5	24.1	18.5
Retired	26.1	8.8	12.7	8.4
Unable to work as ill/disabled	47.3	19.8	33.5	45.0
<b>Total population</b>	<b>19.4</b>	<b>14.7</b>	<b>16.3</b>	<b>13.2</b>

Source: CSO online database.

Many working families on low earnings struggle to achieve a basic standard of living. Policies which protect the value of the minimum wage and attempt to keep those on that wage out of the tax net are relevant policy initiatives in this area. Similarly, attempts to highlight the concept of a 'living wage' and to increase awareness among low income working families of their entitlement to the Working Family Payment (formerly known as Family Income Supplement (FIS)) are also welcome; although evidence suggests that FIS had a very low take-up and as such this approach has questionable long-term potential. However, one of the most effective mechanisms available within the present system to address the problem of the working poor would be to make tax credits refundable.

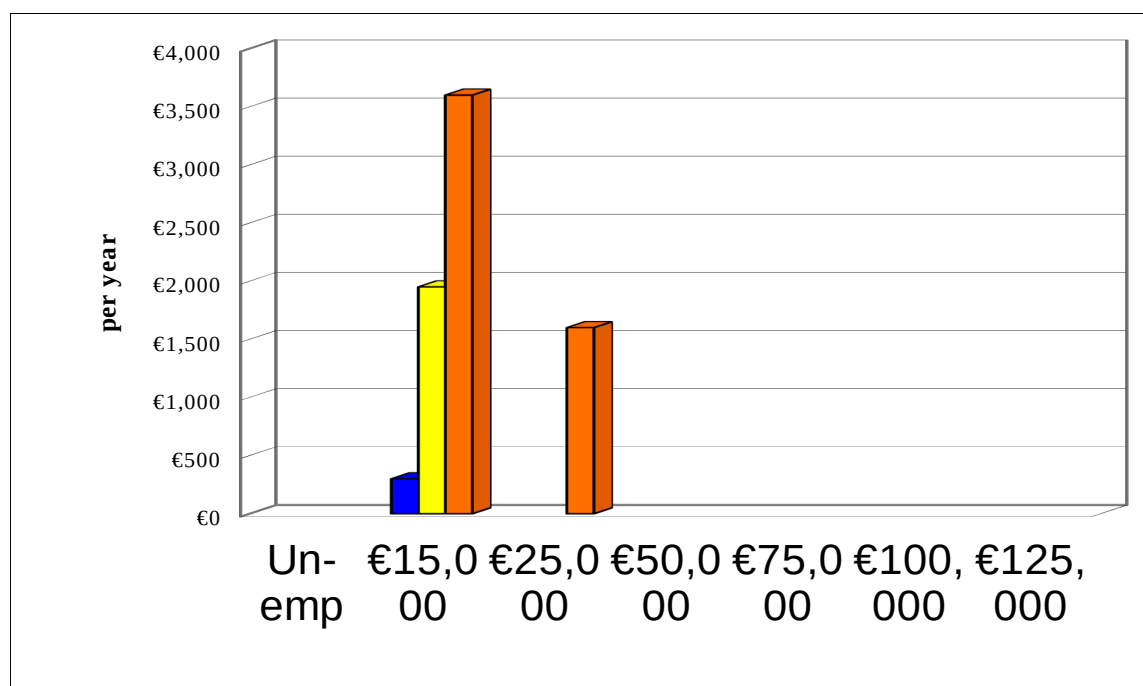
### **Refundable Tax Credits - an explanation**

The move from tax allowances to tax credits, completed in Budget 2001, was a very welcome change. One problem persists, however. If a low-income worker does not earn enough to use up his or her full allocation of tax credits then he or she will not benefit from any income tax reductions introduced by government in its annual budget via increases to the PAYE or Personal tax credits.

Making tax credits refundable would be a simple solution to this problem. It would mean that the part of the tax credit that an employee did not benefit from would be "refunded" (essentially paid in cash, possibly at the end of the tax year) to him/her by the Revenue Commissioners.

The major advantage of making tax credits refundable lies in addressing the disincentives currently associated with low-paid employment. The main beneficiaries of refundable tax credits would be low-paid employees (both full-time and part-time). Chart 1 displays the impacts of the introduction of this policy across various gross income levels. It clearly shows that all the benefits from such a policy would go directly to those on the lowest incomes.

**Chart 1: How much better off would people be if tax credits were made refundable?**



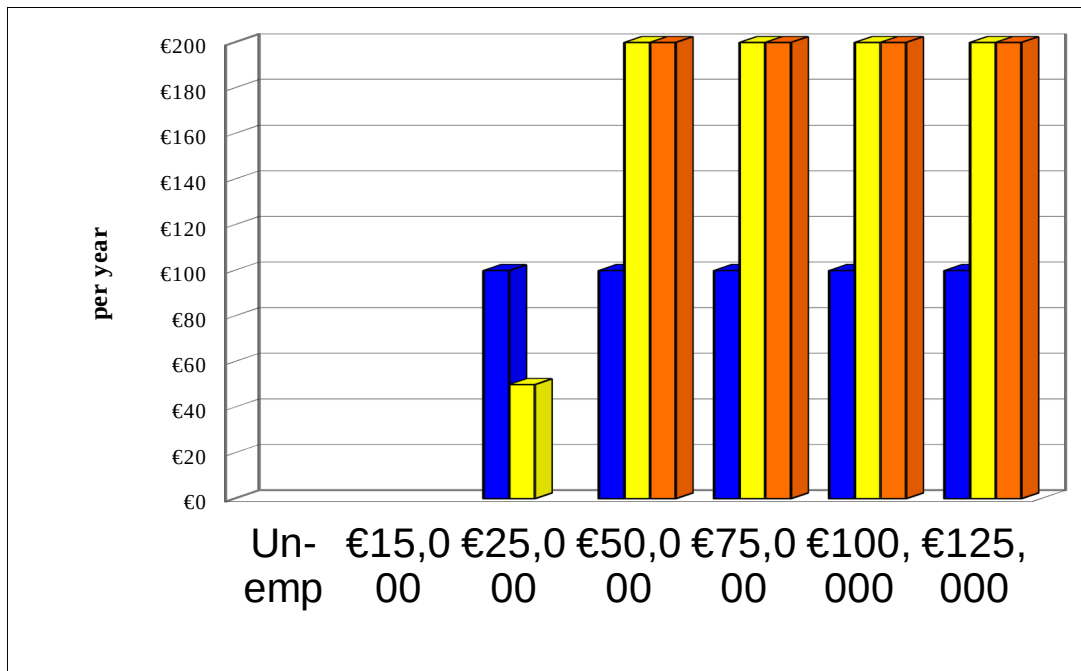
**Note:** \* Except where unemployed as there is no earner.

Most people with regular incomes and jobs would not receive any cash refund because their incomes are too high. They would simply benefit from any increase to tax credits via a reduction in their tax bill, should such an increase be brought in by Government.

Therefore, as Chart 1 shows, no change is proposed for these people. For other people on low or irregular incomes, the refundable tax credit could be paid via a refund by the Revenue Commissioners at the end of the tax year. Alternatively, given the Revenue’s recent technological advances and a move to real-time reporting, this could potentially be done monthly. Following the introduction of refundable tax credits, all subsequent increases in the level of the tax credit would be of equal value to all employees.

To illustrate the benefits of this approach, Charts 2 and 3 compare the effects of a €100 increase in the personal tax credit – before and after the introduction of refundable tax credits. Chart 2 shows the effect as the system is currently structured – an increase of €100 in credits, but these are not refundable. It shows that the gains are allocated equally to all categories of earners above €50,000. However, there is no benefit for those workers whose earnings are not in the tax net.

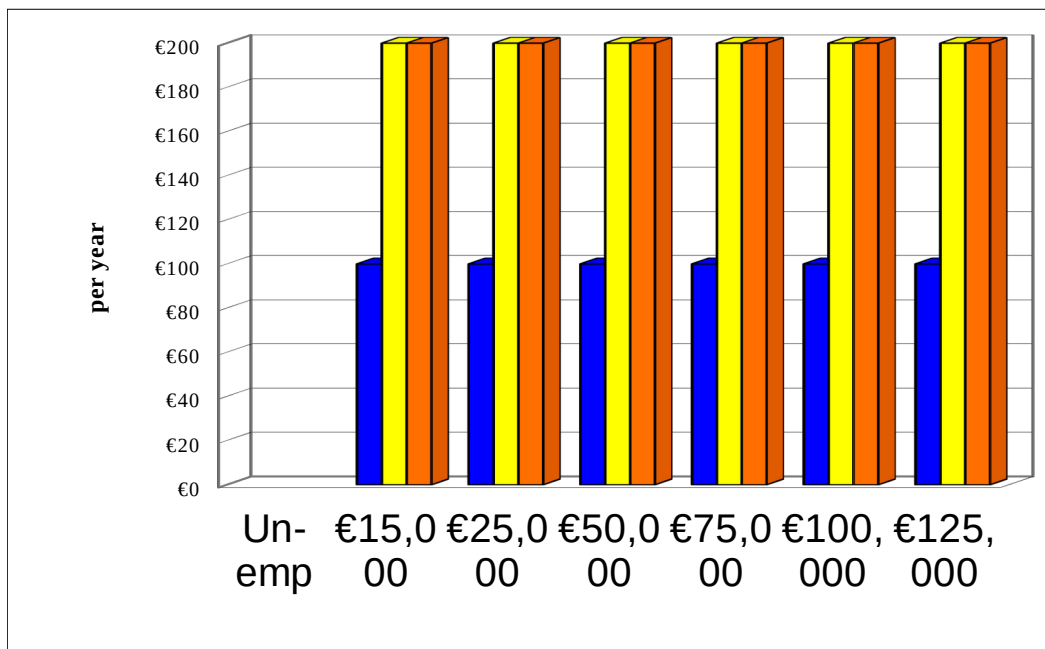
**Chart 2: How much better off would people be if tax credits were increased by €100 per person?**



**Note:** \* Except where unemployed, as there is no earner.

Chart 3 shows how the benefits of a €100 per year increase in personal tax credits would be distributed under a system of refundable tax credits. This simulation demonstrates the equity attached to using the tax-credit instrument to distribute budgetary taxation changes. The benefit to all categories of income earners (single/couple, one-earner/couple, dual-earners) is the same. Consequently, in relative terms, those earners at the bottom of the distribution do best.

**Chart 3: How much better off would people be if tax credits were increased by €100 per person and this was refundable?**



**Note:** \* Except where unemployed, as there is no earner.

Overall the merits of adopting this approach are: that every beneficiary of tax credits would receive the full value of the tax credit; that the system would improve the net income of the workers whose

incomes are lowest, at modest cost; and that there would be no additional administrative burden placed on employers.

*Social Justice Ireland* has published a detailed study on refundable tax credits. Entitled *Building a Fairer Tax System: The Working Poor and the Cost of Refundable Tax Credits*, the study identified that the proposed system would benefit 113,000 low-income individuals in an efficient and cost-effective manner.<sup>10</sup> When children and other adults in the household are taken into account the total number of beneficiaries would be 240,000. The cost of making this change would be approximately €140m.

## Education

The focus of our education system must be to ensure people are engaged and active citizens and have the necessary critical and creative skills to navigate an ever-changing employment environment, can adapt to transitions as they occur and participate fully in society. This is especially important for children and young people today who have had their education disrupted by the Covid-19 pandemic, who, upon leaving formal education, will be entering a very different employment landscape to their parents, and will face the challenges and opportunities presented by the digital and green transitions.

### Early Childhood Care and Education

The most striking feature of investment in education in Ireland relative to other OECD countries is its under-investment in early childhood education. In consecutive studies, Ireland has one of the lowest levels of expenditure in pre-primary education in the OECD. Ireland has the highest level of private provision of Early Childhood Care and Education in the OECD, although it is mainly financed by public sources<sup>11</sup> along with relatively low Government investment, low wages for educators and high fees for consumers.<sup>12</sup>

Looking at expenditure on education for three to five year olds in the OECD, Ireland had the second lowest amount of expenditure at 0.3 per cent of GDP (see Chart 4) despite a trebling of public investment in childcare programmes between 2011 and 2016. In comparison, Iceland, Norway and Sweden spent between 1.1 and 0.9 per cent of GDP.

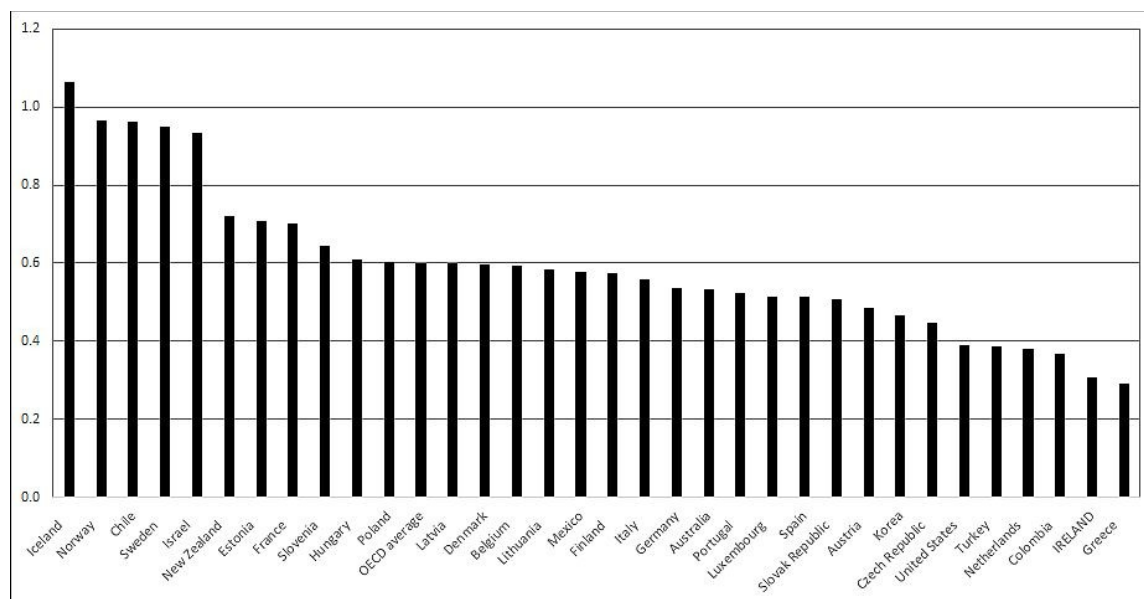
#### **Chart 4: Expenditure on all children aged 3-5 years enrolled in early childhood education and care (ECEC) and primary education, as a percentage of GDP (2018)**

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<sup>10</sup>The study is available from our website: [2010-07-05-building-a-fairer-tax-system-the-rftxcr-study-final.pdf \(socialjustice.ie\)](https://www.socialjustice.ie/2010-07-05-building-a-fairer-tax-system-the-rftxcr-study-final.pdf)

<sup>11</sup>OECD OECD Skills Strategy Ireland 2019. Paris: OECD Publishing

<sup>12</sup>Oireachtas Library & Research Service 2020 L&RS Note Public provision of early childhood education: an overview of the international evidence. Dublin: Oireachtas Library



Source: OECD (2021).

Early childhood is the stage where education can most effectively influence the development of children and help reverse disadvantage.<sup>13</sup> Pupils who had access to quality early childhood education perform better on PISA<sup>14</sup> testing than those who did not attend pre-primary education, even allowing for differences in their socio-economic backgrounds.<sup>15</sup>

International evidence indicates that in countries where there is primarily public provision of early childhood care and education it tends to be more affordable, accessible, and of higher quality than in private provision countries.<sup>16</sup> One of the key challenges identified towards the provision of universal early childcare in Ireland is the market driven approach to provision at present. High staff turnover and poor pay and conditions are also a feature of the sector.<sup>17</sup> A review of Early Years Education published by the Department of Education and Skills<sup>18</sup> found that while almost all services provide warm and welcoming environments and strong evidence of positive relations was found between the staff, the children and their families, there remained many challenges including the need to improve working conditions for staff in the sector.

A well-resourced and integrated policy is required to address the issues raised in the review and to deliver high quality early years learning provision for children and their families. ‘First 5: A Whole of Government Strategy for Babies, Young Children and their Families’ contains welcome high-level policy commitments and strategic actions. In order to deliver on the commitment of all children having access to safe, high-quality, developmentally appropriate early childhood education, long-term planning and sufficient resourcing are vital to embed quality and deliver on this commitment.

<sup>13</sup>European Commission (2011) Early Childhood Education and Care: Providing all our children with the best start for the world of tomorrow. Brussels: European Commission.

<sup>14</sup> Programmes for International Student Assessment (PISA) assesses the preparedness of 15-year-olds to meet the challenges they may encounter in their future lives, including education.

<sup>15</sup>OECD 2016: PISA 2015 Results (Volume II), Policies and Practices for Successful Schools,

<sup>16</sup>Oireachtas Library & Research Service 2020 L&RS Note Public provision of early childhood education: an overview of the international evidence. Dublin: Oireachtas Library

<sup>17</sup>Early Childhood Ireland 2020 Pathways to Better Prospects: Delivering Proper Terms and Conditions for the Early Years Workforce in Ireland A Literature Review. Dublin: Early Childhood Ireland

<sup>18</sup>Department of Education and Skills 2018 Ireland’s National Skills Strategy 2025. Dublin: Stationery Office

## Primary Level

Ireland has a pupil teacher ratio (PTR) at primary level of 15.2 (the EU average is 13.6) and an average class size of 23.3 (the EU average is 20). As smaller class sizes make the biggest difference to the youngest classes, Government policy must ensure that the PTR in the youngest classes in primary school is at a level which allows teachers to provide early interventions without disruption. This is essential to ensure the best educational outcomes for all children and a smooth transition from early years settings to the formal education system. Reduced class sizes and PTR are also necessary for the success of the Covid Learning Supports Scheme and other policies designed to mitigate the impact of interrupted learning in 2020 and 2021 due to the Covid-19 pandemic.

The number of children with special needs at primary level in Ireland increased by 63 per cent between 2014 and 2018.<sup>19</sup> The School Inclusion Model Pilot is designed to provide the particular supports these children require, although families still face significant challenges finding places for their children. An area of concern that has emerged is the number of children with special educational needs on short school days.

Research found one in four children with an intellectual disability or developmental disability has been put on a short school day.<sup>20</sup> The report outlined the detrimental impact that this is having on children with additional needs, their education and on their families. Notwithstanding the increases in investment in Special Needs Education in recent Budgets, clearly much more remains to be done in order to meet demand, mitigate the impact of extended school closures, and to support schools to ensure that they have the required number of staff with appropriate qualifications, and the necessary programmes, supports and resources to meet the needs of this cohort of pupils. In terms of planning and resourcing, it is vital that all departmental projections take into account the needs of this cohort as they move from primary level to post primary and beyond.

Ireland performed well in the 2019 TIMSS (an assessment of mathematics and science) and fourth class students in 2019 were among the top three performing countries at mathematics. In terms of reading skills, Ireland performed extremely well in the 2016 PIRLS<sup>21</sup> assessment of reading skills, ranking fourth of the fifty countries who participated in reading skills, and third in reading skills in an online environment. The outcomes for disadvantaged students are not as positive.

The gap between the performance of students in disadvantaged areas and their peers is also evident in results on education and cognitive development from the Growing up in Ireland survey which found significant differences in reading test scores by socio-economic background and that this socio-economic gap in reading test scores widened in primary school, with children from disadvantaged backgrounds who were early high performers being outperformed by children from more advantaged backgrounds by 9 years of age.<sup>22</sup>

The Action Plan for Education<sup>23</sup> focuses on the need to address the disparity between DEIS<sup>24</sup> bands by increasing literacy and numeracy levels in DEIS Band 1 schools. The target improvement rates of between 27 and 42 per cent by 2020 do not demonstrate sufficient ambition to really effect change and many young adults will have fallen out of education into low-paid precarious employment

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<sup>19</sup>Department of Education and Skills Action Plan for Education 2019. Dublin: Stationery Office.

<sup>20</sup>Brennan, D and Browne, H. 2019 Education, Behaviour and Exclusion The experience and impact of short school days on children with disabilities and their families in the Republic of Ireland. Dublin: TU Dublin

<sup>21</sup> PIRLS (Progress in International Reading Literacy Study) is an international assessment of reading achievement of fourth class pupils.

<sup>22</sup>Government of Ireland 2021 Growing up in Ireland: The lives of nine years olds of Cohort '08. Report 10

<sup>23</sup>Department of Education and Skills, Action Plan for Education 2019. Dublin: Stationery Office.

<sup>24</sup> Delivering Equality of Opportunity In Schools



before even these targets are met. The forthcoming update of this action plan should include more ambitious targets. In terms of policy, the focus must be on keeping average class sizes below 20 , reducing the pupil teacher ratio further and ensuring all DEIS Band 1 and 2 schools have sufficient resources to implement strategies to improve literacy and numeracy outcomes for pupils.

## Second-level Education

Irish second-level students performed very well in the 2019 PISA tests in reading, literacy, mathematics and science, scoring above the OECD average in all three domains. In reading and literacy Ireland ranked 4<sup>th</sup> out of 36 OECD countries.

- In reading literacy, 11.8 per cent of students in Ireland perform below Proficiency Level 2 (the OECD considers Level 2 to be the baseline proficiency for all three domains) implying they have insufficient reading skills to deal with future needs in real-life or further education. This is some distance from the revised Literacy and Numeracy Strategy target of 8.5 per cent of students performing below Level 2 in PISA.
- In Science, 17 per cent of students performed below Level 2 – higher than the target of 10 per cent set out in the Action Plan for Education 2016-2019, to be achieved by 2025. These students can recognise basic scientific phenomena or simple patterns in data but lack the scientific skills and knowledge they may require in their future lives.
- In mathematics, 15.7 per cent of students in Ireland performed below Level 2, indicating that they lacked the mathematical knowledge and skills required for future education and work. This is well above the 10.5 per cent set out in the revised targets of the Literacy and Numeracy Strategy.

Across the three domains, Ireland has below average proportions of low-performing students. Nevertheless, many students have insufficient skills to deal with future needs in real life, to participate in further education or employment. We are still some distance away from achieving the targets set out in the Action Plan for Education and a substantial gap remains between students in DEIS and non-DEIS schools. An analysis of trends in PISA achievement indicates that in reading, mathematics and science, students in DEIS schools have consistently achieved significantly lower average achievement than students in non-DEIS schools across all PISA cycles examined.<sup>25</sup> While the size of the gap has narrowed significantly in reading, it has not changed significantly in mathematics or science. Some of the findings from this analysis are:

### Reading

- In DEIS schools, just over one-fifth of students (21.8 per cent) achieved a reading score below Level 2, more than twice the rate in non-DEIS schools (9 per cent). Such students are considered low achievers by the OECD.
- One quarter of boys (23.9 per cent) in DEIS schools have reading skills described by the OECD as inadequate for future study and work (below Level 2).

### Mathematics

- The average mathematics performance of students in DEIS schools is significantly lower than the OECD average, while students in non-DEIS schools had an average mathematics score significantly above the OECD average.
- The average mathematics performance of students attending DEIS schools was significantly lower than that of students in non-DEIS schools and the percentage of students categorised

<sup>25</sup>Gilleece, L. 2020 Reading, mathematics and science achievement in DEIS schools: Evidence from PISA 2018. Dublin: Educational Research Centre.

as low achievers in mathematics in DEIS schools (28 per cent) is more than double that of non-DEIS schools (12 per cent).

#### Science

- Students attending DEIS schools had an average science score that was significantly lower than the OECD average while students in non-DEIS school had an average score significantly above the OECD average.
- The percentage of low achieving students in science in DEIS schools (28.2 per cent) is more than double that of non-DEIS schools (13.5 per cent).

Despite steady progress, significant variations in proficiency remain in Ireland between students in DEIS and non-DEIS schools. The main gains made by DEIS schools were between 2009 and 2012, where the percentage of low achievers in reading dropped from 35.4 per cent to 21.8 per cent, but progress has stalled since then. Students attending DEIS schools continue to score much lower on all three domains, pointing to the need to continue to focus resources on addressing educational disadvantage. Conversely students from fee paying schools continue to significantly out-perform those from non-fee paying schools, scoring considerably higher than students in non-fee paying schools on all three domains.<sup>26</sup> Despite the gains made between 2009 and 2012 there has been limited progress towards meeting the literacy and numeracy sub targets for DEIS schools set out in the Action Plan for Education.<sup>27</sup>

- The targets for high achievers in reading (at or above Level 5) is 8 per cent. Despite a modest increase between 2015 (4.7 per cent) and 2018 (5.5 per cent) in the percentage of high reading achievers in DEIS schools progress has been limited and this target is unlikely to be achieved.
- There is also limited evidence of progress towards the target for the percentages at or above Level 4 in reading (2020 target 26 per cent), given that the percentage in 2015 was 21.4 per cent and in 2018, 21.2 per cent.
- There has been a positive and significant reduction in the percentage of students in DEIS schools at the lowest levels of proficiency in mathematics. In 2012, about three in eight students (37 per cent) in DEIS schools had mathematics scores below Level 2, by 2015 this had reduced to 29 per cent, and to just over one in four (28 per cent) in 2018. Despite improvements, progress has stalled and achieving the target for 2020 (23 per cent) will be challenging.
- There has been no increase in the percentages of students in DEIS schools performing at the highest levels in mathematics across PISA cycles. In particular, the percentage of students at or above Level 5 in mathematics in 2015 (4.7 per cent) is not significantly different to that in 2018 (3.6 per cent). Achieving the target for 2020 (9 per cent) will be extremely challenging.

Students from DEIS schools also score lower on wellbeing indicators.<sup>28</sup> They score significantly lower in terms of home possessions, home educational resources, cultural possessions and family wealth than their peers in non-DEIS schools.

#### Progress on meeting the targets set out in the *National Literacy and Numeracy Strategy 2017-2021*

<sup>26</sup>McKeown, C., Denner, S., McAteer, S., Shiel, G. and O'Keeffe, L. 2019 Learning for the Future: The Performance of 15-year-olds in Ireland on Reading Literacy, Science and Mathematics in PISA 2018. Dublin: Educational Research Centre

<sup>27</sup>Gilleece, L. 2020 Reading, mathematics and science achievement in DEIS schools: Evidence from PISA 2018. Dublin: Educational Research Centre.

<sup>28</sup>Education Research Centre 2021 Beyond Achievement: Home, school and wellbeing findings from PISA 2018 for students in DEIS and non-DEIS schools, Dublin: Educational Research Centre

at second-level is slower than that at primary level. However, the impact of measures in the strategy to improve literacy and numeracy at second-level (including Project Maths) is reflected in the improvements in the PISA results between 2012, 2015 and 2018. The strategy also proposes fundamental changes to teacher education and the curriculum in schools and radical improvements in the assessment and reporting of progress at student, school and national level. Progress on this issue is overdue, and budgetary and economic constraints must not be allowed to impede the implementation of the strategy.

Reform of the education system at second-level is being implemented with the phased replacement of the Junior Certificate examination with the Junior Cycle Student Award, incorporating a school-based approach to assessment. *Social Justice Ireland* welcomes the emphasis on learners thinking for themselves, being creative in solving problems and applying their learning to new challenges and situations. It is important that the recently announced reform of the senior cycle and leaving certificate deliver a truly student-centred approach in the second-level education system.<sup>29</sup> The findings of the senior cycle review undertaken by the National Council for Curriculum and Assessment have not yet been published. The impact of the pandemic on the leaving certificate and the CAO system points to the need for substantial action and reform. Any reform of the system must address the widening gap between DEIS and non-DEIS schools in terms of students taking higher level course.<sup>30</sup> This reform must also take a broader view of access to further and higher education and explore pathways beyond the leaving certificate. *Social Justice Ireland* supports the provision of extra resources to DEIS schools to ensure that all students, but particularly those in disadvantaged areas, have equality of opportunity once they complete their second level education.

There has been an increase in retention rates in junior and senior cycle in DEIS post primary schools and an increase in the proportion of students in DEIS schools taking Higher Level papers in English and Mathematics. The fact that the achievement and attainment gaps between DEIS and non-DEIS post primary schools is closing is very positive. However significant gaps still exist and this is a cause for concern. One of the key findings of this report echoes that of the evaluation of DEIS at primary level; that many of the achievement gaps that still exist have their basis in income inequality.<sup>31</sup>

It is clear the disadvantaged students will suffer greater impacts due to the disruption that Covid-19 caused to learning.<sup>32</sup> Much of the progress made addressing educational disadvantage to date will be reversed unless the appropriate policies and investment are put in place. Policy makers must give serious consideration as to how the lost learning of students at all levels of education will be made up in the long-term.

## Early School Leaving

Ireland has the fourth lowest early school leaving rate in the European Union at five per cent and Ireland ranked second in the European Union for the percentage of people aged 20-24 with at least upper-second level education at 94 per cent (CSO, 2019). This downward trend of early school leaving is a welcome development and Ireland has surpassed the national target set under the Europe 2020 Strategy.

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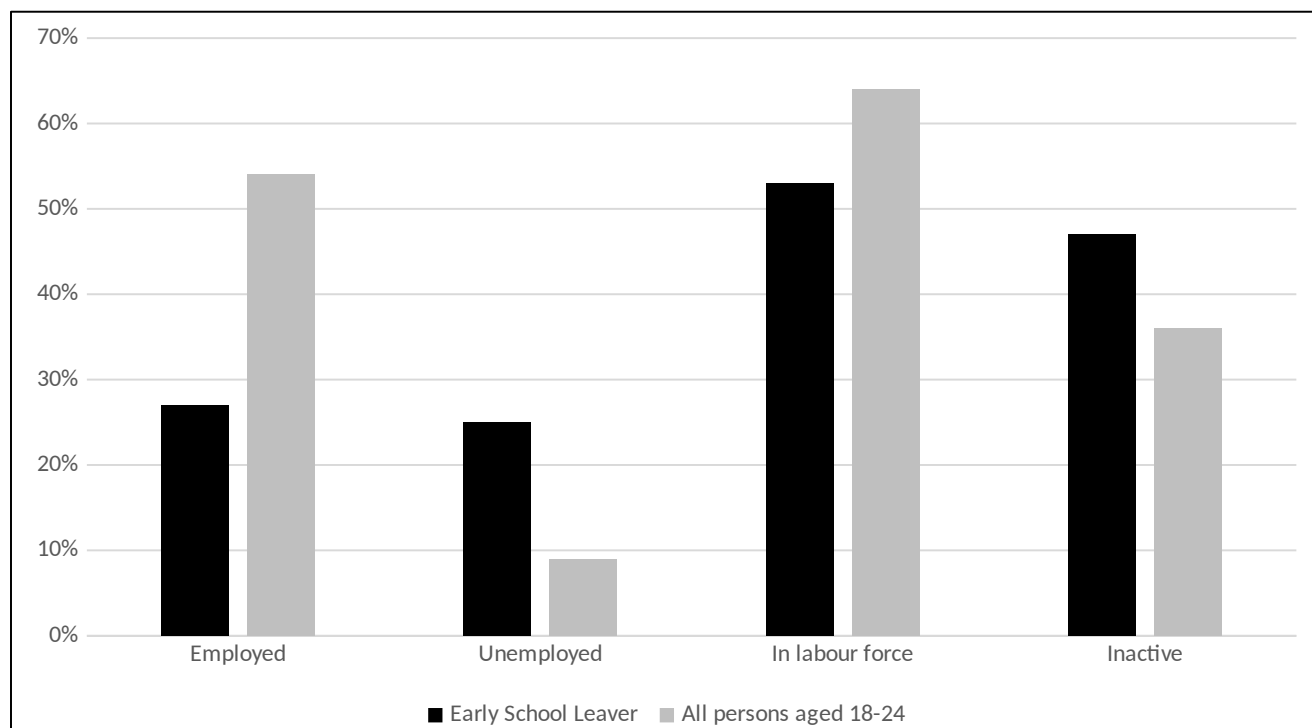
<sup>29</sup> <https://www.gov.ie/en/press-release/f7bf7-minister-foley-announces-plan-for-reform-of-senior-cycle-education-equity-and-excellence-for-all/>

<sup>30</sup> McCoy, S., Byrne, D., O'Sullivan, J. and Smyth, E. 2019 *The Early Impact of the Revised Leaving Certificate Scheme on Student Perceptions and Behaviour*. Dublin: ESRI

<sup>31</sup> Weir, S. and Kavanagh, L. 2019 *The evaluation of DEIS at post primary level: Closing the achievement and attainment gaps*. Dublin: Educational Research Centre.

<sup>32</sup> Social Justice Ireland 2021 *Education and Covid-19: Social Justice Matters Policy Brief*. Dublin: Social Justice Ireland.

**Chart 5: Labour Market Status for Early School Leavers and total population 18-24 year olds Q2 2019**



Source: (CSO, 2019).

According to the CSO, (see Chart 5) an early school leaver is three times as likely to be unemployed than the general population aged 18-24. Only one in four of them are in employment compared to the general population for that age group and just under half (47 per cent) are not economically active. A further report by the CSO<sup>33</sup> analysed the outcomes for students who started second level education in 2011 – 2013. When comparing early school leavers to those who completed the Leaving Certificate, the report found that just 43.8 per cent of early school leavers were in employment compared to 74 per cent of their peers who finished school, and that the median earnings for early school leavers were €65 less than their peers (€345 per week compared to €410 per week). These figures are a cause of concern. The poor labour market status of early school leavers points to the need for a continued focus on this cohort and on addressing educational disadvantage. As we move towards a future where digital transformation will disrupt the labour market, having the greatest impact on people with lower levels of education and skills<sup>34</sup>, it is important that this cohort are not left behind.

Ireland also faces challenges in the area of young people not engaged in employment, education or training (NEETs) in disadvantaged areas. The impact of Covid-19 in terms of disrupting access to education and employment opportunities will likely make it more challenging for the younger generation to maintain quality jobs and income.<sup>35</sup> Providing support and opportunities for young people not engaged in employment, education or training must be a priority for Government or we risk creating a generational divide. The gap between retention rates in DEIS and non-DEIS schools has halved since 2001, but it still stands at 8.5 per cent.<sup>36</sup> Government must work to ensure that schools in disadvantaged areas are supported to bring the rate of early school leavers to below

<sup>33</sup>Central Statistics Office 2019 Post-Primary Outcomes - Academic Years Ending 2012 & 2013. Dublin: Stationery Office.

<sup>34</sup>OECD 2019. "Well-being in the Digital age", OECD Going Digital Policy Note, Paris: OECD Publishing.

<sup>35</sup>OECD 2020 Youth and Covid-19: Response, Recovery and Resilience. Paris: OECD Publishing

<sup>36</sup><https://www.education.ie/en/Publications/Statistics/Key-Statistics/education-indicators-for-ireland.pdf>

Ireland's country-specific target of 8 per cent under the EU2020 Strategy and towards the national rate of 4 per cent. Overall, we believe that the situation calls for a long-term policy response, which would encompass alternative approaches aimed at ensuring that people who leave school early have alternative means to acquire the skills required to progress in employment and to participate in society. The recent Action Plan for Increasing Traveller Participation in Higher Education contains a welcome broader view of access and recognises the need to support traditional and non-traditional routes to higher education. A wide range of access options to education and training is pertinent when it comes to dealing with the issue of early school leaving.

The longer a person stays in education the more likely they are to be in employment. The risk of unemployment increases considerably the lower the level of education. Participation in high quality education has benefits not only for young people themselves but also for taxpayers and society. These benefits typically last over the course of an individual's lifetime. Adults with a tertiary degree in Ireland earn on average 81 per cent more than adults with upper secondary education. They are also more likely to be employed, the employment rate is 11 percentage points higher for degree holders than for those with an upper secondary or post-secondary non-tertiary education.<sup>37</sup> Socio-economic disadvantage also follows a student throughout the education system with younger graduates from more affluent areas earning around €2,000 more a year on average than their peers from disadvantaged areas. Even when controlling for different factors, graduates from disadvantaged backgrounds earn more than €600 less after graduation than others.<sup>38</sup> This underscores the value of investing in education at all stages, and the particular importance of investing in early childhood education, and a continued focus on tackling educational disadvantage. The benefits of investing in education, both to the individual, to the economy and to society, far outweigh any initial outlay of resources. This is something that should be at the forefront of decisions regarding the investment and resourcing of our education system as a whole.

The OECD PIAAC (Programme for the International Assessment of Adult Competencies) study found that the children of parents with low levels of education have significantly lower proficiency than those whose parents have higher levels of education, thus continuing the cycle of disadvantage.<sup>39</sup> The challenge posed by this intergenerational transmission of disadvantage are outlined in recent research. An OECD report on education in Ireland<sup>40</sup> found that the educational attainment levels of 25-64 year olds are very similar to that of their parents and that 40 per cent of adults whose parents did not attain upper secondary education had also not completed upper secondary education. A report from the CSO<sup>41</sup> on the intergenerational transmission of disadvantages found that those who had experienced educational disadvantage in their teens were more likely to be at risk of poverty or experiencing enforced deprivation than their wealthier peers in adulthood. In line with OECD findings on educational attainment the report found that three in ten (30.6 per cent) of those whose parents finished their education at lower secondary level also left school at the same point. Of those whose parents ceased their education at lower secondary level, 16.2 per cent were at risk of poverty as adults compared with 6.2 per cent of adults whose parents completed third level. Educational level attained is linked to earnings and earning potential as well as being one of the most important individual factors in reducing the risk of poverty for adults and, as this educational level seems to be linked across generations, it is important for reducing child and household poverty.

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<sup>37</sup>OECD 2019 "Ireland", in Education at a Glance 2019: OECD Indicators, Paris: OECD Publishing.

<sup>38</sup>Higher Education Authority 2020 Graduate Survey Outcomes Class of 2018. Dublin: HEA

<sup>39</sup> <http://www.oecd.org/skills/piaac/Ireland.pdf>

<sup>40</sup>OECD 2018 "Ireland", in Education at a Glance 2018: OECD Indicators, Paris: OECD Publishing

<sup>41</sup>Central Statistics Office 2020 SILC Module on the Intergenerational Transmission of Disadvantages 2019. Dublin: Stationery Office.

## Higher Education

Full-time enrolment in higher education has increased by almost 33 per cent in the last decade to 186,890 students<sup>42</sup> and numbers are projected to reach 222,514 by 2030. An increasing population of school-leavers demands that considerable investment is required to ensure that the higher education sector in Ireland can continue to cope. However public funding for higher education in Ireland has been decreasing since 2009 despite steadily increasing enrolments both full- and part-time. The Parliamentary Budget Office, in a recent report on tertiary Education Funding in Ireland<sup>43</sup>, estimates that funding per undergraduate student (full-time, part-time, remote and FETAC) enrolled in 2019 was 50 per cent lower than in 2008. The report presents a clear and detailed outline of the challenges facing the sector. The report recommends that any increases in State funding are accompanied by the recommended administrative reforms. Crucially it recommends that funding be sourced from sustainable revenues to prevent a repetition of the cuts to funding seen during the last economic and fiscal crisis.

Little if any progress has been made on the issue of funding for the higher education sector, despite the publication of two separate reviews into the issue. The final report of the Expert Group on Future Funding of Higher Education in Ireland<sup>44</sup> recommended three funding options for consideration by Government: (i) a pre-dominantly state-funded system; (ii) increased state funding with continuing upfront student fees; and (iii) increased state funding with deferred payment of fees (student loans). The report concluded that an additional €1 billion in annual funding would be needed by 2030 to sustain and improve provision of higher education in Ireland, with €600m of this required by 2021. Despite increases in funding in recent Budgets an additional €600m has not been invested in the sector in 2021. An estimation of the value of the higher education sector to the economy found that every €1 invested generates a return of approximately €9.<sup>45</sup> Without certainty regarding funding, the necessary reforms and innovations required in further and higher education will not succeed.

At the request of Government and the Oireachtas Committee on Education and Skills, the European Commission is now conducting an economic evaluation of the funding options in the Cassells Report, a report from the Commission (DG REFORM) was delivered in May 2021, the contents have not been published and no decision has yet been made on the recommendations.<sup>46</sup> We are no closer to developing a strategy to fund the sector. Substantial changes to the funding model are required, and regardless of what funding model or option is chosen, a significant increase in State funding will be required.

## Further Education and Training

Further Education and Training and Lifelong Learning should play an integral role in the lives of people in the labour force to prepare people for the impact of digitalisation and to enable them to take full advantage of potential opportunities. The Expert Group on Future Skills Needs<sup>47</sup> examined the potential impacts of digitalisation on the workforce in Ireland. One in three jobs in Ireland has a high risk of being disrupted by digital technologies, although the report points out that this is more likely to mean changes to job roles and tasks rather than job losses. The sectors most at risk are retail, transport, hospitality, agriculture and manufacturing.

<sup>42</sup>Department of Education and Skills 2018 Review of Early-Years Education -Focussed Inspection: April 2016 – June 2017. Dublin: Stationery Office

<sup>43</sup>Parliamentary Budget Office 2019 An Overview of Tertiary Education funding in Ireland. Dublin: Parliamentary Budget Office.

<sup>44</sup>Expert Group on Future Funding for Higher Education (2016) Investing in National Ambition: A Strategy for Funding Higher Education. Dublin: Department of Education and Skills.

<sup>45</sup> <https://www.iaa.ie/publications/iaa-budget-submission-2020/>

<sup>46</sup> <https://www.oireachtas.ie/en/debates/question/2021-11-30/97/>

<sup>47</sup>Expert Group on Future Skills Needs 2018 Digital Transformation: Assessing the Impact for Digitalisation on the Irish Workforce

The most significant finding for policy is that the jobs at highest risk are elementary, low-skilled occupations and the impact is most likely to be felt by people with lower levels of educational attainment. These findings are reinforced by the SOLAS Quarterly Skills Bulletin on Older Workers Q2 2019<sup>48</sup> which found that technological change will have the greatest impact on people employed in elementary, administrative, sales and operative roles and that approximately one third (146,300) of workers aged 50-59 are employed in these occupations.

The report concluded that measures must be taken to protect older workers from the threat of technological changes in the workplace. A further report on automation risk and the labour market<sup>49</sup>, which identified six occupational groups in particular which have large numbers of employees whose roles were at risk of automation. These groups are operatives & elementary, sales & customer service, administrative & secretarial, hospitality, agriculture & animal care and transport & logistics. The report concludes that the future world of work will require significant upskilling/ re-skilling opportunities across all areas of the labour market to meet the challenges and opportunities posed by automation in the workplace.

Apprenticeships and Traineeships are an essential part of the Further Education and Training System in Ireland. One of the five high level objective of the Action Plan for Apprenticeship 2021-2025 is that the profile of the apprenticeship population will more closely reflect the profile of the general population. The focus on increased participation of students from disadvantaged backgrounds and other specific target groups is very welcome. The age profile of apprentices in Ireland is young compared to other countries and is predominantly taken up by those of an age when second level education is completed. In 2018, 45 per cent were under 19 and 40 per cent aged 20 to 24 years. Just 10 per cent were aged 25-29 and only 5 per cent aged 30 or over. By comparison in England 21 per cent of the apprenticeship population is over 35. The age profile of those engaging in apprenticeships and traineeships requires closer scrutiny as this is an area that has the potential to address many of the challenges a digital transformation will bring. *Social Justice Ireland* is disappointed that the age profile was not expanded in the Action Plan.

## Lifelong Learning

Lifelong learning has an important contribution to make to people's wellbeing, to creating a more inclusive society and to supporting a vibrant and sustainable economy. The non-vocational element of lifelong learning and community education also brings major social and health benefits to participants outside the labour force.

Access to lifelong learning should be an integral part of the education system in order to address the income and labour market challenges that some members of society face. It also must be accessible and flexible to address the challenges which were identified in the Adult Skills Survey, those of unmet demand and being difficult to access.<sup>50</sup> Various agencies (European Commission, Expert Group on Future Skills Needs) identify generic skills and key competences as a core element of the lifelong learning framework.<sup>51,52</sup> These include basic skills such as literacy, numeracy, digital competence, language skills, people-related and conceptual skills, critical thinking, problem solving, creativity, risk assessment and decision making.

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<sup>48</sup>SOLAS 2019 Quarterly Skills Bulletin Q2 2019 Older Workers. Dublin: SOLAS

<sup>49</sup>SOLAS 2020 Future of Jobs in Ireland – Automation Risk. Dublin: SOLAS

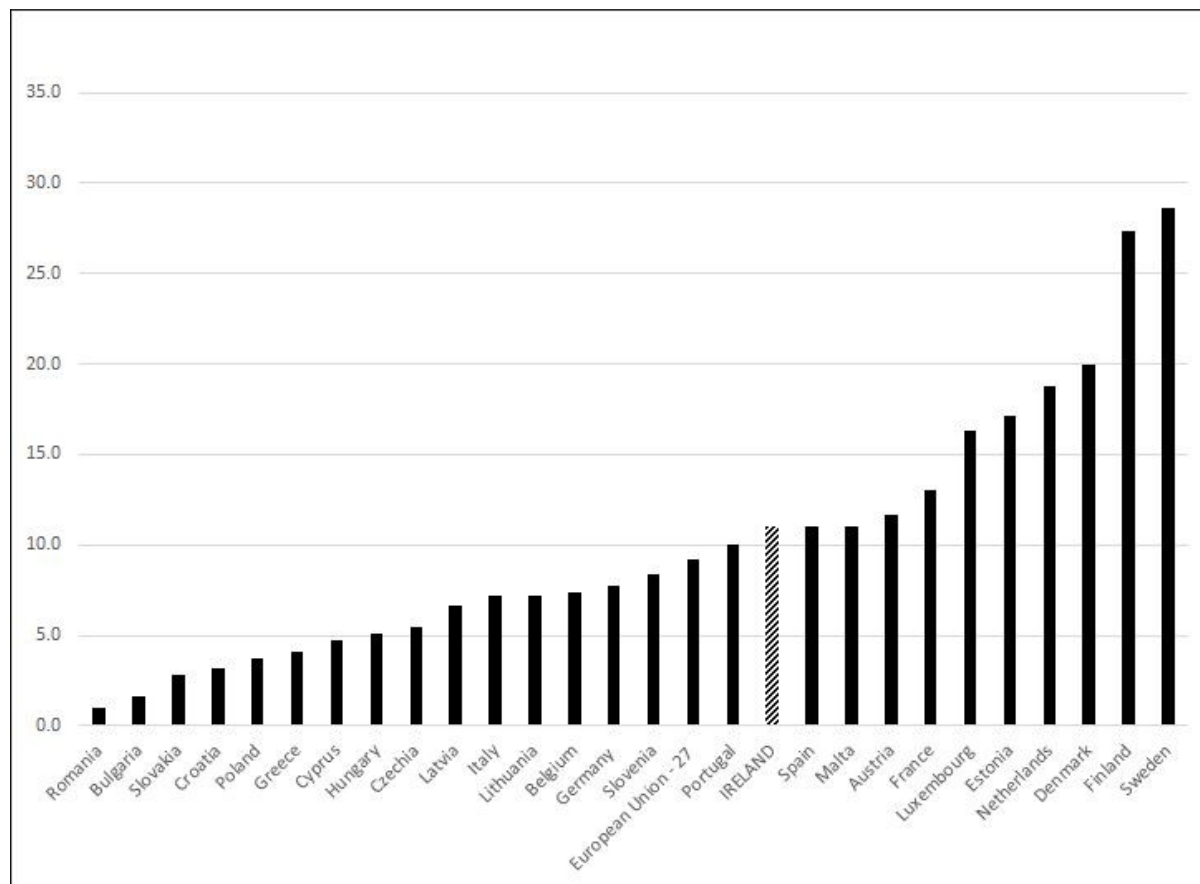
<sup>50</sup> <https://www.cso.ie/en/releasesandpublications/er/aes/adulteducationsurvey2017/>

<sup>51</sup>European Commission (2011 Early Childhood Education and Care: Providing all our children with the best start for the world of tomorrow. Brussels: European Commission.

<sup>52</sup>Expert Group on Future Skills Needs 2018 Digital Transformation: Assessing the Impact for Digitalisation on the Irish Workforce.

Ireland’s lifelong learning participation rate is slowly improving, it rose to 13 per cent in 2019 but fell back to 11 per cent in 2020 (see Chart 6). Our national target is to reach 15 per cent by 2025 as set out in the National Skills Strategy. As progress is being made, Government should consider revising this target to reach 15 per cent by 2023 and to reach 20 per cent by 2026.

**Chart 6: EU-28 Lifelong Learning Participation Rates, 2020**



Source: Eurostat (2022).

Those engaged in lifelong learning are more likely to be professionals than low-skilled operatives and employed in public administration, professional services and finance. These sectors are more likely to provide in-house training, continuous professional development and have policies for subsidising education, than the retail or construction sectors. Employers must be encouraged and incentivised to participate in the development of any lifelong learning strategies. This not only supports the development of the employee but contributes to the retention rate and effectiveness of the business, which in turn reduces the costs associated with hiring and developing new staff.

### Adult Literacy

Literacy is defined as the capacity to understand, use and reflect critically on written information, the capacity to reason mathematically and use mathematical concepts, procedures and tools to explain and predict situations, and the capacity to think scientifically and to draw evidence-based conclusions.<sup>53</sup> The 2013 OECD PIAAC study<sup>54</sup> is the only current measure of adult literacy in Ireland and provides at least a basis for discussion of this important issue. The data on adult literacy and

<sup>53</sup>OECD 2015 Universal Basic Skills: What Countries Stand to Gain. Paris: OECD Publishing.

<sup>54</sup>OECD 2013 OECD Skills Outlook 2013: First Results from the Survey of Adult Skills. Paris: OECD Publishing



numeracy is dated and we welcome the fact that work has commenced on the delayed 2021-2022 round of PIAAC. In order to implement the correct policies in this area up to date data is required.

According to the evidence we have from the 2013 PIAAC study, Ireland is placed 17th out of 24 countries in terms of literacy, with 18 per cent of Irish adults having a literacy level at or below Level 1. People at this level of literacy can understand and follow only basic written instructions and read only very short texts. On numeracy, Ireland is placed 19th out of 24 countries with 26 per cent of Irish adults scoring at or below Level 1. In the final category, problem solving in technology rich environments, 42 per cent of Irish adults scored at or below Level 1. In other words, a very significant proportion of Ireland's adult population possesses only very basic literacy, numeracy and information-processing skills, insufficient to compete in a market where the skill sets of even highly-skilled workers are likely to be obsolete in a matter of years.

There is a cost to the state for unmet literacy and numeracy needs. But there is a positive and rapid return on investing in adult literacy and numeracy. These benefits are across the board both for the participants, the Exchequer and the economy. It is estimated that the annual income gain per person per level increase on the National Qualifications Framework (NQF) was €3,810 and the gain to the Exchequer, in terms of reduced social welfare transfers and increased tax payments, being €1,531 per annum.<sup>55</sup> Investing in adult skills, particularly the literacy, numeracy and digital literacy needs of those who have the lowest skills is an important investment in our human capital.

'Adult Literacy for Life: A ten-year strategy for adult literacy, numeracy and digital literacy' was published in 2021. The strategy contains three high level targets: decrease the share of adults in Ireland with unmet literacy needs, that is PIAAC Level 1 or below, from 18% to 7%; decrease the share of adults in Ireland with unmet numeracy needs, that is PIAAC Level 1 or below, from 25% to 12%; decrease the share of adults in Ireland without basic digital skills from 47% to 20%. Although the strategy makes commitments to funding to mitigate educational disadvantage, support community education and target vulnerable cohorts, there is no amount allocated for the lifetime of the strategy. We recommend that Government resource the strategy by implementing the recommendation of the 2006 Adult Literacy report which proposed a quadrupling of the adult literacy tuition budget from €25 million to about €100 million over seven years with an additional €25 million for improving ancillary and support services.<sup>56</sup>

## Skills Development

While Ireland performs relatively well in terms of skills development among young people, a comparatively small share of the adult population perform well on all levels of the PIAAC. Managing digital transformation in the labour market and the shift to a green economy requires investment in human capital and a well-trained and skilled general workforce at all levels.<sup>57</sup> Educational success is now about creative and critical approaches to problem solving, decision making and persuasion, applying the knowledge that we have to different situations. It is about the capacity to live in a multifaceted world as an active and engaged citizen.<sup>58</sup> Continuous investment in skills development, adult learning and lifelong learning are the best policy tools available, allowing investment in human capital and ensuring we can manage these transitions.

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<sup>55</sup>National Adult Literacy Agency 2020 Literacy Now: The cost of unmet literacy, numeracy and digital skills needs in Ireland and why we need to act now. NALA: Dublin

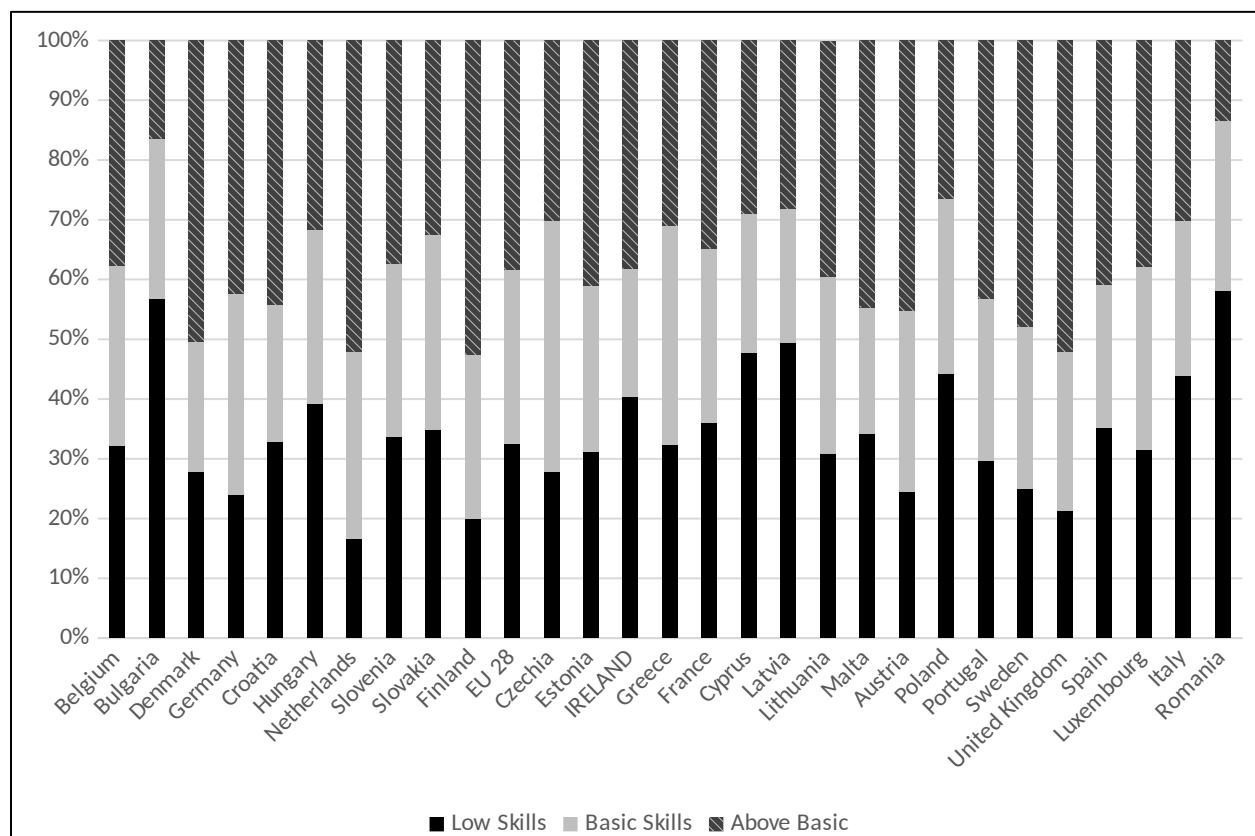
<sup>56</sup> [http://archive.oireachtas.ie/2006/REPORT\\_20060531\\_1.html](http://archive.oireachtas.ie/2006/REPORT_20060531_1.html)

<sup>57</sup>Cedefop 2020 Perceptions on adult learning and continuing vocational education and training in Europe. Cedefop reference series 117. Luxembourg: Publications Office of the European Union

<sup>58</sup> <http://oecd.org/general/thecasefor21st-centurylearning.htm>

Ireland’s performance on digital skills is concerning (see Chart 7). Over 55 per cent of the population have low or basic digital skills. Over one third of the adult population (36 per cent) has low digital skills, well above the EU average (28 per cent). Only one fifth of the population have basic digital skills. This general gap in digital skills is also confirmed by the OECD PIAAC survey of adult learning. Clearly one implication is that expenditure on training will have to increase, especially if we are to meet our digital literacy target. Across the OECD average spending on training for the unemployed and workers at risk of involuntary unemployment is only 0.13 per cent of gross domestic product (GDP).

**Chart 7: EU-28 Digital Skills Levels, 2019**



Source: Eurostat (2021).

A report by the OECD on Well-being in the Digital Age<sup>59</sup> found that the digital transformation could compound existing socio-economic inequalities, with the benefits in terms of earnings and opportunities accruing to a few, and the risks falling more heavily on people with lower levels of education and skills. The report notes that 14 per cent of all jobs are at high risk of being lost due to automation, with another 32 per cent at risk of significant change over the next 10 to 20 years. This means that nearly half of the labour force will be impacted by changes to their jobs as a result of automation by 2040. The pandemic provided a powerful test of the potential of online learning, and it also revealed its key limitations, including the prerequisite of adequate digital skills, computer equipment and internet connection to undertake training online, the difficulty of delivering traditional work-based learning online, and the struggle of teachers used to classroom instruction.<sup>60</sup>

Our training and skills development policy must be adapted to meet this challenge.

<sup>59</sup>OECD 2019 “Well-being in the Digital age”, OECD Going Digital Policy Note, Paris:OECD Publishing.

<sup>60</sup>OECD 2020 Youth and Covid-19: Response, Recovery and Resilience. Paris: OECD Publishing

## Education Policies and Reforms for inclusion in the Roadmap Review

### ***Addressing educational disadvantage***

Welcome progress has been made at primary and post primary level in terms of closing the achievement and attainment gaps between DEIS and non-DEIS schools. However significant gaps still exist – many of which have their basis in income inequality, and this is a cause for concern. Further resourcing is clearly needed to address educational disadvantage and to close the gap between students in DEIS schools and non DEIS schools. Continued support for DEIS schools must be a policy priority and the positive policy measures which are seeing reductions in the achievement gap must be used as a stepping stone to further improvements. The recent expansion of the DEIS programme, to incorporate an additional 310 schools supported by a funding allocation of €32m is very welcome. It is important that building on the progress that has been made, closing the attainment gap and mitigating the impact of interrupted learning are supported by this expansion. While advances have been made to address inequality in our education system, and the DEIS programme is proving to have a positive effect, children from lower socio-economic backgrounds continue to under perform in literacy, numeracy and science. Literacy and numeracy trends in DEIS schools have not been resolved and the targets for 2020 have not been met, it is important sufficient resourcing is available to support the targets in the current DEIS plan. Decisions regarding numeracy and literacy policy, investment, and the allocation of resources within the education system must be focused on reversing this negative trend.

However, not all children experiencing disadvantage attend DEIS schools and many students who would benefit from the extra supports available in DEIS schools cannot do so. *Social Justice Ireland* recommends that adequate resources are allocated to non-DEIS schools to enable them to fully support disadvantaged pupils.

### ***Funding***

Education is widely recognised as crucial to the achievement of our national objectives of economic competitiveness, social inclusion, and active citizenship. It benefits not just the individual, but society as a whole and the returns to the economy and society are a multiple of the levels of investment. However, the levels of public funding for education in Ireland are out of step with these aspirations. Under-funding is particularly severe in the areas of early childhood education, lifelong learning and second chance and community education – the very areas that are most vital in terms of the promotion of greater equity and fairness.

The projected increased demand outlined earlier in all areas of our education system must be matched by a policy of investment at all levels that is focused on protecting and promoting quality services for those in the education system.

Government must develop and commit to a long-term sustainable funding strategy for education at all stages, recognising the importance of a life-cycle approach to educational support. This funding strategy should incorporate capital and current expenditure and be coherent with present strategies and funding already allocated as part of Ireland 2040. The overall priority must be to deliver multi annual funding linked to long-term strategies at all levels with the Joint Oireachtas Committee on Education and Skills playing a key role.

## ***Early Childhood Care and Education***

High quality educational experiences in early childhood contribute significantly to life-long learning success.<sup>61</sup> This sector needs to be supported by Government, financially and through policy, to ensure that all children have equal access to this success and all of the benefits of quality education. This is even more pertinent in light of the detrimental impact of Covid-19 on the delivery of early childhood education.

The Educational Research Centre<sup>62</sup> found that tackling inequality at pre-school level before a child attends primary school was found to have a significant impact on educational disadvantage if certain conditions are met. These conditions are that the pre-school is of a high quality, are adequately funded, have low adult-child ratios, highly qualified staff with quality continued professional development, positive adult-child interactions, effective collaboration with parents, appropriate curricula, adequate oversight, monitoring and evaluation, and inclusivity and diversity. Government must ensure that all early years settings meet these conditions by 2022.

An appropriate and ambitious approach would be to set a target of investing 1 per cent of GDP by 2027 in early childhood care and education (the expenditure of the top performing countries in the OECD). Investment should increase by a minimum of 0.1 per cent GDP annually to meet the to reach this new target by 2027 with annual updates on progress to the Oireachtas.

## ***Higher Education***

Higher education is facing a significant funding shortfall and future resourcing of this sector is a key challenge currently facing Government. For Higher Education, the *Final Report of the Independent Expert Panel*<sup>63</sup> points out that funding requirements for higher education should be benchmarked against the funding in those countries we aspire to emulate and compete with. This is critical if we are to maintain our skills base while fostering innovation and upskilling the labour force. *Social Justice Ireland* welcomes innovation in funding allocation and a move towards a more demand-based system to support students in their chosen careers.

Increasing demand for places combined with significant cuts in funding between 2010 and 2015 imply that it would be extremely difficult to fund the sector with a combination of limited public expenditure and student loans, meaning one of the recommendations of the HEA Report to supplement funding by way of 'income contingent loans' is no longer feasible. Investment in higher education will have to increase significantly over the next decade, regardless of which option or funding model Government decides to implement. Government should develop a framework to deliver sustainable funding revenues for higher education over the next five years with a roadmap to 2028. This framework should have clear medium and long-term targets.

Ireland requires a sustainable funding strategy for higher education. This strategy must ensure that sufficient and sustainable revenue streams are made available for such investment on an annual basis.

A broadening of access routes to higher education must also form part of any new funding strategy. If higher education is to integrate into lifelong learning and to play the leading role it can play in climate transition, and as the future of work and employment changes, a broadening of access routes is imperative.

<sup>61</sup>Department of Education and Skills 2018 Action Plan for Education 2018. Dublin: Stationery Office

<sup>62</sup>Education Research Centre 2017: Addressing Educational Disadvantage, A Review of Evidence from the International Literature and of Strategy in Ireland: An Update since 2015, Dublin: Educational Research Centre.

<sup>63</sup>Higher Education Authority (2018) Review of the Allocation Model for Funding Higher Education Institutions, Final Report by the Independent Expert Panel for the HEA. Dublin: HEA.

## **Further Education and Training**

The lifelong opportunities of those who are educationally disadvantaged are in sharp contrast to the opportunities for meaningful participation of those who have completed a second or third-level education. If the Constitutionally-enshrined right to education is to be meaningful, there needs to be recognition of the barriers to learning that some children of school-going age experience, particularly in disadvantaged areas, which result in premature exit from education. In this context, second chance education and continuing education are vitally important and require on-going support and resourcing.

Although the funding available for education increased in Budgets since 2016, the deficits that exist within the system, particularly as a result of the impact of austerity budgeting, require significant additional resources. This requires the development of a long-term education policy strategy across the whole educational spectrum to ensure that education and continuous upskilling and development of the workforce is prioritised if Ireland is to remain competitive in an increasingly global marketplace and ensure the availability of sustainable employment.

A key policy component must be a review of the age profile of apprenticeships and how this can be expanded and the integration of the latest OECD recommendations on training and skills into the National Skills Strategy. Further Education has a key role to play to ensure we meet our lifelong learning targets and it must be supported and resourced to ensure we meet our targets.

## Health

Health is not just about healthcare. The link between poverty and ill-health is well established by research. International reports underline inequalities in life expectancy by socio-economic status, including education level, income or occupational group.<sup>64</sup> On average across OECD countries, people without a high-school diploma can expect to live about 6 years less than those with third-level education. People with low incomes are less likely to see a doctor while access to preventative services is systematically concentrated amongst the better-off. In older age, there are large disparities in the experience of disability by income level: on average across EU countries, about 18 per cent of people aged 65+ in the highest income quintile (top 20 per cent) report disability compared with 43 per cent among those in the lowest 20 per cent.<sup>65</sup>

A range of studies provide concerning evidence relative to inequality and health in Ireland. The OECD<sup>66</sup> suggests that a high proportion of Irish adults report being in good health, but differences occur across income groups: only 73 per cent of people in the lowest income quintile (lowest 20 per cent) assess their health as good, compared to 93 per cent in the highest (in 2017). Furthermore, Ireland was one of five OECD countries where people aged 65+ in the lowest income quintile (lowest 20 per cent) are more than twice as likely to report living in poor or fair health, compared with those in the highest income quintile.<sup>67</sup> At the other end of the lifespan, the *Growing Up in Ireland* study highlights a widening health and social gap by the time children are just 5 years old. Children from the highest social class (professional/managerial) are more likely than those from the lowest socio-economic group to be considered very healthy and have no problems.<sup>68</sup>

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<sup>64</sup>OECD 2019 Health for Everyone? Social Inequalities in Health and Health Systems .OECD Health Policy Studies. Paris: OECD Publishing

<sup>65</sup>OECD/European Union, Health at a Glance: Europe 2020: State of Health in the EU Cycle, OECD Publishing, Paris

<sup>66</sup>OECD State of Health in the EU: Ireland Country Health Profile 2019. Paris: OECD Publishing

<sup>67</sup>OECD Health at a Glance 2019: OECD Indicators. Paris: OECD Publishing

<sup>68</sup>Growing Up in Ireland 2013 Growing Up in Ireland - Key Findings: Infant Cohort (at 5 years) No. 3 Well-being, play and diet among five-year-olds Dublin: ESRI, TCD, The Department of Children and Youth Affairs

The Irish Health Survey<sup>69</sup> suggests that the more disadvantaged a person is, not only is their self-reported health status poorer, but the more they engage with the health system. This survey also highlights the poorer health status of unemployed people who report higher levels of mental ill-health than people in employment.

Life expectancy is another area where differences exist between socio-economic groups in Ireland. Life expectancy at birth is continuing to increase, standing at 84.7 years for women and 80.4 years for men (in 2019).<sup>70</sup> The gap between male and female life expectancy has narrowed in the past decade. These are positive developments. However, life expectancy differs based on socio-economic background.<sup>71</sup> For example, life expectancy at birth of males living in the most deprived areas was 79.4 in 2016/2017 compared with 84.4 for those living in the most affluent areas. The corresponding figures for females were 83.2 and 87.7 years, respectively. Of course, the pandemic may be found to have had an impact on life expectancy, as falling life expectancies are seen in 2020 in most OECD countries where data is available.<sup>72</sup>

The above shows how, in summary, poor people get sick more often and die younger than those in the higher socio-economic groups. The Department of Health acknowledges that Ireland faces significant challenges in this area and that inequalities in health and difficulties around access to healthcare are amongst those that if not addressed now, 'will lead to an unhealthy and costly future'.

## Healthcare Model

Problems with the Irish healthcare system are often apparent through difficulties of access. However, that is not the whole story – as well as waiting times for access to hospital care, there are barriers in access to primary care and delays in Accident & Emergency Department admissions. When the financial crisis occurred in 2008, Ireland still had poorly developed primary and community care services<sup>73</sup> and austerity policies followed leading to continuous cuts to staff and budgets alongside increasing demand for care.<sup>74</sup>

Problems with overcrowding in emergency departments are a regular feature of the Irish system. The Irish Nurses and Midwives Association<sup>75</sup> document that over 70,275 patients went without a bed in hospitals in 2021. In this situation outpatient appointments and surgeries can be cancelled and effects are felt throughout the system – not to mention the human suffering involved and the risks to safety. The 2019 national survey of patients found that 7,927 people (70 per cent of those answering this question) said they waited longer than six hours before being admitted to a ward; 331 people (4 per cent) waited 48+ hours.<sup>76</sup>

Contributing to these problems is inability to discharge people, often older patients, due to lack of step-down facilities, nursing homes and other forms of support in communities. A study suggests that formal care is available to only 24 per cent of those needing care and (amongst the different groups examined) 38 per cent of people over 65 have unmet needs for care, as do 34 per cent of disabled adults.<sup>77</sup> The OECD<sup>78</sup> highlights how many hospital admissions could be avoided in Ireland (especially for chronic conditions like Asthma and COPD) if there were improvements in primary

<sup>69</sup>Central Statistics Office Irish Health Survey 2019: Main Results. 11 December 2020.

<sup>70</sup>Department of Health. Health in Ireland: Key Trends, 2021. Dublin: Department of Health

<sup>71</sup>Central Statistics Office (2019). Mortality Differentials in Ireland 2016- 2017. June.

<sup>72</sup>Department of Health. Health in Ireland: Key Trends, 2021. Dublin: Department of Health

<sup>73</sup>World Health Organisation and European Observatory on Health Systems and Policies (2014). Health System responses to pressures in Ireland: Policy Options in an International Context. 16 November. Copenhagen: WHO Regional Office for Europe.

<sup>74</sup>Burke, S, Normand, C., Barry, S., and Thomas, S. 2016'From Universal health insurance to universal healthcare? The shifting health policy landscape in Ireland since the economic crisis.' Health Policy.

<sup>75</sup>Irish Nurses and Midwives Organisation 2022 '70,275 patients on trolleys in 2021 is unacceptable' Press Release.

<sup>76</sup>National Care Experience Programme. National Inpatient Experience Survey 2019

care. Thus, community services are not fully meeting growing demands associated with population change, reflected in inappropriate levels of admission to, and delayed discharges from, acute hospitals. With increases in the population, especially amongst older people, the acute hospital system will be unable to operate effectively without a shift towards primary and community services as a principal means of meeting patient needs.

*Social Justice Ireland* is concerned that the ageing of the population is not being properly planned for. An opportunity to resource and implement the proposed statutory right to home care was regrettably missed in previous Budgets; so too was the restoration of Home Adaptation Grants to 2010 levels and a substantial increase in funding for the HSE National Safeguarding Teams. The Department of Health<sup>79</sup> acknowledges that the current health service needs to evolve, noting that there is an over-reliance on hospitals, that community-based services are fragmented, and that there is a lack of integration within and across different services.

Sláintecare makes proposals for a ten year strategy for health care and health policy in Ireland. Robust rollout of Sláintecare could strengthen the effectiveness of the health care system. However, as the OECD/European Union<sup>80</sup> noted, while the Strategy and Action Plan commit to expanding eligibility for health care on a phased basis, they do not commit to legislating for entitlement to care and the expansion of services required to deliver universal health coverage. As noted already, the additional resources committed for the development of the healthcare system in 2021 should be retained and now fully rolled out to implement Sláintecare. In order to deliver the modern, responsive, integrated public health system that the report envisages it is vital that the necessary investment is made. Reform will require investment *before* savings can be made. Not undertaking the required prior investment will mean that recurring problems will continue and will be exacerbated as our population ages.

## Policy Priorities for the Roadmap Review

Community-based health and social services require a model of care that is accessible and acceptable to the communities they serve, one that, amongst other things, affords primary care priority over acute care and recognizes the need for adequate resources across the full continuum of care, including primary care, social care, and specialist acute hospital services. There are many areas requiring action if the basic model of care that is to underpin the health services is not to be undermined. These areas include:

- Older people's services
- Primary Care
- Children and family services
- Disability,
- Obesity, and
- Mental health.

We now address each of these in turn.

### ***Older People's Services***

According to the ESRI, good home care and long-term residential care services help reduce older people's lengths of stay in acute hospitals, and hospital stays are shorter in Irish counties that are

<sup>77</sup>Privalko, I., Maître, B., Watson, and D., Grotti, R. 2019 Access to Care Services Across Europe. Dublin: Department of Employment Affairs and Social Protection and Economic and Social Research Institute

<sup>78</sup>OECD State of Health in the EU: Ireland Country Health Profile 2019. Paris: OECD Publishing

<sup>79</sup>Department of Health. Health Service Capacity Review 2018 Dublin: Department of Health.

<sup>80</sup>OECD/European Union, Health at a Glance: Europe 2020: State of Health in the EU Cycle, OECD Publishing, Paris

better supplied with these services.<sup>81</sup> Ireland provides relatively low levels of formal home care by comparison with several other countries, with research suggesting that 38 per cent of older people who need home care do not have their needs met.<sup>82</sup> As previous iterations of this review have evidenced, numbers of people receiving home help and the hours allocated reduced from 2008 and especially from 2010, and there were still fewer people in receipt of Home Help support in 2017 than there had been in 2008 despite population ageing.<sup>83</sup>

Amongst the issues that the pandemic has highlighted is fragmentation in how long-term care is provided for older people and the relative detachment from the health service of private nursing homes (see Houses of the Oireachtas Special Committee on Covid-19 Response, 2020).<sup>84</sup> It is to be hoped that the shortcomings in the response to COVID-19 within nursing homes especially in 2020, and the high levels of deaths of residents, might lead to a more community focused approach to long-term care of older people in the future as well as better linkages and oversight between public and private sectors.

The year 2020 saw suspensions of some services (such as Day care) due to the pandemic.<sup>85</sup> The HSE Annual Report for 2020 suggests that 17.5 million hours of home support (combining home care packages and home help but not intensive home care packages) were delivered to some 52,881 people.<sup>86</sup> As Table 3 shows, the funding provided and numbers in receipt remain at similar levels to the previous two years. However, the HSE acknowledges that demand for home support continues to exceed the level of service, that resources have not kept pace with population growth or with the increasing support needs of the growing numbers of people aged 80+.<sup>87</sup> In March 2021, there were 1,601 people waiting for home support funding, but there had been a significant reduction in the number of people waiting on funding over the course of 2020 as a result of several factors including availability of additional funding to address those waiting<sup>88</sup>. However, due to COVID-19 (with related illness amongst clients and staff), considerable numbers of home support services were temporarily suspended - at end March 2021 these numbered 3,327, of which 2,750 were suspended by the client/family and the balance suspended by the HSE, impacting on the total number of hours delivered.

**Table 3: Support to Older People in the Community and in Nursing Homes**

	2016	2017	2018	2019	2020
<b>Home Support*</b>					
People in Receipt			53,000	51,345	52,881
Hours delivered			17.13m	17.48m	17.5m
<b>Intensive Home Care Packages</b>					

<sup>81</sup>Walsh, B., Wren, M-A, Smith, S., Lyons, S., Eighan, J. and Morgenroth, E. 2019 An Analysis of the Effects on Irish Hospital Care of the Supply of Care Inside and Outside the Hospital. Dublin: Economic and Social Research Institute

<sup>82</sup>Privalko, I., Maitre, B., Watson, and D., Grotti, R. 2019 Access to Care Services Across Europe. Dublin: Department of Employment Affairs and Social Protection and Economic and Social Research Institute

<sup>83</sup>Healy, S, Bennett, C., Leahy, A., Murphy, E., Murphy, M. and Reynolds, B SocioEconomic Review 2019: Social Justice Matters 2019 Guide to a Fairer Irish Society. Dublin: Social Justice Ireland

<sup>84</sup>Houses of the Oireachtas Special Committee on Covid-19 Response Final Report 6 October 2020 33 SCCR 004.

<sup>85</sup>Health Service Executive. Annual Report and Financial Statements 2020: Building a Better Health Service Dublin: Health Service Executive

<sup>86</sup>Ibid

<sup>87</sup>Health Service Executive. Performance Profile: Jan-Mar 2021. Quarterly Report. Dublin: Health Service Executive

<sup>88</sup>Extra funding for home support made available in Budget 2021 in the context of the pandemic.



			250	188	149
People in Receipt					
Hours Delivered			406,000	376,665	
<b>NHSS (Fair Deal) funded places</b>					
Numbers of People					
	23,142	22,949	23,305	23,629	22,755 <sup>^</sup>
% of 65+ population (approx.)	3.7	3.5	3.5	3.3	3.3 <sup>^</sup>

**Source:** HSE Annual Report and Financial Statements (2012 – 2020).

<sup>^</sup>These figures comes from HSE Management Data Report, Jan 2021.

\*Comprising Home Care Packages and Home Help services; HSE figures were amalgamated for these two services from 2018 making comparison with previous years difficult.

Over 60 per cent of the older people's budget goes towards long-term residential care while only approximately 4 per cent of the over 65 population live in residential care settings.<sup>89</sup> People supported by the NHSS (Fair Deal) scheme in 2020 numbered approximately 22,700 (approximately 3.3 per cent of people aged 65+), a proportion that has been relatively static over recent years, as Table 3 shows.

A statutory basis for home care has been called for by *Social Justice Ireland* and initiatives taken in this direction in recent years are welcome, but publication of details and implementation are regrettably delayed. Supporting people to live at home requires an integrated approach that ensures access to a range of supports in the home as well as transitional facilities (including step-up, step-down, convalescence, assessment and review, respite and rehabilitation services). To achieve this, deficits in infrastructure need to be addressed urgently with an emphasis on replacement and/or refurbishment of facilities. If this is not done, inappropriate admissions of older people to acute care facilities will continue with consequent negative effects on acute services and on people and their families. Planning and investment are required to meet the challenges presented by population ageing, and also to address the infrastructural deficits created by under investment. *Social Justice Ireland* believes that on the capital side, an investment in the order of a total of €500 million over five years (€100 million each year), is required to meet growing need, including the refurbishment of community nursing facilities, and the rollout of Sláintecare.

### **Primary Care**

Countries with a strong primary care sector have better health outcomes, greater equity, lower mortality rates and lower overall costs of healthcare.<sup>90</sup> The development of Primary Care Teams and primary care networks across the country was intended to reduce problems within healthcare provision, and to shift from over-reliance on acute hospital services to a more community based model. Community Healthcare Networks (CHNs) were subsequently envisaged as the fundamental unit of organisation for the delivery of community healthcare with 96 CHNs envisaged across Ireland, each serving a population of 50,000. There are also 91 Children's Disability Networks (CDNs) to be established to align to the 96 CHNs.

<sup>89</sup>Department of Health. Review of the Nursing Homes Support Scheme, A Fair Deal. Dublin: Department of Health

<sup>90</sup>Department of Health. 2016 Better Health, Improving Healthcare. Dublin: Healthy Ireland, Department of Health

*Social Justice Ireland* acknowledged the commitment to progressing CHNs and enhancing community care; however we are concerned that specific funding has not been identified. Moving toward a more community based model will require prioritisation of enhanced community care including the funding and provision of CHNs, Community Specialist Teams and Home Support Services. Greater transparency about their planning and roll-out is also needed. Work done on existing centres and networks is welcome, but more is needed to ensure that they are properly operational, staffed and integrated within the entire system. A comprehensive plan for their implementation should be published identifying how the CHNs will link with mental health and social care services and how collectively these community services will be integrated with acute hospital services as well as other important services at local government, education and wider community level. *Social Justice Ireland* believes that an investment of €150 million is needed to support the infrastructural development and rollout of Community Health Networks.

### ***Children and Family Services***

Even though Ireland's population is ageing rapidly, those aged under 14 represent over one fifth of our population (20.3 per cent in 2020), contrasting with an EU-28 average of 15.1 per cent.<sup>91</sup> The United Nations has voiced concerns about children's health in Ireland, including about mental health services, health of children in single-parent families, children in poverty and Traveller and Roma children.<sup>92</sup> There is a need to focus on health and social care provision for children and families in tandem with the development of community services (such as CHNs) and a universal approach to access to healthcare.

Providing universal access to GP care for children under 6 is a welcome development of recent years as was the proposed extension to those aged 6-7 announced in Budget 2022. However, older children are not yet included. Furthermore, hospital waiting lists remain a significant issue. In January 2022, some 84,916 children were waiting for an outpatient appointment, of whom over 24,400 were waiting for 18+ months, while over 8,000 children were on hospital inpatient waiting lists (inpatient and day case), of whom over 1,400 were waiting 18+ months.<sup>93</sup> There are also large numbers waiting for assessment and treatment in community-based therapeutic services such as physiotherapy and ophthalmology, many of them for more than a year.<sup>94</sup> Another area of concern relates to delays in assessments of need of children with disabilities<sup>95</sup>; those waiting in December 2021, numbered nearly 4,000.<sup>96,97</sup>

Turning to mental health issues, the policy *A Vision for Change*, committed to the establishment of specialist Child and Adolescent Mental Health teams (or CAMHs). *A Vision for Change* (revised as per Census 2011 data) recommended the establishment of 129 CAMHs teams, but there are currently only 72 in place.<sup>98</sup> Additional funding and the development of additional CAMHS hubs were announced in previous Budgets and welcomed by *Social Justice Ireland* but there have been service deficits, delays and problems with funding and implementation in this area over many years.

<sup>91</sup>Eurostat online database demo\_pjanind

<sup>92</sup>U.N. Committee on the Rights of the Child 2016. Concluding Observations on the Combined Third and Fourth Periodic Reports of Ireland.

<sup>93</sup>National Treatment Purchase Fund 2021; 2022. National Waiting List Data Inpatient / Day Case Waiting List/Outpatient Waiting List

<sup>94</sup>Health Service Executive. Performance Profile: Jan-Mar 2021. Quarterly Report. Dublin: Health Service Executive

<sup>95</sup> An assessment of needs is arranged by the HSE to determine the health or educational services required by a person with a disability.

<sup>96</sup>Ombudsman for Children's Office A report by the Ombudsman for Children's Office on the challenges faced by children in Ireland who require an assessment of their needs. October 2020

<sup>97</sup>Ombudsman for Children's Office 2021 4,000 children with disabilities in waiting list limbo [online]

<sup>98</sup>Mental Health Commission 2022. Mental Health Commission: findings of HSE report represent a catastrophic failure of oversight, supervision and accountability.

The Child Care Law Reporting Project<sup>99</sup> identifies gaps in the provision of mental health services for children, including cases where children in care did not qualify for a CAMHS response under its diagnostic criteria, and they highlight the need for greater interagency cooperation – between the Tusla and the HSE, including CAMHS.

In addition, waiting lists for CAMHS can be significant; children on the waiting list numbered 2,625 in March 2021 with 282 (over one in 10) waiting for 12+ months and regional variations.<sup>100</sup> CAMHS units operate only in three counties nationally, and they generally do not take out-of-hours admissions.<sup>101</sup> Admitting children and young people to adult units has been roundly criticised by the Mental Health Commission and by the UN Committee on the Rights of the Child; regrettably, this practice continues, although numbers involved reduced in 2020 and 2021.<sup>102</sup> The COVID-19 pandemic compounded weaknesses in child protection services and it may also have negatively affected mental health of children and young people; this needs to be a priority area for policies in the future.

Many community and voluntary services are being provided in facilities badly in need of refurbishment or rebuilding. Despite poor infrastructure, these services provide vital services. There is a great need to support such activity and, in particular, to meet its infrastructural requirements.

A range of issues other than those just discussed need attention including issues of child protection, child poverty, youth homelessness, and the issue of young carers.

## ***Disability***

Some 13.5 per cent of the population, or 643,121 people, experience disability.<sup>103</sup> Disability policy was set out in the 2004 *National Disability Strategy* (and its 2013 implementation plan) and in the *National Disability Inclusion Strategy, 2017-2021*. The HSE developed the *Transforming Lives* programme intended to build better services for people with disabilities. Following recommendations from a Taskforce on Personalised Budgets, demonstration projects were established to examine a model for the roll-out of these payment models. As mentioned already, work is also ongoing relative to establishing a statutory homecare scheme. We are waiting to see whether the schemes that emerge from these processes are capable of contributing to a coordinated, wrap-around model of care.

Disability services, including respite and personal assistant services, have not recovered from cuts made during the last economic crash. Issues have already been highlighted of delays in delivery of assessments of need, of waiting lists for therapies and for community mental health services for children and young people. Research highlights ongoing problems for disabled people in respect of community and home supports; approximately a quarter of disabled people report unmet health care needs due to waiting times, compared to a State average of 14 per cent.<sup>104</sup> And, as highlighted already, research suggests that that 34 per cent of disabled adults have unmet needs for home care.<sup>105</sup> That report also found that compared with other countries, adults with a disability in Ireland receive relatively little formal home care. In addition, almost 1,500 younger people with disabilities

<sup>99</sup>Child Care Law Reporting Project 2021. Ripe for Reform: An Analytical Review of Three Years of Court Reporting on Child Care Proceedings. Authors: M. Corbett and C. Coulter.

<sup>100</sup>Health Service Executive. Performance Profile: Jan-Mar 2021. Quarterly Report. Dublin: Health Service Executive

<sup>101</sup>Mental Health Commission 2021 Mental Health Commission Annual Report 2020 including the Report of the Inspector of Mental Health Services. Dublin: Mental Health Commission

<sup>102</sup>Ibid

<sup>103</sup>Central Statistics Office 2017. Census of Population 2016 – Profile 9 Health, Disability and Carers. [

<sup>104</sup>Central Statistics Office 2020. Irish Health Survey 2019: Main Results. 11 December 2020.

<sup>105</sup>Privalko, I., Maître, B., Watson, and D., Grotti, R. 2019 Access to Care Services Across Europe. Dublin: Department of Employment Affairs and Social Protection and Economic and Social Research Institute

were found to be residing in nursing homes in Ireland, in part because community supports are inadequate.<sup>106</sup>

A report commissioned by government estimates that people with disabilities face average annual costs of disability ranging from €9,482 to €11,734 per annum, and some individuals face considerably higher costs.<sup>107</sup> Additional expense related, amongst other things, to health needs – for equipment, aids and appliances, medicines and care and assistance. The report's findings should inform policy immediately so that people who bear the extra cost of disability are supported in terms of additional income supports, resourced and accessible public services, pathways to employment, and other supports.

Recent Budgets committed extra funding for disability services, which is to include a focus on inappropriate placing of children with disabilities in nursing homes and an investment in residential, respite and personal assistance services, which *Social Justice Ireland* welcomed. However, the amount involved was a significant decrease on that provided in 2021 and we expressed disappointment that no specific provision was made for a multi annual funded plan to meet the State's Commitments under the UN Convention on the rights of people with Disabilities. Despite a range of policy documents over years proposing major changes in the way that disability services are delivered, *Social Justice Ireland* is concerned that the pace of change is too slow. *Social Justice Ireland* called for a dedicated reform fund to support the transition to a new model of service, given the scale of infrastructural development required to move away from communal settings towards a community based, person-centred model of service.

It goes without saying that disabled people need to be supported, not only by the health service, but also across the range of government and local authority areas of work.

### ***Obesity and Chronic Illness***

Rates of overweight and obesity are higher in Ireland than in most other EU countries.<sup>108</sup> Over half of Irish adults (aged 15+) are overweight or obese (with over a quarter being obese alone).<sup>109</sup> People from lower socio-economic backgrounds experience a greater degree of overweight and obesity, and without change, a significant impact on quality of life, life expectancy and healthcare costs in Ireland is predicted.<sup>110</sup> The *Growing Up in Ireland* study evidences worsening levels of overweight or obese by age 20 amongst young adults (as compared with age 17/18); obesity risk was greater amongst young women and those from less advantaged backgrounds.<sup>111</sup> Ireland is experiencing high levels of both obesity and food poverty; food poverty affects almost one in eight citizens.<sup>112</sup>

*Social Justice Ireland* called for a Sugar Sweetened Drinks Tax and welcomed its introduction in Budget 2018 and we have also called for an investment financed by the Sugar Sweetened Drinks tax to develop effective obesity prevention programmes and meet the targets in the Obesity Policy and Action Plan 2016-2025. It is concerning that the latest progress report notes that levels of obesity

<sup>106</sup>Pierse, M. Kilcullen, S. and Duffy, M.2018. The Situation of Younger People with Disabilities living in Nursing Homes in Ireland – Phase 1. Dublin: Disability Federation of Ireland and DCU.

<sup>107</sup>Indecon 2021. The Cost of Disability in Ireland Final Report Submitted to Department of Social Protection.

<sup>108</sup>OECD State of Health in the EU: Ireland Country Health Profile 2019. Paris: OECD Publishing

<sup>109</sup>Central Statistics Office2020. Irish Health Survey 2019: Main Results. 11 December 2020.

<sup>110</sup>Layte, R., and McCrory, C. 2011 *Growing Up in Ireland: Overweight and Obesity Amongst Nine Year Olds*. Dublin: Department of Children and Youth Affairs

<sup>111</sup>O'Mahony, D., McNamara, E., McClintock, R., Murray, A., Smyth E., and Watson, D. 2021. *Growing up in Ireland, National Longitudinal Study of Children. The Lives of 20-year-olds: Making the Transition to Adulthood*. Government of Ireland

<sup>112</sup>Irish Heart Foundation and Social Justice Ireland 2015 *Reducing Obesity and Future Health Costs: A Proposal for health related taxes*. Dublin: Irish Heart Foundation and Social Justice Ireland

have stabilised rather continued to decline. We look forward to the outcome of the mid-term review, and a renewed effort to meet the targets by 2025.

### ***Mental Health***

The area of mental health is one requiring urgent attention as already outlined in respect of children's mental health services, discussed above. The COVID-19 pandemic has increased risks of development of mental health conditions across countries, particularly amongst young people and people in lower-income groups, while also adding further stress to mental health services and compounding issues of access to them.<sup>113</sup> The connection between disadvantage and ill health when the social determinants of health (such as housing, income, childcare support, education and so on) are not met is well documented and this is true in respect of mental health issues. So, for example, people in the lowest income group are more than twice as likely to report chronic depression than those in the highest income group across the EU.<sup>114</sup> The estimated prevalence of mental health disorders is relatively high in Ireland compared with other European countries yet spending on mental health is relatively low.<sup>115</sup>

There were 1,687 staff in the General Adult Community Mental Health Service by December 2018, which represents only 74.8 per cent of the clinical staffing levels recommended in the 2006 policy roadmap *A Vision for Change*. Ireland has the third lowest number of inpatient psychiatric care beds in the European Union, and while *A Vision for Change* had planned to reduce acute psychiatric hospital beds, the promised alternative services have not been provided in the community.<sup>116</sup> In addition, more than 10,800 people (children and adults) were waiting for treatment from a psychologist in March 2021 with more than half of these waiting for over a year.<sup>117</sup> Overall, the pace of implementation of change is extremely slow and concerning relative to mental health issues.

Many mental health facilities are old, have been neglected and this means that mentally ill people receive treatment in 'unsuitable, run-down' centres, and ongoing inappropriate design of mental health facilities, such as shared bathrooms and sleeping accommodation became problematic during the COVID-19 pandemic.<sup>118</sup> In addition, the Inspector of Mental Health highlights continued lack of development of mental health rehabilitation services (rehabilitation meaning an approach to recovery from mental illness that maximizes quality of life and social inclusion). One example relates to recommendations from *A Vision for Change* to develop 48 rehabilitation teams, whereas in 2019 only 23 poorly staffed teams existed.<sup>119</sup> Much development continues to be needed in community services including outreach and follow-up programmes for people who have been in-patients, supported housing, retraining and rehabilitation.

Providing good mental health services is a necessary investment in the future wellbeing of the country. Funding has been allocated in recent budgets for mental health services and the implementation of *Sharing the Vision*<sup>120</sup> and *Social Justice Ireland* welcomed these allocations. However, progress in implementation has continued to be slow related partly to recruitment difficulties. There also needs to be a focus on people who may be particularly vulnerable, including

<sup>113</sup>OECD/European Union 2020, *Health at a Glance: Europe 2020: State of Health in the EU Cycle*, OECD Publishing, Paris

<sup>114</sup>OECD/EU, *Health at a Glance: Europe 2018: State of Health in the EU Cycle*, OECD Publishing, Paris.

<sup>115</sup>Ibid

<sup>116</sup>Irish Hospital Consultants Association 2020, 'New mental health policy fails to address critical staffing deficits, says IHCA' Press Release 7 June

<sup>117</sup>Health Service Executive. *Performance Profile: Jan-Mar 2021. Quarterly Report*. Dublin: Health Service Executive

<sup>118</sup>Mental Health Commission *Mental Health Commission Annual Report 2020* including the Report of the Inspector of Mental Health Services. Dublin: Mental Health Commission

<sup>119</sup>Finnerty, S. *Rehabilitation and Recovery Mental Health Services in Ireland 2018/2019*. Dublin: Mental Health Commission

<sup>120</sup>Government of Ireland 2021 *Sharing the Vision – A Mental Health Policy for Everyone*. Dublin: Department of Health.

people with intellectual disability homeless people, prisoners, Travellers, asylum seekers, refugees and other minority groups.

### ***Older people and Mental Health***

Approximately 15 per cent of people aged 60+ experience mental illness (including depression, dementia, anxiety, alcohol dependence and schizophrenia).<sup>121</sup> Despite population ageing, Ireland lacks a comprehensive, nationwide mental health service for older people; with only 66 percent of the recommended number of specialist teams in place, and with them staffed only at 54 per cent.<sup>122</sup> The Inspector of Mental Health Services has noted that lack of community support (including of Day hospitals) increases the probability of dependence on residential care and that we have much lower levels of dedicated acute mental health beds for older people compared with England and Northern Ireland.<sup>123</sup>

A co-ordinated service needs to be provided to meet the demand occasioned by population ageing. Older people with dementia are a particularly vulnerable group. They are estimated to number between 39,000 and 55,000 people, and the incidence is increasing as the population ages.<sup>124</sup> Specialist care units are required to care for people with dementia, but their provision is very limited, and there are significant inequities regarding access to them and their geographic location.<sup>125</sup> A National Dementia Strategy was published in 2014 focused on three priority areas—intensive home care supports, GP education, and training and dementia awareness. In addition, there are many areas that also require investment, including day centres, respite services and other supports for carers, quality long-term care (at home and in care settings) and specialist care units, as well as evaluation and monitoring of all services.

### ***Suicide – a Mental Health Issue***

Suicide is the ultimate, and most deadly, manifestation of mental health issues. The most recently available statistics (which are still provisional) suggest that the numbers affected were 399 people—302 males and 97 females in 2021.<sup>126</sup>

While it is not easy to compare suicide rates among European countries (because of variations in registration/reporting systems), cross-country comparisons suggest that Ireland's rate was 24th highest for all ages; 9th highest for ages 15 to 19; 16th highest for ages 50 to 54; and lowest for ages 85+.<sup>127</sup> The Implementation Plan for *Connecting for Life* (Ireland's National Suicide Prevention Strategy 2015-2020) has been extended and a new implementation plan published (2020 to 2022). The National Office for Suicide Prevention notes that particular attention should be given to the mental health needs of priority groups, including young people, middle-aged men, older people, homeless people, people with pre-existing mental health and physical health conditions, people who have experienced child sexual abuse, and those who experience domestic violence.

The issue of suicide is a significant healthcare and societal problem and the rates amongst some groups raise particular concerns. Of course, the statistics only tell one part of the story. Behind each of these statistics are families and communities devastated by these tragedies as well as a unique

<sup>121</sup>Mental Health Commission 2021 Mental Health Commission Annual Report 2020 including the Report of the Inspector of Mental Health Services. Dublin: Mental Health Commission

<sup>122</sup>Ibid

<sup>123</sup>Ibid

<sup>124</sup>Pierse, T., O'Shea, E. and Carney, P. 2019. Estimates of the prevalence, incidence and severity of dementia in Ireland. *Irish Journal of Psychological Medicine*.

<sup>125</sup>Cahill, S., O'Nolan, C., O'Cahey, D., Bobersky, A. 2015 *An Irish National Survey of Dementia in Long-term Residential Care*. Dublin: Dementia Services Information and Development Centre

<sup>126</sup>National Office for Suicide Prevention 2022. *Annual Report, 2021*. Dublin: HSE

<sup>127</sup>Ibid

personal story which leads to people taking their own lives. *Social Justice Ireland* believes that further attention and resources need to be devoted to researching and addressing Ireland's suicide problem.

## Housing

Census 2022 preliminary data puts the current housing stock at 2,124,590, of which 1.86 million are occupied and over 166,000 are vacant units, excluding holiday homes.<sup>128</sup>

Figures released by the CSO in 2018 showed that housing construction between 2011 and 2017 had been continuously overestimated through the use of ESB Connections data as a substitute for an actual dwelling completions count. While new dwelling construction has increased since 2013, between 2016 and 2021 (the lifespan of *Rebuilding Ireland*), a total of just 104,092 dwellings were built, resulting in an average of just 17,349 for each of the six years, considerably less than the target of 25,000 per annum.<sup>129</sup>

Between 2011 and 2014, two thirds of all new dwelling completions comprised of single units, while less than a quarter were scheme developments, and apartments accounted for 11.3 per cent. Between 2015 and 2021, this trend reversed with less than one third (27.4 per cent) of all new dwellings in that period comprising of single units compared to over half (55.7 per cent) attributed to schemes, and 16.9 per cent apartments. The number of apartments being built has risen steadily since 673 completed in 2015 to 5,107 in 2021, accounting for one in every four dwellings completed last year.

While the number of new dwelling completions being delivered is still below what is required to keep pace with demographic change and accounting for obsolescence, the upward overall trend, and that of scheme developments, is a positive sign. However, dwelling completions are not of themselves enough to address our current housing crisis. This increase needs to be reflected in the provision of social and (genuinely) affordable housing and long-term private rental solutions. There are also questions to be asked as to who is buying these new dwellings and for what purpose.

## Vacancy and Dereliction

According to the most recent figures there were 166,752 vacant properties on Census night 2022 (excluding holiday homes). While this figure represents a decrease in vacancy rates per population size in all counties when compared to Census 2016, when the preliminary figures for each county are compared to the county breakdown of the Social Housing Needs Assessment 2021 there remains more vacant properties than households in need in every county, assuming the figures produced in the Summary of Housing Needs Assessment 2021 are correct, as discussed later in this submission.

It should be noted that the GeoDirectory Reports puts the number of vacant units at 90,158, with highest rates in Leitrim, Mayo and Roscommon.<sup>130</sup> That same report indicates that there were 22,096 derelict properties across the country at December 2021. The highest number is in Mayo (2,924), followed by Donegal (2,651) and Galway (1,946). The lowest rates of dereliction are in Carlow (233), Wicklow (244) and Louth (254). So, there is anywhere from 112,000 to 166,000 vacant and derelict properties across the country that could be brought into use.

In early 2017, the Government introduced the Repair and Leasing Scheme for owners of vacant properties to access funding of up to €40,000 to repair their properties which would then be leased to the local authority for use as social housing for a term of between five and 20 years, with a target

<sup>128</sup>Central Statistics Office. 2022. Census 2022 - Profile 1 Housing and Households. Dublin: Central Statistics Office.

<sup>129</sup>Central Statistics Office. 2022. New Dwelling Completions. Dublin: Central Statistics Office.

<sup>130</sup>GeoDirectory. 2022. Residential Buildings Report Q4 2021. Dublin: GeoDirectory

of 3,500 properties to be brought back into use. The latest data from the Department indicates that of the 2,168 applications made, just 227 leases were signed in respect of 273 properties .<sup>131</sup> Just over one in ten applications resulted in a lease. This is clearly not working.

The Housing for All Strategy committed to the introduction of a new vacant land tax to replace the Vacant Site Levy. This was introduced in Budget 2022, however at a rate of 3 per cent, and with a lead-in time of 3 years, this will have little impact. The programme to CPO (compulsory purchase order) vacant properties has been delayed to Q2 2022; as have the implementation of the position of Vacant Site Officer in each Local Authority; the amendments to the Fair Deal scheme to use the properties left vacant by nursing home residents; the proposed amendments to the planning regulations to exempt certain commercial premises which require a change of use to residential .<sup>132</sup> Social Justice Ireland welcomes the introduction of the Vacant Homes Tax at a rate of three times the Local Property Tax rate, but regrets that Government missed the opportunity to introduce a Site Value Tax, as proposed by ourselves and recommended by the Commission on Taxation and Welfare. This disappointing lack of progress begs the question of whether Government is really serious about addressing vacancy in a meaningful way.

## Housing Affordability

### **Home Ownership**

A number of initiatives have been implemented by this and previous Governments in an effort to make housing more affordable.

Help to Buy was introduced in Budget 2017 to help first time buyers who bought or self-built a property by giving a maximum amount of €20,000. This has since been increased to a maximum of €30,000. An analysis of the Help to Buy data published by the Revenue Commissioners and purchases of homes (all and new) published on the Property Price Register suggests that this scheme is being used to support purchases in the higher end of the price range. In 2021, more than one in three (34.5 per cent) of homes supported by the Help to Buy Scheme were in the €301-375,000 price range compared to 14.6 per cent of all home purchases registered on the property price register, and 24 per cent of new homes.

In September 2018, the Government launched the Land Development Agency, with an initial capital investment of €1.25 billion, to build 150,000 units over 20 years. One of the objectives of the new Agency was to deliver at least 40 per cent of housing built on lands transferred from the State in the form of social (10 per cent) and affordable (30 per cent) housing. The remaining 60 per cent would be privately owned. The Land Development Agency (LDA) Act 2021 was passed in July 2021. While the purposes of this Act are laudable, its execution will likely result in an increase in private development on public land, rather than a real increase in public and affordable housing. The Agency is given wide-ranging powers to acquire (including by Compulsory Purchase Order) public and other lands for development and to sell lands to Local Authorities and others, and to enter into contracts and joint ventures in respect of these public lands.

The latest support for home purchases came in 2021 with the publication of the Affordable Housing Act 2021 and the introduction of the 'First Home' Affordable Purchase Shared Equity Scheme. Under this scheme, first time buyers who have accumulated a deposit and are approved for a mortgage can access an equity loan from the State to make up the difference between what they can finance

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<sup>131</sup>Department of Housing, Local Government and Heritage. 2021. Repair and Leasing Scheme (RLS) Statistics - Cumulative to Q3 2021. Dublin: Department of Housing, Local Government and Heritage.

<sup>132</sup>Department of Housing, Local Government and Heritage. 2022. Housing for All Q4 2021 Progress Report. Dublin: Stationery Press.



themselves (savings and mortgage) and the actual purchase price of the home, up to €30,000. Rather than make the home affordable, this artificially maintains high house prices by inflating the purchasers' income, while circumventing the Central Bank's macroprudential rules. Instead of one mortgage, the purchaser has two loans charged to the property, their mortgage and the equity loan.

Meanwhile, housing affordability has worsened in recent years, becoming less affordable between 2013 and 2019, before recovering slightly in 2020.<sup>133</sup> However, it must be noted that an affordability calculation based on earnings will be in 2020 will be distorted as average earnings increased in response to a lay-offs in lower-paid jobs during the pandemic. Between 2012 and 2020 house prices increased by 77 per cent, compared to wage growth of 23 per cent in the same period<sup>134</sup> and asking prices have increased by 14.4 per cent in the year to December 2021, just 10.3 per cent below the 2007 peak.<sup>135</sup>

## **Rental**

The main initiatives to make rent more affordable have been the introduction of Rent Pressure Zones and Cost Rental housing. Rent Pressure Zones (RPZs) were introduced in December 2016 to place a cap of four per cent on rent increases in certain strategic areas. There are the Harmonised Index of Consumer Prices (HICP), however with cost of living increases exceeding 5 per cent, this was revised again to the lower of the HICP or 2 per cent. However, rents continue to rise. The average monthly rent for a tenant rose by €100, or 6.8 per cent, in the year to Q3 2021, for a national average of €1,516 per month. Between 2011 and 2020 rents increased, on average, by 5.3 per cent.<sup>136</sup> This suggests that RPZs are not as effective as had been hoped. In response to a Parliamentary Question in November 2021, the Minister for Housing confirmed that by July 2021, 29 cases for breach of RPZ limits had been heard by the Circuit Court, with an expected 250 cases to be confirmed in 2022.<sup>137</sup>

Cost rental is a tenancy popular in other European countries, notably Austria and the Netherlands. The premise is that rents will be divorced from the market and based instead on the cost of providing the property – building, finance and maintenance. This type of tenure has gained popularity in Ireland, however the scale of provision has been too low to have any real impact on market prices. One complaint about cost rental in Ireland is that rents continue to be out of reach of low-income households. At between €1,200 and €1,300 per month, this is true, however cost rents should remain at this level despite any inflation in the private sector, making it more cost-effective in the longer term. The Affordable Housing Act 2021 put cost rental on a statutory footing. Section 34 of the Act provides that cost rental tenants will not be eligible for housing subsidies available to tenants in the private rented sector generally unless they have had a change of circumstances making them eligible after 6 months. In the absence of real social housing provision, this creates the unusual situation whereby social housing tenants in the private rented sector could be paying more in rent and top-ups than their wealthier counterparts who can avail of cost rent.

## Homelessness

The latest data indicate that 10,805 people accessed emergency homeless accommodation in a week in August 2022, the highest number since recording began. This figure includes 3,220 children in 1,483 families. The previous housing strategy, Rebuilding Ireland, committed to eliminating family

<sup>133</sup>Parliamentary Budget Office. 2022. Snapshot of the Housing Market in 2021 (Part 2). Dublin: Stationery Office.

<sup>134</sup>Ibid

<sup>135</sup>Central Statistics Office. 2022. Residential Property Price Index December 2021. Dublin: Central Statistics Office.

<sup>136</sup>Parliamentary Budget Office. 2022. Snapshot of the Housing Market in 2021 (Part 2). Dublin: Stationery Office.

<sup>137</sup>O'Brien, D. 2021, November 11. Rental Sector. Parliamentary Questions. Dublin

homelessness, however since July 2016 (the commencement of Rebuilding Ireland), family homelessness has actually increased.

These are the ‘official’ data on homelessness. They do not include those staying with family and friends, they do not include rough sleepers, they do not include homeless families temporarily accommodated in housing owned by their Local Authority, they do not include the women and children in domestic violence refuges, and they do not include asylum seekers in transitional accommodation. In 2019, a report commissioned by the European Commission referred to the current state of data collection on homelessness in Ireland as “statistical obfuscation if not ‘corruption’”.<sup>138</sup> This is unlikely to change with Housing for All. In July 2021, the Department of Housing, Local Government and Heritage reclassified dependants aged 18+ as adults, thus distorting the number of adults, families, and dependants accessing homeless accommodation.

Family Hubs were first introduced in 2017 as an alternative to hotels and B&Bs. In response, the Irish Human Rights and Equality Commission (IHREC) warned of the risks: of institutionalising families and normalising family homelessness.<sup>139</sup> This warning was ignored, with Minister Eoghan Murphy TD urging Local Authorities to build more ‘rapid build’ Family Hubs at the Second Housing Summit in January 2018, and increased funding for Family Hubs provided in Budgets 2019 and 2020. The only mention of family hubs in the Programme for Government 2020 is a commitment to provide additional supports to students living there.

A report published in April 2019 by the Ombudsman for Children’s Office shows just how prescient IHREC’s warnings were, as children as young as 10 describe their living conditions as being “like a prison”.<sup>140</sup> While the Report does point out that Family Hubs have been found to be better than hotel rooms, in the long-term they remain an unsuitable solution.

Emergency accommodation, including Family Hubs, are intended to be short-term measures. However, almost half of all single people and families (48 per cent each) presenting at emergency accommodation have been doing so for 6 months or more, and 14 per cent and 13 per cent respectively have been accessing this type of accommodation for 24 months or more.<sup>141</sup>

And what of our ageing population? The number of people aged 65 and above who are homeless has almost doubled since the introduction of Rebuilding Ireland (from 83 in July 2016 to 164 in July 2022), although there were fluctuations during that period. While there is a relatively low instance of homelessness among adults aged 65+, the rate of increase since the inception of the previous housing strategy is concerning. Frailty is often a challenge that comes with ageing and is exacerbated by poor living conditions.

### ***Financial Costs of Homelessness***

The societal cost of homelessness is, as yet, unknown. Children born into, or at risk of, homelessness are presenting to services unable to crawl or walk due to lack of space and unable to chew food because their parents have no option but to maintain a diet of ready-made pureed food as a source of nutrition far beyond the stage when other children their age would have been weaned. This is also reflected in the concerns reported by Temple Street Children’s University Hospital in its report of 842 children being discharged into homelessness in 2018 and a study conducted by the Royal

<sup>138</sup>Daly, M. 2019. ESPN Thematic Report on National strategies to fight homelessness and housing exclusion – Ireland. Brussels: European Commission.

<sup>139</sup>Irish Human Rights and Equality Commission. 2017. The provision of emergency accommodation to families experiencing homelessness. Policy Statement. Dublin: Irish Human Rights and Equality Commission

<sup>140</sup>Ombudsman for Children’s Office. 2019. No Place Like Home. Dublin: Ombudsman for Children’s Office.

<sup>141</sup>Department of Housing, Local Government and Heritage. 2022. Housing for All Q4 2021 Progress Report. Dublin: Stationery Press

College of Physicians of Ireland.<sup>142</sup> Time lost in the first five years of a child's development is not easily recovered. It requires wraparound supports, including physical and speech therapies, counselling services and dieticians. It was therefore disappointing that no provision for Housing First for Families was made in the Housing for All Strategy.

The financial cost is easier to quantify. While decreasing since its peak in 2019, since 2014 €941 million has been spent by Local Authorities on emergency accommodation alone. Expenditure in this area peaked in 2019, €183 million, before decreasing to €171 million in 2020 and €153 million in 2021. This may be partly attributable to the pandemic and it will be interesting to see what impact that had when the 2022 figures are published.

The most recent rough sleeper count, taken in March/April 2022, showed 91 persons sleeping rough in Dublin over the course of the week of the count. Charity remains a key feature of the response to rough sleeping, with increasing numbers of food outreach services visible on the streets. This work is commendable, but it should not be used by Government to abdicate its responsibility to provide basic shelter for those in need.

In the breakdown of Specific Accommodation Requirements contained in the Summary of Social Housing Needs Assessments<sup>143</sup>, the number of households reporting 'Household member(s) is homeless' increased by 2.1 per cent (130 households) to 6,325. This is an increase of 33 per cent since 2017 when 4,765 households reported homelessness as their main need. Even with the continued decrease in official numbers in need of social housing, the homelessness crisis is undeniable and must be addressed.

## Social Housing

The number of homes owned by Local Authorities was 141,128 at the end of 2020. A further c.30,000 were rented by Approved Housing Bodies (AHBs). In total, only 9 per cent of all housing stock in Ireland is social housing. This is far lower than our nearest neighbour Northern Ireland (24 per cent), England (17 per cent) and our European peers such as Austria (24 per cent), France (16 per cent), Sweden (17 per cent) and The Netherlands (29.1 per cent).<sup>144</sup>

The last three decades have seen 'a significant reduction in the traditional role of council housing as the primary source of accommodation for low-income renters due in part to the contraction of capital funding for council housing, which fell by 94 per cent between 2008 and 2013.<sup>145</sup> The expansion and contraction of capital spending on housing by central government demonstrates just how volatile this basic necessity for low-income families is, and how responsive it is to economic shocks. Analysis of capital and current expenditure on social housing delivery and supports states that prior to 2009, capital funding accounted for an average of 70 per cent of the total annual spend on housing (including Rent Supplement), however since the crash of 2008, there is a clear trend towards current expenditure and, since 2015, there has been an almost equal amount of capital and current expenditure each year - with an aggregate of €6.27bn on capital and €6.46bn on current housing programmes to 2021.<sup>146</sup>

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<sup>142</sup>Royal College of Physicians Ireland. 2019. *The Impact of Homelessness and Inadequate Housing on Children's Health*. Dublin: Royal College of Physicians Ireland.

<sup>143</sup>Housing Agency. 2022. *Summary of Social Housing Needs Assessments 2021*. Dublin: Housing Association.

<sup>144</sup>Housing Europe. 2021. *The State of Housing in Europe 2021*. Brussels: Housing Europe.

<sup>145</sup>Norris, M., & Hayden, A. 2018. *The Future of Council Housing, An analysis of the financial sustainability of local authority provided social housing*. Dublin: The Community Foundation for Ireland.

<sup>146</sup>Parliamentary Budget Office. 2022. *Housing Ireland: Trends in Spending and Outputs of Social and State Supported Housing 2001-2020*. Dublin: Stationery Press.

## **Social Housing Needs Assessments and HAP**

According to the Summary of Social Housing Needs Assessments 2021, there were 59,247 households on the waiting list for social housing, presenting as a decrease of 4.3 per cent on the previous year.<sup>147</sup> However, the truth is that the housing crisis is worsening as Government continues to look to the private sector for solutions. The Summary of Social Housing Needs Assessments does not include households in receipt of the Housing Assistance Payment (HAP) as these households are deemed to have their needs met. This means that households who would, pre-2014, have been given Rent Supplement and included in the social housing waiting list data, are no longer included. As of 31st December 2021, there were 60,747 households in receipt of HAP.

There has also been some debate surrounding the methodology used by local authorities in collecting information about those still on the housing waiting list, namely an 'opt in' letter requesting information on housing status which, if not returned, results in automatic removal from the list. While discretion was given to local authorities to make further contacts by telephone and text message, this method of data collection adversely affects those with low literacy skills and those with reduced capacity to engage in this manner, whether through stress or other socio-economic factors. It therefore risks excluding the most vulnerable households and could be a contributory factor to the rising rate of family homelessness, discussed earlier. As stated, households in receipt of Rent Supplement are counted, and account for a sizeable number of households on the social housing waiting list, those in receipt of the HAP, those living in local authority rented accommodation, those in accommodation under the Rental Accommodation Scheme, anyone in accommodation provided under the Social Housing Capital Expenditure Programmes or any households on the transfer list are not counted as in need of social housing assistance. According to estimates published by the Parliamentary Budget Office, the number of people with an ongoing social housing need (those on the waiting list and those in receipt of HAP) is 260,000. More than one in every 20 people in Ireland is in need of a home.

### **Mortgage Arrears**

At the end of Q4 of 2021, there were 59,562 home mortgages (private dwelling house (PDH) and buy-to-let (BTL)) in arrears, with 43,145 of these in arrears of more than 90 days.<sup>148</sup> While this represents a decrease on the same period in the previous year, the number of PDH mortgages in arrears increased from 5,266 in December 2020 to 5,406 in December 2021. These borrowers are, arguably, most at risk of losing their home should the financial institution pursue their right to take possession of the property.

### **Non-bank Entities**

Non-bank entities are Retail Credit Firms and Credit Servicing Firms and do not, as the name might suggest, provide banking facilities. As of Q4 2021, non-bank entities owned 13.6 per cent of all PDH mortgage accounts and 67 per cent of all PDH mortgage accounts in arrears over one year. Of the 5,406 PDH accounts in arrears of more than 10 years, 76 per cent (4,117) are owned by non-bank entities.<sup>149</sup>

In recent years, mortgage banks have been selling mortgage loan books to non-bank entities as part of a strategy to reduce the number of non-performing loans (NPLs) to within EU parameters. Consumer advocates have expressed concern about the lack of consumer protections for borrowers, particularly those whose loans were performing, while those in favour of this strategy

<sup>147</sup>Housing Agency. 2021. Summary of Social Housing Needs Assessments 2021. Dublin: Housing Association.

<sup>148</sup>Central Bank of Ireland. 2022. Residential Mortgage Arrears & Repossession Statistics: Q4 2021. Dublin: Central Bank of Ireland.

<sup>149</sup>Ibid

cite the high level of NPLs acting as a barrier to accessing better credit terms, thereby contributing to Ireland's high mortgage rates. Data extracted from the Central Bank's quarterly statistical report on mortgage arrears show that while the number of PDH mortgages held by non-bank entities has risen by 158 per cent since 2016, the number in arrears was decreasing between 2016 and 2018, before increasing sharply in the years 2019 to 2022 (currently standing at 23,669).

### **Local Authorities**

Of the 14,735 Local Authority mortgages active as of Q4 2021, 34 per cent were in arrears, representing 5,053 low-income households, 45 per cent of which are in arrears of more than 90 days.<sup>150</sup> This represents a reduction of 67 mortgages in arrears compared to the same period in 2020. During this period there were also 259 fewer mortgages recorded in total.

The latest local authority repossession figures show 7 forced and 2 voluntary repossessions in 2021.<sup>151</sup> The only option for these families is adequate social housing, which this and previous Governments have failed to provide.

### **Insolvency Supports**

In October 2017, the Government established the Abhaile project under the remit of the Citizens Information Board. This project increased funding to MABS (the State's Money Advice and Budgeting Service) existing mortgage supports in place since September 2015; continued to fund the Accountants' service, put in place in October 2017; and funded a new voucher system for borrowers in late-stage mortgage arrears to access a Personal Insolvency Practitioner for one meeting to determine eligibility for an insolvency arrangement or a Solicitor for legal advice as well as a system of Court Mentors at repossession hearings across the country.

According to the Third Report of the Abhaile Scheme<sup>152</sup>, some 14,319 Personal Insolvency Practitioner (PIP) vouchers were issued between mid-2016 when the Scheme began and December 2019. It should be noted here that PIP vouchers are provided per borrower, not per mortgage, and so the number of mortgages involved is less. Of these, 10,073 have been presented for payment. At €500 plus VAT of 21 per cent per voucher, this equates to a value of €6,255,333 redeemed out of a possible €8,892,099.

A breakdown of the outcomes for the 10,073 borrowers who presented their PIP Vouchers for payment indicates less than 2 in 5 (39 per cent, n=3,929) have a solution or trial solution in place. Just 23 per cent were granted a Personal Insolvency Arrangement (PIA) (n=2,357); a further 13 per cent entered into an informal solution with their lender (n=1,336), either an Alternative Payment Arrangement (ARA) or Mortgage to Rent (MTR); and just 2.3 per cent were made bankrupt (n=236). Of the 41 per cent who were progressing solutions (n=4,130), 2,015 (20 per cent of the total) were in progress to a formal solution (PIA or bankruptcy) and 2,115 were in progress to an informal solution (21 per cent of the total). The remaining 20 per cent of borrowers who accessed a PIP voucher either surrendered their property or had it repossessed (2 per cent, n=201) or disengaged after advice (18 per cent, n=1,813).

So, for €6.25 million, less than half of all borrowers who presented their PIP voucher for payment (n=4,608, 45.7 per cent) had accessed or were in the process of accessing an insolvency solution. The 3,451 (34 per cent) who accessed or were in progress towards an informal solution could have

<sup>150</sup>Department of Housing, Local Government and Heritage. Homeless Quarterly Progress Report Quarter 2 2022. Dublin: Department of Housing, Local Government and Heritage.

<sup>151</sup>Department of Housing, Local Government and Heritage. 2022. National Housing Strategy for Disabled People 2022-2027. Dublin: Stationery Office.

<sup>152</sup>[https://mabs.ie/wp-content/uploads/2021/03/rep-Abhaile\\_Third\\_Report.pdf](https://mabs.ie/wp-content/uploads/2021/03/rep-Abhaile_Third_Report.pdf)

achieved the same result by accessing MABS' free money advice supports without the need or expense of a PIP.

### ***Mortgage to Rent***

Since its introduction in 2012, only 1,682 households have availed of the scheme out of a total of 6,089 cases (28 per cent) and a further 720 are being progressed. Even if all 720 were successful, that is still only two in every five applicants. Mortgage to Rent does not serve all counties equally. Counties Donegal, Sligo, Roscommon, Leitrim, Galway City and Longford have all had less than 100 successful cases since Q2 2015.

Mortgage to Rent has been reviewed twice, the first time in February 2017. While the eligibility criteria for borrowers in mortgage arrears remained largely unchanged following that review, one of the main outcomes was the introduction of a new funding model, using private equity. Private equity vehicles are, by their nature, profit driven and without tight regulations and buy-back options for the State, Mortgage to Rent tenants may fall foul of market fluctuations. The second review took place in February 2021 and resulted in welcome improvements to the eligibility criteria, including income limits, equity limits and size of the property. These improvements will no doubt help support some households, however based on the last ineligible cases summary report from the Housing Agency, 330 of the 460 cases (72 per cent) were ineligible on the grounds that the household was either over or under-occupied. The changes to this element announced in February 2021 apply only to borrowers aged 65+ or where there's a disability in the household. There is no evidence in the 2021 review that this will have a significant impact on the numbers eligible.

Of the 6,089 applications for Mortgage to Rent, 3,227 were terminated:

- 621 referred to duplicate applications that should not have been in the system at all, so that brings the number on both sides down to 2,606 out of 5,468 (48 per cent).
- 668 were declined by the AHB or Local Authority. AHBs were most likely to decline in Meath, Tipperary, Dublin City, Waterford, Fingal and Limerick. Local Authorities were most likely to decline in Cork County, Tipperary, Cavan, Roscommon and Meath.
- 240 had "No AHB Interest". Most likely to be the case in Tipperary, Limerick, Cork County, Galway County and Meath.
- 197 could not agree a sale. Most likely in Louth, Kildare, Meath, Waterford and Dublin City.
- 1,474 are listed as "Withdrawn", without any published data on why that might be.

Both Personal Insolvency Arrangements and Mortgage to Rent will work for some households, but there are still many in long-term arrears for whom there is little support.

### **Private Rented Sector**

Approximately 13 per cent of the population are living in private rented accommodation. According to the Residential Tenancies Board (RTB), there were 165,736 landlords registered with the RTB in 2020 and 297,837 tenancies. The number of landlords rose steadily from 2006, when there were 83,102 landlords and peaked in 2012 with 212,306 landlords. A sharp decrease to 160,160 landlords in 2014 was followed by some slight fluctuations in the following years. The narrative that landlords are "fleeing the market" is not quite true, however in the wake of the Global Financial Crash in 2008, and subsequent increase in property values, there was a decrease in the numbers continuing to rent their properties. In recent years, we have instead seen an increase in institutional landlords, corporations with property portfolios in the Buy to Rent (and lately the social housing) markets. In

July 2021, the RTB published a report on large landlords, those with 100+ tenancies.<sup>153</sup> Of the many interesting findings within this report, this quote stands out in terms of the effect institutional landlords have on the meaning of “home” within the rental context:

They see what they offer tenants not as a property but as a proposition. They are marketing a location and an environmental context – not just the individual property.

Notwithstanding an increase in large landlords, the latest Daft.ie Rental Report states that 716 homes were available to rent on their site at the end of Q2 2022, of which fewer than 300 were in Dublin.<sup>154</sup>

As of 01<sup>st</sup> September 2022, there 15,657 entire homes or apartments listed on AirBnB<sup>155</sup>.

In addition to a lack of supply, we also have an affordability issue. The same Daft.ie Rental Report referred to earlier indicates that the average asking rent nationwide in Q2 2022 was €1,618, an increase of 3.3 per cent on the previous quarter and 12.6 per cent annually. Annual growth was highest in Leitrim and Longford, at 21.3 per cent and 19.9 per cent respectively, while lowest annual growth rates were experienced in Louth and Kildare (8.2 and 8.1 per cent respectively). In Dublin, average asking rents range from €1,987 in North County Dublin to €2,387 in South County Dublin. These are the rents sought in respect of new tenancies and, as such, may differ from average rents being paid in existing tenancies. However, it does indicate that Rent Pressure Zones legislation is not having the desired effect.

In terms of existing rents being paid, the RTB Rent Index for Q1 2022, indicates that rents grew on an annualized basis by 9.2 per cent, higher than the previous quarter.<sup>156</sup>

### **Rent Inspections**

Each Local Authority has a target of inspecting 15 per cent of rental properties in their area. In 2019, the percentage of registered tenancies inspected rose to 9.93 per cent, from 7.39 per cent in 2018. It was hoped that this increase in inspections would be consistent, however in 2020, just 6.73 per cent of rental properties were inspected. Of these tenancies inspected, between 75.45 per cent (Leitrim) and 100 per cent (Carlow, Cavan, Galway City, Kilkenny, Laois, and Waterford) were found to be non-compliant.<sup>157</sup> One solution to this low standard is to make it mandatory for all landlords to have a certificate procured prior to letting, that states the rental property meets a minimum standard.

### **Tenure and Poverty**

With rent inflation outstripping increases in average earnings, it is perhaps unsurprising that tenants in private rented accommodation are most likely to experience poverty, both before and after paying their rent. In May 2022, *Social Justice Ireland* published a report ‘Housing Costs and Poverty 2022’ which analysed the impact of housing costs (mortgage interest and rent) on poverty rates, based on statistics provided by the Central Statistics Office from the EU SILC module for 2021.<sup>158</sup> This report found that of the 70.1 per cent living in owner occupied property, which equates to some 3.5 million people, 8.2 per cent are at risk of poverty (288,071 people). The poverty data breaks this down further, indicating that 5.2 per cent of owner occupiers with an outstanding mortgage and 11.2 per cent of those without are at risk of poverty before housing costs are taken

<sup>153</sup>Residential Tenancies Board and Amárach Research.2021. Large Landlords Report 100+ Tenancies. Dublin: Residential Tenancies Board.

<sup>154</sup>Lyons, R.2022 The Daft.ie Rental Price Report, An analysis of recent trends in the Irish rental market 2021 Q4. Dublin: Daft.ie.

<sup>155</sup> [Inside Airbnb: Ireland](#)

<sup>156</sup>Residential Tenancies Board. 2022. Residential Tenancies Board Rent Index Q1 2022. Dublin: Residential Tenancies Board.

<sup>157</sup>National Oversight and Audit Committee. 2021. Local Authority Performance Indicator Report 2020. Dublin: National Oversight and Audit Committee.

<sup>158</sup>Social Justice Ireland. 2022. Housing and Poverty 2022. Dublin: Social Justice Ireland.



into account, indicating an increase in poverty among home-owners without a mortgage or loan compared to 2020. When mortgage interest is factored in, 9.3 per cent of all people living in owner occupied homes are at risk of poverty, some 326,715 people, with the rate for those with a mortgage increasing by 2 percentage points to 7.2 per cent.

The poverty rate of those living in rented or rent-free accommodation is higher than that of owner occupiers. Overall, 19.8 per cent of people living in rented or rent-free accommodation, some 296,691 people, are at risk of poverty before rent payments are considered. People in Local Authority rented accommodation had a pre-rent poverty rate of 36.9 per cent, and a post-rent rate of 50.5 per cent, a slight decrease on 2020. Those in subsidised accommodation had a pre-rent rate of 10.9 per cent and a post-rent rate of 59.1 per cent. The pre-rent rate represents a considerable decrease on 2020, when it was 25.9 per cent. People living in the rented sector and who do not receive subsidies had a pre-rent poverty rate of 9.7 per cent and a post-rent rate of 29.6 per cent.

As the calculation of income includes social transfers, defined to include housing allowances, data was requested from the CSO which excludes housing supports from income, but keeps the standard threshold. This indicates that a larger proportion of renters who receive subsidies are in poverty than renters in Local Authority accommodation before rent is deducted. Additional data suggests that if these households did not receive subsidies, their poverty rate after paying full rent would be 76.7 per cent.

This not only shows the deep inequalities experienced by people living in the private rented sector generally, but clearly demonstrates that private rented subsidies are not the solution and the inadequacy of low incomes when almost half of all people living in properties rented from the Local Authority are at risk of poverty after making rent payments.

### Accommodation for Persons with Disabilities

According to the Summary of Social Housing Needs Assessments, 4,000 households reported, within the specific breakdown of housing requirements, a household member as having an enduring physical, sensory, mental health or intellectual disability, a decrease of 3 per cent on the previous year.<sup>159</sup> A breakdown of the Main Need for Social Housing Support shows that 5,602 households reported some form of disability, a decrease from 5,800 the previous year.

In 2021, funding was allocated or increased to a number of schemes to support housing for older people and people living with a disability. In May 2021, Ministers O'Brien and Burke announced €23 million in funding for the Disabled Persons Grant scheme (DPG) which supports adaptations and extensions to existing Local Authority housing stock, and the Improvement Works in Lieu of Local Authority Housing Scheme (IWILS) which supports improvements or extensions to private housing stock where the tenant has been approved for social housing, "meeting their social housing need" and reducing the waiting list for social housing. These schemes are important and necessary, and the increases are to be welcomed, however they are still catching up from previous years of underfunding.

While the majority (almost 69 per cent) of people living with a disability own their own home with or without a mortgage<sup>160</sup>, 12.4 per cent are living in the private rented sector (an increase of almost 13 per cent in real numbers of persons living with a disability in the private rented sector compared to Census 2011). The IWILS scheme is only available to people who are deemed eligible for social housing, which would exclude most of the 69 per cent who are owner occupiers. There is little

<sup>159</sup>Housing Agency. 2021. Summary of Social Housing Needs Assessments. Dublin: Housing Association.

<sup>160</sup>Central Statistics Office. 2017. Census 2016 - Profile 9 Health, Disability and Carers. Dublin: Central Statistics Office.



incentive for private landlords to modify their properties to meet the needs of tenants living with a disability or older tenants when they could attract equal or higher rents with new tenants.

Housing Adaptation Grants is the collective term given to the three grants: Housing Aid for Older People, Housing Aid for People with a Disability and Mobility Aid Grant. These grants are provided to eligible people to modify their own homes, allowing them to live at home, within their communities, for longer. Given the large proportion of people living with a disability who own their own homes, the Housing Adaptation Grants are especially important. In 2010, a total of €77.3 million was paid in respect of 13,588 grants. These grants were subject to cuts during the austerity years, and in 2013 reached their lowest point in the decade, with €37.7 million paid in respect of 7,011 grants, less than half 2010 levels. Building on moderate increases since 2015, the total amount paid in respect of these grants in 2021 was €56.5 million in respect of 10,283 grants. An improvement on 2013, but still considerably lower than 2010 levels (Table 4).

In addition, delays in accessing the necessary Occupational Therapists to certify a need for home modifications means that people living with disabilities may be at risk in their homes due to lack of necessary works.

**Table 4: Housing Adaptation Grants, by Type, 2008-2021**

	Housing Aid for Older People		Housing Aid for People with a Disability		Mobility Aid Grant	
	No. of Grants Paid	Value € ,000	No. of Grants Paid	Value € ,000	No. of Grants Paid	Value € ,000
2008	1,439	6,421	788	7,733	415	1,442
2009	4,294	19,345	3,429	32,955	1,267	4,188
2010	7,205	30,775	4,347	39,849	2,036	6,688
2011	6,510	27,098	3,273	27,695	1,975	6,381
2012	4,848	19,910	3,088	26,147	2,066	6,764
2013	2,815	11,247	2,506	20,885	1,690	5,548
2014	3,634	13,498	2,192	17,386	1,721	5,570
2015	3,127	11,267	2,600	20,841	1,869	6,284
2016	3,425	12,647	2,714	20,867	1,871	6,548
2017	3,558	13,254	3,449	27,857	2,073	7,295
2018	3,640	13,904	3,622	29,739	2,151	7,601
2019	4,021	15,426	3,891	32,246	2,111	7,593
2020	3,290	12,762	3,165	26,653	1,682	5,960
2021	4,736	19,184	3,811	31,062	1,736	6,246

**Source:** Department of Housing, Local Government and Heritage, Housing Statistics, Other Local Authority Housing Scheme Statistics, Housing adaptation grants, various years

Lack of availability of grants for home modifications coupled with low income, lower levels of educational attainment (13.7 per cent had completed no more than primary education<sup>161</sup>, compared to 4.2 per cent of the general population) and a prevalence of poverty means that those with a disability are unlikely to be able to afford adequate accommodation to support independent or assisted living.

In January 2022, the Department of Housing, Local Government and Heritage published the National Housing Strategy for Disabled People 2022-2027.<sup>162</sup> The stated vision for the strategy is:

To facilitate disabled people to live independently with the appropriate choices and control over where, how and with whom they live, promoting their inclusion in the community. To further enable equal access for disabled people to housing with integrated support services.

This is a very welcome vision, which must be sufficiently resourced for delivery. The new strategy is centred around six themes:

- Theme 1: Accessible Housing and Communities. This focuses on the provision of accessible housing for people living with a disability and the promotion of universal design principles.
- Theme 2: Interagency Collaboration and the Provision of Supports. This will include better collaboration between Local Authorities and the HSE, inter-departmental cooperation and information sharing between agencies.
- Theme 3: Affordability of Housing. This focuses on enabling access to affordable housing for people with disabilities.
- Theme 4: Communication and Access to Information. This aims to ensure that people with disabilities are not disadvantaged in communicating their needs and in the communication they receive.
- Theme 5: Knowledge, Capacity, and Expertise: This theme seeks to increase awareness and understanding of disability and housing within the relevant organisations, such as Local Authorities, Approved Housing Bodies, the HSE, and disability service providers. It also places an emphasis on increasing awareness regarding disabled people's effective participation and inclusion in their communities.
- Theme 6: Strategy Alignment. This theme focuses on ensuring that all Government strategies and policies from a housing perspective promote the rights of disabled people, in line with the UN Convention on the Rights of Persons with Disabilities (UNCRPD).

These themes are all very welcome and, if delivered simultaneously could work towards providing real, sustainable housing solutions for people with disabilities.

*Social Justice Ireland* believes that ensuring that people with a disability can live independently where possible should be a key policy priority. Providing the resources for this, including suitable housing and housing-related supports, must be one of the foundations of such a policy.

## Traveller Accommodation

According to statistics compiled by the Department of Housing, Planning and Local Government, the number of families in all Traveller accommodation increased by over a quarter (28 per cent) between 2008 and 2019. The highest rate of increase was in accommodation provided by Approved

<sup>161</sup>Ibid

<sup>162</sup>Department of Housing, Local Government and Heritage. 2022 National Housing Strategy for Disabled People 2022-2027. Dublin: Stationery Office.

Housing Bodies with the assistance of the local authority which rose by over 200 per cent (from 119 to 427 families), followed by an increase of 170 per cent in shared accommodation (from 345 to 933 families), those accommodated from their own resources (35 per cent, from 513 to 744 families), and those in private rented accommodation (26 per cent, from 1,516 to 1,919 families). During this period, the number of families accommodated on local authority halting sites decreased (8 per cent, from 1,035 to 952), while those in standard local authority housing increased by 25 per cent.<sup>163</sup>

In 2019, the highest proportion of families were housed in standard local authority accommodation (25 per cent, 4,034 families) and private rented accommodation (26 per cent, 1,919 families) with an overall drop of 211 or 1.9 per cent in the number of families.

In July 2019, the results of the Traveller Accommodation Expert Review were published.<sup>164</sup> In this Report, the Expert Review Group identified as a “fundamental problem” the lack of a strong evidence-base for policy making. The direction of housing policy generally, whereby social housing is now provided by way of the private sector, also presents particular difficulties for Travellers as they face “strong barriers” in accessing private rented accommodation. This Report concludes with a series of recommendations on all aspects of Traveller accommodation provision, from delivery suitable to the need; to planning; capacity and resources; and governance. *Social Justice Ireland* supports these recommendations and urges Government to develop an implementation plan to ensure that they are affected.

The reported conditions experienced by Traveller families, that of increased overcrowding, discrimination within the private rented sector, greater risk of homelessness, and associated health difficulties warrants that this issue be treated as an emergency and that local authorities be compelled to utilise the increased funding available to ensure that Traveller families and their children are supported to live with dignity.

A Spotlight report in 2018 identified an ‘implementation gap’ “in that it appears to have resulted in housing outcomes which contradict the policy intention”.<sup>165</sup> This would support the earlier reported suggestion that some politicians are “involved in LTACCs [Local Traveller Accommodation Consultative Committee] for the purposes of opposing Traveller accommodation”.<sup>166</sup>

In July 2021, the Irish Human Rights and Equality Commission (IHREC) published accounts of the first Council-by-Council equality review on Traveller Accommodation in the history of the State.<sup>167</sup> This review found that, between 2008 and 2018, of €168.8 million allocated to local authorities for Traveller-specific accommodation, just two thirds (€110.6 million) was drawn down, although it should be noted that the full budget was drawn down in 2020.

The review also found that there was poor information being gathered by Local Authorities to enable them to make policy decisions concerning Traveller accommodation; that not enough evidence existed to suggest that Local Authorities were taking proper account of Traveller culture and identity, with 22 Local Authorities not making any reference in its review to its Caravan Loan Scheme to provide caravans to Travellers who wish to live on halting sites. It also found a lack of meaningful

<sup>163</sup>Department of Housing, Local Government and Heritage. 2021. Estimates - All Local Authority, Local Authority Assisted and Unauthorised Halting Sites. Dublin:

<sup>164</sup>Traveller Accommodation Expert Review Group. 2019. Expert Review on Traveller Accommodation. Dublin: Department of Housing, Planning and Local Government.

<sup>165</sup>Visser, A. 2018. Spotlight: Traveller Accommodation. Dublin: Oireachtas Library & Research Service.

<sup>166</sup>RSM PACEC Limited. 2017. Research Report, Review of Funding for Traveller-Specific Accommodation and the Implementation of Traveller Accommodation Programmes. Dublin: Housing Agency.

<sup>167</sup>Irish Human Rights and Equality Commission. 2021 Accounts of First Council-by-Council Equality Review on Traveller Accommodation in History of State Published. Dublin: Irish Human Rights and Equality Commission.

engagement with Travellers on their perspectives of the private rented sector or provision of mainstream accommodation and services.

## Measuring Poverty

While there is still considerable poverty in Ireland, there has been much progress on this issue over the past two decades. Driven by increases in social welfare payments, particularly payments to the unemployed, the elderly and people with disabilities, the rate of poverty notably declined between 2001 and 2009. Subsequently, welfare rates were reduced and poverty increased during the economic crash. In recent years, driven once again by welfare increases, poverty has fallen and now stands at 11.6 per cent of the population according to the latest data, which is for 2021.

Data on Ireland's income and poverty levels are provided by the annual SILC, or Survey on Income and Living Conditions. This survey replaced the European Household Panel Survey and the Living in Ireland Survey which had run throughout the 1990s. Since 2003 the SILC / EU-SILC survey has collected detailed information on income and living conditions from up to 120 households in Ireland each week; giving a sample of 4,000 to 6,000 annually.

*Social Justice Ireland* welcomes this survey and in particular the accessibility of the data produced. Because this survey is conducted simultaneously across all European Union (EU) states, the results are an important contribution to the ongoing discussions on income and poverty levels across the EU. It also provides the basis for informed analysis of the relative position of the citizens of member states. In particular, this analysis is informed by a set of agreed indicators of social exclusion covering four dimensions of social exclusion: financial poverty, employment, health, and education. They also form the basis of the EU Open Method of Co-ordination for social protection and social inclusion and associated poverty and social exclusion targets.

In trying to measure the extent of poverty, the most common approach has been to identify a poverty line (or lines) based on people's disposable income (earned income after taxes and including all benefits). The European Commission and the United Nations (UN), among others, use a poverty line located at 60 per cent of median income. The median disposable income is the income of the middle person in society. This poverty line is the one adopted in the *SILC* survey. While the 60 per cent median income line has been adopted as the primary poverty line, alternatives set at 50 per cent and 70 per cent of median income are also used to clarify and lend robustness to assessments of poverty.

The most up-to-date data available on poverty in Ireland comes from the 2021 *SILC* survey, conducted by the CSO and published in May 2022. In that year the CSO gathered data from a statistically representative sample of 4,846 households containing 12,291 individuals. The data gathered by the CSO is very detailed and incorporates income from work, welfare, pensions, rental income, dividends, capital gains and other regular transfers. Where possible, this data was subsequently verified anonymously using PPS numbers.

According to the CSO, the median disposable income per adult in Ireland during 2021 was € 25,264 per annum or €484.17 per week. Consequently, the income poverty lines for a single adult derived from this are:

50% of median	€242.08 a week
60% of median	€290.50 a week
70% of median	€338.92 a week

Updating the 60 per cent median income poverty line to 2022 levels, using published CSO data on

the growth in average hourly earnings to the end of quarter two in 2022 (+2.7 per cent) produces a relative income poverty line of €298.35 for a single person. In 2022, any adult below this weekly income level will be counted as being at risk of poverty.<sup>168</sup>

Table 5 shows what income corresponds to this poverty line for a number of household types. The figure of €298.35 is an income per adult equivalent figure. It is the minimum weekly disposable income (after taxes and including all benefits) that one adult needs to be above the poverty line. For each additional adult in the household this minimum income figure is increased by €196.91 (66 per cent of the poverty line figure) and for each child in the household the minimum income figure is increased by €98.45 (33 per cent of the poverty line). These adjustments reflect the fact that as households increase in size they require more income to meet the basic standard of living implied by the poverty line. In all cases a household below the corresponding weekly disposable income figure is classified as living at risk of poverty. For clarity, corresponding annual figures are also included.

**Table 5: The Minimum Weekly Disposable Income Required to Avoid Poverty in 2022, by Household Types**

Household containing:	Weekly poverty line	Annual poverty line
1 adult	€298.35	€15,568
1 adult + 1 child	€396.80	€20,705
1 adult + 2 children	€495.25	€25,842
1 adult + 3 children	€593.71	€30,980
2 adults	€495.25	€25,842
2 adults + 1 child	€593.71	€30,980
2 adults + 2 children	€692.16	€36,117
2 adults + 3 children	€790.62	€41,254
3 adults	€692.16	€36,117

Source: Social Justice Ireland calculation based on CSO income and earnings data.

One immediate implication of this analysis is that most weekly social assistance rates paid to single people are €90 below the poverty line.

### How many have incomes below the poverty line?

Using the EU poverty line set at 60 per cent of median income, the findings reveal that almost 12 out of every 100 people in Ireland were living in poverty in 2021. Over time poverty rates have fluctuated. In general, decreases have occurred in periods where national budgets have given greater attention to improving minimum welfare payments or prioritising welfare dependent households. Conversely, poverty has increased in periods where welfare payments were less of a policy priority and therefore gaps opened between those benefiting from tax and earnings changes and those households dependent on support from the social transfer system.

Because it is sometimes easy to overlook the scale of Ireland's poverty problem, it is useful to translate these poverty percentages into numbers of people. Using the percentages for the 60 per cent median income poverty line and population statistics from CSO population estimates, we can calculate the numbers of people in Ireland who have been in poverty for a number of years between 1994 and 2021. These calculations are presented in table 6. The results give a better picture of just how significant this problem is.

**Table 6: The Numbers of People Below Relative Income Poverty Lines in**

<sup>168</sup><https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/>

<b>Ireland, 1994-2021</b>			
	<b>% of persons in poverty</b>	<b>Population of Ireland</b>	<b>Numbers in poverty</b>
1994	15.6	3,585,900	559,400
1998	19.8	3,703,100	733,214
2001	21.9	3,847,200	842,537
2005	18.3	4,133,800	756,485
2009	14.1	4,533,400	639,209
2013	16.2	4,614,700	747,581
2016	16.2	4,739,600	767,815
2020	13.2	4,977,400	657,017
2021	11.6	5,123,536	594,330

**Source:** See Table 3.2 and CSO online database of population estimates.

**Note:** Population estimates are for April of each year.

The table's figures are telling. Looking over the past 25 years, despite a reduction in the headline poverty rate (from 15.6 per cent to 11.6 per cent) there are almost 35,000 more people in poverty. Notably, over the period from 2004-2008, the period corresponding with consistent Budget increases in minimum social welfare payments, almost 145,000 people left poverty. This progress was reversed by the subsequent recession, and the rate and number in poverty began to fall from 2016 onwards driven by various budgetary policies that prioritised lower income households and welfare. The latest figures suggest that the numbers in poverty today are similar to those of a decade ago.

The fact that there are almost 595,000 people in Ireland living life on a level of income that is this low remains a major concern. These levels of income are low and those below them clearly face difficulties in achieving what the NAPS described as "*a standard of living that is regarded as acceptable by Irish society generally*".

### **The scale of poverty - numbers of people**

As the table in the last subsection deal only in percentages it is useful to transform these proportions into numbers of people. Table 6 revealed that almost 595,000 people were living below the 60 per cent of median income poverty line in 2021. Using this figure, table 7 presents the number of people in poverty in that year within various categories. Comparable figures are also presented for selected years over the last decade.

The data in table 7 is particularly useful in the context of monitoring changes in the composition of poverty and framing anti-poverty policy. Recent changes in the headline poverty numbers - showing a decrease of over 120,000 since 2012 - hide a variety of experiences for different parts of the populations. Since 2012 poverty has fallen among the unemployed, children, students and those in working in the home, but has risen for workers, those who are retired and people who are ill or have a disability. Note that the overall poverty rate of 11.6 per cent in 2021 corresponds to almost 580,000 people living below the 60 per cent of median income poverty line in that year, recent Census figures, which reported a higher population count would suggest the poverty count is nearer 595,000.

**Table 7: Poverty Levels Expressed in Numbers of People, 2012-2021**

	<b>2012</b>	<b>2015</b>	<b>2018</b>	<b>2021</b>
<b>Overall</b>	776,335	764,111	650,838	581,334

**Adults**

Employed	94,713	104,683	104,785	93,013
Unemployed	149,056	108,504	82,656	58,715
Retired	45,804	55,780	61,830	71,504
Ill/Disabled	56,672	64,185	80,053	91,269
Student/pupil	110,240	117,673	78,101	70,341
Fulfilling domestic tasks	120,332	113,088	79,402	52,320
Other	14,750	14,518	9,763	8,720

**Children**

Children (under 16 yrs)	184,768	185,679	154,249	135,451
Children (under 18 yrs)	232,124	226,177	190,696	163,936

**Source:** Calculated using CSO SILC Reports (various years) and data from table 3.3.

**Poverty and welfare supports**

*Social Justice Ireland* believes in the very important role that social welfare plays in addressing poverty. As part of the *SILC* results the CSO has provided an interesting insight into the role that social welfare payments play in tackling Ireland's poverty levels. It has calculated the levels of poverty before and after the payment of social welfare benefits.

Table 8 shows that without the social welfare system almost 4 in every 10 people in the Irish population (37.9 per cent) would have been living in poverty in 2020. Such an underlying poverty rate suggests a deeply unequal distribution of direct income.

A report by Watson and Maitre<sup>169</sup> examined these effects in greater detail and noted the effectiveness of social welfare payments, with child benefit and the growth in the value of social welfare payments, playing a key role in reducing poverty levels up until 2009. The CSO have also shown that in 2009 poverty among those aged 65 and older reduced from 88 per cent to 9.6 per cent once social welfare payments were included. The same study also found that social welfare payments (including child benefit) reduced poverty among those under 18 years of age from 47.3 per cent to 18.6 per cent – a 60 per cent reduction in poverty risk.<sup>170</sup>

These findings, combined with the social welfare impact data in table 8, underscore the importance of social transfer payments in addressing poverty; a point that needs to be borne in mind as Government forms policy and priorities in the years to come.

**Table 8: The Role of Social Welfare (SW) Payments in Addressing Poverty**

	2001	2005	2010	2015	2020
Poverty pre-SW	35.6	40.0	50.2	46.2	37.9
Poverty post-SW	21.9	18.3	14.7	16.3	13.2
<b>The role of SW</b>	<b>-13.7</b>	<b>-21.7</b>	<b>-35.5</b>	<b>-29.9</b>	<b>-24.7</b>

**Source:** CSO SILC Reports (various years) using national equivalence scale.

The importance of welfare transfers was further highlighted by the CSO in their 2020 release which included an assessment of the impact that Covid-19 supports to workers and businesses had on poverty levels. The December 2021 *Poverty Insights* report estimated that the collective impact of the pandemic unemployment payment (PUP) and the wage subsidy scheme (WSS) was to reduce poverty by 7.7 percentage points, meaning that these supports kept over 380,000 additional people out of poverty in 2020.

<sup>169</sup>Watson, D, and Maitre, B. 2013. 'Social Transfers and Poverty Alleviation in Ireland: An Analysis of the CSO Survey on Income and Living Conditions 2004 - 2011', Social Inclusion Report No. 4. Dublin: Department of Social Protection/ESRI.

<sup>170</sup> This data has not been updated in subsequent SILC publications.

Many of the groups in Irish society that experienced increases in poverty levels over the last decade have been dependent on social welfare payments. These include the unemployed, the retired, lone parents and those who are ill or have a disability. Table 9 presents the results of an analysis of five key welfare recipient groups performed by the ESRI using poverty data for five of the years between 1994 and 2001. These were the years that the Irish economy grew fastest and the core years of the 'Celtic Tiger' boom. Between 1994 and 2001 all categories experienced large growth in their poverty risk. For example, in 1994 only five out of every 100 old age pension recipients were in poverty. In 2001 this had increased ten-fold to almost 50 out of every 100. The experience of widow's pension recipients is similar.

**Table 9: Percentage of Persons in Receipt of Welfare Benefits/Assistance Who Were Below the 60 Per Cent Median Income Poverty Line, 1994-2001**

	1994	1997	1998	2000	2001
Old age pension	5.3	19.2	30.7	42.9	49.0
Unemployment benefit/assistance	23.9	30.6	44.8	40.5	43.1
Illness/disability	10.4	25.4	38.5	48.4	49.4
Lone Parents allowance	25.8	38.4	36.9	42.7	39.7
Widow's pension	5.5	38.0	49.4	42.4	42.1

Source: Whelan et al (2003: 31).

Table 9 highlights the importance of adequate social welfare payments to prevent people becoming at risk of poverty. Over the period covered by these studies, groups similar to *Social Justice Ireland* repeatedly pointed out that these payments had failed to rise in proportion to earnings and incomes elsewhere in society. The primary consequence of this was that recipients slipped further and further back and therefore more and more fell into poverty. In 2022, as we plan future budgetary priorities, it is important that adequate levels of social welfare be maintained to ensure that the mistakes of the past are not repeated.

### Poverty and living costs

As outlined earlier, poverty rates are calculated using disposable income – the post income tax and welfare transfer amount individuals and households have to make ends meet. The standard of living this income can provide is further influenced by the recurring day-to-day costs individuals face and their ability to afford these. As we highlight elsewhere in this publication, these effects can be pronounced for people with disabilities, those with recurring illness (and associated medical needs) and low-income families with children.

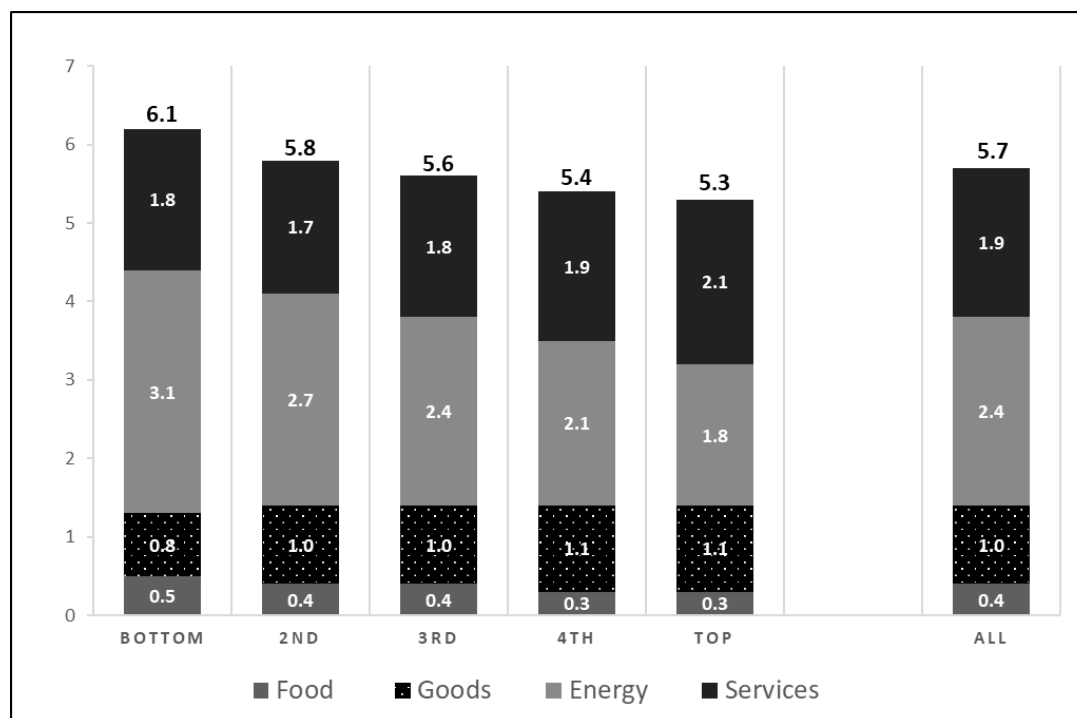
During the past year, two publications have provided further insights into the challenges low-income households face in Ireland today. A Central Bank *Economic Letter* published in February 2022 provides an estimate of the distributive effect of recent, and ongoing, inflation.<sup>171</sup> Using data from the Household Budget Survey the study found that the impact of inflation is greatest for those households in the bottom twenty percent (bottom quintile) of the income distribution – see Chart 8. Given that these lower income households spend a greater proportion of their income, compared to better off households, they are more exposed to price increases; they also spend a greater proportion of their income on food and energy. While the study finds that all households are experiencing significant price increased, the effect of this inflation impacts the living standards of those on the lowest incomes the hardest. As inflation persists, policy will need to target these low income households and assist with the growing living cost challenges they face. Elsewhere, CSO SILC

<sup>171</sup>Lydon, R. 2022. 'Household Characteristics, Irish Inflation and the Cost of Living' Central Bank of Ireland Economic Letter Vol. 2022 No. 1. Dublin, Central Bank of Ireland.



data highlights the concentration of individuals who are unemployed, long-term ill or disabled, living alone, and single parents in the bottom two deciles of the income distribution.<sup>172</sup> Targeted measures to support these welfare dependent households will be an essential part of the evolving policy response to the current experience of inflation and should form a core part of the policy measures.

**Chart 8: Composition of Inflation across the Income Distribution, 2021 (quintiles)**



Source: Lydon (2022:3).

The effect of housing costs on the living standards of low income households is illustrated by new data released by the CSO as part of their SILC 2020 report. The data provide new insights into the scale of housing costs (rent, mortgage interest) many households face and highlights how dramatically these living costs reduce disposable income. As a means of illustrating this, the CSO have calculated the proportion of the population with a disposable income below the standard national poverty line after they have paid their housing costs. These results can be compared to the standard poverty rates already outlined in this chapter.

Table 10 reports the results of this analysis by household tenure. It highlights how significantly housing costs impact on the living standards of renters and in particular low income families who live in accommodation provided by local authorities or receive social housing supports. Post housing costs, one in every two of these low income households have an income below the poverty line, this compares to one in five for the whole population and one in twelve for households who are owner occupiers. The CSO analysis also highlighted big increases in poverty for single parent households, people who are unemployed, and people with long standing illness or disabilities.

**Table 10: Poverty Rates Before and After Housing Costs, by tenure type in 2020**

	Before	After
All population	13.2	19.0
Owner occupiers - all	7.1	8.2
with mortgage	4.8	7.1

<sup>172</sup> See SILC 2020 Table 2.6.

<i>without mortgage</i>	9.5	9.5
Renters or Rent Free - all	27.6	44.7
<i>rent free</i>	15.7	15.7
<i>LA tenants</i>	37.6	49.8
<i>with HAP, RAS, rent supplement</i>	22.7	55.9
<i>with no housing supports</i>	16.7	30.7

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**Source:** CSO SILC Report 2020.  
**Note:** Housing costs include rent and mortgage interest and do not include capital payments on mortgages.

*Social Justice Ireland* welcomes the publication of these new poverty figures. They further illustrate the challenges low income household face and provide an important insights into the effectiveness of current social housing supports and the impact of increases in private rental costs on the living standards of those in society with the lowest incomes.<sup>173</sup>

### Poverty and deprivation

Income alone does not tell the whole story concerning living standards and command over resources. As we have seen in the NAPS definition of poverty, it is necessary to look more broadly at exclusion from society because of a lack of resources. This requires looking at other areas where 'as a result of inadequate income and resources people may be excluded and marginalised from participating in activities that are considered the norm for other people in society'. Although income is the principal indicator used to assess wellbeing and ability to participate in society, there are other measures. In particular, these measures assess the standards of living people achieve by assessing deprivation through use of different indicators.

### Deprivation in the SILC survey

Since 2007 the CSO has presented 11 measures of deprivation in the *SILC* survey, compared to just eight before that. *Social Justice Ireland* and others have expressed serious reservations about the overall range of measures employed in this indicator. We believe that a whole new approach to measuring deprivation should be developed. Continuing to collect information on a limited number of static indicators is problematic in itself and does not present a true picture of the dynamic nature of Irish society. However, notwithstanding these reservations, the trends are informative and offer some insight into the changes in income over recent years on households and living standards across the state.

The results presented in table 11 shows that in 2020 the rates of deprivation recorded across the set of 11 items varied between 0.9 and 17.6 per cent of the Irish population. Overall, 69.8 per cent of the population were not deprived of any item, while 14.6 per cent were deprived of one item, 6.3 per cent were without two items and 9.3 per cent were without three or more items. Among those living on an income below the poverty line, almost four in ten (38.3 per cent) experienced deprivation of two or more items.

**Table 11: Levels of Deprivation for Eleven Items Among the Population and Those in Poverty, 2019 (%)**

Deprivation Item	Total Population	Those in Poverty
Without heating at some stage in the past year	9.3	21.4

<sup>173</sup> See *Social Justice Ireland Housing and Poverty 2022 (January 2022)* available on our website.

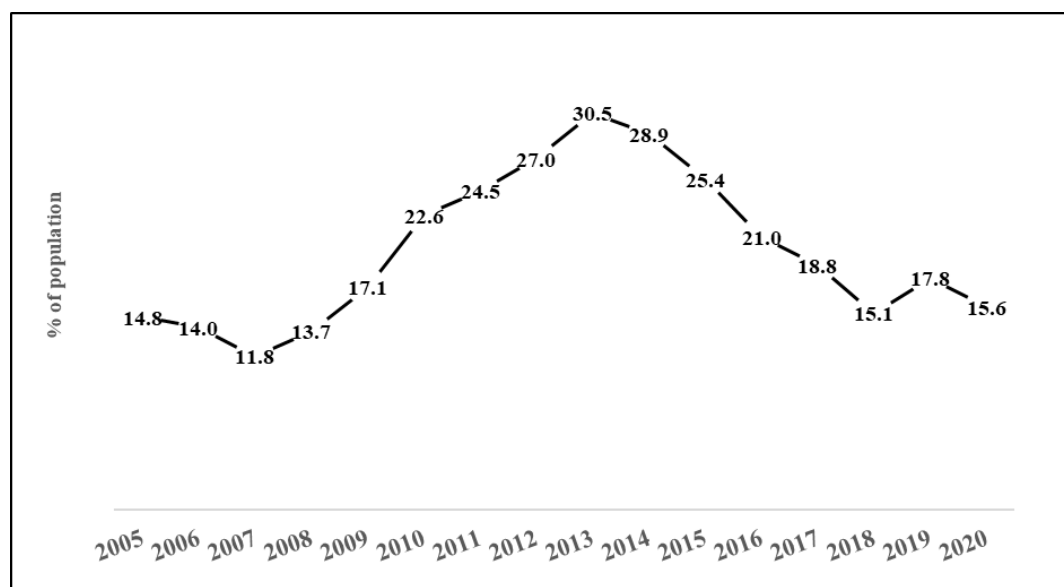
Unable to afford a morning, afternoon or evening out in the last fortnight	7.9	19.3
Unable to afford two pairs of strong shoes	2.4	7.7
Unable to afford a roast once a week	4.0	9.8
Unable to afford a meal with meat, chicken or fish every second day	1.4	3.8
Unable to afford new (not second-hand) clothes	7.8	20.6
Unable to afford a warm waterproof coat	0.9	2.2
Unable to afford to keep the home adequately warm	3.4	7.8
Unable to replace any worn out furniture	17.6	35.7
Unable to afford to have family or friends for a drink or meal once a month	11.4	28.5
Unable to afford to buy presents for family or friends at least once a year	4.4	12.5

**Source:** CSO (2021).

**Note:** Poverty as measured using the 60 per cent median income poverty line.

It is of interest that from 2007 to 2013, as the economic crisis took hold, the proportion of the population that experienced no deprivation fell from 75.6 per cent in 2007 to 55.1 per cent in 2013. Since then this figure has improved. Simultaneously, the proportion of the population experiencing deprivation of two or more items (the deprivation rate) more than doubled – see Chart 9. By 2020 just over 776,000 people (15.6 per cent of the population) were experiencing deprivation at this level. The most common deprivation experiences include: being unable to afford to replace worn out furniture, being unable to afford to have family or friends for a drink or meal once a month and having to go without heating at some stage in the past year. Should policy intervention be insufficient, these indicators will be useful to track the impact on low income households of the current inflation and fuel prices challenges.

**Chart 9: Deprivation Rate, 2005-2020**



**Source:** CSO SILC Reports (various years).

### Deprivation and poverty combined: consistent poverty

'Consistent poverty' combines deprivation and poverty into a single indicator. It does this by calculating the proportion of the population simultaneously experiencing poverty and registering as deprived of two or more of the items in Table 11. As such, it captures a sub-group of those who are poor.

The *National Action Plan for Social Inclusion 2007-2016 (NAPinclusion)* published in early 2007 set its overall poverty goal using this earlier consistent poverty measure. One of its aims was to reduce the number of people experiencing consistent poverty to between 2 per cent and 4 per cent of the total population by 2012, with a further aim of eliminating consistent poverty by 2016. A revision to this target was published as part of the Government's *National Reform Programme 2012 Update for Ireland*. The revised poverty target was to reduce the numbers experiencing consistent poverty to 4 per cent by 2016 and to 2 per cent or less by 2020. This target has been retained, and the time period extended to 2025, as part of Government's *Roadmap for Social Inclusion 2020-25*. *Social Justice Ireland* participated in the consultation process on the revision of this and other poverty targets. While we agree with the revised 2 per cent consistent poverty target (it is not possible to measure below this 2 per cent level using survey data) we proposed that this target should be accompanied by other targets focused on the overall population and vulnerable groups.

It should also be noted that, despite various Governments establishing and revising poverty targets on a number of occasions over the past decade, none of these have been achieved.

The reality of the current living cost challenges, the likely uneven nature of the post-pandemic recovery, and the limited sense of urgency to adequately address these issues is pushing Ireland further away from these targets.

## The Cost of Poverty

Two recent studies have highlighted the costs that poverty imposes on society and on individuals living in poverty.

A report commissioned by the Society of St Vincent DePaul, and authored by Collins, examined *The Hidden Cost of Poverty* by estimating the public service cost of poverty in Ireland.<sup>174</sup> It identified the additional public service costs that Irish society carries as a result of current and past experiences of poverty. The main estimate presented by the report found that the annual public service cost of poverty to Ireland is almost €4.5bn. Expressed in per capita terms this finding implies that poverty imposes a public service cost equivalent to a sum of €913 per person in the state each year (€2,600 per household). The report also noted that this additional public sector expenditure is equivalent to 5.1% of total General Government Revenue and 5% of total General Government Expenditure. Put another way, €1 in every €20 collected by the state from taxes, social insurance and charges ends up being allocated by the state to make up for the way that poverty damages people's lives. *Social Justice Ireland* welcomes this report, it provides a heretofore absent benchmark for the recurring annual costs to the state of poverty, and highlights for all members of society, whether they are above or below the poverty line, the costs incurred by society as a result of poverty.

A CSO report published in December 2020 examined *The Intergenerational Transmission of Disadvantages* using data from a module included in the SILC 2019 survey.<sup>175</sup> Based on answers from people aged 25-59 about their life situation when they were about 14 years old, the report explored if a person's household circumstances as a teenager are associated with poverty indicators in later life. Among its findings, the report highlighted the intergenerational impacts of lower completed education levels as respondents whose parents had lower secondary education had a 16.2 per cent

<sup>174</sup>Collins, M.L 2020 *The Hidden Cost of Poverty: estimating the public service cost of poverty in Ireland*. Dublin, Society of St Vincent DePaul.

<sup>175</sup>Central Statistics Office 2020 *SILC Module on the Intergenerational Transmission of Disadvantages 2019*. Dublin: Stationery Office

risk of poverty as adults compared with 6.2 per cent for those who had parents with third level education. The CSO report also found that financial disadvantage in childhood appears to persist to adulthood. People who described the financial situation of their teenage home as bad were most likely to be at risk of poverty (18.2 per cent) or living in enforced deprivation (39 per cent) as adults in 2019.

### Poverty: a European perspective

It is helpful to compare Irish measures of poverty to those elsewhere in Europe. Eurostat, the European Statistics Agency, produces comparable 'at risk of poverty' figures (proportions of the population living below the poverty line) for each EU member state. The data is calculated using the 60 per cent of median income poverty line in each country. Comparable EU-wide definitions of income and equivalence scale are used.<sup>176</sup>

As table 12 shows, Irish people experience a below average risk of poverty when compared to all other EU member states. Eurostat's 2008 figures marked the first time Ireland's poverty levels fell below average EU levels. This phenomenon was driven, as outlined earlier in this review, by sustained increases in welfare payments in the years prior to 2008. Ireland's poverty levels have remained below EU-average levels since then. In 2020, across the EU, the highest poverty levels were found in the most recent accession countries and in some of the countries most impacted by the economic crisis one decade ago: Bulgaria, Romania, Latvia, Spain, Lithuania, Estonia and Italy. The lowest levels were in Finland, Denmark, Slovakia, and Czechia (formerly the Czech Republic).

**Table 12:** The Risk of Poverty in the European Union, 2020

Country	Poverty Risk	Country	Poverty Risk
Bulgaria	23.8	Poland	14.8
Romania	23.4	Cyprus	14.3
Latvia	21.6	Belgium	14.1
Spain	21.0	<b>Ireland</b>	<b>13.9</b>
Lithuania	20.9	Austria	13.9
Estonia	20.7	France	13.8
Italy	20.1	Netherlands	13.4
Germany	18.5	Slovenia	12.4
Croatia	18.3	Hungary	12.3
Greece	17.7	Finland	12.2
Luxembourg	17.4	Denmark	12.1
Malta	16.9	Slovakia	11.4
Portugal	16.2	Czechia	9.5
Sweden	16.1	<b>EU-27 average</b>	<b>17.1</b>

**Source:** Eurostat online database (ilc\_li02).

**Note:** Italy data is for 2019.

The average risk of poverty in the EU-27 for 2020 was 17.1 per cent. Overall, while there have been some reductions in poverty in recent years across the EU, the data suggests that poverty remains a large and ongoing EU-wide problem. In 2020 the average EU-28 level implied that 75.2 million

<sup>176</sup>Differences in definitions of income and equivalence scales result in slight differences in the poverty rates reported by Eurostat for Ireland when compared to those reported earlier which have been calculated by the CSO using national definitions of income and the Irish equivalence scale.

people live in poverty across the EU.

### **Income Distribution**

As previously outlined, despite improvements, poverty remains a significant problem in Irish society. The purpose of economic development should be to improve the living standards of all of the population. A further loss of social cohesion will mean that large numbers of people continue to experience deprivation and the gap between that cohort and the better-off will widen. This has implications for all of society, not just those who are poor; a reality that has begun to receive welcome attention recently.

Analysis of the annual income and expenditure accounts yields information on trends in the distribution of national income. However, the limitations of this accounting system need to be acknowledged. Measures of income are far from perfect gauges of a society. They ignore many relevant non-market features, such as volunteerism, caring and environmental protection. Many environmental factors, such as the depletion of natural resources, are registered as income but not seen as a cost. Pollution is not registered as a cost but cleaning up after pollution is classed as income. Increased spending on prisons and security, which are a response to crime, are seen as increasing national income but not registered as reducing human wellbeing.

The point is that national accounts fail to include items that cannot easily be assigned a monetary value. But progress cannot be measured by economic growth alone. Many other factors are required, as we highlight elsewhere in this review. However, when judging economic performance and making judgements about how well Ireland is really doing, it is important to look at the distribution of resources as well as its absolute amount.

*Social Justice Ireland* believes that the following policy positions should be adopted in responding to the poverty, inequality and income distribution challenges highlighted throughout this chapter.

- If poverty rates are to fall in the years ahead, *Social Justice Ireland* believes that the following are required:
  - increase in social welfare payments.
  - equity of social welfare rates.
  - adequate payments for children.
  - refundable tax credits.
  - decent rates of pay for low paid workers.
  - a universal state pension.
  - a cost of disability payment.

*Social Justice Ireland* believes that in the period ahead Government and policy makers generally should:

- Acknowledge that Ireland has an on-going poverty problem.
- Adopt targets aimed at reducing poverty among particular vulnerable groups such as children, lone parents, jobless households, and those in social rented housing.
- Examine and support viable alternative policy options aimed at giving priority to protecting vulnerable sectors of society.
- Carry out in-depth social impact assessments prior to implementing proposed policy initiatives that impact on the income and public services that many low income households depend on. This should include the poverty-proofing of all public policy initiatives.

- Recognise the problem of the 'working poor'. Make tax credits refundable to help address the situation of households in poverty which are headed by a person with a job.
- Support the widespread adoption of the Living Wage so that low paid workers receive an adequate income and can afford a minimum, but decent, standard of living.
- Introduce a cost of disability allowance to address the poverty and social exclusion of people with a disability.
- Recognise the reality of poverty among migrants and adopt policies to assist this group. In addressing this issue also replace direct provision with a fairer system that ensures adequate allowances are paid to asylum seekers.
- Accept that persistent poverty should be used as the primary indicator of poverty measurement and assist the CSO in allocating sufficient resources to collect this data.
- Move towards introducing a comprehensive Basic Income system.

*Social Justice Ireland* is an independent think-tank and justice advocacy organisation of that advances the lives of people and communities through providing independent social analysis and effective policy development to create a sustainable future for every member of society and for societies as a whole.



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