SOCIAL JUSTICE IRELAND

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SOCIO-ECONOMIC REVIEW 2023

Social Justice Matters

2023 guide to a fairer Irish society

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Social Justice Ireland

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Chapter one

1.

IRELAND'S SOCIAL CONTRACT NEEDS TO BE REPAIRED

Ireland's Social Contract is broken. The Social Contract is the general agreement (often unwritten) between citizens and Government on the principles and goals that should collectively address their common challenges. While the economy in Ireland has experienced record growth since the pandemic, infrastructure and services in areas such as housing, healthcare and public transport are far below the levels and standards that would be expected in a normally functioning society with an efficiently functioning Social Contract. Likewise, developments in areas such as taxation, participation and sustainability fall below the minimum standards that Ireland's Social Contract require.

While the economy has been growing at unexpectedly high rates, that growth started to slow down from late 2022. The unemployment rate remains low at 4.3 per cent in February 2023. While many existing jobs pay very good salaries, 164,000 people are earning the National Minimum Wage with many more earning little more than that too-low minimum. The number of people employed in key sectors such as ICT, professional activities and education fell in the last quarter of 2022. Inflation is high and the real value of wages is falling. Hourly wages are increasing. However, once inflation is taken into account, the real value of wages is falling. This is having a major negative impact on many people's living standards.

Ireland's level of poverty tells a similar story. 671,183 people in Ireland are living in poverty (13.1 per cent of the population), of which 188,602 are children. 143,633 older people are living in poverty, an increase of over 55,000 since 2021. 133,565 people living in poverty are in employment – these are the 'working poor'. These figures are all going in the wrong direction. They are very concerning and point to the long-term economic and social impact of the cost of living crisis on households who were already struggling before these problems arrived. Government's response has been to deliberately reduce the real value of social welfare payments as the 2023 Budget increases in this area have not kept pace with inflation. This approach is exactly the opposite of what is required. It adds to the woes of Ireland's poorest and most vulnerable people and undermines the Social Contract. The failure by Government to benchmark social welfare rates suggests a lack of interest in repairing the broken Social Contract. Budget 2023 widened the rich/poor gap by €199 (i.e. the gap between those depending on core social welfare payments and those on €100,000 a year). In effect the resources available were shared in a manner that favoured the better off over the poor. Government has been reducing the value of core social welfare rates to enable the already rich to become even richer. Is this the right thing to do?

Housing is a critical issue. The on-going failure of Government policy in this area for more than a decade has produced a crisis of unprecedented proportions across much of Irish society. Housing affordability continues to present a serious challenge. The cost of buying a home increased nationally by 7.8 per cent during 2022 and remains stubbornly high having reached 2007 peak levels. Private rents increased by 6.7 per cent in the period to Q3 2022. In addition to the affordability crisis, where the cost of buying or renting a home remains out of reach for many, we also have a persistent homelessness crisis, with the number of people accessing emergency homeless accommodation exceeding 11,700 in February 2023, up 2,250 compared to February 2022. The solution to these problems is investment in appropriate supply, rather than over-reliance on subsidies which artificially inflate housing costs.

The latest Social Housing Needs Assessment put the number of households on the social housing waiting lists at just over 59,000, however the real need for social housing is grossly under-reported as those in HAP and RAS tenancies, refugees, Direct Provision and many at risk of losing their home due to mortgage arrears are not included. *Social Justice Ireland* estimates the real number in housing need is closer to 133,000. To meet the needs of these households Government would need to double Ireland's social housing stock by 2030.

This increase in the State's social housing stock would move households from the private rental market into this social housing. In practice, these vacated houses would then become available for renting to private tenants. It would mean an additional 60,000+ properties would be available to the private rented sector for use by private tenants.

Of similar concern has been the deliberate move away from evidence-based policies by many involved in public policy – both in the political and the public service sectors. A recent example of this trend was evident in the Report of the Commission on Taxation and Welfare. The Commission rejected the proposal that a Universal Basic Income would be worth pursuing. The analysis underpinning this recommendation, contains serious errors of fact and of logic. There are three factual errors contained in the Commission's report. These concern the tax rate required to fund Basic Income, its cost and its impact on poverty and income distribution. These mistakes alone render the Commission's conclusions fundamentally flawed. However, the Commission's secretariat and the Department of Finance, under whose auspices the Report was produced, have steadfastly refused to engage with these facts or to correct these factual errors. They persist in refusing to remove the false evidence on which this conclusion was based. Instead, they insist on maintaining the evidence and the logic on which it is based, evidence and logic which is clearly erroneous, misleading and inappropriate. This persistence on basing policy recommendations on false or outdated evidence undermines the confidence of citizens in the policy-making process and further strengthens claims for greater ongoing citizen engagement in policy-making.

How is it that we cannot imagine a society and economy based on a system other than what is already in place, which is just a human constructed system for organising economic activity. At the same time, we seem prepared to accept the possible end of our species, the devastating impact of climate change, and resign ourselves to it. Why is it so hard for political leaders to envision an alternative, one that can deliver a vibrant economy, thriving communities, affordable housing, access to healthcare when required, access to education for all, transparent and good governance and sustainability?

There are alternative and better ways of managing and organising economic activity to deliver a new Social Contract that works and that would deliver a better standard of living and wellbeing for everyone in society.

Irish people do not want to see a widening rich/poor gap. Neither do they want to see the persistence of a deeply divided two-tier society. The State, however, seems to be subverting these key community values in the interest of unbridled profit. A new approach is required if we are to see these and similar challenges being addressed effectively in the years immediately ahead. This is one of the main reasons that *Social Justice Ireland* has proposed a new Social Contract and a new Social Dialogue and set out detailed proposals on what these should contain and how they should be delivered.

A new Social Contract

Given Ireland's current plethora of challenges, some might think this is not the time to focus on issues such as the future of the Social Contract. History says otherwise. Before World War II had concluded, plans were already being laid for a major re-structuring of societies. In 1941 President Franklin D. Roosevelt and Prime Minister Winston Churchill issued the Atlantic Charter, which led to the establishment of the United Nations. In 1942 the Beveridge Report, with its commitment to a universal welfare state, was published in the United Kingdom. In 1944 the Bretton Woods conference put together the post-war financial architecture. Now is the time for creative thinking about what society should look like. Business as usual is not acceptable.

Social Justice Ireland is suggesting that a new social contract is required that would address the core challenges now facing society and that real citizen engagement should be at the core of such a contract. In its publication setting out details of its proposals, *Social Justice Ireland* identified more than eighty policy recommendations for a new Social Contract (Bennett et al, 2020). These proposals are designed to deliver a thriving economy, decent infrastructure, and services, just taxation, good governance and sustainability - environmental, social, and economic. These policies, if adopted by Government, would, over a short number of years, deliver substantial progress in meeting current challenges and improving the quality of life for all.

We need investment in infrastructure and services to develop a thriving economy. We need just taxation to fund this. We need good governance to ensure people have a say in shaping the decisions that impact them. We also need to ensure that everything that is done is sustainable; environmentally, economically and socially.

This will require new approaches to the world of work as well as recognition of much of the work done in society that goes unpaid, under-recognised and undervalued.

It will also require recognition that our tax and welfare systems are not fit for purpose in the twenty first century. The social welfare system and the income tax credits system should be replaced by a Universal Basic Income which would be far more appropriate for today's economy.

A new Social Contract will also require us to give climate action the priority it urgently needs. The response to Covid-19 showed that society can be mobilised quickly and effectively to address a real and present danger. Climate change represents such a danger, but the policy response so far has been wholly inadequate. The same can be said of the ineffectual response to the current housing crisis. We need quick and effective responses to major challenges such as climate change and housing shortages if we are to repair the Social Contract.

Changing role of Government

The role of Government within the economy and society is changing. The pandemic has shown clearly that only the State can harness the nation's resources on the scale required at such a time of real threat. The need for prioritising the common good is clear. Major investment is required, investment that serves society rather than transnational corporations. It is important, in this context, that corporations realise the need for an ethic focused on purpose rather than on maximising profits for shareholders. Corporations have a responsibility to be good citizens which extends beyond rhetoric and public relations. Politics today should be about advancing the common good. We must accept that all are responsible for all.

There is also an urgent requirement that the various components of policy be delivered simultaneously. It is not good enough anymore to argue that we should get the economy going and all else will follow. Trickle-down economics has long since been discredited. It is not possible to develop a sustainable thriving economy without simultaneously developing decent infrastructure and services, just taxation, good governance and sustainability at every level of policy making.

Securing these developments should be the major priority of Government in the months and years ahead.

If this fairer pathway is to be followed then Government must play a larger role than heretofore. The need for Government to play a more active role is cogently argued by Mazzucato in her book *Mission Economy* (2021). Her solution would see Governments not limit themselves to 'fixing' market failures, as mainstream economists advocate, but instead, they would actively shape and co-create markets and economies to build a more inclusive and sustainable future.

A new Social Dialogue

At the core of the new model of Social Dialogue is not the drive towards cost competitiveness (although this is incorporated through the wage bargaining process and productivity improvements) but a broad-based enhancement of capabilities in the economy and society. These do not emerge spontaneously, however, and the role of civil society – where the community and voluntary sector are particularly important in Ireland – is critical here. Dialogue is the means by which different sectors could negotiate to agree on a future they wish to achieve and set out pathways towards reaching that destination, and heal any disagreements and divisions in the process.

Ireland's economic growth in recent years has been spread very unevenly; we must ensure that this trend does not continue. In the absence of a national Social Dialogue, the strongest can fight their corner in the open market or the political realm while the weakest will be left behind. In such a scenario inequality, already at unacceptable levels, will continue to grow and the integrated development that is required will not be achieved.

At a national level a new structure for Social Dialogue is required where issues may be discussed in a deliberative manner. Any proposal for Social Dialogue should involve Government, trade unions and employers, the community and voluntary pillar, as well as farmers and the environmental pillar. Any structure for Social Dialogue that excludes any of these groups would be a recipe for ensuring that most of Ireland's resources would be captured by those participating in the discussion. Such an approach would simply lead to deepening divisions and growing inequality in Ireland.

Curing the virus of social injustice

As Ireland moves into a post-Covid world, it needs to cure the virus of social injustice, inequality, marginalisation and environmental destruction. In its place it needs a new Social Contract and a new Social Dialogue to facilitate movement towards that Social Contract.

Social Justice Ireland's proposals as set out in this publication, would see Government policy focused on delivering a new Social Contract with five outcomes delivered simultaneously: a vibrant economy; decent infrastructure and services; just taxation; good governance; and sustainability. This approach is not simply do-able; it is also desirable, effective and efficient. It's time for change.

Chapter two

2.

A TIME OF CRISIS

While COVID-19 remains with us, the urgency of the pandemic and its emergency responses has lifted. In its wake, we are left with a new, and yet not so new crisis. That of inequality. This crisis is new in that recent increases in the rate of inflation since late 2020 has seen the cost of living, as measured by the HICP[1], reach almost 10 per cent. Yet it is not so new because the impact of these cost-of-living increases are not evenly felt. Those with higher incomes experience an inflation rate that can be several percentage points below the rate experienced by those on low incomes (CSO, 2022). They are also more likely to have savings to buffer unexpectedly high bills (Central Bank of Ireland, 2022). For those on the margins, the last three years have been a lurch from one crisis to another, while higher income households were protected. This is Government policy, and it must change.

In previous editions of this book, this Chapter considered three major challenges:

- The challenge of inequality;
- The challenge of demographic change; and
- The challenge of climate change.

These challenges remain central to Ireland's development. They are deeply intertwined and impact profoundly on each other. Inequality is pervasive in Ireland. The latest EU SILC data indicates that 671,000 people in Ireland, including over 188,600 children, were living in poverty in 2022. Almost one million people, including almost 250,000 children, were experiencing enforced deprivation, going without basic necessities due to a lack of adequate income. Social transfers are playing a significant role in reducing income inequality, without them 36.7 per cent of the population would live in poverty rather than 13.1 per cent, but more needs to be done (see Chapter 3).

The Cost-of-Living Crisis

Everyone has experienced the recent increases in the cost of living. But not everyone experiences these increases evenly. Analysis by the CSO indicates that,

[1] EU Harmonised Index of Consumer Prices

while all households experienced an average rate of inflation of 8.2 per cent in the year to September 2022, households in the lowest ten per cent of the income distribution experienced an inflation rate of 9 per cent, while those at the top of the income distribution experienced a rate of just 7.5 per cent (CSO, 2022). Viewed over a five-year period, overall inflation rose by 12.9 per cent, while the poorest ten per cent experienced an inflation rate of 15 per cent and the richest, just 11.6 per cent (CSO, 2022).

Broken down by contribution, in the year to September 2022, the poorest ten per cent of households experienced an inflation rate on food and non-alcoholic beverages that was almost twice that of the richest ten per cent (1.4 per cent compared to 0.8 per cent); inflation on rent experienced by the poorest was more than three times that of the richest (1.8 per cent compared to 0.5 per cent); and inflation in electricity, gas, and other fuels was 1.5 times higher for poorer households than richer ones (2.9 per cent compared to 1.6 per cent) (CSO, 2022).

These differences may not seem significant, however given that the poorest households spend almost half of their income on food and energy, compared to less than 10 per cent of income for those in the top ten per cent (Central Bank of Ireland, 2022), these increases are causing significant strain on those least able to absorb it.

Higher income households are also more likely to have savings. Analysis by the Central Bank of Ireland shows a significant correlation between income decile and savings rate, with those in the bottom (poorest) ten per cent having a negative savings rate of minus 33 per cent. This means that the expenditure for these households exceeds their income by one third. Meanwhile households in the top ten per cent have a savings rate of approximately 70 per cent (Central Bank of Ireland, 2022). Actual savings on deposit for the poorest ten per cent equate to approximately €1,000, compared to more than €25,000 for the richest (ibid.).

In our Budget Choices 2023 policy brief, we called on Government to protect the incomes of the poorest, specifically increasing core social welfare rates by €20 per week (Social Justice Ireland, 2022a). Government chose not to act on this proposal, and instead increased core social welfare rates by just €12 per week, a reduction of €8 in real terms when inflation is factored in. Following the announcement of Budget 2023, *Social Justice Ireland* highlighted the disparity of its impact, providing token one-off payments to the poorest, while increasing the Rich-Poor Gap by €199 over the year (Social Justice Ireland, 2022b). We were not alone in identifying the inadequacies in Budget 2023 and highlighting the need for additional measures in 2023, others such as the ESRI cited a need for additional measures in 2023, benchmarking social welfare payments and linking payments to income adequacy (Doolan, Doorley, Regan, & Roantree, 2022).

In February 2023, just as the year before, the Government announced a series of additional, one-off, measures to support low-income households with the cost of living[2]. While welcome, these measures do not go far enough. A one-off payment is not a response to a continuous crisis of income inadequacy.

The cost-of-living crisis is an issue of adequate income. In 2023 the core rate for Jobseekers Benefit for a single adult (aged 25+) is €220 per week. €220 a week to provide for accommodation costs, heat, light, food, clothing, personal care, entertainment, education, transport, tv licence, communications, refuse collection, households goods, health, insurances, bank charges and in an ideal world allow for savings for contingencies. This is an impossible challenge. One-off measures fail to deal with the reality of the unavoidable trade-offs people living on inadequate incomes have to make because core social welfare rates are inadequate.

The Energy Security Crisis

Directly related to the cost-of-living crisis, indeed one of the main drivers, is the cost of energy. More than half (59.5 per cent) of the increase in inflation to January 2023 was caused by increases in energy costs (CSO, 2023a). These increases have both direct and indirect effects. The direct effects in home heating and fuel costs see an almost immediate increase in household bills. The indirect effects, an increase in non-domestic energy bills, are passed on more slowly to the consumer (Lydon, 2022). Thus, notwithstanding recent decreases in the market price of fuel, the impact of energy price hikes will continue to be felt by households into the future as businesses attempt to recoup their additional costs through increasing the cost of provision of goods and services.

A lack of an adequate, sustainable energy source for Ireland has resulted in our reliance on energy imports. In 2021, Ireland's energy import dependency was 80 per cent, compared to an EU average of 57.5 per cent. This means that we import four fifths of the energy we need. This is a decrease from the height of our dependency in 2006, when it was 91 per cent, however it has been increasing since 2017 when it was 67 per cent (SEAI, 2022). A 2020 report on energy security estimated the cost of energy imports in 2018 at €5 billion (SEAI, 2020). In 2010, the Russian-Ukrainian gas disputes disrupted supply in several EU countries and led to the introduction by the European Commission of regulations to safeguard supply into the future. A subsequent European Energy Security Strategy, stress-tested for two energy-disruption scenarios (the cessation of Russian gas imports into the EU, and a disruption to Russian gas imports through the Ukraine) highlighted the vulnerability of EU gas supply and resulted in the publication of the 2015 Energy Union Strategy which sought to diversify energy imports into Europe and provide for a more united EU energy market (SEAI, 2020). The current situation between Russia and Ukraine continues to test the efficacy of this Strategy.

As a percentage of primary energy supply, Ireland's renewable energy was just 13.11 per cent in 2020, compared to an OECD total of 22.85 per cent (OECD,

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2 gov.ie - Government announces new cost-of-living measures for families, businesses and the most vulnerable (www.gov.ie)

2023). According to SEAI, indigenous production of energy has been decreasing since 2018, however 2021 was the first year in which indigenous production from renewables exceeded that from gas (SEAI, 2022). At just 1,650ktoe of a total of 13,852ktoe primary energy supply, however, Ireland still has a long way to go to meet our 2030 renewables targets.

Investment in renewable energy and retrofitting on the scale required to meet our national climate ambition and maintain energy security requires large scale investment in infrastructure. An upgrade of the national grid must be a key element of infrastructure investment so that communities, cooperatives, farms and individuals can produce renewable energy and sell what they do not use back into the national grid, thus becoming self-sustaining and contributing to our national targets. The economic and environmental impact of data centres will also require a review and revision if we are ever to reach a sustainable indigenous renewable energy supply.

The issues around renewable energy subsidies and energy poverty must be addressed. Too often subsidies are only taken up by those who can afford to make the necessary investments. Retrofitting is a prime example. Even with changes to these schemes introduced in 2022, those who need them most often cannot avail of them due to upfront costs, these subsidies are functioning as wealth transfers to those households on higher incomes while the costs (for example carbon taxes) are regressively socialised among all users. Incentives and tax structures must look at the short and long-term costs of different population segments; eliminating energy poverty and protecting people from energy poverty should be a key pillar of any Just Transition platform.

The latest retrofitting scheme, which sees increased supports to social welfare-dependent households, is very welcome, however more is needed for households who do not qualify and who cannot avail of other retrofitting schemes as they struggle to pay their bills. According to the Commission for Regulation of Utilities (CRU), over 237,350 domestic electricity customers (10 per cent) and 140,800 domestic gas customers (11 per cent) were in arrears at the end of H1 2022. Businesses were also struggling, with 34,600 non-domestic electricity customers (12 per cent) and 7,250 non-domestic gas customers (27 per cent) in arrears in the same period (Commission for Regulation of Utilities, 2022). One-off energy credits, such as those given in February 2022, following Budget 2023, and again in February 2023 will only help households in the month in which they are given. They are a wholly inadequate response to an ongoing and persistent crisis.

The Food Security Crisis

Ireland is the second most food secure country in the world, ranking behind Finland out of 113 countries, according to the Global Food Security Index 2022 (The Economist Group, 2022). The Index recognises the increase in frequency of shocks which contribute to food insecurity. Innovation in food production and agricultural practices, placing farmers at the centre, and focusing particularly on the role of women in farming are ways the authors of the Index proposed to mitigate the impact of shocks. These are areas which require further exploration for Ireland.

The establishment of the National Fodder and Food Security Committee, headed by Teagasc, early last year followed the Government's call for farmers to increase the production of grain to offset the negative impact on the supply of feed and fertiliser as a result of Russia's actions. The Committee extends to a reported 30 representatives of the agriculture industry; however it is regrettable that neither the Environmental nor Community and Voluntary Pillar are represented on the new Committee. Changes in food production will come with environmental impacts. These impacts must be assessed and weighted against the benefit of pursuing any course of action. It is therefore imperative that the expertise is available within the Committee to conduct such assessments. A scarcity of food will likely increase food prices, disproportionately affecting lower income households. The absence of the Community and Voluntary Pillar from the Committee means there is no voice for those who will be most affected by increased costs. This must be addressed.

The Immigration "Crisis"

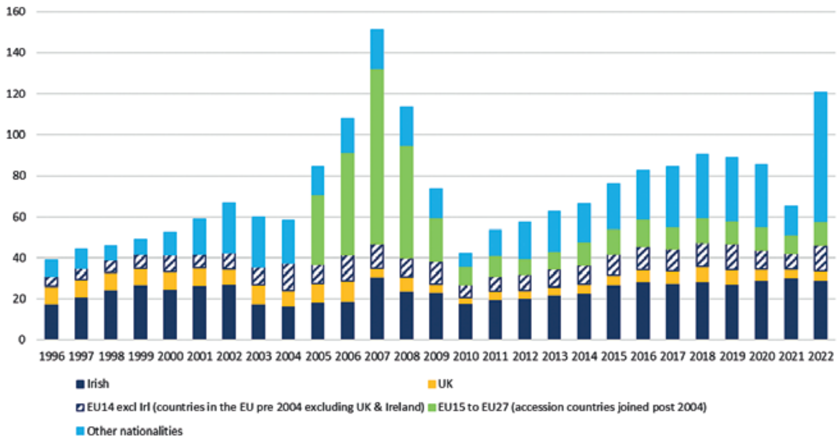
Ireland is not full. Ireland is a wealthy country with enough resources to meet the needs of all of its inhabitants. Ireland is not meeting its human rights obligations to thousands of people living here. All of these things are true.

Since February 2022 when Russia invaded Ukraine, there has been a sharp focus on immigration here. As of December 2022, 67,448 people had arrived in Ireland from Ukraine (CSO, 2023b). This brought the total number of immigrants to Ireland from countries other than Ireland to 91,800 in 2022.

Immigration to Ireland is not new. The figures for 2022 represent the was the second highest since 1996 (CSO, 2022). In 2022, a total of 120,700 people came to Ireland when returning Irish are included. In 2007, this figure was 151,100 respectively (Chart 1).

As Ukraine is not an accession country to the EU, immigrants from Ukraine are included in the term "Other nationalities". In 2008, the proportion of immigrants of Other nationalities was 16 per cent of all immigrants. This decreased slightly in 2010 (at the height of the economic recession in Ireland) to 14 per cent, before increasing to, and remaining at or near, 30 per cent in the years 2012 to 2016. Between 2017 and 2020, immigrants from Other nationalities accounted for approximately 35 per cent of all immigrants to Ireland. It may be assumed that in the absence of COVID-19 travel restrictions, this would have continued in subsequent years. Instead, both the overall number of immigrants to Ireland and the proportion from Other nationalities fell in 2021 (when immigration from Other nationalities accounted for 22 per cent of the 65,200 total). In 2022, 52 per cent of immigrants to Ireland were from Other nationalities (Roundtable on Migration in Our Common Home, 2023).

Chart 1: Estimated Immigration (,000), 1996-2022



Source: CSO Estimated Immigration (Persons in April), PxStat: PEA17

Immigration is, and has always been, a fact of life in Ireland. The needs of immigrants coming to fill jobs in high-tech, high-paid industries will be different to those seeking refuge from wars and persecution. However, there are some areas of commonality: all will need accommodation; healthcare; public transport; many will need childcare and education. The adequacy of our response is dependent in large part on the resources we are willing to allocate to it.

Unfortunately, these are areas that have seen underinvestment over decades, accelerated following the Great Financial Crash of 2008. The remaining Chapters will go into greater detail on the housing and homelessness crises (Chapter 6), healthcare inequalities (Chapter 7), public transport deficits (Chapters 9 and 11), underinvestment in childcare and ECCE (Chapters 8 and 9), and educational disadvantage (Chapter 8). In addition, rising poverty and inequality (discussed in Chapter 3) and low-paid and precarious work (Chapter 5) provide a breeding ground for far-right factions to prey on the genuine and real fears of communities experiencing disadvantage and sow anti-immigrant hate. Solving the many crises addressed in this Socioeconomic Review will require transformational change. The same transformational change that is required to implement the Government's own Wellbeing Framework in a meaningful way.

Where is the Wellbeing?

In this Chapter last year, we welcomed the Government's publication of the Wellbeing Framework, with its 11 dimensions of Subjective Well-being; Mental and Physical Health; Knowledge and Skills; Income and Wealth; Housing and Local

Area; Environment, Climate and Biodiversity; Safety and Security; Work and Job Quality; Time Use; Community, Social Connections and Cultural Participation; and Civic Engagement and Cultural Expression, and its First Report on a Wellbeing Framework for Ireland (Healy, Bennett, Murphy, Rogers, & Reynolds, 2022).

Since then, Government published the Second Report on the Wellbeing Framework in Ireland (Government of Ireland, 2022) which refined the overarching vision and goals of the Framework to "to emphasise mental health, broader skills across the life cycle (rather than formal education), protection of Ireland's environment, climate and biodiversity and a focus on open government with which citizens can meaningfully engage." (p.14).

The Overarching Vision and Goals are now stated as follows:

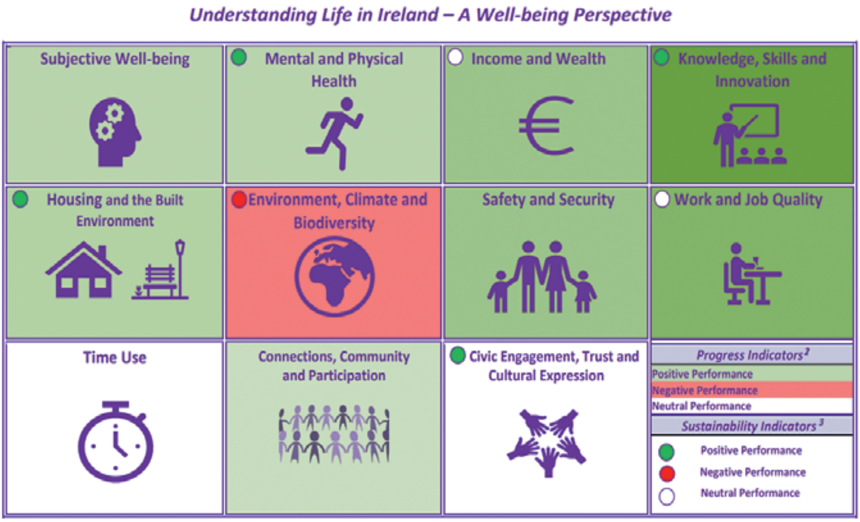
- Enable people to have purposeful lives that support good physical and mental health, enabling the development of skills across the life cycle and providing a good standard of living;
- Ensure a sustainable sense of place, including an appropriate and safe place to live and protection of Ireland's environment, climate and biodiversity;
- Preserve balance, inclusivity and equality of opportunities across society with open and effective government, empowering families, friends and communities to grow, connect and meaningfully engage.

(Government of Ireland, 2022, p. 14)

The Interdepartmental Working Group established within the Department of the Taoiseach also developed a 'Wellbeing Dashboard', consisting of 35 indicators, as a way of providing a snapshot of progress across the 11 dimensions. There are two types of indicators of progress, the Progress Indicators, denoted as colours in each box, refers to how the indicators perform over a 5 year period and compared to the EU average, depending on data availability; while the Sustainability Indicators, denoted as coloured circles in the top-left of each of seven boxes, refers to a subset of the 35 indicators (consisting of 14 indicators) which have been identified as particularly important for sustainability. The indicators are then colour-coded: green as positive, red as negative, and white as neutral.

In June 2022, when the first Wellbeing Dashboard was published, it would appear that Ireland was doing extremely well, with Positive Performance recorded for eight of the 11 Performance Indicators, Neutral Performance for two, and Negative Performance for just one. Of the seven Sustainability Indicators, Positive Performance is recorded for four, Neutral Performance for two and Negative Performance for just one (Figure 1).

Figure 1: Well-being Dashboard



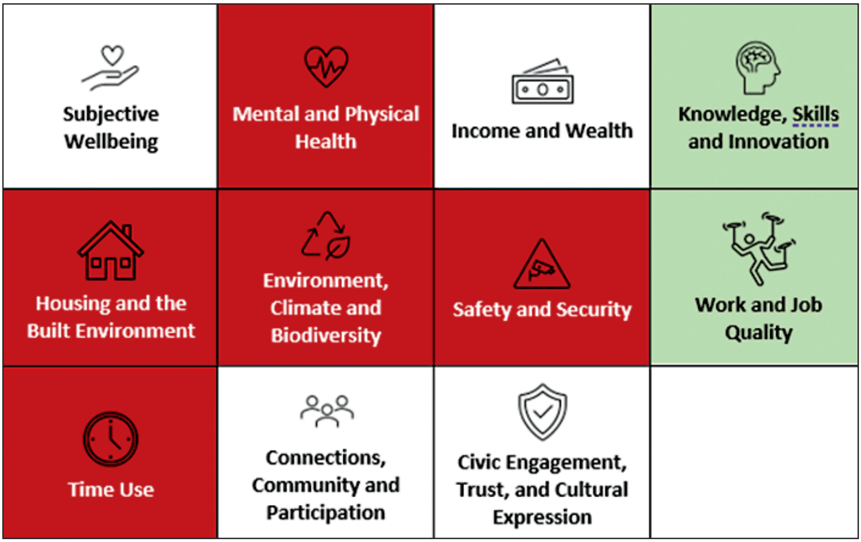
[2] The colour indicates how overall the 35 indicators perform over time (generally 5 years) and compared to the EU average, depending on data availability.

[3] A subset of the indicators (14) have been identified as particularly important for sustainability (Economic, Environmental, Social). The circle shows performance of these indicators.

Source: Understanding Life in Ireland: The Well-being Dashboard 2022, p.5

Of course, progress depends on the measures used. Analysis by *Social Justice Ireland* based on a survey of what indicators *should* have been included, showed "considerable room for improvement" (p.188). Just two dimensions showed positive progress – Knowledge, Skills and Innovation; and Work and Job Quality, while four showed neutral progress – Subjective Wellbeing; Income and Wealth; Connections, Community and Participation; and Civic Engagement, Trust, and Cultural Expression; and the remaining five showed negative progress (Bennett, 2022) (Figure 2).

Figure 2: Alternative Dashboard



Source: What Counts When It Comes to Wellbeing?, contained in Towards Wellbeing for All, 2022, p.189

Wellbeing and a New Social Contract

Social Justice Ireland believes strongly in the importance of developing a rights-based approach to social, economic, environmental, and cultural policy. Such an approach would go a long way towards addressing the inequality Ireland has been experiencing and should be at the heart of a new Social Contract.

We believe seven basic rights should be acknowledged and recognised[3]. These are the rights to (Healy, et al., 2015):

1. Sufficient income to live life with dignity;
2. Meaningful work;
3. Appropriate accommodation;
4. Relevant education;
5. Essential healthcare;

[3] These are not the only rights we support and advocate. However, they are critically important for the development of a balanced society and economy which delivers wellbeing for all.

6. Cultural respect; and
7. Real participation in society.

For these seven rights to be vindicated, greater public expenditure to fund a broader provision of services is required.

As part of a new Social Contract, Government should ensure that future tax and spending policy is focused on building up Ireland's social infrastructure, prioritising areas such as healthcare, social housing, education, childcare and early education facilities. These are areas in particular where Ireland is experiencing an infrastructure deficit. Without adequate future planning for the kinds of social infrastructure and services we need, it will not be possible to maintain – never mind improve – the current standards of living for all citizens, from children to older people.

To achieve the vision just set out, *Social Justice Ireland* has proposed a policy framework for a new Social Contract that identifies five key policy outcomes and sets out three key areas for action within each (Table 2.1). Each of these five key policy outcomes must be achieved if the vision set out in this chapter is to be realised. It is not enough to have three or even four of the five, while neglecting other areas. All five must be worked on simultaneously. It is not a question of getting the economy right and everything else will follow. That approach has led us from boom to bust to boom to bust. This must end.

Table 2.1: A Policy Framework for a New Social Contract

Vibrant economy	Decent services and infrastructure	Just taxation	Good governance	Sustainability
Deal with the Deficit	Increase Investment	Increase the overall Tax-Take	Open, transparent, accountable structures	Climate Justice
Financial Stability	Quality Services	Taxation Governance	Social Dialogue	Protect the Environment
Boost Public Investment	Minimum Social Floor	Broader Tax Base	Real Participation / Deliberative Democracy	Balanced Regional Development
Decent Jobs				Sustainable Progress Index
Reduce Inequality				

We need the investment in infrastructure and services to develop a thriving economy. We need just taxation to fund this. We need good governance to ensure people have a say in shaping the decisions that impact them. We also need to ensure that everything that is done is sustainable; environmentally, economically and socially.

This will require new approaches to the world of work and a recognition of much of the work done in society that goes unpaid, under-recognised and undervalued.

It will also require recognition that our tax and welfare systems are not fit for purpose in the twenty first century. The time has come to set a minimum floor of income and services below which no one should fall. The social welfare system and the income tax credits system should be replaced by a Universal Basic Income which would be far more appropriate for today's economy. This should be accompanied by the development of Universal Basic Services to secure the wellbeing of all.

A new Social Contract will also require us to give climate action the priority it urgently needs. The response to COVID-19 showed that society can be mobilised quickly and effectively to address a real and present danger. Climate change represents such a danger, but the policy response so far has been wholly inadequate. We now know that we can respond quickly and effectively to major threats. An effective response to climate change must figure prominently in the new Social Contract.

Social Justice Ireland has consistently proposed a policy framework for a new Social Contract that identifies five key policy outcomes: a Vibrant Economy; Decent Services and Infrastructure; Just Taxation; Good Governance; and Sustainability (Bennett, Healy, Murphy, & Murphy, 2020). Each of these five key policy outcomes must be achieved if a new Social Contract is to be achieved. It is not enough to have three or even four of the five, while neglecting other areas. All five must be worked on simultaneously. It is not a question of getting the economy right and everything else will follow. That approach has led us from boom to bust to boom to bust. When we placed our analysis of real progress in each of the 11 dimensions in the context of the Social Contract Framework, it is clear that Government has again prioritised the economy above all else (Bennett, 2022) (Figure 3).

Figure 3: Wellbeing Framework and the Social Contract

Vibrant Economy	Decent Services and Infrastructure	Just Taxation	Good Governance	Sustainability
Work and Job Quality	Subjective Wellbeing	Income and Wealth	Safety and Security	Environment, Climate and Biodiversity
Knowledge, Skills and Innovation	Mental and Physical Health		Civic Engagement, Trust, and Cultural Expression	Time Use
	Housing and the Built Environment			
	Connections, Community and Participation			

Source: What Counts When It Comes to Wellbeing?, contained in Towards Wellbeing for All, 2022, p.189

Social Justice Ireland has a vision for an Irish society that we believe most Irish citizens would aspire to living in. This vision, and a model for its development and achievement, is outlined in this Chapter and in subsequent Chapters of this publication.

The Need for Social Dialogue and Ethical Policymaking

The implementation of a Wellbeing Framework and the development of a new Social Contract requires that Government engage with all stakeholders to develop a series of policy responses that are fit for purpose. The current crises in Ireland demand that all stakeholders have a seat at the table. These issues are too important, and too volatile, to be left to vested interests alone. A new social dialogue is essential to ensure that no-one is left behind in this transition.

Designing policies with an understanding of the moral and instinctual judgements of a population can foster greater political and policy engagement. This in turn, allows for greater collective ownership of the decisions that are made. People's experiences automatically influence their decision-making. The Department of An Taoiseach has responsibility for Social Dialogue however full engagement with all stakeholders has yet to take place. Instead, meaningful consultation on issues such as cost of living is confined to the Trades Union and Business sectors through LEEF, the Labour Employer Economic Forum. These two sectors are, of course, important and the organisations who represent them carry out invaluable work on behalf of their members. However, they do not speak for the Community and Voluntary or Environmental sectors, sectors with a keen insight into the lived experiences of those who bear the brunt of increases in inflation and energy and food insecurity.

A robust social dialogue process provides a structure where current and future challenges can be addressed in a positive manner, acknowledging the task ahead, where reasoned and evidence-based debate forms the basis for decision-making, and where all stakeholders are included in the decision-making process.

Government should develop a new structure for social dialogue to ensure policy addresses the key challenges the country is facing. These include infrastructure (e.g. social housing, public transport, rural broadband); services (e.g. healthcare, education, caring); climate change; just taxation; and good governance. These are all issues that impact on the economy and are impacted on by the economy. Ireland needs an approach that addresses these issues simultaneously, not one that gives priority to the economy and hopes the benefits will trickle down, which they never do.

Strategic Investment in Wellbeing

The current cost of living crisis highlights the deep disparities in our society. In fact, a recent report from Oxfam found that the two richest people in Ireland have more wealth than 50 per cent of the country's poorest combined, and the top 1 per cent of wealth-holders owns more than a quarter of the country's total wealth, at

€232 billion (Oxfam, 2023). *Social Justice Ireland* has long argued for the adoption of counter-cyclical fiscal policies. We were deeply disappointed that Budget 2023 increased the Rich-Poor gap by €199 per year while providing tokenistic payments to the poorest and most marginalised in society.

What both the pandemic and the current cost of living crises have highlighted is:

- The importance of the welfare system in providing a safety net for all.
- The inadequacy of most rates of core welfare payments.
- The challenges faced by low paid workers and their families.
- The opening divides between those in stable employment and those with precarious jobs; and
- The underfunding of our health, housing and social care systems.

Ireland, like all other European countries and most other developed world states, has relied on large scale borrowing to cope with the reduction in tax revenue and pay for the various welfare and enterprise supports necessitated by the COVID-19 pandemic. Fortunately, the accommodative approach of the European Central Bank has allowed Government to easily access funds and at historically low interest rates.

Figures from the documents accompanying Budget 2023 revealed the current and expected levels of debt, and debt financing costs, that Ireland is facing. The impact of the pandemic is still being felt, with net national debt climbing from 82 per cent of national income (as measured by GNI*) in 2019 (Budget 2020) to 100.8 per cent in 2021 and an anticipated 86.3 per cent by 2023 (Government of Ireland, 2022). Fortunately, interest costs remain low with these costs expected to be €3.3 billion in 2023. However, although debt costs are low now, the scale of debt remains an issue and a strategic risk to the state in the longer term.

To minimise future debt financing challenges, and to avoid the adoption of unnecessary austerity measures in the years to come, *Social Justice Ireland* believes that Government should prioritise the development of a European-wide debt warehousing strategy for the additional debt brought on by the pandemic and the Russian invasion. This debt should be separated from the existing national debt and financed by a 100 year ECB bond with a near-zero interest rate.

Conclusion

As we meet yet another global challenge, it is important to acknowledge that despite well documented problems and challenges, Ireland is in the privileged position of having public services and social infrastructure to rely on at times of crisis. This is due to the social contract that underpins our social infrastructure. The social contract as a concept has evolved to encompass a situation whereby citizens contribute to the common good – whether economically, socially or culturally – on the assumption that the State will ensure a minimum standard of living, provision of essential social services and infrastructure, and the protection of their basic rights.

As part of this social contract arrangement in a modern democratic society, citizens may expect:

- access to meaningful work, as well as protection from poverty at times where paid employment is not accessible;
- a minimum floor of income and services;
- an education system that is relevant, accessible and high in quality;
- a guarantee that their needs will be met at times of ill-health;
- the regulation and protection of the environment for the good of all citizens; and
- ensured participation in civic life and in the decisions that affect them.

In return, citizens have a responsibility to contribute to society in different ways at different points in the lifecycle. This may be through being employed; through paying taxes; through engaging in caring and voluntary work; or making other contributions to the economic, social, cultural or environmental wellbeing of society.

A key part of the social contract is solidarity between generations. At different points in the lifecycle, all of us will (from a financial perspective) be either net beneficiaries from, or net contributors to, society. This differs, depending on whether we are children, adults of working age, or pensioners. It depends on whether we are in full-time or part-time education, engaged in caring work or in paid employment, or volunteering in the community. But, at almost all times, we are contributing to and benefiting from society in different ways.

We must reconceptualise the interaction of employment and work, taxation, and welfare and give serious consideration to policies such as a universal basic income and universal basic services.

Having set out our vision for Ireland, presented a Policy Framework for a New Social Contract, and provided some details of the policy initiatives required under each of its five pillars, we now move on to look in much greater detail at key aspects of these five pillars.

We provide a fuller analysis of both the first pillar, a vibrant economy, and the associated just taxation system, in chapter 4 where we also set out a more detailed set of policy proposals.

We address decent social services and infrastructure in chapters 3 – on income distribution; 5 - work, unemployment and job creation; 6 - housing and accommodation; 7 – healthcare; 8 – education; 9 - other public services. On each of these we provide an analysis and critique of the present situation, set out a vision for a fairer future and make a detailed set of policy proposals aimed at moving in that direction.

The fourth pillar, good governance, is addressed in chapter 10, where we again provide analysis and critique together with concrete policy proposals.

The fifth pillar, sustainability, is addressed in chapters 11 – sustainability; 12 - rural development; and 13 - the global south, following the same approach.

Chapter 14 provides further details on the values that underpin our approach, our focus and our proposals.

As Stiglitz notes in *The Price of Inequality:*

> The more divided a society becomes in terms of wealth, the more reluctant the wealthy are to spend money on common needs. The rich don't need to rely on government for parks or education or medical care or personal security.
>
> (Stiglitz, 2012)

More equal societies are better societies. They are safer. They are healthier. They look after the wellbeing of their inhabitants. They rely on measurements, not of economic growth (or at least, not of economic growth alone), but of happiness, civic participation and societal growth. Ireland, and indeed the planet, now faces new and mounting crises; a situation where business as usual can mean only social and environmental catastrophe. Developing a Wellbeing Framework that promotes equality, as part of a New Social Contract,will help reduce the cyclical lurching from one crisis to the next (or simultaneous crises) and involve better planning and preparedness.

Social Justice Ireland has developed alternatives to existing policies and advocated for them for many years. We have reached a point where adoption of those policies is surely a necessity. Those ideas and alternatives to existing policies, ideas that would result in a fairer more just society, are contained herein.

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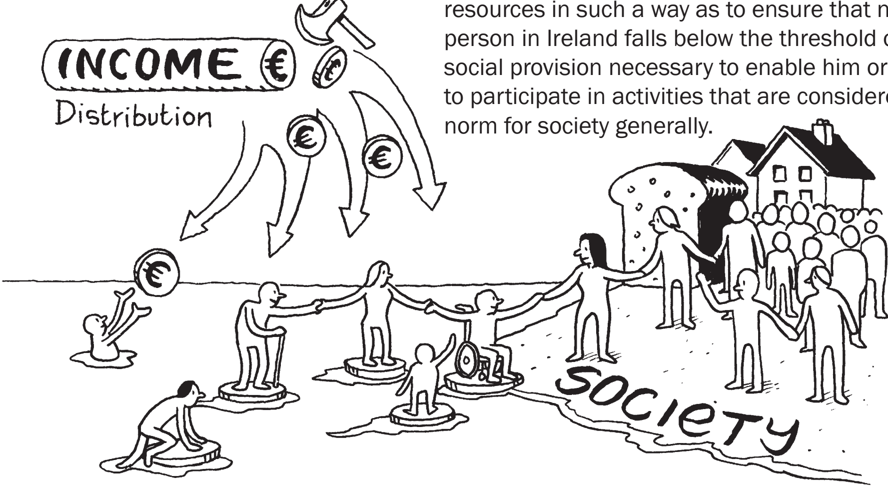
Chapter three

Chapter 3
Income and Income Distribution

Core Policy Objective:
To provide all with sufficient income to live life with dignity. This would require enough income 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.



Key Issues and Evidence

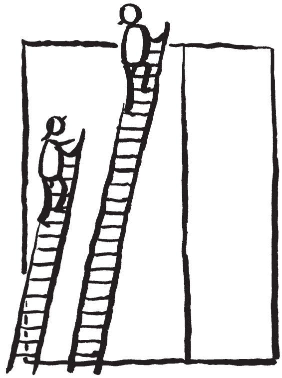
Lower income households spend a greater proportion of their income on food and energy and are more exposed to price increases.

5.8 per cent of all people with a job are living in poverty.

Data shows that welfare increases in recent years lead to a welcome reduction in poverty rates.

Policy Solutions

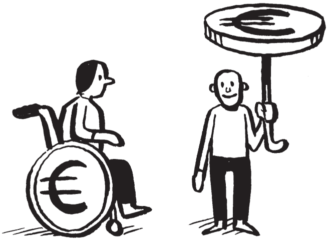
A universal
state pension.



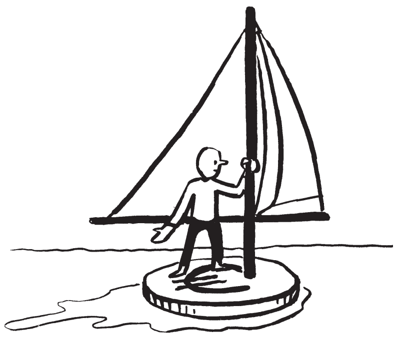
Equity of social welfare rates.

Increase in social
welfare payments.

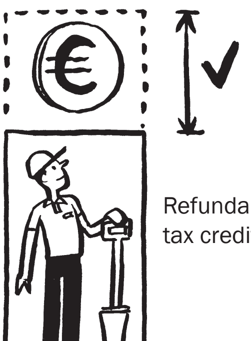
A Universal Basic Income



A cost of disability payment.



Decent rates of pay
for low paid workers.



Refundable
tax credits.

Adequate
payments for
children.

3.

INCOME AND INCOME DISTRIBUTION

CORE POLICY OBJECTIVE: INCOME AND INCOME DISTRIBUTION

To provide all with sufficient income to live life with dignity. This would require enough income 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.

High rates of poverty and income inequality have been the norm in Irish society for some time. They are problems that require greater attention than they currently receive, but tackling these problems effectively is a multifaceted task. It requires action on many fronts, ranging from healthcare and education to accommodation and employment. However, the most important requirement in tackling poverty is the provision of sufficient income to enable people to live life with dignity. No anti-poverty strategy can possibly be successful without an effective approach to addressing low incomes.[1]

This chapter addresses the issue of income in three parts. The first (section 3.1) examines key evidence relating to the extent and nature of poverty and the income distribution in Ireland. Subsequently section 3.2 considers the key policy reforms that we believe should be pursued. The chapter concludes (section 3.3) by summarising our key policy priorities in this area.

If the challenges addressed in this chapter are to be effectively addressed in the years ahead, *Social Justice Ireland* believes that the following key initiatives are required:

- increase in social welfare payments;
- equity of social welfare rates;
- adequate payments for children;

[1] Annex 3, containing additional information relevant to this chapter, is available on the *Social Justice Ireland* website: https://www.socialjustice.ie/publication

- refundable tax credits;
- decent rates of pay for low paid workers;
- a universal state pension; and
- a cost of disability payment.

3.1 Key Evidence

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.[2] 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 13.1 per cent of the population according to the latest data, which is for 2022.

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 100 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.

What is poverty?

The National Anti-Poverty Strategy (NAPS) published by Government in 1997 adopted the following definition of poverty:

> *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*

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2 Irish household income data has been collected since 1973 and all surveys up to the period 2008-2010 recorded poverty levels above 15 per cent.

> *that 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 that are considered the norm for other people in society.*

This definition was reiterated in the subsequent *National Action Plan for Social Inclusion 2007-2016* (*NAPinclusion*) (Government of Ireland, 2007) and restated in the current *Roadmap for Social Inclusion 2020-2025*.

Where is the poverty line?

How many people are poor? On what basis are they classified as poor? These and related questions are constantly asked when poverty is discussed or analysed.

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 2022 *SILC* survey, conducted by the CSO and published in February 2023. In that year the CSO gathered data from a statistically representative sample of 4,660 households containing 11,393 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.

When gathering income data, the SILC survey uses income from the year before the survey as the 'income reference period'. Therefore, the data published in the 2022 report refers to income levels in 2021. According to the CSO, the median disposable income per adult in Ireland during 2021 was €26,257 per annum or €503.20 per week. Consequently, the income poverty lines for a single adult derived from this are:

50% of median	€251.60 a week
60% of median	€301.92 a week
70% of median	€352.24 a week

Updating the 60 per cent median income poverty line to 2023 levels, using published CSO data on the growth in average hourly earnings in 2022 (+5.5 per cent), produces a value for the relative income poverty line at the start of that year. In 2023 that figure is €318.53 for a single person. Any adult below this weekly income level will be counted as being at risk of poverty (CSO, 2023).

Table 3.1 shows what income corresponds to this poverty line for a number of household types. The figure of €318.53 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 €210.23 (66 per cent of the poverty line figure) and for each child in the household the minimum income figure is increased by €105.11 (33 per cent of the poverty line).[3] 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 3.1: The Minimum Weekly Disposable Income Required to Avoid Poverty in 2023, by Household Types

Household containing:	Weekly poverty line	Annual poverty line
1 adult	€318.53	€16,621
1 adult + 1 child	€423.64	€22,106
1 adult + 2 children	€528.75	€27,590
1 adult + 3 children	€633.87	€33,075
2 adults	€528.75	€27,590
2 adults + 1 child	€633.87	€33,075
2 adults + 2 children	€738.98	€38,560
2 adults + 3 children	€844.09	€44,045
3 adults	€738.98	€38,560

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 €98 below the poverty line.

3 For example, the poverty line for a household with 2 adults and 1 child would be calculated as €318.53 + €210.23 + €105.11 = €633.87.

How many have incomes below the poverty line?

Table 3.2 outlines the findings of various poverty studies since detailed national poverty assessments commenced in 1994. Using the EU poverty line set at 60 per cent of median income, the findings reveal that 13.1 out of every 100 people in Ireland were living in poverty in 2022. The table shows that 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.[4]

Table 3.2: Percentage of Population Below Various Relative Income Poverty Lines, 1994-2022

	1994	1998	2001	2005	2010	2015	2020	2022
50% line	6.0	9.9	12.9	10.7	21.7	19.7	5.9	6.3
60% line	15.6	19.8	21.9	18.3	21.6	19.7	13.2	13.1
70% line	26.7	26.9	29.3	28.0	19.3	17.8	22.7	23.7

Source: CSO SILC reports (various years) and Whelan et al (2003:12).
Note: All poverty lines calculated as a percentage of median income.

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 2022. These calculations are presented in table 3.3. The results give a better picture of just how significant this problem is.

[4] See tables 3.5 and 3.6 for further analysis of this point.

Table 3.3: The Numbers of People Below Relative Income Poverty Lines in Ireland, 1994-2022

	% of persons in poverty	Population of Ireland	Numbers in poverty
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
2010	14.7	4,554,800	669,556
2015	16.3	4,739,600	764,111
2020	13.2	4,977,400	657,017
2022	13.1	5,100,200	668,126

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 28 years, despite a reduction in the headline poverty rate (from 15.6 per cent to 13.1 per cent) there are almost 110,000 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 just over a decade ago.

The fact that there are almost 670,000 people in Ireland living life on a level of income that is this low remains a major concern. As shown in table 3.1 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 Annex that accompanies this chapter provides a more detailed profile of those groups in Ireland that are living in poverty including the working poor, children, older people, people with a disability and those living in regional and rural areas. It also explores the incidence of poverty (the proportion of all those in poverty that belong to particular groups in Irish society) and reveals how in 2022 three in ten of Ireland's adults with an income below the poverty line were employed and that overall, 37 per cent of adults at risk of poverty in Ireland were associated with the labour market.

The scale of poverty – numbers of people

As the two tables in the last subsection principally deal in percentages it is useful to transform these proportions into numbers of people. Table 3.3 revealed that almost 670,000 people were living below the 60 per cent of median income poverty line in 2022. Using this figure, table 3.4 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 3.4 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 almost 110,000 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 have a long-term illness or disability.

Table 3.4: Poverty Levels Expressed in Numbers of People, 2012-2022

	2012	2015	2020	2022
Overall	776,335	764,111	657,017	668,126
Adults				
Employed	94,713	104,683	137,317	132,957
Unemployed	149,056	108,504	63,731	45,433
Retired	45,804	55,780	60,446	122,267
LT Ill/Disabled	56,672	64,185	77,528	82,848
Student/pupil	110,240	117,673	71,615	52,114
Fulfilling domestic tasks	120,332	113,088	57,817	62,136
Other	14,750	14,518	15,111	10,022
Children				
Children (under 16 yrs)	184,768	185,679	173,452	160,350
Children (under 18 yrs)	232,124	226,177	201,047	187,743

Source: Calculated using CSO SILC Reports (various years) and data from table 3.3.
Note: Calculations only possible with data from 2012 onwards.

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 3.5 shows that without the social welfare system just over one-third of the Irish population (36.7 per cent) would have been living in poverty in 2022. Such an underlying poverty rate suggests a deeply unequal distribution of direct income; an issue we address further in the income distribution section of this chapter. In 2022, the actual poverty figure of 13.1 per cent reflects the fact that social welfare payments reduced poverty by almost 24 percentage points.

A report by Watson and Maitre (2013) 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 (CSO, 2010:47).[5]

These findings, combined with the social welfare impact data in table 3.5, 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 3.5: The Role of Social Welfare (SW) Payments in Addressing Poverty

	2005	2010	2015	2020	2022
Poverty pre-SW	40.0	50.2	46.2	36.5	36.7
Poverty post-SW	18.3	14.7	16.3	13.2	13.1
The role of SW	-21.7	-35.5	-29.9	-23.3	-23.6

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

The importance of welfare transfers was further highlighted by the CSO in their assessments of the impact that COVID-19 supports to workers and businesses had on poverty levels. The December 2021 *Poverty Insights* (CSO, 2021) report estimated that the collective impact of the pandemic unemployment payment (PUP) and

[5] This data has not been updated in subsequent SILC publications.

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.

Analysis in the accompanying Annex to this chapter[6] (see table A3.1 and the subsequent text) shows that 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 3.6 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 3.6: 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 3.6 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 2023, 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. We outline our proposals to achieve this later in the chapter.

6 Available online at www.socialjustice.ie

Poverty and living costs

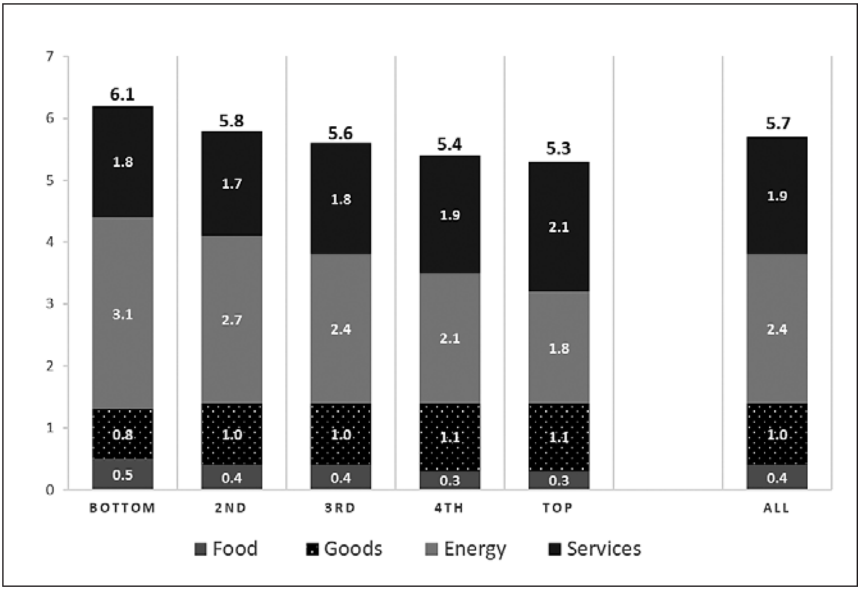
As outlined earlier, poverty rates are calculated using disposable income – the post income tax and welfare transfer amount individuals and households have to make ends meet. The standard of living this income can provide is further influenced by the recurring day-to-day costs individuals face and their 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.

Over recent years, as the cost-of-living crisis has unfolded, three 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 (Lydon, 2022). 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 3.1. 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. Complementing this, a CSO assessment of inflation by household decile between September 2017-2022 found that households in the bottom half of the income distribution have been most exposed to cost increases, and in particular those in the bottom three deciles.

As inflation persists, policy will need to further target these low income households and assist with the growing living cost challenges they face. Elsewhere, CSO SILC 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.[7] 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 adopted before, and as part of, Budget 2024.

7 See SILC 2022 Table 3.2.

Chart 3.1: 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 reports.[8] 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 3.7 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 just over one in ten 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.

[8] This data first became available in the 2020 SILC report (released in December 2021).

Table 3.7: Poverty Rates Before and After Housing Costs, by tenure type in 2022

	Before	After
All population	13.1	21.9
Owner occupiers - all	8.7	9.5
with mortgage	*4.2*	*5.9*
without mortgage	*13.1*	*13.1*
Renters or Rent Free - all	23.6	51.3
rent free	*40.4*	*40.4*
LA tenants	*35.8*	*57.5*
with HAP, RAS, rent supplement	*12.7*	*67.6*
with no housing supports	*16.7*	*41.6*

Source: CSO SILC Report 2022.
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.[9]

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'(Government of Ireland, 1997). 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.

[9] See also Chapter 6.

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.

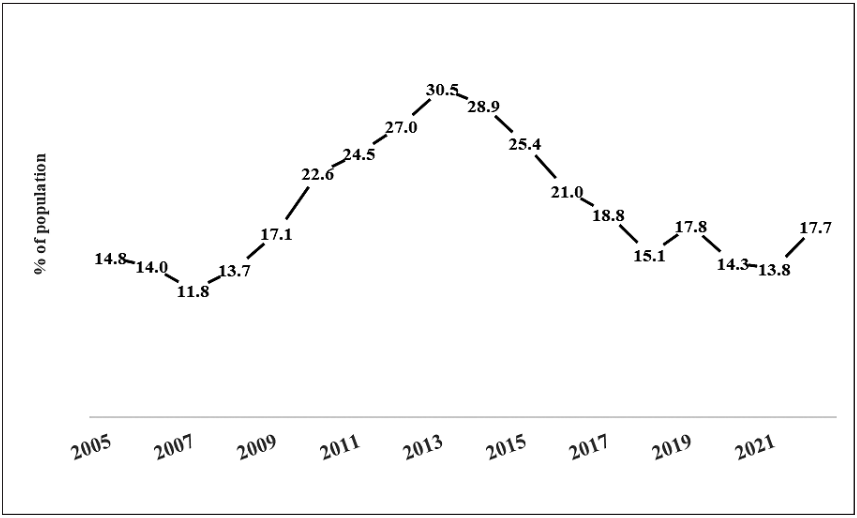
The results presented in table 3.8 shows that in 2022 the rates of deprivation recorded across the set of 11 items varied between 1.4 and 20.3 per cent of the Irish population. Overall, 70.7 per cent of the population were not deprived of any item, while 11.5 per cent were deprived of one item, 5.7 per cent were without two items and 12.1 per cent were without three or more items. Among those living on an income below the poverty line, almost four in ten (40.7 per cent) experienced deprivation of two or more items.

Table 3.8: Levels of Deprivation for Eleven Items Among the Population and Those in Poverty, 2022 (%)

Deprivation Item	Total Population	Those in Poverty
Without heating at some stage in the past year	9.2	26.6
Unable to afford a morning, afternoon or evening out in the last fortnight	9.8	22.4
Unable to afford two pairs of strong shoes	2.3	5.3
Unable to afford a roast once a week	3.5	12.2
Unable to afford a meal with meat, chicken or fish every second day	1.4	4.8
Unable to afford new (not second-hand) clothes	9.5	29.0
Unable to afford a warm waterproof coat	1.6	6.0
Unable to afford to keep the home adequately warm	7.2	14.4
Unable to replace any worn out furniture	20.3	38.7
Unable to afford to have family or friends for a drink or meal once a month	9.8	19.5
Unable to afford to buy presents for family or friends at least once a year	4.3	11.9

Source: CSO (2022).
Note: Poverty as measured using the 60 per cent median income poverty line.

Chart 3.2: Deprivation Rate, 2005-2022



Source: CSO SILC Reports (various years).

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 3.2. By 2022 just over 900,000 people (17.7 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 being unable to afford a morning, afternoon or evening out in the last fortnight. Should policy intervention be insufficient, these indicators will be useful to track the impact on low income households of the current cost-of-living challenges.

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 3.8. 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* ((Government of Ireland, 2012). 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* (Government of Ireland, 2020). *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.

Using the combined poverty and deprivation measures, the 2022 *SILC* data indicates that 5.3 per cent of the population experience consistent poverty; the lowest figure recorded for the rate was 4.0 per cent in 2021 (CSO, 2023). Overall, the 2022 figures suggest that approximately 270,000 people live in consistent poverty. The reality of the current living cost challenges and the limited sense of urgency to adequately address these issues is pushing Ireland further away from these targets.

The Annex accompanying this chapter also examines the experience of people who are in food poverty and fuel poverty alongside an assessment of the research on minimum incomes standards in Ireland.

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 (Collins, 2020). 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 (CSO, 2020). 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 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.[10] The latest data available for all member states is for the year 2021.

As table 3.9 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 chapter 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 2021, 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 of over a decade ago: Latvia, Romania, Bulgaria, Spain, Estonia, Italy and Lithuania. The lowest levels were in Slovenia, Finland and Czechia .

10 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.

Table 3.9: The Risk of Poverty in the European Union, 2021

Country	Poverty Risk	Country	Poverty Risk
Latvia	23.4	Poland	14.8
Romania	22.5	Austria	14.7
Bulgaria	22.1	Netherlands	14.4
Spain	21.7	France	14.3
Estonia	20.6	Cyprus	13.8
Italy	20.1	**Ireland**	**12.9**
Lithuania	20.0	Belgium	12.7
Greece	19.6	Hungary	12.6
Croatia	19.2	Denmark	12.3
Portugal	18.4	Slovakia	12.3
Luxembourg	18.1	Slovenia	11.7
Malta	16.9	Finland	10.8
Germany	16.0	Czechia	8.6
Sweden	15.7	**EU-27 average**	**16.8**

Source: Eurostat online database (ilc_li02).

The average risk of poverty in the EU-27 for 2021 was 16.8 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 2021 the average EU-27 level implied that 73.6 million people live in poverty across the EU.[11]

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.

[11] We discuss Europe 2030 poverty and social exclusion targets in the Annex to this chapter.

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.[12]

Ireland's income distribution: latest data

The most recent data on Ireland's income distribution, from the 2022 SILC survey (published in February 2023), is summarised in chart 3.3. It examines the income distribution by decile starting with the 10 per cent of individuals with the lowest income (the bottom decile) up to the 10 per cent with the highest income (the top decile).

The data presented is equivalised, meaning that it has been adjusted to reflect the number of adults and children in a household and to make it possible to compare individuals located in households of different sizes and compositions. It measures disposable income which captures the amount of money available to spend after receipt of any employment/pension income, payment of all income taxes, and receipt of any welfare entitlements.

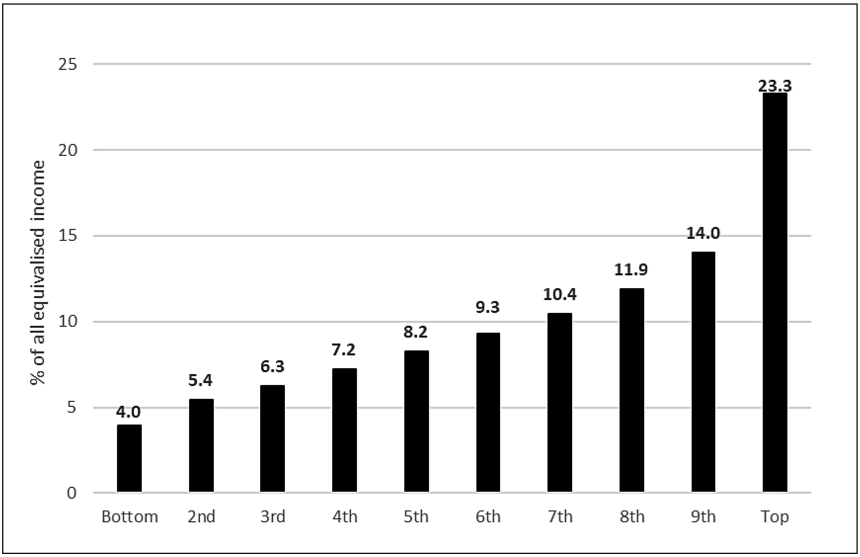
In 2022, the top 10 per cent of the population received almost one quarter of the total income while the bottom decile received just 4 per cent. Collectively, the poorest 60 per cent of households received a very similar share (40 per cent) to the top 20 per cent (37 per cent). Overall, the share of the top 10 per cent is almost 6 times the share of the bottom 10 per cent.

A study by Collins (2017) provided a detailed insight into the nature of the underlying market or direct income distribution; that linked to earnings of all types. The research showed that the distribution of market income is concentrated on incomes of less than €50,000 per annum – representing 80 per cent of all earners. A conclusion of the study is that "the shape of that [earnings] distribution, and

12 We examine the issue of the world's income and wealth distribution in chapter 13.

the prevalence of low income earners within it, points towards a need for greater consideration to be given to the underlying nature and distribution of market earnings" (Collins, 2017).

Chart 3.3: Ireland's Income Distribution by decile (or 10% group) in 2022



Source: CSO SILC (2023).

Income distribution data for the last few decades suggested that the overall structure of that distribution has been largely unchanged. One overall inequality measure, the Gini coefficient (which will be examined in further detail later in this chapter), ranges from 0 (no inequality) to 100 (maximum inequality) and has stood at approximately 30 for Ireland for some time. In 2022 it stood at 28. If we as a society wish to address and close these income divides, future Government policy must prioritise those at the bottom of the income distribution. Otherwise, these divides will persist for further generations and perhaps widen.

Income distribution: a European perspective

Another of the indicators adopted by the EU at Laeken[13] assesses the income distribution of member states by comparing the ratio of equivalised disposable income received by the bottom quintile (20 per cent) to that of the top quintile. This indicator reveals how far away from each other the shares of these two groups

[13] In December 2001 the European Council agreed on a list of social indicators to guide the fight against poverty.

are – the higher the ratio, the greater the income difference. Table 3.10 presents the most up-to-date results of this indicator for EU states. Ireland's ratio of 3.8 is below the EU average. Overall, the greatest differences in the shares of those at the top and bottom of income distribution are found in many of the newer and poorer member states. However, some EU-15 members, including Germany, Portugal, Greece, Italy and Spain also record large differences.

Table 3.10: Ratio of Disposable Income Received by Bottom Quintile to That of the Top Quintile in the EU-27, 2021

Country	Ratio	Country	Ratio
Bulgaria	7.5	Cyprus	4.2
Romania	7.1	Hungary	4.2
Latvia	6.6	Austria	4.1
Spain	6.2	Sweden	4.0
Lithuania	6.1	Poland	4.0
Italy	5.9	Denmark	3.9
Greece	5.8	Netherlands	3.9
Portugal	5.7	**Ireland**	**3.8**
Estonia	5.0	Finland	3.6
Malta	5.0	Czechia	3.4
Germany	5.0	Belgium	3.4
Croatia	4.8	Slovenia	3.2
Luxembourg	4.6	Slovakia	3.0
France	4.4	**EU-27 average**	**5.0**

Source: Eurostat online database (ilc_di11).
Note: Slovakia data for 2020.

A further measure of income inequality is the aforementioned Gini coefficient, which ranges from 0 to 100 and summarises the degree of inequality across the entire income distribution (rather than just at the top and bottom).[14] The higher the Gini coefficient score the greater the degree of income inequality in a society. As

[14] See Collins and Kavanagh (2006: 159-160) who provide a more detailed explanation of this measure.

table 3.11 shows, over time income inequality has been reasonably static in the EU as a whole, although within the EU there are notable differences. Countries such as Ireland cluster around the average EU score and differ from other high-income EU member states which record lower levels of inequality. As the table shows, the degree of inequality is at a persistently lower scale in countries like Finland, Sweden and the Netherlands. For Ireland, the key point is that despite the aforementioned role of the social transfer system, the underlying degree of direct income inequality (see earlier) dictates that our income distribution remains much more unequal than in many of the EU countries we wish to emulate in terms of economic and social development.

Table 3.11: Gini Coefficient Measure of Income Inequality for Selected EU States, 2005-2021

	2005	2010	2015	2020	2021
EU-27	**30.6**	**30.2**	**30.8**	**30.0**	**30.1**
Ireland	**31.9**	**30.7**	**29.7**	**28.3**	**26.9**
Spain	32.2	33.5	34.6	32.1	33.0
France	27.7	29.8	29.2	29.2	29.3
Germany	26.1	29.3	30.1	30.5	31.2
Sweden	23.4	25.5	26.7	26.9	26.8
Finland	26.0	25.4	25.2	26.5	25.7
Netherlands	26.9	25.5	26.7	28.2	26.4

Source: Eurostat online database (ilc_di12).
Note: The Gini coefficient ranges from 0-100 with a higher score indicating a higher level of inequality.

Income Distribution and Recent Budgets

Budget 2023, delivered in September 2022, marked the third Budget of the current coalition Government (Department of Finance, 2022). The first two of these were presented in the context of the challenging COVID-19 pandemic while the third was presented during the cost-of-living crisis. It was a Budget that was branded a 'cost-of-living' Budget by Government and one *Social Justice Ireland* described as failing by 'leaving the poor further behind' (Social Justice Ireland, 2022).

Here, we track the cumulative impact of changes to income taxation and welfare over the Government's three Budgets – we do so by comparing the disposable income of households in 2023 with their disposable income in 2020 (Social Justice Ireland, 2023). Therefore, our analysis captures the taxation and welfare measures announced in those Budgets plus various cost-of-living crisis energy credits and welfare payments announced in 2022 and 2023 (including those additional welfare payments scheduled up to July 2023). As different policy priorities can be articulated for each Budget and policy initiative, it is useful to bring together the cumulative effect of all these policy changes on various household types.

The households we examine are spread across all areas of society and capture those with a job, families with children, those unemployed and pensioner households. Within those households that have income from a job, we include workers on the minimum wage, on the living wage, workers on average earnings and earners with incomes ranging from €30,000 to €200,000. In the case of working households, the analysis is focused on PAYE earners only. At the outset it is important to stress two points:

- that our analysis does not take account of other budgetary changes, most particularly to indirect taxes (VAT and excise), other charges (such as prescription charges and state exam fees) and property taxes. Similarly, it does not capture the impact of changes to the provision of public services or the many emergency measures that were introduced to respond to the COVID-19 emergency. As the impact of these measures differs between households it is impossible to quantify precise household impacts and include them here.
- that our analysis does not take account of one-off cost of living income support measures that represented temporary increases to income in 2022 only, for example the additional one month child benefit payment. While this features in households 2022 income it does not feature in households' income for 2023.

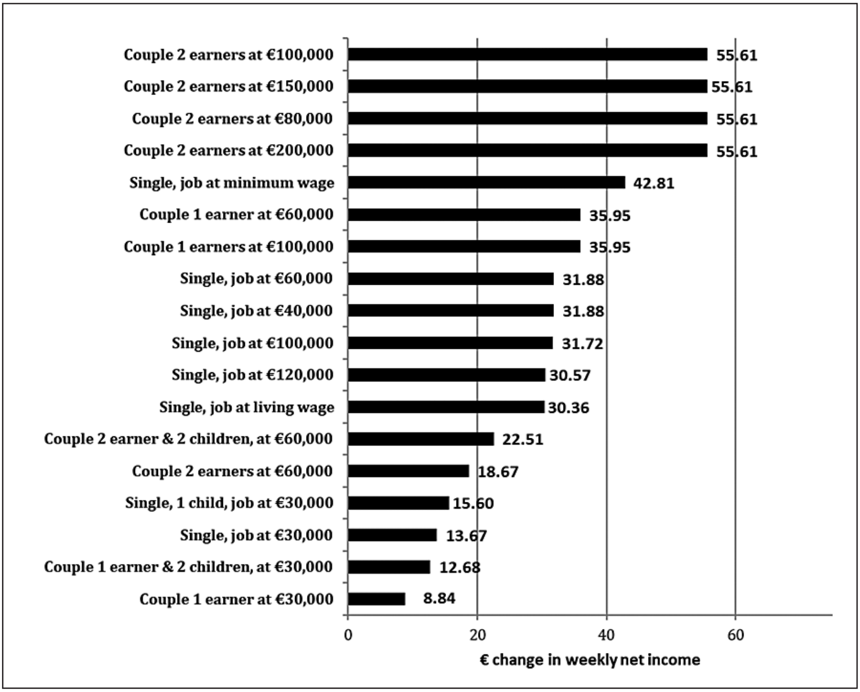
As there were limited changes in income after Budget 2021, most changes reflect measures from Budget 2022, measures in Budget 2023 which impacted on income in 2023, and the cost-of-living measures announced in February 2023.

Comparing 2020 to 2023 for households with jobs (see Chart 3.4), the weekly income gains experienced range from a €8.84 cent per week (for low-income couples on €30,000) to €55.61 per week for couples with incomes over €80,000. Earners on both the living wage and the minimum wage gain more that the value of taxation, welfare and one-off cost of living changes on account of the increase in the level of those hourly rates. The analysis highlights how low-income working families, those with incomes below the standard rate income tax threshold, gain least from the Government's measures over the past three years.

Among households dependent on welfare (see Chart 3.5), the gains have ranged from €28.61 per week for single unemployed individuals to €72.28 per week for unemployed couples with 2 children over 12 years of age. The gains are largest for welfare dependent household with children who benefit from a one off child benefit top-up and a one off back to school allowance increase in 2023. However, these payments will not carry over to 2024 income and the relative standing of these households is likely to deteriorate in future years.

Social Justice Ireland has consistently argued for the prioritisation of low income welfare dependent families in Budgetary policy and welcome how recent cost of living supports have particularly assisted this group. However, we are concerned that there is a contrast between permanent changes to income taxation levels in Budget 2023 versus one-off temporary payments to help welfare dependent households. In time these temporary measures will disappear, but the permanent changes will remain, and these permanent measures have favoured better off households. Regrettably, much of the recent progress will be reversed.

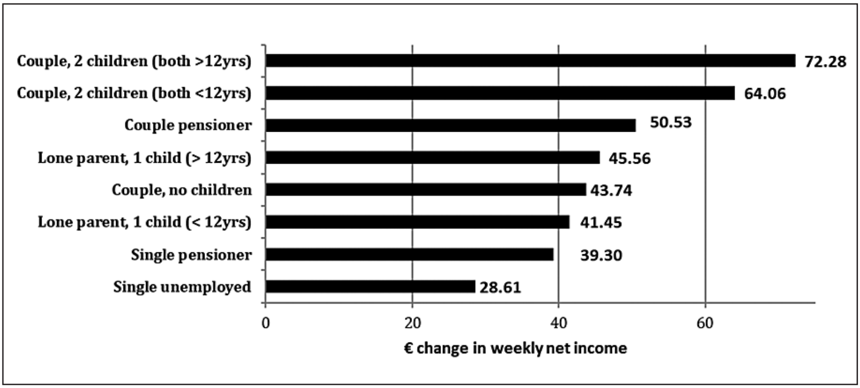
Chart 3.4: Cumulative Impact on Households with Jobs, 2020-2023



Source: Social Justice Ireland Income Distribution Model.

Notes: Minimum wage and Living wage increases reflects changes to this wage rate and its taxation.

Chart 3.5: Cumulative Impact on Welfare Dependent Households, 2020-2023

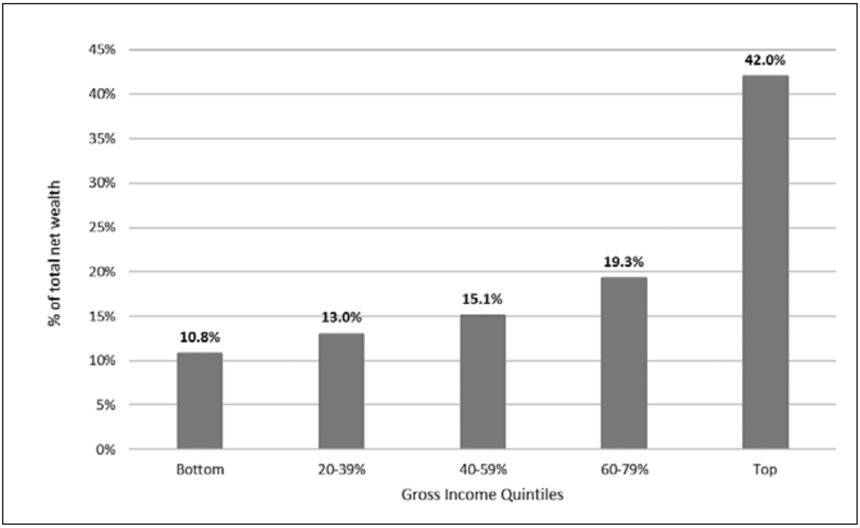


Source: Social Justice Ireland Income Distribution Model.

Ireland's Wealth Distribution

While data on income and poverty levels has improved dramatically over the past two decades, a persistent gap has been our knowledge of levels of wealth in Irish society. Data on wealth is important, as it provides a further insight into the distribution of resources and an insight into some of the underlying structural components of inequality.

Chart 3.6: Distribution of Net Wealth by Gross Income Quintile, 2020



Source: Compiled from CSO HFCS online database.

Table 3.12: Household Net Wealth in Ireland by Income Quintile, 2020

Income Quintile	Median net wealth	Mean net wealth
Bottom	112,400	185,600
20-39%	137,400	230,300
40-59%	134,800	267,900
60-79%	208,000	342,300
Top	402,600	747,300
All Households	**193,100**	**353,600**

Source: Compiled from CSO HFCS online database.

A welcome development was the publication by the CSO in early 2015 of the first Household Finance and Consumption Survey (HFCS). The HFCS is part of a European initiative to improve countries knowledge of the socio-economic and financial situations of households across the EU. For the first time, its results offer robust information on the types and levels of wealth that households in Ireland possess. To date there have been three rounds of the HFCS published, with the latest for 2020 published during 2022.

The CSO's net wealth measure includes the value of all assets (housing, land, investments, valuables, savings and private pensions) and removes any borrowings (mortgages, loans, credit card debt etc) to give the most informative picture of households' wealth. Table 3.12 and Chart 3.6 outline some of the key results from the 2020 data including that the median (middle) household net wealth in Ireland in 2020 was €193,100. The CSO data indicate that most Irish household wealth is concentrated in property and in particular, housing. As the Chart demonstrates, wealth is dramatically concentrated in the top quintile (twenty per cent group) of the income distribution. The Gini coefficient for net wealth in 2020 was 65, more than twice the level recorded for income inequality.

The composition and distribution of wealth points towards policy issues to be considered, concerning inheritance taxes (capital acquisitions tax), gift taxes and capital gains taxes – some of which are addressed in the next chapter. The arrival of this new data also allows, for the first time, an opportunity for informed consideration of policy options around wealth, as well as income inequality. As further analysis of this data, and new editions emerge, *Social Justice Ireland* looks forward to contributing to that debate.

3.2 Key Policies and Reforms

Paying a Living Wage

Over the past decade *Social Justice Ireland* and a number of other organisations have come together to form a technical group which researched and developed a Living Wage for Ireland. In July 2014 the group launched a website (www.livingwage.ie) and a technical paper outlining how the concept is calculated. The latest update to the figure was published in October 2023 and reported a Living Wage rate of €13.85 per hour for 2022/23.

What is a Living Wage?

The establishment of a Living Wage Rate for Ireland adds to a growing international set of similar figures which reflect a belief across societies that individuals working full-time should be able to earn enough income to enjoy a decent standard of living. The Living Wage is a wage which makes possible a minimum acceptable standard of living. Its calculation is evidence based and built on budget standards research which is grounded in social consensus.

In principle, a living wage is intended to establish an hourly wage rate that should provide employees with sufficient income to achieve an agreed acceptable minimum standard of living. In that sense it is an income floor, representing a figure which allows employees to afford the essentials of life. Earnings below the living wage suggest employees are forced to do without certain essentials so they can make ends meet.

How is the Living Wage Calculated?

The Living Wage for Ireland is calculated on the basis of the Minimum Essential Standard of Living (MESL) research in Ireland, conducted by the Vincentian MESL Research Centre. This research establishes a consensus on what members of the public believe is a minimum standard that no individual or household should live below.

The Living Wage Technical Group decided to focus the calculation of a Living Wage for the Republic of Ireland on a single-adult household. In its examination of the methodological options for calculating a robust annual measure, the group concluded that a focus on a single-adult household was the most practical approach. However, in recognition of the fact that households with children experience additional costs which are relevant to any consideration of such households standards of living, the group has also published estimates of a Family Living Income each year.[15]

The calculations established a Living Wage for the country as a whole, with costs examined in four regions: Dublin, other Cities, Towns with a population above 5,000, and the rest of Ireland. The expenditure required varied across these regions and, reflecting this, so too did the annual gross income required to meet this expenditure. To produce a single national rate, the results of the gross income calculation for the four regions were averaged; with each regional rate being weighted in proportion to the population in the labour force in that region. The weighted annual gross income is then divided by the number of weeks in the year (52.14) and the number of working hours in the week (39) to give an hourly wage. Where necessary, this figure is rounded up or down to the nearest five cent.[16] The Technical Group plans to update this number on an annual basis.

Over the past year the Government have proposed an alternative Living Wage, calculated as a proportion of average hourly earnings. For 2022 this figure is €13.10 (Living Wage Technical Group, 2022).

The Merits of a Living Wage

Social Justice Ireland believes that concepts such as the Living Wage have an important role to play in addressing the persistent income inequality and poverty levels outlined earlier in this chapter. As shown in table 3.4, there are many adults living in poverty despite having a job – the working poor. Improvements in the low pay rates received by many employees offers an important method by which levels of poverty and exclusion can be reduced. Paying low paid employees a Living Wage offers the prospect of significantly benefiting the living standards of these

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15 See Living Wage Technical Group (2022:4).

16 A more detailed account of the methodology used to calculate the Living Wage has been published by the Living Wage Technical Group and is available at www.livingwage.ie

employees and we hope to see this new benchmark adopted across many sectors of society in the years to come.

Maintaining an Adequate Level of Social Welfare

A lesson from past experiences of economic recovery and growth is that the weakest in our society get left behind unless welfare increases keep track with increases elsewhere in the economy. Consequently, *Social Justice Ireland* believes that benchmarking minimum rates of social welfare payments to movements in average earnings is therefore an important policy priority.

Over 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.[17] 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 (Collins, 2011). A figure of 27.5 per cent 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.

Table 3.13 applies this benchmark using the latest CSO Earnings and Labour Costs data. By the end of 2022 average weekly earnings equalled €881.29. Taking this as the starting point for earnings in 2023, we can determine that the updated value of 27.5 per cent of average weekly earnings equals €242.35 implying a shortfall of almost €22.35 between the minimum social welfare rates being paid in 2023 (€220) and this threshold.

Given the importance of this benchmark to the living standards of many in Irish society, and its relevance to anti-poverty commitments, the current deficit highlights a need for the Government, and Budget 2024, to further increase minimum social welfare rates and commit to converging on a benchmark equivalent to 27.5 per cent of average weekly earnings. We will further update the calculations as part of our pre-Budget submission, *Budget Choices*, in mid-2023.

17 Annex 3 outlines how this significant development occurred.

Table 3.13: Benchmarking Social Welfare Payments for 2023 (€)

Year	Av. Weekly Earnings	27.5% of Av. Weekly Earnings
2020	814.99	224.12
2021	853.08	234.60
2022	881.29	242.35
start of 2023	881.29	242.35

Notes: Earning data from CSO Earnings and Labour Costs (February2023).

Individualising social welfare payments

The issue of individualising payments so that all recipients receive their own social welfare payments has been on the policy agenda in Ireland and across the EU for several years.

At present the welfare system provides a basic payment for a claimant, whether that be, for example, for a pension, a disability payment or a jobseeker's payment. It then adds an additional payment of about two-thirds of the basic payment for a second person. For example, following Budget 2023, a couple on the lowest social welfare rate receives a payment of €366 per week. This amount is approximately 1.66 times the payment for a single person (€220). Were these two people living separately they would receive €220 each; giving a total of €440. Thus, by living as a household unit such a couple receive a lower income than they would were they to live apart.

Social Justice Ireland believes that this system is unfair and inequitable. We also believe that the system as currently structured is not compatible with the Equal Status Acts (2000-2018). People, more often than not women, are disadvantaged by living as part of a household unit because they receive a lower income. We believe that where a couple is in receipt of welfare payments, the payment to the second person should be increased to equal that of the first. An effective way of doing this would be to introduce a basic income system (see next subsection).

Introducing a Basic Income

Over the past two decades major progress has been achieved in building the case for the introduction of a Basic Income in Ireland. This includes the publication of a *Green Paper on Basic Income* by the Government in September 2002 (Department of An Taoiseach, 2022) and the publication of a book by Clark entitled *The Basic Income Guarantee* (Clark, 2002). More recently, *Social Justice Ireland* hosted a conference and published a book on Basic Income (*Basic Income: Radical Utopia or Practical Solution?)*, new European and Irish Basic Income networks have emerged, and the concept of a Basic Income has moved to become one commonly discussed and considered in public policy contexts.[18] *Social Justice Ireland* welcomes the commitment in the current *Programme for Government- Our Shared Future* (Government of Ireland, 2020) to the adoption of a Universal Basic Income pilot during the lifetime of the current Government and we look forward to engaging with Government on the evaluation of that initiative in the arts sector. We will also engage with any proposals that emerge from the Low Pay Commission's consideration of a Basic Income scheme. Recent results from the European Social Survey suggest that 58 per cent of the Irish population are in favour of the introduction of a Basic Income.

The case for a Basic Income

Social Justice Ireland has consistently argued that the present tax and social welfare systems should be integrated and reformed to make them more appropriate to the changing world of the 21st century. To this end we have sought the introduction of a Basic Income system. This proposal is especially relevant at the present moment of economic upheaval.

A Basic Income is an income that is unconditionally granted to every person on an individual basis, without any means test or work requirement. In a Basic Income system every person receives a weekly tax-free payment from the Exchequer while all other personal income is taxed, usually at a single rate. The basic-income payment would replace income from social welfare for a person who is unemployed and replace tax credits for a person who is employed.

Basic income is a form of minimum income guarantee that avoids many of the negative side-effects inherent in social welfare payments. A Basic Income differs from other forms of income support in that:

- It is paid to individuals rather than households;
- It is paid irrespective of any income from other sources;
- It is paid without conditions; it does not require the performance of any work or the willingness to accept a job if offered one; and
- It is tax free.

There is real danger that the plight of large numbers of people excluded from the benefits of the modern economy will be ignored. Images of rising tides lifting all boats are often offered as government's policy makers and commentators assure society that prosperity for all is just around the corner. Likewise, the claim is often made that a job is the best poverty fighter and consequently priority must be given to securing a paid job for everyone. These images and claims are no substitute for concrete policies to ensure that all members of society are included. Twenty-first century society needs a radical approach to ensure the inclusion of all people in

[18] These networks are the European Citizens' Initiative for Unconditional Basic Income and Basic Income Ireland.

the benefits of present economic growth and development. Basic Income is such an approach.

As we are proposing it, a Basic Income system would replace most social welfare payments and income tax credits. It could be set at a level that would guarantee an income above the poverty line for everyone. It would not be means-tested. There would be no 'signing on' and no restrictions or conditions. In practice, a Basic Income recognises the right of every person to a share of the resources of society.

The Basic Income system ensures that looking for a paid job and earning an income, or increasing one's income while in employment, is always worth pursuing, because for every euro earned the person will retain a large part, while they retain their Basic Income payment. It thus removes poverty traps and unemployment traps in the present system. Furthermore, women and men would receive equal payments in a Basic Income system. Consequently, the Basic Income system promotes gender equality because it treats every person equally.

It is a system that is altogether more secure, rewarding, simple and transparent than the present tax and welfare systems. It is far more employment-friendly than the present system. It also respects other forms of work besides paid employment. This is crucial in a world where these benefits need to be recognised and respected. It is also very important in a world where paid employment cannot be permanently guaranteed for everyone seeking it. There is growing pressure and need in Irish society to ensure recognition and monetary reward for unpaid work. Basic income is a transparent, efficient and affordable mechanism for ensuring such recognition and reward.

Basic income also lifts people out of poverty and the dependency mode of survival. In doing this, it restores self-esteem and broadens horizons. Poor people, however, are not the only ones who should welcome a Basic Income system. Employers, for example, should welcome it because its introduction would mean they would not be in competition with the social welfare system. Since employees would not lose their Basic Income when taking a job, there would always be an incentive to take up employment. Healy and Reynolds (2016: 22-26) address and refute a number of other objections raised against the Basic Income proposal.

Costing a Basic Income

During 2016 Murphy and Ward presented an estimate for the cost of a Basic Income for Ireland. Using administrative data from the Census, social protection system and taxation system, the paper estimated a cost where payments were structured as follows: children = €31.05 per week; adults of working age = €150.00 per week; older people aged 66-79 = €230.30 per week; and older people aged 80+ = €240.30 per week). The paper estimated a total cost of €31.3 billion per annum for a Basic Income and outlined a requirement to collect a total of €41.3 billion in revenue (tax and social insurance) to fund a Basic Income plus the retention of other existing targeted welfare supports. It was noted that the necessary revenue could be raised via a flat 40 per cent personal income tax[19] and a increase in employers PRSI contributions, from 10.75 per cent to 13.5 per cent. Under such a system, no individual would actually have an effective tax rate of 40 per cent, as they would always receive their full Basic Income and it would always be tax-free. For example, a single earner on €60,000 would face a net tax rate (after receiving their Basic Income payment) of 27 per cent (Murphy and Ward, 2016: 132).

Overall, the paper offers an affordable and sustainable structure for implementing a Basic Income system in Ireland.

Arguing for a Basic Income

For many decades, the European social model has been offering its citizens a future that it has obviously failed to deliver. Despite strong rhetoric to the contrary, economic issues, targets and outcomes are constantly prioritised over social issues. As a result, poverty, unemployment and social exclusion have been growing. It is time to recognise that current policy approaches are not working and that an alternative is required.

The introduction of a Basic Income system would be a radical step towards a desirable future where nobody would be excluded. It would also provide a practical solution to several of the major challenges faced by our societies today if they wish to ensure that every man, woman and child has sufficient income to live life with dignity, has access to meaningful work, and can genuinely participate in shaping the world around them and the decisions that impact on them.

It is regrettable that, during 2022, the Commission on Taxation and Welfare did not recommend the adoption of a Basic Income. Their limited assessment of the merit of this proposal underscores the need for organisations, including *Social Justice Ireland*, to build a clearer and more accessible argument for this long overdue policy reform. We look forward to doing so in the period ahead.

The following are ten reasons to introduce a Basic Income:

- It is work and employment friendly.
- It eliminates poverty traps and unemployment traps.
- It promotes equity and ensures that everyone receives at least the poverty threshold level of income.
- It spreads the burden of taxation more equitably.
- It treats men and women equally.
- It is simple and transparent.

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19 This was for illustrative purposes. The authors believe the money could, and should, be raised in a more progressive manner.

- It is efficient in labour-market terms.
- It rewards types of work in the social economy that the market economy often ignores, e.g. home duties, caring, etc.
- It facilitates further education and training in the labour force.
- It faces up to the changes in the global economy.

3.3 Key Policy Priorities

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.

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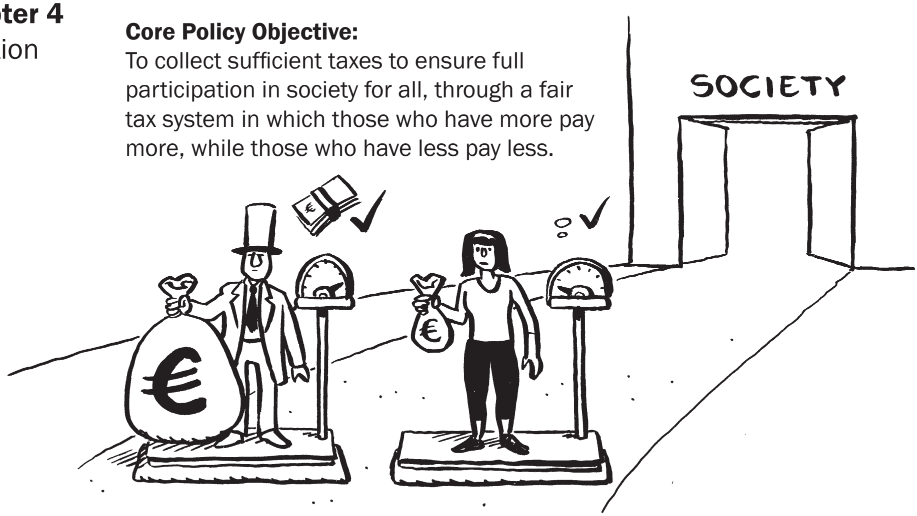
Online databases

CSO online database, web address: http://www.cso.ie/en/databases/

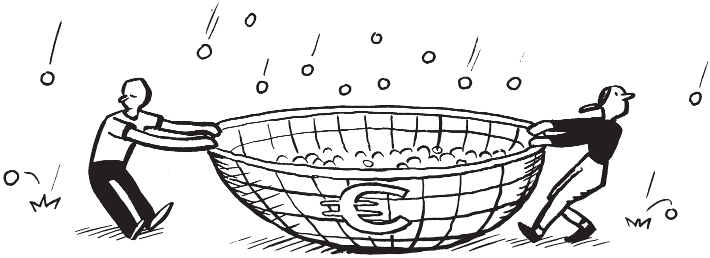
Chapter four

Chapter 4
Taxation

Core Policy Objective:
To collect sufficient taxes to ensure full participation in society for all, through a fair tax system in which those who have more pay more, while those who have less pay less.



Key Issues/Evidence



Ireland needs to broaden its tax base and increase its overall tax take.

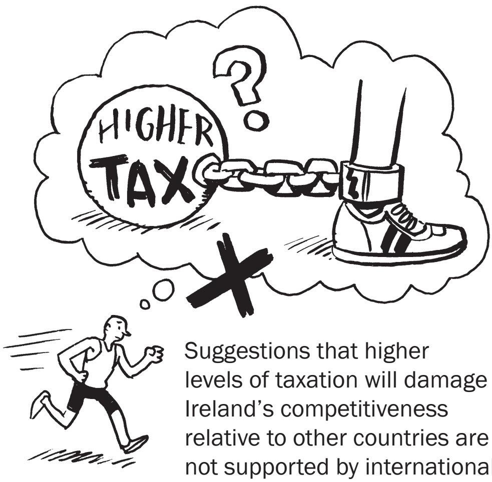
Decisions to raise or reduce overall taxation revenue should be linked to demands on resources now and into the future including:

funding local government

repairing and modernising our water infrastructure

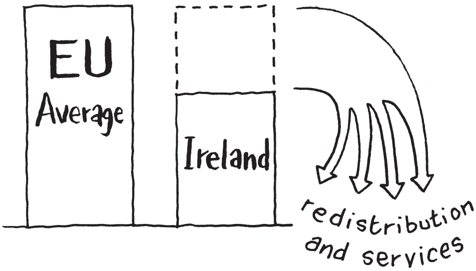
paying for the health and pension needs of an ageing population

paying EU contributions and funding any pollution reducing environmental initiatives



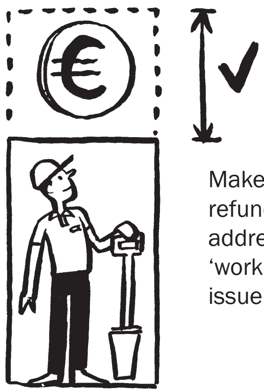
Suggestions that higher levels of taxation will damage Ireland's competitiveness relative to other countries are not supported by international studies of competitiveness.

Policy Solutions



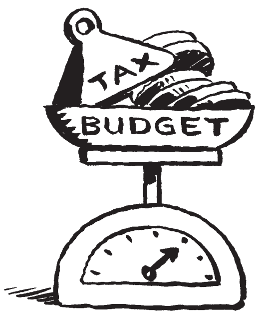
Move towards increasing the total tax-take so that sufficient revenue is collected to provide redistribution and public services at average-European levels.

Poverty proof budget tax changes to ensure they do not widen rich poor gap.

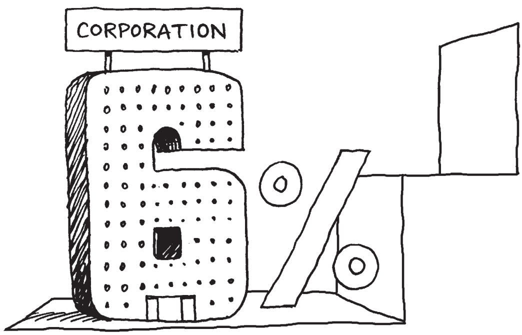


Make tax credits refundable to address the 'working poor' issue.

Adopt policies which further shift the burden of taxation from income tax to eco-taxes on the consumption of fuel and fertilisers, waste taxes and a site value tax.



Continue to reform the area of tax expenditures and monitor on an on-going basis the cost and benefits of all current and new tax expenditures.



Ensure that corporations based in Ireland pay a minimum effective corporate tax rate of 6 per cent.

4.

TAXATION

Core Policy Objective: TAXATION

To collect sufficient taxes to ensure full participation in society for all, through a fair tax system in which those who have more pay more, while those who have less pay less.

The experience of the last decade has highlighted the centrality of taxation in budget deliberations and to policy development at both macro and micro level. Taxation plays a key role in shaping Irish society through funding public services, supporting economic activity and redistributing resources to enhance the fairness of society. Consequently, it is crucial that clarity exist with regard to both the objectives and instruments aimed at achieving these goals. To ensure the creation of a fairer and more equitable tax system, policy development in this area should adhere to our core policy objective outlined above. In that regard, *Social Justice Ireland* is committed to increasing the level of detailed analysis and debate addressing this area.[1]

This chapter addresses the issue of taxation in three parts. The first (section 4.1) examines key evidence relating to Ireland's present taxation position and outlines the anticipated future taxation needs of the country. Subsequently section 4.2 considers the key policy reforms that we believe should be pursued including approaches to reforming and broadening the tax base and proposals for building a fairer tax system. The chapter concludes (section 4.3) by summarising our key policy priorities in this area.

If the challenges and needed reforms we address in this chapter are to be effectively addressed, *Social Justice Ireland* believes that Government's key policy priorities in this area should be to:

- increase the overall tax-take;

[1] We present our analysis in this chapter and in the accompanying Annex 4 available at https://www.socialjustice.ie/publication.

- adopt policies to broaden the tax base; and
- develop a fairer taxation system.[2]

4.1 Key Evidence

Assessing the Adequacy of Ireland's Total Tax-Take

The need for a wider tax base is a lesson painfully learnt by Ireland during the 2008-2011 economic crisis. A disastrous combination of a naïve housing policy, a failed regulatory system, and foolish fiscal policy and economic planning caused a collapse in exchequer revenues. It is only through a strategic and determined effort to reform Ireland's taxation system that these mistakes can be avoided in the future. The narrowness of the Irish tax base resulted in almost 25 per cent of tax revenues disappearing, plunging the exchequer and the country into a series of fiscal policy crises. As shown in Table 4.1, tax revenues collapsed from over €63bn in 2007 to a low of €47.4bn in 2010; it has since increased exceeding 2007 levels in 2016 and reaching just over €77bn in 2020 and €92bn one year later. This recovery, while both significant and remarkable, has also been fuelled by short-term windfall revenue from some multi-national companies. The Fiscal Advisory Council estimate that between €6bn-€9bn of the 2021 corporation tax revenue can be considered 'excess' (2022: 108-110).

2 Much greater detail on each of these and related areas is provided later in this chapter.

Table 4.1: The Changing Nature of Ireland's Tax Revenue (€m)

	2007	2010	2015	2020	2021
Direct Taxes	26,087	19,569	27,863	37,293	45,682
Indirect Taxes	25,854	18,076	22,487	23,724	29,341
Capital Taxes	432	245	401	505	582
Social Contributions	10,723	9,511	12,221	15,429	16,992
Total Taxation	**63,096**	**47,401**	**62,971**	**76,951**	**92,597**
% GDP	32.0%	28.3%	23.9%	20.6%	21.7%
% GNP	37.4%	34.0%	31.3%	27.5%	28.7%
% GNI	37.0%	33.7%	31.1%	27.4%	28.6%
% GNI*	38.1%	36.7%	38.9%	38.5%	39.6%
% GNDI	37.6%	34.3%	31.6%	27.8%	29.0%

Source: CSO online database (GFA03, NA001 and NA009).

Notes: Total taxation expressed as a percentage of published CSO national income figures at current prices. GDNI is Gross National Disposable Income and represents the total income available to the nation for either consumption or saving.

Future taxation needs

Government decisions to raise or reduce overall taxation revenue needs to be linked to the demands on its resources. These demands depend on what Government is required to address or decides to pursue. The effects of the economic crisis a decade ago, and the way it was handled, also carry significant implications for our future taxation needs. The rapid increase in our national debt, driven by the need to borrow both to replace disappearing taxation revenues and to fund emergency 'investments' in the failing commercial banks, has increased the on-going annual costs associated with servicing the national debt. Similarly, the need for the state to rescue or support so many aspects of our economy and society during the COVID-19 pandemic has triggered large scale borrowing and future liabilities to both service and repay this debt.

Ireland's national debt increased from a level of 24 per cent of GDP in 2007 - low by international standards - to peak at 120 per cent of GDP in 2013. Documents from the Department of Finance, to accompany Budget 2022, moved to express debt levels as a percentage of GNI* given how misleading the GDP has recently become. Those for Budget 2023 indicated that that debt levels reached 100.1 per cent of GNI* (€236 billion) in 2021 and anticipated these will fall to 81.5 per cent of

GNI* (€224 billion) in 2023. Despite favourable lending rates and payback terms, there remains a recurring cost to service this debt – costs which have to be financed by current taxation revenues and which are likely to notably rise over time given movements in interest rates. The estimated debt servicing cost for 2023 is €3.75bn (Department of Finance, 2022a: 37, 52).

These new future taxation needs are in addition to those that already exist for funding local government, repairing and modernising our water infrastructure, paying for the health and pension needs of an ageing population, paying EU contributions and funding any pollution reducing environmental initiatives that are required by European and International agreements. Collectively, they mean that Ireland's overall level of taxation will have to rise significantly in the years to come – a reality Irish society and the political system need to begin to seriously address and one *Social Justice Ireland* stressed in our 2022 submission to the Commission on Taxation and Welfare.[3] Given that, we welcome how clearly this was reflected in the first recommendation of the Commission which states that "… the overall level of revenues raised from tax and Pay Related Social Insurance as a share of national income must increase materially to meet these challenges" (2022: 55).

As an organisation that has highlighted the obvious implications of these long-terms trends for some time, *Social Justice Ireland* welcomes this development and the continued inclusion by Government of a section focused on the long-term sustainability of public finances in the annual *Stability Programme Update* (SPU).

Research by the OECD (2008) and the ESRI (2010) have all provided some insight into future exchequer demands associated with healthcare and pensions in Ireland in the decades to come. The Department of Finance has used the European Commission *2021 Ageing Report* as the basis for its assumptions from 2019-2070 which are summarised in table 4.2. Over the period the report anticipates an increase in the older population (65 years +) from approximately 704,000 people in 2019 to 1.2m in 2040 and to a peak of almost 1.8m in 2070. Over the same period, the proportion of those of working age will decline as a percentage of the population and the old-age dependency ratio will increase from almost five people of working age for every older person today to just over two for every older person by 2050 (Department of Finance, 2022: 48). While these increases imply a range of necessary policy initiatives in the decades to come, there is an inevitability that an overall higher level of taxation will have to be collected.

[3] The submission is available on our website.

Table 4.2: Projected Age-Related Expenditure, 2019-2070

Expenditure areas	2019	2030	2040	2050	2060	2070
% GDP						
Total Pension Expenditure	4.6	5.9	6.9	7.5	7.5	7.6
of which:						
Social Welfare pensions	*3.5*	*4.4*	*5.2*	*6.1*	*6.6*	*6.9*
Public sector pensions	*1.0*	*1.5*	*1.6*	*1.4*	*0.9*	*0.7*
Health care	4.1	4.4	4.8	5.1	5.3	5.5
Long-term care	1.3	1.6	2.0	2.4	2.8	3.2
Education	3.3	3.3	3.1	3.2	3.2	3.2
Total age-related spending	**13.2**	**15.2**	**16.7**	**18.1**	**18.8**	**19.4**
% GNI*						
Total Pension Expenditure	7.4	9.6	11.2	12.1	12.2	12.3
of which:						
Social Welfare pensions	*5.8*	*7.2*	*8.5*	*9.9*	*10.7*	*11.3*
Public sector pensions	*1.6*	*2.4*	*2.7*	*2.3*	*1.5*	*1.1*
Health care	6.6	7.2	7.8	8.3	8.7	8.9
Long-term care	2.0	2.7	3.2	3.9	4.5	5.1
Education	5.3	5.3	5.0	5.2	5.2	5.1
Total age-related spending	**21.4**	**24.7**	**27.2**	**29.5**	**30.6**	**31.5**

Source: Department of Finance (2021: 53, 54; and 2022b: 48, 49).

How much should Ireland collect in taxation?

As detailed in Chapter 2, *Social Justice Ireland* believes that, over the period ahead, policy should focus on increasing Ireland's tax-take. Previous benchmarks, set relative to the overall proportion of national income collected in taxation, have become redundant following recent revisions to Ireland's GDP and GNP levels as a result of the tax-minimising operations of a small number of large multinational firms.[4] Consequently, an alternative benchmark is required.

We have proposed a new tax take target set on a per-capita basis; an approach which minimises some of the distortionary effects that have emerged in recent years. Our target is calculated using CSO population data, ESRI population projections, and CSO and Department of Finance data on recent and future nominal overall taxation levels. The target is as follows:

> ***Ireland's overall level of taxation should reach a level equivalent to €15,000 per capita in 2017 terms. This target should increase each year in line with growth in nominal GNI*.***

Table 4.3 compares our target to the Budget 2023 expectations of the Department of Finance. We also calculate the overall tax gap for the economy; the difference between the level of taxation that is proposed to be collected and that which would be collected if the *Social Justice Ireland* target was achieved. As part of our calculations, we have adjusted the expected Department of Finance tax take to remove an estimate of the short-term excess corporate tax revenue the state is currently receiving; revenues which are likely to go elsewhere as the broader OECD and EU reforms of corporate taxation regimes advances. We have chosen a conservative figure of €6billion to make this adjustment, as it represents the lower bound of the Fiscal Advisory Council's estimate (2022: 108).

In 2023 the overall tax gap is €16 billion and the average gap over the period 2021-2023 is €15.8 billion per annum.

4 For many years *Social Justice Ireland* proposed that the overall level of taxation should reach 34.9 per cent of GDP.

Table 4.3: Ireland's Tax Gap, 2021-2023

	2021	2022	2023
Tax-take € per capita			
Budget 2023 projection#	17,470	19,758	20,972
Social Justice Ireland target	20,526	22,911	24,129
Difference	€3,056	€3,153	€3,157
Overall Tax-take €m			
Budget 2023 projection#	87,550	100,769	107,819
Social Justice Ireland target	102,867	116,852	124,047
Tax Gap	**15,317**	**16,082**	**16,228**

Notes: Calculated from Department of Finance (2022a: 51, 53), CSO population data and ESRI population projections (Morgenroth, 2018:48). The Tax Gap is calculated as the difference between the Department of Finance projected tax take and that which would be collected if total tax receipts were equal to the *Social Justice Ireland* target. # The tax take has been adjusted to remove €6bn as a conservative estimate of short-term excess tax revenues from MNCs; targets are calculated post its removal.

Increasing the overall tax take to this level would require a number of changes to the tax base and the current structure of the Irish taxation system, reforms which we address in the next section of this chapter. Increasing the overall taxation revenue to meet this new target would represent a small overall increase in per capita taxation levels and one that is unlikely to have any significant negative impact on the economy. However, reaching that level would provide a lot more recurring revenue for the state to invest in public services and improved living standards for all. As a policy objective, Ireland can remain a low-tax economy, but it should not be incapable of adequately supporting the economic, social and infrastructural requirements necessary to support our society and complete our convergence with the rest of Europe.

Taxation and competitiveness

Suggesting that any country's tax-take should increase often produces negative responses. People think first of their incomes and increases in income tax, rather than more broadly of reforms to the tax base. Furthermore, proposals that taxation should increase are often rejected with suggestions that they would undermine economic growth. However, a review of the performance of a number of economies over recent years sheds a different light on this issue and shows limited or no relationship between overall taxation levels and economic growth.

One argument made against increases in Ireland's overall taxation levels is that it will undermine competitiveness. However, the suggestion that higher levels of taxation would damage our position relative to other countries is not supported by international studies of competitiveness. In the annex to this chapter, we compare taxation levels in Ireland to those in other leading competitive economies and find that almost all collect a greater proportion of national income in taxation.

4.2 Key Policies and Reforms

Reforming and broadening the tax base

Social Justice Ireland believes that there is merit in developing a tax package which places less emphasis on taxing people and organisations on what they earn by their own useful work and enterprise, or on the value they add or on what they contribute to the common good. Rather, the tax that people and organisations should be required to pay should be based more on the value they subtract by their use of common resources. Whatever changes are made should also be guided by the need to build a fairer taxation system; one which adheres to our already stated core policy objective.

The following summarise the areas we consider a priority:

- Tax Expenditures / Tax Reliefs
- Minimum Effective Tax Rates for Higher Earners
- Corporation Taxes
- Site Value Tax
- Second Homes
- Empty Houses and Underdeveloped Land
- Taxing Windfall Gains
- Financial Transactions Tax
- Carbon Taxes

Tax Expenditures / Tax Reliefs

A significant outcome from the 2008/09 Commission on Taxation is contained in part eight of its Report which details all the tax breaks (or "tax expenditures" as they are referred to officially). Subsequently, two members of the Commission produced a detailed report for the Trinity College Policy Institute which offered further insight into this issue (Collins and Walsh, 2010). Since then, the annual reporting of the costs of tax expenditures has improved considerably with much more detail than in the past being published annually by the Revenue Commissioners and an annual reports included as part of the Budget.

An examination of the comprehensive tax expenditure data published by the Revenue Commissioners for the tax year 2018 is informative. Within the list there are approximately 85 discretionary tax breaks involving revenue forgone of €15.8 billion per annum; these are tax relieving measures that could be phased out, restructured, or delivered more appropriately as direct expenditure.

Some progress has been made in addressing and reforming these tax breaks since 2009, and we welcome this progress. However, despite this, recent Budgets and Finance Bills have introduced new tax breaks targeted at high earning multinational executives and research and development schemes, and extended tax breaks for film production and the refurbishment of older buildings in urban areas. For the most part, there has been no, or limited, accompanying documentation evaluating the cost, distributive impacts or appropriateness of these proposals.

The Commission on Taxation (2009: 230), Collins and Walsh (2010:20-21), the Oireachtas Budgetary Oversight Committee (2019) and most recently the Commission on Taxation and Welfare (2022) have highlighted and detailed the need for new methods for evaluation/introducing tax reliefs. We strongly welcomed these proposals, which were similar to those made by *Social Justice Ireland* to the Commission on Taxation and Welfare. The proposals focused on prior evaluation of the costs and benefits of any proposed expenditure, the need to collect detailed information on each expenditure, the introduction of time limits for expenditures, the creation of an annual tax expenditures report as part of the Budget process and the regular scrutiny of this area by an Oireachtas committee. Recently there has been some progress in this direction with a report for the Department of Finance, accompanying Budget 2015, proposing a new process for considering and evaluating tax breaks. Documentation accompanying Budgets 2016-2023 also included an annual tax expenditure report. We welcome this development and believe it is important to further develop this work, to deepen the proposed analysis and to further improve the ability of the Oireachtas to regularly review all of the tax expenditures in the Irish taxation system.

Social Justice Ireland believes that reforming the tax break system would make the tax system fairer. It would also provide substantial additional resources which would contribute to raising the overall tax-take towards the modest and realistic target we outlined earlier.[5]

Minimum Effective Tax Rates for Higher Earners

The suggestion that it is the better-off who principally gain from the provision of tax exemption schemes is reflected in a series of reports published by the Revenue Commissioners entitled *Analysis of High Income Individuals' Restriction*. These reports provided details of the Revenue's assessment of top earners in Ireland and the rates

[5] See section later in this chapter on the standard rating of tax expenditures.

of effective taxation they incur.[6] The reports led to the introduction of a minimum 20 per cent effective tax rate as part of the 2006 and 2007 Finance Acts for all those with incomes in excess of €500,000. Subsequently, Budgets have revised up the minimum effective rate and revised down the income threshold from where it applies – reforms we have welcomed as necessary and long-overdue. Most recently, the 2010 Finance Bill introduced a requirement that all earners above €400,000 pay a minimum effective rate of tax of 30 per cent. It also reduced from €250,000 to €125,000 the income threshold where restrictions on the use of tax expenditures to decrease income tax liabilities commence.

The latest Revenue Commissioners analysis of the operation of these new rules is for the tax year 2019 (Revenue Commissioners, 2022). Table 4.4 gives the findings of that analysis for the 87 individuals with income in excess of €400,000 who were subject to the restriction. The report also includes information on the distribution of effective income tax rates among the 216 earners subject to the restriction and with incomes between €125,000 and €400,000.

Table 4.4: The Distribution of Effective Income Tax Rates Among Those Earning in Excess of €125,000 in 2019 (% of total)

Effective Tax Rate	Individuals with incomes of €400,000+	Individuals with incomes of €125,000 - €400,000
< 15%		17
15% < 20%		23
20% < 25%		42
25% < 30%		44
30% < 35%		43
35%< 40%	45*	37
Above 40%	42	10
Total Cases	**87**	**216**

Source: Revenue Commissioners (2022: 8, 10).

Notes: Effective rates are for income taxation and USC only. They do not include PRSI. *these earners are classified as having a rate of 'less than or equal to 40 per cent'.

Social Justice Ireland welcomed the introduction of this scheme which marked a major improvement in the fairness of the tax system. The published data indicate

6 The effective taxation rate is calculated as the percentage of the individual's total pre-tax income that is liable to income tax and that is paid in taxation.

that is seems to be working well; however, there are still surprisingly low effective income taxation rates being reported.

The report states that the average effective tax rate faced by earners above €400,000 in 2019 was 39.9 per cent, equivalent to the amount of income tax and USC paid by a single PAYE worker with a gross income of €167,000 in that year. Similarly, the average income tax and USC effective tax rate faced by people earning between €125,000 - €400,000 in 2018 (27.5 per cent) was equivalent to the amount of income tax paid by a single PAYE worker with a gross income of approximately €65,000 in that year. The contrast in these income levels for the same overall rate of income taxation brings into question the fairness of the taxation system as a whole. Such an outcome may be better than in the past, but it still has some way to go to reflect a situation where a fair contribution is being paid.

Social Justice Ireland believes that it is important that Government continues to raise the minimum effective tax rate so that it is in line with that faced by PAYE earners on equivalent high-income levels. Following Budget 2023 a single individual on an income of €125,000 gross will pay an income tax and USC effective tax rate of 36.2 per cent (down from 39.3 per cent in 2014); a figure which suggests that the minimum threshold for high earners has potential to adjust upwards over the next few years. We also believe that Government should reform the High-Income Individuals' Restriction so that all tax expenditures are included within it. The restriction currently does not apply to all the tax breaks individuals avail of, including pension contributions. This should change in Budget 2024.

Corporation Taxes

Over the past few years there has been a growing international focus on the way multi-national corporations (MNCs) manage their tax affairs. The OECD's Base Erosion and Profits Shifting (BEPS) examination has established the manner and methods by which MNCs exploit international tax structures to minimise the tax they pay.[7] Similarly, the European Commission has undertaken a series of investigations into the tax management and tax minimisation practices of a number of large MNCs operating within the EU, including Ireland. The European Parliament's Special Committee on Tax Rulings has also completed a review of the EU tax system and highlighted its problems and failures (TAXE, 2015).[8]

Given the timeliness and comprehensiveness of this work, it is important that it leads to the emergence of a transparent international corporate finance and corporate taxation system where multinational firms pay a reasonable and credible effective corporate tax rate. We welcome progress towards this over the past year, and the acceptance by the Irish Government that the system needs to change albeit that this will result in lower corporate tax revenues to the exchequer in the years to come.

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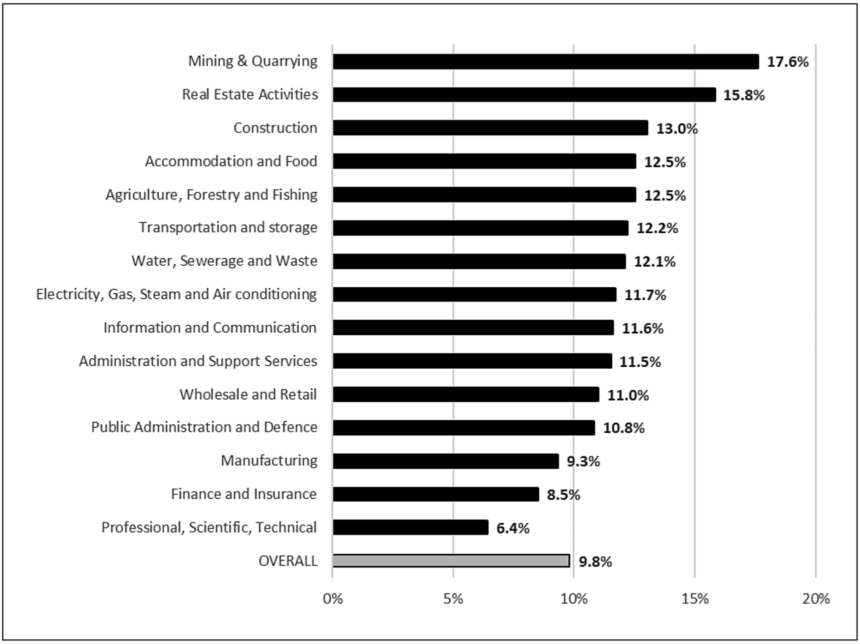
7 See www.oecd.org/ctp/beps.htm
8 See www.europarl.europa.eu/committees/en/taxe/home.html

A chapter within the 2016 Report of the Comptroller and Auditor General (C&AG, September 2017) provided a new and important insight into corporation tax receipts in Ireland. The report is the first comprehensive examination of this area for some time, even though corporation taxes comprised around 15 per cent of annual tax revenue at that time (it now accounts for almost one quarter). Looking at tax receipts for 2016 it found that there were 44,000 corporate taxpayers but that receipts were dominated by "a small number of taxpayers, mainly multi-national enterprises (MNEs)" (2017:289). The effective rate varied between sectors and the C&AG findings are summarised in chart 4.1; the overall effective corporation tax rate was found to be 9.8 per cent in 2016. The C&AG findings for the effective rate among the top 100 corporate taxpayers, who account for 70 per cent of tax revenue, are summarised in Table 4.5. Overall, the C&AG report points towards a concentration of corporation tax among a small group of multi-national firms and highlights that it is a small number of these firms who are aggressively minimising their tax liabilities.

Chart 4.1: Effective Corporation Tax Rates by Sector in Ireland, 2016



Source: C&AG (2017: 296).

Note: Effective tax rates can exceed the statutory rate of 12.5% where there is income beyond trading profits such as passive income which is charged at 25%.

Table 4.5: Effective Corporate Tax Rates of the Top 100 Taxpayers, 2016

Effective Rate	Number of Companies
0% or less	8
Between 0% and 1%	5
Between 1% and 5%	1
Between 5% and 10%	7
Between 10% and 12%	14
More than 12%	65
Total	**100**

Source: C&AG (2017: 299).

Social Justice Ireland has long advocated for the adoption of an EU-wide agreement on a minimum effective rate of corporation tax. We welcome international developments over the past year to achieve a minimum rate of 15 per cent for large firms, but this is still low and open to being undermined by use of tax breaks and tax write-offs, such that some large firms will continue to contribute small amounts of corporate taxation. In the medium-term we believe that a minimum rate should be agreed within the EU and set below the 2021 EU-27 average headline rate of 21 per cent but above the existing low Irish level.[9] A headline rate of 17.5 per cent and a minimum effective rate of 10 per cent seem appropriate. This reform would simultaneously maintain Ireland's low corporate tax position and provide additional revenues to the exchequer. Based on the C&AG report the impact of such a reform would be confined to a small number of firms yet it is likely to sustainably raise overall corporate tax revenues. Rather than introducing this change overnight, agreement may need to be reached at EU level to phase it in over three to five years. Reflecting this, we proposed prior to Budget 2023 that the effective rate be adjusted to a minimum of 6 per cent – an opportunity regrettably missed.

Social Justice Ireland believes that the issue of corporate tax contributions is principally one of fairness. Profitable firms with substantial income should make a contribution to society rather than pursue various schemes and methods to avoid these contributions.

Site Value Tax

Taxes on wealth are minimal in Ireland. Revenue is negligible from capital acquisitions tax (CAT) because it has a very high threshold in respect of bequests and gifts within families and the rates of tax on transfers of family farms and firms

[9] Data from European Commission (2022: 58).

are very generous. Some recent Budgets have extended the Group A (parent to child) CAT threshold and the likely future revenue from this area remains limited given the taxes current structure.[10] The requirement, as part of the EU/IMF/ECB bailout agreement, to introduce a recurring property tax led Government in Budget 2012 to introduce an unfairly structured flat €100 per annum household charge and a value-based Local Property Tax in Budget 2013. While we welcome the overdue need to extend the tax base to include a recurring revenue source from property, we believe that a Site Value Tax, also known as a Land Rent Tax, would be a more appropriate and fairer approach.

In previous editions of this publication we have reviewed this proposal in greater detail.[11] There has also been a number of research papers published on this issue over the past decade.[12] Overall, they point towards a recurring site value tax that is fairer and more efficient than other alternatives. *Social Justice Ireland* believes that the introduction of a site value tax would be a better alternative than the current value based local property tax. A site value tax would lead to more efficient land use within the structure of social, environmental and economic goals embodied in planning and other legislation. The report of the Commission on Taxation and Welfare suggests the adoption of a 'Land Value Tax' on all property not subject to the current Local Property Tax (2022: 373). We welcome this recommendation and encourage its implementation, it would replace an outdated commercial rates system, bring greater fairness and efficiency to land use and represent an overdue step towards a full Site Value Tax.

Second Homes, Empty Houses and Underdeveloped Land

A feature of the housing boom of the early 2000s was the rapid increase in ownership of holiday homes and second homes. For the most part these homes remain empty for at least nine months of the year. It is a paradox that many were built at the same time as the rapid increases in housing waiting lists (see chapter 6).

Results from Census 2022 identified that the number of vacant houses on Census night was 166,752 (April 2022) implying that 7.8 per cent of the national housing stock was vacant. A further 66,135 units were identified as 'unoccupied holiday homes' meaning that just over 230,000 were empty homes that could act as the main accommodation for an individual or family. Given that there is always some 'natural' turnover in the housing market, the true 'empty' figure is somewhat lower but still very significant and relevant given the current housing crisis.

What is often overlooked when the second home issue is being discussed is that the infrastructure to support these houses is substantially subsidised by the taxpayer.

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10 Budget 2017 previously extended the Group B and C thresholds further reducing the revenue yield of this tax source.

11 See for example the 2013 edition of the Socio-Economic Review pages 132-134.

12 These include O'Siochru (2004:23-57), Dunne (2004:93-122), Chambers of Commerce of Ireland (2004), Collins and Larragy (2011), and O'Siochru (2012).

Roads, water, sewage and electricity infrastructure are just part of this subsidy which goes, by definition, to those who are already better off as they can afford these second homes in the first place. We believe that people purchasing second houses should have to pay these full infrastructural costs, there is something perverse in the fact that the taxpayer subsidies the owners of these unoccupied houses while many people do not have basic adequate accommodation.

The introduction of the Non-Principal Private Residence (NPPR) charge in 2009 was a welcome step forward. However, notwithstanding subsequent increases, the charge was very low relative to the previous and on-going benefits that are derived from these properties. It stood at €200 in 2013 and was abolished under the 2014 Local Government Reform Act. While second homes are liable for the local property tax, as are all homes, *Social Justice Ireland* believes that second homes should be required to make a further annual contribution in respect of the additional benefits these investment properties receive.

In the context of a shortage of housing stock (see chapter 6), building new units is not the entire solution. There remains a large number of empty units across the country, something reflected in the aforementioned 2022 Census data. *Social Justice Ireland* believes that policy should be designed to reduce the number of these units and penalise those who own units and leave them vacant for more than a six-month period. We propose that Government should introduce a levy on empty houses of €200 per month with the revenue from this charge collected and retained by local authorities.

Local authorities should also be charged with collecting an enhanced site value tax on underdeveloped land, such as abandoned urban centre sites and land-banks of zoned land on the edges of urban areas. This tax should be levied at a rate of €2,000 per hectare (or part thereof) per annum. Income from both measures should reduce the central fund allocation to local authorities.

Taxing Windfall Gains

The vast profits made by property speculators on the rezoning of land by local authorities was a particularly undesirable feature of the early 2000s economic boom. For some time, *Social Justice Ireland* has called for a substantial tax to be imposed on the profits earned from such decisions. Re-zonings are made by elected representatives supposedly in the interest of society generally. It therefore seems appropriate that a sizeable proportion of the windfall gains they generate should be made available to local authorities and used to address the ongoing housing problems they face (see chapter 6). In this regard, *Social Justice Ireland* welcomed the decision to put such a tax in place in 2010 and strongly condemned its removal as part of Budget 2015. Its removal has been one of the most retrograde policy initiatives in recent years. *Social Justice Ireland* believes that this tax should be re-introduced. Taxes are not just about revenue, they are also about fairness. A windfall tax level of 80 per cent is appropriate and, as Table 4.6 illustrates, this still leaves speculators and land owners with substantial profits from these rezoning decisions.

Table 4.6: Illustrative Examples of the Operation of an 80% Windfall Gain Tax on Rezoned Land

Agricultural Land Value	Rezoned Value	Profit	Tax @ 80%	Post-Tax Profit	Profit as % Original Value
€50,000	€400,000	€350,000	€280,000	€70,000	140%
€100,000	€800,000	€700,000	€560,000	€140,000	140%
€200,000	€1,600,000	€1,400,000	€1,120,000	€280,000	140%
€500,000	€4,000,000	€3,500,000	€2,800,000	€700,000	140%
€1,000,000	€8,000,000	€7,000,000	€5,600,000	€1,400,000	140%

Note: Calculations assume an eight-fold increase on the agricultural land value upon rezoning.

Financial Transactions Tax

Recurring periods of international economic chaos of the two decades have shown that the world is now increasingly linked via millions of legitimate, speculative and opportunistic financial transactions. Similarly, global currency trading increased sharply throughout recent decades. It is estimated that a very high proportion of all financial transactions traded are speculative which are completely free of taxation.

Occasional insights are provided by surveys, the most comprehensive of which is provided by the Bank for International Settlements (BIS) *Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity*. The most recent of these was conducted in April 2022 although its results for Ireland are yet to be published by the Central Bank. The previous survey in April 2019 covered 53 countries and the activities of almost 1,300 banks and other dealers. The overall results of the survey are presented in the annex, while those for Ireland were outlined by the Irish Central Bank (2019) who provided specific data for the activities of 14 reporting banks based in Ireland. They found that in April 2019:

- The estimated daily foreign exchange turnover for Ireland was US$7.2bn up from $2.2bn in 2016 (3.3 times higher).
- The estimated daily turnover in interest rate derivative markets in Ireland was US$7.3bn up from US$1.1bn (6.8 times higher).
- The importance of Ireland in both these sectors increased between 2016 and 2019. In global terms, Ireland ranks 36th in terms of foreign-exchange contracts and 21st in terms of interest-rate derivatives.

Transactions in these markets represent a mixture of legitimate, speculative and opportunistic financial transactions. Estimates continue to highlight that a very large proportion of these activities are speculative, implying that large and growing amounts of these transactions make no real or worthwhile contribution to economies and societies beyond increasing risk and instability.

Social Justice Ireland regrets that to date Government has not committed to supporting recent European moves to introduce a Financial Transactions Tax (FTT) or Tobin Tax. The Tobin tax, first proposed by the Nobel Prize winner James Tobin, is a progressive tax, designed to target only those profiting from speculation. It is levied at a very small rate on all transactions but given the scale of these transactions globally, it has the ability to raise significant funds. In September 2011 the EU Commission proposed an FTT and its proposal has evolved since then through a series of revisions and updates. We include specific details in the annex.

In our opinion, the tax offers the dual benefit of dampening needless and often reckless financial speculation and generating significant funds. For societies an FTT is a win-win; less needless financial speculation and more state revenue. A report from the Nevin Economic Research Institute estimated the likely revenue yield from the FTT's adoption by Ireland. Taking account of the need for Government to abolish stamp duty on shares, the report estimated a net revenue yield of between €320m and €350m per annum (Collins, 2016).

We believe that the revenue generated by this tax should be used for national economic and social development and international development co-operation purposes, in particular assisting Ireland and other developed countries to fund overseas aid and reach the UN ODA target (see chapter 13).

Social Justice Ireland believes that the time has come for Ireland to support the introduction of a Financial Transactions Tax.

Carbon Taxes

Budget 2010 announced the long-overdue introduction of a carbon tax. This had been promised in Budget 2003 and committed to in the *National Climate Change Strategy* (2007). The tax has been structured along the lines of the proposal from the Commission on Taxation (2009: 325-372) and is linked to the price of carbon credits which was set at an initial rate of €15 per tonne of CO_2 and subsequently increased in Budget 2012 to €20 per tonne. Budget 2013 extended the tax to cover solid fuels on a phased basis from May 2013 with the full tax applying from May 2014. Budget 2020 further increased the tax (to €26 per tonne) and this was increased further, to €33.50 per tonne, in Budget 2021. The 2020 Finance Act included a schedule of annual carbon tax increases so that it reaches €100 per tonne in 2030; reflecting commitments in the Programme for Government and the recommendations of the 2019 all-party report on climate change.

Social Justice Ireland welcomed the introduction of this tax, we regretted the initial lack of accompanying measures to protect those most affected by it, in particular low-income households and rural dwellers. While this has not been fully addressed, we welcome that all revenue from carbon tax increases since 2020 have been earmarked to fund environmental programmes, energy efficiency measures and social protection measures targeting low-income households. Looking to the planned increases over the next decade, we believe that Government should be more specific in defining how it will assist these rural and low-income households. Furthermore, we are concerned that the effectiveness of the tax is being undermined as there is less focus on the original intention of encouraging behavioural change and greater emphasis on raising revenue.

Building a Fairer Taxation System

The need for fairness in the tax system was clearly recognised in the first report of the Commission on Taxation over four decades ago. It stated:

> "...in our recommendations the spirit of equity is the first and most important consideration. Departures from equity must be clearly justified by reference to the needs of economic development or to avoid imposing unreasonable compliance costs on individuals or high administrative costs on the Revenue Commissioners." (1982:29)

The need for fairness is just as obvious today and *Social Justice Ireland* believes that this should be a central objective of the current reform of the taxation system. Below we outline a series of reforms that would greatly enhance the fairness of Ireland's taxation system. This subsection is structured in five parts:

- Standard rating discretionary tax expenditures
- Favouring fair changes to income taxes
- Introducing Refundable Tax Credits
- Reforming individualisation
- Making the taxation system simpler

Standard rating discretionary tax expenditures

Making all discretionary tax reliefs/expenditures only available at the standard 20 per cent rate would represent a crucial step towards achieving a fairer tax system. If there is a legitimate case for making a tax relief/expenditure available, then it should be made available in the same way to all. It is inequitable that people on higher incomes should be able to claim certain tax reliefs at their top marginal tax rates while people with less income are restricted to claim benefit for the same relief at the lower standard rate of 20 per cent. The standard rating of tax expenditures, otherwise known as reliefs, offers the potential to simultaneously make the tax system fairer and fund the necessary developments they are designed to stimulate without any significant macroeconomic implications.

Favouring fair changes to income taxes

Reducing taxes is not a priority for *Social Justice Ireland* either in the forthcoming Budget 2024 or any future plans for taxation policy reforms undertaken by the new Government. Indeed it runs counter to our aforementioned objectives and the first recommendation of the Commission on Taxation and Welfare. We believe that any available money should be used to improve Ireland's public services and infrastructure, reduce poverty and social exclusion and to meet our national climate targets – policy priorities detailed throughout this publication. However, discussion and policy considerations often focuses on income taxation reductions, and as a consequence, we have published a series of documents over the past few years that have examined, from the perspectives of fairness, various reform choices. The most recent document is entitled *Fairness in Changing Income Taxes* (Social Justice Ireland, 2020).[13] As a minimum, the analysis highlights the distributive impact taxation policy choices can have and the potential policy has to pursue both fair and unfair outcomes.

Introducing refundable tax credits

The move from tax allowances to tax credits was completed in Budget 2001. This was a very welcome change because it put in place a system that had been advocated for a long time by a range of groups. One problem persists, however. If a low income worker does not earn enough to use up his or her full tax credit then he or she will not benefit from any income tax reductions introduced by Government in its annual budget. As we have demonstrated earlier in this publication (see Chapter 3) this has been the case for a large number of low income workers following recent Budgets.

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" to him/her by the state.

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 (full-time and part-time). Chart 4.2 displays the impacts of the introduction of this policy across various gross income levels. It shows that all of the benefits from introducing this policy would go directly to those on the lowest incomes.

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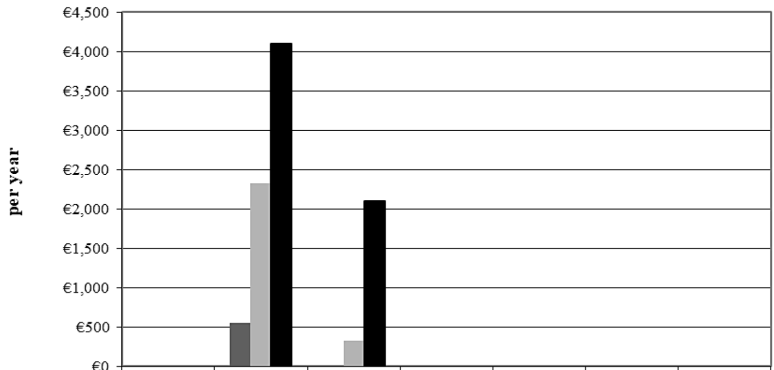
13 The document is available on our website.

Chart 4.2: How Much Better Off Would People Be if Tax Credits Were Made Refundable?



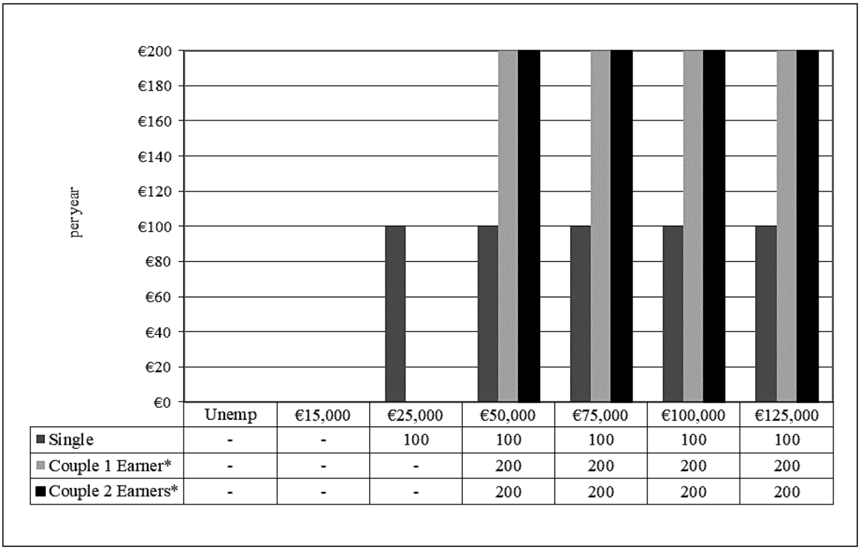
	Unemp	€15,000	€25,000	€50,000	€75,000	€100,000	€125,000
Single	-	550	-	-	-	-	-
Couple 1 Earner*	-	2,325	325	-	-	-	-
Couple 2 Earners*	-	4,100	2,100	-	-	-	-

Notes: *Except where unemployed as there is no earner. Refund of unused portion of personal and employee credit.

With regard to administering this reform, the central idea recognises that most people with regular incomes and jobs would not receive a cash refund of their tax credit because their incomes are too high. They would simply continue to benefit from the tax credit as a reduction in their tax bill. Therefore, as chart 4.2 shows, no change is proposed for these people and they would continue to pay tax via their employers, based on their net liability after deduction of tax credits by their employers on behalf of the Revenue Commissioners. For other people on low or irregular incomes, the refundable tax credit could be paid via a refund by the Revenue Commissioners using the new PAYE anytime system. 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 4.3 and 4.4 compare the effects of a €100 increase in the personal tax credit before and after the introduction of refundable tax credits. Chart 4.3 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 income tax net.

Chart 4.4 shows how the benefits of a €100 a 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 4.3: How Much Better Off Would People Be if Tax Credits Were Increased by €100 Per Person?

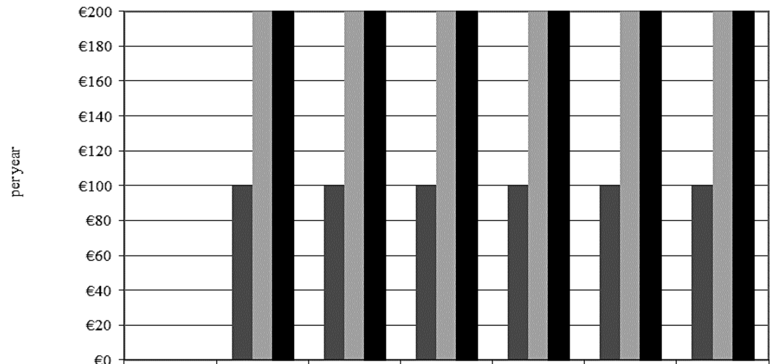


Notes: *Except where unemployed as there is no earner. Refund of personal and employee credit.

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.

During 2010 *Social Justice Ireland* published a detailed study on the subject of refundable tax credits. The cost of making this change would be €140m. We outline the details of this proposal in the annex. Once adopted, a system of refundable tax credits as proposed in our study would result in all future changes in tax credits being experienced equally by all employees in Irish society. Such a reform would mark a significant step in the direction of building a fairer taxation system and represent a fairer way for Irish society to allocate its resources.

Chart 4.4: How Much Better Off Would People Be if Tax Credits Were Increased by €100 Per Person and This was Refundable?



	Unemp	€15,000	€25,000	€50,000	€75,000	€100,000	€125,000
Single	-	100	100	100	100	100	100
Couple 1 Earner*	-	200	200	200	200	200	200
Couple 2 Earners*	-	200	200	200	200	200	200

Notes: *Except where unemployed as there is no earner. Refund of personal and employee credit.

Reforming individualisation

Social Justice Ireland supports the individualisation of the tax system. However, the process of individualisation followed to date has been deeply flawed and unfair. The cost to the exchequer of this transition has been in excess of €0.75bn, and almost all of this money went to the highest income 30 per cent of the population. A significantly fairer process would have been to introduce a basic income system that would have treated all people fairly and ensured that a windfall of this nature did not accrue to the best off in this society (see Chapter 3).

Given the current form of individualisation, couples with one partner losing his/her job end up even worse off than they would have been had the current form of individualisation not been introduced. Before individualisation was introduced, the standard-rate income-tax band was €35,553 for all couples. Above that, they would start paying the higher rate of tax. Now, the standard-rate income-tax band for single-income couples is €49,000 while the band for dual-income couples covers a maximum of a further €31,000 (up to €80,000). If one spouse (of a couple previously earning two salaries) leaves a job voluntarily or through redundancy, the couple loses the value of the second tax band.

Making the taxation system simpler

Ireland's tax system is not simple. Bristow (2004) argued that "some features of it, notably VAT, are among the most complex in the world". The reasons given to justify this complexity vary but they are focused principally around the need to reward particular kinds of behaviour which are seen as desirable by legislators. This, in effect, is discrimination either in favour of one kind of activity or against another. There are many arguments against the present complexity and in favour of a simpler system.

Discriminatory tax concessions in favour of particular positions are often very inequitable, contributing far less to equity than might appear to be the case. In many circumstances they also fail to produce the economic or social outcomes which were being sought and sometimes they even generate very undesirable effects. At other times they may be a complete waste of money, since the outcomes they seek would have occurred without the introduction of a tax incentive. Having a complex system has other down-sides. It can, for example, have high compliance costs both for taxpayers and for the Revenue Commissioners.

For the most part, society at large gains little or nothing from the discrimination contained in the tax system. Mortgage interest relief, for example, and the absence of any residential or land-rent tax contributed to the rise in house prices up to 2007. Complexity makes taxes easier to evade, invites consultants to devise avoidance schemes and greatly increases the cost of collection. It is also inequitable because those who can afford professional advice are in a far better position to take advantage of that complexity than those who cannot. A simpler taxation system would better serve Irish society and all individuals within it, irrespective of means.

4.3 Key Policy Priorities

Social Justice Ireland believes that if the challenges and needed reforms we have highlighted throughout this chapter are to be effectively addressed, Government's key policy priorities in this area should be to:

- increase the overall tax-take;
- adopt policies to broaden the tax base; and
- develop a fairer taxation system.

Policy priorities under each of these headings are listed below.

Increase the overall tax-take

- Move towards increasing the total tax-take so that sufficient revenue is collected to provide redistribution and public services at average-European levels.

Broaden the tax base

- Continue to reform the area of tax expenditures and further enhance procedures within the Department of Finance and the Revenue Commissioners to monitor on an on-going basis the cost and benefits of all current and new tax expenditures;
- Continue to increase the minimum effective tax rates on very high earners (those with incomes in excess of €125,000) so that these rates are consistent with the levels faced by PAYE workers;
- Move to negotiate an EU wide agreement on minimum corporate taxation rates (a rate of 17.5 per cent would seem fair in this situation);
- Adopt policies to ensure that corporations based in Ireland pay a minimum effective corporate tax rate of 10 per cent. As an interim measure introduce a 6 per cent rate in the next Budget;
- Impose charges so that those who construct or purchase second homes pay the full infrastructural costs of these dwellings;
- Restore the 80 per cent windfall tax on the profits generated from all land re-zonings;
- Join with other EU member states to adopt a financial transactions tax (FTT) and discourage needless and unwelcome financial market speculation;
- Adopt policies which further shift the burden of taxation from income tax to eco-taxes on the consumption of fuel and fertilisers, waste taxes and a land rent tax. In doing this, government should minimise any negative impact on people with low incomes.

Develop a fairer taxation system

- Apply only the standard rate of tax to all discretionary tax expenditures;
- Make tax credits refundable;
- Accept that where reductions in income taxes are being implemented, they should favour fair options which do not skew the benefits towards higher earners;
- Ensure that individualisation in the income tax system is done in a fair and equitable manner;
- Integrate the taxation and social welfare systems;
- Begin to monitor and report tax levels (personal and corporate) in terms of effective tax rates;
- Develop policies which allow the taxation on wealth to be increased;
- Ensure that the distribution of all changes in indirect taxes discriminate positively in favour of those with lower incomes;

- Adopt policies to simplify the taxation system;
- Poverty-proof all budget tax packages to ensure that tax changes do not further widen the gap between those with low income and the better off.

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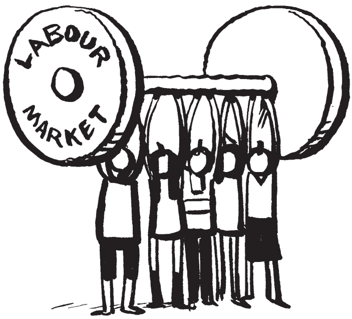
Eurostat online database, web address: http://ec.europa.eu/eurostat

Chapter five

Chapter 5
Work, Unemployment and Job Creation

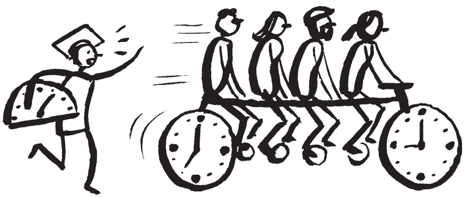
Core Policy Objective:
To ensure that all people have access to meaningful work.

Key Issues/Evidence

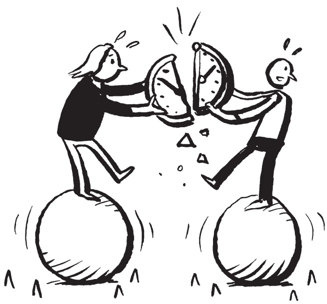


Ireland's labour market has recovered strongly from the from the period of closures and lockdowns throughout much of 2020 and 2021. Although the numbers unemployed are slightly increased, all other indicators report a strong improvement.

One third of those who are unemployed are long-term unemployed. As the pandemic unemployment payment is phased out, there is potential for the numbers unemployed and on welfare supports for more than one year to increase.

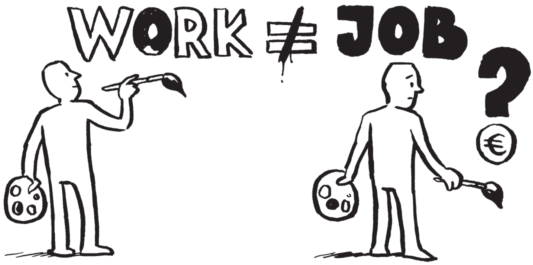


While the number of people employed is higher now than at anytime, just over one in five workers are part-time workers and there are 102,000 of these who are underemployed.



The growth in the number of individuals with less work hours than ideal and in precarious employment situations is a major labour market challenge and one which may grow in the period ahead.

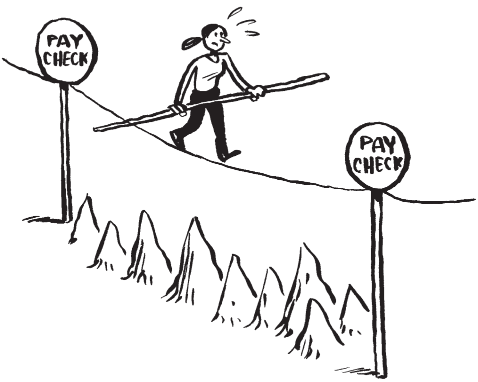
Policy Solutions



Recognise that the term "work" is not synonymous with the concept of "paid employment". Everybody has a right to work, i.e. to contribute to his or her own development and that of the community and the wider society. This, however, should not be confined to job creation. Work and a job are not the same thing.

Launch a major investment programme focused on prioritising initiatives that strengthen social infrastructure, including a comprehensive school building programme and a much larger social housing programme.

Adopt policies to address the worrying issue of youth unemployment. In particular, these should include education and literacy initiatives as well as retraining schemes.



Recognise the challenges of long-term unemployment and of precarious employment and adopt targeted policies to address these.

Resource the up-skilling of those who are unemployed and at risk of becoming unemployed through integrating training and labour market programmes.

5.

WORK, UNEMPLOYMENT AND JOB CREATION

Core Policy Objective: WORK, UNEMPLOYMENT AND JOB CREATION

To ensure that all people have access to meaningful work.

The scale and severity of the economic collapse almost fifteen years ago saw Ireland revert to the phenomenon of widespread unemployment. Despite the attention given to the banking and fiscal collapse, the transition from near full-employment to high unemployment was the most telling characteristic of that recession. It carried implications for individuals, families, social cohesion and the exchequer's finances which were serious. At that time, the unemployment rate peaked at 16 per cent of the labour force at the beginning of 2012. Data and economic forecasts from the Central Statistics Office (CSO) for the remainder of 2023 indicate that unemployment will reach an annual rate of between 4.5 and 5 per cent of the labour force in 2023. The potential for an economic slowdown alongside the economic disruption from the Ukraine crisis point towards upwards risks for these expectations. However, relative to the position in late 2020 and early 2021 pandemic period these outcomes represent a very welcome improvement.

This chapter addresses the topic of Work, Unemployment and Job Creation in three parts. The first (section 5.1) reviews recent trends in Ireland's labour market. Subsequently section 5.2 considers the key policy reforms that arise for various sectors of the working-age population and outlines a series of proposals for responding to current labour market challenges around employment, unemployment and participation. Despite notable progress, *Social Justice Ireland* considers that the policy response in a number of areas remains weak. The section concludes with some thoughts on the narrowness of how we consider and measure the concept of 'work'. The chapter concludes (section 5.3) by summarising our key policy priorities in this area.[1]

[1] The analysis complements information on the measurement of the labour market and long-term trends in employment and unemployment detailed in Annex 5 which is available online at: https://www.socialjustice.ie/publication

If the challenges we address in this chapter are to be effectively addressed, *Social Justice Ireland* believes that Government should.

- Resource the up-skilling of those who are unemployed and at risk of becoming unemployed through integrating training and labour market programmes.
- Launch a major investment programme focused on prioritising initiatives that strengthen social infrastructure, including a comprehensive school building programme and a much larger social housing programme.
- Adopt policies to address the worrying issue of youth unemployment. In particular, these should include education and literacy initiatives as well as retraining schemes.
- Recognise the challenges of long-term unemployment and of precarious employment and adopt targeted policies to address these.
- Recognise that the term "work" is not synonymous with the concept of "paid employment". Everybody has a right to work, i.e. to contribute to his or her own development and that of the community and the wider society. This, however, should not be confined to job creation. Work and a job are not the same thing.

5.1 Key Evidence

Recent Trends in Employment and Unemployment

The nature and scale of the recent transformation in Ireland's labour market is highlighted by the data in Table 5.1. It, and subsequent Tables, examine the situation twelve years ago, just before the COVID-19 pandemic hit and in 2022. 2011 marked a year where Ireland was in deep economic crisis as the banking and property crash continued to unfold. Unsurprisingly, the labour market is transformed since then with an additional 460,000 people in the labour force, an extra 688,000 at work, higher participation rates and 228,000 less people in unemployment. Compared to the pre-pandemic labour market, the situation in quarter four 2022 illustrates how strongly the labour market has recovered from the period of closures and lockdowns throughout much of 2020. Although the numbers unemployed are slightly increased, all other indicators report a strong improvement.

Table 5.1: Ireland's Labour Force Data, 2011 – 2022

	2011	2019	2022	Change 11-22
Labour Force	2,226,500	2,467,800	2,686,500	+460,000
LFPR%	61.8	62.6	65.0	+2.8
Employment%	60.1	70.1	73.0	+13.1
Employment	1,886,400	2,357,300	2,574,500	+688,100
Full-time	1,438,400	1,866,200	2,020,200	+581,800
Part-time	447,900	491,100	554,300	+106,400
Underemployed	147,200	108,100	102,400	-44,800
Unemployed%	15.3%	4.5%	4.2%	-11.1
Unemployed	340,100	110,500	112,000	-228,100
LT Unemployed%	9.3	1.6	1.3	-8.0
LT Unemployed	206,500	38,600	34,300	-172,200
Potential Additional LF	n/a	99,300	59,900	n/a

Source: CSO, LFS on-line database.

Notes: All data is for Quarter 4 of the reference year.
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.
n/a = comparable data is not available.
LT = Long Term (12 months or more). LF = Labour Force.

This transformation in the labour market has significantly altered the nature of employment in Ireland when compared to the depth of the recession in 2011. Overall, employment grew by over one-third (688,000 jobs) and Table 5.2 traces the impact of this change across various sectors, groups and regions. Within the CSO's broadly defined employment sectors all bar agriculture increased in size over the period. The service sector, one acutely impacted by the 2009-2013 economic crash, recorded the largest growth accounting 533,000 of the additional jobs created since 2011. The services sector now accounts for 77 per cent of all employees. Over the period the number of employees grew by 40 per cent while the number of self-employed increased by 10 per cent. Compared to the late 2019 labour market, table 5.2 illustrates how employment has decreased in agriculture and there have been strong recoveries in the construction sector and in industry.

Table 5.2: Employment in Ireland, 2011 – 2022

	2011	2019	2022	Change 11-22
Employment	1,886,400	2,357,300	2,574,500	+688,100
Sector				
Agriculture	103,700	106,800	100,800	-2,900
Construction	88,200	147,100	163,200	+75,000
Industry	244,900	286,300	323,000	+78,100
Services	1,445,100	1,810,900	1,978,400	+533,300
Gender				
Male	1,008,600	1,272,700	1,368,500	+359,900
Female	877,800	1,084,700	1,206,000	+328,200
Employment Status				
Employees*	1,575,500	2,014,300	2,219,700	+644,200
Self Employed	299,200	331,100	331,900	+32,700
Assisting relative	11,600	11,900	23,000	+11,400
Region				
Border	n/a	183,700	201,300	n/a
West	n/a	221,500	241,000	n/a
Mid-West	n/a	215,400	240,000	n/a
South-East	n/a	195,400	213,500	n/a
South-West	n/a	337,900	368,800	n/a
Dublin	n/a	724,400	775,500	n/a
Mid-East	n/a	345,100	384,800	n/a
Midland	n/a	133,900	149,700	n/a

Source: CSO, LFS on-line database.
Notes: *Numbers recorded as employed include those on various active labour market policy schemes. Regional data only available from 2012. See also notes to Table 5.1.

The consequence of the 2009-2013 crisis period job losses was a sharp increase in unemployment and emigration which took some time to dissipate. Dealing with unemployment, Table 5.3 shows how it has changed between 2011 and 2022, a period when the numbers unemployed decreased by 67 per cent. As the table shows, male unemployment fell by almost 160,000 and female unemployment by 70,000; changes that illustrate the depth of that economic crisis. Most of the 2022 unemployed are seeking to return to a full-time (FT) job with just over 25 per cent indicating that they were seeking part-time (PT) employment.

The improvement in the number and rates of long-term unemployment are also highlighted in Table 5.3 and in Chart 5.1. The number of long-term unemployed exceed 200,000 in 2011 but had fallen to less than 40,000 by late 2019. The 2022 figure, of 34,300 is the lowest LT unemployment count since 2007 and implies that just under one-third of all those currently unemployed are in that situation for more than one year. While the improvements over the last decade are very welcome, the experience of the 1980s showed the dangers and long-lasting implications of large numbers of people trapped in long-term unemployment. While this remains a policy challenge, *Social Justice Ireland* regrets that it is a policy area which receives limited attention.

Addressing this ongoing issue remains an important challenge and we outline our suggestions for targeted policy action later. However, it is clear that reskilling many of the unemployed, in particular those with low education levels, will be a key component of the response. Using data for the fourth quarter of 2022, 42 per cent of the unemployed had no more than second level education with 14 per cent not having completed more than lower secondary (equivalent to the junior certificate).

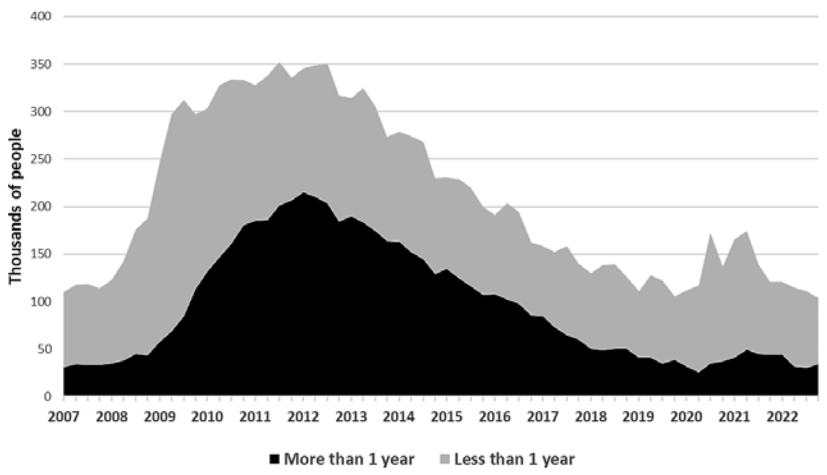
Table 5.3: Unemployment in Ireland, 2011 - 2022

	2011	2019	2022	Change 11-22
Unemployment	340,100	110,500	112,000	-228,100
Gender				
Male	215,800	62,100	57,200	-158,600
Female	124,300	48,400	54,800	-69,500
Employment sought				
Seeking FT work	289,100	79,200	82,400	-206,700
Seeking PT work	37,800	28,400	25,000	-12,800
Age group				
15-24 years	86,300	28,000	30,600	-55,700
25-44 years	174,500	49,400	48,400	-126,100
45-65 years	78,700	32,100	31,400	-47,300
Region				
Border	n/a	7,100	9,300	n/a
West	n/a	9,600	8,800	n/a
Mid-West	n/a	11,000	11,000	n/a
South-East	n/a	14,300	12,100	n/a
South-West	n/a	13,100	11,400	n/a
Dublin	n/a	33,800	37,900	n/a
Mid-East	n/a	15,400	16,100	n/a
Midland	n/a	6,300	n/a	n/a
Duration				
Unemp. less than 1 yr	129,200	66,600	69,800	-59,400
Unemp. more than 1 yr	206,500	38,600	34,300	-172,200
LT Unemp. as % Unemp	60.7	34.9	30.6	

Source: CSO, LFS on-line database.
Note: See also notes to Table 5.1.

Given the current strength of the labour market, *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 long-term unemployment and the potential for the emergence of a structural unemployment problem. Given this, *Social Justice Ireland* believes that a major commitment to retraining and re-skilling will be required in the years ahead.

Chart 5.1: Long-Term Unemployment in Ireland, 2007-2022



Source: CSO, LFS on-line database.

Note: Long term unemployment is defined as those unemployed for more than one year.

5.2 Key Policies and Reforms

Upskilling and Retraining the Unemployed

Live register data offer a useful insight into the skills and experience of a large proportion of those who should be the target of further upskilling and retraining initiatives. Table 5.4 presents a breakdown of the February 2023 live register number by people's last occupation, and also examines the differences between those over and under 25 years. Among this group, the figures highlight the need for targeted retraining of people who hold skills having worked in sectors such as craft, clerical and plant/machinery work. As such, they frame several of the challenges for upskilling and retraining of many unemployed and underemployed individuals.

Table 5.4: Persons on Live Register by Last Occupation – February 2023

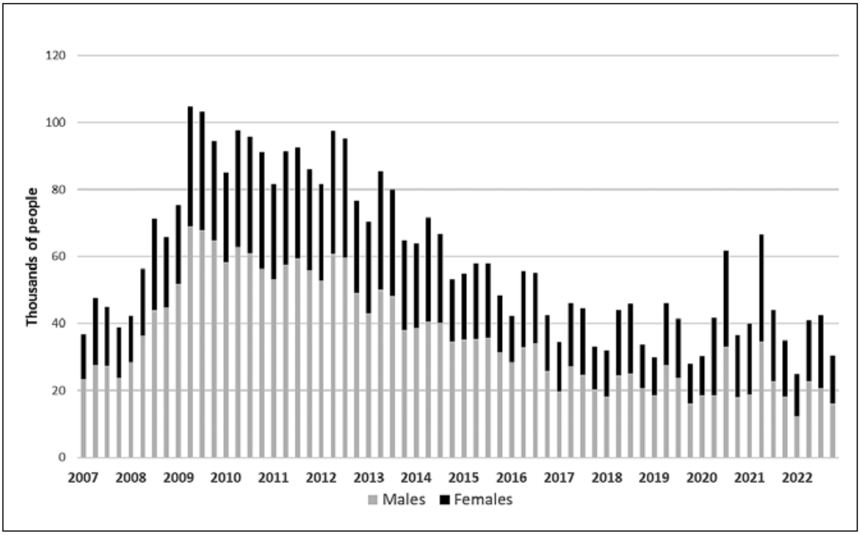
Occupational group	Overall	Under 25 yrs	Over 25 yrs
Managers and administrators	6,891	153	6,738
Professional	8,151	296	7,855
Associate prof. and technical	3,902	191	3,711
Clerical and secretarial	13,582	657	12,925
Craft and related	21,342	1,586	19,756
Personal and protective service	16,379	1,376	15,003
Sales	11,736	1,679	10,057
Plant and machine operatives	19,123	1,759	17,364
Other occupation	17,794	1,731	16,063
No occupation	64,501	9,820	54,681
Total	**183,401**	**19,248**	**164,153**

Source: CSO Live Register on-line database.

Tackling Youth Unemployment

As Chart 5.2 illustrates, youth unemployment remains a major labour market policy challenge albeit that the picture is drastically better that a decade ago. The Chart highlights the very rapid increase in the numbers unemployed aged 25 and under, as the 2008-2013 economic crisis unfolded. The numbers in this group more than doubled between 2007 and 2009, peaking at almost 105,000 in Q2 2009. Since then decreases have occurred, reaching 39,000 in 2019 before climbing during the 2020 and 2021 COVID-19 lockdowns.

Chart 5.2: Youth Unemployment by Gender, 2007-2022



Source: CSO, LFS on-line database.

By the end of 2022 (see Table 5.3) 30,000 people under the age of 25 were unemployed – 16,000 males and 14,000 females – meaning that youth unemployment accounted for almost three in every ten unemployed people in Ireland. Experiences of unemployment, and in particular long-term unemployment, alongside an inability to access any work, training or education, tends to leave a 'scarring effect' on young people. It increases the challenges associated with getting them active in the labour market at any stage in the future. In the short-term it makes sense for Government to invest in the 'youth unemployed' and *Social Justice Ireland* considers this to be a central and strategic priority.

Addressing Underemployment and Precarious Employment

The figures in Table 5.1 also point towards the growth of various forms of part-time work and a high number of underemployed workers over recent years. While the number of people employed is higher now than at any time, just over one in five workers are part-time workers and there are 102,000 of these who are underemployed, that is working part-time but at less hours than they are willing to work.

Judged over time, the CSO labour force data suggest the emergence of a greater number of workers in precarious employment situations. The high 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 we outlined in Chapter 3. 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.

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 (see Section 3.2) reflects this. However, aside from pay rates, policy also needs to address issues of work quality and security more aggressively.

Boosting Labour Force Participation

Increasing labour force participation, in particular among women, represents a further policy challenge for labour market policy. As Table 5.5 illustrates, the proportion of individuals who are actively participating in the labour market has increased since 2011 and 2019. However, these rates are still lower than ideal with in particular female labour market participation well below the levels it should be reaching. The gender gap, of almost eleven percentage points, illustrates this outcome quiet clearly.

Policy responses to this challenge need to be broad-based, and include initiatives addressing childcare provision and affordability, retraining, family-friendly employment strategies and enhanced employment quality. It is important that we remember these participation rates, and the challenges they imply, as we review labour market priorities in the period ahead.

Table 5.5: Labour Force Participation Rates by Gender, 2011-2022

	2011	2019	2022	Change 11-22
Both sexes	61.8	62.6	64.6	+2.8
Males	69.2	68.9	70.1	+0.9
Females	54.7	56.5	59.3	+4.6
Gender Gap*	**14.5**	**12.4**	**10.8**	

Source: CSO, LFS on-line database.
Note: *the gender gap is the difference in percentage points between male and female participation levels.

Work and People with Disabilities

Results from Census 2016 provide the most recent insight into the scale and nature of disability in Ireland – new Census 2022 data will be published in late September 2023. In a document published in November 2017, the CSO reported that the 2016 Census found a total of 643,131 people had a disability in Ireland; equivalent to 13.5 per cent of the population. The most common disability was a difficulty with pain, breathing or other chronic illness which was experienced by 46.1 per cent of all people with a disability. This was followed by a difficulty with basic physical activities, experienced by 40.9 per cent. The report found that both these disabilities were strongly age-related. It also showed that 1.2 per cent of the population were blind or had a sight related disability (54,810 people); 1.4 per cent of the population suffered from an intellectual disability (66,611 people); 2.2 per cent of the population were deaf or had a hearing related disability (103,676 people); 2.6 per cent of the population had a psychological or emotional condition (123,515 people); 3.3 per cent of the population had a difficulty with learning, remembering or concentrating (156,968 people); 5.5 per cent of the population had a difficulty with basic physical activities (262,818 people); and 6.2 per cent of the population had a disability connected with pain, breathing or another chronic illness or condition (296,783 people).[2]

The Census 2016 data also revealed that there was 176,445 persons with a disability in the labour force, representing a participation rate of 30.2 per cent; less than half that for the population in general. These findings reflect earlier results from Census 2011 (CSO, 2008), the 2006 National Disability Survey (CSO, 2010) and a QNHS special module on disability (CSO, 2004).

A 2017 ESRI report examined the employment transitions of people with a disability and found that among those of working age most (82 per cent) had worked at some stage in their life but that 35 per cent had been without work for more than four years (Watson et al, 2017). It also found that were Government policy to facilitate the employment of people with a disability who want to work, some 35,600 additional people with a disability would join the active workforce; a figure equivalent to 1.5 per cent of the 2017 labour force (Watson et al, 2017:56).

This low rate of employment among people with a disability is of concern. Apart from restricting their participation in society it also ties them into State-dependent low-income situations. Therefore, it is not surprising that Ireland's poverty figures reveal that people who are ill or have a disability are part of a group at high risk of poverty (see Chapter 3).

Social Justice Ireland believes that further efforts should be made to reduce the impediments faced by people with a disability to obtain employment. In particular, consideration should be given to reforming the current situation in which many

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[2] Note, some individuals will experience more than one disability and feature in more than one of these categories.

such people face losing their benefits when they take up employment. This situation ignores the additional costs faced by people with a disability in pursuing their day-to-day lives – see Annex 3 for our proposals on a cost of disability allowance. For many disabled people the opportunity to take up employment is denied to them and they are trapped in unemployment, poverty, or both.

Asylum Seekers and Work

During February 2018 the Supreme Court formally declared the absolute ban preventing asylum seekers taking up work as unconstitutional. The declaration followed an initial decision in May 2017 with the court giving the Government time to adopt new legislation and procedures to accommodate the decision. In effect, the Government failed to do so, and the Supreme Court removed the ban.

Social Justice Ireland welcomed this long overdue recognition; we had called for policy reform in this area for some time. However, we remain concerned by Government's attempts to limit these rights and restrict the opportunities of Asylum Seekers. At the root of these problems are issues regarding the effectiveness of the current system of processing asylum applications. Along with others, we have consistently advocated that where Government fails to meet its own stated objective of processing asylum applications in six months, the right to work should be automatically granted to asylum seekers. Recent reforms have made welcome progress in this direction. Detaining people for an unnecessarily prolonged period in such an excluded state is completely unacceptable. Recognising and facilitating asylum seekers' right to work would assist in alleviating poverty and social exclusion among one of Ireland's most vulnerable groups.[3]

Acknowledging the Work of Carers

The work of Ireland's carers receives minimal recognition despite the essential role their work plays in society. Results from the 2016 Census offered an insight into the scale of these commitments, which save the state large costs that it would otherwise have to bear – an update based on Census 2023 will be published in September 2023.

Census 2016 found that 4.1 per cent of the population provided some care for sick or disabled family members or friends on an unpaid basis. This figure equates to 195,263 people. The dominant caring role played by women was highlighted by the fact that 118,151 (60.5 per cent) of these care providers were female.[4] When assessed by length of time, the census found that a total of 6,608,515 hours of care were provided by carers each week, representing an average of 38.3 hours of unpaid help and assistance each. Two thirds of this volume of care was provided by female

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3 We examine this issue in further detail in chapter 10.

4 A CSO QNHS special module on carers (CSO, 2010a) and a 2008 ESRI study entitled '*Gender Inequalities in Time Use*' found similar trends (McGinnity and Russell, 2008:36, 70).

carers. Using the minimum wage as a simple (if unrealistically low) benchmark to establish the benefit which carers provide each year suggests that Ireland's carers provide care valued at more than €3.4bn per annum.[5]

Social Justice Ireland welcomed the long overdue publication of a *National Carers Strategy* in July 2012 (Department of Health, 2012). The document included a 'roadmap for implementation' involving a suite of actions and associated timelines, and identifies the Government Department responsible for their implementation. However, these actions were confined to those that could be achieved on a cost neutral basis. Various progress reports of the strategy have been published to date and point towards some progress on the actions set out. However, these are, as a group, limited given the unwillingness of Government to allocate sufficient resources to supporting those in this sector.

Social Justice Ireland believes that further policy reforms should be introduced to reduce the financial and emotional pressures on carers. In particular, these should focus on addressing the poverty experienced by many carers and their families alongside increasing the provision of respite care for carers and for those for whom they care. In this context, the 24 hour responsibilities of carers contrast with the improvements over recent years in employment legislation setting limits on working-hours of people in paid employment.

Recognising All Work

A major question raised by the current labour-market situation concerns assumptions underpinning culture and policymaking in this area. The priority given to paid employment over other forms of work is one such assumption. Most people recognise that a person can be working very hard outside a conventionally accepted "job". Much of the work carried out in the community and in the voluntary sector comes under this heading. So too does much of the work done in the home. *Social Justice Ireland*'s support for the introduction of a basic income system comes, in part, because it believes that all work should be recognised and supported (see Chapter 3).

During the 2008-2013 recession Government funding for the Community and Voluntary sector reduced dramatically and this has not, as yet, been restored. It is essential that Government appropriately resource this sector into the future and that it remains committed to the principle of providing multi-annual statutory funding. The introduction of the Charities Regulatory Authority, the Governance Code and the Lobbying Register in recent years is intended to foster transparency and improve public trust. However, it is essential that the regulatory requirements are proportional to the size and scope of organisations, and do not create an unmanageable administrative burden which detracts from the core work and deters volunteers from getting involved.

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5 Calculation based on 2016 minimum wage of €9.15 per hour.

In August 2019, the Department of Rural and Community Development published *Sustainable, Inclusive and Empowered Communities: A Five-Year Strategy to Support the Community and Voluntary Sector in Ireland 2019-2024* (Department of Rural and Community Development, 2019). This Strategy sets out the vision for community and voluntary sector development over the next five years. It contains a series of 11 policy objectives across all stakeholders, from Public Participation Networks to civil society organisations to local and national Governments.

The Community Services Programme works to tackle disadvantage by providing supports to community-based organisations which enables them to deliver social, economic and environmental services, with a particular focus on areas that, by virtue of geographical isolation or social isolation, have too low a level of demand to satisfy market led providers. The groups in receipt of these services may not otherwise have any access.

Social Justice Ireland recommends that implementation of the five-year Strategy be resourced in a way that recognises the important role of the Community and Voluntary Sector, the local role of the PPNs, and the challenges of community development, and seeks to generate real partnerships between communities and agencies. We further urge Government to implement commitments in the National Volunteering Strategy 2021-2025 (Department of Rural and Community Development, 2020) which has been developed in tandem with both the Community and Voluntary and Social Inclusion Strategies so as to ensure policy coherence across all three.

Social Justice Ireland believes that government should recognise, in a more formal way, all forms of work. We believe that everyone has a right to work, to contribute to his or her own development and that of the community and wider society. We also believe that policymaking in this area should not be exclusively focused on job creation. Policy should recognise that *work* and a *job* are not always the same thing.

5.3 Key Policy Priorities

Social Justice Ireland believes that if the challenges and needed reforms we have highlighted throughout this chapter are to be effectively addressed, Government's key policy priorities in this area should be to:

- Resource the up-skilling of those who are unemployed and at risk of becoming unemployed through integrating training and labour market programmes.
- Launch a major investment programme focused on prioritising initiatives that strengthen social infrastructure, including a comprehensive school building programme and a much larger social housing programme.

- Adopt policies to address the worrying issue of youth unemployment. In particular, these should include education and literacy initiatives as well as retraining schemes.
- Recognise the challenges of long-term unemployment and of precarious employment and adopt targeted policies to address these.
- Recognise that the term "work" is not synonymous with the concept of "paid employment". Everybody has a right to work, i.e. to contribute to his or her own development and that of the community and the wider society. This, however, should not be confined to job creation. Work and a job are not the same thing.

Social Justice Ireland believes that in the period ahead Government and policymakers generally should:

- Expand funded programmes supporting the community to meet the growing pressures throughout our society.
- Establish a new programme targeting those who are very long-term unemployed (i.e. 5+ years).
- Ensure that at all times policy seeks to ensure that new jobs have reasonable pay rates, and adequate resource are provided for the labour inspectorate.
- Adopt policies to address the working poor issue including a reform the taxation system to make the two main income tax credits refundable.
- Develop employment-friendly income tax policies which ensure that no unemployment traps exist. Policies should also ease the transition from unemployment to employment.
- Adopt policies to address the obstacles facing women when they return to the labour force. These should focus on care initiatives, employment flexibility and the provision of information and training.
- Reduce the impediments faced by people with a disability in achieving employment. In particular, address the current situation in which many face losing their benefits when they take up employment.
- Facilitate the right to work of all asylum seekers and resource the improvement of the current system of processing asylum applications.
- Give greater recognition to the work carried out by carers in Ireland and introduce policy reforms to reduce the financial and emotional pressures on carers. In particular, these should focus on addressing the poverty experienced by many carers and their families, as well as on increasing the provision of respite opportunities to carers and to those for whom they care.
- Request the CSO to conduct an annual survey to discover the value of all unpaid work in the country (including community and voluntary work and

work in the home). Publish the results of this survey as soon as they become available.

- Recognise that the term “work” is not synonymous with the concept of “paid employment”. Everybody has a right to work, i.e. to contribute to his or her own development and that of the community and the wider society. This, however, should not be confined to job creation. *Work* and a *job* are not the same thing.

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Online database

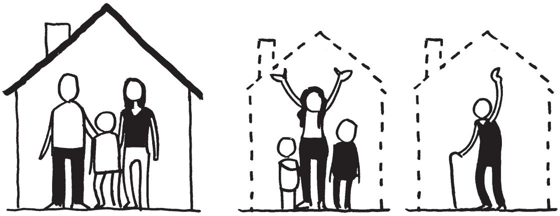
CSO online database, web address: http://www.cso.ie/en/databases/

Chapter six

Chapter 6

Housing and Accommodation

Core Policy Objective:
To ensure that adequate and appropriate accommodation is available for all people and to develop an equitable system for allocating resources within the housing sector.



Key Issues/Evidence

Population expansion, need more homes

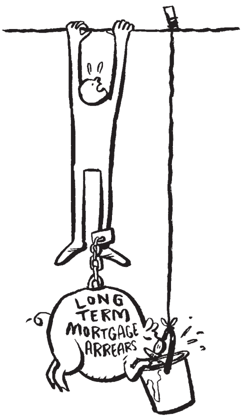
Lack of suitable housing for older people and people with disabilities

High level of vacancy and dereliction

High number of homeless and not all being counted

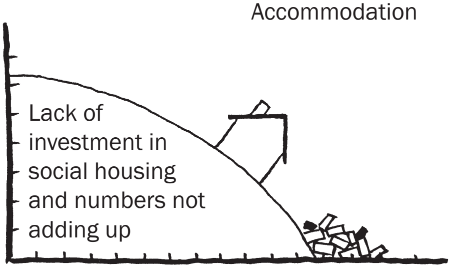
Poverty problem among renters

Lack of sustainable, appropriate Traveller Accommodation



Long Term Mortgage Arrears increasing

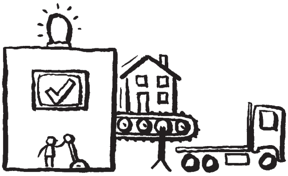
House purchase and Rent are unaffordable



Lack of investment in social housing and numbers not adding up

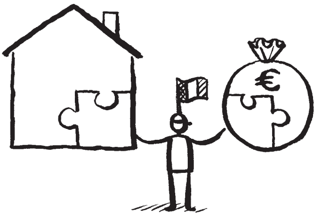
Policy Solutions

Housing First for Families.



Address affordability through supply-side cost reductions

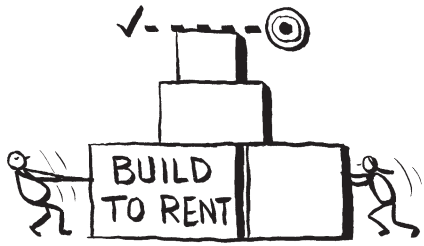
Life-cycle approach to housing development and town planning.



Invest in an equity scheme for borrowers in late state mortgage arrears of 10 years+.

Sanction Local Authorities who do not utilise their budget for Traveller accommodation.

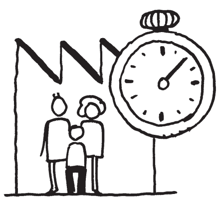
Set a target of 20 per cent of all housing stock to be social housing.



Reduce reliance on the Build to Rent sector.

Encourage the right type of supply

Deal with vacancy and dereliction.



Introduce legislation to limit the length of time families can spend in Family Hubs and other emergency accommodation.

6.

HOUSING AND ACCOMMODATION

Core Policy Objective: Housing and Accommodation

To ensure that adequate and appropriate accommodation is available for all people and to develop an equitable system for allocating resources within the housing sector.

Ireland has been in the midst of a housing and homelessness crisis for over a decade, however the pace at which it has been worsening recently is of serious concern. The scale and severity of the economic collapse in 2008 saw Ireland all but abandon capital housing projects, particularly in the areas of social and affordable housing. The replacement of social housing delivery with "social housing solutions" saw an exponential increase in the number of social housing households accommodated in the private rented sector. This, in part, led to increases in rent costs for tenant households and the development of a market in social housing investment, which drove up house prices generally. Added to that, the mortgage arrears crisis of the mid-2010s, the legacy of which is still being felt today, and we see the number of homeless continue to increase. And that's just the official data. There is currently no mechanism for counting the real number of homeless people, the number of households who need additional social housing supports, or the number of adults living with parents who would prefer to live independently.

This chapter addresses the topic of Housing and Accommodation in three parts. The first (section 6.1) reviews recent housing trends in Ireland. Subsequently section 6.2 considers the key policy reforms that arise for each of the sectors of society with various accommodation needs and outlines a series of proposals for responding to the crisis. Despite improvements in recent months, and the introduction of a new housing strategy in September 2021, *Social Justice Ireland* is of the view that there is still a significant gap in what is planned in the areas of social housing, homelessness and affordability and what is required. The chapter concludes (section 6.3) by summarising our key policy priorities in this area.

The provision of adequate, and appropriate accommodation is a key element of *Social Justice Ireland's* new Social Contract as outlined in Chapter 2. To achieve this objective in the years ahead, *Social Justice Ireland* believes that the Government must:

- Encourage the right type of supply and reduce reliance on the Build to Rent sector.
- Address affordability issues by concentrating on supply-side cost reductions rather than demand-side income subsidies; invest in new methodologies and reconsider higher density developments.
- Set a target of 20 per cent of all housing stock to be social housing and achieve this through directly building more social housing and decentralising responsibility for social housing to Local Authorities.
- Increase the provision of 'Housing First' accommodation for families in emergency accommodation, with wraparound supports to include public health nurses, dieticians, speech and language therapists, physical therapists, and mental health workers.
- Introduce legislation to limit the length of time families can spend in Family Hubs and other emergency accommodation.
- Take a life-cycle approach to housing development and town planning.
- Invest in an equity scheme for borrowers in late state mortgage arrears of 10 years+.
- Introduce sanctions for local authorities who do not utilise funding available to provide safe, sustainable Traveller accommodation.
- Deal with vacancy and dereliction through the tax system and introducing Compulsory Sale Orders.

6.1 Key Evidence

Population Expansion

Population projections indicate that Ireland's demographics are due to shift from a relatively young population as it is now, to one with a significant proportion of older people by 2051 and is expected to grow considerably over the next 35 years (Hegarty, 2019). This expanding population needs accommodation that is suitable to their needs and supports both family formation and increasing age. In its Economic Letter – *Population Change and Housing Demand in Ireland,* the Central Bank of Ireland indicated that 27,000 houses were needed per annum between 2011 and 2019 (Confey & Staunton, 2019). Residential construction completions during this period averaged over 10,000 per annum (see Chart 6.1), implying a "significant degree of unmet housing need over this period." (Confey & Staunton, 2019, p. 14). Housing for All, the Government's new housing strategy, estimates demand at 33,000 homes per year, however this does not account for pent-up demand of approximately 90,500 homes due to years of underinvestment.

Current Housing Supply

Construction

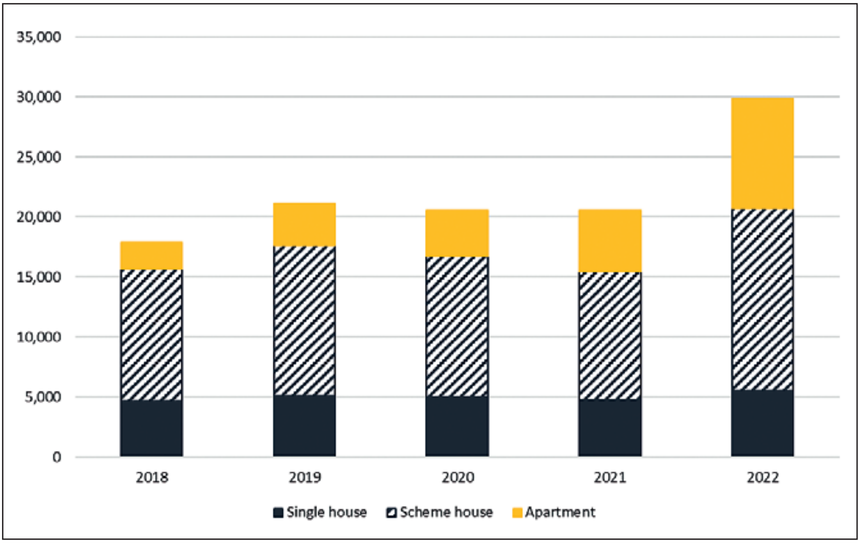
While new dwelling construction has increased since the low of 2013, in the five years to 2022, a total of 109,990 dwellings were built, resulting in an average of just 21,998 for each of the five years (Central Statistics Office, 2023a), less than the Rebuilding Ireland target of 25,000, in place up to September 2021, the Housing for All target of 33,000 per annum, or estimated demand of 35,000 per annum (Egan, Kenny, & McQuinn, 2022). Last year was the most successful in terms of completions, with almost 30,000 units built, compared to just over 20,500 in each of 2021 and 2020 (Chart 1).

In the last five years, 55.5 per cent of new dwelling completions were scheme houses, 22.7 per cent were single houses, and 21.8 per cent were apartments (Chart 6.1). Within that period, apartments increased from one out of every eight completions (12.5 per cent) in 2018, to more than three in ten (30.7 per cent). However, statistics produced by the Department of Housing, Local Government and Heritage indicate that by Q3 of 2022 planning permissions for apartments had dropped by 66 per cent (Department of Housing, Local Government and Heritage, 2023a).

In the same period, the proportion of new properties purchased by non-household purchasers has increased by 17.7 percentage points, from 24.7 per cent in 2018 to 42.4 per cent in 2022 (Chart 6.2).

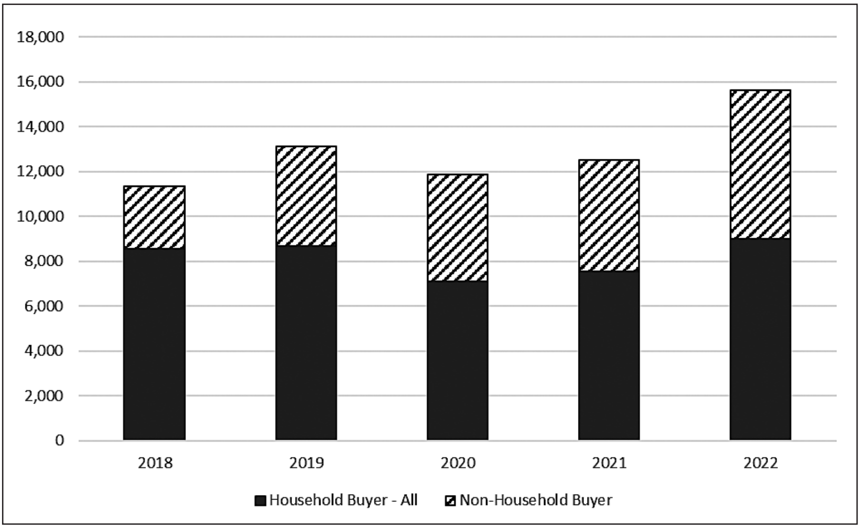
The Public/Education/Health sector accounted for more than 50 per cent of all non-household market purchase transactions of new properties between 2018 and 2022, declining from 59.7 per cent in 2018 to 52.7 per cent in 2022. The Financial & Insurance sector has increased its share from 8.1 per cent in 2018 to 29.5 per cent in 2022 (Central Statistics Office, 2023b).

Chart 6.1: New Dwelling Completions, by Dwelling Type, 2018 to 2022



Source: Extracted from CSO, New Dwelling Constructions by Type of House and Year, PxStat [NDA02]

Chart 6.2: New Dwelling Completions, by Purchaser Type, 2018 to 2022



Source: Extracted from CSO, Residential Dwelling Property Transactions, PxStat [HPA02]

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 Preliminary Figures from Census 2022, there were 166,752 (excluding holiday homes) vacant properties on Census night 2022. More than 30 per cent of vacant properties enumerated in 2022 were also vacant in 2016 (48,387), while nearly half of those (23,483) were also vacant on Census night 2011. While the overall figure represents a decrease in vacancy when compared to Census 2016, when the preliminary figures for each county are compared to the county breakdown of the Social Housing Needs Assessment 2022 there remains more vacant properties than households in need in every county, assuming the figures produced in the Summary of Housing Needs Assessment 2022 are correct, as discussed later in this Chapter. Reasons for vacancy are varied, however of the 166,752, more than 20 per cent (35,380) were rental properties, 27,489 were due to the death of the owner, and 23,748 were being renovated (Central Statistics Office, 2022).

It should be noted that the GeoDirectory Residential Buildings Report puts the number of vacant units at 83,662, with highest rates in Leitrim, Mayo and Roscommon (GeoDirectory, 2023). That same report indicates that there were 21,481 derelict properties across the country at December 2022. The highest proportion was in Mayo, followed by Donegal, Galway and Cork. The lowest rates of dereliction are in Wicklow, Carlow, and Louth.

So, there is anywhere from 105,000 to 167,000 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 of 3,500 properties to be brought back into use. The latest data from the Department indicates that of the 2,489 applications made by Q1 2022, just 244 leases were signed in respect of 308 properties (Department of Housing, Local Government and Heritage, 2022a). Less than one in ten applications resulted in a lease. This is clearly not working.

The Vacant Homes Action Plan 2023-2026 was published in January 2023 which restates the policies set out in the Housing for All Strategy, the Rebuilding Ireland Strategy, Our Rural Future, and Town Centre First (Department of Housing, Local

Government and Planning, 2023a). Budget 2023 introduced a Vacant Homes Tax on residential properties which are occupied as a dwelling for less than 30 days in a 12-month period, however given the difficulty in identifying a property as vacant, and the lack of enforcement capacity within Local Authorities, collecting this tax will be difficult.

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. Originally intended as a short-term measure, it has been extended in subsequent Budgets and is currently in place until the end of 2023. By December 2022, the total value of approved and pending claims was almost a quarter of a billion euro. More than one in three (34.4 per cent) of homes supported by the Help to Buy Scheme were in the €301-375,000 price range, with one in five (20.04 per cent) in the €376-450,000 range (Revenue Commissioners, 2023). This compares to 16.4 per cent and 10.6 per cent of all home purchases registered on the property price register respectively, and 28.6 per cent and 15.6 per cent respectively of new homes registered (Property Services Regulatory Authority, 2023).

In 2021 Government published the Affordable Housing Act 2021 and introduced 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 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 (Parliamentary Budget Office, 2022a). The cost of new dwellings rose by 10 per cent in the year to the end of Q4 2022, while the cost of existing dwellings rose by 8.3 per cent in the same period. Median prices are highest in Dun Laoghaire-Rathdown, at €630,000, and lowest in Longford at €151,500. Outside of Dublin, the commuter belt continues to demand the highest prices, with Wicklow commanding a median price of €421,500 and Kildare a median of €370,000 (Central Statistics Office, 2023c).

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 in 2021, this was revised again to the lower of the HICP or 2 per cent. However, rents continue to rise. According to the Residential Tenancies Board Rent Index Q2 2022, rents increased nationally by 8.2 per cent in the year to Q2 2022, and by 8.8 per cent in Dublin in this period (Residential Tenancies Board, 2022). Meanwhile, asking rents for properties advertised on Daft.ie increased by 13.7 per cent in the year to Q4 2022 (Lyons, 2023).

Cost Rental

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, discussed later in this Chapter, 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 11,754 people, including 3,373 children, accessed emergency homeless accommodation in the week 20-26 February 2023. Family homelessness has increased by 40 per cent (from 1,130 families in July 2016 to 1,609 in February 2023) since the beginning of the previous housing strategy, Rebuilding Ireland, and by 60 per cent since the introduction of Housing for All in September 2021. 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'." (Daly, 2019). This is unlikely to change with Housing for All. In July 2021, the Department of Housing, Local Government and Heritage reclassified dependents 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 (Irish Human Rights and Equality Commission, 2017). 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 (OCO) shows just how prescient IHREC's warnings were, as children as young as 10 describe their living conditions as being "like a prison" (Ombudsman for Children's Office, 2019). 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.

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.

At the other end of the lifecycle, the number of people aged 65 and above who are homeless has doubled since the introduction of Rebuilding Ireland (from 83 in July 2016 to 167 in February 2023), and increased by 30 per cent since September 2021, 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.

Homelessness is becoming normalised. According to the Homelessness Quarterly Progress Report (October to December 2022), 53 per cent of all single homeless households, similar to the year before, while 64 per cent of all family households accessing emergency accommodation had been doing so for more than six months, an increase from 58 per cent the previous year (Department of Housing, Local Government and Heritage, 2023b). The most recent rough sleeper count, taken in November 2022, showed 91 persons sleeping rough in Dublin over the course of the week of the count, down from 94 in October of the previous year.

In the breakdown of Specific Accommodation Requirements contained in the Summary of Social Housing Needs Assessments, the proportion of households citing homelessness as their basis of need increased from 10.7 per cent in 2021 to 11.6 per cent in 2022 (Housing Agency, 2023). There were 6,700 households in this situation in 2022, an increase of 40 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.

Financial Costs of Homelessness

While decreasing since its peak in 2019, between 2014 and 2022, €1.16 billion has been spent by Local Authorities on emergency accommodation alone. Expenditure in this area peaked in 2022, at €213 million, the highest since 2019 when it was €183 million, and an increase of almost five hundred per cent on the cost of emergency accommodation in 2014. This compares to a spend on homelessness prevention and tenancy sustainment of just €15.6 million (Department of Housing, Local Government and Heritage, 2023c). Budget 2023 increased spending on homelessness services. While this is currently necessary, inadequate resources are being allocated to homelessness prevention. In 2022, Local Authorities spent almost 14 times more on emergency accommodation than homelessness prevention.

Social Housing

The number of homes owned by Local Authorities was 141,483 at the end of 2021 (National Oversight and Audit Committee, 2022). A further c.45,000 were rented by Approved Housing Bodies (AHBs) (Irish Council for Social Housing, 2022). In total, less than 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) (Housing Europe, 2021).

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 (Norris & Hayden, 2018, p. 38). 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 (Parliamentary Budget Office, 2022).

Social Housing Needs Assessments and HAP

According to the Summary of Social Housing Needs Assessments 2022, there were 57,842 *households* on the waiting list for social housing, presenting as a decrease of 2.4 per cent on the previous year (Housing Agency, 2023). 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 61,907 households in receipt of HAP. This means that, as of 2022, there were 119,749 households in need of social housing based on the HAP and waiting list figures alone, representing an increase of almost 700 households on the previous year.

Mortgage Arrears

At the end of Q4 of 2022, there were 57,061 home mortgages (private dwelling house (PDH) and buy-to-let (BTL)) in arrears, with two thirds of these (37,612) in arrears of more than 90 days (Central Bank of Ireland, 2023). This represents a decrease on the same period in the previous year of 6.5 per cent of all mortgage accounts in arrears and 15.4 per cent of those in arrears of more than 90 days.

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 2022, non-bank entities owned 16 per cent of all PDH mortgage accounts and 57 per cent of all PDH mortgage accounts in arrears. This proportion increases with the length of time of the arrears, with non-bank entities owning one third of PDH mortgage accounts in arrears of less than 90 days, and 87 per cent of those in arrears of more than 10 years, a proportion that has increased by 10 percentage points on the previous year (Central Bank of Ireland, 2023).

Local Authorities

Of the 14,633 Local Authority mortgages active as of Q2 2022, 32.6 per cent were in arrears, representing 4,760 low-income households, 14.5 per cent of which are in arrears of more than 90 days (Department of Housing, Local Government and Heritage, 2022b).

The latest local authority repossession figures show seven forced and two voluntary repossessions in 2021, compared to one forced and five voluntary recorded in 2020 (Department of Housing, Local Government and Heritage, 2022c). The only option for these families is adequate social housing, which this and previous Governments have failed to provide.

Insolvency Supports

According to the Fourth Report of the Abhaile Scheme, for the year 2020, some 16,096 Personal Insolvency Practitioner (PIP) vouchers were issued between mid-2016 when the Scheme began and December 2020 (p.22). 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, 11,723 have been presented for payment. At €500 plus VAT of 21 per cent per voucher, this equates to a value of €7.3 million redeemed out of a possible €9.9 million. This figure does not include the cost of Legal Aid vouchers or of the Personal Insolvency Review process.

There are large caveats contained within the report about the quality of the data collection, making analysis of the outcomes unreliable. Outcomes data from the Insolvency Service of Ireland (ISI), for example, is projected for 2020. This report was published in 2022, raising questions of governance as to the monitoring of this multi-million-euro project. In addition, almost two-thirds (65.3 per cent) of solutions or trial solutions put in place, and almost three quarters (72.3 per cent) of the solutions in progress were informal arrangements not requiring the services of an insolvency practitioner (p26). This begs the question as to why this project continues to receive additional funding when a money advice service, MABS, providing debt support and advocacy has been in place since 1992.

Mortgage to Rent

Since its introduction in 2012, only 2,114 households have availed of the scheme out of a total of 6,636 cases (32 per cent) and a further 534 are being progressed. Even if all 534 were successful, that is still only two in every four applicants (albeit an improvement on previous years). Mortgage to Rent does not serve all counties equally with just eight Local Authority areas having more than 100 completed cases since 2015.

Mortgage to Rent has been reviewed twice, the first time in February 2017.[1] 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[2], 339 of the 498 cases (68 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.

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.

1 http://rebuildingireland.ie/news/changes-in-mortgage-to-rent-scheme/
2 www.housingagency.ie/housing-information/mortgage-rent-scheme

Private Rented Sector

Approximately 13 per cent of the population are living in private rented accommodation. According to the Central Statistics Office, there were 156,555 landlords registered in June 2021, and 276,945 tenancies (Central Statistics Office, 2021). That Report also refers to increase in the number of landlords whose primary sector classification is ‘Renting and operating of own or leased real estate’, which has seen steady increases since 2016. In July 2021, the RTB published a report on large landlords (Residential Tenancies Board and Amárach Research, 2021). 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.
>
> p.11

Notwithstanding an increase in large landlords, the latest Daft.ie Rental Report indicates that fewer than 1,100 homes were available to rent on their site in Ireland in February 2023 (Lyons, 2023), and a Snapshot Report published by the Simon Communities of Ireland found that the number of properties available to rent within the limits of the HAP payment decreased by 11.2 per cent from 757 in December 2022 to 672 available to rent at any price within the 16 areas studied in March 2023 (Simon Communities of Ireland, 2023).

In October 2022, Government introduced an “eviction ban”, a moratorium or deferment of no-fault evictions. Under the terms of the Residential Tenancies (Deferment of Termination Dates of Certain Tenancies) Act 2022 (the Act), which came into effect on the 29th October 2022, any tenancies which were due to be terminated between the 30th October 2022 and the 31st March 2023 were granted temporary relief. The termination notices served before these dates remained valid and in effect, the only difference being the date of termination, which depends on the length of the tenancy. There is an inherent unfairness in how these dates are applied, where the longest tenancies have the shortest deferment dates.

This Act was passed in the face of rising living costs and homelessness. One goes hand in hand with the other. If people do not have enough income to meet their basic needs, they begin to make choices with the income they have. This can be the choice of rent or heat; food or light. These are not easy choices.

When the Act was passed, the Minister for Housing, Darragh O'Brien T.D., stated:

> ...We are also conscious of the impact of such measures on landlords, particularly our smaller or 'accidental' landlords and that is why we are ensuring that where a tenant **wilfully** withholds rent or engages in anti-social or criminal behaviour they will not be protected by this legislation.
>
> Minister for Housing, Darragh O'Brien T.D. (emphasis added)

This would suggest that the Act was passed in the context of both the housing crisis and the cost-of-living crisis. The use by the Minister of the word "wilfully" in respect non-payment of rent indicates that the Act provides for circumstances where the non-payment of rent was not "wilful", but necessary. However, this is not provided for in the Act.

The Act states that the deferments do not apply to terminations by landlords "where there is a failure by the tenant to comply with one or more of his or her obligations under section 16 of the Act of 2004" (section 2, subsection 2 of the Act). Section 16 of the 2004 Act lists the 14 obligations of the tenant, the first of which is the payment of rent and charges etc. There is no provision for the financial hardship of the tenant. This is in stark contrast to a similar provision in the Residential Tenancies Act 2020, which imposed similar eviction deferments during the height of the COVID-19 pandemic, and specifically excluded tenants who breached subsections (h), (i) or (m) of section 16 of the 2004 Act relating to anti-social behaviour or a change of use.

Tenants who could not pay rent due to financial hardship during the pandemic were protected in 2020. In 2022, tenants who could not pay rent due to financial hardship during a cost-of-living crisis were not.

Private Rent and Poverty

According to the latest Survey on Income and Living Conditions, published by the CSO, renters have a higher poverty risk than both non-renters and the general population. The overall poverty risk in 2022 was 13.1 per cent. For renters, the at risk of poverty rate is 23.6 per cent. Once rent has been paid, more than half (51.3 per cent) of renters are at risk of poverty. Table 6.1 shows the at risk of poverty for different categories of renter both before and after rent payments.

Table 6.1: At risk of poverty rate (%) for different categories of renter, before and after rent payments, 2022

Category of Renter	At risk of poverty rate after rent and mortgage interest	At risk of poverty rate
Rented or Rent Free	51.3	23.6
Rent Free	40.4	40.4
Rented: from Local Authority	57.5	35.8
Rented: other forms of social housing support*	67.6	12.7
Rented: without housing supports	41.6	16.7

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

Note: *Such as Housing Assistance Payment (HAP), Rental Accommodation Scheme (RAS), Rent Supplement.

The SILC survey also finds that 14.9 per cent of tenants were in arrears with their rent at least once in 2022, with more than one in ten renters (10.4 per cent) in arrears twice or more in this period. More than two-thirds of renters (69.4 per cent) reported having difficulty making ends meet, with more than one in ten (10.5 per cent) reporting experiencing great difficulty (Central Statistics Office, 2023d).

The same survey estimates that 29.6 per cent of the population are living in rented or rent-free accommodation. More than 1.5 million people. 226,000 of these people are living in households with rent arrears, 158,000 in households which were in arrears twice or more, putting them at obvious risk.

Of that 1.5 million people living in rented or rent-free accommodation, over 1 million were having some difficulty making ends meet, with almost 160,000 experiencing great difficulty.

The decision by Government not to extend eviction deferment, decisions by Government not to adequately address the housing crisis, and decisions by Government not to provide an adequate income in consecutive Budgets is putting thousands of people at risk of homelessness.

Rent Inspections

Each Local Authority has a target of inspecting 15 per cent of rental properties in their area. In 2021, the number of private rented dwellings inspected was 17,594, a decrease of 22 per cent compared to 2020, and represents an inspection rate of about 6 per cent[3] (National Oversight and Audit Committee, 2022). This is down slightly on the 6.73 per cent of rental properties which were inspected in 2020. Of these tenancies inspected, between 27.14 per cent (Monaghan, an outlier) and 100 per cent (Galway County, Louth, and Waterford) were found to be non-compliant (National Oversight and Audit Committee, 2022). 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.

Accommodation for Persons with Disabilities

According to the Summary of Social Housing Needs Assessments, 5,521 households reported, as the Main Need for Social Housing Support, a household member as having an enduring physical, sensory, mental health or intellectual disability, or a need for accommodation on medical or compassionate grounds. This represents a decrease of 81 households compared to the previous year, however it should be noted that the number of households in need due to a mental health issue increased by almost 10 per cent in that period (Housing Agency, 2023). The number of households that referenced having specific accommodation requirements due to a physical, sensory, mental or intellectual impairment also decreased slightly from 3,881 in 2021 to 3,842 in 2022.

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 (Central Statistics Office, 2017), 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 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

[3] A note in the NOAC report refers to the lack of availability of tenancy data from the Residential Tenancies Board. The author has therefore based this calculation on the latest data available from the CSO for the period.

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. Budget 2023 increased funding for Housing Adaptation Grants by €67 million, building on moderate increases since 2015, and the total amount paid in respect of these grants in 2022 was €68.7 million in respect of 12,487 grants. An improvement on 2013, and a step towards restoration of 2010 levels (Table 6.2).

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 6.2: Housing Adaptation Grants, by Type, 2008-2022

	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
2022	5,999	24,258	4,684	38,085	1,804	6,375

Source: Department of Housing, Local Government and Heritage, Housing Statistics, Other Local Authority Housing Scheme Statistics, Housing adaption 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 (Central Statistics Office, 2017), 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 (Department of Housing, Local Government and Heritage, 2022d). 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 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. However, more than a year after its publication, it is concerning that there is no implementation plan or progress report from the Department.

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 eight per cent between 2019 and 2021. Almost two-thirds of Traveller families were accommodated by Local Authorities or Approved Housing Bodies, 16.1 per cent were accommodated in the Private Rented Sector, 7.5 per cent from within their own resources, 7.1 per cent in shared accommodation, and 4.2 per cent on unauthorised halting sites. With the exception of Local Authority / AHB accommodation, and accommodation provided from within their own resources, the number of Traveller households accommodated decreased in each of the remaining accommodation types (Department of Housing, Local Government and Heritage, 2022e).

In July 2019, the results of the Traveller Accommodation Expert Review were published (Traveller Accommodation Expert Review Group, 2019). 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. In its Programme Board Update, published in January 2023, the Expert Group noted progress in relation to ethnic identifiers for Traveller households, increased engagement between the Central Statistics Office and Department staff working with Travellers to ensure that the Census more accurate captured the characteristics of the Traveller population, and changes to the Social Housing Needs Assessment process. Progress was also noted in communicating with Directors of Service in Local Authorities to use their emergency powers to bypass problems with decision-making by elected members regarding Traveller Accommodation and the inclusion of Traveller Accommodation in Local Development Plans, as well as a review of funding allocations from the Department in respect of Traveller Accommodation (Traveller Accommodation Expert Group, 2023). These are all very welcome, however there are a significant number of actions that have yet to be progressed, with some reviewed as "Future Work Programme" within the Expert Group's review. Of particular concern in this regard is the failure to implement an ongoing programme of equality monitoring of arrangements for allocating social housing to assess their impact on Travellers and other vulnerable populations; ensuring that any new national level agency or authority would incorporate a role in monitoring statutory plans and referrals, as necessary, to the Office of the Planning Regulator; the lack of regulations or guidelines for Regional Assemblies and Local Authorities to ensure consistency and integration of the Traveller Accommodation Programme and the Housing Strategy section of Development Plan preparation and development management processes; and delays with the review and reform of reporting arrangements for spending by Local Authorities of allocations for Traveller Accommodation.

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.

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 (Irish Human Rights and Equality Commission, 2021). 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. In 2020, the Department of Housing, Local Government and Heritage ceased the practice of allocating specific budgets to individual Local Authorities and implemented a new allocation process following a review of arrangements for the disbursement of funding provision and related supports for Traveller specific accommodation. Since then, Local Authorities can apply for and draw down funds throughout the year (Burke, 2022). While the table of drawdowns provided in response to a Parliamentary Question raised by Deputy Róisín Shortall TD in September 2022 has the names of the Local Authorities concerned redacted, it would appear that while the full central allocation was drawn down in both 2020 and 2021, the funding was not drawn down by every Local Authority.

6.2 Key Policy Reforms

The housing system in Ireland has become characterised by profit and privatisation: private developers building on State land; private landlords receiving large subsidies to provide "social housing solutions"; private operators of emergency accommodation; and private investment in short-term, high-yield lettings. This is a policy failure. *Social Justice Ireland* welcomed many aspects of the Housing for All plan, as a considerable improvement on its predecessor, however there are still policy gaps through which the very marginalised may fall. To this end, we have a series of policy recommendations which we strongly urge Government to adopt.

Encourage the Right Supply

Increasing supply is an instinctive response to a housing crisis. However, all supply is not made equal. Changes to building regulations which allowed for lower standards in buy to rent properties to make them viable for investors has led to substandard accommodation not intended for long-term housing. Housing for All commits to increasing the housing stock by 33,000 units per year, to reach a total increase of 156,000 over the life of the strategy. We highlighted the inadequacy of this response at the time the Strategy was published, recent reports suggest that the Housing Commission developed research indicating that between 42,000 and 62,000 units were required annually to 2050 (Horgan-Jones & Burns, 2023). Furthermore, development must be affordable and sustainable and seek to provide long-term homes, rather than short-term investment opportunities.

Increase Affordability

The Government's response to generations who cannot afford to buy or rent a home is to concentrate on demand-side subsidies. The Help to Buy and Affordable Home Equity Scheme artificially inflate the incomes of first-time buyers to enable them to reach a market price that would otherwise be unattainable. This is a tacit acknowledgement that housing is unaffordable, while also maintaining those unaffordable prices. This support should be tapered and withdrawn.

There are a number of supply-side initiatives that would help to reduce house prices and make them actually affordable:

- Open up procurement so that developers could come together to bid for materials and buy in bulk, thereby reducing unit costs. The LDA may have a role in coordinating and facilitating this procurement.
- Investigate the use of "delivery labs" such as those used in some parts of the United States and Saudi Arabia which bring together all stakeholders – industry experts, analysts, communities, builders and developers. To this end, we welcome Enterprise Ireland's new €5 million Construct Innovate Technology Centre; TU Dublin's Build Digital initiative; and Enterprise Ireland's Build to Innovate Programme. To avoid duplication and waste, these should be centrally coordinated.
- Demand full transparency from developers through the development of a developer / builder register that requires them to publish costs.
- Increase investment in Solas's new Housing Modern Methods Demonstration Park and invest in new methodologies, such as modular homes; greater use of timber frame houses; and a reduction on the reliance on concrete. This will also fit in with our environmental obligations under the National Reform and Resilience Plan as concrete is very carbon intensive and bad for the environment. These methodologies are also easier to scale as some or all of the units can be built off site and shipped to location.
- Reconsider density, not as up, but as out. It is possible to have high density, low-medium rise.
- Focus the apprenticeships provided for in Housing for All on new methodologies, so that there is a mix of practical experience and class-based learning. Driving change here will not only support a transition to these new methodologies but provide a cutting-edge construction workforce.
- Waive some or all construction levies for developers, conditional on the full waiver applying to house prices. This could begin in areas with greater

increases in house prices – Dublin City, Fingal and the Border counties, or could be linked to Our Rural Future and incentivise building in towns and villages.

Build More Social Housing

As discussed in this Chapter, Ireland's social housing supply is less than 9 per cent of our housing stock. According to Housing Europe, this is at odds with many of our European counterparts (Housing Europe, 2021). *Social Justice Ireland* proposes that Government set a target that 20 per cent of all housing stock be social housing by 2030. This would equate to an additional 232,800 social housing units to be delivered in the next eight years. Housing for All commits to just 90,000 but lacks clarity over how 42,500 of those could be delivered within the plan. The current need, based only on the social housing waiting lists, HAP tenancies, RAS tenancies and households in receipt of Rent Supplement is over 157,000. This does not account for households leaving Direct Provision; new households fleeing war; households in refuges for Domestic Abuse; the majority of the homeless as currently counted; or all of the homeless not currently counted within official data (as would be counted under an ETHOS typology proposed by FEANSTA). It also does not take account of future demand, averaging 27,500 per year.

This would also require a winding-down of housing subsidies which have been proven not to provide sustainable homes and, instead, to exacerbate inflation in the private rented sector.

Building homes where they are needed the most requires decentralising control to Local Authorities, allowing them to control the development in line with their county development plans which have been subject to extensive consultation with their communities. Local Authorities can also develop at cheaper rates, with average construction cost of a 2-bed of €230,300 and a 3-bed of €214,076 in 2020. To achieve these lower costs, Government must make State land available for development, acting on the report of the Land Development Agency which suggests that at least 60,000 homes could be built on State lands (Beesley, 2023), and restrict the sales of State land suitable for residential development to private developers.

Government needs now to invest in capital projects to provide social housing and associated infrastructure. The change in classification of Tier 3 Approved Housing Bodies (AHBs), to inside the general government sector, means that local authorities and AHBs could pool their full property portfolios for the purpose of accessing low-cost credit. The European Investment Bank has committed to funding social housing projects in Ireland, included in the €291.3 million infrastructure package committed in 2018. A pool of approximately 195,000 rented properties between local authorities and AHBs would likely attract lower lending rates, so that differential rents, which traditionally do not cover costs associated with the provision of housing, could service more of the loan.

The ring-fencing by Local Authorities of rents received and any sale proceeds from tenant-purchase schemes should also be considered. Rather than forming part of the general local authority budget, money received should be dedicated to the maintenance and development of local authority housing. In their 2018 Report, Norris and Hayden (2018) recommended that local authorities freeze any tenant purchase schemes to maintain local authority housing stock and redesign the schemes so that former tenants can only sell their home back to the local authority. In the context of a national emergency, these are all areas which should be explored and implemented.

Homes Not Hubs

As seen earlier in this Chapter, the homelessness crisis is showing no sign of abating. Family homelessness has risen exponentially and, with private rent inflation, persistent mortgage arrears and lack of construction of social housing, it is likely that this crisis will continue to deepen. *Social Justice Ireland* welcomed the commitment in Housing for All to the eradication of homelessness by 2030 but were disappointed that this did not extend Housing First beyond vulnerable adults to families experiencing homelessness. In Budget 2023, Government committed increased funding to providers of emergency homeless accommodation, rather than homelessness prevention. In its policy statement, IHREC recommended an amendment to section 10 of the Housing Act 1988 to limit the amount of time a family may spend in Family Hubs as well as other forms of emergency housing, a similar regime as in Scotland and something that *Social Justice Ireland* has been advocating for. This would then allow for the expenditure allocated to Family Hubs to be used to support the Housing First programme.

A Lifecycle Approach to Housing Delivery

Housing type mix is just as important as volume, allowing people to stay within their communities as their housing needs expand and contract over time. One bedroomed apartments located close to home for young people starting out, larger houses then as people start families and back to smaller sized houses as they age and their household contract. And all within the same community allowing for ties and links to services and supports to be maintained.

To this end, *Social Justice Ireland* calls on Government to revisit the Building Regulations with liveable communities in mind. While Buy to Rent is a business and investment opportunity, producing cheaper and lower standard housing, it is also a tenant's home. In the event of another market crash, these may have no other option but to stay in these properties, properties with no obligation to have amenities such as creches, car parking spaces, balconies and so on. We also call for the acceleration of rezoning for "over the shop" accommodation for residential use, something that we note is considered in Housing for All.

Older people and people living with disabilities have a range of needs, from the very minimal to the very complex in care. The first step is the winding down of congregated settings, which needs to accelerate to minimise the harmful effect on people currently accommodated there. The next step is then the provision of alternative accommodation which takes account of a person's, and their carer's, needs. Housing design for older people and people living with disabilities should incorporate a life-cycle approach to ensure that those with deteriorating conditions can continue to live a life with dignity and in their own home for as long as possible. This approach would see the adoption of Universal Design principles in the development of housing responses, as committed to in the Government's policy statement on housing for our older population (Government of Ireland, 2019).

Introduce an Equity Scheme to Deal with Long-term Mortgage Arrears

As discussed earlier in this Chapter, while both Personal Insolvency Arrangements and Mortgage to Rent will support some households in arrears, the number of mortgages in arears of more than 10 years is increasing. *Social Justice Ireland* proposes that Government develop a fund to take an equity stake in homes with mortgage arrears of 10 years+. Government is not averse to taking equity in private homes, as has been demonstrated by the Shared Equity provisions in the recently passed Affordable Housing Act, 2021. Our proposal would see the State use the Shared Equity model to support those who need it most to avoid homelessness.

Increase Access to Traveller Accommodation

The primary issue relating to the lack of suitable Traveller accommodation is not that funding is not being made available, as is the case in other areas of housing policy, but (apart from 2020) that this funding is not being utilised by the Local Authorities tasked with providing this accommodation. Stakeholder reviews have been undertaken to identify the type of accommodation most suitable and preferable for Travellers, however it is the 'implementation gap' identified in a 2018 Oireachtas Spotlight report (Visser, 2018) that is creating the barrier. This would involve expediting the many areas outlined by the Expert Group in its recent Progress Report and could extend to the development of a specific Traveller Accommodation Strategy, such as that published in Northern Ireland (Housing Executive, 2021).

As with other areas of housing policy, realistic targets should be developed for local authorities to provide Traveller families with safe, suitable accommodation. Discrimination and bias among elected representatives must be challenged and sanctions imposed on Local Authorities who do not access funding to meet developed targets.

Address Vacancy

There are between 105,000 to 167,000 vacant and derelict properties across Ireland. In order to tackle this issue, we must first be able to quantify it with some accuracy. We need new ways of mapping vacant dwellings, such as that piloted in Wallonia, using utility connections and activity. Vacancy and dereliction should be dealt with together as one can very quickly become the other.

Replace the current vacancy taxes with a Site Value Tax (see Chapter 4). This would be a better solution as it is applicable immediately to all sites, zoned or otherwise, and could generate revenue straight away. This would also simplify the land tax system.

In addition to the Zoned Land Tax to address hoarding, Government must increase resources to Local Authorities to enforce the Derelict Site Levy and allow for Local Authorities to apply for judgement mortgages to enforce accumulating unpaid sums, which could then be used to well-charge the property, allowing the Council to take it into possession. The Derelict Site Levy needs to be very clearly defined and set at a far higher rate than the current 7 per cent.

Finally, we propose the use of Compulsory Sale Orders (CSOs) alongside Compulsory Purchase Orders (CPOs) to compel the sale of vacant and derelict sites. CSOs were proposed by the Scottish Land Commission in their proposal to Government in 2018 and compel the owner of a property or site to sell it at open auction to the highest bidder. This is more cost effective for the Local Authority as it requires administration, rather than full purchase, costs.

6.3 Key Policy Priorities

Social Justice Ireland believes that the following policy positions should be adopted in addressing Ireland's housing and homelessness crisis:

- Encourage the right type of supply and reduce reliance on the Build to Rent sector.
- Address affordability issues by concentrating on supply-side cost reductions rather than demand-side income subsidies; invest in new methodologies and reconsider higher density developments.
- Set a target of 20 per cent of all housing stock to be social housing and achieve this through directly building more social housing and decentralising responsibility for social housing to Local Authorities.
- Increase the provision of 'Housing First' accommodation for families in emergency accommodation, with wraparound supports to include public health nurses, dieticians, speech and language therapists, physical therapists, and mental health workers.
- Introduce legislation to limit the length of time families can spend in Family Hubs and other emergency accommodation.
- Take a life-cycle approach to housing development and town planning.
- Invest in an equity scheme for borrowers in late state mortgage arrears of 10 years+.

- Introduce sanctions for local authorities who do not utilise funding available to provide safe, sustainable Traveller accommodation.
- Deal with vacancy and dereliction through the tax system and introducing Compulsory Sale Orders.

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Chapter seven

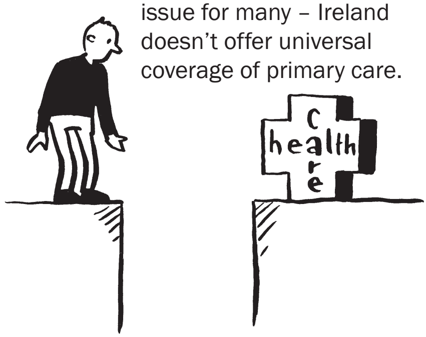
Chapter 7
Healthcare

Core Policy Objective:
To provide an adequate healthcare service focused on enabling people to attain the World Health Organisation's definition of health as a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity.

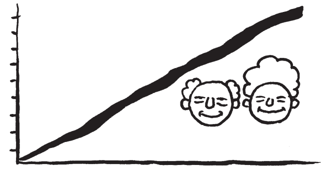
Key Issues/Evidence

Health = a state of complete physical, mental and social wellbeing and must be seen as so.

Access to healthcare is an issue for many – Ireland doesn't offer universal coverage of primary care.



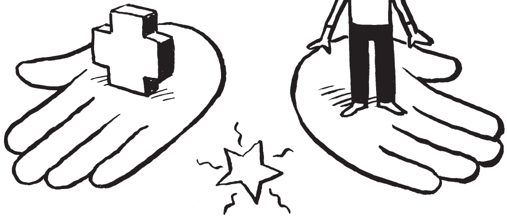
Ireland has one of the worst waiting list times in Europe.

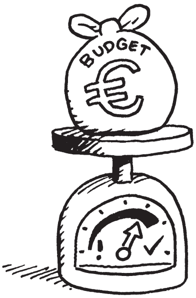


Our population is growing and it is ageing which means we need a different approach to healthcare – one we can access in our communities, close to home.

Policy Solutions

Increase the availability and quality of Primary Care and Social Care services.

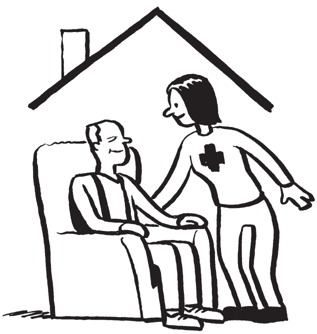




Ensure that additional resources committed for the development of the healthcare system during the pandemic are retained and used to implement Sláintecare.

Ensure medical card coverage for all people who are vulnerable.

Create additional respite care and long-stay care facilities for older people and people with disabilities and provide capital investment to build additional community nursing facilities.



Create a statutory entitlement to Home Care Services.

Institute long-term planning and investment in the sector, acknowledging the impending demographic changes in Ireland, to ensure that we can cope with these changes.

7.

HEALTHCARE

Core Policy Objective: HEALTHCARE

To provide an adequate healthcare service focused on enabling people to attain the World Health Organisation's definition of health as a *state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity*.

Healthcare services are important in themselves and to economic success in a range of ways. People should be assured that they can access treatment and care in times of illness or vulnerability, a key element of our Wellbeing Framework for a new Social Contract outlined in Chapter 2. The standard of care significantly depends on the resources made available, which in turn depend on the expectations of society. In recent years, the COVID-19 pandemic has highlighted both the vital role of healthcare in society and the serious shortcomings of our healthcare system. As argued elsewhere, it must also be a starting point for major changes in our approach to healthcare.

This Chapter outlines some of the major considerations *Social Justice Ireland* believes Government should bring to bear on decision-making about the future of our health service.

In summary, if healthcare is to meet the standard set out here in the years ahead, *Social Justice Ireland* believes that Government needs to shift to a model that prioritises primary and social care that would:

- Increase the availability and quality of Primary Care and Social Care services.
- Ensure medical card-coverage for all people who are vulnerable.
- Create a statutory entitlement to home care.
- Create additional respite care and long-stay care facilities for older people and people with disabilities and provide capital investment to build additional community nursing facilities.

- Institute long-term planning and investment in the sector, acknowledging the impending demographic changes in Ireland, to ensure that we can cope with these changes.
- Ensure that additional resources committed for the development of the healthcare system during the COVID pandemic are retained and used to implement Sláintecare.

7.1 Key Evidence

Changing Demographics

In Ireland, the population grew by an estimated 7.6 per cent since the 2016 Census (reaching 5.1 million people in 2022) (Department of Health, 2022a). The population is growing across regions and age groups, with the most significant growth amongst older age groups. Thus, although Ireland's population is young in comparison to other European countries, it is ageing. For example, the population aged 65+ increased by 35 per cent since 2013, which is considerably higher than the EU average increase of 17.3 per cent (Department of Health, 2022a). Population growth is particularly marked amongst people aged 85+ whose numbers are projected to increase by 149.8 per cent, 2022 to 2042, while the projected percentage change amongst those aged 0-14 years is a decrease of 12.6 per cent (Department of Health, 2022a).

Ageing populations represent increased longevity, a success story that is to be welcomed. But significant increases, particularly in the numbers of people who are amongst the oldest old, will result in increased numbers living with long-term illness or disability, which must be planned for using an appropriate model of healthcare. The 2016 Census (CSO, 2017b) demonstrates a strong link between disability and increased age: in 2016, over 220,000 people aged 65+ experienced disability, representing 35 per cent of that age group and also 35 per cent of the overall population with disabilities. Thus, reports from the ESRI project increased demand for health and social across all sectors to 2030 (in home care, long-term and intermediate care and in hospital beds/inpatient services) (Wren *et al,* 2017; Keegan *et al*, 2018).

Access, Waiting Times and Expenditure on Healthcare

Ireland remains the only western European country without universal coverage for primary care and strong inequalities in access persist (OECD, 2019b; OECD & WHO, 2021). Ireland's health system ranked 22nd out of 35 countries in 2018 but on the issue of accessibility, Ireland ranked *worst* (Health Consumer Powerhouse, 2019). That report notes that even if a waiting-list target of 18 months were reached, it would still be the worst waiting time situation in Europe. Quality of health care is considered generally good by the European Observatory on Health Systems and Policies, but access to services is constrained by costs and waiting times (OECD & WHO, 2021).

Irish hospitals are working at near full capacity. The number of hospital beds in 2019 (2.9 per 1,000 population) was the third lowest in the EU (OECD & WHO, 2021). Pre-COVID-19, hospitals frequently ran at 95 per cent occupancy rates – above the capacity considered safe (OECD & WHO, 2021). A high utilisation rate of hospital beds can be a sign of hospital efficiency, but it can also mean that too many patients are treated at secondary care level (OECD/European Union, 2020).

Official statistics suggest that an enormous 602,832 people were waiting for an outpatient appointment in November 2022 while 80,232 people were waiting for treatment as an in-patient or day case, with further numbers of people on other waiting lists (National Treatment Purchase Fund, 2023). Among people waiting for an outpatient appointment, those waiting 18+ months numbered 106,047 people while 8,213 people were waiting 18+ months for an inpatient/day case appointment (see Table 7.1.). The COVID-19 pandemic is likely to have contributed to the numbers on the waiting lists in recent times. However, as Table 7.1. shows, there have been very high numbers on waiting lists over many years.

Table 7.1: Waiting Lists for Outpatient and Inpatient/Day Case, 2014-2022

	Dec 2014	Nov 2016	Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022
Outpatients							
Total waiting	385,781	440,629	515,360	563,410	612,576	636,695	602,832
Waiting 18+ months	20,474	29,478	88,361	105,502	156,955	165,266	106,047
Inpatient/Day Case Active Waiting List*							
Total waiting	63,105	81,103	70,989	66,594	72,843	75,740	80,232
Waiting 18+ months	566	4,001	5,413	4,577	8,629	11,686	8,213
Other Lists:							
The following numbers were listed on other lists (adults and children, Nov. 2022): **Inpatient/Day Case To come in:** 18,971; **Inpatient/ Day Case Planned procedures:** 17,094; **Planned Procedure GI Endoscopy:** 77,463; **Suspensions** including Inpatient/Day Case/Outpatient/Planned procedures: 55,915.							

Source: National Treatment Purchase Fund website.
*People waiting for an appointment date for their treatment are categorised as 'Active'

Ireland's complex two-tier system for access to public hospital care means that private patients have speedier access to diagnostics and treatment, while those in the public system can spend lengthy periods waiting for first appointments with specialists and for treatment. It is often people who are poorest, sickest and those with disabilities who find it hardest to pay charges, to negotiate access, and who must wait longer for care (Burke, 2016). While 46 per cent of the population has private health insurance, about 20 per cent has neither private health insurance nor a medical card (OECD & WHO, 2021). Even relatively low user-charges can operate as barriers to access and lead to financial hardship for very poor households, and there is a high degree of income inequality in unmet need for prescribed medicines in Ireland, with disparities between the richest and poorest being particularly large relative to dental care (Johnston et al, 2020). More affluent people visit a dentist more – two-thirds (66 per cent) of the *Very affluent* group compared to half (50 per cent) of the *Very disadvantaged* group visited the dentist in the previous 12 months (ages 15+) (CSO, 2020). The European Health Interview Survey (EHIS) shows that unmet need for prescribed medicines in Ireland is on average more than twice as high as the EU average and more than twice as high among people with the least education than those with the most (Johnston et al, 2020). The medical card system protects many households from financial hardship, but poorer households are still disproportionately likely to experience financial hardship, and protection has been eroded over time (Johnston et al, 2020).

Eurostat publishes self-reports of unmet needs for medical care. When we look at reasons associated with problems of access (*could not afford to; waiting list; too far to travel*) in Ireland the rate was 2 per cent (for those aged 16+ in 2021) (Eurostat online database hlth_silc-08). However, low-income groups are most affected: 3.5 per cent in the lowest income quartile, contrasting with 1 per cent in the highest (again for those aged 16+ in 2021). When considering other survey instruments, such as the EHIS, Ireland had the *second highest* rate of unmet needs for medical care due to cost, waiting times or travel distance among EU countries in 2014, at 40.6 per cent, substantially higher than the EU as a whole (26.5 per cent) (OECD & WHO, 2021). These differences may be explained by differences in the methodologies used by each instrument.

Total health care spending as a percentage of Irish Gross Domestic Product (GDP) was 7.1 per cent in 2020 (the latest year for which data are available from the Central Statistics Office (CSO, 2022a). However, as a percentage of Modified Gross National Income (GNI*[1]), total health expenditure in Ireland was 12.7 per cent in 2020, which compares with the OECD average of 9.7 percent of GDP (CSO, 2022b). Between 2019 and 2020 health expenditure increased by 11 per cent, mostly related to COVID-19 spending (CSO, 2022b). The Department of Health (2022a) suggests that Ireland's total current health expenditure (in 2020) ranks joint 4th, equal to France, using modified GNI* as a comparator with GDP from other countries. This position remains at 4th when looking at public expenditure only.

1 Modified GNI is an indicator recommended by the Economic Statistics Review Group designed to exclude globalisation effects that are disproportionally impacting the measurement of the size of the Irish economy.

Government financing accounted for 79 per cent of total health expenditure in 2020 (see Table 7.2). The proportion of expenditure from private/voluntary health insurance schemes was 11 per cent, but almost half of the Irish population has in-patient health insurance as mentioned already. The share of spending between the classification groups had been stable up to 2019; however the COVID-19 pandemic resulted in an increased share of spending by government (CSO, 2022b). The Irish Fiscal Advisory Council (2021) estimates that just maintaining current health services in real terms could cost an additional €1.4 billion each year (2022 to 2025) due to price pressures and the ageing of the population.

Table 7.2: Ireland: Breakdown of Current Expenditure on Health, 2020

Source of Financing	%
Govt. spending	79
Private/Voluntary Health Insurance	11
Household Out-of-Pocket Payments	10

Source: CSO, 2022b: System of Health Accounts for Ireland

Another issue is that healthcare costs tend to be higher in countries that have larger populations of older people, and Ireland currently has a relatively low median population age, although, of course the proportion of the population that is older is growing rapidly, as already discussed. People aged 65+ in Ireland make up 14.8 per cent of the population (2021) while the EU average is 20.8 per cent. See Table 7.3. Notwithstanding these demographics, per capita spending on long-term care in Ireland is relatively high - 20 per cent higher than the EU average (in 2019) (OECD & WHO, 2021).

Table 7.3: EU and Ireland, some Population Comparisons, 2021

2018	Ireland	EU-27
Median age of the population	38.5	44.1
Proportion aged 65+	14.8	20.8
Proportion aged 85+	1.7	2.9

Source: Eurostat Online Database demo_pjanind.

Growth in public spending on health since 2014 has been driven by acute hospitals, increased staff numbers and growth in medicine costs (Johnston et al, 2020 citing report from Department of Public Expenditure and Reform, 2018). While cross-country comparison of healthcare expenditure is challenging, analysis suggests that Ireland's apparent high ranking in an international context is driven by relatively high prices for healthcare delivery, particularly salaries, rather than due to the volume of care delivered (Keegan et al, 2020). International comparison suggests that spending on inpatient care and long-term care in Ireland is relatively high (OECD & WHO, 2021). However, an ESRI report suggests that certain care currently delivered in hospitals could, in line with Sláintecare proposals, be more appropriately delivered in the community if there were increased investment in community care (Keegan et al, 2020).

Before the onset of COVID-19, the Irish public hospital system was operating under pressure from population growth and ageing, and as a result of cuts to bed capacity in the preceding decades (Keegan et al, 2020). According to the European Observatory on Health Systems and Policies, the pandemic exposed health system weaknesses – in particular, shortage of health workers in the public sector and low intensive care unit capacity in public hospitals, and it also revealed some strengths in responding to crises, including the ability to develop technological solutions and to mobilise additional funding rapidly for health reform, health workforce and hospital resources (OECD & WHO, 2021). The successful delivery of the COVID-19 vaccination programme illustrates the ability of systems to respond in a coordinated way, adapt as challenges emerge and to successfully implement a complex programme countrywide.

Thus, the COVID-19 pandemic highlighted shortcomings in our healthcare system and also demonstrated how vital an integrated public system of care is. It must be a starting point for major changes in our approach to healthcare. We cannot return to a two-tier healthcare system. Access to healthcare based on need, not income, should remain an important aim for Ireland's healthcare system. Furthermore, investment in a reconfigured model of healthcare is overdue, one that emphasises primary and social care. The period ahead is one where there is a unique opportunity to implement significant reform. It is important to ensure that the additional resources committed for the development of the healthcare system to deal with the COVID-19 pandemic are retained and sustained, and used throughout 2023 and beyond to fully implement Sláintecare.

7.2 Key Policies and Reforms

In the rest of this Chapter, we focus mainly on healthcare policies and how they address specific groups and issues. We first outline some context for the discussion that follows as to how health is impacted by poverty and inequality and how the model of healthcare in Ireland is problematic.

Poverty, Health and Life-Expectancy

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 (OECD, 2019). 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 (OECD/European Union, 2020). Internationally, poor people have had higher rates of COVID-19 infection and death, and income inequality itself also worsens outcomes (WHO, 2021).

A range of studies provide concerning evidence relative to inequality and health in Ireland. The OECD (2019b) 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 (OECD, 2019a). 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 (Growing Up in Ireland, 2013).

The Irish Health Survey (CSO, 2020) 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. Thus, disadvantaged people report higher levels of having a long lasting condition – 29 per cent of *Very disadvantaged* persons compared to 22 per cent of *Very affluent* people. 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. Overall, life expectancy is continuing to increase, currently standing at 84 years for women and 81 years for men (Department of Health, 2022a). As in many countries, life expectancy is higher for women than men, but in Ireland this gap has narrowed in the past decade. These are positive developments. The COVID-19 pandemic resulted in unprecedented reductions in life expectancy in EU countries in 2020 and 2021 (OECD/European Union, 2022). Ireland was amongst the EU countries that had the smallest fall in life expectancy, at -0.2 years, which was well below the average reduction in life expectancy (of -1.2 years) (EU-27, 2019-2021) (OECD/European Union, 2022). However, official statistics suggest that life expectancy in Ireland differs based on socio-economic background (CSO, 2019). 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.

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 (2022a: 5) acknowledges that Ireland faces significant challenges in this area and that inequalities in health are closely linked with wider social determinants, including living and working conditions and access to services, trends which, taken together with an ageing population, '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 (discussed already). 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 (WHO & European Observatory on Health Systems and Policies, 2014) and austerity policies followed leading to continuous cuts to staff and budgets alongside increasing demand for care (Burke *et al*, 2016).

It is well known that problems with overcrowding in emergency departments are a regular feature of the Irish system. The Irish Nurses and Midwives Association (INMO, 2023) document that over 121,318 patients, including 2,777 children, went without a bed in Irish hospitals in 2022, the worst year for hospital overcrowding on record. 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 national survey of patients conducted in May 2022 found that 5,278 people (71.1 per cent of those answering this question), said that they waited more than six hours before being admitted to a ward; amongst them, 334 people (4.5 per cent) reported waiting 48 hours or more (National Care Experience Programme, 2022).

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 aged 65+ have unmet needs for care, as do 34 per cent of disabled adults (Privalko *et al*, 2019). It has been highlighted that many hospital admissions could be avoided in Ireland (especially for chronic conditions like Asthma and COPD) if there were improvements in primary care (OECD 2019b; OECD & WHO, 2021). 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. While we welcomed measures in Budget 2023, such as cost of living measures, notably the expansion of GP Visit Cards, and the commitment to expanding the health service workforce, we regret that Budget 2023 did not make the necessary investment in Enhanced Community Care and expansion of GP and Practice Teams to support delivery of primary and community based care. While recognising the additional resources, we highlight again the lack of transparency in information available that makes it difficult to establish if funds provided to maintain existing services and COVID-19 pandemic expenditure are sufficient within the overall allocation. As noted already, the additional resources committed for the development of the healthcare system during the COVID pandemic should be retained and now fully rolled out to implement Sláintecare. Budget 2023 failed to allocate the resources required to invest in public healthcare in order to deliver the modern, responsive, integrated public health system that the Sláintecare report envisages. Reform will require investment *before* savings can be made. Not undertaking the required prior investment will mean that recurring problems illustrated above, and in the rest of this Chapter, will continue and will be exacerbated as our population ages.

7.3 Key Policy Priorities

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 the lengths of stay in acute hospitals on the part of older people, and hospital stays are shorter in Irish counties that are better supplied with these services (Walsh *et al*, 2019). There is evidence of unmet need for home care and consequent reliance on residential care. For example, 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 (Privalko *et al*, 2019). Furthermore, the European Commission (2022) has highlighted how, in 2020, relative to other countries, a high proportion of the population was not working because they were engaged in caring responsibilities, which also suggests a high level of unmet needs, especially in home care, concluding that such unmet needs are likely to result in more expensive institutionalised care. Challenges of recruitment and retention in the care sector are well recognised, in Ireland as well as in other countries, against a background of increasing need for care. A Department of Health (2022c) report notes rising demand for home support services and that 38 per cent of such services are delivered directly by the HSE, while 62 per cent are delivered indirectly (by commissioning from not-for-profit and for-profit providers) (July 2022). In addition, the report notes that a significant proportion of care-workers providing home-support are themselves older people, with 42 per cent being aged 60 and over. This is likely to exacerbate existing workforce shortages in the years to come.

Approximately 80 per cent of nursing homes are privately operated (Department of Health, 2022b). Amongst the issues that the COVID-19 pandemic highlighted was fragmentation in how long-term care is provided and the relative detachment from the health service of private nursing homes (see Houses of the Oireachtas Special Committee on COVID-19 Response, 2020). Shortcomings in the response to COVID-19 within long-term care settings, especially in 2020, and the high levels of deaths of residents, should 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 HSE Annual Report for 2021 suggests that 20.4 million hours of home support (combining home care packages and home help but not intensive home care packages) were delivered to some 55,000 people (HSE, 2022a). As Table 7.4 shows, this represents and increase on the previous year and further increases were projected for 2022. People supported by the NHSS (Fair Deal) scheme in 2021 numbered approximately 22,296 (approximately 3.4 per cent of people aged 65+), a proportion that has been relatively static over recent years. A pilot scheme commenced in 2021, in four pilot sites to inform the development of the Statutory Home Support Scheme.

However, the HSE acknowledges that demand for home support exceeds levels 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+ (HSE, 2021b: 45). In September 2022, 6,255 people were assessed and waiting for a new or increased service because no care-workers were available to provide this (HSE, 2022d).

Table 7.4: Support to Older People in the Community and in Nursing Homes

	2018	2019	2020	2021	2022** rojected)
Home Support					
People in Receipt	53,000	51,345	52,881	55,043	55,675
Hours delivered	17.13m	17.48m	17.5m	20.4m	23.67m
Hours Delivered for testing Statutory Home Support Scheme					170,000
Intensive Home Care Packages					
People in Receipt	250	188	149	115	235
Hours Delivered	406,000	376,665			360,000
NHSS (Fair Deal) funded places					
Numbers of People	23,305	23,629	22,755^	22,296^^	22,412
% of 65+ population (approx.)	3.5	3.3	3.3^	3.4	3.5

Source: HSE Annual Report and Financial Statements (2012 – 2021).
**Figures for 2022 are the projected out-turn drawn from the HSE Service Plan for 2022 (HSE, 2022c)
^These figures comes from HSE Management Data Report, Jan 2021
^^HSE Performance Profile, Sept-Dec 2021, which also states that when adjusted for clients 'not in payment', there were 23,335 places supported under the scheme.

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 underinvestment. *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. To this end, Government should expedite the investment of the €500 million infrastructure allocation set out in 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 (Department of Health, 2016). 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, each serving a population of 50,000, and consisting of between 4-6 primary care teams. The CHNs are to be supported with Community Specialist Teams for older people and in respect of chronic disease. There are also 91 Children's Disability Networks (CDNs) to be established to align to the 96 CHNs (HSE, 2021b).

Social Justice Ireland acknowledged the continued commitment to CHNs in Budget 2023, but expressed concern as to whether sufficient funding has been provided to maintain progress.

Moving towards a more community based model will require prioritisation of enhanced community care and greater transparency about their planning and roll-out. 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 €200 million is needed to support the infrastructural development and rollout of Community Health Networks. This investment should be allocated towards the further expansion of the Enhanced Community Care Programme to alleviate pressure on acute services and ensure treatment is provided at the appropriate level of need and towards expanding the number of GP and Practice Teams in line with the shift towards Primary Care & Community Based services envisaged in Sláintecare and in providing universal access to GP care.

Children and Family Services

Even though Ireland's population is ageing rapidly, it is still a young population in which those aged 14 years and under represent over one fifth (20 per cent in 2021), contrasting with an EU average of 15.1 per cent (Eurostat online database demo_pjanind). The United Nations Committee on the Rights of the Child has issued a report (2023), in which they commended Ireland on the introduction of some laws and policies concerning children. However, the Committee voiced serious concerns about children's access to healthcare in Ireland and about children's mental health services. The Committee's recommendations include extending the free general practitioner scheme to all children and addressing barriers faced due to the two-tier health system. There is clearly an urgent 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 is its proposed extension to those aged 6-7. However, older children are not yet included. Budget 2023 committed to invest in supports for GP practices, which will be essential if the additional demand is to be met. The passing of legislation to abolish overnight and day case public inpatient charges for children is also welcome. However, hospital waiting lists remain a significant issue for children. As of 30 June 2022, more than 100,000 children were on hospital waiting lists, more than 1 in 3 of whom were waiting longer than a year (Ombudsman for Children's Office, 2022). The Ombudsman for Children's Office (2022) highlighted problems exacerbated by the COVID-19 pandemic, including not only waiting lists, but also increased in referrals to children's mental health services and to child protection and welfare services, and reduced levels of respite services for children with disabilities. These include the fact that, at the end of 2021, more than 30,000 children were waiting longer than a year for community health services, such as psychology, physiotherapy, occupational therapy, speech and language therapy, ophthalmology, audiology, dietetics and Child and Adolescent Mental Health teams (CAMHS) (Ombudsman for Children's Office, 2022).

Another area of concern relates to delays in assessments of need of children with disabilities[2]. The Ombudsman for Children's office (2022) highlighted adverse effects that delays in obtaining assessments and corresponding services are having on children's health and development, that 2,531 assessments were outstanding in June 2022, while over 17,000 in Ireland were awaiting a first contact from a Child Disability Network Team (CDNT) at the end of May 2022.

Turning to mental health issues, the establishment of specialist Child and Adolescent Mental Health teams (or CAMHS) was committed to in a national policy from 2006. However, there have been service deficits, delays and problems with staffing, funding and implementation in this area over many years. In December 2019, numbers of staff in CAMHS teams nationally (698, of whom 602 were clinical) represented 57.5 per cent of clinical staffing levels recommended in the 2006 policy (HSE, 2020). The Mental Health Commission (2023) highlights a series of problems with the operation of CAMHS, including issues with prescribing of medication, and children 'lost' within the system (that is, children who did not have an appointment often for up to two years), as well as long waiting lists and unacceptable variations in care.

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2 An assessment of needs is arranged by the HSE to determine the health or educational services required by a person with disabilities.

Waiting lists for CAMHS can be significant; children on the waiting list numbered 3,818 in September 2022 with 407 waiting for 12+ months (HSE, 2022d). Also, 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. The COVID-19 pandemic compounded weaknesses in child protection services (Child Care Law Reporting Project, 2021), and it may also have negatively affected mental health of children and young people. In fact, a report in the *Growing up in Ireland* study (2022) with people aged 25 suggests that as a result of the COVID-19 lockdown restrictions, 13 per cent of respondents felt they had missed out on mental health support, while 4 per cent felt they had missed out on medical care. Furthermore, routine and urgent referrals for child and adolescent mental health care increased between 50 and 180 per cent, September-November 2020, compared to pre-pandemic levels (McNicholas *et al*., 2021). This needs to be a priority area for policies in the future.

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 (Central Statistics Office, 2017a). Public policies on disability have been set out in many documents including the 2004 *National Disability Strategy* (and its 2013 implementation plan) and the *National Disability Inclusion Strategy*, 2017-2021. The HSE developed the *Transforming Lives* programme intended to build better services. 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.

Issues have already been highlighted, above, 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 healthcare, community and home supports. Approximately a quarter of disabled people report unmet healthcare needs due to waiting times, compared to a State average of 14 per cent (CSO, 2020). And, as highlighted already, research suggests that that 34 per cent of disabled adults have unmet needs for home care (Privalko *et al*, 2019). That report also found that compared with other countries, adults with disabilities in Ireland receive relatively little formal home care. In addition, almost 1,500 younger people with disabilities were found to be residing in nursing homes in Ireland, in part because community supports are inadequate (Pierce et al., 2018).

A report commissioned by government estimates that people with disabilities face average annual costs of disability ranging from €9,482 to €11,734, and some face considerably higher costs (Indecon, 2021). Additional expenses related, amongst other things, to health needs – for equipment, aids and appliances, medicines and care and assistance. *Social Justice Ireland* regrets that Budget 2023 did not move to introduce an ongoing cost of disability payment despite the findings of that report. If people with disabilities are to be equal participants in society, the extra costs generated by disability should not be borne by them alone. 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.

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. Budget 2023 committed extra funding for disability services, which *Social Justice Ireland* welcomed. However, we are concerned that this is insufficient to meet the current unmet needs for residential and day services as well as the significant waiting lists for children services. 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.[3]

Obesity and Chronic Illness

Preliminary data internationally suggests that, during the COVID-19 pandemic, an increase in sedentary lifestyles and consumption of unhealthy foods may have contributed to increases in overweight and obesity (Department of Health, 2022c). This comes on top of a situation where rates of overweight and obesity are already high and are higher in Ireland than in most other EU countries (OECD, 2019b). This poses an increasing challenge, with one in five children and almost 60 per cent of the adult population living with overweight or obesity according to the Healthy Ireland survey (with 37 per cent of those aged 15+ being overweight and a further 23 per cent being obese) (Department of Health, 2019). Furthermore, these high rates have remained consistent over several years (2015-2019) (Department of Health, 2019). Obesity is linked to increased risk for many non-communicable diseases and is the leading risk factor for disability (Department of Health, 2022c). People living in deprived areas are more likely than those living in affluent areas to be overweight or obese (65 per cent and 55 per cent, respectively) (Department of Health, 2019). Among people aged under 35, 50 per cent of people living in deprived areas are overweight or obese, compared to 37 per cent of those living in affluent areas (Department of Health, 2019). Ireland experiences high levels of both obesity and food poverty (Irish Heart Foundation and Social Justice Ireland*,* 2015).

Social Justice Ireland called for a Sugar Sweetened Drinks Tax and welcomed its introduction in 2018 and we have also called for an investment financed by the

3 Other disability related issues are addressed throughout this review.

Sugar Sweetened Drinks tax to develop effective obesity prevention programmes and meet the targets in the Obesity Policy and Action Plan 2016-2025. A mid-term assessment of this plan showed areas of high levels of implementation, while also highlighting areas of limited action (Department of Health, 2022c). It is concerning that levels of obesity have stabilised rather continued to decline and that the COVID-19 pandemic may have caused this situation to worsen.

Mental Health

The area of mental health is one requiring urgent attention as outlined in respect of children's mental health services, above. Anxiety and depression significantly increased in all EU countries during the COVID-19 pandemic, affecting young people, especially young women and those facing financial difficulties (OECD/European Union, 2022). This has led to international calls for bold actions to respond to mental health issues (OECD/European Union, 2022).

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 (OECD, 2018). Cross-country comparisons are difficult, as people living in countries with less stigma and easier access to services, may be diagnosed more easily. However, the estimated prevalence of mental health disorders is relatively high in Ireland compared with other European countries, yet spending on mental health (as a percentage of GDP) is relatively low (OECD, 2018).

In December 2019 there was a total of 1,753 staff in the General Adult Community Mental Health Service (1,541 Clinical), which represents 77.1 per cent of the clinical staffing levels recommended in the 2006 policy roadmap *A Vision for Change* (HSE, 2020). More than 15,000 people (children and adults) were waiting for treatment from a psychologist in September 2022 with over 5,000 waiting for over a year (HSE, 2022d).

Furthermore, many mental health facilities have been neglected, which this means that mentally ill people receive treatment in unsuitable centres (Mental Health Commission, 2021; 2022a). The Mental Health Commission notes that, while there have been some new centres build in recent years, this issue requires a targeted national capital plan (2022b). The Commission also highlights problems with conditions and lack of access to rehabilitation in 24-hour supervised community residences accommodating people with mental health issues (Mental Health Commission, 2022b). Another issue is continued lack of development of community mental health rehabilitation services, with many areas of the country having no access to rehabilitation services (rehabilitation meaning an approach to recovery that maximizes quality of life and social inclusion) (Mental Health Commission 2022b). It is clear that 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 *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 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) (Mental Health Commission, 2021). 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 (Mental Health Commission, 2021). 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 (Mental Health Commission, 2021).

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 and they are also a diverse group. Around 55,000 people in Ireland are living with dementia, and this is expected to almost treble (to 157,883) within thirty years (National Dementia Office & Department of Health, 2018). 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 (Cahill *et al.,* 2015). A National Dementia Strategy published in 2014 committed to prioritise areas that include intensive home care supports, GP education, and training and dementia awareness. An external evaluation of the strategy (IPSOS MORI/UCC, 2019) found that further implementation is complicated due a lack of commitment to further funding, with consequent potential for dementia care to be de-prioritised. This situation is totally inadequate to meet the needs of a rapidly ageing population where so many areas that already 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. Statistics from the CSO for 2021 (which are still provisional) suggest that the overall rate was 8 per 100,000 people in 2021 and this was a slight decrease on the rate for

2020 (9.3 per 100,000 people) (CSO, 2022c). The numbers affected were 399 people – 302 males, 97 females (again, based on provisional figures for 2021).

While it can be challenging 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 (of 32 countries); 9th highest for ages 15 to 19 (of 30 countries); 16th highest for ages 50 to 54 (of 31 countries); and lowest for ages 85+ (of 28 countries) (National Office for Suicide Prevention, 2022). 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 *Connecting for Life Strategy* identifies as amongst the groups with an increased risk of suicidal behaviour: young people aged 15-24, people with mental health problems of all ages, people with alcohol and drug problems, people bereaved by suicide, and prisoners.

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 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.

7.4 Key Policy Priorities on Healthcare

Factors highlighted throughout this review will have implications for the future of our healthcare system, including projected ageing of our population. As an ESRI report concluded, two decades of rapid population growth, a decade of cutbacks in public provision of care and a consequent build-up of unmet need and demand for care, will require additional expenditure, capital investment and expanded staffing and will have major implications for capacity planning, workforce planning and training (Wren *et al.*, 2017).

As already mentioned, *Social Justice Ireland* welcomed the recognition within Sláintecare that Ireland's health system should be built on foundations of primary care and social care. The COVID-19 pandemic has highlighted shortcomings in our healthcare system across a range of areas and also demonstrated how vital an integrated public system of care is. We cannot return to a two-tier healthcare system and access to healthcare based on need, not income, should remain an important aim for Ireland's healthcare system. Furthermore, investment in a reconfigured model of healthcare is overdue, one that emphasises primary and social care. In the context of our past mistakes, it is important that Ireland begins to plan for this additional demand and begins to train staff and construct the needed facilities. It is also necessary for leadership that communicates the need to invest in reform now so that the necessary services are in place to enable us to afterwards shift to a different model of care that emphasises primary care more. We need to ring-fence the COVID costs incurred in the period 2020 - 2022 for the investment required, financed with a very long-term low-interest loan provided by the EU and the European Central Bank (see chapter 2).

The following is a summary of key policy priorities and actions that *Social Justice Ireland* recommends:

- Ensure that announced budgetary allocations are valid, realistic and transparent and that they take existing commitments into account.
- Complete the roll-out of the Community Health Networks across the country and thus increase the availability and quality of Primary Care and Social Care services.
- Ensure medical card-coverage for all people who are vulnerable.
- Act effectively to end the current hospital waiting list crisis.
- Create a statutory entitlement to Home Care Services. This will require increased funding, but will save the State money long-term, as home support allows people to remain living in their own homes, rather than entering residential nursing care.
- Create additional respite care and long-stay care facilities for older people and people experiencing illness/disabilities and provide capital investment to build additional community nursing facilities.
- Commit to the implementation of a comprehensive approach to addressing dementia.
- Increase educational campaigns promoting health, targeting particularly people who are economically disadvantaged, acknowledging that a preventative approach saves money in the long-run.
- Properly resource and develop mental health services, and facilitate campaigns giving greater attention to the issue of suicide.
- Adopt a target to reduce the body mass index (BMI) of the population by 5 per cent by 2025.
- Work towards full universal healthcare for all. Ensure new system structures are fit for purpose and publish detailed evidence of how new decisions taken will meet healthcare goals.
- Enhance the process of planning and investment so that the healthcare system can cope with the increase and diversity in population and the ageing of the population projected for the next few decades.
- Ensure that structural and systematic reform of the health system reflects key principles aimed at achieving high performance, person-centred quality of care and value for money in the health service.

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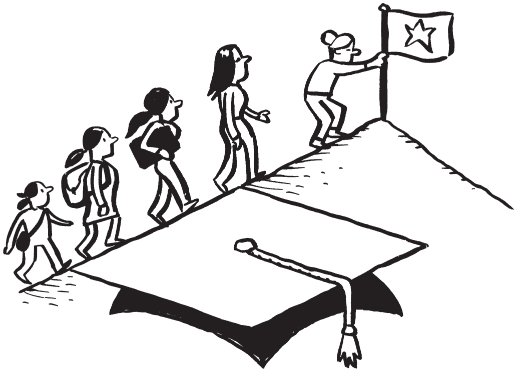
Chapter eight

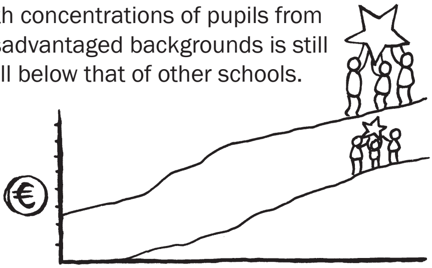
Chapter 8
Education and Educational Disadvantage



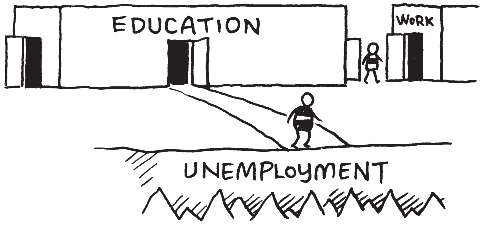
Core Policy Objective:
To provide relevant education for all people throughout their lives, so that they can participate fully and meaningfully in developing themselves, their community and the wider society.

Key Issues/Evidence

Despite some progress, the achievement of pupils in schools with concentrations of pupils from disadvantaged backgrounds is still well below that of other schools.

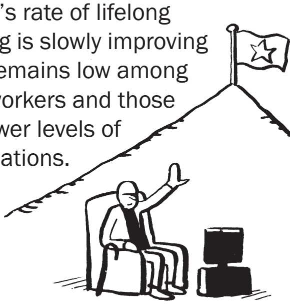


The longer a person stays in education the more likely they are to be in employment. The risk of unemployment increases considerably the lower the level of education.

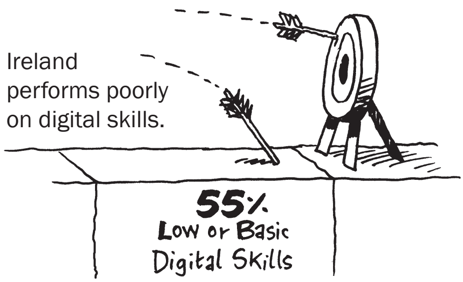


Ireland has the third lowest expenditure on ECCE for 3 to 5 year olds in the OECD.

Ireland's rate of lifelong learning is slowly improving but it remains low among older workers and those with lower levels of qualifications.

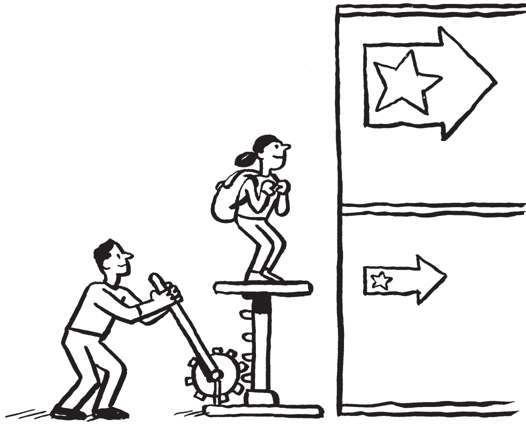


Ireland performs poorly on digital skills.

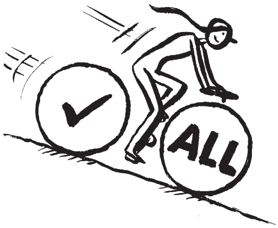


Policy Solutions

Commit to reducing class sizes and pupil teacher ratios at primary and post primary level by 1 point per annum to 2030.

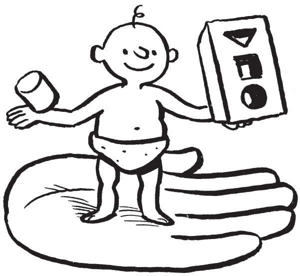


Make the improvement of educational outcomes for pupils from disadvantaged backgrounds and disadvantaged communities a policy priority.

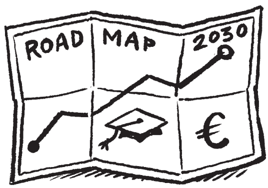


Fully resource ‘Adult Literacy for Life’.

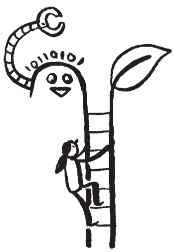
Revise our lifelong learning target to reach 20 per cent by 2026, ensuring sufficient resources are made available.



Commit to increasing investment in Early Childhood Care and Education by 0.1 per cent of GDP annually to reach 1 per cent of GDP by 2027.



Publish a funding roadmap for the higher education sector to 2030.



To meet the digital and green transitions develop an integrated skills development, vocational training, apprenticeship and reskilling strategy.

8.

EDUCATION AND EDUCATIONAL DISADVANTAGE

Core Policy Objective: EDUCATION & EDUCATIONAL DISADVANTAGE

To provide relevant education for all people throughout their lives, so that they can participate fully and meaningfully in developing themselves, their community and the wider society.

The impact of education, particularly to improve the lives of the most disadvantaged, cannot be overstated. It is a Constitutionally-protected right for all and contributes to the well-being of our citizens.

Access to appropriate education and skills development from early years to adulthood is one of the key public services that enables participation in society, public life and the labour market.The potential impact of digital transition on the labour market makes access to education and training throughout adulthood a priority. It forms a key element of our Framework for a new Social Contract outlined in chapter 2.

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

To achieve this core policy objective in the years ahead, *Social Justice Ireland* believes that policy should:

- Make the improvement of educational outcomes for pupils from disadvantaged backgrounds and disadvantaged communities a policy priority, with additional resources focused on addressing the persistence of educational disadvantage.

- Commit to increasing investment in Early Childhood Care and Education by 0.1 per cent of GDP annually to reach 1 per cent of GDP by 2027;
- Commit to reducing class sizes and pupil teacher ratios at primary and post primary level by 1 point per annum to 2030.
- Revise our lifelong learning target to reach 20 per cent by 2026, ensuring sufficient resources are made available.
- To meet the digital and green transition challenges, develop an integrated, multi-generational skills development, digital transition, vocational training, apprenticeship and reskilling strategy.
- Fully resource 'Adult Literacy for Life' by increasing the adult literacy budget to €100 million by 2030, including €25 million to improve ancillary and support services.
- Publish a funding roadmap for the higher education sector to 2030.

8.1 Key Evidence

Education in Ireland – enrolments

According to the Department of Education there were just over 1,155,681 full-time students in the formal Irish education system for the academic year 2022/2023. At primary level there are 549,189 students, at second level there are 406,457 students and 200,035 students are at third level (Department of Education, 2022 & 2023). Numbers at primary level peaked in 2019 and are projected to decline to a low of 440,551 by 2033 and rise again thereafter reaching 474,888 enrolments by 2040 (Department of Education, 2021b). At second level, enrolments have risen by eight per cent over the past five years and are projected to rise sharply in the coming years, peaking in 2024 with 408,794 pupils, and falling gradually thereafter (Department of Education, 2021b).[1] In terms of employment, there are 72,496 teachers working at primary and second level (Department of Education, 2023). At third level, the number of students is expected to increase annually between 2018 and 2030, peaking at 239,148 fulltime enrolments (Department of Education, 2022).[2]

A reduction in student numbers does not necessarily mean a corresponding reduction in expenditure. The publication of a technical paper on developing a teacher demand and supply model is a useful first step in planning to meet current and future demands (Department of Education, 2021c). A surplus of teachers at

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1 There are significant regional variations within the projections at primary and post primary level.

2 This is the projected enrolment from the S0 low scenario – one of four models used to project enrolments.

primary and post primary level is projected in 2036 if no actions are taken now. Potentially we can implement policy instruments now to reduce our class sizes (particularly at primary level), reduce pupil teacher ratios, and ensure that demand and supply are managed appropriately. It is important that as student intake changes, existing resources are used to address persistent challenges within the education system such as pupil teacher ratios and addressing educational disadvantage which persists in our education systems. In addition, mitigating the impacts of Covid induced school closures, especially for students already experiencing disadvantage requires a long-term response beyond the Covid Learning and Supports Scheme launched in 2021 and wound down in 2022. The impacts of interrupted learning will follow young people through their time in the education system (Social Justice Ireland, 2021).

While expenditure on education has increased in recent Budgets, it is worth noting that this increase in expenditure has been necessary to simply keep pace with existing demand, there are still areas within our education system which require reform and further resourcing. Government should use these projections to ensure that our education system has all the resources that it requires to meet our national ambitions, current and future needs and to address the challenges outlined in this chapter.

Expenditure on Education

Expenditure on education in Ireland is not keeping pace with the increased number of students. Between 2010 and 2015 expenditure per student decreased by 15 per cent in primary to post-primary non-tertiary education and by 21 per cent in tertiary education while the number of students increased by 9 per cent and 13 per cent respectively (OECD, 2018:4). Increased funding capital and current expenditure on education announced in the most recent Budget, while welcome, is insufficient to both meet current and future demands and address the previous shortfall. Ireland ranks in last place out of 36 developed countries for investment in education as a measure of our gross domestic product (GDP), according to latest OECD data. In 2019, Ireland spent 3.2% of GDP on primary to tertiary educational institutions, which is 1.7 percentage points lower than the OECD average. Across levels of education, Ireland devoted a lower share of GDP than the OECD average at both non-tertiary and tertiary levels. (OECD, 2022). Notwithstanding the challenges associated with GDP, it is clear that the adequate resourcing of education across all levels remains a concern.

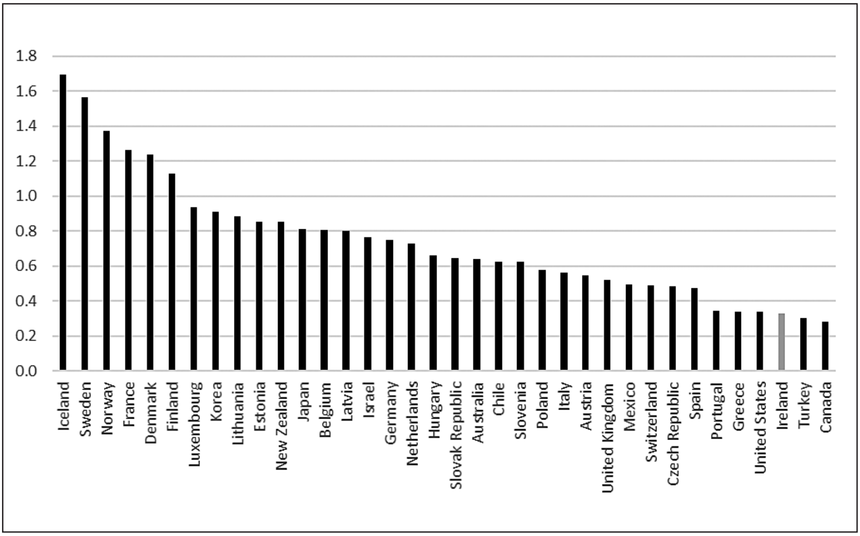
It is clear that a significant increase in funding is required if Ireland is to have a high-quality education system that provides relevant education and training throughout the lifecycle.

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 (OECD, 2019) along with relatively low Government investment, low wages for educators and high fees for consumers (Oireachtas Library Research Service, 2020).

Looking at expenditure on education on early childhood education and care olds in the OECD, Ireland had the third lowest amount of expenditure at 0.3 per cent of GDP (see Chart 8.1) despite a trebling of public investment in childcare programmes between 2011 and 2016. In comparison, Iceland, Norway and Sweden spent between 1.4 and 1.7 per cent of GDP.

Chart 8.1: Public expenditure on early childhood education and care, as a % of GDP, 2019



Source: OECD (2023).

Early childhood is the stage where education can most effectively influence the development of children and help reverse disadvantage (European Commission, 2011). Pupils who had access to quality early childhood education perform better on PISA[3] testing than those who did not attend pre-primary education, even allowing for differences in their socio-economic backgrounds (OECD, 2016:233).

3 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.

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 (Oireachtas L&RS, 2020). 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 (Early Childhood Ireland, 2020). A review of Early Years Education published by the Department of Education and Skills (2018) 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'(Government of Ireland, 2018) 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.

Primary Level

Ireland has a pupil teacher ratio (PTR) at primary level of 13.2 (the EU average is 13.6) and an average class size of 22.8 (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 policies to mitigate the impact of interrupted learning in 2020 and 2021 due to the COVID-19 pandemic and those designed to support the integration of Ukrainian students fleeing war into Irish schools. As of 1 March, there were 14,931 Ukrainian pupils enrolled in schools across Ireland, 9,560 at primary level and 5,281 at post-primary. Resources must be available on an ongoing basis to for schools to support and integrate this new cohort of students.[4]

The number of children with special needs at primary level in Ireland increased by 56 per cent between 2017 and 2011 (Department of Education 2023). 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 in recent years is the number of children with special educational needs on short school days.

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4 https://www.gov.ie/en/press-release/618ca-department-of-education-confirms-14931-ukrainian-pupils-currently-enrolled-in-irish-schools/

One in four children with an intellectual disability or developmental disability has been put on a short school day (Brennan & Browne, 2019) which has a detrimental impact 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[5] 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 (Government of Ireland, 2021).

Previous Action Plans for education focused on the need to address the disparity between DEIS[6] bands by increasing literacy and numeracy levels in DEIS Band 1 schools with a target improvement rate of between 27 and 42 per cent by 2020. The final evaluation of the Action Plan for Education (DES, 2019b) is not available, but this target did not demonstrate sufficient ambition to really effect change. A Consultation is currently underway on a new literacy and numeracy strategy for young people and it is important that ambitious targets, with a particular focus on DEIS schools are included. In terms of policy, the focus must be on keeping average class sizes below 20 (as per Education Research Centre (ERC) findings discussed in this chapter), 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.

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5 PIRLS (Progress in International Reading Literacy Study) is an international assessment of reading achievement of fourth class pupils.

6 Delivering Equality of Opportunity In Schools

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 4th 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 (Gilleece, 2020). 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 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 (McKeown et al, 2019). 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 (Gilleece, 2020).

- 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 (ERC, 2021). 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* 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 proposed reform of the senior cycle and leaving certificate deliver a truly student-centred approach in the second-level education system and address the issues of inequities of access, participation and achievement ((NCCA, 2021).[7]

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 (McCoy et al, 2019). 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

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

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 (Weir and Kavanagh, 2019).

It is clear the disadvantaged students will suffer greater impacts due to the disruption that COVID-19 caused to learning (Social Justice Ireland, 2021). 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.

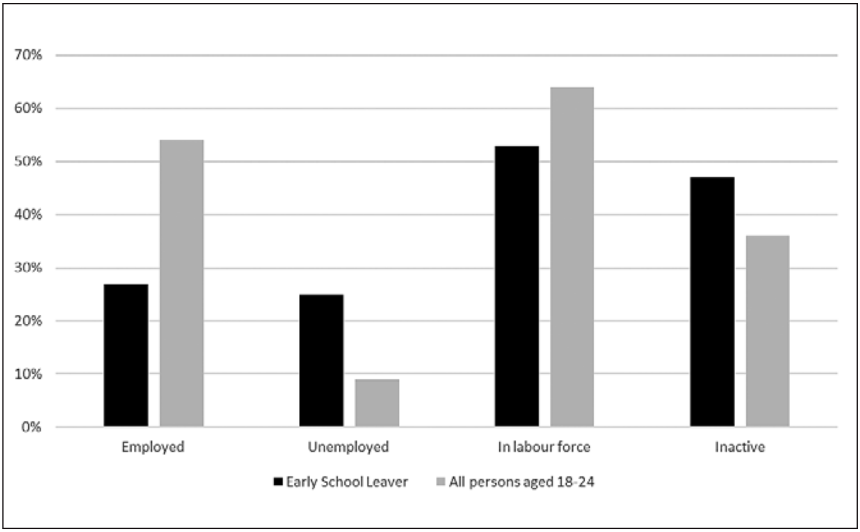
Early School Leaving

Early school leavers are persons aged 18 to 24 whose highest level of educational attainment is lower secondary or below and are not currently in education. Ireland had the joint second lowest early school leaving rate in the European Union in 2021 at three per cent, compared to the EU average of 10 per cent. This downward trend of early school leaving is a welcome development and Ireland surpassed the national target set under the Europe 2020 Strategy. Females are less likely than males to be classified as early school leavers, and in 2022 almost one third of early school leavers aged 18-24 were not economically active (CSO, 2022).

CSO data shows that (see Chart 8.2) 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 (2019b) 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 (OECD, 2019b), it is important that this cohort are not left behind.

A wide range of access options to education and training is pertinent when it comes to dealing with the issue of early school leaving.

Chart 8.2: Labour Market Status for Early School Leavers and total population 18-24 year olds Q2 2019



Source: (CSO, 2019).

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 disruption to education and employment opportunities will likely make it more challenging for the younger generation to maintain quality jobs and income in the long-term (OECD, 2020b). 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 7.6 per cent (Department of Education 2023). Government must work to ensure that schools in disadvantaged areas are supported to bring the rate of early school leavers to below 8 per cent towards the national rate of 4 per cent by 2026. 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 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 16 percentage points higher for degree holders than for those with an upper secondary or post-secondary non-tertiary education (OECD, 2022). 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 (HEA, 2020:129). 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.[8] The challenge posed by this intergenerational transmission of disadvantage are outlined in recent research. An OECD report on education in Ireland (OECD 2018) 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 (2020b) 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.

Higher Education

Full-time enrolment in higher education has increased by almost 33 per cent in the last decade to 200,035 students (DES, 2023) and numbers are projected to

8 http://www.oecd.org/skills/piaac/Ireland.pdf

reach 239,148 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 report on tertiary Education Funding in Ireland (PBO, 2019), 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.

The final report of the Expert Group on Future Funding of Higher Education in Ireland (2016) 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.[9] Without certainty regarding funding, the necessary reforms and innovations required in further and higher education will not succeed. Following an economic evaluation of these funding options by the European Commission, Government published the long-awaited 'Funding the Future' a funding and reform framework for higher education in 2022. In the strategy Government commits to a multi-funded model of additional Exchequer investment and employer contributions through the National Training Fund to fund the higher education system. Student loans will not form part of the future funding model and the strategy also commits to gradually reducing student contributions. The strategy identified an immediate core funding gap of €307 million in the sector.

This gap (based on a technical assessment of an Economic Evaluation of sector which indicated that €317m of additional funding would be needed per student cohort to reinstate a sustainable level of core funding) is the increase in funding which the Department of Further and Higher Education, Research, Innovation and Science and the Department of Public Expenditure and Reform have determined is required to deliver enhanced performance, strategic reforms and strengthened quality of outcomes. The report indicates that this funding gap of €307m will be closed over a number of budgets, but a timeframe is not specified. This means that the sector will continue to experience a shortfall in required funding over a

[9] https://www.iua.ie/publications/iua-budget-submission-2020/

number of years at least. The €307m gap does not take account of funding that will be required for:

- future demographic increases;
- pension costs;
- implementation of future pay and industrial relations agreements;
- implementation of certain reform measures for the higher education sector including those related to the Technological University transformation agenda.

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 (2018) 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.

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 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 (SOLAS, 2020), 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/ reskilling 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 (Government of Ireland, 2021) 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

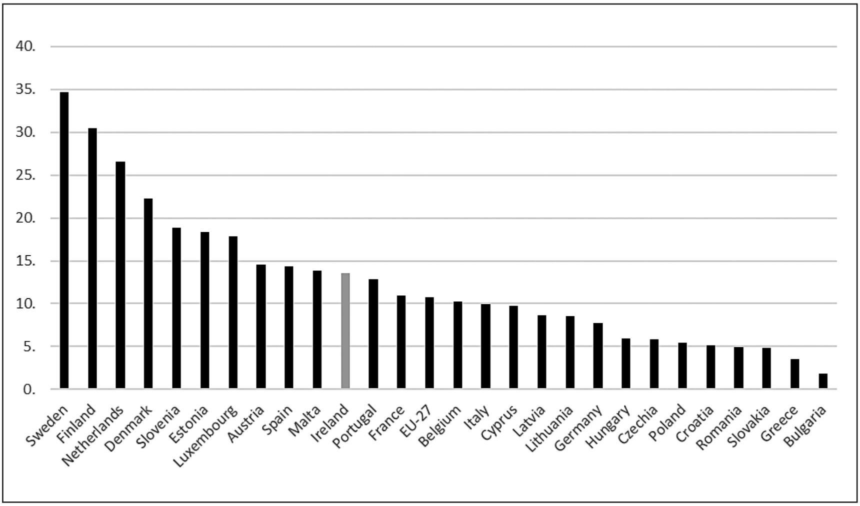
Lifelong learning has an important contribution to make to people's wellbeing, to creating a more inclusive society and to supporting a vibrant and sustainable economy (Department of Education and Skills, 2017). The non-vocational element of lifelong learning and community education also brings major 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.[10] 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. 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.

Ireland's lifelong learning participation rate is slowly improving, it rose to 13.6 per cent in 2021 (see Chart 8.3). Our national target is to reach 15 per cent by 2025 as set out in the National Skills Strategy. Lifelong learning rates vary greatly by age and educational attainment, with 20 per cent of those aged 25-34 engaged in lifelong learning compared with 8 per cent of those aged 55-64 (SOLAS, 2022). 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 with sub targets for older workers and those with lower levels of qualifications. With more people working for longer, and in the context of current unprecedented labour and skill shortages, there is a pressing need to ensure that the talents and skills of a multigenerational workforce are resourced and developed, particularly those of older workers (OECD, 2023). Issues relating to costs, and age discrimination in accessing training must be addressed.

10 https://www.cso.ie/en/releasesandpublications/er/aes/adulteducationsurvey2017/

Chart 8.3: EU-28 Lifelong Learning Participation Rates, 2021



Source: Eurostat (2023).

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 (OECD, 2015). The OECD PIAAC study (2013) 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 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 PIACC 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 (OECD, 2013). 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 skillsets 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 (NALA, 2020: 15). 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 (Department of Further and Higher Education, Research, Innovation and Science, 2021b). 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.[11]

Skills Development

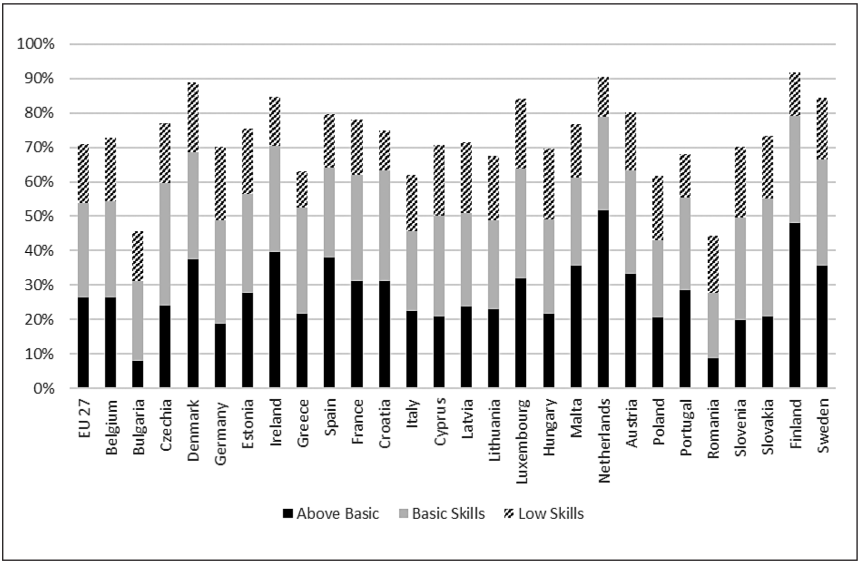
While Ireland performs relatively well in terms of skills development among young people, a comparatively small share of the adult population perform well on all levels of the PIAAC. Managing digital transformation in the labour market and the shift to a green economy requires investment in human capital and a well-trained and skilled general workforce at all levels (Cedefop, 2020). 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.[12]

11 http://archive.oireachtas.ie/2006/REPORT_20060531_1.html
12 http://oecd.org/general/thecasefor21st-centurylearning.htm

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.

Ireland's performance on digital skills is concerning (see Chart 8.4). 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 8.4: EU-28 Digital Skills Levels, 2021



Source: Eurostat (2023)

A report by the OECD on Well-being in the Digital Age (OECD, 2019b) 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. With most jobs made up of skills and abilities that are easily automatable and those that are not, the risk of automation depends on the skills and abilities that a job consists of. On average across OECD countries, occupations at highest risk of automation account for about 28 per cent of employment, with about 9 per cent of occupations at risk of becoming obsolete (OECD, 2023). Many jobs will alter significantly in the coming decade and a skills strategy that targets older workers and supports them to upgrade and expand their skills is required to support them to remain in employment. When it comes to the green transition, local skills strategies, vocational training and apprenticeships have been identified as key enablers of a 'just transition' (OECD, 2023a).

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 (OECD, 2020b). Our training and skills development policy must be adapted to meet this challenge.

8.2 Key Policies and Reforms

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 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 underperform 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 multiannual 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 (DES, 2018c). 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 (ERC, 2017) 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* (HEA, 2018) 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, as part of 'Funding for the Future' should publish a roadmap outlining when the €307m funding gap will be bridged, and the anticipated additional resources required each year to fund additional programmes and activities, meet demographic increases, pension costs, reforms in the higher education sector including the Technological University transformation agenda among others.

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.

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 (as outlined earlier in this chapter), the development of a multigenerational skills strategy targeted at older workers 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.

8.3 Key Policy Priorities

Social Justice Ireland believes that the following policy positions should be adopted in responding to educational disadvantage:

- Make the improvement of educational outcomes for pupils from disadvantaged backgrounds and disadvantaged communities a policy priority, with additional resources focused on addressing the persistence of educational disadvantage.
- Commit to increasing investment in Early Childhood Care and Education by 0.1 per cent of GDP annually to reach 1 per cent of GDP by 2027.
- Commit to reducing class sizes and pupil teacher ratios at primary and post primary level by 1 point per annum to 2030.
- Revise our lifelong learning target to reach 20 per cent by 2026, ensuring sufficient resources are made available.
- To meet the digital and green transition challenges, develop an integrated, multi-generational skills development, digital transition, vocational training, apprenticeship and reskilling strategy.
- Fully resource 'Adult Literacy for Life' by increasing the adult literacy budget to €100 million by 2030, including €25 million to improve ancillary and support services.
- Publish a funding roadmap for the higher education sector to 2030.

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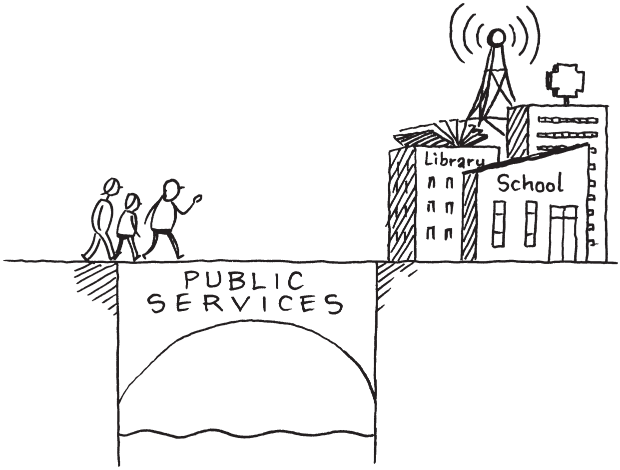
Chapter nine

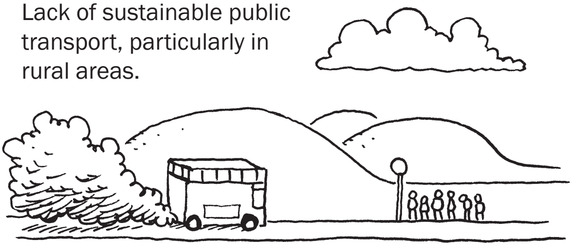
Chapter 9
Other Public Services

Core Policy Objective:
To ensure the provision of, and access to, a level of public services regarded as acceptable by Irish society generally.



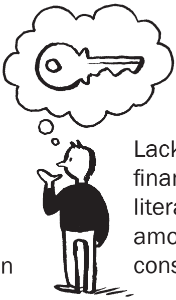
Key Issues/Evidence

Lack of sustainable public transport, particularly in rural areas.



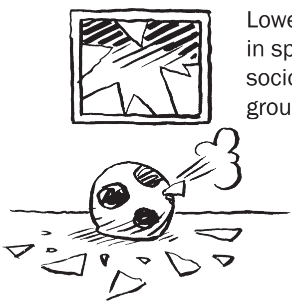
Lack of highspeed broadband access, particularly in rural areas – still no National Broadband roll-out.

Lack of robust data on financial exclusion.

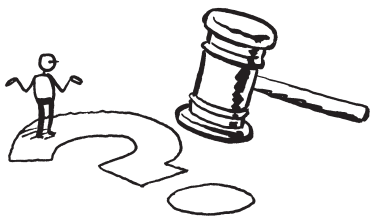


Lack of financial literacy among consumers.

Unaffordable childcare and precarious work in the sector (insurance also a big issue here).

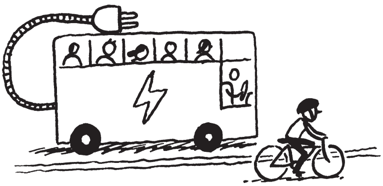


Lower participation in sports in lower socio-economic groups.



Underfunding of Civil Legal Aid – restricts access to justice.

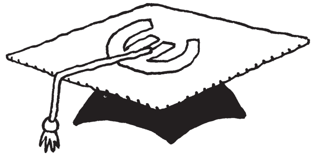
Policy Solutions



Increase investment in sustainable public transport and introduce hard infrastructure for cycling.

Invest in early years education and childcare and tackle the issue of insurance costs in the sector.

Develop a research programme to gather robust data on financial exclusion.

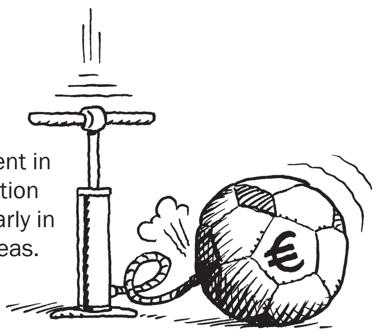


Introduce financial literacy programmes into mainstream education at primary and secondary level.

Roll out broadband, particularly in rural areas.

Increase investment in civil legal aid.

Increase investment in sports and recreation facilities, particularly in disadvantaged areas.



9.

OTHER PUBLIC SERVICES

Core Policy Objective: OTHER PUBLIC SERVICES

To ensure the provision of, and access to, a level of public services regarded as acceptable by Irish society generally.

The Covid 19 pandemic has highlighted the importance of ensuring the provision of the myriad of services that are required for well-being. The impact on almost every aspect of daily life; transport, childcare, access to information, access to health and well-being outlets, highlighted to all of society, the importance of these essential services.

This chapter looks at public services in a range of areas not addressed elsewhere in the Review. These include Public Transport; Childcare; Digitalisation; Financial Services; Legal Aid; Regulation; Library Services and Sports and Recreation Facilities.

In the context of the objective of providing 'Decent Services and Infrastructure' – a core pillar of *Social Justice Ireland*'s Social Contract, in addition to proposals contained in earlier chapters, Government must also:

- Increase the provision of public transport in rural areas and provide greater investment in sustainable transport and biofuels.
- Invest in hard infrastructure for cycle lanes.
- Ensure connectivity to affordable high speed broadband access right across the country.
- Develop programmes to enable all internet users to critically analyse information and to become "savvy, safe surfers" and a grants scheme to support low income and vulnerable households to purchase ICT equipment needed to access public services on implementation of the National Digital Strategy.

- Increase investment in early childhood education and care and after-school care by 0.1 per cent of GDP each year with a view to reaching 1 per cent of GDP by 2027.
- Introduce financial literacy and education to the primary and secondary school curricula.
- Track levels of financial exclusion and build and monitor policies and practices aimed at eliminating it in its entirety.
- Ensure that the Legal Aid Board is adequately funded so that people in the court system are guaranteed equality of access to justice.
- Include, in the Commission for Regulating Lobbying's Annual Reports, policy areas with the greatest lobbying activity, the lobbying organisations and the designated public officials engaged so as to highlight to the general public those influencing the political decision-making process.
- Invest in the continuous professional development and wellbeing of library staff to ensure the success of the Libraries Strategy.
- Increase funding to encourage sports participation and active lifestyle programmes.
- Ring-fence revenue gained through the sweetened drinks tax to fund sport and recreational facilities and services.

9.1 Key Evidence

Public Transport

According to the National Travel Survey 2019 (Central Statistics Office, 2020), 73.7 per cent of all journeys taken in 2019 were by private car (as driver or passenger), whereas public transport accounted for just 4.8 per cent of all journeys. Those in densely populated areas were less likely to use a car than those in thinly populated areas, with private cars accounting for 61.7 per cent of all journeys in urbanised areas, compared to 83.8 per cent in thinly populated areas. Public transport was used over four times as much in densely populated areas than thinly populated areas reflecting the greater availability of public transport in more densely populated areas.

The Transport Omnibus 2021 (Central Statistics Office, 2022) showed an overall increase in passengers on public transport between 2010 and 2019 but decreasing for 2021 due to ongoing COVID-19 related travel restrictions. (Table 9.1).

Table 9.1: Summary of Scheduled Bus Passenger Services 2010 to 2021

	2010 (,000)	2019 (,000)	2021 (,000)	% Change 2010-2021
Dublin city services	118,977	138,311	69,929	-41
Provincial city and town services	16,620	26,699	10,530	-36.6
Other scheduled services	20,640	20,074	8,152	-60.5
School Transport Scheme	42,327	42,614	30,030	-29

Source: CSO, Transport Omnibus 2021, extracted from Table 8.1

In addition to the 69.9 million bus passengers in Dublin city, over 19.4 million passengers used the two Luas lines in 2021, 11.8 million passengers used the Dublin suburban rail and DART services with decreasing numbers across all modes of transport due to continuing COVID-19 related travel restrictions.

The bicycle sharing scheme in Dublin saw 1.78 million journeys undertaken in 2020, a decline from 3.8 million in 2019 and continuing the downward trend since 2016. When we compare data since 2015, the year in which all four bicycle schemes were operational, we see a decline in journey numbers even pre-Covid, year on year, since 2016 in Dublin, Cork and Limerick (Table 9.2).

Table 9.2: Bicycle Sharing Scheme, Dublin, Cork, Galway and Limerick, 2015 to 2020

	2015	2016	2018	2020	% Change 2015-2020
Dublin	4,072,878	4,355,437	3,858,882	1,780,825	-5.2
Cork	289,426	290,590	271,581	81,380	-6.2
Galway	19,934	13,574	39,005	6,903	+95.6
Limerick	40,118	32,892	27,772	10,758	-30.8

Source: CSO, Transport Omnibus, various years, extracted from Tables 8.16 and 8.17

The bicycle sharing scheme is an excellent initiative and supports environmentally sustainable commuting in urban centres. However, without hard infrastructure for cycle lanes, our continued reliance on private cars for urban commutes makes city-cycling hazardous. *Social Justice Ireland* therefore calls on Government to expedite the introduction of hard infrastructure to support safe cycling in our cities.

The lack of reliable public transport in rural areas means that rural households are more reliant on their car to access basic services and commute to and from work and school. This reliance is contributing to our carbon footprint, with transport being one of the three main contributing industries. Transport emissions increased by 6.1 per cent in 2021 due to the partial lifting of COVID-19 travel restrictions. and whilst the number of electric vehicles on our roads has almost doubled in 2021, they still account for only two per cent of the fleet.[1] Government expenditure on public transport as a percentage of total land transport expenditure has fluctuated since 2002, reaching a low of 30 per cent in 2006. The proportion of the spending allocation for public and sustainable transport in 2021 was 43 per cent. (Irish Government Economic and Evaluation Service, 2021).

COVID-19 related restrictions on movement created a shift in the use of public and private transport. For example, Dublin City Council implemented Covid Mobility measures, increasing cycle lanes and the width of pavements by decreasing access for private car use, many of which are still in place despite the lifting of travel restrictions. As of the end of February 2023, bus transport volumes exceeded pre-COVID-19 volumes. The number of bus journeys in Dublin for the week beginning 20 February 2023, was 10 per cent higher than the same week in 2019. The number of bus journeys outside of Dublin also increased, in that same week, it was 31 per cent higher compared than in 2019. Luas journeys in February 2023 were also higher than pre COVID-19 levels. Rail travel (includes Intercity and DART services) in particular are still low and stayed below pre-pandemic numbers (Central Statistics Office, 2023).

Infrastructure must be in place to support thinly populated areas to grow and thrive, while those living in Dublin and surrounds, with access to an extensive public transport network, should be encouraged and incentivised to use it. We must look at measures implemented due to COVID-19, particularly in relation to walking tracks and cycling lanes, and work towards making these a more permanent transport feature.

Childcare

In 2020, 57.6 per cent of children under the age of three years are cared for only by their parents, which means 42.4 per cent of children under the age of three are cared for by people other than their parents, be it grandparents, childminders or with formal childcare providers.[2]

Affordability

Affordable childcare and child-friendly employment arrangements are key requirements for greater labour participation among young mothers (OECD,

1 https://www.epa.ie/our-services/monitoring--assessment/climate-change/ghg/

2 https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living_conditions_in_Europe_-_childcare_arrangements

2016:17). Cost is also key in keeping women in the workplace with many working women citing childcare costs as a reason to consider leaving the workplace.[3] In September 2019, the then Department of Children and Youth Affairs published findings from a survey of almost 4,000 childcare providers revealing that the average fee for full-time childcare provision is now €184 per week, with the highest being in the Dun Laoghaire-Rathdown area (€251 per week on average) and the lowest in Carlow (an average of €148 per week) (Department of Children and Youth Affairs, 2019).

Affordability of childcare is much more of an issue in Dublin and surrounds, and Cork, than the rest of the country, with the subsidy accounting for just 9 per cent of the cost in the most expensive area.[4] While the cost of childcare may have grown nationally by 4.3 per cent between 2015/2016 and 2016/2017, this hides the geographical disparity where, for example, in Leitrim the average cost of childcare, including the subsidy is €530, or one third of a full-time minimum wage worker's take-home pay. This increases to 49 per cent of take-home pay in Dublin City Centre. Rates for part-time childcare have dropped in many counties, increasing the disparity, with Carlow cited as seeing a decrease of 30 per cent to €230 and Dun Laoghaire-Rathdown experiencing an 8 per cent increase to €558. This accounts for a cost of between 15 and 31 per cent of the take-home pay of a full-time minimum wage worker (Nugent, 2017).

High childcare costs present a barrier to employment, particularly among young women with children. An increase in the cost of childcare led to a decrease in the number of paid working hours for mothers. An increase in the cost of provision of just 10 per cent could lead to a 30 minute reduction in a mother's working hours (Russell, McGinnity, Fahey, & Kenny, 2018).

However, high childcare costs do not translate to high wages for childcare workers. The average hourly wage earned by all staff working directly with children in 2020/21 was €13.20. The Report notes that one out of every two childcare workers earned below the Living Wage rate for 2021 which was €12.30. In addition, there are increasing demands on childcare workers to improve their skills and qualifications, leading to a realistic expectation of better pay and conditions and slow down the reported staff turnover rate of 19 per cent in the sector (Pobal, 2022).

Budget 2023 allocated additional funding of €121m to the National Childcare Scheme so that in January 2023 all families accessing registered early learning and childcare will receive a minimum hourly National Childcare Scheme (NCS) subsidy of €1.40 towards the cost of early learning and childcare. This could translate into an additional €40.50 reduction in weekly costs. *Social Justice Ireland* believes that childcare staff should earn a decent wage and that Government should ensure that

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3 https://www.irishtimes.com/news/social-affairs/half-of-working-mothers-consider-giving-up-work-over-childcare-costs-1.4189580
4 Dunlaoghaire-Rathdown

any subsidies aimed at improving the conditions of childcare staff are not used to increase costs to parents. This could be facilitated to some extent by legislating to reduce ancillary costs such as insurances which are having a detrimental effect on the sector.

Early Years Strategy – First 5

In November 2018, the Department of Children and Youth Affairs published the first Early Years Strategy. *First 5, a Whole of Government Strategy for Babies, Young Children and their Families 2019-2028* recognises the importance of family care in the first twelve months of a child's life and outlines the objective to allow a mother or father access to paid parental leave during this time, with a further action point of encouraging greater work-life balance practices in employment, as outlined in the EU Directive on Work-Life Balance (Department of Children and Youth Affairs, 2018). A further objective set out under Goal C – Positive play-based early learning, is to increase safe, high-quality, developmentally appropriate, integrated childcare, which reflects diversity of need, which will be met through making childcare more affordable, extend the provision of subsidised childcare and the integration of additional supports for children with increased needs.

The 'First 5' Little Baby Bundle Pilot initiative was announced in early February 2023. 500 Little Baby Bundles will be delivered to participating families in Dublin and Waterford over the coming months. These families will then give their feedback and share their thoughts and experiences of the Bundle which will inform proposals for a nationwide roll-out. The Bundle "will be filled with a range of useful items, including play items to encourage early communication and bonding, household items for help with safe bathing and safe sleep, as well as a range of other items to support new parents after the birth".

Social Justice Ireland welcomed the publication of the Early Years Strategy, with its child-centred focus and inter-Departmental governance and implementation plan and proposes 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 Europe). Investment needs to increase by a minimum of 0.1 per cent of GDP with a view to reaching 1 per cent of GDP by 2027 in line with the top performing countries in the OECD (see Chapter 8 for more). This level of investment is crucial to ensuring that all children have access to quality childcare and after-school care which supports their development and facilitates parents to participate in the labour market.

Digitalisation

With each passing year, more and more of our lives are moved online. With many still working from home for all or part of their working week, good quality, affordable, reliable internet connection is a necessity, not a luxury. It is an essential economic, social and educational inclusion tool that enables people to fully participate in society and remain connected and informed. It will be important to ensure ease and equality of access so that already disadvantaged or marginalised groups do not fall further behind. That there are still areas in (particularly rural)

Ireland who continue to be disadvantaged by way of limited or poor access, the digital divide will further exacerbate educational disadvantage in areas with poor connectivity.

Internet connectivity in 2022 stood at 94 per cent, an increase of two percentage points from 2020. Almost every household with children is connected to the internet compared to 82 per cent of adult only households. Fixed broadband connection is the most commonly used, accounting for 85 per cent of households. Households in Dublin and the Mid-East continue to outpace the rest of the country for access to fixed broadband (with 92 per cent and 86 per cent connectivity respectively), while the Border and Midlands fare the worst (with 77 per cent and 79 per cent respectively) (CSO, 2023).

Among households who did not have internet access, the main reasons for not having it were that it was not needed (56 per cent), followed by a lack of skills (32 per cent), prohibitive cost of access and high equipment costs (7 per cent and 10 per cent). Seven per cent also reported the lack of availability of broadband internet as a factor (CSO, 2023).

At European level, Ireland ranks 5th in the EU Digital Economy and Society Index (DESI) (European Commission, 2022). They report that fixed, very high-capacity network (VHCN) coverage has grown steadily from 83 per cent to 89 per cent in 2021. However, despite this, in terms of connectivity, the take up of at least 100Mbps fixed broadband is only 37 per cent compared to the EU average of 41 per cent and that, at least 1 Gbps take-up is very slow in Ireland at only 4.27 per cent compared to the EU average of 7.58 per cent. Ireland's average yearly relative growth of its DESI score between 2017 and 2022 is approximately 8.5 per cent which is one of the highest in the EU.

Ireland performs above the EU average in advanced digital skills (for example, for the indicators on ICT specialists, female ICT specialists and ICT graduates) and the basic digital skills of the population has increased to 70 per cent against the EU average of 54 per cent.

A new Digital Strategy for Schools to 2027 was published in April 2022.[5] It builds upon the 2015-2020 Digital Strategy for Schools with a stronger focus on further embedding the use of digital technologies in all teaching, learning and assessment activities, the further development of digital skills and building awareness and knowledge around ensuring safe and ethical uses of the internet.

Ireland's use of the internet is broadly in line with the European average. Our use of the internet points to a society that is moving away from personal social interaction, towards virtual engagement with others. According to the DESI,

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5 https://www.gov.ie/pdf/?file=https://assets.gov.ie/221285/6fc98405-d345-41a3-a770-c97e1a4479d3.pdf#page=null

Ireland performs well in digital public services. However, its performance regarding pre-filled forms is below the EU average. The internet is now more important than ever for all aspects of daily life and whilst the basic digital skills of the population are improving, those who fall into this skills gap are at risk of being marginalised. Their needs must be addressed and supported to ensure that the increasing number of services who operate primarily or exclusively online are available to all.

The Broadcasting Authority of Ireland was replaced by Coimisiún na Meán. This new agency will be responsible for the regulation of broadcasting and video-on-demand services as well as introducing the new regulatory framework for online safety. A new Online Safety Commissioner was appointed in January 2023

National Broadband Plan

Broadband, particularly for rural areas, is essential if Ireland is to keep pace with globalisation while also ensuring balanced rural development. As hybrid or full working from home options remain in place for many, location will no longer be an issue allowing many to relocate from expensive urban centres to more rural locations. *Social Justice Ireland* urges Government to expedite the roll-out on the National Broadband Plan without further delays.

Financial Services

Financial services were becoming increasingly digital, with more and more daily, everyday transactions moving on-line or becoming cashless. The restrictions experienced during COVID-19 related lockdowns, proved difficult for those that did not have the ability to make payments for goods with cards, either in store or on-line. Access to financial services, now more than ever is key to inclusion in society. With the publication of the White Paper to End Direct Provision and to Establish a New International Protection Support Service (Government of Ireland, 2021) committing to facilitating the opening of bank accounts for International Protection applicants - the Basic Payment Account - the spotlight is once again on the importance of financial inclusion.

Financial exclusion is not just about access to bank accounts but access to reasonable, affordable credit that takes account of the financial position of the consumer while cognisant of the need for people on low incomes to meet contingency expenditures without resorting to high cost credit, ‘pay day loans’ and ‘home credit companies’ which can charge APRs of up to 287 per cent. Illegal moneylenders are also in operation. Credit unions have traditionally provided low cost credit to members within their ‘common bond’ area charged at 1 per cent interest per month, or 12 per cent per annum. These loans are provided as an alternative to high cost credit from legal and illegal moneylenders for families having difficulties saving for life events such as a child’s communion, home improvements or the unexpected breakdown of an essential appliance.

A 2022 study by the Economic and Social Research Institute (ESRI) found that 6 in 10 people face unexpected expenses each year.[6] Considering then that in 2018, almost four in ten people (37.3 per cent of the population) reported being unable to meet an unexpected financial expense, access to affordable short term credit or the ability to accrue savings in vital.[7]

The Inaugural Central Bank of Ireland Financial Services Conference took place in November 2022 with the theme 'Supporting the Economy, Delivering for the Consumer' and noting "the importance of education for consumers…to help them make better …. decisions. Financial literacy is becoming increasingly important in the context of technological innovation".[8] Who provides that education is key so that it is not simply companies selling products under the guise of education or literacy or training.

The National Adult Literacy Agency (NALA) Report 'Financial literacy in Ireland' recommends "more education and training on financial literacy. This involves the development of literacy, numeracy and basic computer skills, which underpin everyday financial activities" (NALA, 2022). This will increase the skill levels of individuals to understand the financial products and services they engage with. However, the companies selling financial products and services also need to ensure that consumers fully understand the information they provide. An approach, similar to plain English is taken in the U.K. by Plain Numbers as they work with firms, changing the way information is conveyed to ensure increased comprehension of bills and financial contracts.[9]

In light of the severity of its impact, *Social Justice Ireland* welcomed the inclusion of financial literacy in the Roadmap for Social Inclusion 2020-2025 and urges Government to build a module on financial literacy in to the primary and secondary curricula. It is incumbent on Government to track levels of financial exclusion and to build and monitor policies and practices aimed at eliminating it in its entirety by 2025.

Legal Supports and Access to Justice

Access to justice is a basic human right, however in order to achieve equality of access, there must be a balance of power on both sides. In a legal context, the balance of power almost always rests with those who can afford counsel. Redressing this balance requires the availability of free and low-cost legal services to those who need the advice of a qualified solicitor or barrister but who cannot afford the costs associated with it.

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6 https://ccpc.inventise.ie/business/wp-content/uploads/sites/3/2022/04/2022.04.25-ESRI-WP-Design.pdf
7 Eurostat Database [ilc_mdes05]
8 https://www.centralbank.ie/docs/default-source/tns/events/summary-of-financial-system-conference.pdf?sfvrsn=464c981d_1
9 https://plainnumbers.org.uk/

The Legal Aid Board provides advice and representation on criminal and civil matters for those on low income. Criminal legal aid, through the Garda Station Legal Advice Revised Scheme, the Legal Aid – Custody Issues Scheme and the Criminal Assets Bureau Ad-hoc Legal Aid Scheme, is free of charge to the user, subsidised by the State for those dependent on social welfare or having a gross income of €20,316 per annum or less. Civil legal aid is also subsidised but is not free. Applicants are means tested and pay a minimum fee of between €30 and €130 for this service. Their case is also subject to a principles test and a merits test, to ascertain if the case has a chance of success. Their civil services range from family law matters (including separation, divorce and custody and a free family mediation service), debt, wills and inheritance. There is a review of the Civil Legal Aid scheme under way, which at the time of writing is at consultation stage.

In 2021, there were 15,291 applications for legal aid made, of which 9,111 related to general family law, 2,984 were in relation to separation/divorce/nullity, 1,485 were about International Protection or Human Trafficking (an increase of 25 per cent on 2020), 719 were about the possible State care of children and 992 referred to all other civil matters. As of the 31st December 2021, the average waiting time for legal services with a solicitor at each law centre was 18 weeks. 587 legal advice vouchers were issued for the Abhaile Scheme (for borrowers in late-stage mortgage arrears, (see Chapter 6 for more information) with 219 consultations claimed on foot of the voucher. Also as part of the Abhaile scheme, 324 legal aid certificates were granted for first instance Personal Insolvency Arrangement (PIA) reviews with a further 101 legal aid certificates granted for PIA appeals to the High Court (Legal Aid Board, 2022).

The White Paper to End Direct Provision and to Establish a New International Protection Support Service (Government of Ireland, 2021) confirms that the Legal Aid Board will bring forward proposals to the Department of Justice by 2022 on what would be required to support 3,500 applicants for international protection per year and estimates an additional allocation for the Legal Aid Board of €8.8 million.

Consumers who need legal advice, but do not require legal representation, can access the Free Legal Advice Centres (FLAC). FLAC provide a network of volunteers through clinics held primarily in Citizens Information Centres nationwide. FLAC volunteers provide advice on a range of legal issues, including family law, debt, probate, employment and property.

Covid -19 continued to impact in person meetings in 2021. FLAC reported 2,729 consultations at Phone Advice Clinics in 2021. The number of calls to their information and referral telephone service increased to 13,147 from 12,468 in 2020. Housing, discrimination and social welfare were the three main categories of case work in 2021. The FLAC Annual Report 2021 notes that "The demand for FLAC's services, speaks to the high levels of unmet legal need in the community. In many cases, the issues presented were also more urgent and complex." (FLAC, 2022).

The Legal Aid Board and FLAC provide valuable services, however *Social Justice Ireland* believes that access to justice is such a fundamental human right that it should not be dependent on well-intentioned volunteers dealing with a range of legal topics in twenty minute increments and calls on Government to ensure that people's rights are protected and dignity respected in this most fundamental way, by adequate access to justice through the court system.

Regulation

How accountability is translated into practice can be closely related to the independence of the regulator and its functions and powers (OECD, 2016:17). The areas most associated with 'light touch' regulatory policy in Ireland are the financial and property sectors. Thousands of households continue to feel the effects of the economic crash, while lack of robust regulation of the planning processes have left Ireland with urban sprawl across towns and cities, and inaccessible one-off properties in remote areas, widening the 'urban/rural' divide by making essential services inaccessible and ineffective.

Ireland's Regulatory Position

The Register of Lobbying was introduced in 2015 to increase transparency and accountability, making information available to the public on the identity of those lobbying designated public officials and the nature of those lobbying activities.[10] According to its Annual Report for 2021, there were 2,273 registered lobbyists, 2,166 of which are located on the island of Ireland. more than 11,600 returns had been received, a slight increase on the previous year when a reported 11,523 returns were made (Standards in Public Office Commission, 2022). Health was the number one topic with Economic Development and Industry coming in second. While this increased transparency is to be welcome, the question of what, if any, effect it is having on a cultural shift from vested to public interest remains. Greater attention must be drawn to the information available on the Lobbying Register.

Social Justice Ireland calls for the inclusion in the Commission's Annual Reports of policy areas with the greatest lobbying activity, the lobbying organisations and the designated public officials engaged so as to highlight to the general public those influencing the political decision-making process.

Creating Regulatory Policy

Reactionary regulation, introduced after a crisis, can also serve to further exclude those who it should serve to protect, by placing barriers to goods and services in the way of those without the resources to engage with increasing bureaucracy. *Social Justice Ireland* believes that regulation has a place in protecting the rights of the vulnerable by addressing the balance of power when engaging with corporations and political structures, but not be so involved as to create a barrier rather than a safety net.

[10] https://www.lobbying.ie/

The OECD recommends that the governance of regulators follow seven principles to ensure the implementation of proper policy:

1. Role Clarity
2. Preventing Undue Influence and Maintaining Trust
3. Decision Making and Governing Body Structure
4. Accountability and Transparency
5. Engagement
6. Funding
7. Performance Evaluation

These principles work together as a continuum with clarity from the start and performance evaluation informing governance policy, thereby creating levels of clarity as learning from the evaluation is utilised. If these principles were ingrained in the process for development of regulation and governance of regulators, consumer protection and independence would naturally follow from regulation in line with these central tenets.

Social Justice Ireland believes that regulation should have consumer protection at its centre rather than the aim of increasing market participation. Before engaging in any new regulatory processes, the Government should ensure that the rights of its citizens are protected, including the right to a reasonable standard of living with access to basic services at a reasonable cost.

Library Services

Libraries provide an important social and educational role in Ireland, with over 17 million visits annually by 1,195,909 registered members across 330 branch libraries and 30.5 mobile libraries.[11] Operated by Local Authorities, they play an important role in ensuring access to information, reading and learning material. In recent years, libraries have greatly expanded their offering, with a roll-out of digital services including e-books, and access to journals and catalogues online and, in between 2012 and 2017 added 45 new or extended library branches. They also provide affordable internet access and support for people who may not own a computer, an important service, particularly in areas with low connectivity and/or high numbers of older people.

As part of their commitment towards equity of access, library membership is now free for core services. *Social Justice Ireland* welcomes the broadening of the scope of the library service, the introduction of Libraries Ireland, the availability of e-learning and electronic resources etc. However, it is important that these

11 https://www.gov.ie/en/policy-information/7468fd-public-libraries/

developments do not result in a closing or downgrading of smaller branch libraries, which play a significant role in supporting communities.

A new strategy for the public library service was delivered in 2018. *Our Public Libraries 2022* sets out three strategic programmes for the delivery of the library service.[12] The first is Reading and Literacy, which includes rolling out Right to Read programmes for children; the second is Learning and Information, which seeks to establish libraries as a key resource for the promotion of and access to lifelong learning and health and wellbeing; and the third is Community and Culture, which intends to establish libraries as central to communities, providing inclusive spaces for cultural, community and civic events. The plan to enhance the position of libraries as community hubs is a welcome one. It contains 'Strategy Enablers' – specific actions underpinning each strategy, which include enhancing library buildings to meet the needs of the surrounding society, expanding the capital build programme, increasing staffed library open hours and 'My Open Library' (that is, the unstaffed opening hours) to more libraries across the country, introducing universal access to library services and removing fines and upgrading library ICT systems.

The Libraries Strategy will only succeed with the commitment of library teams, particularly in the areas of community engagement and education. *Social Justice Ireland* recommends that their central role to this success should be well supported through resources allocated to their continued professional development and wellbeing. We recommend a particular focus on encouraging new and disadvantaged communities to avail of the benefits of the library for broad education and recreation purposes. Libraries have an opportunity to collaborate with local stakeholders, become vibrant information hubs and centres of enterprise, culture and learning fit for the 21st century.

Sports and Recreation Facilities

Adult Participation

1.58 million people in Ireland regularly participate in sports (Sport Ireland,2022). This represents an drop of about 200,000 since 2019 and based on current population projections, an additional one million people will need to participate in sport on a regular basis in order to achieve the 2027 target set by the National Sports Policy 2018-2027 (Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media , 2018).

In general, men are more likely than women to play a sport on a regular basis. The gender gap has been closing, from 15.7 per cent in 2007 to 3.4 per cent in 2019, widening in 2021 to 4.9 per cent (as it was in 2017). The gap between the active sports participation between men and women may be due to the closure of inside spaces within which to exercise and the halting of many team sports for

[12] https://www.gov.ie/en/publication/720f68-public-library-strategy-2018-2022/

some parts of 2020 and 2021. However at one point during 2020, there was no difference between the genders in their participation levels in sport. In 2021, there was a notable decline in sports participation among less affluent groups and those with lower levels of education. Three-quarters of those with a disability do not participate regularly in sport. Overall, 41 per cent of the adult population meet the national physical activity guidelines through participating in at least 30 minutes of moderate or greater intensity exercise or physical activity at least five times per week (Sport Ireland, 2022).

Child Participation and Outdoor Play

Child participation in sport deceases with age. Eighty per cent of primary school children in the Republic of Ireland participate in a community sport at least once a week, compared to 58 per cent of post primary school children (Woods, et al., 2018). The gap for school sport is narrower (70 per cent of primary school children play a school sport at least once a week compared to 63 per cent of post primary school children), however with just 17 per cent of primary school children and 10 per cent of post-primary school children meeting the physical activity guidelines, more work is needed outside of the school environment to support child physical activity.

Organised sport does not appeal to every child, and physical activity through outdoor play is especially important to ensure that children are encouraged to get active. Outdoor play is also important for socio-emotional and cognitive development. A recent study on the importance of outdoor play, based on the Growing Up in Ireland data, found that although the majority of Irish children engage in some form of outdoor play, neighbourhood safety was a concern among some parents who limited their children's outdoor play time due to heavy traffic, adequate/appropriate outdoor play facilities in their area, poor condition of footpaths, roads and lighting, or littering (Egan & Pope, 2018). This study does not look at the socio-economic profile of the children involved; however, it provides a clear indication that investment in neighbourhood safety and outdoor play facilities would increase the likelihood of outdoor play among young children.

Child Obesity

Child obesity is increasing across many developed countries and is a cause for concern for the future health and wellbeing of the population and has been identified by the World Health Organisation European Region as a serious public health problem.[13] The Department of Health, in 2016, launched the Obesity Action Plan 2016 – 2025, 'A Healthy Weight for Ireland' as part of the overall Healthy Ireland initiative with a target to decrease by 0.5 per cent a year the level of excess weight in children.[14] 1 in 5 of the primary school children included in a study

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13 Europe WHO-ROf. The challenge of obesity in the WHO European Region and the strategies for response.; 2007

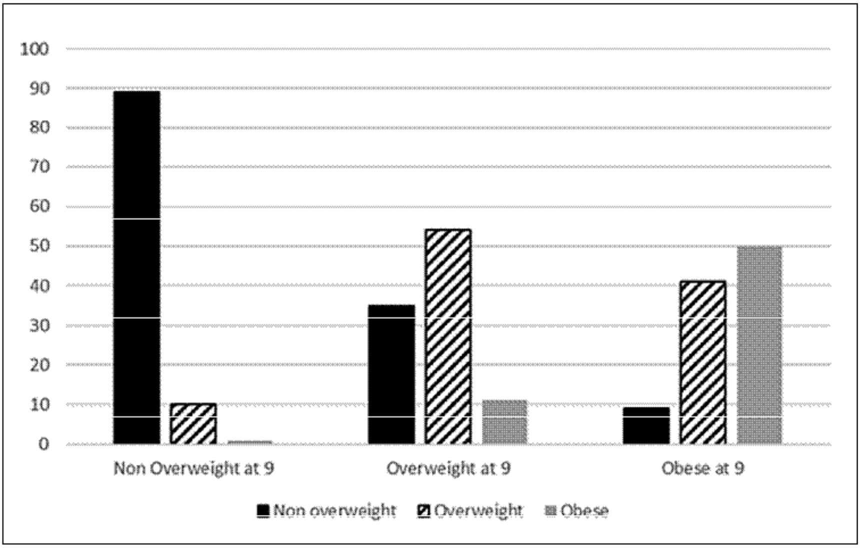
14 https://www.gov.ie/en/publication/c778a9-a-healthy-weight-for-ireland-obesity-policy-and-action-plan-2016-202/

for 2018 and 2019 were overweight or obese with noticeable differences between children attending schools classified as disadvantaged. (Mitchell L, 2020)

In older children, 20 per cent of 13 year olds are overweight and six per cent are classified as obese, with girls more likely to be overweight or obese than boys (Williams, et al., 2018). Of those who were non-overweight at 9 years old, 89 per cent have remained so, with 10 per cent becoming overweight and 1 per cent becoming obese in the intervening period. Of those who were overweight at 9 years old, 35 per cent are non-overweight, 54 per cent remained overweight and 11 per cent became obese.

Of those who were classified as obese at 9 years old, 9 per cent became non-overweight, 41 per cent became overweight and 50 per cent remained obese (Chart 9.1).

Chart 9.1: Change in Weight Status of 13 year olds since 9 years of age



Source: Growing Up in Ireland, Williams et al, 2018

National Physical Activity Plan

The low rate of participation in physical activity among Ireland's children and adults, high rates of use of private transport for even short journeys, including the school run which sees approximately only one quarter of primary school children walking, cycling or skating and the increasing prevalence of online shopping means that Ireland is becoming a more sedentary country. The National Physical Action Plan, published in 2016 as part of the Healthy Ireland framework, contains ambitious targets for eight key action areas including children and young people, work places, public awareness and sport and physical activity in the community.

The Report of the Youth Stakeholder Forum on Sport asked how to achieve increased levels of sports participation by young people and found that there is a need to provide more facilities to address current gaps; to share existing facilities more, especially between schools and local communities; to prioritise the development of multi-sport facilities to improve range and variety; develop coaching standards and capability; have a physical activity friendly school uniforms policy; provide better access for young people to sports facilities during peak hours after school; have more active travel to and from sports facilities and improve public transport availability, especially in rural areas; have more time dedicated to a more diverse physical education (PE) curriculum and recognise the need for gender equality.

Social Justice Ireland commends Government on the initiatives undertaken in furtherance of this plan, such as 'Park Runs' and the site 'getirelandactive.ie' that recommends physical activities for a range of ages and lifestyles and calls on Government to encourage children and adults, particularly those from a low socio-economic backgrounds to increase their participation in sports through the further development of playgrounds and subsidised sports centres.

Sports and Recreation Funding

The largest and most well-known sports organisation in Ireland is the GAA, whose clubs not only provide a physical outlet for those playing the games, but also as a social and recreational space for people to volunteer. However, maintaining facilities to a high standard, ensuring insurance cover and encouraging wide participation is expensive and there is a need to offer support-funding to clubs in this regard. This is particularly important for sports which do not have access to large gate receipts. Government should be cognisant of the health, societal and economic benefits of sports and social outlets, and provide sufficient ring-fenced funding to complement this voluntary effort.

A source of revenue that could be ring-fenced for sports participation and recreational activities is the Sugar-Sweetened Drinks Tax which was introduced in May 2018 and could provide investment of between €30 and €40 million.[15] If appropriately allocated, this revenue could move Ireland further towards attaining the targets of the *National Plan for Physical Activity.*

The Privatisation of Public Services

Government continues to look to the market and engage private enterprise to provide the public services that should be part of a basic floor that everyone in the

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15 For full details on a joint proposal from the Irish Heart Foundation and *Social Justice Ireland* see http://www.socialjustice.ie/content/publications/reducing-obesity-and-future-health-costs-proposal-health-related-taxation

State should expect. They do this notwithstanding continuous evidence that it is more expensive and less effective. The rationale given is that the private sector can provide more, faster and cheaper, but again and again, this is not borne out in the evidence.

Affording a basic floor of services that everyone in the State should expect is a move towards what is termed "Universal Basic Services", a concept developed by the Institute for Global Prosperity in 2017 and expanded on by Professor Ian Gough of the London School of Economics in his article in The Political Quarterly (Gough, 2019). Universal Basic Services are those which are "collectively generated activities that serve the public interest" (Gough, 2019, p. 1), that are basic and available to everyone who needs them.

It is important to note that Gough presents the concept of Universal Basic Services as an alternative to Universal Basic Income, however *Social Justice Ireland* does not. We view them rather as complementary concepts based on the principles of social justice and equity. Universal Basic Services provide basic healthcare, education, childcare, transport and so on. The "universality" refers not only to the availability but to the need (the vast majority of us will require these services at some point during our lifetime), and so a common, or universal, basket of services can be determined with some degree of consensus. Universal Basic Income, on the other hand, provides a sufficient floor of income to purchase necessities (such as food, heating, clothes and so on) which are, to a degree, discretionary (we do not all eat the same food, use the same heating provider, wear the same clothes and so on). In our Policy Framework for a new Social Contract we propose a minimum social floor of universal basic services and universal basic income below which no-one in society should fall.

9.2 Key Policy Priorities

Social Justice Ireland believes that the following policy positions should be adopted in addressing Ireland's many public services deficiencies:

- Increase the provision of public transport in rural areas and provide greater investment in sustainable transport and biofuels.
- Invest in hard infrastructure for cycle lanes.
- Ensure connectivity to affordable high speed broadband access right across the country.
- Develop programmes to enable all internet users to critically analyse information and to become "savvy, safe surfers" and a grants scheme to support low income and vulnerable households to purchase ICT equipment needed to access public services on implementation of the National Digital Strategy.

- Increase investment in early childhood education and care and after-school care by 0.1 per cent of GDP each year with a view to reaching 1 per cent of GDP by 2027.
- Introduce financial literacy and education to the primary and secondary school curricula.
- Track levels of financial exclusion and build and monitor policies and practices aimed at eliminating it in its entirety.
- Ensure that the Legal Aid Board is adequately funded so that people in the court system are guaranteed equality of access to justice.
- Include, in the Commission for Regulating Lobbying's Annual Reports, policy areas with the greatest lobbying activity, the lobbying organisations and the designated public officials engaged so as to highlight to the general public those influencing the political decision-making process.
- Invest in the continuous professional development and wellbeing of library staff to ensure the success of the Libraries Strategy.
- Increase funding to encourage sports participation and active lifestyle programmes.
- Ring-fence revenue gained through the sweetened drinks tax to fund sport and recreational facilities and services.

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Chapter ten

Chapter 10
People and Participation

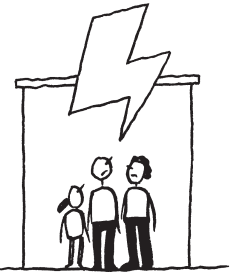
Core Policy Objective:
To ensure that all people from different cultures are welcomed in a way that is consistent with our history, our obligations as world citizens and with our economic status.

To ensure that every person has a genuine voice in shaping the decisions that affect them and that every person can contribute to the development of society.

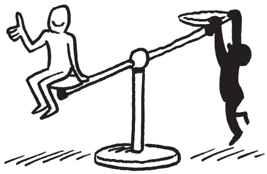
Key Issues/Evidence

Lack of supports for skills transfer programmes for immigrants to Ireland.

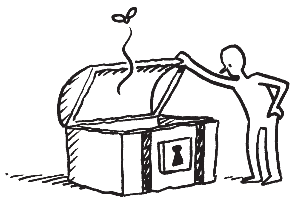
Lack of planning for a changing and ageing population.



Human Rights violations in Direct Provision centres.



Racism, particularly in political discourse.



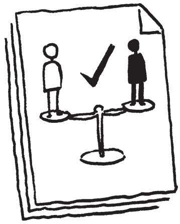
Funding for the Community and Voluntary sector still not restored to pre-crisis levels.

Ireland not meeting our UN obligations.

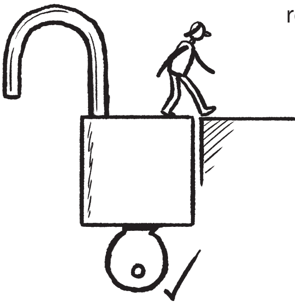
Lack of sustained social dialogue at local and national level.

Policy Solutions

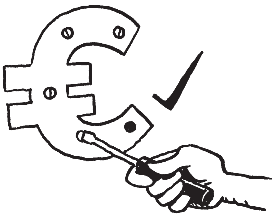
Invest in skills transfer programmes and encourage participation of immigrants in all aspects of economic and social life in Ireland.



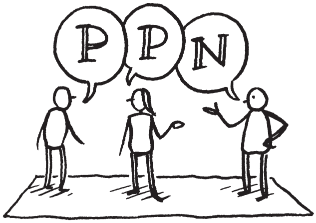
Fully implement and resource the recommendations of the National Action Plan Against Racism.



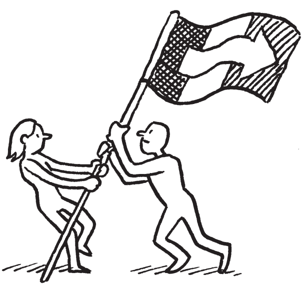
Fully implement the recommendations of the 2019 Trafficking in Persons Report.



Reinstate funding for Traveller specific initiatives and implement the recommendations of the Seanad Public Consultation Committee.



Adequately resource Public Participation Networks and promote social dialogue at local level.



Implement the national strategies concerning the Community and Voluntary sector.

Promote social dialogue at national level

10.

PEOPLE AND PARTICIPATION

Core Policy Objective: PEOPLE AND PARTICIPATION

To ensure that all people from different cultures are welcomed in a way that is consistent with our history, our obligations as world citizens and with our economic status. To ensure that every person has a genuine voice in shaping the decisions that affect them and that every person can contribute to the development of society.

The infrastructure, services and policies that a country develops and implements are determined in large part by the make-up of its population. Every person should have a right to have a say in how and where infrastructure and services are delivered, and what policies are implemented to shape their communities. Local and national Government policies affect every one of us, and every one of us should have our say. Part of the 'Good Governance' pillar in *Social Justice Ireland's* Policy Framework for a new Social Contract, set out in Chapter 2, requires the promotion of deliberative democracy, as well as new criteria in policy evaluation and the continued development of a social dialogue process involving all sectors of society. This is a core tenet of living in a democracy. At a time when the very fabric of democracy is increasingly under threat across the globe, this is something we must strive to protect.

In this Chapter we explore the changing demographics within Ireland, set out some of the challenges of these changes, and how they might be met in Ireland today.

If the objectives set out above are to be achieved *Social Justice Ireland* believes that Government should:

- Invest in the retention of young graduates and programmes to assimilate skills obtained while abroad.
- Fully implement and resource the recommendations of the National Action Plan Against Racism within a reasonable timeframe.
- Fully implement the recommendations of the 2019 Trafficking in Persons Report.

- Reinstate funding for Traveller-specific initiatives and implement the recommendations of the Seanad Public Consultation Committee published in January 2020.
- Adequately resource the Public Participation Network (PPN) structures for participation at Local Authority level and ensure capacity building is an integral part of the process.
- Promote deliberative democracy and a process of inclusive social dialogue to ensure there is real and effective monitoring and impact assessment of policy development and implementation using an evidence-based approach at local and national level.
- Resource an initiative to identify how a real participative civil society debate could be developed and maintained.

10.1 Key Evidence

People

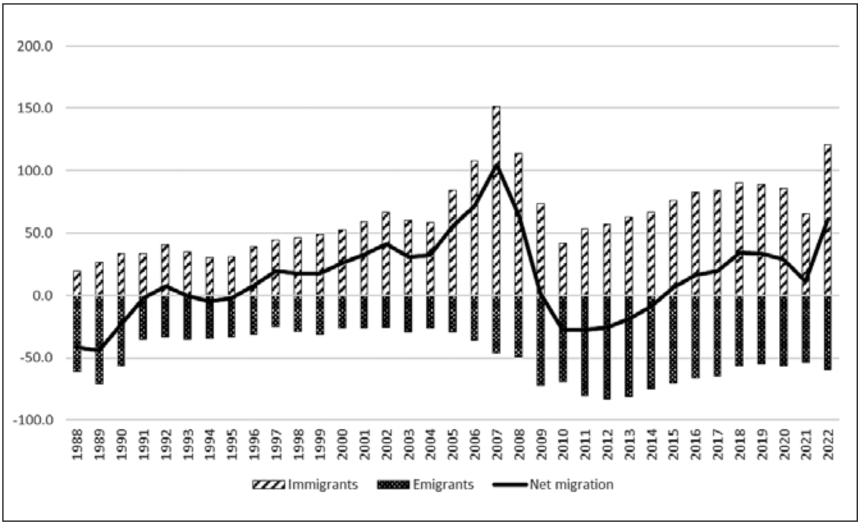
The preliminary results from Census 2022 record a population in April of 2022 of 5,123,536 persons. This is an increase of 361,671 people (7.6 per cent) from Census 2016 and the highest population recorded since 1841. This growing population is also becoming more urbanised and increasingly well educated, particularly women. Fertility rates are declining and the age at which women are having their first child has increased from 24.9 in 1980 to 31 in 2017. Life expectancy, on the other hand, has increased with male life expectancy reaching 79.3 years in 2015 and female life expectancy reaching 83.3 years that year (Hegarty, 2019).

This reduction in fertility levels and increased life expectancy means that Ireland's population, while still relatively young, is getting older. The average age of the population is now 37.4, an increase of 6.3 years since 1981. The population is also becoming more diverse, with an estimated 3.6 per cent of the population (183,500 people) with a stated nationality as being from outside of the EU.

Emigration and Immigration

Net migration into Ireland was positive in April 2022, continuing a pattern which has been in place since 2015. This means that more people have entered the country than are leaving it. Immigration has only been higher once in the past 30 years with the numbers entering the country the highest since 2008, a large number of these have arrived as refugees from Ukraine. Analysing migration trends over the past 30 years, we see a relatively high rate of emigration in 1988 and 1989, at a time of recession, which decreased slowly over the next 10 years peaking again in 2012 whereas immigration figures rise slowly from 1990, peaking in 2007. (Chart 10.1)

Chart 10.1: Immigration, Emigration and Net Migration, ,000 people, 1988-2022



Source: CSO, Population and Migration Estimates April 2022, Table 1.
Note: Figures for 2016 taken from Census 2016; Figures for 2017 - 2022 are preliminary.

The recent years of decreasing emigration and increasing immigration indicated a renewed confidence in Ireland's economic prospects, however given the issues with housing, health and the cost of living, explored elsewhere in this book, we will need to continue to monitor migration trends. The high levels of immigration in 2022 have highlighted the lack of school spaces providing suitable language and learning supports, the shortage of G.P.s, the severe shortage of affordable, stable accommodation, the importance of providing supports to communities and the stark differences in the response to refugees from Ukraine compared to elsewhere.

In terms of nationality, less than one in four (24 per cent) of total immigrants to Ireland in 2022 had a nationality from within the EU (excluding Ireland and the UK), less than 1 per cent were UK nationals and 72 per cent had a nationality from within the rest of the world (CSO, 2022) (Table 10.1).

Table 10.1: Estimated Migration by Nationality, 2019 – 22, by '000

Year		Irish	UK	Rest of EU 14	EU 15-27	Rest of World	Total
2019	Immigration	26.9	7.4	12.6	11.1	30.6	88.6
	Emigration	-29.0	-3.2	-4.5	-7.0	-11.2	-54.9
	Net	-2.1	4.3	8.0	4.1	19.4	33.7
2020	Immigration	28.9	5.5	9.2	11.4	30.4	85.4
	Emigration	-28.3	-2.5	-5.2	-9.2	-11.4	-56.5
	Net	0.5	3.0	4.1	2.2	19.0	28.9
2021	Immigration	30.2	4.3	7.6	9.0	14.1	65.2
	Emigration	-22.8	-3.0	-7.6	-5.1	-15.4	-54.0
	Net	7.3	1.3	0.0	3.9	-1.3	11.2
2022	Immigration	28.9	4.5	12.8	11.5	63	120.7
	Emigration	-27.6	-4.1	-4.8	-4.6	-18.5	-59.6
	Net	1.3	0.4	8.0	6.9	44.5	61.1

Source: Extracted from CSO Population and Migration Estimates, April 2022, Table 3 and Table PEA 17.

Notes: Data relates to the year to April. 'Rest of EU' refers to Pre 2004 EU members less UK and Ireland.
'EU15-27' refers to EU Members that joined after 2004.

Ireland as a multicultural society

Integration is defined in current Irish policy as the 'ability to participate to the extent that a person needs and wishes in all of the major components of society without having to relinquish his or her own cultural identity' (Department of Justice and Equality, 2017). For the almost 13 per cent of the population who are non-Irish nationals, achieving real integration requires concerted policy responses aimed at supporting education, job activation, tackling hate speech and racism and supporting cultural awareness.

According to Census 2016, there was a total of 535,475 non-Irish nationals – representing 200 different nations - living in Ireland on Census night (CSO, 2017a). The main nationalities were Polish (23 per cent) and UK (19 per cent). Other nationalities with over 10,000 residents included USA, Brazil, France, Germany, India, Latvia, Lithuania, Romania and Spain. Non Irish nationals have a very different age profile to the rest of the population with half aged between 25 and 42 compared with a quarter of the Irish population. There are proportionately fewer children under 14 (12.3 per cent versus 22.5 per cent), and older people (4 per cent versus 13 per cent) among non-Irish nationals. The unemployment rate among non-Irish nationals was 15.4 per cent, compared with a rate of 12.6 per cent among the Irish population.

Census 2016 also asked people to identify their ethnicity and cultural background. 681,016 people identify themselves as other than “White Irish”, of whom 234,289 identify as Black, Asian or other people of colour.

At the time of writing, 74,458 Ukrainian refugees, primarily women and children, have arrived in Ireland with thousands more still expected.[1] The EU is granting “temporary protection” status, which means they can live, settle and work in the EU for a period of time. This is to be welcomed; however, it is in stark contrast to the treatment of refugees fleeing other war-torn territories. Our approach needs to consistent, placing human rights at the centre of International Protection policies.

Racism in Ireland

Following on from publication of their fifth report on Ireland, (European Commission against Racism and Intolerance, 2019) the European Commission against Racism and Intolerance (ECRI) published their Conclusions on the Implementation of the Recommendations in Respect of Ireland in March 2022. They welcome the forthcoming Criminal Justice (Incitement to Violence or Hatred and Hate Offences) Bill 2022 and “takes positive note of these very encouraging steps as well as of the further initiatives taken by the Irish authorities in addition to the above-mentioned legislative measures – such as the training of the police force - An Garda Síochána - on hate crime in the framework of the Diversity and Integration Strategy 2019-2021”.

In 2019, Ireland appeared before the United Nations Committee on the Elimination of Racial Discrimination (UNCERD). The Committee’s concluding observations published in January 2020, acknowledged some positive advances, such as the ratification of the Convention on the Rights of Persons with Disabilities in 2018; the official recognition of Travellers as an ethnic minority in 2017; and the adoption of the Migration Integration Strategy 2017-2020, amongst others (United Nations, 2020). However, the list of concerns and recommendations is still considerable, including the system of Direct Provision (there have since been moves to end Direct Provision, discussed below), Human Trafficking, data collection, the legislative Framework for the elimination of racial discrimination and the increasing incidence of racist hate speech (United Nations, 2020).

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[1] https://www.cso.ie/en/releasesandpublications/fp/p-aui/arrivalsfromukraineinirelandseries9/

In 2021, there were 404 reported racist incidents (compared with 700 in 2020). The percentage of crimes going unreported has jumped with only 25 percent of crimes reported to Gardai in 2021 which is a decrease from 43 per cent in 2020. Crimes targeted Chinese, South Asian and Other Asian more than any other group whilst Black-African, Black-Irish and Black-Other were the groups most discriminated against. Staff working for public sector bodies were found responsible for 30 per cent of all discrimination in 2021 (Irish Network Against Racism, 2022).

Data from the CSO, as of Q1 2019, 17.7 per cent of the population aged 18+ experienced some form of discrimination in the two years prior to the interview.[2] Of this approximately 636,000 people, the most common ground of perceived discrimination was age (34.1 per cent, c.217,000 people); Race/skin colour/ethnic group/nationality (21.9 per cent, c.139,000 people); and gender (18.6 per cent, c.118,000 people). Persons from a non-White ethnic background were the group most likely to experience discrimination in Accessing Services (23.1 per cent) and the second most likely group to experience discrimination in the Workplace (19.8 per cent).

The evidence suggests that equality legislation is not having the desired effect of combating inequality and discrimination. Ireland continues to experience profound societal changes since the introduction of that first piece of equality legislation and subsequent reviews must reflect that.

The same report from the CSO indicated that nearly one in eight (11.8 per cent) people aged 18+, including those who had not experienced discrimination, had no knowledge or understanding of their rights under the Irish equality legislation, compared to 56.8 per cent who had a ‘moderate understanding’ of their rights and 31.4 per cent who had a ‘good understanding’.

Travellers

There were 30,897 Irish Travellers in 2016, an increase of 5 per cent from 2011, only three percent of whom where aged 65 and over, compared to 13.3 per cent for the general population(CSO, 2017a). Notwithstanding the statement of recognition of Travellers as an ethnic minority, Travellers continue to face discrimination in education, employment, and accommodation, with a discernible gap in health over the life course (Watson, et al., 2017).

According to the 2016 Census, education levels amongst Travellers remain low, with 62 per cent having primary education or less, 13 per cent having completed second level and only one per cent having a college degree. Eighty per cent of Travellers reported as being unemployed, compared with 13 per cent for non-Travellers. Traveller health is also poor with 19 per cent categorised as having a disability

[2] https://www.cso.ie/en/releasesandpublications/er/ed/equalityanddiscrimination2019/

compared to 13.5 per cent of the general population. The suicide rate amongst Traveller men is almost seven times higher than in the general population, and this is an indicator of a serious mental health issues in the Traveller Community. Overall life expectancy for Travellers is low. Male travellers have a life expectancy of only 63 years, its 78 in for the general male population. For Traveller women, that figure is 71 years compared with almost 83 for the general population. This means Irish Travellers die somewhere between 11 to 15 years earlier than the general population.[3]

Migrant Workers

Census 2016 reports that 342,000 people in the work force were non-Irish nationals, with the four leading origins being the UK, Poland, Lithuania and Romania. Forty-two percent of all non-Irish national workers were employed in four main sectors, namely Wholesale and Retail Trade (45,812), Accommodation and Food Services (40,859), Manufacturing Industries (36,387) and Human Health and Social Work (21,779). In terms of socio-economic groupings, nearly half (47 per cent) were classified in non-manual, manual skilled, semi-skilled or unskilled occupations, compared with 39 per cent of Irish nationals. This is at variance with the high educational qualifications of immigrants, indicating that many are employed below their skill level. There is a need to accelerate the appropriate recognition of qualifications gained in other countries, so that migrants can work in their fields of expertise. Non-EEA nationals require a work permit to take up employment in Ireland in sectors where there is a skills shortage. In 2022, 39,955 permits were issued (over double that of 2021), 3,476 were refused and a further 1,705 were withdrawn (Department of Enterprise, Trade and Employment, 2022).

Human Trafficking

The third evaluation report on Ireland's performance on implementing the Council of Europe Convention on Action against Trafficking in Human Beings (GRETA, 2022), notes that the legislation governing human trafficking in Ireland has remained largely unchanged since GRETA's second evaluation in 2017 and that Ireland continues to be primarily a country of destination of victims of trafficking in human beings. The Report finds that "The number of presumed victims of trafficking identified by An Garda Síochána was 103 in 2017, 64 in 2018, 42 in 2019, 38 in 2020, and 44 in 2021. While trafficking for the purpose of sexual exploitation remains the prevalent form of exploitation, the number of persons trafficked for the purpose of labour exploitation has increased. In the period 2016-2020, 46% of the presumed victims came from Africa (primarily from Nigeria), 36% from the European Economic Area, and 11% from Asia".

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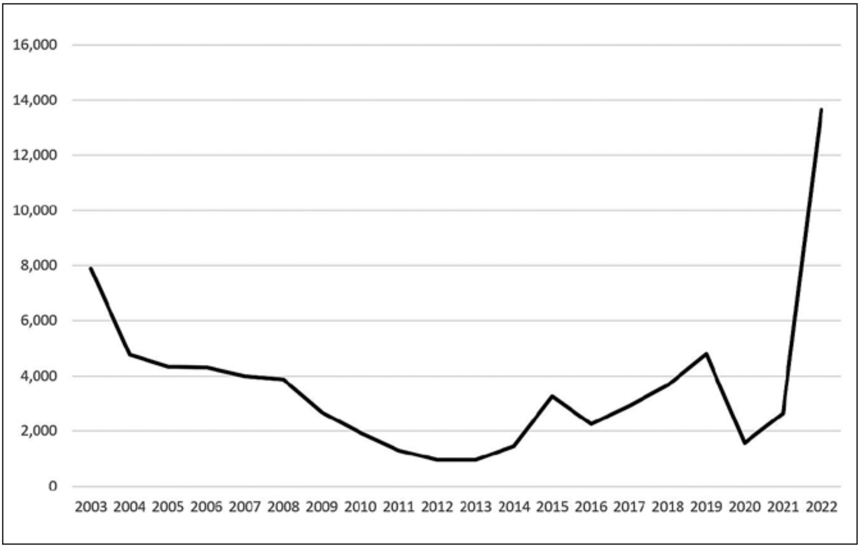
3 https://academic.oup.com/jpubhealth/article/35/4/533/1685437?login=false

Asylum Seekers and Direct Provision

Asylum Seekers

Asylum seekers are defined as those who come to Ireland seeking permission to live in Ireland because there are substantial grounds for believing that they would face a real risk of suffering serious harm if returned to their country of origin. In contrast to programme refugees, asylum seekers must have their immigration status defined when they arrive. Chart 10.2 shows the number of applications for International Protection made to Ireland between 2003 and 2022.

Chart 10.2: Applications for International Protection, 2003 to 2022



Source: International Protection Office, Monthly Statistical Report, various years.

Between January and December 2022, 13,651 applications for International Protection were received by Ireland's International Protection Office (International Protection Office, 2022). The number of asylum seekers in 2022 was approximately 5 times that of 2021, reflecting worldwide geopolitical events in 2022.

According to the Immigration in Ireland Annual Review 2020 (Department of Justice, 2022), 42 people were deported from the State in 2020, 34 of those within the first three months of the year.

Direct Provision

In February 2023, there were 19,741 people living in International Protection Accommodation Service (IPAS) system located across 26 counties. Looking in detail at where these people are being accommodated, 6,885, of whom 2,112 were children, are housed across 46 IPAS accommodation centres, a further 11,604 people, of whom 1,931 are children, are housed across 123 Emergency Accommodation Centres, there are 1,151 people, of whom 43 are children are housed in 2 National Reception Centres, and, 101 adults are living in temporary tented accommodation (Department of Children, Equality, Disability, Integration and Youth, 2023). The large numbers of people living in emergency and tented accommodation is a poor reflection on both the international protection system and the supply of public housing.

Under Direct Provision as operated in almost all of these centres, asylum-seekers receive accommodation and board, together with a weekly allowance, currently €38.80 for adults and €29.80 for children. The system has been in place for 20 years and has come in for criticism from a number of Oireachtas Committee and independent reports, from the people directly living in the system and by both international and national human rights organisations.

There is a commitment in Programme for Government 2020 to end the system of Direct Provision which is supported by The Report of the Advisory Group on the provision of support including Accommodation to persons in the International Protection Process (The Day Report) (Department of Justice, 2020). The corresponding White Paper was published on the 26th February 2021 and sets out Government policy to replace the Direct Provision system and establish a new International Protection Support Service over the next four years which would ideally be expedited (Department of Children, Equality, Disability, Integration and Youth , 2021). This new system will support those applying for protection to integrate in Ireland from day one with health, education, housing and employment supports. Applicants will stay in a new Reception and Integration Centre for no more than four months. These centres will be delivered on behalf of the State by non- profit organisations. Applicants will receive language and employment activation supports during this initial orientation period. After the first four months, anyone with a claim still in progress will move to accommodation within the community, families with own door and single people will have own room accommodation. Other supports such as access to as legal aid and assistance, access to work, education and training, access to driving licences and bank accounts are provided for which are all welcome steps. The Day Report recommends a time limited system that will deliver decisions faster and makes proposals to bring about an end to the current system of accommodation provision. The Report recommends that the new system be fully in place by 2023 by way of interim changes, requiring a whole of Government response. Sourcing accommodation will be a challenge in light of the current lack of availability of social housing and the high demand for affordable private rental accommodation as demonstrated by the numbers above.

Participation

Ensuring that people are involved in making the decisions that affect them and their communities is a key element of real democracy. True involvement requires participation that goes beyond voting (representative democracy). By definition, such a deliberative democracy approach requires a leaving aside of power differentials and making a specific effort to ensure that the voices and views of people who are seldom heard and taken into account (Coote, 2011; Healy & Reynolds, 2011; Elster, 1998).

People want to be more involved and to participate in debates concerning policies, particularly those that directly affect them. The extensive use of social media as a forum for discussion and debate indicates a capacity to question the best use of State resources to develop a just and fair society. It is crucially important for our democracy that people feel engaged in this process and all voices are heard in a constructive way. It is imperative that groups with power, recognise, engage with, and develop partnerships with people to co-create services and policy.

A forum for dialogue on civil society issues

The need for a new forum and structure for discussion of issues on which people disagree is becoming more obvious as political and mass communication systems develop. A civil society forum and the formulation of a new social contract against exclusion has the potential to re-engage people with the democratic process. Our highly centralised government, both in terms of decision-making and financially, means that citizens are represented more by professional politicians than by their local constituency representatives. Communities become frustrated when they feel they have no voice or input into the decisions that affect their community. While there have been some structural improvements, such as an enhanced committee structure, the introduction of Public Participation Networks (PPNs) (discussed below), better success rates for Bills led by the opposition and a budgetary oversight process, much remains to be done before Ireland has a genuinely participative decision-making structure.

Participation in Local Government - Public Participation Networks (PPNs)

In 2014, the Local Government Act was amended to introduce Public Participation Networks (PPNs) in every local authority in the country. The PPN recognises the contribution of volunteer-led organisations to local economic, social and environmental capital. It facilitates input by these organisations into local government policy (Department of Housing, Planning and Local Government, 2017). By the end of 2021, over 18,121 community and voluntary, social inclusion and environmental organisations were members of a PPN. More than 1,013 PPN representatives were elected to over 397 committees on issues such as strategic policy, local community development, joint policing and so on (Department of Rural and Community Development, 2022).

Local authorities and PPNs work together collaboratively to support communities and build the capacity of member organisations to engage meaningfully on issues of policy that concern them. PPNs have a significant role in the development and education of their member groups, sharing information, promoting best practice and facilitating networking. Local authorities also have a vital role to play in facilitating participation through open consultative processes and active engagement. Building real engagement at local level is a developmental process that requires intensive work, patience and investment.

Supporting the Community & Voluntary Sector

Community and Voluntary organisations have a long history of providing services and infrastructure at local and national level and are engaged in most, if not all, areas of Irish society. They provide huge resources in energy, personnel, finance and commitment that, were it to be sourced on the open market, would come at considerable cost to the State. There are an estimated 189,000 employees in registered charitable organisations in Ireland. Over half of all registered charities have between one and 20 volunteers, with three per cent having 250 or more. It is estimated that the value of this volunteering work, using the minimum wage, is €648.8 million per year (this increases to €1.5 billion when using the average income) (Indecon, 2018). It is important to note, however, that this report is based on those charities that are required to register with the Charities Regulator, which accounts for approximately 300,536 volunteers. The CSO put the number of volunteers at nearer one million, when sporting, human rights, religious and political organisations are included.

During the recession Government funding for the Community and Voluntary sector reduced dramatically and this has not, as yet, been restored. It is essential that Government appropriately resource this sector into the future and that it remains committed to the principle of providing multi-annual statutory funding. The introduction of the Charities Regulatory Authority, the Governance Code and the Lobbying Register in recent years is intended to foster transparency and improve public trust. However, it is essential that the regulatory requirements are proportional to the size and scope of organisations, and do not create an unmanageable administrative burden which detracts from the core work and deters volunteers from getting involved.

In August 2019, the Department of Rural and Community Development published *Sustainable, Inclusive and Empowered Communities: A Five-Year Strategy to Support the Community and Voluntary Sector in Ireland 2019-2024* (Department of Rural and Community Development, 2019). This Strategy sets out the vision for community and voluntary sector development over the next five years. It contains a series of 11 policy objectives across all stakeholders, from Public Participation Networks to civil society organisations to local and national Governments.

The Community Services Programme works to tackle disadvantage by providing supports to community-based organisations that enables them to deliver social, economic and environmental services, with a particular focus an areas that, by virtue for geographical isolation or social isolation or have too low a level of demand to satisfy market led providers. The groups in receipt of these services may not otherwise have any access.

Social Justice Ireland recommends that implementation of the five year Strategy be resourced in a way that recognises the important role of the Community and Voluntary Sector, the local role of the PPNs, and the challenges of community development, and seeks to generate real partnerships between communities and agencies.

National Social Dialogue

A robust social dialogue process is urgently required to deal with the many multi-faceted and integrated challenges that Ireland faces. These challenges will not be resolved overnight, but real progress can be made through a social dialogue process where current and future challenges can be addressed in a positive manner, and where all stakeholders are included in the decision-making process.

The Community and Voluntary Pillar provides a mechanism for social dialogue that should be engaged with by Government across the range of policy issues in which the Pillar's members are deeply involved. All aspects of governance should be characterised by transparency and accountability. Social dialogue contributes to this. We believe governance along these lines can and should be developed in Ireland.

If Government is serious about our long-term wellbeing, about securing our public finances in a changed world, de-carbonising the economy, transforming our energy sector and preparing for digital and technological transformation then it needs a structure that would engage all sectors at a national level. Reforming governance and widening participation must remain a key goal. An increased recognition of the need to include all stakeholders in the decision-making process is needed. A deliberative decision-making process, involving all stakeholders and founded on reasoned, evidence-based debate is required. To secure a new Social Contract, participation by various sectors of society is essential. One component of real participation is recognition that everyone should have the right to participate in shaping the society in which they live and the decisions that impact on them. In the 21st century this involves more than voting in elections and referenda. Ireland needs real, regular and structured deliberative democracy to ensure that all interest groups and all sectors of society can contribute to the discussion and the decision-making on the kind of society Ireland wishes to build.

10.2 Key Policies and Reforms

Implement Skills Transfer Programmes

The numbers of migrants with a third level education continued to rise in 2022. Of those immigrating to Ireland, the number has increased (from 46,2002 in 2021 to 70,300 in 2022) whilst the proportion has decreased (70 per cent in 2021 to 58.2 per cent of all immigrants in 2022). Migrants tend to be younger than the general population with just under half of both immigrants and emigrants in 2022 aged between 25 and 44. People aged over 65 continued to be the least likely to migrate (CSO, 2022).

The number of emigrants with a third level education decreased slightly from 32,500 in 2021 to 30,700 in 2022. As a proportion of all emigrants, this represents 51.5 per of the total. Of those who left Ireland in 2022, 53.6 per cent were employed (a slight increase in the number, from 29,900 to 32,000).

A further 21.8 per cent were students, a slight increase from 21.5 per cent in 2021. The proportion of emigrants who are unemployed has been in decline since 2012, reflecting the decrease in unemployment generally since then. However, in 2021 the number of unemployed people emigrating increased from 3,000 in 2020 to 5,200 reflecting the impact COVID-19 health measures had on employment prospects, dropping to 4,100 in 2022. The lack of affordable housing, affordable childcare and other services is likely a contributing factor to the increase in employed emigrants from this country. If we are to retain our skilled workforce, we need to take a broader approach to retention that takes a whole of life-cycle approach.

In light of higher educational attainment levels of immigrants into Ireland, and the increasing number of Irish people returning to this country, there is a need for a skills transfer programme for returning migrants in order to ensure the skills that they have acquired whilst working abroad are recognised in Ireland. This is something that *Social Justice Ireland* has advocated for previously. A recent study from Eurostat found that across the EU, employed non-nationals are more likely to be over-qualified than nationals for their job. In Ireland, 41.4 per cent of workers from other EU countries were over qualified.[4] Given the investment made in the education of young graduates, it is essential that steps are taken to retain them and their expertise within Ireland, and to attract back those who have emigrated in recent years. Of course, this is coupled with the need to provide both decent work and infrastructure to support increasing numbers of immigrants who will need to be housed and whose healthcare and childcare needs must be accommodated, as set out in *Social Justice Ireland's* Policy Framework for a new Social Contract outlined in Chapter 2.

There has been criticism of Irish immigration policy and legislation specifically due to the lack of support for the integration of immigrants and a lack of adequate recognition of the permanency of immigration. In January 2023, the ESRI published a report on the wages and working conditions of Non-Irish Nationals in Ireland (Laurence et al, 2023). This Report found a 'migrant wage gap' in Ireland. Between 2011 and 2018, non-Irish nationals earned, on average, 22 per cent less per hour than Irish nationals which equates to 78 cents earned for every €1 an Irish worker earned. Of note is the smaller wage gap for those coming from West Europe, North America, Australia and Oceania, "this is partly because they have higher

4 https://www.ihrec.ie/our-work/equality-review/

educational qualifications, but they still get lower rewards for education than Irish workers."

For many migrants, immigration is not temporary. They will remain in Ireland and make it their home. In turn, Irish people are experiencing life in different cultural contexts around the world. Ireland is now a multi-racial and multi-cultural country and Government policies should promote and encourage the development of an inclusive and integrated society with respect for, and recognition of, diverse cultures.

Implement the recommendations of the National Action Plan against Racism

The consequences of racism are very serious, increasing fear and insecurity. The European Network Against Racism (European Network against Racism (Ireland), 2018) noted that "Racism has a demonstrable impact on the lives of those targeted.... there is psychological impact, ... impact on their social connectedness, and economic impacts through for example increased costs or lost income." This is unacceptable in a society that prides itself on its open and accepting character. But racism is not only socially damaging, it is also harmful to the economy. As Ireland seeks to attract FDI and is sourcing workers from all over the world to meet skills shortages and in light of the increase in reported racist incidents, it is imperative that racism in all areas is definitively addressed.

It is also clear that more is needed to raise awareness among the general population of the equality legislation, not just with those who are most at risk of experiencing discrimination, but also those who are at risk of perpetrating it. However, with just 3 per cent of the people who experienced discrimination making an official complaint, and just 1.7 per cent contacting the Gardaí, raising awareness of the legislation alone may not result in any greater use of the legislation to combat discrimination.

As social imbalances increase across society, as the lack of access to educational supports, the inability for many to secure affordable housing, the long waits for healthcare interventions are laid bare by the large increases in population seen in 2022, anti-migrant sentiment has grown. Investing in our core infrastructure is therefore a necessity.

The Government launched the National Action Plan Against Racism (the Plan) in March 2023 (Department for Children, Equality, Disability, Integration and Youth, 2023a). In the Plan, "racism" is defined as "a form of domination which manifests through those power dynamics present in structural and institutional arrangements, practices, policies and cultural norms, which have the effect of excluding or discriminating against individuals or groups, based on race, colour, descent, or national or ethnic origin".

The Plan is underpinned by a vision of a "fair, equal and inclusive society, where minority ethnic groups share full parity of esteem and respect, where everyone is able to enjoy their fundamental rights and freedoms and has equal opportunities in all aspects of life, irrespective of their racial background; a society in which the existence and impacts of racism are acknowledged and all sectors work to eliminate racial discrimination in all its forms", which is supported by five objectives. Those objectives are supporting people who experience racism and protecting people from racist incidents and crimes; addressing ethnic inequalities; enabling minority participation; measuring the impacts of racism; and a shared journey to racial equality. Each objective then has a series of actions outlined in the plan, with responsibility for achieving these actions resting with certain Government Departments, State Agencies, an Garda Síochána, and community representatives.

Social Justice Ireland welcomed the recommendations of the UNCERD and the commitments made in the Programme for Government (Government of Ireland, 2020) and the new National Action Plan and we now urge Government to continue to fulfil these commitments.

Reinstate funding for Traveller specific initiatives

Housing continues to be problematic for Travellers with Census 2016 figures showing that 39 per cent of Traveller accommodation was overcrowded compared with 6 per cent for all households. In contrast to previous trends, the number of caravans being used increased by 10 per cent between 2011 and 2016. 517 Travellers (1.7 per cent) were recorded as homeless on Census night 2016 compared with 0.1 per cent of the overall population.

Much has been accomplished in recognising the ethnicity and uniqueness of the nomadic nature of the Travelling community and policy could be better shaped to recognise and support this. Housing legislation provides for the provision of social housing in the form of fixed dwellings. Traveller specific provision is limited to the Caravan loan scheme, halting sites and group housing schemes. There is no equal mechanism for local authorities to support Travellers to preserve their identity and culture by renting a caravan to a Traveller household on the same basis that a council house is rented to a settled family.

In 2021, the Irish Human Rights and Equality Commission (IHREC), published the First Council-by-Council Equality Review on Traveller Accommodation.[5] The main issues that emerged from the review were consistent underspends of Local Authority accommodation funds, a lack of real data to inform decision-making and no discussion of Travellers' actual accommodation preferences.

The National Traveller and Roma Inclusion Strategy (Department of Justice and Equality, 2017a) was published in 2017 and is current. This lists 149 actions across Government under the headings of cultural identity, education, employment,

5 https://www.gov.ie/en/press-release/4d124-statement-in-relation-to-the-trafficking-in-persons-report-2020/

children and youth, health, gender equality, anti-discrimination, accommodation and access to public services. Traveller services were disproportionately hit during the austerity programme, and that reversing the impact of those cuts will require concerted action (Pavee Point, 2013). The INAR Report to CERD (Irish Network Against Racism, 2019) clearly indicated that the pace of progress of this Strategy was inadequate. In light of the levels of discrimination faced by members of the Traveller community, more urgent action is needed to protect and support Traveller people. *Social Justice Ireland* calls for the full implementation of the Strategy, in particular in the critical areas of education and accommodation.

Fully Implement the recommendations of the 2022 Trafficking in Persons Report

The Programme for Government (2020) makes a commitment to enact legislation that encompasses both UN and EU measures and protocols to combat the smuggling and trafficking of migrants. The Department of Justice and Equality committed in June of 2020 to study the recommendations contained in the Trafficking in Persons Report 2020 (US Department of State, 2022) and state that ending the crime of human trafficking is a priority for the country.[6] The Human Trafficking investigation and Coordination Unit has been established with an Garda Siochána.

Promote Deliberative Democracy

There is a renewed appreciation of the importance of participation. The OECD Framework for Measuring Well-Being and Progress[7] as well as a newly created Well-Being Framework for Ireland both consider civil engagement as a key indicator.[8] In the OECD measure, Stakeholder Engagement "reflects how different stakeholders can participate in the development of new laws and regulatory standards..... 17 countries have listed examples of their policies and Ireland is not one of them" so much more work needs to be done (Clark, et al., 2022).

The publication in February 2023 of "A Guide for Inclusive Community Engagement in Local Planning and Decision Making[9]" aims to "enhance the capacity of Local Community Development Committees (LCDCs) to engage marginalised groups in Local Economic and Community Planning (LECP) processes" will hopefully see those seldom heard having a say in local decision making.

The democratic process would also benefit from the development of a new social contract against exclusion and in favour of a just society. This contract would include a forum for dialogue on civil society issues. Short-term initiatives such as

6 https://www.oecd.org/wise/measuring-well-being-and-progress.htm
7 https://www.gov.ie/en/campaigns/1fb9b-a-well-being-framework-for-ireland-join-the-conversation/?referrer=http://www.gov.ie/wellbeing-framework/
8 https://www.gov.ie/pdf/?file=https://assets.gov.ie/246180/25a3746e-46c1-4b19-8e7f-b8cad930079b.pdf#page=null
9 For further details see http://www.president.ie/en/the-president/special-initiatives/ethics

the Presidents Ethics Initiative,[10] the Constitutional Convention[11] and Citizens Assembly[12] are welcome but need to be mainstreamed and reach all sections of Irish Society.

Social Justice Ireland welcomed the appointment of the National Economic and Social Council (NESC), whose role is to advise the Taoiseach on strategic policy issues relating to sustainable economic, social and environmental development. The annual National Economic Dialogue is also a useful model to share the perspectives of civil society, Government and the various sectors of society on key budgetary issues. However, a single event is inadequate and does not allow for a broader discussion on the interplay between economic and social issues.

Social Justice Ireland recommends that such a National Dialogue takes place more frequently, and that the focus is broadened from the economic to include social and environmental issues.

2022 saw the first National Civic Forum take place which *Social Justice Ireland* has long called for.[13] The key will be ensuring its relevance and that it connects to the growing debate at European level around civil society issues. There are many issues such a forum could address including the meaning of citizenship in the 21st Century, the shape of the social model Ireland wishes to develop; how to move towards a low carbon sustainable future and so on. To that end, *Social Justice Ireland* calls for the PPNs to be adequately resourced and supported.

10.3 Key Policy Priorities

Social Justice Ireland believes that the following policy positions should be adopted to improve the lives of all those living in Ireland today:

- Invest in the retention of young graduates and programmes to assimilate skills obtained while abroad.
- Fully implement and resource the recommendations of the National Action Plan Against Racism within a reasonable timeframe.
- Fully implement the recommendations of the 2019 Trafficking in Persons Report.
- Reinstate funding for Traveller-specific initiatives and implement the recommendations of the Seanad Public Consultation Committee published in January 2020.

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10 For more information see https://www.constitution.ie/Convention.aspx
11 For more information see https://www.citizensassembly.ie/en/
12 For a further discussion of this issue see Healy and Reynolds (2003:191-197).
13 https://ec.europa.eu/eurostat/en/web/products-eurostat-news/w/ddn-20230309-3

- Adequately resource the Public Participation Network (PPN) structures for participation at Local Authority level and ensure capacity building is an integral part of the process.
- Promote deliberative democracy and a process of inclusive social dialogue to ensure there is real and effective monitoring and impact assessment of policy development and implementation using an evidence-based approach at local and national level.
- Resource an initiative to identify how a real participative civil society debate could be developed and maintained.

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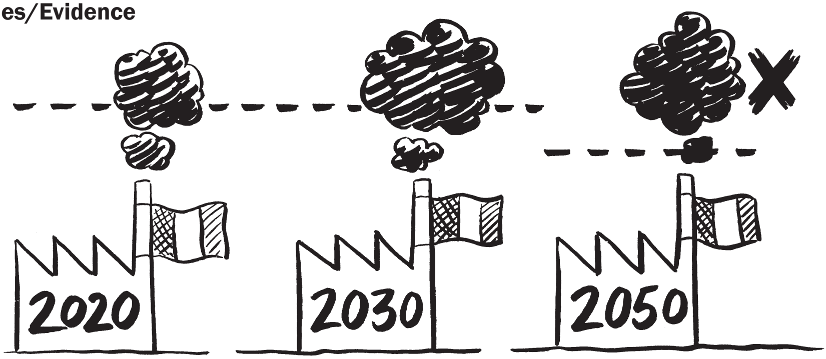
Chapter eleven

Chapter 11
Sustainability

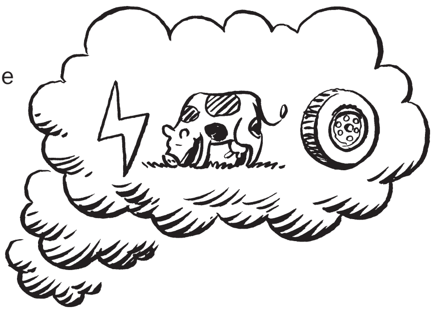
Core Policy Objective:
To ensure that all development is socially, economically and environmentally sustainable.

Key Issues/Evidence



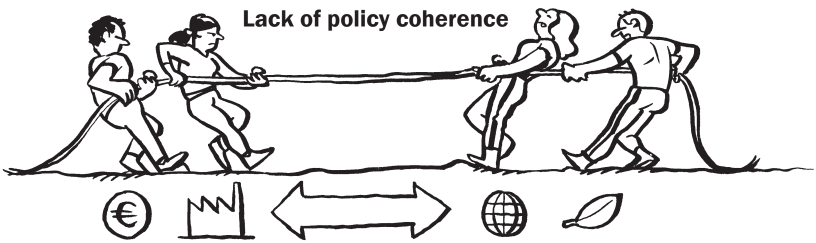
Ireland failed to meet 2020 emissions targets, is on track to overshoot 2030 emissions targets and is headed in the wrong direction to meet the national 2050 climate goal.

Ireland's greenhouse gas emissions continue to increase in line with economic and employment growth.



Our emissions are dominated by agriculture, transport and energy.

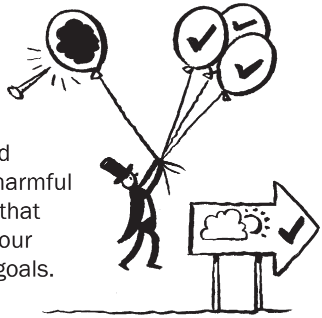
The window of opportunity to implement climate mitigation strategies is closing.



Agricultural expansion and economic expansion policies.

Commitments in the Sustainable Development Goals on climate action and protecting our environment.

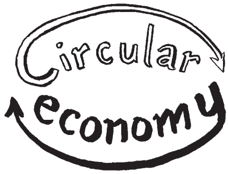
Policy Solutions



Remove fossil fuel subsidies and environmentally harmful tax expenditures that do not align with our national climate goals.

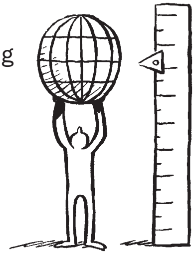
Fully resource the polices required to implement our 2030 climate targets.

Integrate climate adaptation into the annual budgetary process and measure climate related spending.

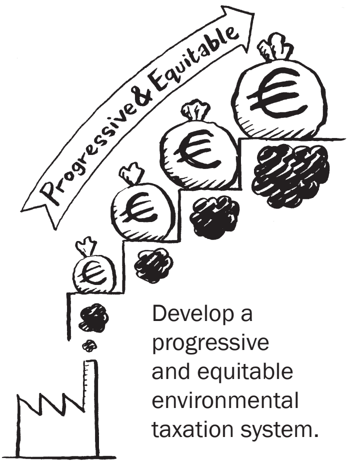


Fully resource the circular economy strategy.

Adopt targets and a reporting system for each of the Sustainable Development Goals.

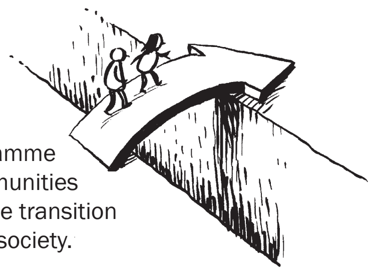


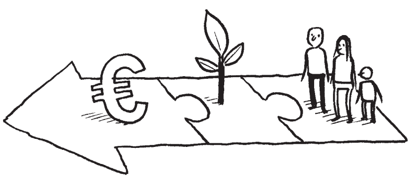
Develop a National Retrofitting Plan incorporating a Building Renovation Passport Scheme.



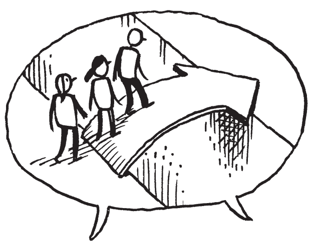
Develop a progressive and equitable environmental taxation system.

Develop a comprehensive mitigation and transition programme to support communities and people in the transition to a low carbon society.





Develop a new National Index of Progress encompassing environmental, economic and social indicators of progress



Develop a Just Transition Dialogue structure at regional and national level.

11.

SUSTAINABILITY

Core Policy Objective: SUSTAINABILITY

To ensure that all development is socially, economically and environmentally sustainable.

Sustainable development is defined as 'development which meets the needs of the present, without compromising the ability of future generations to meet their needs' (World Commission on Environment and Development, 1987). It encompasses three pillars; environment, society and economy. A sustainable development framework integrates these three pillars in a balanced manner with consideration for the needs of future generations. Maintaining this balance is crucial to the long-term development of a sustainable resource-efficient future for Ireland. Our climate, ecosystems and biodiversity, and human societies are interdependent (IPCC, 2023).

Ireland is committed to legally binding climate-based goals in 2020 and 2030 and a national commitment to be carbon neutral by 2050. A Green New Deal is a commitment in the Programme for Government. Ensuring development is sustainable socially, economically and environmentally will be key to achieving these targets. It is also crucial to delivering the new Social Contract outlined in Chapter 2.

To achieve this sustainable development in the years ahead, *Social Justice Ireland* believes that policy should:

- Fully resource the policies required to implement our 2030 climate targets;
- Integrate climate adaptation into the annual budgetary process;
- Adopt targets and a reporting system for each of the Sustainable Development Goals;
- Review all fossil fuel subsidies and environmentally harmful tax expenditures annually with a view to removing those that do not align with our national climate goals;

- Introduce shadow national accounts, and assign value to natural capital and ecosystems in our national accounting systems;
- Fully resource the CSO to implement the System for Environmental-Economic Accounts (SEEA) and the future compilation of natural capital accounts;
- Develop a comprehensive mitigation and transition programme to support communities and people in the transition to a low carbon society;
- Develop a National Retrofitting Plan incorporating a Building Renovation Passport Scheme;
- Commit to reviewing all fossil fuel subsidies in 2023 and set out a roadmap to remove fossil fuel subsidies by 2030;
- Accept as a general principle, investment rather than tax subsidies should be the preferred policy tool to support and develop climate infrastructure;
- Develop a series of performance metrics against which climate related spending can be measured across Government Departments;
- Develop a progressive and equitable environmental taxation system;
- Develop a new National Index of Progress encompassing environmental and social indicators of progress as well as economic ones;
- Develop a Just Transition Dialogue structure at regional and national level.

11.1 Key Evidence

Global Context

The international evidence regarding climate change and the impact of human activity is irrefutable. Extreme weather events have been made up to nine times more likely by global warming due to human activity. The Assessment Reports of the Intergovernmental Panel on Climate Change paints an ominous picture with scientists observing changes in the Earth's climate in every region and across the whole climate system. Some of the changes already set in motion—such as continued sea level rise—are irreversible over hundreds to thousands of years. Carbon dioxide (CO2) is the main driver of climate change and without immediate, rapid and large-scale reductions in greenhouse gas emissions, limiting warming to close to 1.5°C or even 2°C will be beyond reach (IPCC, 2021). The level of greenhouse gas emission reductions this decade will largely determine whether warming can be limited to 1.5°C or 2°C. In order to stay within the boundaries of the Paris Agreement the world needs to cut global GHG emissions by nearly half by 2030 (IPCC, 2023). Emissions need to be cut quickly and sharply, requiring a large scaling up of practices and infrastructure, high up-front investment and the introduction of potentially disruptive changes in the short-term. The disruption can be lessened by implementing supportive policies to protect those most vulnerable.

Increased levels of greenhouse gases, such as CO_2, increase the amount of energy trapped in the atmosphere which leads to global effects such as increased temperatures, melting of snow and ice, and raised global average sea level. Food production and ecosystems are particularly vulnerable. The latest research from the World Meteorological Organisation finds that four key climate change indicators – greenhouse gas concentrations, sea level rise, ocean heat and ocean acidification – set new records in 2021 (WMO, 2022). It also shows that 2011-2021 was the warmest decade on record, in a persistent, long-term climate change trend characterised by sea level rise, ice loss and extreme weather.

The latest United Nations Environment Programme Annual Emissions Gap Report (UNEP, 2022) concludes that new national climate pledges post COP 26 combined with other mitigation measures put the world on track for a global temperature rise of 2.8°C by the end of the century, well above the goals of the Paris climate agreement. This would lead to catastrophic changes in the Earth's climate. The world needs to reduce annual greenhouse gas emissions by 45 per cent compared to emissions projections under policies currently in place in just eight years to keep global warming below 1.5°C this century, the aspirational goal of the Paris Agreement. Despite the pledges made at COP 26, progress has been slow, with NDC's still far below what is required to meet the goal of 1.5°C. An historic agreement was reached on the establishment of a 'Loss and Damage Fund' at COP 27, however this is just the first step in deciding how the fund will be implemented, who will be contributing and how it will be managed.[1] Financing is key to supporting adaptation and mitigation measures, with three to six times the current level of climate investment globally required to rapidly reduce emissions. According to most recent figures, international adaptation finance flows to developing countries are five to ten times below estimated needs, and over US$300 billion per year in adaptation finance is required by 2030 (UNEP, 2022).

National climate policy

The Programme for Government commits to a Green New Deal and to an average 7 per cent per annum reduction in overall greenhouse gas emissions from 2021 to 2030 (a 51 per cent reduction over the decade), and to achieving net zero emissions by 2050. In order to meet our 2030 targets and the revised EU Fit for 55 Package[2] targets every measure in the Climate Action Plan will have to be fully implemented with further measures required to ensure Ireland's compliance gap doesn't grow further. Given challenges in implementing previous climate policies it is reasonable to question whether every measure in the plan will be implemented by 2030.

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1 Loss and damage refers to the negative consequences that arise from the unavoidable risks of climate change, like rising sea levels, prolonged heatwaves, desertification, the acidification of the sea and extreme events, such as bushfires, species extinction and crop failures.

2 The European Commission's proposals to cut GHG emissions by 55% by 2030 https://climate.ec.europa.eu/eu-action/european-green-deal/2030-climate-target-plan_en

The Climate Action and Low Carbon Development (Amendment) Act 2021 established a legally binding framework with clear targets and commitments set in law, embedding the necessary structures and processes to ensure Ireland achieves national, EU and international climate goals and obligations in the near and long term on a statutory basis. The Climate Change Advisory Council (2021a) submitted its proposal for Ireland's first carbon budget programme in 2021, and Ireland's first carbon budget programme came into effect in April 2022. The programme is broken down into three five-year carbon budgets. Carbon budgets prescribe the maximum amount of greenhouse gases that may be emitted over a specific period of time in the State.

The first two carbon budgets in the programme provide for the 51 per cent reduction in greenhouse gas emissions from the State by 2030 relative to 2018 as set out in the Climate Action and Low-Carbon Development (Amendment) Act. The annual Average Percentage Change in Emissions from the first carbon budget 2021-2025 is a reduction of 4.8 per cent, the second carbon budget 2026-2030 sees a reduction of 8.3 per cent, and the third budget 2031-2035 sees a reduction of 3.5 per cent.

The first carbon budget has built in the implications of the time-lag between making decisions and investments on the one hand, and on the other hand, seeing the emissions reductions come into effect.

The Climate Action Plan (2023) sets out indicative ranges of emissions reductions for each sector of the economy.

Emissions reductions by 2030 – by sector:

- Electricity: 62-81 per cent
- Transport: 42-50 per cent
- Buildings: 44-56 per cent
- Industry/Enterprise: 29-41 per cent
- Agriculture: 22-30 per cent
- Land Use, Land Use Change and Forestry (LULUCF): 37-58 per cent

It also sets out the specific actions needed to deliver on our climate targets for each sector. The Plan also commits to the establishment of a Just Transition Commission to provide advice to Government. In addition, the plan states that a just transition framework will be fully mainstreamed across climate action, policy-making and delivery (Government of Ireland, 2023). This framework is comprised of four principles, an integrated, structured and evidence-based approach, equipping people with the right skills to participate in and benefit from a net zero economy, cost sharing for equitable impact and social dialogue.

While some progress has been made, a significant gap remains between climate action policy and climate action delivery. Ireland failed to meet its 2020 target of a 20 per cent reduction in greenhouse gas emissions under the EU Effort Sharing Decision and will have to purchase emissions allowances or credits from other Member States to meet the shortfall at a projected cost of €8m (Walker et al, 2023). Current projections also suggest the 2030 targets will be missed without the full implementation of all actions in the Climate Action Plan (Climate Change Advisory Council, 2021b). Ireland is significantly off-track from paths that deliver long-term transition to climate neutrality and our 2050 national policy goals. Ireland spent €89.6m purchasing emissions allocations prior to 2020, suggesting that the costs of compliance for 2030 target could be quite significant if current trends are not reversed.

The increased incidence of flooding and other severe weather events are evidence of the impact that climate change and changing weather patterns are having on Ireland. It exposes the vulnerability of many of our services, communities and utilities and failure to act now will only result in greater expense later (Climate Change Advisory Council, 2020). The present rate of climate change demands a more urgent response if Ireland is to safeguard its resources, society and economy from its impacts.

Emissions

Emissions in Ireland are cyclical, and even though emissions fell during the recession, they immediately increased as economic activity increased. Even with the impact of the pandemic taken into account, Ireland missed our energy and climate targets for 2020 (EPA, 2022).

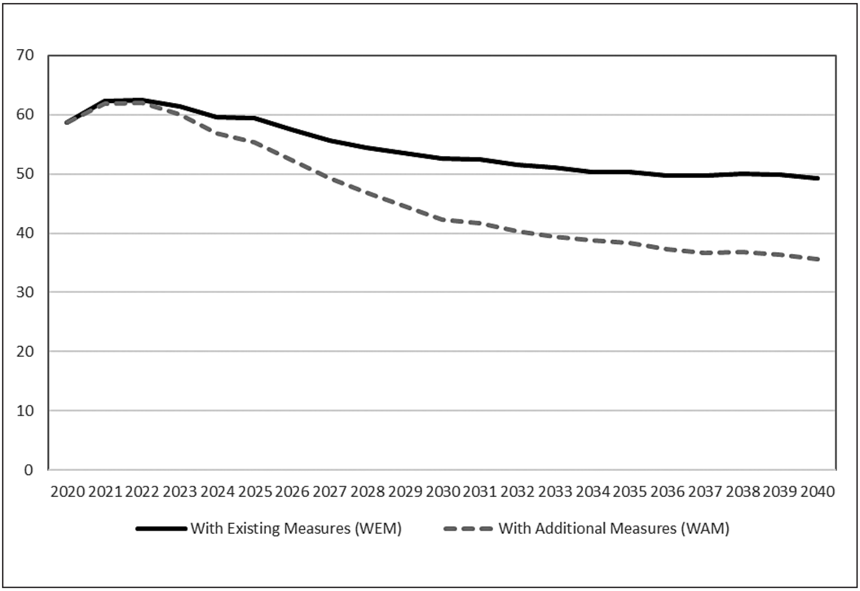
Provisional greenhouse gas emissions published by the Environmental Protection Agency for 2021 show that Ireland's greenhouse gas emissions increased by 4.7 per cent in 2021 compared with 2020 figures (EPA, 2022). The EPA projections also indicate that Ireland will exceed its 2021 annual limit, a continuation of a worrying trend.

According to these estimates, 23.5 per cent of the carbon budget for the period 2021-2025 has already been used, requiring an 8.4 per cent annual emissions reduction from 2022-2025 to stay in budget.

Emissions in Energy increased by 17.6 per cent in 2021, largely driven by a tripling of coal and oil use in electricity generation. Agriculture emissions increased by 3 per cent, driven by increased fertiliser use, limestone application and increased livestock numbers. In transport, emissions increased by 6.1 per cent, largely driven by the ending of COVID travel restrictions. Emissions from international aviation (although not included in national total emissions) increased by 11.6 per cent in 2021. Emissions in the residential sector fell by 4.9 per cent. Overall, agriculture remains the largest contributor of emissions at 37.5 per cent, followed by transport

(17.7 per cent), energy (16.7 per cent), residential (11.4 per cent), manufacturing (7.5 per cent).[3]

Chart 11.1: Ireland GHG Emissions Projections 2020-2040 (kt CO_2 eq)



Source: EPA, 2022.

To date, there has been a complete failure at a political level to implement policies that will de-couple emissions from economic trends and put our economy and our society on a more sustainable footing. Ireland came closest to meeting the (missed) 2020 emission reduction targets in the period 2011-2012, during the economic recession. The EPA noted at the time that Ireland's reduced emissions resulted from reduced economic activity, not from any policy success, and has since noted that emissions continue to increase in line with economic growth. We must not let history repeat itself. Chart 11.1 outlines Ireland's projected level of emissions based on the latest data available from the EPA. It is clear from these projections that the existing measures contained in the Climate Action Plan will not be enough, and additional measures will be required.

[3] These five sectors accounted for 90.9% of national total emissions in 2021. The remainder is made up by the Industrial Processes sector at 4.0%, F-Gases at 1.2%, Commercial Services at 1.3%, Public Services at 1.1% and Waste at 1.5%.

Agriculture

Agriculture accounts for the largest proportion of Ireland's emissions (one third). The trend of persistently high levels of emission from agriculture (one of the highest in the EU) is a challenge that has not yet been adequately addressed. Irish dairy farms produce up to three times more greenhouse gas and ammonia emissions than other farming sectors (Teagasc, 2019), yet the dairy sector has been earmarked by Government for continued expansion. Increases in herd sizes on dairy farms is undermining any gains from more efficient and sustainable farming practices. This type of policy incoherence makes it challenging to support this sector to meet climate targets. Immediate action is required to meet the carbon budget target of a 17.25 per cent reduction in emissions from this sector by 2026, and a 25 per cent reduction by 2030.

Challenges relating to diverse objectives for the agriculture sector may be hard to resolve. This is evident in the 'Ag Climatise' strategy (DAFM, 2020), while committing to an absolute reduction in the agricultural greenhouse gas inventory by 2030, sets no annual targets, and does not make any reference to the size of the national herd, which is a fundamental driver of agricultural emissions. 'Food Vision 2030' also fails to deal with the challenge posed by the expansion of the dairy herd and increasing emissions. This expansion in production in some farming sectors (dairy in particular) has negated the impact of efficiency gains and reduced activity in other farming sectors leading to increased emissions. This makes the targets set out for agriculture in the carbon budgets very challenging. Improvements in production efficiency will not be enough to meet the carbon budget target and the long-term trajectory for the livestock sector must be considered. The final reports of the 'Food Vision Dairy' and 'Food Vision Beef and Sheep' Groups have proposed a series of measures to assist those elements of the agriculture sector to meet emissions ceilings set out in the carbon budgets. Full implementation of these measures along with more ambitious policies will be required if this sector is to meet its emissions reduction targets.

Continued support for the beef sector must be contingent on much stronger conditionality and essential income support for low-income farm households via CAP (Common Agricultural Policy) should be consistent with the green transition and emissions reduction ambitions (CCAC, 2020). We must move away from the existing approach whereby the targets in our agricultural and food strategies serve to undermine the targets in our environmental policies.

With regard to our national and international climate commitments, we need to consider what agricultural policy will be best-placed to ensure Ireland meets its national and international targets: is it a policy of agricultural expansion and increased emissions to reach additional markets, or, is it a policy of ensuring Ireland produces the food required to meet our population needs and supports the agricultural sector in the developing world to ensure they can provide the food required to meet their own population needs? These are the kinds of challenging issues that a Just Transition Commission and climate action policy must begin to address.

Policy change and investment is required immediately to support farmers in the transition to a greener economy and society.

Transport

Transport trends are also going in the wrong direction, driving congestion and a host of sustainability problems and costs (EPA, 2022, CCAC, 2021b). Long-term integrated spatial and mobility planning supporting public transport and active travel in Ireland must be given urgent priority. The lifting of COVID travel restrictions saw transport emissions increase by 6 per cent in 2021, highlighting the challenge Ireland faces in offering transport alternatives beyond private care journeys. Significant investment is needed to develop a public transport network powered by electricity and renewable energy. To encourage electric car use the national charging infrastructure must be upgraded and the tax on electric vehicles should be reduced to make them a more affordable option.

The initial investment in public transport will be substantial if it is to have the necessary effect, but the long-term social, environmental and economic benefits of such a change would greatly outweigh the cost. It is vital that the upgrade to the public transport network has a strong focus on connectivity to ensure that people travelling from rural or regional areas to urban centres are encouraged to do so by public transport.

Road transport is just one element of transport emissions. Emissions from aviation are not taxed directly as jet kerosene used for commercial aviation is exempt from excise and carbon taxes. Using the excise duty for heavy oil used for air navigation as a benchmark, the CSO estimates that the amount of revenue foregone in 2020 on jet kerosene due to the tax exemption was €234 million. This compares with €634 million in 2019, before the pandemic (CSO, 2022). Jet kerosene use had increased by 1.2 per cent in 2019, and prior to the COVID travel restrictions air travel was second only to private cars as a share of transport energy. As we begin to look at what measures are required to deliver on the policies in the Climate Action Plan, we must look at the aviation sector and the policy levers that are available to ensure that it makes a contribution to our climate targets. *Social Justice Ireland* has consistently argued that the aviation sector should make a contribution to Ireland's emissions targets[4] and outlined proposals as to how this could be achieved. Government must implement the key recommendations of 'The Impacts of Aviation Taxation in Ireland' (ESRI, 2021), in particular the recommendation to target the taxation of CO_2 directly. Government should examine the potential of introducing an aviation tax as an interim measure whilst promoting the abolition of the Jet Kerosene exemption from mineral oil tax at a European and international level.

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4 For further details see our proposal on aviation taxation in Budget Choices 2020, 2021 and 2022.

Cost of climate change

As a member of the EU, Ireland has committed to legally binding emissions reduction targets; a 51 per cent reduction on emissions compared to 2018 levels by 2030. Ireland failed to meet the 2020 target and we are certainly not on a trajectory to make our 2030 targets. While the environmental implications of not meeting our emissions targets are obvious, there are also significant economic implications as a result of not meeting our EU 2020 targets with Ireland forced to avail of existing flexibilities and purchase credits and statistical transfers to ensure compliance. A recent paper (Walker et al, 2023) attempts to estimate potential compliance costs for our 2030 climate and energy targets. Missing our 2020 targets means Government must spend an additional €8m to purchase 4.15 million international credits for 2020 in order to be in compliance with our EU targets. The total cost of compliance up to 2020 for GHG emissions is €99.7m and is liable to rise considerably as the cost of purchasing credits increases, and the trend of missing targets continues.[5] In addition, Ireland also faced compliance costs for failing to meet its 2020 obligation under the renewable Energy Directive at a cost of €50m.[6]

Future compliance costs remain uncertain, but it would be reasonable to expect them to increase substantially. According to Walker et al (2023) the price of allowances or credits in the EU Emissions Trading System is expected to grow up to 2030. Prices averaged around €20 between 2005 and 2019, it rose to €51 in 2020 and peaked at €98 in August 2022. Current projections estimate the cost of credits in December 2030 at €112.

The Climate Change Advisory Council found that the use of public funds to buy emissions allowances in order to comply with our 2020 EU targets provides no domestic benefit, imposes a current cost on the Exchequer, and leaves the country with an even bigger task to meet our future targets to 2030 and beyond (CCAC, 2019:iv). In the longer term, relying on purchasing credits can deepen carbon lock-in, and imposes a cost on the exchequer, and thereby ultimately on all citizens. The projected cost of compliance to 2030, depending on which scenario is used, ranges from €8.1bn for EU Fit for 55 with existing measures to €3.5bn for EU Fit for 55 with additional measures, based on measures contained in the Climate Action Plan 2021 (Walker et al, 2023). Notwithstanding the high levels of uncertainty built into these scenarios, it is clear that our compliance costs are going to increase substantially if we do not begin to invest significantly in mitigation and adaptation measures. This is a cost that could be avoided by actual emissions reductions. The potential cost of climate change adaptation remains substantially unquantified at national scale, with it being left to individual sectors to address such issues. This approach

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5 Ireland spent €91.7m purchasing credits up to 2021. https://assets.gov.ie/246850/5982d0ec-1590-4caf-8c40-ce8bf178f5fc.pdf

6 Ireland had to negotiate the purchase of 'statistical transfers' from two Member States in under to comply with our 2020 obligations consisting of the purchase of statistical transfer of 1,000 GWh from Denmark costing €12.5 million; and the purchase of statistical transfer of 2,500 GWh from Estonia costing €37.5 million.

is a barrier to effective decision making and opens the door to fragmentation and a conflict for resources (CCAC, 2021b). The latest IPCC (2023) synthesis report is clear – there is a rapidly narrowing window for countries to enable climate resilient development – immediate action will deliver results. This means massively upscaling investment in a wide range of mitigation and adaptation strategies, rapid and far-reaching transitions across all sectors, which although politically challenging are necessary, further delay will simply see this window close. Finance needs to increase between three and six-fold. There is sufficient global finance available to close the investment gap, and through strong leadership and policy levers, government can harness public and private finance and redirect it to climate action (IPCC, 2023). In this transition we must prioritise equity, protection of the vulnerable, inclusion and just transition. Climate adaptation should be integrated into social protection systems to support those who will be most impacted by the changes to come, and to enable them to avail of alternatives. The IPCC point to climate resilient development as a framework for climate change measures and to ensure they provide wider benefits of improved health and livelihoods, reduced poverty and hunger and clean energy, air and water. This type of development would improve societal wellbeing and support the delivery of a new social contract during this transition. Five key enablers are required for climate resilient development to be successful. These are political commitment, inclusive governance, international cooperation, effective ecosystem stewardship and the sharing of diverse knowledge. Each of these enablers already sit within the social contract framework outlined in chapter 2.

Ireland must escalate the implementation climate adaptation policies across all sectors and also allocate the upfront investment required to ensure alternatives are in place to support people, communities and business who will be most impacted in the near term with the significant changes required.

The European Commission '*European Green Deal*' (European Commission, 2019a) is a roadmap to transform the European economic model by moving to a circular economy, reversing and averting biodiversity loss and addressing climate change. The Green Deal for Europe contains a political commitment to become the first climate neutral continent by 2050. The European Pillar of Social Rights and the SDGs should be used to form the basis of EU policy as it implements a European Green Deal. One of the challenges ahead is the raising of additional resources to fund the actions required for adaptation and transition. Simply rediverting existing funds will not be enough. A focus on green investment and climate as outlined by the IPCC offers the opportunity to respond to climate change, the opportunity to put us on the path to a just transition while also addressing issues regarding energy security, energy supply and increased cost of living.

The refocusing of the CAP budget to climate action presents an opportunity for farmers to invest in sustainable forms of agriculture and the Farm-to-Fork Strategy has the potential to deliver on short supply chains for farmers, and address some of the issues of product pricing for Irish farmers. Our agriculture, marine and agrifood strategies must reflect this new reality.

Ireland's environment and natural capital

The deterioration of our environment and natural capital is also reflected in the latest EPA assessment of Ireland's rivers (EPA, 2020b). The report found that over one third of rivers, and a quarter of lakes are failing to meet their environmental quality standards. The main threat to water quality is the presence of too many nutrients, such as phosphorus and nitrogen, which come primarily from agriculture and waste water. The problem is particularly acute in the south and south east where the main source is agriculture.

Climate change is also having an impact on biodiversity in Ireland. The EPA's 2017 report repeats earlier assertions that the economic value of our ecosystem services is around €2.6 billion (EPA, 2017:24) but that the rate of habitat degradation and loss of biodiversity is accelerating across Europe, including in Ireland. Ireland needs to improve its data collection methods when it comes to biodiversity and to monitor the impact of climate change in this context to protect both our natural resources and our economy. Our natural capital and ecosystems should also be assigned value in our national accounting systems. Ireland became a world leader in establishing the first Citizen's Assembly on Biodiversity Loss, however this will mean nothing if the recommendations of the assembly are not implemented in full.

The decline of nature, biodiversity and insects, and the impacts, are starkly outlined in a series of international reports from the Intergovernmental Panel on Climate Change.[7] The impact on Ireland is clear from reports from the EPA on water quality, air quality, biodiversity and emissions. Government must treat these reports as an impetus to implement a complete shift in policy away from business as usual and towards transition and adaptation. This requires immediate action and immediate investment. Although initially costly, the returns and dividend we will reap from the investment is significant. It will put Ireland on the pathway to meet 2030 and 2050 targets. Without action now the challenge becomes almost insurmountable.

Damaging environmental activity also affects health. According to the EPA (2021) about 1,300 premature deaths annually in Ireland can be attributed to air pollution. Those most impacted include older adults, people with chronic illnesses, children and those living in deprived communities. The World Health Organisation has described air pollution as the 'single biggest environmental health risk'.[8] EPA figures show that air pollutants were above the WHO's updated guideline values

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7 https://www.ipcc.ch/srccl/
https://www.ipcc.ch/srocc/home/
https://www.un.org/sustainabledevelopment/blog/2019/05/nature-decline-unprecedented-report/

8 https://www.who.int/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health

for health at 65 monitoring stations across Ireland in 2021– mostly as a result of the burning of solid fuel in our cities, towns and villages The impact of Solid Fuel Regulations introduced in late 2021 has yet to be observed in available data.

Sustainable Development Goals

The Global Goals for Sustainable Development were adopted at the UN General Assembly on 25th September 2015 and came into effect on 1st January 2016. These goals make up the *2030 Sustainable Development Agenda* which is defined as a 'plan of action for people, planet and prosperity'.[9]

World leaders have committed to 17 Global Goals (also known as SDGs) containing 169 targets to achieve three distinct aims: to end poverty, fight inequality and tackle climate change over the 15 years to 2030. The SDGs commit countries to achieving sustainable development in its three dimensions – economic, social and environmental – in a balanced and integrated manner. To ensure these three dimensions are valued equally, new measures of progress will be required to ensure that economic progress does not come at the price of social or environmental progress.

Social Justice Ireland monitors Ireland's performance towards achieving the SDGs through our annual *Sustainable Progress Index*. The latest version of the index shows that Ireland is ranked 8th out of the 14 countries on the economy (Social Justice Ireland, 2023). On the social index, Ireland is in the middle of the ranking, in 6th place. On the environmental index Ireland scores 9th which suggests notwithstanding the progress made in terms of the Climate Action Plan and carbon budgets, we face significant challenges in meeting our environmental targets. Several of the SDG scores reflecting the environment show the need to address some important sustainability issues. Challenges lie ahead if Ireland is to achieve its objectives on SDG 7 'Affordable and clean energy', SDG12, 'Responsible consumption and production', SDG13, 'Climate action', and SDG6, 'Clean water and sanitation'. Ireland's *Sustainable Development Goals National Implementation Plan 2022-2024* is guided by five strategic priorities policy coherence, integration, partnership and engagement, leave no one behind and reporting and monitoring. If Ireland is to achieve the SDGs by 2030, national targets for each SDG and new and ambitious policy measures are required. It is important that the Central Statistics Office's (CSO's) Sustainable Development Indicators are aligned with the *National Implementation Plan* so that Ireland has a comprehensive set of data to measure progress.

11.2 Key Policies and Reforms

Ireland has made some progress through the carbon budgets and Climate Action Plan. There is a limited window of opportunity to fully resource and implement

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9 https://sustainabledevelopment.un.org/post2015/transformingourworld

these policies, which will require significant upfront investment and a strong and determined implementation effort.

Ireland must learn to live, produce and consume within the physical and biological limits of the planet and rethink and redesign what we mean by social and economic 'prosperity' (EPA, 2016:159). To achieve this will require integrated and enduring governance, including brave social and economic measures.

A continued focus on cost-neutral or cost-effective actions to mitigate the impacts of climate change is misguided. While addressing the impact of climate change and implementing adaptation policies comes at a cost and requires strong collective effort, the cost of inaction and the associated social fallout would be much higher (European Commission, 2019c).

A green economy and society

The Climate Change Advisory Council and the EPA have stressed the absolute urgency of a green recovery if Ireland is to meet our climate ambitions and targets. The incorporation of emissions reduction targets into the National Development Plan is welcome, however more is required if economic, social and environmental policy are to align with our national climate goals. The OECD (2020) recommend three overarching principles to accelerate a fair, low-carbon recovery: (i) aligning the short-term emergency responses to the achievement of long-term economic, social and environmental objectives and international obligations; (ii) preventing both lock-in of high-emissions activities and worsened well-being of those in the bottom 40 per cent of the income distribution and (iii) systematically integrating environmental and equity considerations into the economic recovery and stimulus process. Notwithstanding the focus on a green post pandemic recovery, latest data shows that the green COVID recovery programmes mainly reflect broader grants, tax reductions, other subsidies and regulatory changes (OECD, 2023). To date, only a very small share of measures are directed at two areas that are essential for the creation of green jobs and skills for the green transition: research and development (8 per cent) and skills development (2 per cent). Despite commitments and rhetoric, governments have much to do to prepare for a green transition. Looking at the Irish context, and the challenges we face in terms of climate action, Government should:

> **Integrate a Sustainable Development Framework and Green Budgeting into economic policy**. This would ensure that policies are socially, economically and environmentally sustainable. Maintaining this balance is crucial to the long-term development of a sustainable resource-efficient future for Ireland. It would also ensure that the correct investments and correct policies are in place to support our national climate goals across all Government departments and policies.
>
> **Develop a new National Index of Progress**. Government should develop a new National Index of Progress encompassing environmental and social indicators of progress as well as economic ones. This would involve

moving beyond simply measuring GPD, GNI and GNI* and including other indicators of environmental and social progress. Wellbeing indicators such as health (physical and mental), economy and resources, social and community development, participation, democracy and good governance, values, culture and meaning and environment and sustainability would be an appropriate frame for developing a new National Index of Progress. While *Social Justice Ireland* welcome Government's efforts to develop a Wellbeing Framework, the lack of urgency in implementing it and making the necessary procedural changes is concerning.

Investment underpinned by a Just Transition Strategy. One of the fundamental principles of a Just Transition is to leave no people, communities, economic sectors or regions behind as we transition to a low carbon future. Transition is not just about reducing emissions. It is also about transforming our society and our economy, and investing in effective and integrated social protection systems, education, training and lifelong learning, childcare, out of school care, health care, long term care and other quality services. Social investment must be a top priority of transition because it is this social investment that will support those people, communities, sectors and regions as we make the difficult transition to a carbon-neutral economy, transforming how our economy and society operates.

Reducing our emissions

Reducing emissions requires the implementation of policy decisions made in the interest of a sustainable future rather than short-term sectoral interests. Ireland's carbon budgets set out the emissions reductions required from each sector to 2030. Meeting these targets will be challenging for all sectors. Ambitious and substantive policies requiring sufficient resourcing and an all-of-Government approach are required to ensure that we meet our environmental targets. We are not limited in what we can do, but are limited by our political ambition and leadership, and by the fact that because we have left these decisions for so long, the effort required to achieve adaptation and transition will now be far greater than if we had acted years ago.

These commitments must be underpinned by ambitious and substantive policies requiring sufficient resourcing and an all-of-Government approach to ensure that we meet our environmental targets.

Progress towards changing farm practices has been limited and incentives to reduce on-farm greenhouse emissions have not been delivered on a wide scale (Curtin & Hanrahan 2012: 9). The agriculture and food sector must build on its scientific and technical knowledge base to meet the emissions challenge.

Transport is another area which faces challenging targets. Despite impact of COVID-19 restrictions in emissions from this sector in 2020, 2021 data shows transport emissions have returned to 2019 levels. The reduction in carbon dioxide emissions in 2020 is less than the amount that will need to be achieved every year from 2021 to 2030 to meet our long-term decarbonisation goals (SEAI, 2021). Transport continues to dominate Ireland's energy use, and transport energy use has increased by 25 per cent since 2012. Heavy goods vehicles (HGV) showed the strongest growth in energy use in transport in 2019, and although impacted by COVID-19 travel restriction, the HGV sector returned to growth in 2021(SEAI, 2022). There is strong growth in the electric vehicle purchase, albeit from a very low base, and it will be well into the next decade before there is a significant phasing out of cars with internal combustion engines (SEAI, 2022).

Significant investment is needed to develop a public transport network powered by electricity and renewable energy. It is vital that the upgrade to the public transport network has a strong focus on connectivity to ensure that people travelling from rural or regional areas to urban centres are encouraged to do so by public transport. Government policy must also examine how to discourage private car use, particularly in urban areas, in conjunction with the provision of accessible and quality public transport and an improved cycling network all forming part of a transition to a low-carbon transport system.

Energy is the third largest driver of our emissions. Energy-efficient homes help reduce our carbon footprint as they require less fuel to heat. One of the most cost-effective measures to promote sustainable development is to increase building energy efficiency through retrofitting, for example. The SEAI estimate that €35 billion would be needed over the coming 35 years to make Ireland's existing housing stock 'low-carbon' by 2050. More than 50,000 homes will have to be retrofitted every year to meet the targets set out in the Programme for Government. Budget 2023 contained a welcome allocation of €87m to the Local Authority Retrofit Programme. Investment in renewable energy and retrofitting on the scale required to meet our national climate ambition requires large scale investment in infrastructure. However barriers persist to accessing grants for low income households. These are the households who are most likely to use solid fuels such as coal and peat; the very households that policy should be targeting. The upfront costs associated with accessing sustainable energy grants can act as a barrier for those on low incomes. Yet with an estimated 217,587 homes having the lowest BER ratings of F or G, it is imperative that Government support these households by redesigning these schemes to make them more accessible. While we welcomed the announcement of the National Retrofitting Programme (Government of Ireland, 2022), particularly the Free Energy Upgrade for households in receipt of certain social welfare payments, we remain concerned that the upfront cost associated with the One Stop Shop Service and Individual Energy Upgrade Grants Schemes remains a barrier to many low income households. Too often subsidies are only taken up by those who can afford to make the necessary investments. These subsidies are functioning as wealth transfers to those households on higher incomes while the costs (for example, carbon taxes) are regressively socialised among all users. Incentives and tax structures must look at short and long term costs of different population segments and eliminating energy poverty and protecting people from energy poverty should be a key pillar of any Just Transition platform. A state led retrofitting scheme is required to ensure that people living in social housing and poor quality housing have access. This would increase energy efficiency, reduce bills, improve health outcomes, and assist us in meeting our climate-related targets.

As the number of renters increases in Ireland, the government must ensure that non-home owners are not left out of cost-saving retrofitting schemes. The government must consider how to motivate landlords who will not directly benefit from energy cost savings in retrofitting schemes. This would increase energy efficiency, reduce bills, improve health outcomes, and assist us in meeting our climate-related targets.

Government should develop a national retrofitting strategy of sufficient scale, using the learning from the SEAI deep retrofit pilot programme, with an ambitious target to deep retrofit the entire existing housing stock in a 20 year timeframe and concurrent plans to increase capacity within the construction sector. This strategy should incorporate relevant and transferable elements of the energiesprong programme in the Netherlands, and the building renovation passport proposal of the Irish Green Building Council[10] thereby facilitating a step-by-step approach to retrofitting which is more financially appealing and manageable for households.

An upgrade of the national grid must be a key element of infrastructure investment so that communities, cooperatives, farms and individuals can produce renewable energy and sell what they do not use back into the national grid, thus becoming self-sustaining and contributing to our national targets.

Fossil fuels and renewable energies

Ireland's fuel mix for electricity generation is still dominated by carbon-based fossil fuels, but the share of renewables is improving, reaching 42 per cent in 2020 (SEAI, 2021). Ireland is highly dependent on imported fossil fuels for energy, our import dependency was 72 per cent in 2020. This runs contrary to our targets of reducing emissions, increasing renewable energy, and eliminating our dependence on fossil fuels. In 2020 renewables made up 13 per cent of final energy consumption, well short of the 2020 target of 16 per cent. In light of the current energy crisis, its impact on the cost of living and the challenges presented by the war in Ukraine, a move to renewable energy must be an immediate policy and investment priority.

Ireland's contribution to the European Union 2030 targets of at least a 55 per cent net reduction in greenhouse gas emissions by 2030 is set out in the National Energy and Climate Plan (NECP) sets out Ireland's contribution to the EU targets of at least a 55 per cent net reduction in greenhouse gas emissions by 2030 and renewables to make up 45 per cent of energy by 2030. The European Commission

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[10] https://www.igbc.ie/wp-content/uploads/2020/09/Introducing-BRP-In-Ireland-Feasibility-Study.pdf

assessment of Ireland draft NECP includes a number of concerning observations.[11] The assessment notes the lack of a clearly identified contribution to the 2030 renewable energy target among the four scenarios presented in the NECP and this makes it difficult to assess the level of Ireland's ambition. The assessment also notes that the draft NECP contains a limited set of objectives and targets and policies and measures in the energy security dimension. Finally, the assessment notes that the issue of a socially just transition could be better integrated throughout the NECP by considering social and employment impacts of proposed policies. Clearly Government has much work to do to ensure our energy targets and policies and measures to support implementation of same.

Fossil fuel subsidies were $5.9 trillion or 6.8 percent of global GDP in 2020 and are expected to increase to 7.4 percent of global GDP in 2025. The vast majority of these subsidies (92 per cent) reflect an undercharging for environmental costs and foregone consumption taxes (Parry et al, 2021). Globally, under-pricing for local air pollution costs is the largest contributor to global fossil fuel subsidies, accounting for 42 percent, followed by global warming costs (29 percent). Eliminating these subsidies and raising fuel prices to their fully efficient levels would reduce projected global fossil fuel CO2 emissions to 36 percent below baseline levels in 2025 - or 32 percent below 2018 emissions, in line with the 25-50 percent reduction in global GHGs below 2018 levels needed by 2030 to be on track with containing global warming to the Paris goal of 1.5-2C (Parry et al, 2021). It would also generate approximately $3 trillion, which would go a long way towards closing the SDG investment gap.

Nationally, the subsidising of fossil fuels by the Exchequer is another example of policy incoherence. According to the latest data published by the CSO, €2.2 billion was not collected by the Exchequer due to direct subsidies and revenue foregone due to preferential tax treatment supported fossil fuel activities in Ireland in 2020 compared to €2.8 billion in 2019 with the decrease primarily due to consumption of fossil fuels in the transport sector (CSO, 2022). Direct fossil fuel subsidies accounted for 13 per cent of total fossil fuel subsidies in 2020 while indirect subsidies arising from revenue foregone due to tax abatements accounted for 87 per cent. The excise exemption for jet kerosene accounted for €234 million in 2020, a drop from €634m in 2019, attributable to COVID travel restrictions. Government must act on the recommendations of the report on the impact of aviation taxation in Ireland and abolish the Jet Kerosene exemption. In 2020, Government raised €2.8 billion in energy taxes, of this just €0.4 billion was spent on environmental subsidies related to energy and emissions, while fossil fuel subsidies were €2.2 billion. Taxation policy must be aligned with our national climate targets.

A study by the ESRI (2020) found that budgetary cost of these subsidies was over six times higher than the entire carbon tax revenue of the Government in 2017. The value of these subsidies is substantially higher than the allocation to Just Transition

11 https://energy.ec.europa.eu/system/files/2019-06/necp_factsheet_ie_final_0.pdf

and biodiversity in recent budgets. Eliminating these subsidies means that government has a wider fiscal space available in terms of climate policy. Government can alleviate adverse climate change impacts by removing these subsidies rather than levying new environmental taxes or increasing the existing environmental tax rates/levels. This is something that must be considered in budgetary terms when implementing and designing climate policy. By ending environmentally damaging tax breaks and investing this money in people, communities and regions that will be most affected by climate adaptation, Government can help to ensure a Just Transition.

Taxation

Any programme for sustainable development has implications for public spending. In addressing this issue, it must be understood that public expenditure programmes and taxes provide a framework which help to shape market prices, reward certain activities and penalise others. A key aspect of this could be to broaden the tax base through environmental taxation. Eco-taxes, which put a price on the full costs of resource extraction and pollution, would help with the transition towards a resource efficient, low carbon, green economy. The taxation system should reflect the environmental costs of goods and services. Carbon tax plays a key part in this regard.

An appropriate carbon price floor would remove the need for ongoing support of renewables via the Public Service Obligation levy (CCAC, 2020). *Social Justice Ireland* has consistently proposed that revenues from carbon taxes are used to support households in energy poverty to improve energy efficiency and in low carbon technologies to improve the energy efficiency of the housing stock.

In designing taxes or incentives transitional measures, regional differentiation, the availability of alternatives and differences in purchasing power should all be taken into account. When designing environmental taxes it is vital that revenues generated should be used to offset any regressive impacts. When considering environmental taxation measures to support sustainable development and the environment, and to broaden the tax base, the Government should ensure that such taxes are structured in ways that are equitable and effective and do not place a disproportionate burden on rural communities or lower socio-economic groups. The European Commission has recommended the use of economic instruments such as taxation to ensure that product prices better reflect environmental costs.

Subsidies are also an element of the environmental tax code that should be reviewed. Eliminating these subsidies mean that government has a wider fiscal space available to it in terms of climate policy and taxation. In terms of overall public expenditure, systematic reviews should be carried out and published on the sustainability impacts and implications of all public subsidies and other relevant public expenditure and tax differentials. Subsidies which encourage activity that is damaging to natural, environmental and social resources should be abolished.

Environmental taxation, enforcing the polluter pays principle, and encouraging waste prevention can help to decouple growth from the use of resources and support the shift towards a low carbon economy. Incorporating social and environmental costs in regulating and pricing both goods and services, combined with promoting those goods and services which are sustainable, should become part of sustainable development policy.

Circular Economy

A sustainable economy can only be achieved with transformative policies. The 'circular economy' theory is based on the understanding that it is the reuse of vast amounts of material reclaimed from end of life products, rather than the extraction of new resources, that should be the foundation of economic growth (Wijkman and Rockstrom, 2012:166). Furthermore, the shift to a circular economy is labour intensive, focusing on repair, recycling, research and development, regenerating natural capital, and preserving and enhancing land, oceans, forests and wetlands.

Embedding the circular economy principles into our economic framework is a key step towards decoupling economic growth from resource consumption and meeting the targets set out in the Climate Action Plan and the carbon budgets. Finland sees the transformation of its economy to a circular economy by 2035 as a key step towards its target of carbon neutrality by 2035. Key elements of the Finnish circular economy programme that can be applied to Ireland are the mainstreaming of the sharing economy and sustainable products and services; choices that strengthen a fair welfare society and the sustainable use of natural resources ensuring materials remain in circulation longer.

'Living More, Using Less' is Ireland's first circular economy strategy, which has a welcome focus on policy coherence in order to deliver on our national ambitions. Among the objectives of the strategy are a national policy framework for Ireland's transition to a circular economy; a commitment to reduce Ireland's circularity gap, so that Ireland's rate is above the EU average by 2030; and promoting increased investment in the circular economy in Ireland, with a view to delivering sustainable, regionally balanced economic growth and employment.

The circular economy in Ireland is supported by the Environmental Protection Agency Waste Prevention Programme. We welcome the establishment of the circular manufacturing platform CIRCULÉIRE and look forward to significant progress on the target of a 20 per cent reduction in greenhouse gas emissions and waste production for 30 Irish companies. Adapting circular economy principles leads to economic benefits also. An analysis of the Smart Farming programme on 50 farms, identified 10 per cent greenhouse gas emissions reductions and savings of €6,336 per farm (EPA, 2020d). The concept of 'cradle-to-cradle development' involves reviewing the processes of production to not only minimise waste but eliminate it altogether. Ireland has often been lauded as a hub of innovation. Our environment, and consequently our economy and society, would benefit greatly from the adoption of 'cradle-to-cradle' design principles.[12]

The Circular Economy forms one of the key pillars of the Green New Deal for Europe and it is important that Ireland now moves to implement the monitoring framework provided in the European Commission 2018 Circular Economy Package.[13] The Circular Economy Bill, which puts 'Living More, Using Less' on a legislative footing is welcome progress. In particular we welcome the commitment in the bill to eliminate the use of disposable coffee cups and phasing out of single use disposable products, policies for which *Social Justice Ireland* has consistently advocated. A reduction in waste and consumption will help prevent waste of our finite natural resources and aid Ireland in meeting environmental targets. It will also positively impact our economy by eliminating harmful subsidies and enhancing adherence to the principle of 'the Polluter Pays'.

Planning for and managing the green transition

Government must begin to plan for and manage the green transition now, ensuring that the correct policies are pursued so that social divides and inequalities are not exacerbated. The green transition will drive a transformation of local labour markets, with new skills needed, and others becoming redundant. The green transition is policy driven (OECD, 2023) allowing Government and policy makers to develop and implement proactive plans to protect those who will be most impacted, and to ensure optimal outcomes for all, especially those who are vulnerable. Regional dialogue and engagement to support place-based strategies are key to supporting communities during the transition, as risks and impact will vary across regions within the same country (OCED, 2023). To date, green-task jobs (defined as those with at least 10 per cent green tasks[14]) are predominantly found in large companies (firms with 250+ employees) and require more education than polluting jobs (OECD, 2023). In Ireland, the majority of green-task jobs are located in the Eastern and Midlands region, with the lowest levels found in the Northern and Western region. There is a risk of polarisation and inequality in the labour force if effective upskilling and reskilling systems are not put in place in a timely fashion. A place-based strategy, aligned with Our Rural Future should be developed, with a particular focus on supporting micro, small and medium enterprises and resourcing and developing local skills systems. Learnings from past transitions both in Ireland (Bord na Móna closure in the Midlands) and further afield regarding what policies work best must be applied to the green transition. An OECD analysis of past transitions found that the drivers of successful local policies were a clear and long-term vision for local economic transition, significant investment in upskilling and reskilling programmes, coalitions focussed on social inclusion through social

12 http://www.mcdonough.com/cradle-to-cradle/

13 https://ec.europa.eu/environment/circular-economy/

14 https://www.oecd-ilibrary.org/sites/21db61c1-en/1/3/2/index.html?itemId=/content/publication/21db61c1-en&_csp_=f2842cfcbf9633a0ce68042bae4d00dd&itemIGO=oecd&itemContentType=book#boxsection-d1e4297-7136afa36f

dialogue, assisting affected workers before their jobs became redundant and using regional assets to build resilient communities. Government must set out a clear, long-term vision and forward-looking strategy for green transition, aligning environmental policy with regional development, and, employment and skills policy with targeted supports for vulnerable groups.

Mitigation and Transition - supporting communities and people

One of the fundamental principles of a Just Transition is to leave no people, communities, economic sectors or regions behind as we transition to a low carbon future. Transition is not just about reducing emissions. This is just one part. It is also about transforming our society and our economy, and investing in effective and integrated social protection systems, education, training and lifelong learning, childcare, out of school care, health care, long term care and other quality services. Social investment must be a top priority of transition because it is this social investment that will support those people, communities, sectors and regions as we make the difficult transition to a carbon-neutral economy, transforming how our economy and society operates.

Transition to a sustainable economy can only be successful if it is inclusive and if the social rights and wellbeing of all are promoted. A Just Transition requires a social protection system – along with appropriate services and infrastructure – that prevents poverty and social exclusion for those that lose employment or income due to the effects or mitigation of climate change (NESC, 2020).

A comprehensive mitigation and transition strategy is required to ensure there is public support for our domestic and international environmental and Sustainable Development Goals. This strategy must pre-empt some of the challenges we face as we move to a more sustainable form of development. *Social Justice Ireland* proposes that the strategy should contain, as a minimum:

- Retraining and support for those communities who will be most impacted by the loss of employment related to the move away from fossil fuels;
- Support and investment in the circular economy with regional strategies and targets;
- Investment in the deep retrofitting of homes and community facilities;
- The provision of community energy advisors and community energy programmes;
- Investment in renewable energy schemes;
- Policies to eliminate energy poverty;
- Investment in a quality, accessible and well-connected public transport network.

The development of a national mitigation and transition strategy is a matter of priority if there is to be public support for the significant and fundamental changes required in the years ahead.

Stakeholder engagement for a Just Transition

In order to ensure the move to a sustainable future for all is successful, stakeholders from all arenas must be involved in the process. Social dialogue is an effective mechanism for fostering trust and adopting a problem-solving approach to transition (NESC, 2020).

Sustainable local development should be a key policy issue on the local government agenda, and the Public Participation Networks are a forum where sustainable development issues at a local level can become part of local policy making. Indeed there is a requirement for Local Authorities to integrate sustainable development principles in the Local Economic and Community Plan and for such plans to contain a statement which may include objectives for the sustainable development of the area concerned. Sustainable Development Councils (SDCs) are a model for multi-stakeholder bodies comprising members of all major groups – public, private, community, civil society and academic – engaged in evidence-based discussion. The EU-wide experience has been that SDCs are crucial to maintaining a medium and long-term vision for a sustainable future whilst concurrently working to ensure that sustainable development policies are embedded into socio-economic strategies and budgetary processes.

In order to develop a sustainable society, services and infrastructure must be well-planned and capable of adapting to the changing needs of the population over time. This means that policy planning and design should, from the very beginning, include potential future changes, and as far as possible should be designed with these in mind.

An on-going social dialogue structure at regional and national level is required to ensure the appropriate services and infrastructure are delivered, and that there is ongoing public support for the pathway by which these services and infrastructure will come on-stream. There is an increased responsibility on local and national government to engage with communities on this issue and build local capacity (CCAC,2020). This dialogue should also focus on what is required to transition Ireland to a low-carbon future, and how such services and infrastructure can be delivered and managed in a sustainable way. This requires input from all stakeholders. Such a mechanism would ensure that there is support and understanding as to how services and infrastructure are to be resourced and rolled out at local, regional and national level.

New measurements of progress

Moving towards an economy and society built on sustainable development principles requires that we develop new metrics to measure what is happening in society, to our natural resources, to the environment and in the economy. We should be moving towards the OECD metrics of wellbeing as a driver of policies. We cannot tackle climate change and continue to pursue a growth model based on consumption.

As Stiglitz (2019) points out:

> *"What we measure affects what we do, and if we measure the wrong thing, we will do the wrong thing. If we focus only on material wellbeing – on, say, the production of goods, rather than on health, education, and the environment – we become distorted in the same way that these measures are distorted."*

The European Commission has published guidelines on integrating ecosystems and natural capital into decision-making (European Commission, 2019b). Government should ensure that our natural capital and eco-systems are included, not only in the decisions making and policy making process, but also in our national accounts. The Commission guidelines state that the integration of ecosystems and natural capital should take place within existing frameworks, and that ex ante assessments on the environmental impacts of plans, policies or programmes should be carried out.

The SDGs related to natural capital and living ecosystems are the basis for achieving all other social and economic goals according to a recent report from the European Commission on integrating natural capital and ecosystems into decision-making. Ireland must develop a new National Index of Progress encompassing environmental and social indicators of progress as well as economic ones. By measuring and differentiating between economic activities that diminish natural and social capital and those activities that enhance them, we can better track our progress and ensure that our economic welfare is sustainable. Such an Index would also allow us to move beyond a purely financial approach and look at the value added to or subtracted from our natural and social resources as a whole by the policies that we pursue. The use of such indicators would help ensure that issues such as climate justice and balanced regional development, among other key indicators of wellbeing, are given the priority they deserve by policymakers.

The Environmental Protection Agency (EPA, 2017(c)) report on the state of knowledge of climate change impacts in Ireland found that while there was sufficient information available to support the integration of environmental protection principles into economic and social policy making, there remained areas on which a number of 'important knowledge gaps' remain, such as coastal and marine, critical infrastructure, emergency planning and human health (2017:31).

The report indicates that climate change has the potential to impact all economic sectors, with adaptation measures made difficult by a lack of certainty of the severity of the risks and the subsequent impact on the insurance sector. It also makes a number of key recommendations including advancing the knowledge base; developing sectoral risk and vulnerability assessments; developing and assessing adaptation options which would include cost-benefit analyses; and developing and implementing governance structures. The Irish Government needs to take on board these recommendations to mitigate the costs of climate change on our economy, while having the benefit of providing jobs in implementing these measures. At a practical level the CSO should be fully resourced to implement the System for Environmental-Economic Accounts (SEEA) and the future compilation of natural capital accounts. These datasets will be vital to measure progress on environmental issues and the SDGs.

Green budgeting

Green budgeting is a process whereby the environmental contributions of budgetary items and policies are identified and assessed with respect to specific performance indicators, with the objective of better aligning budgetary policies with environmental goals. Ireland's approach to and definition of green budgeting is set out by the Department of Public Expenditure and Reform which outlines that green budgeting is the use of the budgetary system to promote and achieve improved environmental outcomes[15]. It is an explicit recognition that the budgetary process is not a neutral process but reflects long standing societal choices about how resources are deployed.

Since 2018, as part of Ireland's green budgeting process, and as a means of tracking Government expenditure on climate related issues, the Revised Estimates for Public Services Volume includes a table which seeks to identify Exchequer climate-related expenditure through the sub-heads under which individual Departments classify their expenditure. This allows Government to identify and track climate related expenditure, however it is not linked explicitly to environmental targets or outcomes. An assessment by the Parliamentary Budget Office on Climate Related Spending (PBO, 2023) should be used to revise and reform green budgeting policy in Ireland. The report found that climate related expenditures are disproportionately significant within the capital carryover, amounting to 15.6% of all capital carryover in 2023, exceeding €107m and any continuation of this concerning trend would suggest ongoing difficulties in spending on climate related matters, and therefore difficulties in delivering climate objectives.

The report also finds that the current means of reporting climate related spending as current in the Revised Estimates only demonstrates the allocation of spending deemed to be explicitly climate related. It does not track actual spending versus allocation, nor does it detail performance related metrics to climate allocations. The PBO recommends that performance metrics measuring the outputs produced by climate spending for each department be developed. It also recommends the reporting and measurement of energy use and emissions by Government

15 https://igees.gov.ie/wp-content/uploads/2019/01/The-Implementation-of-Green-Budgeting-in-Ireland.pdf

Departments as a means of measuring the environmental impact of public services and of the measures implemented to reduce or offset that impact.

Ireland faces some critical decisions on climate mitigation and investment in the next seven years. The significant investments and policy change required to meet out national and international climate commitments will need to be frontloaded in the next two to three years to support emissions reductions later in the decade if we are to have any chance to meet our 2030 targets. In order to make sure we make the right investments in the right policies now, Government must embed green budgeting across all Government policies and within the budgetary and economic policy making framework. This should include climate related expenditure (both allocated and actual spend), outcomes from climate related expenditure, compliance costs relating to current and future climate targets, and a system of climate metrics so that resources allocated to climate related spending are measured against a particular set of outcomes such as emissions reductions. In advance of Budget 2024, the Department of Public Expenditure and Reform, in consultation with all Government Departments should, as part of the green budgeting process, develop a series of performance metrics against which climate related spending can be measured. These metrics can be updated over time as more data becomes available and policies are rolled out. Such metrics are vital to ensure that we can track the long-term impact of up-front investments in climate mitigation and emission reduction policies.

Policy Coherence

Strong policies with clear adaptation goals, defined responsibilities and commitments that are coordinated across Government and across sectors can deliver progress on mitigating the worst impacts of climate change. This requires mainstreaming climate adaptation into our annual budgetary cycle, regular monitoring and evaluation and an inclusive governance that prioritises policies that address specific inequities based on gender, ethnicity, disability, age, location and income (IPCC, 2022). If Government is to deliver our 2030 targets, strong policy coherence; the mainstreaming of climate adaptation into fiscal policy; and governance focused on addressing inequalities is required.

To ensure policy coherence Government should integrate a Sustainable Development Framework into economic policy. There appears to be a strong degree of policy incoherence at national level, with government pursuing policies that result in increased emissions and inhibit the achievement of our climate-related goals. The increased emissions from both agriculture and transport mean that Ireland will be subject to fines for not meeting our European targets. Energy policy is also affected by policy incoherence. There is a mismatch between pursuing a policy of data centre expansion, and the pressure that this will put on energy resources whilst simultaneously trying to reduce our energy emissions. Eirgrid found in their 'All-Island Generation Capacity Statement 2019-2028' that forecasted energy demand in Ireland continues to be heavily influenced by the expected growth of large energy users, primarily data centres. Data centres can require the same amount of energy as a small town and Eirgrid forecast that 29 per cent of total energy demand will come from data centres by 2028 (Eirgrid, 2019).

In addition to the immediate financial costs of missing our 2020 targets, the potential social, economic and environmental impacts of climate change are immense, and their cost must also be taken into account.

Government's commitment to green budgeting and the publication of all Exchequer climate-related expenditure is an important part of the policy coherence process and incorporating climate change and the SDGs into the budget process.

In order to improve policy coherence the SDGs should be placed at the centre of policy making in Ireland. Government should, as a matter of priority, outline a five-year plan containing the following:

- A plan to support the CSO to develop Ireland's System of Environmental-Economic Accounts (SEEA) and how the SEEA will be incorporated into the National Development Plan;
- All proposed environmental taxation changes over the period;
- Details of the energy efficiency and renewable energy projects that this revenue will fund over the period to support our low carbon transition;
- A circular economy strategy for Ireland;
- A mitigation and transition programme.

11.3 Key Policy Priorities

A successful transition to sustainability requires a vision of a viable future societal model and the ability to overcome obstacles such as vested economic interests, political power struggles and the lack of open social dialogue (Hämäläinen, 2013). Ireland is at the cusp of this transition. To achieve it in the years ahead, *Social Justice Ireland* believes that policy should:

- Fully resource the policies required to implement our 2030 climate targets;
- Integrate climate adaptation into the annual budgetary process;
- Adopt targets and a reporting system for each of the Sustainable Development Goals;
- Review all fossil fuel subsidies and environmentally harmful tax expenditures annually with a view to removing those that do not align with our national climate goals;
- Introduce shadow national accounts, and assign value to natural capital and ecosystems in our national accounting systems;

- Fully resource the CSO to implement the System for Environmental-Economic Accounts (SEEA) and the future compilation of natural capital accounts;
- Develop a comprehensive mitigation and transition programme to support communities and people in the transition to a low carbon society;
- Develop a National Retrofitting Plan incorporating a Building Renovation Passport Scheme;
- Commit to reviewing all fossil fuel subsidies in 2023 and set out a roadmap to remove fossil fuel subsidies by 2030;
- Accept as a general principle, investment rather than tax subsidies should be the preferred policy tool to support and develop climate infrastructure;
- Develop a series of performance metrics against which climate related spending can be measured across Government Departments;
- Develop a progressive and equitable environmental taxation system;
- Develop a new National Index of Progress encompassing environmental and social indicators of progress as well as economic ones;
- Develop a Just Transition Dialogue structure at regional and national level.

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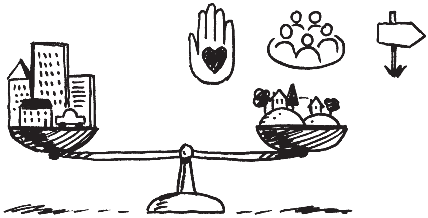
Chapter twelve

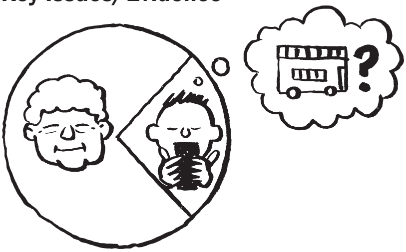
Chapter 12
Rural Development

Core Policy Objective:
To achieve balanced regional development, with a particular emphasis on providing sustainable public services and employment opportunities.



To secure the existence of viable, vibrant and sustainable communities in all parts of rural Ireland.

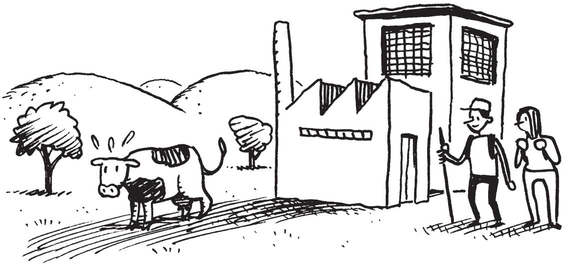
Key Issues/Evidence



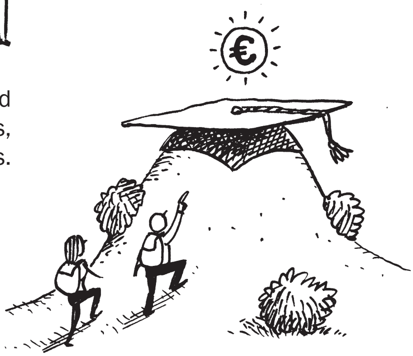
The average distance to most everyday services for people in rural areas is at least three times longer than for people in urban areas.

Rural areas generally have an older population, higher rates of part-time employment and lower median incomes than the national average.

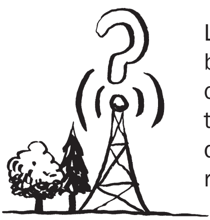
Supporting rural households to ensure that they have sufficient incomes will be crucial to the future of rural Ireland.



The driver of the rural economy in Ireland is diverse – involving agriculture, services, manufacturing, tourism and others.

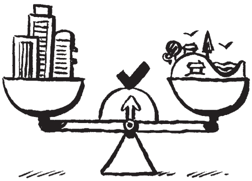


Investment in education and training for people in low skilled jobs or unemployed in rural areas would deliver a major social and economic return.



Lack of quality broadband is a considerable barrier to the sustainable development of rural Ireland.

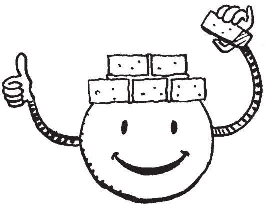
Policy Solutions



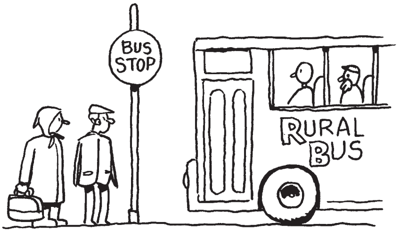
Ensure that investment is balanced between the regions.

Sustainable agricultural practices and sustainable land management must form the basis of future agricultural policy.

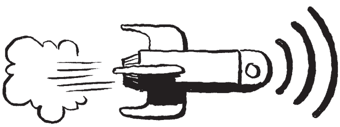
Prepare for the digital transition by investing in the regions and in social, infrastructural and human capital supports.



Ensure rural development policy is underpinned by social, economic and environmental wellbeing.

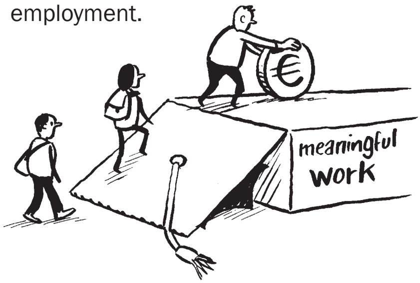


Invest in an integrated, accessible and flexible rural transport network.

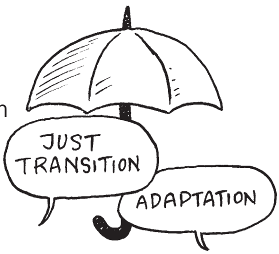


Prioritise continued roll out of high speed broadband to rural areas.

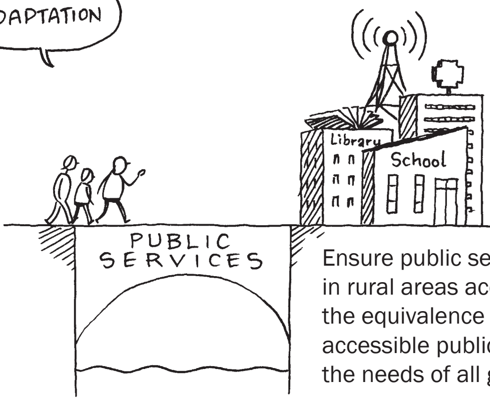
Invest in targeted, place-based education and training programmes, especially for older workers and those in vulnerable employment.



Establish a Just Transition and Adaptation Dialogue for rural areas.



Provide integrated supports for rural entrepreneurs, micro-enterprises and SMEs.



Ensure public service delivery in rural areas according to the equivalence principle with accessible public services to meet the needs of all generations.

12.

RURAL AND REGIONAL DEVELOPMENT

Core Policy Objective: RURAL AND REGIONAL DEVELOPMENT

To achieve balanced regional development, with a particular emphasis on providing the sustainable public services and employment opportunities required.

To secure the existence of substantial numbers of viable communities in all parts of rural Ireland where every person would have access to meaningful work, adequate income and social services, and where infrastructure needed for sustainable development would be in place.

How we transition to a more sustainable society and how we ensure rural areas and regions are supported to adapt to the potential impact of the future of work will determine what kind of rural communities we will have in Ireland by 2040. Rural Ireland is a valuable resource with much to contribute to Ireland's future social, environmental and economic development. While remote working presents an opportunity to reinvigorate rural communities, significant challenges remain, particularly in the areas of job creation, service provision for an ageing population; protecting the natural capital and biodiversity of rural areas, and in encouraging young people who have left to return and settle in rural areas.

Balanced regional development is a key element of *Social Justice Ireland's* policy framework for a new Social Contract. In order to achieve viable, vibrant and sustainable communities in all parts of Ireland in the years ahead, *Social Justice Ireland* believes that policy should:

- Ensure that investment is balanced between the regions, with due regard to sub-regional areas.
- Ensure rural development policy is underpinned by social, economic and environmental wellbeing.
- Prioritise the continued roll out of high-speed broadband to rural areas.
- Invest in an integrated, accessible and flexible rural transport network.

- Ensure that sustainable agriculture policy, sustainable land management, and short supply chains for farmers and consumers form the basis of future agricultural policy.
- Ensure that development initiatives resource areas which are further from the major urban areas to ensure they do not fall further behind.
- Invest in human capital through targeted, place-based education and training programmes, especially for older workers and those in vulnerable employment.
- Establish a Just Transition and Adaptation Dialogue to ensure rural areas are not disproportionately impacted by low carbon policies and are supported to meet the challenges posed by the future of work.
- Prepare for the potential impact of technology on the future of work by investing in the regions and ensuring the necessary social, infrastructural and human capital supports are in place to manage any upheaval.
- Provide integrated supports for rural entrepreneurs, micro-enterprises and SMEs.
- Ensure public service delivery in rural areas according to the equivalence principle.

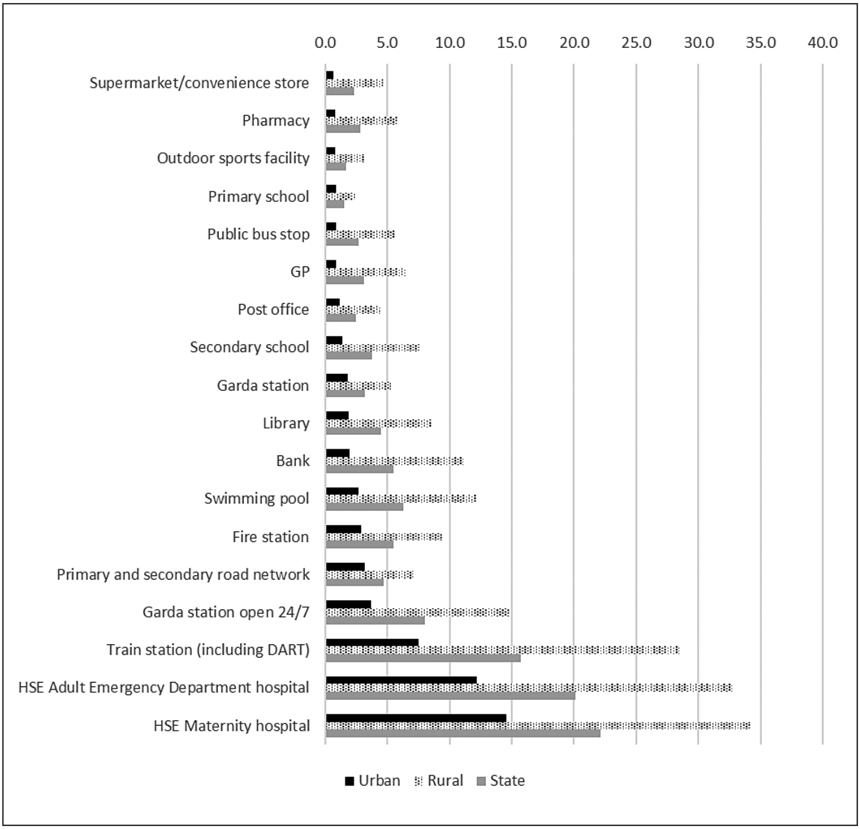
12.1 Key Evidence

Population and demographics

Just over three in ten people in Ireland (31.4 per cent) live in a rural area, above the European average (CSO, 2019a). Countryside areas and settlements of less than 1,500 people are characterised by a lower proportion of young adults, and a higher proportion of older people compared with areas with populations over 50,000. This combination of outmigration of young adults for Third Level education and/or work and an ageing population poses a significant challenge for the delivery of services and the sustainability of rural economies.

Reports from the Central Statistics Office show that the average distance to most everyday services for rural dwellings was at least three times longer than for urban dwellings. For supermarkets/convenience stores, GPs and pharmacies, the average travel distance was seven times longer for rural dwellings (CSO, 2019b). Chart 12.1 gives an overview of the average distance to everyday services.

Chart 12.1: Average distance (km) of residential dwellings to everyday services, by State, urban and rural area



Source: CSO Statbank 2019

Rural and regional policy has to grasp with issues such as higher poverty rates, lower median incomes, higher dependency ratios, distance from everyday services, and a higher rate of part-time employment – issues which have persisted over time. Rural areas are very diverse, not all face the same challenges. Revising the classification of rural areas and rural typologies would make for more informed policy development and give better indicators of the challenges and opportunities in rural areas (NESC, 2021).

Employment and Unemployment

Rural areas face challenges around seasonal employment, higher rates of part-time employment and lower median incomes. Census 2016 gave some insight into employment in rural areas finding that the employment rate is correlated with settlement size and that those living in villages of less than 1,500 inhabitants experience the highest rates of unemployment and the lowest participation in the labour market. In addition, the pool of people of working age who are not in the labour force due to either home duties or disability is at its highest in rural areas. In open countryside, the participation rate is the lowest, but the employment rate is higher reflecting farming, fishing and forestry activity which is 13 per cent of all work in these areas, but much of which is at a subsistence level. The prevalence of low-paid, part-time and seasonal work is a continual feature of rural employment. Whilst there has been a welcome increase in employment nationally in recent years, this was initially predominantly urban-based and has taken longer to spread into the regions and more rural areas. The increase in remote working is a positive move and can revitalise rural economies. However, the ongoing challenges outlined (including the development and implementation of an effective rural proofing model) still have to be addressed. Despite this, there are opportunities for rural areas, as changes in consumption and production patterns and remote working habits may present new opportunities for sustainable growth in rural regions. To this end it is vital that 'Our Rural Future' and 'Making Remote Work' are fully implemented and resourced and that the findings of 'Proposals for an effective Rural Proofing model for Ireland' are progressed in a timely manner.[1]

One of the clearest lessons from the pandemic is that a good quality internet connection is not a luxury but is in fact essential to allow people to fully participate in society. This applies not just to economic inclusion, but to educational and social inclusion as well. A quality internet connection is an equality issue, one that has both regional and financial dimensions and covers a broad range of policy areas. While the increased pace of the roll-out of quality rural broadband is welcome, the continued lack of connectivity in some areas poses a challenge for the regional economic and social development and to the generation of sustainable regional and rural employment. Remote working has the potential to transform rural areas in terms of employment flexibility and living standards generally once quality rural broadband is in place. Policies such as increased investment in healthcare and other public services and ensuring affordable and accessible quality public services to all regardless of urban or rural location must be part of the response. Improved and expanded public services (including public transport, broadband, healthcare, childcare) could contribute to regional attractiveness in remote and rural areas, while also supporting the transition to a low carbon economy (OECD, 2014).

Rural Economies

One of the strengths of rural communities are their local networks and co-operative structures which are well placed to adapt to structural changes with the right support (OCED, 2020). Six opportunities for rural regions emerging from the crisis have been identified, the most relevant to the Irish context are enhancing

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1 https://www.gov.ie/en/collection/06a3d-rural-proofing-proposals-for-a-rural-proofing-model-for-ireland/

the quality and use of digital tools and broadband in rural regions; momentum to accelerate a just transition towards a low-carbon economy for rural communities and the shift in consuming habits to favour local products and destinations (OECD, 2020). *Social Justice Ireland* welcomed the focus on supporting digital infrastructure and the green economy as part of 'Our Rural Future'.

The main driver of Ireland's rural economy has moved from the primarily agricultural to a more diverse base involving services, manufacturing, tourism and other industries. COVID-19 had a devastating impact on some of these sectors and ongoing support may be required. Areas of job creation identified for rural areas include social enterprise and social services (e.g., childcare and elder care), tourism, 'green' products and services, and cultural and creative industries. For rural areas to become sustainable in the long-term these sectors must form an integral part of regional employment strategies. Rural areas with an ageing population can face labour shortages and higher service provision costs. However, demand for labour in health and social care is high in rural areas and points to the growth potential of secondary and tertiary economies to boost the employment potential of rural areas (OECD, 2018).

O'Donoghue et al (2017) developed an economic strength model to assess the performance of towns, combining unemployment and migration data. Access to concentrated labour markets has had a strong impact on the recovery of rural areas and towns. Proximity to major urban centres is a key influence on rural areas, as those communities and villages within a 60-minute drive of an urban centre have better access to services and can retain and attract a younger population due to employment opportunities (OECD, 2018, O'Donoghue et al, 2017).

There are significant differences between the regions in Ireland, highlighted by European Commission decision to downgrade the Northern & Western region from a "More Developed Region" to a "Transition Region" in 2019 and subsequently to a 'Lagging Region' in 2022. The Northern and Western Region has lower disposable incomes, fewer viable farms, less commercial activity and generates less high valued jobs than the other (Northern and Western Regional Assembly, 2019). Even removing the distorting effect of Multinational Company activities on the GDP of the Southern and Eastern Regions, shows that despite faring better than the Northern and Western Region, they still face challenges. Infrastructure deficits impact on the competitiveness of Ireland's NUTS2 regions. Both the Northern and Western and the Southern Regions score below the EU-27 average on infrastructure, with the Northern and Western Region also scoring below the EU-27 average on competitiveness (European Commission, 2022). The policy solutions to address these deficits are those which will improve infrastructure and support regional growth centres, invest in human capital, enhance regional infrastructure and support SMEs in rural communities.

Rural areas can compensate for lower wages as a high quality of life is often more important in attracting and retaining workers and their families. For these reasons, high quality and connected public transport links and sustainable regional employment opportunities are vital to the future of rural economies. Identifying the needs of communities in terms of services is important to ensure a vibrant rural community is sustained in rural areas (NESC, 2021). Investment in improved public services is essential to the success of 'Our Rural Future' and 'Making Remote Work', and it also makes rural areas more viable and attractive areas for investment. Rural economic policies must focus on sustaining, developing, and diversifying existing small enterprises as much as developing new ones. Local Enterprise Offices (LEOs) have a key role to play here. Social and physical infrastructure must be in place to enable rural economies to diversify. Public policy can play a key role here by ensuring flexible education, training and labour market policies for rural areas; it can also ensure that transport policy is focussed on those areas not already well served by links and on incentivising the use of rail transport, particularly for freight transport. This would decrease traffic congestion on the road network and reduce transport emissions.

Structural shifts in employment and manufacturing and other industries combined with ageing and population loss has left many rural communities struggling. A withdrawal of public services (school, health services, post offices) can contribute to a community's decline. Government policy must recognise that low density rural economies are fundamentally different to urban economies and require different polices to meet a different set of opportunities and challenges (OCED, 2018). Ireland has the opportunity to be at the forefront of developing renewable energy, sustainable farming, the circular economy, and protecting and enhancing natural resources.

Income

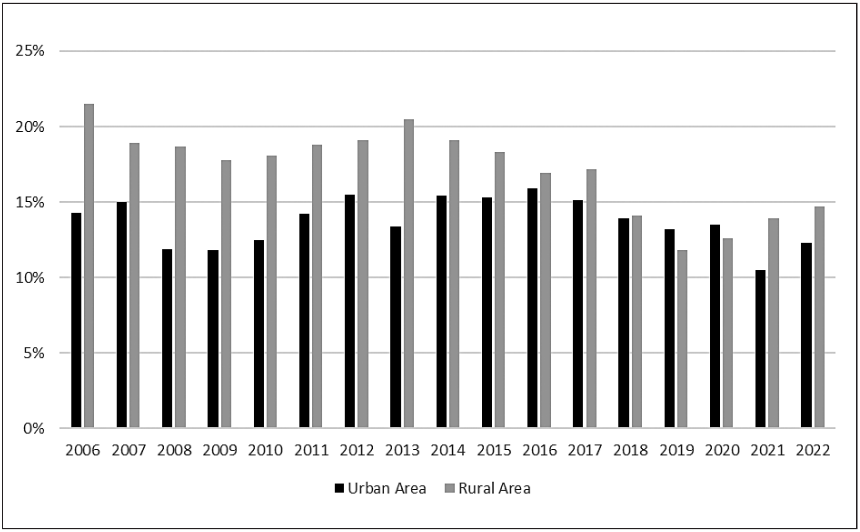
Supporting rural households to ensure that they have sufficient incomes will be crucial to the future of rural Ireland. This requires both social and economic supports, and broader skills and economic development strategies. Low-paid, part-time and seasonal work and long-term underemployment are significant factors in rural poverty and exclusion.

Looking at incomes on a county and regional level in 2020, the Midland region and the Border region had the lowest disposable income per person, with persons in the Border, West and Midlands regions consistently reporting a disposable income below the state average since 2004 (CSO, 2023). When broken down by county (acknowledging the uncertainty involved in these figures), Dublin had the highest disposable income per capita, followed by Limerick, and Cork. Donegal, Longford and Laois earned significantly less than the state average. The Border and Midlands counties consistently remain significantly below the state average for household disposable income and are largely dependent on the Public Administration sector to generate wealth and employment in their respective regions (CSO, 2023). Looking at income distribution from a geographical perspective over time, two key factors influence county and regional disparities: firstly, the spatial structure of the economy and the related employment patterns, and secondly, the role of state transfers via income supports along with the distribution of predominantly public sector employment (Walsh, 2023). High earning sectors (ICT and professional services) and above average earning sectors (sub-sectors of manufacturing) are predominantly concentrated in Dublin, Cork, Limerick and Waterford. Agriculture, retail, hospitality and construction are associated with the lowest incomes, and account for large shares of the total incomes in many small towns in rural areas, especially in the Northern and Western Region (Walsh, 2023). Employment in public services (education, health, security, public administration) goes some way towards mitigating low-wage market sector income, as does the role of State transfers. Place-based development strategies are key to supporting regions and communities to address social and environmental challenges and transitions (Walsh, 2023 & OECD, 2023).

The amount of money required to achieve the Minimum Essential Standard of Living (MESL) ranges from an estimated amount of €142 per week higher for rural couples with younger children (pre-school and primary age), to €197 per week for rural couples with children of primary and second-level school age, than for their urban counterparts according to the latest MESL figures from the Vincentian Partnership for Social Justice.[2] Higher costs in 2022 related to household energy, transport and fuel (as was the case in 2020 and 2021), however these costs increased significantly between 2021 and 2022. A consistent trend over the past decade is the increased at-risk-of-poverty rate in rural areas (see chart 12.2). The latest figures on poverty and deprivation for 2020 from the central statistics office show a welcome reduction in the poverty and deprivation rates for rural areas. This progress is welcome and it is important that it is maintained. In the long-term policy must focus on reversing the persistent trend of poverty and deprivation in rural areas if the high level outcome of reducing regional income disparities in 'Our Rural Future' is to be achieved.

2 https://www.budgeting.ie/download/pdf/mesl_2022_annual_update.pdf

Chart 12.2: At Risk of Poverty by Area Type, 2004 – 2020



Source: CSO PxStat 2023

Recent data shows that remote rural areas have the highest total dependency ratio in the State. These areas also have the highest average age in the State, have the highest rate of part-time workers in the State (23.8 per cent) and, at 19.3 per cent, the highest poverty rate (CSO, 2019a).

The data in charts 12.1, and 12.2 give an insight into the challenges that face rural and regional communities. Our success in implementing policy to address these challenges will determine how well-placed rural Ireland will be to respond to other challenges such as the transition to a sustainable society and the future of work.

Farm Incomes

In 2020 average family farm income was €34,719 (Teagasc, 2022), an increase of one per cent on the previous year. As ever, there was a wide variation in farm incomes, with 25 per cent of farms earning an income of less than €5,000 in 2020, 19 per cent earning between €5,000 and €10,000 per annum and 31 per cent earning between €10,000 and €30,000 per annum. Three quarters of Irish farms earned an income of less than €30,000 in 2020 which points to the ongoing precarious nature of farm incomes, and the viability challenges in the sector. Average farm income is highest on dairy farms and in the South East region. The Northern and Western region is the most disadvantaged region with the lowest farm income and the highest reliance on subsidies. Some key farm statistics (Teagasc, 2021a) include:

- Average family farm income was €34,719 in 2021.
- 68 per cent of farms earned a farm income of less than €30,000 per annum in 2021.
- Dairy farms represent just 18 per cent of the total farm population but account for more than half of total farm income in 2021.
- The average direct payment in 2021 was €17,842.
- Direct payments accounted for 139 per cent of all income on cattle rearing farms, 90 per cent of all income on sheep farms, 48 per cent of all income on tillage farms and 21 per cent of all income on dairy farms.
- 42 per cent of farms are considered economically viable with 27 per cent considered financially vulnerable.
- Only 25 per cent of farms are economically viable in the Northern and Western Region compared with 51 per cent of farms in the South.
- 56 per cent of farm households have off-farm employment.

These statistics mask the huge variation in farm income in Ireland as a whole. Only a minority of farmers are, at present, generating an adequate income from farm activity and even on these farms, incomes lag behind the national average. Farm incomes are also inconsistent, as the prices of commodities fluctuate, and gains are predicated on expanding dairy production which runs contrary to our climate commitments (c.f. Chapter 11). The agriculture sector faces an uncertain outlook for 2023, with many potential gains being offset by rising fuel and fertiliser prices (Teagasc, 2022).

Whilst dairy farming is the most profitable form of farming in Ireland, it has the highest proportion of farms with debt (66 per cent) (Teagasc, 2022) and it is also the most volatile due to price fluctuations and a high dependency on them is not a sustainable way to maintain farm incomes.

It is clear that farming itself is not enough to provide an adequate income for many families as evidenced by the over reliance on direct payments and the number of farmers engaged in off-farm employment. Of further concern is the age profile of those engaged in farming. In 2016, around a quarter of farm holders in Ireland were aged 65 years and over, and just 5 per cent were aged less than 35 years (CSO 2019).

Welfare payments also support farmers. In 2021 there were 10,920 beneficiaries comprising 6,997 adults and 3,923 children receiving the Farm Assist Payment.[3] The Rural Social Scheme (RSS) had 5,853 beneficiaries, comprising of 1, 663 children and 4,190 adults in 2021.

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3 https://www.gov.ie/en/publication/9262a-2021-annual-statistics-report/

The Department of Agriculture (Department of Agriculture, Food and the Marine, 2018) acknowledged the need to break the link between emissions intensity and food production in 2018; a reflection of the fact that agriculture is the highest contributor to Ireland's Greenhouse Gas (GHG) emissions. Progress in this area has been incredibly slow and, as already noted, continuing to pursue an expansionist agricultural policy is at odds with reducing our GHG emissions.

An analysis of Irish agriculture found that beef and sheep farms (around 7 out of every 10 farms) face significant viability challenges, are heavily reliant on direct payments with the West, Mid-West and Midland regions are more exposed to negative shocks (Conefrey, 2019). The report concluded that low profitability and a high reliance of farm incomes on direct payments represent an important weakness in the sector.

Rural Development

With just under one third of Ireland's population classified as 'rural' (CSO, 2019a) it is important that our national development policy reflects this and addresses the particular challenges rural communities face. The current strategy for rural development in Ireland is contained in 'Our Rural Future: Rural Development Policy 2021-2025'. *Social Justice Ireland* welcomed the publication of the strategy, and in particular the commitments to:

- develop an integrated, place-based approach to rural development to maximise investment and meet the long-term needs of individual parishes, villages and towns.
- develop an effective rural proofing model to ensure the needs of rural communities are considered in the development of Government policies.
- maximise our resources and strengths in the Green Economy to support employment opportunities for rural communities in areas such as renewable energy, sustainable tourism, energy retrofitting, the Bioeconomy and the Circular Economy.
- increase the capacity for remote and blended learning to enable young people, in particular, in rural areas to access further and higher education courses through online learning while living in their local communities.

Social Justice Ireland has consistently advocated for policy to focus on building sustainable and viable rural communities, including farming and other activities. In order to achieve this, significant investment in sustainable forms of agriculture is required, as well as rural anti-poverty and social inclusion programmes, in order to protect vulnerable farm households in the transition to a rural development agenda.

In order to fully deliver on the ambition in 'Our Rural Future' *Social Justice Ireland* recommends that Government focus on the following priority areas:

Public services

- Ensure public service delivery in rural areas according to the equivalence principle i.e., public services in rural areas should be of an equivalent quality to those in urban areas. This should form the core basis of the rural proofing model outlined in the strategy.
- Provide the required support for the provision of public services, investment in micro businesses and small or medium enterprises, place based skills strategies, innovation, and the sustainable use of natural resources and natural capital in Rural Economic Development Zones (REDZ).
- Improve and expand public services (including public transport, broadband, healthcare, childcare) in remote and rural areas. This will contribute to regional attractiveness and provide the social and economic infrastructure to ensure that those who live there, and those who take up the opportunities in terms of remote working outlined in 'Our Rural Future' have access to quality public services and a better quality of life.

Investment

- For 'Our Rural Future' to be a success, the continued rollout of high quality broadband must be an immediate Government priority.
- Expedite investment in infrastructure in the regions and rural areas is to ensure rural economies can diversify and adapt to climate and digital challenges, whilst supporting thriving rural communities.
- Ensure adequate levels of investment and infrastructure in order for the target of 400 remote working hubs, and 400 IDA investments to be fully realised.

Sustainable rural communities

- Implement rural policies at different scales that match with, for example, local services, labour supply and food chains and adapting them based on current and future needs. This would see collaboration between local agencies, employers, the community and voluntary sector, trade unions, and local and regional academic facilities in collaboration with the REDZ.
- An ongoing place-based dialogue with a diversity of stakeholders could ensure that rural areas and regions are well placed to meet the challenges of adapting to transition and the changing world of work.
- Rural development policy should be underpinned by a concept of wellbeing defined by three multi-dimensional objectives: economic, social and environmental, as recommended by the OECD. Developing policy via this framework means that household income, access to a broad set of services, and a cohesive community in a pleasant local environment are all key considerations of rural development policy.

Capacity building

- Local authorities in conjunction with key local stakeholders can play a major role in more balanced regional development if they are given the requisite powers and functions including greater control over funding and the ability to adapt policy to meet regional needs. Local Authorities, civil society, Government Departments, enterprise and industry, PPNs, the community and voluntary sector and others must be involved in delivering place-based rural development policy.
- Capacity building for all stakeholders at local level is required to ensure that this form of policy development is successful. Investment in capacity building will make rural communities more resilient to external shocks and help to underpin the implementation of rural development policy.

Human capital and skills

- Almost half of the labour force will be impacted by changes to their jobs as a result of automation by 2040. Our training and skills development policy must be adapted to meet this challenge to ensure that our regions and communities have the necessary supports in place to ensure that they can adapt to meet this challenge.
- As with many other aspects of rural development, decent broadband and transport systems are required to enable rural dwellers, particularly those on low incomes, to access education and skills development opportunities.

Just transition

- Rural areas are among those that will be most impacted by the transition to a carbon-neutral society. They will also be impacted by the potential changes of technology and automation on employment and the future of work. An ongoing dialogue on how to support transition and adaptation and a place-based approach is essential to ensure that vulnerable rural communities are protected, supported to meet future challenges, and not disproportionately impacted.
- The refocusing of the Common Agricultural Policy (CAP) budget to climate action presents an opportunity for farmers to invest in sustainable forms of agriculture and the Farm-to-Fork Strategy has the potential to deliver on short supply chains for farmers, and address some of the issues of product pricing for Irish farmers.

A sustainable society requires balanced regional and rural development. The proportion of the population living in and around Ireland's capital city is already very high by international standards, and this is projected to continue growing. Dublin already accounts for half of economic output in Ireland (Morgenroth, 2018), yet we have continued to model our growth path, and design our public services, in a way that encourages, rather than discourages, such concentration. By continuing to locate a disproportionate amount of our best health, education, and cultural institutions in Dublin, we have driven a model of development that precludes the kind of regional balance required for Ireland to thrive. Project Ireland 2040 recognises that this imbalance must be addressed and commits to a more balanced approach with parity of future development across the regions. It aims to enhance regional accessibility and strengthen rural economies and communities, promoting sustainable resource management and a transition to a low carbon society. Outside the main cities and their hinterlands, the plan is to develop towns with populations of greater than 10,000 (20-25 per cent growth). It further seeks to limit urban and rural sprawl by concentrating development on underused spaces within current town and village boundaries.

By contrast, growth in small towns and rural areas is targeted to an average of 15 per cent. Overall, this will result in increased urbanisation and suburbanisation, and a reduction in the rural population. This may be a sensible approach from a planning perspective, given the cost of service delivery to areas of low population density. However, from a social perspective, it risks the atrophy of many rural communities, and the further isolation of their inhabitants, unless coherent plans are both put in place and implemented to support rural dwellers. As outlined earlier, the distance that many people in rural areas must travel to access everyday services has the potential to further increase rural isolation.

A fund of €1 billion has been allocated to rural regeneration over the next 10 years, covering areas such as infrastructure deficits, development of town and village centres, creating enterprise spaces and digital hubs, and promoting tourism and heritage. However, it is apparent that this is not all new funding and the aim is to incorporate many existing funds (e.g. RAPID, CLAR, REDZ) under this umbrella.

Rural Development Programme

The next iteration of the Irish Rural Development Programme (RDP) will be determined by the final allocations in the European Commission Common Agricultural Policy (CAP) budget. The previous programme was predominantly focussed on agriculture and supporting the agri-food sector. In order to fulfil the objectives of Pillar II of CAP on rural development and environmental protection then a greater proportion of the budget must be given to these measures. LEADER is the programme that promotes social inclusion, economic development, and environmental measures in rural areas and it must get a greater allocation of funds in the next round. There must also be a more coherent policy focus and looking at areas of market failure in terms of services provision that the state must address, and what LEADER programme can support the ambitions stated in the Programme for Government to move to a more sustainable economic model, balanced regional development and carbon neutrality. The programme should be fully aligned the rural development plan 2021-2025.

Government has a key role to encourage and stimulate projects which have the capacity to address core issues including rural poverty and a just transition to a low carbon future in rural areas. A reduction in the complexity and bureaucracy of the

LEADER programme would also facilitate disadvantaged and less-well resourced groups to apply for funding. Arresting rural decline requires urgent action and resources. Government will have to increase investment in the development of rural areas through an increased contribution of national income. Given the scale of the challenge, a far more substantial Government response is required to support communities to create real bottom-up solutions.

Infrastructure and services

The removal of services and associated resources from rural areas makes it increasingly difficult to maintain viable communities. Government must develop policies to deal with the new challenges an ageing population brings to rural areas in relation to health services, social services and accessibility for older and less mobile people. The most effective way of delivering appropriate services is to work in real partnership with local communities. The PPNs are a formal way for Local Authorities to engage with communities and develop such a collaborative approach (c.f. Chapter 10).

The inadequate provision of public services in rural areas in the context of a falling and ageing population is a cause for concern. Decisions need to be made regarding the provision and level of public services in rural areas, including the level of investment needed in areas such as childcare, care for adult dependents and older people, and public transport. This level of investment is essential to provide the services required to make remote work a success. If rural areas cannot offer people and families adequate social infrastructure the policy will fail.

Some European countries adopt the equivalence principle for the provision of services in rural areas, which decrees that public services in rural areas should be of an equivalent quality to those in urban areas. This would be a useful guide for investment in an Irish context.

Transport

The lack of an accessible, reliable and integrated rural transport system is one of the key challenges facing people living in rural areas. Car dependency and the reliance of rural dwellers on private car access in order to avail of public services, employment opportunities, healthcare, and recreational activities is a key challenge for policy makers. (For a more detailed discussion of public transport, see Chapter 9).

As outlined earlier in this chapter the average distance to most everyday services for rural dwellings was at least three times longer than for urban dwellings (CSO, 2019b). A further breakdown of this analysis shows that the average distance to a public bus stop in 'highly rural/remote areas' is, at 7.1 km, 17 times longer than the average distance of 0.4 km in cities. The average distance to a train station in 'highly rural/remote areas' is 47.3 km, 14 times longer than in 'cities' where it is 3.3 km. These figures must inform investment in a connected and accessible public transport system.

The lack of an integrated public transport system connecting more remote areas to major urban centres has a significant impact on quality of life and the ability to generate sustainable employment outside of urban centres. It particularly impacts on people on low incomes, those with a disability, or the elderly, who may not have access to a car and therefore depend on public transport. The recent increase in carbon tax will have a significant impact on rural dwellers if transport alternatives are not put in place. The carbon budgets set in a level of fuel inflation for the medium term, with prices projected to increase. Many of the policy changes necessary to meet climate change targets would likely increase fuel inflation on the long term (Parliamentary Budget Office, 2022). Alongside this, recent analysis from the Central Bank (2022) finds that rural dwellers are among those most impacted by the rising cost of energy. Supports must be put in place for rural dwellers. At present the majority of people living outside of urban areas have no choice but to use a car to commute.

Offering real connectivity to rural dwellers will require innovative and local approaches, some of which are presently hampered by licencing and insurance issues which could be resolved by Government. The reconfiguration of rural transport giving rise to Local Link is welcome, however sustained and increased investment is required and this is not apparent in *Ireland 2040*.

Broadband

Lack of quality broadband is a considerable barrier to the sustainable development of rural Ireland. Fast reliable broadband is required for economic and social functions. Whether for farmers to make returns, for businesses to operate and develop, or for people to access information and services, quality broadband is a necessity. The broadband gap between urban and rural areas is an international phenomenon, public policy often lags behind fast moving technological developments and that generic policies in this area tend to neglect specific local needs (Salemink & Strijker, 2017).

The employment commitments in 'Our Rural Future' are heavily reliant on the provision of reliable, quality, high-speed broadband. Retaining the best qualified young people within rural Ireland is also dependent on the availability of high-speed broadband for both quality local employment and social activity. The commitment of Government to roll out the fibre infrastructure to provide broadband to areas which will not be served by commercial operators is welcome. However, the commitment to between 30mbps and 40mbps broadband speed in rural areas contained in the National Broadband Plan for Ireland is insufficient to encourage diversification and economic growth.

While recent progress in the rollout of rural broadband is welcome, Government must proactively address the issue of universal quality broadband provision in a sustainable way which is not dependent on the commercial priorities of multinational companies.

12.2 Key Policies and Reforms

Rural development

Low density rural economies are fundamentally different to urban economies and as such require different polices to meet a different set of challenges and opportunities (OECD, 2018). Rural areas and small villages are connected and networked to the local regions and these local regional economies are dependent on interaction with the rural areas they connect with for sustainability (Walsh & Harvey, 2013). Given this interconnection it is important that rural and regional development is integrated to support sustainable local economies and to ensure that local services are utilised most effectively to address the specific needs of a particular region and the rural communities within it. Rural development that is appropriate for the challenges faced requires a step change in how we develop policy in Ireland.

There is an urgent need to deliver more balanced regional development, and local authorities in conjunction with key local stakeholders can play a major role if they are given the requisite powers and functions.

They must have greater control over funding and the ability to adapt policy to meet regional needs. The OECD (2023) have identified the importance of place-based strategies in supporting rural areas in meeting the challenges of the green transitions. Local Authorities, civil society, Government Departments, enterprise and industry, PPNs, the community and voluntary sector and others must be involved in delivering place-based rural development policy. Capacity building for all stakeholders at local level is required to ensure that this form of policy development is successful. Investment in capacity building will make rural communities more resilient to external shocks and help to underpin the implementation of rural development policy.

Capacity building will also be vital to implementing appropriate mitigation and transition programmes to support rural communities in the transition to a low carbon society. Rural development policy is place-based, reflecting the strengths, assets and challenges a region faces, and have multi-stakeholder input. The OECD recommends that rural development policy be underpinned by a concept of wellbeing as defined by three multi-dimensional objectives: economic, social and environmental (OECD, 2018). Developing policy via this framework means that household income, access to a broad set of services, and a cohesive community in a pleasant local environment are all key considerations of rural development policy. Support for the community and voluntary sector and social enterprise is recognised as an important way to enhance wellbeing in rural communities and should continue to be resourced.

Public investment is one of the main instruments for rural development, not least to mitigate the market failure in the provision of certain goods and services (OECD, 2018). Government must invest to ensure wellbeing in rural areas is improved and address market failure in the delivery of infrastructure and services, especially broadband and transport. Public policy should facilitate connections between remote communities in rural regions to prevent isolation and improve service delivery.

Agriculture

The European Commission's proposals for the CAP for 2021 to 2027 stipulate that at least 40 per cent of the CAP's overall budget and at least 30 per cent of the Maritime Fisheries Fund would contribute to climate action. This will have implications for Irish agriculture and fisheries as the new system will incentivise more sustainable practices. However, the new CAP will also have a reduced budget meaning there are less funds to be allocated within Ireland. The Green New Deal and the Farm to Fork Strategy will inform the priorities for the next iteration of CAP. The Commission's Farm to Fork Strategy is focused on the transition to a sustainable food system based on circular economy principles. Key priorities are reversing biodiversity loss, mitigating climate change, ensuring access to nutritious food and generating fair economic returns, reducing food waste and introducing sustainable food processing and short supply chains[4]. Irish agriculture policy should be at the forefront of developing short supply chains in order to progress the 'Farm to Fork' proposal. This would assist farmers in negotiating a fair price for their produce, and ensure consumers have access to locally produced food which is more sustainable in the long term.

Sustainable land management is crucial to Ireland moving to more sustainable agricultural practices. The Intergovernmental Panel on Climate Change (IPCC) defines sustainable land management as the use of land resources to meet changing human needs while ensuring the long-term productive potential of these resources and the maintenance of their environmental functions. The adoption of sustainable land management would reward sustainable forms of agriculture and acknowledge the role of farmers as custodians of this vital national asset. Ireland will have to adapt to this new reality with sustainable agricultural policies, sustainable land management, protecting biodiversity and rural social and economic development guiding policy.

Retraining and skills development

In order to access employment, workers require the right skills. 'Our Rural Future' recognises the importance of ongoing skills development and lifelong learning to rural development. Investing in up-skilling lower skilled workers in rural regions has a greater impact on regional economic development than investing in increasing the number of highly skilled workers there (OECD, 2014). Focussed investment in education and training for people in low skilled jobs or those unemployed in rural areas as part of an overall regional employment strategy aimed at generating sustainable jobs should be an integral part of rural development policy. As with

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4 https://ec.europa.eu/food/farm2fork_en

many other aspects of rural development, decent broadband and transport systems are required to enable rural dwellers, particularly those on low incomes, to access education and skills development opportunities.

Digital transformation will have a significant impact on the employment landscape. A report on Wellbeing in the Digital Age (OECD, 2019b) found 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. Our training and skills development policy must be adapted to meet this challenge to ensure that our regions and communities have the necessary supports in place to ensure that they can adapt to meet this challenge.

The future of work

A report by the Spatial and Regional Economics Research Centre at University College Cork, *Automation and Irish Towns: Who's Most at Risk*, found that two out of every five jobs in Ireland are at high risk of automation (Crowley and Doran, 2019). The report also found that the level of exposure to automation across Ireland is wide-ranging, spanning towns across all four provinces. Towns where employment is dominated by agriculture and manufacturing are most at risk to the impact of automation on current employment.

Further research (SOLAS,2020) found that 373,500 people in Ireland are employed in occupations which were considered at high risk of automation. The six groups with the largest number of persons employed whose jobs were at high risk of automation were; operatives & elementary, sales & customer service, administrative & secretarial, hospitality, agriculture & animal care and transport & logistics. Monaghan had the highest share employed in these occupations, followed by Cavan, Longford, Tipperary and Wexford. Overall, the report found that Dublin and it's bordering counties had the lowest exposure to automation risk in these groups, while counties facing higher levels of exposure were located throughout each province.

There have been a number of international studies on the impact of automation and robotics globally. Generally, these studies find that tens of millions of existing jobs will be lost, and that new jobs will be created, many in yet-to-exist industries. The challenge we face is that the jobs that will be created will not necessarily be in the same regions where job losses will be felt. This is an issue that has not received as much attention as it deserves. A report from Oxford Economics (2019) found that robotics and automation displace nearly twice as many jobs from lower income regions compared to high income regions within the same country. The report also found that automation will continue to drive regional polarisation and exacerbate income inequality. One significant finding from the report concerns the study of job moves of 35,000 workers over the course of their careers in the United States. More than half of those workers who left production jobs moved into three occupational categories: transport, construction and administration. These three occupational areas are among the most vulnerable to automation over the next decade.

Low skilled workers and struggling local economies will bear the brunt of automation and will feel the impact of unemployment and income inequality the most. In order to prepare for this Government must invest in the regions, particularly infrastructure and social and human capital, to ensure that we can meet the upheaval and adapt to the changes that are coming our way.

Rural Ireland and transition

Supporting rural communities through the transition of meeting our climate challenges requires a suite of policy supports. Forthcoming (2023) research from Irish Rural Link and Social Justice Ireland offers insight into concerns of rural communities in terms of income adequacy, employment, access to public services and the impact of climate change and also outlines the opportunities identified by rural communities, and the hope and ambition that people living in rural communities have for the future. Key concerns emerging from the research include the issue of income adequacy, security of employment, access to training and skills development and quality of public services. Respondents did feel that there are opportunities for rural areas from transition, but an absence of consultation, engagement and dialogue has resulted in rural communities feeling their voice is not heard in the policy discussions.

As noted in the Cavan-OECD Roadmap for Strengthening Rural Resilience (2022) rural policies have an important role to play in reaching net-zero GHG emission targets, but too often their role is not sufficiently recognised in national policy approaches. The importance of meaningful engagement with rural communities to ensure a just transition, and a place-based approach to climate mitigation is emphasised in the roadmap. An on-going just transition dialogue process to ensure the voice of rural communities is heard and reflected in national policy approaches is essential to a successful and just transition for rural areas.

Dialogue supporting transition and adaptation

In order to develop a sustainable society, services and infrastructure must be well-planned and capable of adapting to the changing needs of the population over time. This means that policy planning and design should, from the very beginning, include potential future changes, and as far as possible should be designed with these in mind. Rural areas are among those that will be most impacted by the transition to a carbon-neutral society. They will also be impacted by the potential changes of technology and automation on employment and the future of work. An ongoing dialogue on how to support transition and adaptation is essential to ensure that vulnerable rural communities are protected, supported to meet future challenges, and not disproportionately impacted.

This requires input from all stakeholders. Such a mechanism would ensure that there is support and understanding as to how services and infrastructure are to be resourced and rolled out at local, regional and national level. This dialogue should be built into any Just Transition framework with the appropriate mechanisms, supports and investment at all levels.

12.3 Key Policy Priorities

Social Justice Ireland believes that the following policy positions should be adopted to promote balanced rural and regional development:

- Ensure that investment is balanced between the regions, with due regard to sub-regional areas.
- Ensure rural development policy is underpinned by social, economic and environmental wellbeing.
- Prioritise the continued roll out of high-speed broadband to rural areas.
- Invest in an integrated, accessible and flexible rural transport network.
- Ensure that sustainable agriculture policy, sustainable land management, and short supply chains for farmers and consumers form the basis of future agricultural policy.
- Ensure that development initiatives resource areas which are further from the major urban areas to ensure they do not fall further behind.
- Invest in human capital through targeted, place-based education and training programmes, especially for older workers and those in vulnerable employment.
- Establish a Just Transition and Adaptation Dialogue to ensure rural areas are not disproportionately impacted by low carbon policies and are supported to meet the challenges posed by the future of work.
- Prepare for the potential impact of technology on the future of work by investing in the regions and ensuring the necessary social, infrastructural and human capital supports are in place to manage any upheaval.
- Provide integrated supports for rural entrepreneurs, micro-enterprises and SMEs.
- Ensure public service delivery in rural areas according to the equivalence principle.

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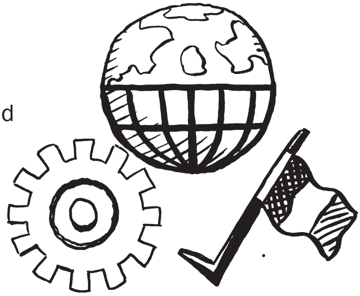
Chapter thirteen

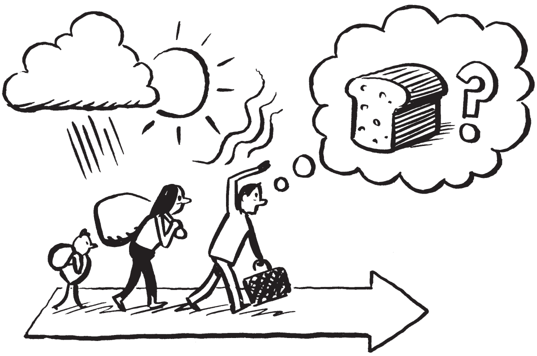
Chapter 13

Global South

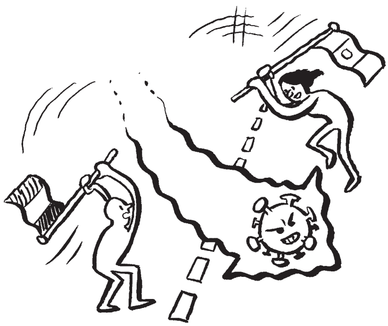
Core Policy Objective:
To ensure that Ireland plays an active and effective part in promoting sustainable development in the Global South and to ensure that all of Ireland's policies are consistent with such development.



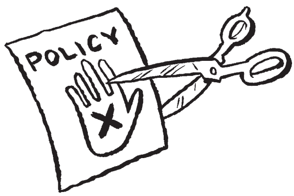
Key Issues/Evidence



Climate change = forced migration.

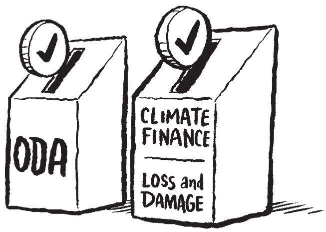


Disease does not respect borders.



Need to combat racism in policies

Just taxation in the Global South.



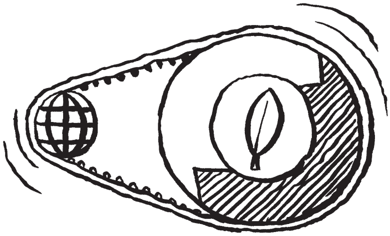
ODA target should not include cost of Climate Finance and Loss and Damage.

Policy Solutions

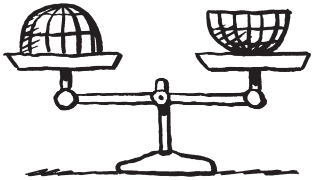
Renew its commitment to meet the United Nations target of contributing 0.7 per cent of national income to ODA by 2027 and set a clear pathway to achieve this.

Proper scrutiny for Irish Aid partners in Global South.

Disaggregate our commitments to Climate Finance and Loss and Damage from our ODA target.

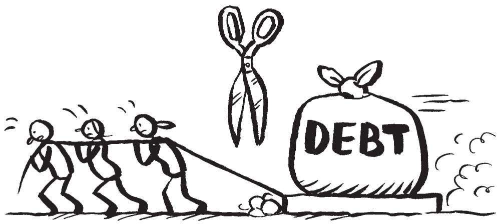


Work for changes in the existing international trading regimes to encourage fairer and sustainable forms of trade.



Ensure that Irish and EU policies towards countries in the Global South are just.

Support implementation of SDGs in Global South.



Debt forgiveness for poorest nations.

Take a person-centred approach to the AIDS/HIV crisis in Global South.

13.

THE GLOBAL SOUTH

Core Policy Objective: THE GLOBAL SOUTH

To ensure that Ireland plays an active and effective part in promoting sustainable development in the Global South and to ensure that all of Ireland's policies are consistent with such development.

In his special address to the World Economic Forum in Davos in January 2023, António Gutteres, Secretary-General of the United Nations, outlined the current global situation as follows:

> 'We see deepening inequalities and a rapidly unfolding cost-of-living crisis – affecting women and girls the most. Supply chain disruptions and an energy crunch. Soaring prices. Rising interest rates along with inflation. And debt levels pounding vulnerable countries.'[1]

Gutteres refers to the "lingering effects" of the pandemic and the lack of preparedness for future pandemics as "straining credulity". He speaks of the deepening divide between the Global North and the Global South and of the "Frustration and anger" felt by Global South countries about the gross inequity of vaccine distribution, pandemic recovery and a climate crisis that is "crippling countries that contributed least to global heating", and about a "morally bankrupt financial system in which systemic inequalities are amplifying societal inequalities".

There are solutions. But they require the political will to implement them. Among those proposed by Gutteres in his speech are reforms to the global financial system to enable countries in the Global South to access affordable finance; taking immediate climate action including ending the "addiction to fossil fuels" and increasing adaptation finance; and increasing the private sector's engagement towards our climate goals. These solutions echo some of those of *Social Justice Ireland* made in previous editions of this Chapter. We believe that policy should:

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1 Davos 2023: Special Address by António Guterres, United Nations Secretary-General | World Economic Forum (weforum.org)

- Renew its commitment to meet the United Nations target of contributing 0.7 per cent of national income to ODA by 2028 and set a clear pathway to achieve this.
- Disaggregate our commitments to Climate Finance and Loss and Damage from our ODA target.
- Take a far more proactive stance at government level on ensuring that Irish and EU policies towards countries in the Global South are just.
- Ensure that Irish businesses operating in developing countries- in particular Irish Aid country partners – are subject to proper scrutiny and engage in sustainable development practices.
- Play a prominent role in the support and implementation of the Sustainable Development Goals (SDGs).
- Continue to support the international campaign for the liberation of the poorest nations from the burden of the backlog of unpayable debt and take steps to ensure that further progress is made on this issue.
- Work for changes in the existing international trading regimes to encourage fairer and sustainable forms of trade.
- Take a leadership position within European and broader international arenas to encourage other states to fund programmes and research aimed at taking a person-centred approach to the AIDS/HIV crisis.

13.1 Key Evidence

Violent Conflict

Some 32 armed conflicts were reported in 2021, a slight decrease on the 34 reported in each of the years 2018 to 2020. The main change is because the dispute between Armenia and Azerbaijan over Nagorno-Karabakh was no longer considered an armed conflict (Escola de Cultura de Pau, 2022). The vast majority of armed conflicts took place in Africa (15) and Asia (9), followed by the Middle East (5) and Europe (2) (ibid). The impact of these conflicts continue to be felt by civilians, and the first nine months of 2022 were marked by a "sustained high number of grave violations against children", including the recruitment and use of children in armed conflicts, killing, maiming, and abduction (UN, 2023).

The impact of armed conflict on civilians is not just felt in direct violence but, according to the Report of the UN Secretary-General on Protection of civilians in armed conflict on "other types of violence" which includes death (a reported 11,075 civilian deaths across 12 armed conflicts), injury and psychological trauma, sexual violence, torture, family separation and disappearance. It includes damage to critical infrastructure, disruption to vital water, sanitation, electricity and health services, which exacerbates deprivation, hunger and displacement.

Misinformation, disinformation and hate speech adds to further conflict, while sanctions on humanitarian efforts impedes their effectiveness (UN, 2022, p. 1).

These conflicts have a devastating effect on the lives of civilians, on structures of governance and democracy, and on the environment.

On a global basis the overwhelming majority of violent conflicts are intra-state conflicts, and their victims are mostly civilians. These conflicts are fought with small arms. The production and trade of these arms is the least transparent of all weapons systems. Ireland, as a neutral country, is in a unique position to research, challenge and advocate for tight controls in the production and distribution of weapons, rather than engaging in increasing militarisation.

In addition to the Ukrainian crisis, a number of Irish Aid's partner countries' neighbour nations are currently mired in conflict, such as Ethiopia (which shares a border with South Sudan and Somalia) and Uganda (which shares a border with Democratic Republic of Congo and South Sudan). Ireland should ensure its country offices and overseas programmes engage in mediation efforts where possible and promote positive reconciliation efforts amongst civil society groups. Lessons learned from the Department of Foreign Affairs and Trade's (DFAT) Reconciliation Fund projects - fostering peace and community interaction within Northern Ireland, as well as between communities in Northern Ireland, Republic of Ireland and Britain – would allow the DFAT to offer positive insights on reconciliation and cross-border co-operation in other settings.

Migration

Wars, inter-state conflicts and climate change result in the mass movement of peoples. In 2021, 84 million people were forcibly displaced due to violence, conflict, human rights violations or other events seriously disturbing public order, an increase on the 82.4 million displaced in 2020 (UN, 2022). The United Nations Refugee Agency reported that of those 82.4 million, 69 per cent were displaced from just five countries: Syrian Arab Republic, Venezuela, Afghanistan, South Sudan, and Myanmar. 83 per cent of all those displaced are hosted in low- and middle-income countries. The least developed countries hosted 27 per cent of all refugees and displaced people (UNHCR, 2022). According to the same Report, Turkey hosted the largest number of refugees in 2021, at 3.8 million. 3.8 million people who are at further risk due to the recent earthquake in the region.

There is also concern about the high number of stateless people[2] referred to in the UNHCR Report. Over 4.3 million people were estimated to be stateless in 2021, however the real number is likely to be much higher as this figure is based on reports from 96 countries and the UNHCR does not have any information on the

[2] According to the 1954 Convention relating to the Status of Stateless Persons, a stateless person is a "person who is not considered as a national by any State under the operation of its law."

number of stateless people for many of the world's countries (p. 42). These are likely to be denied their Human Rights due to their status as "stateless person". However, there is some good news. A reported 81,200 stateless people were able to acquire or confirm their nationality in 2021, an increase of 28 per cent on the previous year and the highest number since 2014. Between 2014 and 2021 a reported 485,400 stateless persons acquired nationality (Ibid).

The EU is a destination of choice for many migrants, and it is estimated that 881,200 first-time asylum applicants (non-EU citizens) applied for international protection in EU countries in 2022, an increase of 64 per cent on 2021 when the number was 537,400 (Eurostat, 2023). The highest reported number of asylum applicants in EU member states was in 2015, with 1,216,900, this decreased to 1,166,800 in 2016 before declining sharply to 620,300 in 2017. Given the number of refugees worldwide, this decline is likely due to the various deterrence programmes which have been implemented by the EU.

Ireland and Migration

The current conflict caused by Russia's invasion of Ukraine has resulted in millions of Ukrainians displaced across Europe. As of December 2022, 67,448 people had arrived to Ireland from Ukraine (CSO, 2023). This number is based on the number of PPS Numbers issued to people arriving to Ireland from Ukraine under the Temporary Protection Directive. The Temporary Protection Directive, while having welcome aspects regarding service provision and accessibility, essentially created a two-tier system for refugees and asylum seekers, based on their country of origin. Early support for Ukraine during the emergency was significant at both Irish and international levels. In fact, Ireland's initial response to the Ukrainian crisis was hailed as almost exemplary, having taken what is arguably the first "human rights first" approach to international protection in our history. However, this response is not without its flaws, many of which are highlighted below. But first, we might take a moment to understand why we took the approach that we did. Simply put because we were required to.

Under the EU Directive, Temporary Protection is afforded to Ukrainian nationals and their family members, and anyone provided with international protection in Ukraine prior to the 24th February 2022. For its part, Ireland also granted Temporary Protection to people who had been residing in Ukraine before 24 February 2022 with a permanent Ukrainian residence permit, who could not safely return to their country of origin.

This immediately raises questions of what happens to undocumented migrants residing in Ukraine, and why it took so long for the EU to invoke this Directive. The Directive was adopted in 2001 in response to conflict in Kosovo but only triggered for the first time by the Council in response to the Ukrainian situation in 2022. It took 21 years for EU Member States to respond to forced displacement with appropriate urgency.

Within the Irish response was a heavy reliance on the community and voluntary sector to provide supports such as coordination of accommodation, teaching English, supporting family placements and so on. It was the community and voluntary sector who amplified safeguarding concerns relating to unaccompanied minors, leading Government to put the relevant protections in place early in the crisis. The sector continues to highlight these concerns in respect of accommodation placements that are arranged privately between a Ukrainian family and an Irish host, in recognition of the imbalance of power within that relationship.

The crisis was also seen as a temporary problem, with initial reports of temporary housing being needed for "up to three years" and that, once the war is over, Ukrainian migrants will return to their own country and rebuild their lives. However, there is no clarity as to what pathways to protection will be available if the key driver of displacement endures beyond this point. And this 'temporary thinking' resulted in the loss of valuable time in planning a more sustainable and long-term response.

Beyond the immediate challenges faced by Ukrainian people forcibly displaced, the wider geopolitical impacts of the crisis – the dependency on Russian fossil fuel production and resultant risks, together with risks to food security – will be felt globally into the future, and disproportionately impact those who can least absorb them.

As the crisis continued late into 2022, the Irish response to increasing numbers of Ukrainian migrants was to pare back supports, given the limited resources available. Resources Government was acutely aware were under pressure prior to the 24th February 2022. This is a failure of Government policy on several fronts: a failure to meet the basic needs of the people of Ireland, a failure to properly plan for incoming migrants in advance of their arrival, a failure to provide adequate, ongoing, supports once they arrived. The recent policy decision not to provide accommodation supports to people without children, people who are fleeing a war, is unacceptable.

The implications of the gendered nature of this forced migration also needs to be addressed – most of those arriving are women and children. This cohort has unique and specific needs that must be addressed to facilitate their integration in Ireland, including the provision of appropriate accommodation that both meets their needs and complies with safeguarding legislation for children and vulnerable adults.

There is a moral imperative to respond to the needs of all forcibly displaced persons in Ireland in an equal, fair and consistent manner, irrespective of their pathway to protection. The significant challenges to implementation of The White Paper on Ending Direct Provision and the Day Report that have emerged will be exacerbated as a result of the conflict in Ukraine.

Social Justice Ireland believes that Ireland should use its position in international fora to highlight the causes of displacement of peoples. In particular, Ireland should use these fora to challenge the production, sale and easy access to arms and the implements of torture. Ireland should also take a leadership position within the EU promoting a human rights and humanitarian approach to addressing the refugee crisis and challenge the "closed border" policy of some governments. We should also take a leadership role in assisting the Least Developed Countries in mitigation programmes to address climate change.

Inequalities

An Oxfam Report published for the World Economic Forum in Davos indicates that the top 1 per cent of the global income distribution own almost two-thirds of new wealth, almost twice as much as the bottom 99 per cent. Billionaire fortunes are increasing by almost €2.7 billion per day, notwithstanding inflation, and food and energy companies more than doubled their profits in 2022 while consumer energy costs increased (Oxfam, 2023).

In its *Global Wealth Report 2022* Credit Suisse reports that the number of millionaires increased by 5.2 million to reach 62.5 million in 2021, while the ultra-high net worth (UHNW) group grew by an additional 21 per cent. In 2021, 53 per cent of all adults globally owned wealth of less than USD10,000, while those with wealth of between USD10,000 and USD100,000 saw the largest increase, more than trebling since 2000, which the authors of the Report attribute to the rise of emerging economies such as China (Shorrocks & Lluberas, 2022).

The 2021/22 Human Development Report, refers to a "new normal" of global uncertainty and societal inequalities (United Nations Development Programme, 2022). Tables 13.1 and 13.2 show some of these inequalities.

Table 13.1: United Nations development indicators by region and worldwide

Region	GNI per capita (US$ PPP)*	Life Expectancy at Birth (years)	Expected Years Schooling
Least Developed Countries	2,881	64.2	10.2
Arab States	13,501	70.9	12.4
East Asia and Pacific	15,580	75.6	13.8
Europe and Central Asia	19,352	72.9	15.4
L. America and Caribbean	14,521	72.1	14.8
South Asia	6,481	67.9	11.6
Sub-Saharan Africa	3,699	60.1	10.3
OECD	45,087	79.0	16.5
Worldwide total	**16,752**	**71.4**	**12.8**

Source: UNHD Report Human Development Index 2021/22, p.275
Notes: *Gross National Income (GNI) Data adjusted for differences in purchasing power. The comparable rates for Ireland are: GNI per capita: $76,169; Life Expectancy: 82.0; Expected Years Schooling: 18.9

Tables 13.1 and 13.2 show the sustained differences in the experiences of various regions in the world. These differences go beyond just income and are reflected in each of the indicators reported in both tables. Today, average life expectancy is 20 years higher for people in the richest countries compared to those in Sub-Saharan Africa.

These inequalities are also reflected in the sizeable differences in income levels (GNI per person) and in the mortality figures. Table 13.2 shows that there are 417 maternal deaths per 100,000 live births in Least Developed Countries as against 18 in the developed OECD countries. There were 76.7 deaths of children under the age of five per 1,000 live births in Sub-Saharan Africa in 2020 as against 6.8 in every 1,000 live births in OECD countries.

Table 13.2: Maternal and Infant Mortality Rates

Region	Maternal Mortality Ratio#	Under-5yrs Mortality rate*
Least Developed Countries	417	63.5
Arab States	150	33.2
East Asia and Pacific	82	15.6
Europe and Central Asia	20	15.4
L. America and Caribbean	75	16.3
South Asia	153	40.7
Sub-Saharan Africa	536	76.7
OECD	18	6.8
Worldwide total**	**225**	**37.2**

Source: UNHD Report Human Development Index 2021/22, Table 5, UNHD Report Human Development Index 2020,Table 8 Health Outcomes

Notes: # ratio of the number of maternal deaths to the number of live births expressed per 100,000 live births
*number of deaths per 1,000 live births.
**The comparable rates for Ireland are: Maternal mortality: 5; Under 5 Mortality: 3.7

Digital Technologies Threats

Digital power concentration and digital inequality are among the key global risks according to the World Economic Forum's Global Risks Report 2023 (World Economic Forum, 2023). Digital power concentration ranks 29th out of 32 short-term risks and 17th out of 32 long-term risks, while digital inequality ranks 31st short-term and 30th long-term. The Report highlights the more insidious risks, such as widespread cybercrime and cyber insecurity, and a lack of control over individual digital autonomy, as well as less-malign risks such as commercialisation of private data. There is, according to the Report, a growing trade-off between innovation and security as an increasingly digitalised world, including Government and public services, struggle to maintain adequate data protection systems.

The 2022 Global Risks Report highlighted how ransomware attacks were becoming more prevalent, a necessary part of doing business online. In 2020 the total value of cryptocurrency received by ransomware addresses was USD$406.34 million, compared to USD$0.89 million in 2015 and USD$0.51 million in 2013. These attacks are becoming "more aggressive and widespread" as well as using more sophisticated technologies. A Global Risk Perception Survey placed cybersecurity failure among the top 10 global risks that have worsened since the beginning of the pandemic (presumably as a result of an increasing number of businesses and individuals transacting almost exclusively online as a result of restrictions) (World Economic Forum, 2022).

Health Threats

Pandemics

Various studies suggest that future pandemics are not only inevitable, but may become more extreme (Bhatia & Abraham, 2022) (Haileamlak, 2022) (Dodds, 2019), with one suggesting that the risk of extreme pandemics such as COVID-19 could double in the coming decades (Marani, et al., 2021).

As was the case with COVID-19, in future pandemics the most vulnerable countries will be the ones least likely to respond, with countries in Asia, South America and Africa being among the most vulnerable. This is why Overseas Development Aid and Climate Finance (discussed later in this Chapter) are so important. We need to build the resilience of vulnerable countries now to better prepare them, and the rest of the world, for future pandemics. COVID-19 demonstrated that disease does not respect borders. Ensuring the most vulnerable countries are equipped to manage the next pandemic benefits all countries.

In 2022, the World Health Organisation published a Foresight briefing on pandemic preparedness in which it considered trends across five areas: social, technological, economic, environmental, and political, before considering the key factors of pandemic spread: pathogen and host characteristics, public health and social measures, and contextual factors. The Report then provides three overarching pillars of preparedness: trust, solidarity and equity, and sustainable development, in recognition of the inequality and inequity in the respective responses of the Global North and Global South countries (WHO, 2022). As the Government of Ireland commences its review of its COVID-19 response, it must use the lessons learned to look to the future and develop both a national pandemic plan and a series of policy recommendations for its contribution at EU and international levels.

HIV/AIDS

According to the UNAIDS Global Aids Update 2022, 4,000 people become infected with HIV every day, including 1,100 young people aged 15-24 years old. If current trends continue, the number of people newly infected will reach 1.2 million in 2025, three times the target of 370,000 by 2025 (UNAIDS, 2022). In 2021, one person died of AIDS every minute.

As in previous years, the UNAIDS Report advocates for a person-centred response to HIV/AIDS, particularly towards prevention, including reference to programmes which take a preventative approach to contracting HIV/AIDS when engaging in sexual activity, as in Cambodia; stigma against minority groups, as in Brazil; drug use, as in Vietnam; and the use by Botswana of a certification process in their path to the elimination of vertical HIV transmission (pp. 90-149). The Report further calls for a human-rights-based approach with community-led responses and sustainable and equitable financing of those responses.

For its part, *Social Justice Ireland* urges the Irish Government to meet its commitments in this area and ensure Ireland plays a key role internationally in facilitating the necessary resourcing of responses to this crisis.

Climate Change[3]

According to the UNHCR "Climate change is the defining crisis of our time and disaster displacement one of its most devastating consequences."[4] The Germanwatch Global Climate Risk Index 2021 (Eckstein, et al., 2021) which ranks countries according to their extreme weather risks, shows that less developed countries are generally more affected than industrialised countries. Of the ten most affected countries in 2019, eight out of the ten belong to the category low to lower-middle income. Five of them fall into the category Least Developed Countries.

A paper produced by the Roundtable on Migration in Our Common Home, which is chaired by *Social Justice Ireland*, examined how climate change is impacting migration, displacement and food security (Roundtable on Migrations in Our Common Home, 2022). The paper uses Graeme Hugo's 'continuum of displacement' as a lens through which the drivers of migration may be viewed, allowing for migration to be viewed on a spectrum, from Voluntary Migration, whereby the dominant factor is the free choice of the migrant to move from one place to another, on one end of the spectrum, to Forced Migration at the other, that is, individuals forced to move to avoid the risk of serious harm or death, and Involuntary Migration, a range of factors which impact the agency of people over whether or not they migrate, as a midway point (p.3).

The paper concludes with a series of recommendations for policy responses to address the imbalance in how climate change, particularly as a driver of forced migration and displacement, is impacting countries in the Global South. These recommendations include the provision of adequate climate finance; the establishment of a Loss and Damage Fund, including a comprehensive plan for reparations to the poorest nations who contribute the least to climate change from the wealthiest nations who contribute the most; and calling on the Irish Government to campaign within the EU for climate change action and funding to ensure that all countries pay their fair share.

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3 Climate change is discussed in Chapter 11. We return to the issue briefly to highlight the particular vulnerabilities of those living in developing countries.

4 https://www.unhcr.org/climate-change-and-disasters.html

Sustainable Development Goals (SDGs)[5]

The vision of the SDGs is outlined in the Report of a study by the UN Stakeholder Forum (Osborn, et al., 2015). The SDGs are intended to be universal in the sense of embodying a universally shared common global vision of progress towards a safe, just and sustainable space for all human beings on the planet to thrive. They reflect the moral principles that no-one and no country should be left behind, and that everyone and every country should be regarded as having a common responsibility for playing their part in delivering the global vision.

Social Justice Ireland urges the Irish Government to give leadership in the various international fora in which it operates to ensure appropriate indicators and reliable statistics are available to monitor and evaluate progress on the SDGs. We also urge Government to prioritise policy coherence for development so that no policy developed by Ireland will be detrimental in any way to work being done in developing countries to move towards achieving the SDGs in full and on schedule.

In the formulation of these Goals, much of the international discussion focused on the pressing development needs of the developing countries and the support they will need from more developed countries and the international community in achieving the goals. Some of the individual goals and targets have been particularly shaped and calibrated to express the needs and aspirations of developing countries; others express the responsibilities of the developed world to assist the development process in the developing world.

Of critical importance where Ireland is concerned in this context are two key issues:

- The need for Ireland to provide funding and support to developing countries to help them achieve the SDGs in their own countries; and
- Ensuring 'policy coherence for development' i.e., not having any policy initiative taken by Ireland that works against the achievement of any SDG in a developing country.

Below we analyse Ireland's ODA Budget which gives us an opportunity to assess how Ireland is performing on the first of these issues. Here we focus on the second issue i.e., policy coherence. Policy coherence for development was recognised as a major issue long before the SDGs were agreed. It is, in fact, enshrined in the EU's Lisbon Treaty. It recognises that the activities of any country can have impacts far beyond that country's borders. These impacts can be negative or positive and often have major implications for the well-being of people in developing countries. We have already highlighted wars and climate change – two impacts with extremely negative consequences for many developing countries. Below we will look at the

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[5] The Sustainable Development Goals are also discussed in Chapter 11. We return to the issue briefly to highlight the particular need and urgency for their implementation, to support the people of developing countries.

areas of human rights, governance, trade, tax and debt. These are all areas where a lack of policy coherence can see better off countries taking initiatives that impact negatively on the realisation of the SDGs in developing countries.

Ireland's commitments to Official Development Assistance (ODA), Climate Finance, and Loss and Damage

As the most recent paper of the Roundtable on Migrations in Our Common Home set out, the Irish Government must accept that ODA, Climate Finance and Loss and Damage are three different commitments under three different agreements (Roundtable on Migrations in Our Common Home, 2022).

At the 2009 UN Climate Change Conference in Copenhagen, developed countries pledged to provide $30 billion in funding for the years 2010-2012, as well as $100 billion in long-term financing by 2020 from a variety of sources. This $100 billion per year was intended to meet the needs of developing countries most impacted by climate change. The commitment, however, is based on the pledges of each participating developing country and does not include any criteria for determining how the quota should be assigned. The vast majority of this money was in the form of repayable loans, which add to unsustainable debt burdens and ultimately leave the costs still shouldered by the world's poorest. Climate finance is a responsibility and driven by the principle of polluter pays and a key pillar of the Paris Agreement.

A 2021 Working Paper from the Overseas Development Institute (ODI) (Colenbrander, et al., 2021) sought to provide a formula based on three metrics:

1. gross national income;
2. cumulative carbon dioxide emissions; and
3. population.

Acknowledging that this is not perfect, the authors offer these metrics as an indicative range to begin holding individual governments to account.

Using these metrics, the ODI analysis discovered that, among the 23 developed countries responsible for international climate funding, only Germany, Norway, and Sweden have paid their fair share of the annual $100 billion target. Every other country, including Ireland, falls short. In fact, the report noted that "Ireland should be contributing $364-900 million a year depending on which metric is used to attribute fair share. In 2017-2018, it provided an annual average of $199 million, or 33 per cent of its fair share measured against the composite index." (p.14).

Irish climate finance is provided publicly on a grant-basis, as opposed to through loans. There's an important focus on adaptation and building capacity and resilience in poorer countries. However, while a climate finance plan has been devised, with the publishing of the Climate Finance Roadmap (Government of

Ireland, 2022) in July 2022, the connection of Climate Finance with ODA distorts reality - we are further behind in fulfilling our commitments than we publicly depict. Notwithstanding our current economic difficulties, Ireland must continue to recover lost ground in relation to our ODA and climate finance commitments.

In both Irish Aid's *Climate and Environmental Finance Report 2020* (Department of Foreign Affairs, 2022) and the Irish International Climate Finance Roadmap, reference is made to Climate Finance representing approximately 10 per cent of Ireland's ODA in the years 2017 to 2020. Both also refer to a commitment to reach a target of €225m by 2025. Using the methodology set out in the ODI report referred to earlier, this would equate to roughly 73 per cent of Ireland's actual share of our Climate Finance target. Using these metrics, the real number would be closer to €308.2m. This is separate from our commitments towards ODA.

Reaching the UN goal of 0.7 per cent of income in ODA will require increased effort in the years ahead. As Table 13.3 shows, over time Ireland had achieved sizeable increases in our ODA allocation. In 2006 a total of €814m (0.53 per cent of GNP) was allocated to ODA, which was the interim target set by the Government. Budget 2008 further increased the ODA budget to reach €920.7m (0.59 per cent of GNP). However, between 2008 and 2014 ODA budget was a focus of government cuts and in 2014, Ireland's ODA was €614.9m (0.41 per cent of GNI* and a reduction of over 33 per cent on 2008). Since 2014, the monetary value of Ireland's ODA has increased. In Budgets 2022 and 2023, the allocation to ODA exceeded €1 billion, however as a proportion of GNI*, Ireland's contribution has remained relatively static at 0.44 per cent (Government of Ireland, 2022a) (Government of Ireland, 2022b).

Social Justice Ireland recognises and welcomes the increased contributions in recent Budgets to ODA. However, Ireland still lacks a strategy for reaching the UN-agreed 0.7 per cent target and we call on the Government to develop such a strategy with a view to reaching this target by 2028. Notwithstanding our current economic difficulties, Ireland must continue to recover lost ground in relation to our ODA commitments if developing countries are to have a chance of emerging from this pandemic.

Table 13.3: Ireland's net overseas development assistance, 2010-2023

Year	€m's	% of GNI*
2010	675.8	0.52*
2011	657.0	0.52*
2012	628.9	0.50*
2013	637.1	0.47*
2014	614.9	0.41*
2015	647.5	0.40*
2016	725.8	0.42*
2017	743.4	0.40*
2018	791.6	0.40*
2019	869.9	0.41*
2020	867.5	0.41*
2021	976.1	0.42*
2022	1,044**	0.40*
2023	1,220**	0.44*

Source: Government of Ireland (2021:84) and various Budget Documents.
Estimate based on GNI, which *Social Justice Ireland* considers to be a better measurement of Ireland's national income (GNI* data from CSO National Income and Expenditure Annual Results, various years).
****Projections** from Budget documentation and Estimates.

Given Ireland's current and projected economic growth, *Social Justice Ireland* believes that Government should commit to reaching the UN target of 0.7 per cent of GNI* to be allocated within the next five years. In Table 13.4 below, *Social Justice Ireland* proposes a possible pathway to reaching the UN target. This pathway sees Ireland achieve the UN target of 0.7% over the next five years. Here again we use GNI* as a more realistic measurement of Ireland's national income. This makes the target all the more achievable.

Table 13.4: Possible pathways to ODA targets 2023-2028

Year	ODA €m	% of GNI*	Increase required €m
2023	1,220.0	0.44	
2024	1,434.0	0.50	214.0
2025	1,669.1	0.55	235.0
2026	1,924.3	0.60	255.2
2027	2,202.1	0.65	277.9
2028	2,504.4	0.70	302.3

Calculations: *Social Justice Ireland* based on estimates of Ireland's macroeconomic prospects contained in Budget 2023 Economic & Fiscal Outlook and author's calculations.

Social Justice Ireland believes that these allocation should not include the increase in expenditure in respect of the Ukrainian crisis which should be ring-fenced and warehoused (see Chapter 2). They should also not include our commitments to Climate Finance or Loss and Damage.

Rebuilding our commitment to ODA and honouring the UN target should be important policy paths for Ireland to pursue in the coming years. Not only would its achievement be a major success for government and an important element in the delivery of promises made but it would also be of significance internationally. Ireland's success would not only provide additional assistance to needy countries but would also provide leadership to those other European countries who do not meet the target.

Social Justice Ireland welcomes the Government's approach to allocating aid to the poorest and neediest countries of the world and for its capacity to work in partnership with civil society in these countries and urges Government not to lose sight of the continuing and pressing need for this support.

13.2 Key Policy Priorities

Social Justice Ireland believes that the following policy positions should be adopted in responding to the current challenges being experienced by the Global South. The Irish Government should:

- Renew its commitment to meet the United Nations target of contributing 0.7 per cent of national income to ODA by 2028 and set a clear pathway to achieve this.

- Disaggregate our commitments to Climate Finance and Loss and Damage from our ODA target.
- Take a far more proactive stance at government level on ensuring that Irish and EU policies towards countries in the Global South are just.
- Ensure that Irish businesses operating in developing countries- in particular Irish Aid country partners – are subject to proper scrutiny and engage in sustainable development practices.
- Play a prominent role in the support and implementation of the Sustainable Development Goals (SDGs).
- Continue to support the international campaign for the liberation of the poorest nations from the burden of the backlog of unpayable debt and take steps to ensure that further progress is made on this issue.
- Work for changes in the existing international trading regimes to encourage fairer and sustainable forms of trade.
- Take a leadership position within European and broader international arenas to encourage other states to fund programmes and research aimed at taking a person-centred approach to the AIDS/HIV crisis.

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Chapter fourteen

14.

VALUES

We are where we are today as a society because of the choices we made in the past. This means that the choices we make today will shape the future. If we want to see real change, this will only come about as a result of different decisions being made by a variety of policy-makers and institutions. The proposals made in this Socio-Economic Review could be implemented if those with the competent authority took the decisions required. All decisions are based on values. Everyone can contribute to societal change by raising questions and encouraging debate around vision, values and ethics.

We need to reclaim and promote ethics in business, wealth creation and policy-making. Pope Francis reminds us that:

> *"Development must not aim at the amassing of wealth by a few, but must ensure "human rights – personal and social, economic and political, including the rights of nations and of peoples". The right of some to free enterprise or market freedom cannot supersede the rights of peoples and the dignity of the poor, or, for that matter, respect for the natural environment, for "if we make something our own, it is only to administer it for the good of all". Business activity is essentially "a noble vocation, directed to producing wealth and improving our world". God encourages us to develop the talents he gave us, and he has made our universe one of immense potential. In God's plan, each individual is called to promote his or her own development, and this includes finding the best economic and technological means of multiplying goods and increasing wealth. Business abilities, which are a gift from God, should always be clearly directed to the development of others and to eliminating poverty, especially through the creation of diversified work opportunities. The right to private property is always accompanied by the primary and prior principle of the subordination of all private property to the universal destination of the earth's goods, and thus the right of all to their use"*(Pope Francis, 2020).

The people who bear the cost of any economic downturn are obvious, the unemployed; the poor, the sick, those who come here seeking refuge, our most vulnerable people who have had their income and social services cut. The last few years have been tumultuous, a global pandemic followed by a war in Europe with climate change becoming ever more apparent and urgent. This uncertainty is the cause of fear, anxiety and anger in our communities. The critical question now is how do we prevent a recurrence of the type of austerity responses we saw after the last economic crash? Indeed, how do we prevent a recurrence of another economic crash? While some people advocate good regulation as the solution, others are sceptical and search for more radical approaches.

These observations, reflections and questions bring to the fore the issue of values. Our fears are easier to admit than our values. Do we as a people accept a two-tier society in fact, while deriding it in principle? It is obvious that we are becoming an even more unequal world. The dualism in our national values allows us to continue with the status quo, which, in reality, means that it is okay to exclude almost one sixth of the population from society, while substantial resources and opportunities are channelled towards other groups and institutions.

To change this reality requires a fundamental change of values. We need a rational debate on the kind of society in which we want to live. If it is to be realistic, this debate should challenge our values and support us in articulating our goals and formulating the way forward.

Human dignity, human rights and the common good

Social Justice Ireland wishes to contribute to this debate and believes that the focus for this debate should be human dignity, human rights and the common good. Discussion and reflection on human dignity can be traced back to the writings of ancient philosophers and religious traditions. The history of this discourse is long and complex. However, it was not until 1948 that it was clearly articulated in the Universal Declaration of Human Rights. *Social Justice Ireland* believes that every person should have seven basic socio-economic and cultural rights, that is, the right to:

- sufficient income to live life with dignity
- meaningful work
- appropriate accommodation
- participate in shaping the decisions that affect their lives
- appropriate education
- essential healthcare
- an environment which respects their culture.

These rights can only be vindicated when society structures itself to provide the resources necessary in the interest of the common good. Hollenbach (1989) reminds us that rights are not simply claims to pursue private interests or to be left alone. Rather, they are claims to share in the common good of civil society.

Related to the discourse on human dignity is the discourse on the common good. This discourse can be traced to Plato, Aristotle and Cicero. More recently, the philosopher John Rawls defined the common good as ‘certain general conditions that are...equally to everyone’s advantage’ (Rawls, 1971 p.246). François Flahault notes ‘that the human state of nature is the social state, that there has never been a human being who was not embedded, as it were, in a multiplicity. This necessarily means that relational well-being is the primary form of the common good........The common good is the sum of all that which supports coexistence, and consequently the very existence of individuals.’ (Flahault, 2011 p.68)

This understanding was also reflected at an international gathering of Catholic leaders. They saw the common good as ‘the sum of those conditions of social life by which individuals, families and groups can achieve their own fulfilment in a relatively thorough and ready way’ (Gaudium et Spes no.74). This understanding recognises the fact that the person develops their potential in the context of society where the needs and rights of all members and groups are respected. The common good, then, consists primarily of having the social systems, institutions and environments on which we all depend work in a manner that benefits all people simultaneously and in solidarity

Human rights are the rights of all persons so that each person is not only a right-holder but also has duties to all other persons to respect and promote their rights. There is a sharing of the benefits of rights and the burden of duties. Alan Gewirth (1993) notes that human rights have important implications for social policy. On the one hand the State must protect equally the freedom and basic well-being of all persons and on the other hand it must give assistance to persons who cannot maintain their well-being by their own efforts. Government has committed to multiple codes, charters, goals and targets across the spectrum and must remain committed to achieving them. Ultimately, rights must be realisable.

Understanding of Justice

Christianity subscribes to the values of both human dignity and the centrality of the community. The person is seen as growing and developing in a context that includes other people and the environment. Justice is understood in terms of relationships. The Christian scriptures understand justice as a harmony that comes from fidelity to right relationships with God, people and the environment. A just society is one that is structured in such a way as to promote these right relationships so that human rights are respected, human dignity is protected, human development is facilitated, and the environment is respected and protected (Healy and Reynolds, 2003:188).

Appropriate structures

As our societies have grown in sophistication, the need for appropriate structures has become more urgent. The aspiration that everyone should enjoy the good life, and the goodwill to make it available to all, are essential ingredients in a just society. But this good life will not happen without the deliberate establishment of structures to facilitate its development. In the past charity, in the sense of alms-giving by some individuals, organisations and Churches on an arbitrary and ad hoc basis, was seen as sufficient to ensure that everyone could cross the threshold of human dignity. Calling on the work of social historians it could be argued that charity in this sense was never an appropriate method for dealing with poverty. Certainly, it is not a suitable methodology for dealing with the problems of today. As demonstrated by the pandemic, charity and the heroic efforts of voluntary agencies cannot solve these problems on a long-term basis. Appropriate structures should be established to ensure that every person has access to the resources needed to live life with dignity.

Future Generations

Few people would disagree that the resources of the planet are for the use of the people - not just the present generation, but also the many generations still to come. In Old Testament times these resources were closely tied to land and water. A complex system of laws about the Sabbatical and Jubilee years (Lev 25: 1-22, Deut 15: 1-18) was devised to ensure, on the one hand, that no person could be disinherited, and, on the other, that land and debts could not be accumulated. This system also ensured that the land was protected and allowed to renew itself. Today, modern society needs to espouse this principle to ensure the protection and security of existing resources for the use of future generations. Our understanding must shift from that of dominion to one of stewardship.

Ownership and property

These reflections raise questions about ownership. Obviously, there was an acceptance of private property, but it was not an exclusive ownership. It carried social responsibilities. We find similar thinking among the leaders of the early Christian community. St John Chrysostom, (4^{th} century) speaking to those who could manipulate the law so as to accumulate wealth to the detriment of others, taught that ‘the rich are in the possession of the goods of the poor even if they have acquired them honestly or inherited them legally’ (Homily on Lazarus). These early leaders also established that a person in extreme necessity has the right to take from the riches of others what s/he needs, since private property has a social quality deriving from the law of the communal purpose of earthly goods (Gaudium et Spes 69-71).

Pope John Paul II has further developed the understanding of ownership, especially in regard to the ownership of the means of production. Recently this position has been reiterated by Pope Francis (2015): “the Church does indeed defend the legitimate right to private property, but she also teaches no less clearly that there is always a social mortgage on all private property, in order that goods may serve the general purpose that God gave them.” (No 93)

Technology

One of the major contributors to the generation of wealth is technology. The technology we have today is the product of the work of many people through many generations. Through the laws of patenting and exploration a very small group of people has claimed legal rights to a large portion of the world's wealth. Pope John Paul II questioned the morality of these structures. He said 'if it is true that capital as the whole of the means of production is at the same time the product of the work of generations, it is equally true that capital is being unceasingly created through the work done with the help of all these means of production'. Therefore, no one can claim exclusive rights over the means of production. Rather, that right 'is subordinated to the right to common use, to the fact that goods are meant for everyone'. (Laborem Exercens No.14). Since everyone has a right to a proportion of the goods of the country, society is faced with two responsibilities regarding economic resources: firstly, each person should have sufficient resources to access the good life; and secondly, since the earth's resources are finite, and since "more" is not necessarily "better", it is time that society faced the question of putting a limit on the wealth that any person or corporation can accumulate. Espousing the value of environmental sustainability requires a commitment to establish systems that ensure the protection of our planet.

In his exhortation, *The Joy of the Gospel,* (Evangelii Gaudium) Pope Francis (2013) named the trends that are detrimental to the common good, equality and the future of the planet. He says:

> *"While the earnings of the minority are growing exponentially, so too is the gap separating the majority from the prosperity enjoyed by those happy few. This imbalance is the result of ideologies which defend the absolute autonomy of the marketplace and financial speculation. Consequently, they reject the right of states, charged with vigilance for the common good, to exercise any form of control......Debt and the accumulation of interest also make it difficult for countries to realise the potential of their economies and keep citizens from enjoying their real purchasing power. To all this we can add widespread corruption and self-serving tax evasion, which have taken on worldwide dimensions. The thirst for power and possessions knows no limits. In this system, which tends to devour everything which stands in the way of increased profits, whatever is fragile, like the environment, is defenceless before the interests of a deified market, which becomes the only rule."* (par 56)

Interdependence, mutuality, solidarity and connectedness are words that are used loosely today to express a consciousness which resonates with Christian values. All of creation is seen as a unit that is dynamic and interrelated. When we focus on the human family, this means that each person depends on others initially for life itself, and subsequently for the resources and relationships needed to grow and develop. To ensure that the connectedness of the web of life is maintained, each person depending on their age and ability is expected to reach out to support others in ways that are appropriate for their growth and in harmony with the rest of creation. This thinking respects the integrity of the person, while recognising that the person can achieve his or her potential only in right relationships with others and with the environment.

As a democratic society we elect our leaders regularly. We expect them to lead the way in developing the society we want for ourselves and our children. Election and budget times give an opportunity to scrutinise the vision politicians have for our society. Because this vision is based on values, it is worth evaluating the values being articulated. It is important that we check if the plans proposed are compatible with the values articulated and likely to deliver the society we desire.

Most people in Irish society would subscribe to the values articulated here. However, these values will only be operative in our society when appropriate structures and infrastructures are put in place. These are the values that *Social Justice Ireland* wishes to promote. We wish to work with others to develop and support appropriate systems, structures and infrastructures which will give practical expression to these values in Irish society.

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Social justice matters. That is why *Social Justice Ireland* publishes this book at this time. As Ireland moves into a post-Covid world, we face major challenges: how to address the cost-of-living crisis; how to deliver housing, healthcare and other vital services to everyone including those fleeing war; how to address persistently high levels of poverty and social exclusion; how to meet our climate targets whilst protecting those most impacted. Ireland needs a new Social Contract to respond to these challenges. There are alternative and better ways of managing and organising economic activity to deliver a better standard of living and wellbeing for everyone in society. This publication addresses the challenges we face, outlines ideas and proposals for a new Social Contract and seeks answers to the questions: where do we want to go, and what do we need to do to get there?

In this, its Socio-Economic Review for 2023, *Social Justice Ireland* presents:

- a detailed analysis of a range of key matters which are central to social justice.
- a vision of Ireland's future as a just and sustainable society, and
- a policy framework to move consistently and coherently towards becoming a just society.
- it also sets out detailed policy proposals needed to move in this direction.

Among the topics addressed in **Social Justice Matters** are:

- A New Social Contract
- Income Distribution
- Taxation
- Work, Unemployment and Job-Creation
- Housing and Accommodation
- Healthcare
- Education and Educational Disadvantage
- Other Public Services
- People and Participation
- Sustainability
- Rural Development
- The Global South
- Values

Social Justice Matters provides a key reference point for anybody working on Irish social justice issues in 2023.

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