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SOCIO-ECONOMIC REVIEW **2024**

Social Justice Matters

2024 guide to a fairer Irish society

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2024 guide to a fairer Irish society

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MANAGING CHANGE

Ireland is going through several major transitions, each of which is only going to deepen with time. At the 2023 National Economic Dialogue, the Department of Finance highlighted four key transitions with which Government must contend over the medium and long term, known as the four Ds: decarbonisation of our economy, digitalisation, deglobalisation, and demographic change (Government of Ireland, 2023). These transitions are national and global, with the impacts being experienced at home and across the globe. They represent transformations in how our society and economy function and are already well underway. Climate change is already taking its toll on both our natural environment and human society. The digital and deglobalisation transitions are gaining momentum, having been accelerated by the Covid-19 pandemic and geopolitical instability, and are already restructuring our economy and the way we work. Demographic change is already having a significant impact on the demand and delivery of social services and infrastructure, and this is set to expand in the coming years.

Developments in the international environment have had a significant impact on national policy. They have arrested key contributors to previously sustained growth in real incomes, namely low interest rates, cheap energy and cheap imported consumer goods. For over two years, rising prices (particularly in energy, food and housing) have eroded income gains, particularly for low and middle income households. The rapidly growing and diversifying population has resulted in social and demographic change. Meanwhile the war in Ukraine, and the unforeseen increase in the numbers seeking international protection has brought a sharp focus on immigration. Taken together, these developments have resulted in alienation and frustration on the part of many people and some groups in particular. In addition to addressing the material realities of change, Government must also address the felt impact. Anxiety about the negative consequences that people experience or perceive is already affecting our politics and social cohesion: right-wing populism is gaining ground in Ireland and communities feel increasingly alienated. Ultimately, the promises of such reactionary politics are empty because the solution offered is to tell people that we can go back to the way things were, even as environmental, demographic, technological and economic transformation means it really is impossible to step back into the same river twice. Change is inevitable, it is the responsibility of Government to manage that change.

At the same time, while much is changing, many of the problems facing our society are longstanding: inequality, poverty, and under-investment in our social infrastructure remain major challenges. Although 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. Likewise, developments in areas such as taxation, participation and sustainability fall below the minimum standards. Austerity policies introduced in the decade after 2008 have left their mark. Those policies saw a dramatic reduction in capital allocation to housing, particularly social housing. Budget allocations to healthcare have failed to factor in existing levels of service and demographic change for years now. Austerity cuts to community and voluntary sector funding have not been fully restored a decade and a half later. Ireland is a wealthy country, however, despite having substantial resources at its disposal Government seems to lack the ambition and political will that would prioritise social well-being and investment in infrastructure and services over forms of wealth building. We would be naïve to believe that such inequality and under-investment do not have consequences for the social fabric. If these existing problems, many of which are already at crisis level, are left unresolved, they risk exacerbating the negative consequences of the social, economic, technological and environmental transitions underway. The impact of these longstanding challenges must also form part of future planning to address pent up demand, in addition to demographic change and increased immigration.

The 2024 edition of our *Sustainable Progress Index*, which assesses Ireland's progresses toward the UN's Sustainable Development Goals (SDGs), ranked Ireland in eighth place out of 14 comparable EU countries (Clark, Kavanagh, & McGeady, 2024). The mid-table ranking indicates that there is much work to be done. The report comprises three dimensions: economy, society and environment. Ireland ranks ninth out of the EU 14 on the economy, seventh on society and eleventh on the environment. The low ranking on the environment especially highlights the major challenges we face in meeting our environmental goals. Even in the area of economic development, progress is not clear-cut: the low ranking of ninth place on the economy indicates that high GDP and near full employment does not tell the whole story when it comes to economic progress. Although our ranking of seventh place with regards to social progress puts Ireland right in the middle of the EU 14, this position must be considered in the context of poor performance on both the economy and environment. These mid-to-poor rankings reveal much about Ireland's investment in infrastructure, services and well-being.

A transformation in how we live is coming one way or the other: the question is whether public policy will be used to shape our future in a way that is humane, ecologically sound, and socially just. In order to manage the major changes we face, together with longstanding challenges, we need a new social contract and a renewed social dialogue to facilitate the realisation of that social contract. At its most basic, a social contract is that agreement (often unwritten) between citizens and Government about the principles and goals that we should collectively pursue in order to address our common challenges. The good functioning of such a contract is essential to maintain social cohesion and faith in our democracy, as well as to reduce our exposure to the negative consequences of the multiple transitions we face. Effective social dialogue is essential in order to manage change effectively and appropriately. It will allow us to get out in front of problems by identifying them at the earliest stages, facilitate communities and sectors to come to terms with the coming change, and build consensus about how best to manage that change in a way that allows communities to have a say in policies that affect them.

Inequality

The problem of inequality has been persistent over many years, but the cost-of-living crisis and inflationary pressures in recent years have again brought it into keener focus. Without social transfers, 34 per cent of the population would have been below the poverty line rather than 10.6 per cent in 2023 (CSO, 2024). Such an underlying poverty rate suggests a deeply unequal distribution of direct income. A report from Oxfam last year 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). Data from the Central Statistics Office (CSO) indicates that in 2023 the total income of the richest 20 per cent was almost four times that of the poorest 20 per cent (CSO, 2024). While a report by the Central Bank of Ireland stated that the wealthiest 10 per cent of Irish households are more than five times as rich as those in the poorer half of the distribution altogether (Moreno, 2024). Analysis by Micheál Collins and Catherine Kavanagh, presented at the *Social Justice Ireland's* conference, "The Social Justice Movement – A Fifty Year View", in January 2024, demonstrates that income inequality has remained stubbornly stable over the past fifty years. While the total value of income has increased, not much has changed about its distribution. The share of total household disposable income going to the top quintile (20 per cent) of households between 1973 and 2022 has steadily remained between 40 and 45 per cent. While the share going to the bottom quintile of households has remained around 5 per cent (Collins & Kavanagh, 2024).[1] Nor is the question of equality merely one of democratic principle, it is materially consequential.[2]

In terms of the cost-of-living pressures, those with higher incomes experience an inflation rate that can be several percentage points below the rate experienced by those on low incomes. Between 2002 and 2023, households in the bottom 20 per cent of the income distribution experienced the highest growth in the price level they face; a 2.7 percentage points higher growth in price level than the other

1 This was a presentation delivered at the *Social Justice Movement - A Fifty Year View* conference in Dublin on 31st January 2024, see https://www.socialjustice.ie/article/social-justice-movement-fifty-year-view

2 See Pickett, K., & Wilkinson, R. (2010). *The spirit level*. London: Penguin; Stiglitz, J. (2012) *The Price of Inequality: How Today's Divided Society Endangers Our Future.* New York: W.W. Norton & Company.

80 per cent of the population (Central Bank of Ireland, 2023). Over the five-year period from 2018 to 2023, the poorest ten per cent of people (the bottom decile) experienced an inflation rate of 20 per cent compared with 18.7 per cent for the richest ten per cent. This relationship to inflation flipped in the year to September 2023, with households in the top income decile experiencing a higher rate of inflation (6.9 per cent) than those in the lowest income decile (6 per cent) (CSO, 2023). However, despite this inversion in general, those in the lowest decile continued to experience the highest inflation for the essentials: food and non-alcoholic beverages, electricity, gas and other fuels, and rent than those in the top decile (CSO, 2023). This on-going impact is significant as 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).

Poverty

Using data from the CSO's 2023 Survey in Income and Living Conditions (SILC), *Social Justice Ireland* calculates that 559,850 people are living below the poverty line – one in ten people in Ireland. Of that total, 59,344 are older people, 145,561 are actually in employment (the working poor), and 176,912 are children, that is one in seven children (see chapter 3). Moreover, 264,064 children are living in households experiencing deprivation (Social Justice Ireland, 2024). Child poverty cannot be understood apart from household poverty, and is essentially an issue of low-income families. Therefore, solutions for child poverty hinge on adequate adult welfare rates, decent rates of pay for working parents, and adequate and available public services. Beyond the number of people below the poverty line, the level of precarity for those on low incomes just above the poverty line must also be addressed, indeed around 109,000 people were just €10 per week above the poverty line in 2022 (Collins & Kavanagh, 2024). Such precarity leaves people exposed to the impact of rising prices and unforeseen changes in circumstance.

Cost-of-living pressures have clearly driven people into deprivation, with an increase in the deprivation rate from 13.7 per cent of the population in the 2021 SILC, to 16.6 per cent in 2022 to 17.3 per cent in 2023 (CSO, 2024). While inflation fell throughout 2023 and 2024, a most welcome development, it must be borne in mind that while the *rate* of inflation may have fallen, *prices* continue to rise: a fall in prices would require *de*flation. So, although there was only a 3.4 per cent increase in the consumer price index in the twelve months to February 2024, compared with an 8.5 per cent increase in the prior twelve months, this still represents an increase on already high prices (CSO, 2024a). As noted in the March edition of the Credit Union Consumer Sentiment Index: 'while it may no longer be the worst of times, it is still far from the best of times. Upward pressure on living costs may have eased but hasn't reversed' (Hughes, 2024).

The CSO estimates that without additional cost-of-living supports the at-risk-of-poverty rate would actually have been 13 per cent rather than 10.6 per cent (CSO, 2024). This provides an insight into the impact of cost-of-living pressures on those with the lowest incomes, and further illustrates the need for robust social welfare protections. In terms of addressing poverty, the impact of social welfare supports cannot be underestimated. For the bottom decile, welfare supports make up 73 per cent of disposable income. Without welfare transfers, nearly 40 per cent of the population would have been below the poverty line; in 2020, 2021 and 2022, welfare transfers reduced that share to between 10 and 15 per cent of the population (Collins & Kavanagh, 2024).

Social Justice Ireland has long advocated that Government must commit to benchmarking core social welfare rates to 27.5 per cent of average earnings to protect vulnerable households. We were deeply disappointed that Budget 2024 again favoured temporary supports instead of delivering progress on long-term income adequacy through indexation of social welfare rates. Ultimately temporary supports are not an adequate response to a continuous crisis of income inadequacy. *Social Justice Ireland* is not alone in identifying the inadequacy of this approach in Budget 2024. The ESRI likewise highlighted the need to a move away from temporary supports in favour of permanent measures that support income adequacy: '[The] temporary nature of many of the measures targeted at low-income households this year and in previous years means an erosion of the real purchasing power of structural rates of payments within the social welfare system over the last four years' (Doorley, Duggan, Simon, & Tuda, 2023).

The untargeted nature of many of the once-off transfers also raised serious questions about fairness and effectiveness. As noted by the Irish Fiscal Advisory Council (2023), rather than directing the State's resources towards those most in need in recent budgets, the Government's efforts were less effective than they could have been:

> Overall, €2.9 billion of cost-of-living measures were announced in Budget 2024. When one considers all taxation and spending measures, only 29% of the cost is on targeted measures. [...] The untargeted nature of these supports continues a pattern. Cost-of-living measures have been used since early 2022. In each case, the package of measures has been largely untargeted.

In addition to ensuring that welfare transfers are adequate, the untargeted nature of recent budgets too must be addressed if we are to allocate our resources in a way that is not only most socially just, but also effective and fiscally responsible.

Following the announcement of Budget 2024, *Social Justice Ireland* highlighted the disparity of its impact; such budgetary policies sustain inequality through the distribution of benefits in the form of tax expenditures and social transfers (Social Justice Ireland, 2023). Budget 2024 included a range of measures to address the ongoing cost of living crisis. However, there is a marked difference in the way that the Budget measures are being delivered to households. The Budget included *temporary measures*, such as electricity credits and one-off additional welfare and fuel allowance payments, alongside *permanent measures* such as changes to the value of core welfare payments, changes to tax credits and bands, and changes to the USC. In time, these temporary measures will disappear but the permanent changes will remain. This leaves a skewed distribution of resources in favour of higher income individuals and households (Social Justice Ireland, 2023).

Housing and Homelessness

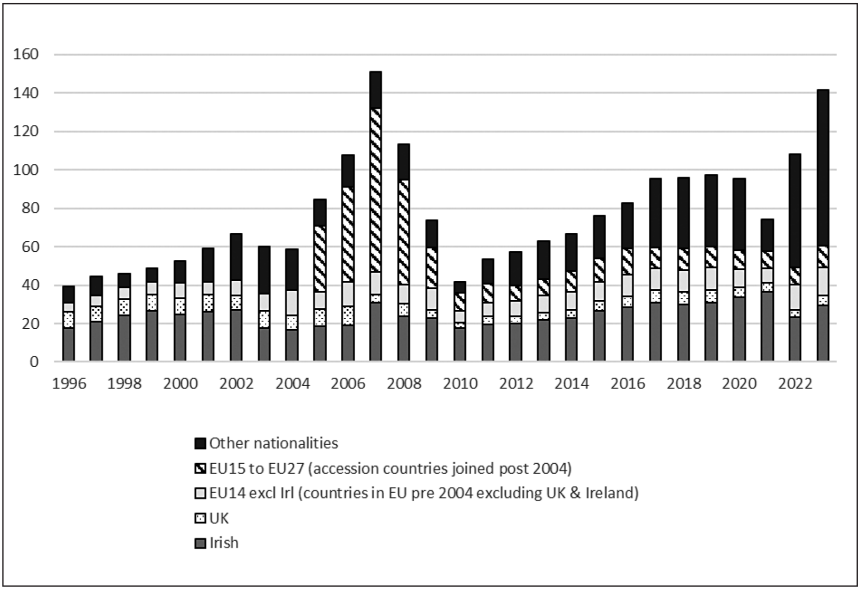
Housing affordability continues to be a critical issue in Ireland. The on-going failure of Government policy in this area for more than a decade has produced a crisis of unprecedented proportions across much of Irish society. It has been five years since the number of people in State-funded emergency homeless accommodation first exceeded 10,000 people in February 2019. Although there was a decline in the midst of the Covid-19 pandemic, since then the number has risen steadily. The latest figure, for February 2024, was the highest on record: 13,841 people had to resort to emergency homeless accommodation in the last week of January, of whom 4,170 were children (Department of Housing, Local Government and Heritage, 2024). This number does not include those sleeping on our streets. According to the Dublin rough sleeper count for winter 2023, rough sleeping has increased since spring 2023 and winter 2022. There was a 30 per cent increase on the number counted in Winter 2022 and a 42 per cent increase on the Spring 2023 count (Department of Housing, Local Government and Heritage, 2024).

The level of homelessness in our society does not emerge in isolation: it is undoubtedly a feature of our housing crisis together with the level of poverty. According to the Parliamentary Budget Office, in the ten year period from 2012 to 2022, there has been a 75 per cent increase in residential property prices and a staggering 90 per cent increase in rents, while wages have only increased by 27 per cent (Parliamentary Budget Office, 2023). Price inflation driven by the chronic housing shortage, together with income and wealth inequality, has made housing costs an insurmountable struggle for all too many. In the context of inadequate supply, the Help to Buy and First Home schemes serve only to maintain high prices. Meanwhile, the commitment to build 9,300 social homes in 2024, fails to take account of the 1,567 shortfall on the 2022 target, and the likely shortfall in 2023. The solution to these problems is investment in appropriate supply, rather than over-reliance on subsidies which artificially inflate housing costs.

Additionally, the supply of social housing is far below requirement. The Summary of Social Housing Assessment 2023 put the number of households on the social housing waiting lists at almost 59,000 (The Housing Agency, 2024). 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. To meet the need, Government should set a target of 20 per cent of all housing stock to be social housing and to achieve this through new builds. 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; which would increase supply, reduce demand, and encourage a fall in rental prices.

The Immigration "Crisis"

Chart 1.1: Estimated Immigration (000s), 1996-2023



Source: CSO Estimated Immigration (Persons in April), PxStat: PEA24

Immigration is, and has always been, a fact of life in Ireland. Despite calls that Ireland is full, the number of people who moved to Ireland in 2023 was still fewer than in 2007 (CSO, 2022). In 2023, a total of 141,600 people came to Ireland, of which 20,600 were returning Irish. In 2007, immigration to Ireland stood as 151,100 people, of which 30,700 were returning Irish (chart 1.1). Since February 2022, when Russia invaded Ukraine, there has been a sharp focus on immigration here. As of April 2024, over 105,000 people have arrived in Ireland from Ukraine (CSO, 2024b). 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). In 2023, this figure rose to 57 per cent (chart 1.1).

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. Ireland is not full. Ireland is a wealthy country with enough resources to meet the needs of all of its inhabitants. Instead, Ireland is failing to meet its human rights obligations to thousands of people living here. In the absence of appropriate accommodation, Government has resorted to using tents to accommodate people seeking international protection. This is inadequate, unsafe, and has resulted in hygiene-related illness. All of this speaks to a failure of policy (Holland, 2024). Nor did this failure to provide appropriate accommodation begin with the influx of refugees following Russia's invasion of Ukraine. Both the 2020 Day report and the 2015 McMahon report highlighted the issue of inadequate accommodation for people seeking international protection.

In the wake of Russia's illegal invasion of Ukraine and the significant numbers of people seeking refuge in Ireland and across Europe, *Social Justice Ireland* raised concerns about the danger of anti-immigrant sentiment growing if Government did not address the problems of inadequate service-provision and housing. Our paper *Migrations in Our Common Home: Responding with Care – Ireland's Response to the Ukrainian Crisis* asked: "How do we contend with the very real risk of putting different vulnerable groups, both local and migrant, in competition for scarce State resources?" (Roundtable on Migrations in Our Common Home, 2022). An increasing level of hostility towards migrants has resulted in anti-immigrant protests, and a string of arson attacks on properties proposed to accommodate people seeking international protection. In the face of a growing politics of resentment and scapegoating, oriented towards blame rather than solutions, considerable work must be done to understand and address this obvious disaffection. While these developments cannot be entirely attributed to inadequate social infrastructure and services, certainly these failings play a significant role in cultivating the conditions for such attitudes to thrive.

Sustainability and a Just Transition

Ireland and the wider world are moving steadily towards the 2030 deadline for the delivery of the Sustainable Development Goals. While six years remain before reaching that deadline, there seems little awareness among many, including some policy-makers, that substantial changes will have to made at every level – individual, local, national and global – if the agreed targets are to be met. Even where this necessary awareness is apparent, there is no evidence that sufficient measures are being put in place to meet these goals.

With regards to carbon emissions reduction, the SEAI's Energy in Ireland 2023 report states: 'Unless GHG emissions are reduced sharply between now and the end of 2025, it is highly unlikely that Ireland will remain within its carbon budgets out to 2030' (SEAI, 2023). A lack of an adequate, sustainable energy source for Ireland has resulted in our reliance on energy imports. In 2022, Ireland imported four fifths of its total primary energy requirement, compared to an EU average of 57.5 per cent: 'Ireland remains highly dependent on imported fossil fuels to satisfy our energy needs. Currently over 81 per cent of our energy is imported, and most of that is fossil fuel' (SEAI, 2023). A 2020 report on energy security estimated the cost of energy imports in 2018 at €5 billion (SEAI, 2020).

Ensuring that the necessary changes are made, and that the impact of change is shared fairly by all, will require huge adjustments in all our lives. It is essential that a just transition process is put in place to enable people to reach this new way of living. Ireland must generate momentum to accelerate the transition towards a low-carbon economy. *Social Justice Ireland* welcomed the Climate Action Plan and we welcome the recent establishment of the Infrastructure, Climate and Nature Fund. 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. In all of this, we must ensure a just transition: that we manage change so that no people, communities, economic sectors or regions are left behind.

An ongoing dialogue on how to support transition and adaptation and a place-based approach is essential to ensure that vulnerable communities are protected and supported to meet future challenges. Rural areas are among those that will be most impacted by the transition to a carbon-neutral society. A sustainable society requires balanced regional and rural development. A successful move to a sustainable future for all requires a process of social dialogue that involves all stakeholders.

Managing Change: An Opportunity to Build a Socially Just Republic

Amid these multiple transitions and longstanding challenges, policy makers have an opportunity to marry both prudence and ambition. If you had a leaking roof, no one would suggest it prudent to take half-measures on the cheap and leave yourself with inadequate repairs that ultimately come undone. Likewise, while ambitious, it would also be prudent for Government to take the long-term view when it comes to investment in our infrastructure, social services, and income adequacy. Sustainable long-term policies will have enduring benefits for everyone, while a failure of ambition will only result in more pressure on an already creaking system, simply compounding problems. A robust and adequately resourced social and economic infrastructure is as important as sound fiscal policy for our nation's long-term stability and success. Given the scale of the crises facing our country, immediate and significant investment is required in housing, infrastructure, social services, renewable energy and income adequacy. None of this is beyond our capacity.

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 threat. The need for prioritising the common good is clear. Major investment is required, investment that serves society rather than transnational corporations. 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.

Such a mission-oriented approach, needed to manage the significant changes facing our society and economy, requires that the various components of policy be delivered simultaneously. It can no longer be argued that if we prioritise the economy everything else will follow: this trickle-down approach has clearly been discredited by hard experience. 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 a sustainable, effective and fairer pathway is to be followed then Government must play a larger role than heretofore, and must build its capacity to do so. The Covid-19 pandemic demonstrated that far from a lean, so-called efficient State, instead resilience and capacity should be paramount.

From a Vicious to Virtuous Circle

The scale of change discussed above has been underestimated and so, poorly managed to date. At every turn, there are examples of failures of public policy to provide the infrastructure required to keep pace with population growth. This failure has been compounded by rising unplanned immigration, providing a convenient scapegoat for the systemic pressures being widely experienced. These infrastructure deficits are compounded by difficulties in recruiting and retaining key personnel to deliver expanded and more specialised public services across health and education, policing and defence, caring and public administration. The result is a vicious circle:

a. rapid demographic growth and diversification,

b. inadequate infrastructure to meet expectations and needs,

c. inability to organise and deliver core public services, and

d. the pressure of costs on living standards

Such a vicious circle produces a loss of confidence in public authorities and a loss of trust in liberal democracy, the framework within which policy is made and implemented. The challenge is to find a pathway into a virtuous circle. That pathway must address identified challenges and obstacles, especially to the timely delivery of basic needs. Measures that build confidence in the capacity of policymakers to remedy infrastructure deficits and improve the availability and quality of services would increase trust and reduce the sense of alienation. A new social contract, shaped by a renewed social dialogue, would provide such a pathway.

A New Social Contract is Needed

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 no longer tenable.

It is *Social Justice Ireland's* contention that a new Social Contract is required to address the core challenges now facing society, with real citizen engagement at the core of such a contract. *Social Justice Ireland*'s proposals, as set out in this publication, would see Government policy focused on simultaneously delivering five outcomes as part of that a new Social Contract: a vibrant economy; decent infrastructure and services; just taxation; good governance; and sustainability. This approach is not simply do-able; it is also desirable. It's time for change. Managing change effectively will allow us to harness the benefits of transition to transform both our society and our economy.

All of 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. Ultimately, *Social Justice Ireland* argues that 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 that climate action be urgently prioritised; to date the policy response has been wholly inadequate. The same can be said of the ineffectual response to the current housing crisis.

Investment in infrastructure and services are needed to develop a thriving economy. Likewise, just taxation is required to fund this. Good governance is needed to ensure people have a say in shaping the decisions that impact them. Finally, all Government policy must be sustainable; environmentally, economically and socially. *Social Justice Ireland* has identified more than eighty policy recommendations for a new Social Contract (Bennett, Healy, Murphy, & Murphy, 2020). 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.

Renewed Social Dialogue

In this context, a new model of social dialogue cannot focus solely on cost competitiveness (although this is incorporated through the wage bargaining process and productivity improvements) but must be about 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 is particularly important in Ireland – is critical here. Dialogue is the means by which different sectors could negotiate to agree on the future we wish to achieve and set out pathways towards reaching that destination, as well as 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. Instead, a successful move to a sustainable future for all – a just transition – requires a process that involves all stakeholders.

If there is to be a national conversation, it should at least begin with those who have a responsibility to inform public policy discourse and their own constituencies in the first instance: the five Pillars of Social Dialogue. An effective social dialogue that engaged all sectors of the economy, organised labour, the community and voluntary sector, the farming and environmental sectors and government at both political and official levels, would be the logical place to begin. As a starting point for such dialogue, a set of basic goals to which all people can reasonably aspire would include:

a. affordable housing
b. accessible healthcare
c. appropriate education
d. meaningful work
e. sufficient income to live with dignity
f. cultural respect
g. real participation in decision-making that impacts on them
h. effective policing
i. and an approach to management of immigration, which is both fair and effective.

In the next chapter, we present a Policy Framework for a new Social Contract that outlines five policy outcomes or pillars. Following chapter 2, we move on to look in much greater detail at key aspects of five policy pillars.

We provide a fuller analysis of both the first and third pillars, a vibrant economy and just taxation, in chapter 4, where we 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 – public services. On each of these themes 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.

Amid the major transitions facing our society, 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.

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Chapter two

Chapter 2

A POLICY FRAMEWORK FOR A NEW SOCIAL CONTRACT

As discussed in the previous chapter, the Government has highlighted the four Ds – decarbonisation, digitalisation, deglobalisation and demographic change – as the primary strategic challenges facing Ireland in the years ahead (Government of Ireland, 2023a). As in previous editions of this publication, *Social Justice Ireland* adds the challenges of inequality, poverty and under-investment to this list. These challenges are deeply intertwined and impact profoundly on each other. In particular, recent crises have highlighted:

- 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;
- The impact of underinvestment in our energy and climate infrastructure; and
- The underfunding of our health, housing and social care systems.

While Government has taken some steps to address these issues, to date policy responses have been deeply inadequate. Ireland, and indeed the planet, now faces new and mounting crises; a situation where business as usual can mean only social and environmental catastrophe. As we face these challenges, the principle of a Just Transition – to leave no one behind – should be at the core of our response. This requires a level of support by the State – especially through the provision of social protection supports, appropriate services and infrastructure – that prevents poverty and social exclusion for those most impacted by the changes facing us.

As the Covid-19 pandemic continues to recede into the background as a concern for policy makers, one of its lasting effects has been a shift in society's perception of what is valuable and important. The heightened dependence on the State during the pandemic has brought into stark relief how urgently a new Social Contract is needed. *Social Justice Ireland* has called on successive Governments to reconceptualise the Social Contract; to move away from a focus that prioritises the economy to an approach that integrates economic, social and environmental wellbeing.[1]

Social Justice Ireland has a vision for an Irish society in which, we believe, most Irish citizens would aspire to live. Developing a new Social Contract, that takes a comprehensive approach to the wellbeing of the person and society as a whole, will involve better planning and preparedness for the major transitions facing our country. Managing change successfully requires ambition. Indeed, if managed well, these changes would provide an opportunity to achieve a fairer, more just society. A policy framework for realising a new Social Contract is outlined in this chapter and in subsequent chapters of this publication.

Beyond Economic Growth

Historically, Ireland suffered from underdevelopment, weak economic growth, and a labour surplus. Since T.K. Whitaker's 1958 study *Economic Development*, Government's policy response has understandably focused on economic growth in order to create employment and end the hardship of emigration. Since the 1990s, Ireland has undergone an economic transformation and, notwithstanding the financial crash and recession of the 2000s, we now have near full employment, net inward migration, and we are even struggling with a tight labour market. Indeed, the policy of austerity in response to economic crisis in the last decade drew on the same rationale; the idea that fiscal discipline and debt reduction would create the conditions for economic growth and everything else would simply fall into place. However, while a thriving economy is essential to our success, it is not by itself the solution. The damaging consequences of under-investment are now all too clear to see.

While the economy grew dramatically in recent years and the country now has one of the highest GDPs per capita globally, economic growth has not proven to be the silver bullet to all our problems. On the contrary, challenges remain: climate change; poverty and inequality; inadequate infrastructure and services; changes in the world of work; the lack of real participation in decision-making; and, an underlying development model that is neither sensible nor sustainable. In the midst of considerable wealth generation, many people in our society continue to struggle to get by. Inadequate delivery of infrastructure and services, most notably in housing, has demonstrated that leaving important aspects of our infrastructure to the market simply doesn't work. There is a real danger that, faced with such a range of challenges over a sustained period of time, we will again revert to the failed approach of focusing on one or two issues and hoping that resolving these will have a knock-on impact that magically resolves the others. Renewing the Social Contract requires a move away from the premise that if we get the economy right

1 See previous editions of our socio-economic review, *Social Justice Matters*.

everything else will fall into place. Rather, targeted policy solutions that focus on fairness and wellbeing are required.

The Sustainable Development Goals

Internationally, targeted interventions have proved more effective than the neoliberal policy of prioritizing economic growth at the expense of investment in infrastructure, services and income adequacy. Indeed, the UN Sustainable Development Goals (SDGs) provide a policy framework that emphasises targeted policy outcomes. As the 2024 edition of our *Sustainable Progress Index* notes, directly addressing problems rather than further economic growth is the solution to issues such as hunger, illness, and poor sanitation. Addressing these problems directly will lead to better social and economic outcomes as people who are better fed, healthy and live in a clean environment are also more productive.

As we know, measuring outputs and outcomes drives progress, because policy makers quite naturally focus on what is counted and strive to improve the performance of those indicators being measured. Therefore, a comprehensive and integrated framework of policy objectives can drive better outcomes. The Sustainable Development Goals constitute a holistic approach to development, designed to refocus efforts towards policies that directly help people and communities in the long run. Importantly, the Sustainable Development agenda calls for Governments to be address a whole of range of issues *simultaneously*. As such, the SDGs represent a framework for greater policy coherence. However, such policy coherence will be realised only if the policies directed at achieving the goals are delivered simultaneously, as intended.[2] The 2024 edition of *Measuring Progress: Sustainable Progress Index*, the latest in our effort to measure Ireland's progress implementing the SDGs relative to our EU peers, makes clear that much work remains to be done.

Ireland's Well-being Framework

In previous editions of this publication, *Social Justice Ireland* welcomed the development of a multi-dimensional framework to measure progress in societal wellbeing and to underpin a more integrated approach to policy making. In 2021, Government published the First Report on a Well-being Framework for Ireland, which set out "to better measure Ireland's progress as a country and better align policy decisions with people's experiences" (Government of Ireland, 2021). The Second Report on the Well-being Framework (2022), refined the overarching vision:

- 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;

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[2] For more details see Chapter 11. See also *Measuring Progress: Sustainable Progress Index 2024,* which measures progress in implementation of the SDGs relative to our EU peers: https://www.socialjustice.ie/publication/sustainable-progress-index-2024

- 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)

This vision contains two elements, firstly to provide an overarching framework for policy making and deliver greater policy coherence across Government Departments; and secondly to improve the impact of policy on people's lives. In this regard, Ireland's Well-being Framework complements the Sustainable Development Goals, as was noted in the Second Report (Government of Ireland, 2022). Aligning that Framework with the SDGs would also ensure policy coherence between our national targets and our international commitments.

In 2022, Government published its first report on the country's wellbeing, *Understanding Life in Ireland: The Well-being Dashboard 2022*. This was followed last year with the 2023 report. The report assessed progress using a total of 35 indicators across 11 dimensions outlined in the Well-being Framework:

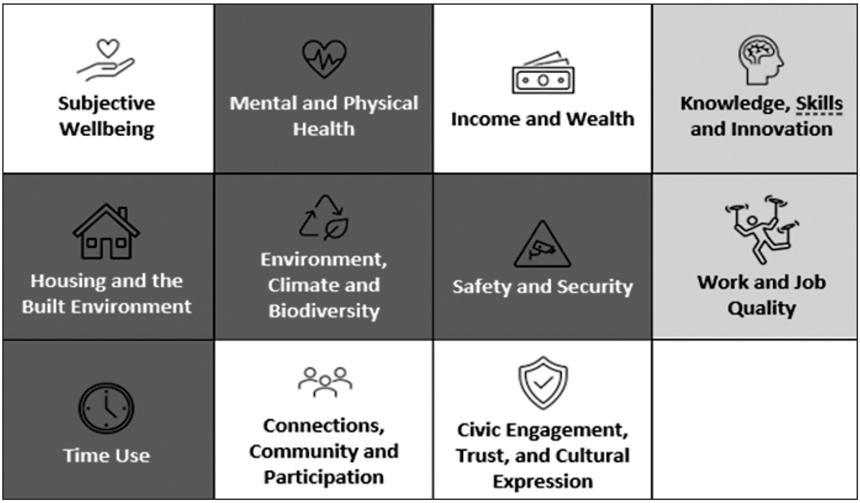
- Subjective wellbeing
- Mental and physical health
- income and wealth
- knowledge, skills and innovation
- housing and the built environment
- environment, climate and biodiversity
- safety and security
- work and job quality
- Time use
- Connections, community and participation
- Civic engagement, trust, and cultural expression

These 35 indicators are split across two categories: Progress Indicators which refer to performance over a 5 year period as compared to the EU average (depending on data availability); and Sustainability Indicators which refer to a subset of 14 indicators that have been identified as particularly important for sustainability.

The full breakdown of indicators can be found at the CSO's Well-being Information Hub.[3]

While *Social Justice Ireland* is strongly supportive of the development of a wellbeing framework to inform policy-making and policy coherence, this will only be valuable if the most relevant metrics are used to assess progress. In 2022, we recommended an alternative set of indicators that would provide a more accurate picture of wellbeing in Irish society (Bennett, 2022). The choice of alternative indicators, drawn from readily available datasets produced by the CSO and other reputable sources, were deemed to "provide proximation of real Well-being, that is, how policies are being experienced" (p. 176) Using this alternative set of indicators, *Social Justice Ireland* showed "considerable room for improvement" (p. 188): only two dimensions showed positive progress, while four showed neutral progress and the remaining five showed negative progress. While the development of the Well-being Framework and Dashboard are very welcome, room for improvement remains.

Alternative Dashboard



Source: Bennett, 'What Counts When It Comes to Wellbeing?', contained in *Towards Wellbeing for All* (2022).

A Rights-Based Approach to Wellbeing

Social Justice Ireland strongly believes in the importance of developing a rights-based approach to social, economic, environmental, and cultural policy. Such

[3] https://www.cso.ie/en/releasesandpublications/hubs/p-wbhub/well-beinginformationhub/howwearedoing/

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.[4] 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;
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.

A Policy Framework for a New Social Contract

Social Justice Ireland has 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). 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. Each of these five key policy outcomes must be achieved if a new Social Contract is to be realised. This requires working on each of the five areas simultaneously. Focusing only on economic growth and expecting everything else to follow has not worked and will not work. While *Social Justice Ireland* has always recognised the need for a vibrant economy, policies to promote economic development must be implemented in tandem with the provision of decent services, just taxation, good governance, and sustainability.

[4] 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.

Ultimately only social justice and the wellbeing of everybody in our country, whether born here or newly arrived, will ensure a stable, healthy, and open society. We set out key areas for action within each policy pillar in Table 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
Ensure 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				

Achieving these five goals requires managing change and transitions and recognising that it is time for a new approach. Changes to the world of work requires a new approach to our understanding of work and employment 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 to meet forthcoming digital and green challenges. 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 ultimately be replaced by a Universal Basic Income which would be far more appropriate for an economy during a time of transition and beyond. This should be accompanied by the development of Universal Basic Services to secure the wellbeing of all.

A properly functioning Well-being Framework, in which economic, social and environmental wellbeing are promoted simultaneously, would go a long way towards realising the five key policy outcomes identified by *Social Justice Ireland* for renewing the Social Contract. Moreover, this would support Ireland to achieve the Sustainable Development Goals and our international commitments. Putting this interconnectedness into practice will require transformational change across all levels of Government. This in turn will need to be supported by real social dialogue and participation, so that all communities have a say in their own wellbeing.

Renewed Social Dialogue and Ethical Policymaking

In recent times we have seen the political consequences of people who feel they have been left behind by society. The spread of anti-immigrant sentiment and the growth of a politics of resentment and hostility not only raises challenges concerning inadequate levels of income and service-provision, but also forces us to confront the reality that many in our community feel alienated from the political system and the offer of mainstream political parties. Such alienation and exclusion has consequences: aggressive protests, riots, and arson attacks on proposed accommodation for international protection applicants. *Social Justice Ireland* has long advocated for participation and social dialogue, involving all sectors of Irish society, to strengthen the social fabric. Ultimately only social justice and the wellbeing of everybody in our country, whether born here or newly arrived, will ensure a stable, healthy, and open society. A new social dialogue is essential to ensure that no-one is left behind in the multiple transitions facing us.

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. 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. A comprehensive social dialogue on the other hand, is an essential mechanism for fostering trust and adopting a problem-solving approach to the transitions we face. It would support Government in managing change successfully and ensuring the transitions that these changes bring provide an opportunity to achieve a fairer, more just society. Critically, such a mechanism must be one where issues may be discussed in a *deliberative* manner.

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 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 that policy development and planning address the key challenges facing the country. These include infrastructure (e.g. social housing, public transport, rural development); 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.

Social Justice Ireland was honoured that President Michael D. Higgins delivered the opening address at our conference, 'The Social Justice Movement: A Fifty Year View,' on 31st January 2024. While hopeful, the President was also realistic about the challenges that Ireland faces in the task of building a socially just republic:

> The promotion and development of an inclusive, equitable society in which everyone's rights and dignity are recognised and honoured should not be a controversial idea in a constitutionally based republic where equality as a value is not contested, and yet this is work that is needed now more than ever. It is not only that inequality is deepening, that its beneficiaries are ever more concentrated, it is that the discussion space for challenging this is now so much less available, accountable or accessible.
>
> *(Higgins, 2024)*

Clearly, not only inequality, poverty and under-investment need to be addressed through innovative evidence-based policy solutions, but the narratives that resist such policy solutions and which sustain deepening inequality must be challenged. A renewed process of social dialogue can facilitate a deliberative process that challenges neoliberal assumptions, finds pathways towards alternative policy options, and builds consensus in support of more sustainable and equitable outcomes for all.

Conclusion

As we endeavour to manage the significant social, economic and environmental transitions that are already in train, 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. In return, citizens have a responsibility to contribute to society in different ways at different points in the life-cycle. 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 life-cycle, 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. Recognizing this reality, 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.

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. 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 in the chapters that follow.

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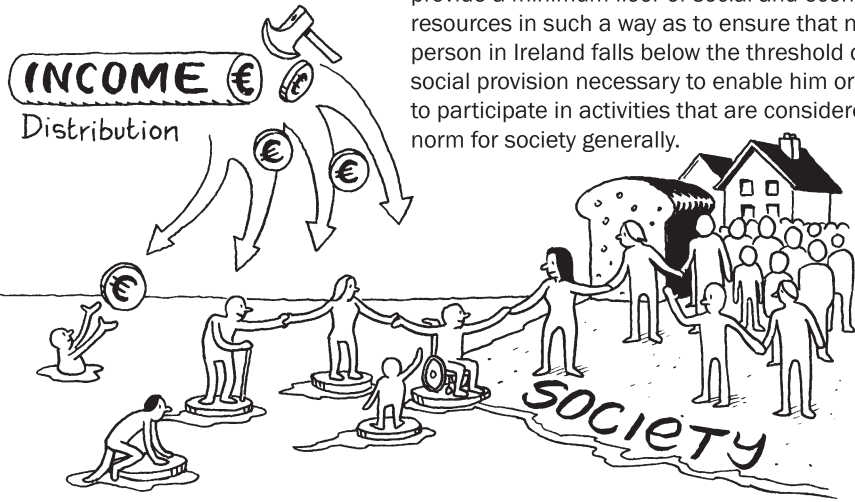
Chapter three

Chapter 3

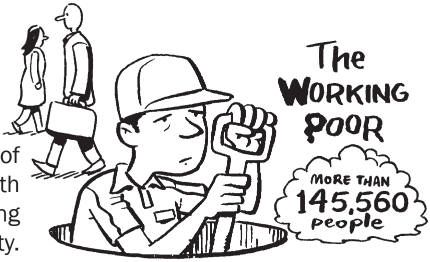
Income and Income Distribution

Core Policy Objective:

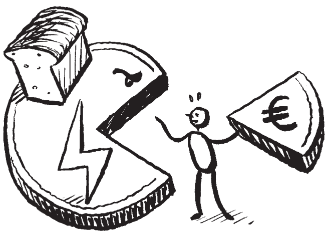
To provide all with sufficient income to live life with dignity. This would require enough income to provide a minimum floor of social and economic resources in such a way as to ensure that no person in Ireland falls below the threshold of social provision necessary to enable him or her to participate in activities that are considered the norm for society generally.



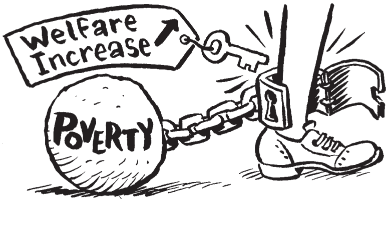
Key Issues and Evidence



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



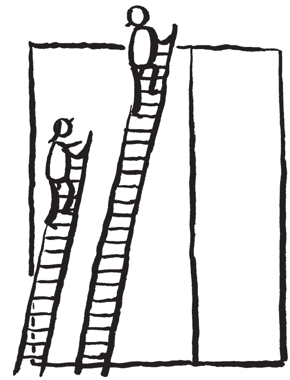
Lower income households spend more of their income on food and energy and are most impacted by rising prices.



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

Policy Solutions

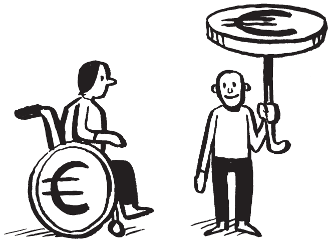
A universal state pension.



Equity of social welfare rates.

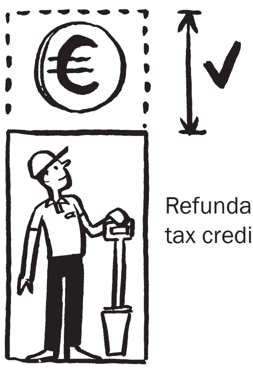
Increase in social welfare payments.

A Universal Basic Income



A cost of disability payment.

Decent rates of pay for low paid workers.



Refundable tax credits.

Adequate payments for children.

Chapter 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 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 and a half 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. The cost-of-living supports of the past few years have further driven poverty rates downwards, although these are short-term measures, and it now stands at 10.6 per cent of the population according to the latest data, which is for 2023.

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 5,000 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: 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:

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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.

> *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 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 2023 *SILC* survey, conducted by the CSO and published in March 2024. In that year the CSO gathered data from a statistically representative sample of 4,191 households containing 10,199 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 Personal Public Service Numbers (PPSNs).

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 2023 report refers to income levels in 2022. According to the CSO, the median disposable income per adult in Ireland during 2022 was €27,597 per annum or €528.88 per week. Consequently, the income poverty lines for a single adult derived from this are:

50% of median	€264.44 a week
60% of median	€317.33 a week
70% of median	€370.22 a week

Updating the 60 per cent median income poverty line to 2024 levels, using published CSO data on the growth in average hourly earnings in 2023 (+2.1 per cent), produces a value for the relative income poverty line at the start of that year. In 2024 that figure is €323.99 for a single person. Any adult below this weekly income level will be counted as being at risk of poverty (CSO, 2024).

Table 3.1 shows what income corresponds to this poverty line for a number of household types. The figure of €323.99 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 €213.83 (66 per cent of the poverty line figure) and for each child in the household the minimum income figure is increased by €106.92 (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 2024, by Household Types

Household containing:	Weekly poverty line	Annual poverty line
1 adult	€323.99	€16,906
1 adult + 1 child	€430.91	€22,485
1 adult + 2 children	€537.83	€28,064
1 adult + 3 children	€644.74	€33,643
2 adults	€537.83	€28,064
2 adults + 1 child	€644.74	€33,643
2 adults + 2 children	€751.66	€39,222
2 adults + 3 children	€858.58	€44,801
3 adults	€751.66	€39,222
		data.

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

3 For example, the poverty line for a household with 2 adults and 1 child would be calculated as €323.99 + €213.83 + €106.92 = €644.74.

One immediate implication of this analysis is that most weekly social assistance rates paid to single people are €92 below the poverty line.

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 almost 11 out of every 100 people in Ireland were living in poverty in 2023. 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 with the recent decline reflecting the targeting of cost-of-living supports on welfare dependent households, albeit many of these were temporary. 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, 1994-2023

	1994	1998	2001	2005	2010	2015	2020	2023
50% line	6.0	9.9	12.9	10.7	21.7	19.7	5.9	4.8
60% line	15.6	19.8	21.9	18.3	21.6	19.7	12.8	10.6
70% line	26.7	26.9	29.3	28.0	19.3	17.8	21.9	21.5

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 2023. 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, 1994-2023

	% 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	12.8	5,029,900	643,827
2023	10.6	5,281,600	559,850

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 30 years, despite a reduction in the headline poverty rate (from 15.6 per cent to 10.6 per cent) there are almost the same number of people in poverty (as the population has increased). 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 figure is the lowest rate ever recorded for Ireland, and an outcome driven by short-term welfare related cost-of-living supports. The CSO have calculated that without these measures the poverty rate would be 13 per cent (686,000 people); suggesting that the cost-of-living measures succeeded in keeping 125,000 people out of poverty during 2023. However, as these measures are not permanent, we can expect poverty to increase once again from 2025.

The fact that so many people in Ireland are 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 2023 almost four in ten of Ireland's adults with an income below the poverty line were employed and that overall, 47 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 560,000 people were living below the 60 per cent of median income poverty line in 2023. 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 twelve years.

Table 3.4: Poverty Levels Expressed in Numbers of People, 2012-2023

	2012	2015	2020	2023
Overall	776,335	764,111	643,827	559,850
Adults				
Employed	94,713	104,683	138,423	145,561
Unemployed	149,056	108,504	61,807	36,950
Retired	45,804	55,780	53,438	59,344
LT Ill/Disabled	56,672	64,185	66,314	62,143
Student/pupil	110,240	117,673	80,478	44,788
Fulfilling domestic tasks	120,332	113,088	59,876	41,429
Other	14,750	14,518	14,808	6,718
Children				
Children (under 16 yrs)	184,768	185,679	168,683	162,916
Children (under 18 yrs)	232,124	226,177	197,655	176,912

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

Note: Calculations only possible with data from 2012 onwards.

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 215,000 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 working in the home, but has risen for workers, those who are retired and people who have a long-term illness or disability.

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 (34.1 per cent) would have been living in poverty in 2023. 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 2023, the actual poverty figure was reduced to 13 per cent by social welfare transfers and further reduced by cost-of-living support payments to 10.6 per cent. Overall, these transfers targeted at the lowest income households reduced poverty by 23.5 percentage points.

These findings 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	2023
Poverty pre-SW	40.0	50.2	46.2	35.3	34.1
Poverty post-SW	18.3	14.7	16.3	12.8	10.6
The role of SW	**-21.7**	**-35.5**	**-29.9**	**-22.5**	**-23.5**

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 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[5] (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 2024, 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.

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

[5] Available online at www.socialjustice.ie

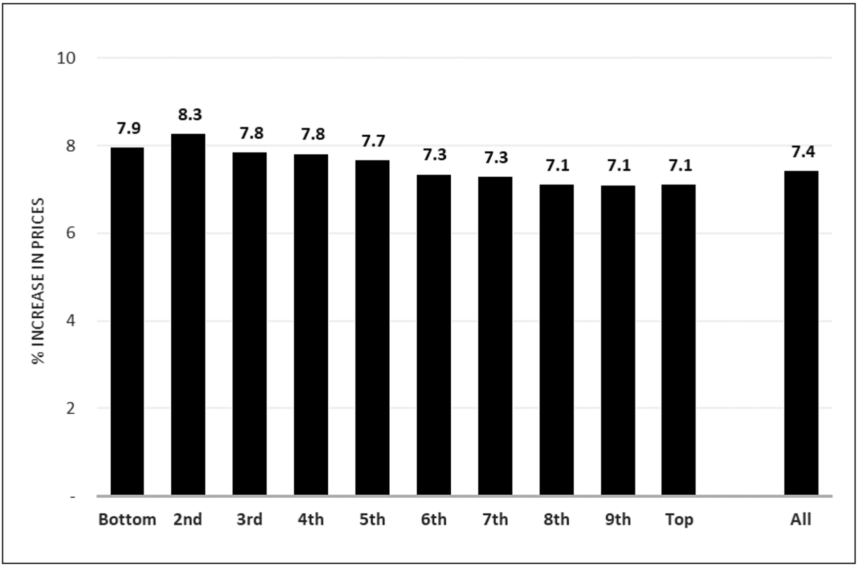
ends meet. The standard of living this income can provide is further influenced by the recurring day-to-day costs individuals face and their ability to afford these. As we highlight elsewhere in this publication, these effects can be pronounced for people with disabilities, those with recurring illness (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 provided an estimate of the distributive effect of recent inflation highlighting their larger impact on lower income households (Lydon, 2022). Subsequently, the CSO commenced a new series providing estimates for inflation levels experienced by households using various characteristics including income. Using data from the Household Budget Survey they found that the impact of inflation is greatest for those households in the bottom half of the income distribution and highest for those households in the bottom twenty percent - see Chart 3.1 which examines the period from the outset of the cost-of-living crisis to September 2023.

Given that these lower income households spend a greater proportion of their income, compared to better off households, they have been more exposed to price increases; they also spend a greater proportion of their income on food and energy. 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.[6] *Social Justice Ireland* called for targeted measures to support these welfare dependent households during the crisis, and we welcome how this emerged and positively impacted on poverty levels. The success of this policy illustrates the precarious income situation faced by many households and the clear potential to drive down rates of poverty using targeted policy measures focused on those in our society with the lowest incomes. However, as many of these measures were temporary and core social welfare did not increase in line with inflation, these positive trends may prove to be shortlived. Policies for achieving reduced levels of poverty stand at the core of this chapter and the work of *Social Justice Ireland*.

6 See SILC 2023 Table 3.2.

Chart 3.1: Average Inflation across the Income Distribution, January 2022 to September 2023 (deciles)



Source: Calculated from CSO (December, 2023)

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.[7] 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.

7 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 2023

	Before	After
All population	10.6	17.9
Owner occupiers - all	6.5	7.2
with mortgage	*4.3*	*5.3*
without mortgage	*9.0*	*9.3*
Renters or Rent Free - all	19.7	42.1
rent free	*36.0*	*36.0*
LA tenants	*25.8*	*44.1*
with HAP, RAS, rent supplement	*12.0*	*58.6*
with no housing supports	*17.7*	*36.2*

Source: CSO SILC Report 2024.
Note: Housing costs include rent and mortgage interest and do not include capital payments on mortgages.

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. After housing costs, 40 per cent of renters live on an income below the poverty line with this rate being 44 per cent for local authority tenants and almost 60 per cent for those on HAP, RAS and in receipt of rent supplement. These rates compare to an after-housing costs poverty rate of one in five for the whole population and less that one in ten for households who are owner occupiers. The CSO analysis also highlighted that after housing costs there are big increases in poverty for single parent households, people who are unemployed, and people with long standing illness or disabilities.

Social Justice Ireland welcomes the publication of these poverty and housing costs 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.[8]

[8] See also Chapter 6.

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.

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.

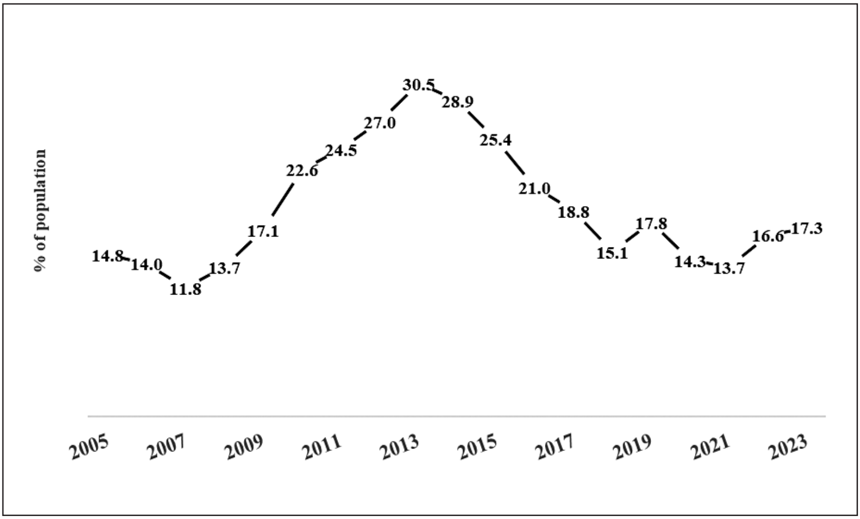
Table 3.8: Levels of Deprivation for Eleven Items Among the Population and Those in Poverty, 2023 (%)

Deprivation Item	Total Population	Those in Poverty
Without heating at some stage in the past year	10.8	18.8
Unable to afford a morning, afternoon or evening out in the last fortnight	11.8	24.8
Unable to afford two pairs of strong shoes	2.0	6.3
Unable to afford a roast once a week	4.2	9.7
Unable to afford a meal with meat, chicken or fish every second day	1.6	3.9
Unable to afford new (not second-hand) clothes	8.1	20.5
Unable to afford a warm waterproof coat	1.2	4.3
Unable to afford to keep the home adequately warm	7.2	12.5
Unable to replace any worn out furniture	17.8	38.5
Unable to afford to have family or friends for a drink or meal once a month	12.3	26.9
Unable to afford to buy presents for family or friends at least once a year	5.2	12.0

Source: CSO (2024).
Note: Poverty as measured using the 60 per cent median income poverty line.

The results presented in table 3.8 shows that in 2023 the rates of deprivation recorded across the set of 11 items varied between 1.2 and 17.8 per cent of the Irish population. Overall, 70 per cent of the population were not deprived of any item, while 12.7 per cent were deprived of one item, 5.6 per cent were without two items and 11.8 per cent were without three or more items. Among those living on an income below the poverty line, one-third (33.8 per cent) experienced deprivation of two or more items.

Chart 3.2: Deprivation Rate, 2005-2023



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. By 2023 the proportion of the population experiencing deprivation of two or more items (the deprivation rate) was equal to 17.3 per cent of the population, about 910,000 people – see Chart 3.2 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. The recent increase in the deprivation rate, from rates around 14 per cent in 2020-2021, offers an insight into the impact of the cost-of-living crisis on many households who have been forced to cut back on some of the essentials despite the supports provided over 2022-2024.

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 2023 *SILC* data indicates that 3.6 per cent of the population experience consistent poverty; the lowest figure recorded for this indicator to date (CSO, 2024); however, the result while welcome is dependent on the effect of short-term cost-of-living transfers on the income of low income households, assistance that will not persist into late 2024 and beyond. Overall, the 2023 figures suggest that approximately 190,000 people live in consistent poverty. Despite recent SILC data, the underlying position suggests that 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.[9] The latest data available for all member states is for the year 2022.

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 2022, 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: Bulgaria, Estonia, Latvia, Romania, Lithuania, Spain, Italy and Greece. The lowest levels were in Hungary, Slovenia and Czechia.

9 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, 2022

Country	Poverty Risk	Country	Poverty Risk
Bulgaria	22.9	Germany	14.8
Estonia	22.8	Austria	14.8
Latvia	22.5	Netherlands	14.5
Romania	21.2	**Ireland**	**14.0**
Lithuania	20.9	Cyprus	13.9
Spain	20.4	Poland	13.7
Italy	20.1	Slovakia	13.7
Greece	18.8	Belgium	13.2
Croatia	18.0	Finland	12.7
Luxembourg	17.3	Denmark	12.4
Malta	16.7	Hungary	12.1
Portugal	16.4	Slovenia	12.1
Sweden	16.0	Czechia	10.2
France	15.6	**EU-27 average**	**16.5**

Source: Eurostat online database (ilc_li02).

The average risk of poverty in the EU-27 for 2022 was 16.5 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 2022 the average EU-27 level implied that 72.7 million people live in poverty across the EU.[10]

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

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

of society, not just those who are poor; a reality that has begun to receive welcome attention recently.

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

The point is that national accounts fail to include items that cannot easily be assigned a monetary value. But progress cannot be measured by economic growth alone. 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.

Ireland's income distribution: latest data

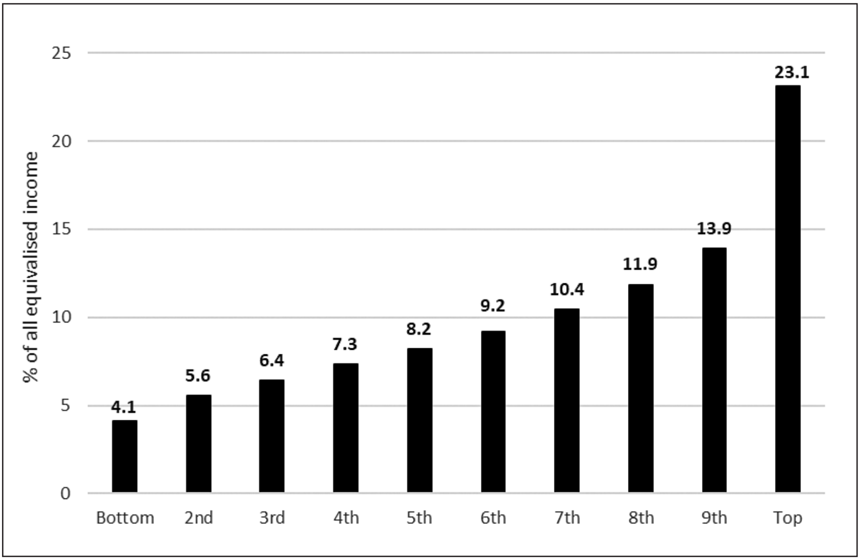
The most recent data on Ireland's income distribution, from the 2023 SILC survey (published in March 2024), is summarised in chart 3.3. It examines the income distribution by decile starting with the 10 per cent of individuals with the lowest income (the bottom decile) up to the 10 per cent with the 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 2023, the top 10 per cent of the population received almost one quarter of the total income while the bottom decile received just 4.1 per cent. Collectively, the poorest 60 per cent of households received a very similar share (40.6 per cent) to the top 20 per cent (37 per cent). Overall, the share of the top 10 per cent is more than 5.5 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 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 2023



Source: CSO SILC (2024).

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 2023 it stood at 27.5; a value that is lower than that expected for future years given the pro-poor distributive effect of many cost-of-living measures. 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[11] 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

[11] 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 4.1 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 Spain, Italy, Greece, Portugal and France 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, 2022

Country	Ratio	Country	Ratio
Bulgaria	7.3	Sweden	4.4
Lithuania	6.4	Cyprus	4.3
Latvia	6.3	Austria	4.3
Romania	6.0	**Ireland**	**4.1**
Spain	5.6	Denmark	4.0
Italy	5.6	Hungary	4.0
Estonia	5.4	Netherlands	3.9
Greece	5.3	Poland	3.9
Portugal	5.1	Finland	3.8
Malta	4.8	Belgium	3.6
France	4.6	Czechia	3.5
Croatia	4.6	Slovenia	3.3
Luxembourg	4.5	Slovakia	3.1
Germany	4.4	**EU-27 average**	**4.7**

Source: Eurostat online database (ilc_di11).

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).[12] The higher the Gini coefficient score the greater the degree of income inequality in a society. As table 3.11 shows, over time income inequality has been reasonably static in the EU

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

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 generally at a 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, and short-term effects from cost-of-living measures, the underlying degree of direct income inequality 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, 2005-2022

	2005	2010	2015	2020	2022
EU-27	**30.6**	**30.2**	**30.8**	**30.0**	**29.6**
Ireland	**31.9**	**30.7**	**29.7**	**28.3**	**27.9**
Spain	32.2	33.5	34.6	32.1	32.0
France	27.7	29.8	29.2	29.2	29.8
Germany	26.1	29.3	30.1	30.5	29.0
Sweden	23.4	25.5	26.7	26.9	27.6
Finland	26.0	25.4	25.2	26.5	26.6
Netherlands	26.9	25.5	26.7	28.2	26.3

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 2024 marked the fourth Budget of the current coalition Government. The first two of these were presented in the context of the challenging Covid-19 pandemic while the third and fourth were presented during the cost-of-living crisis.

Here, we track the cumulative impact of changes to income taxation and welfare over the Government's four Budgets – we do so by comparing the disposable income of households in 2024 with their disposable income in 2020. The analysis draws on the output of our income distribution model, our post-Budget 2024 analysis and our 2024 edition of *Tracking the Distributive Effects of Budget Policy* (Social Justice

Ireland, 2023 and 2024).[13] Therefore, our analysis captures the taxation and welfare measures announced in those Budgets plus various cost-of-living crisis energy credits and temporary welfare payments introduced over 2022-2024. 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 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. Also, it does not include changes in earnings (other than for minimum wage and living wage workers), and CSO data indicate that these have been significant over the past three to four years reflecting shortages of labour, inflation pressures and public-sector pay agreements.

Comparing 2020 to 2024 for households with jobs (see Chart 3.4), the weekly income gains experienced range from almost €27 per week (for low-income couples on €30,000) to €105 per week for couples with incomes of €200,000. Earners on both the living wage and the minimum wage gain more than just 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, have gained least from the Government's measures over the past four years.

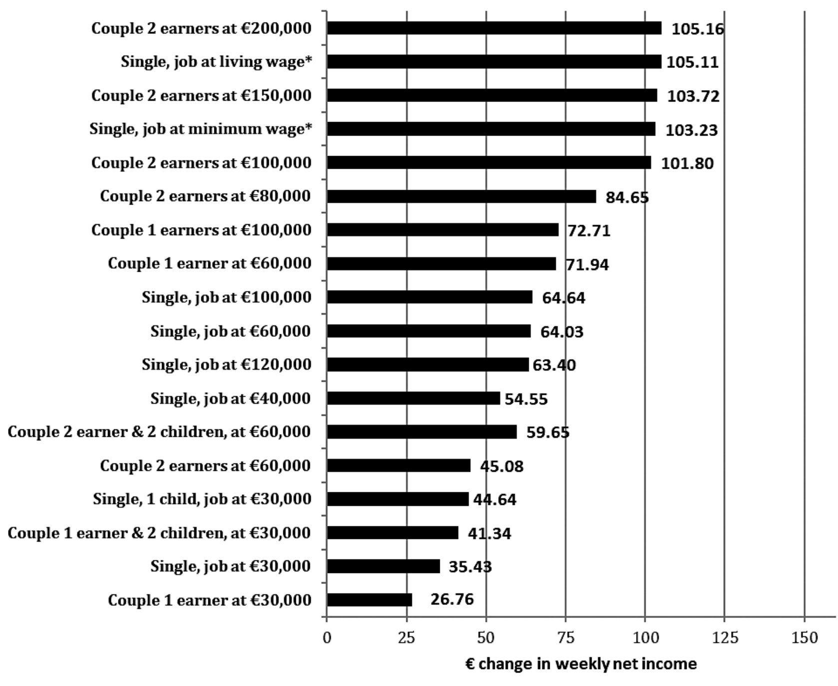
Among households dependent on welfare (see Chart 3.5), the gains have ranged from €69 per week for single unemployed individuals to €154 per week for unemployed couples with 2 children over 12 years of age. The gains are largest for welfare dependent household with children who benefit from a series of once-off measures focused on children during the crisis (e.g. additional child benefit payments and top-ups and a one off back to school allowance increase in 2023). However, these payments will not carry over to future years income and the relative standing of these households is likely to deteriorate over the post-crisis period. We anticipate that comparisons following Budget 2025 will reveal a much more

[13] This document is available on our website.

troubling picture and present some notable challenges for any future Government to address the income gaps that will have opened up.

Social Justice Ireland has consistently argued for the prioritisation of low-income welfare dependent families in Budgetary policy and welcomes how recent cost of living supports have particularly assisted this group. However, we are concerned that the permanent changes to income taxation levels in recent Budgets have shifted away from this approach and regrettably expect that much recent progress will be reversed.

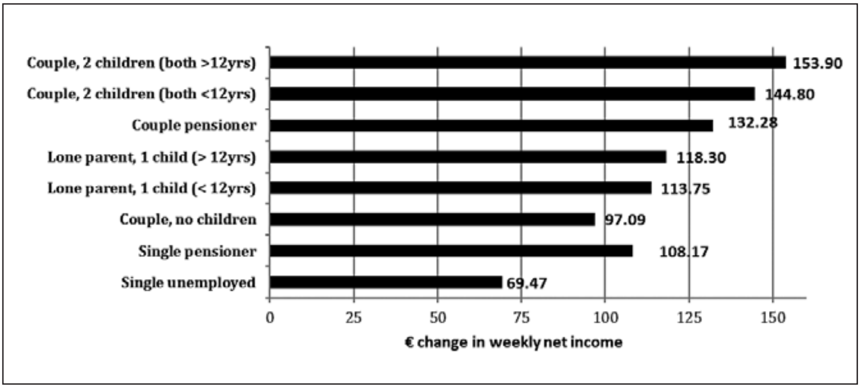
Chart 3.4: Cumulative Impact on Households with Jobs, 2020-2024



Source: *Social Justice Ireland* Income Distribution Model.

Notes: Minimum wage and Living wage increases reflects changes to this wage rate and its taxation. The analysis includes the effect of temporary cost of living measures announced for 2022-2024.

Chart 3.5: Cumulative Impact on Welfare Dependent Households, 2020-2024



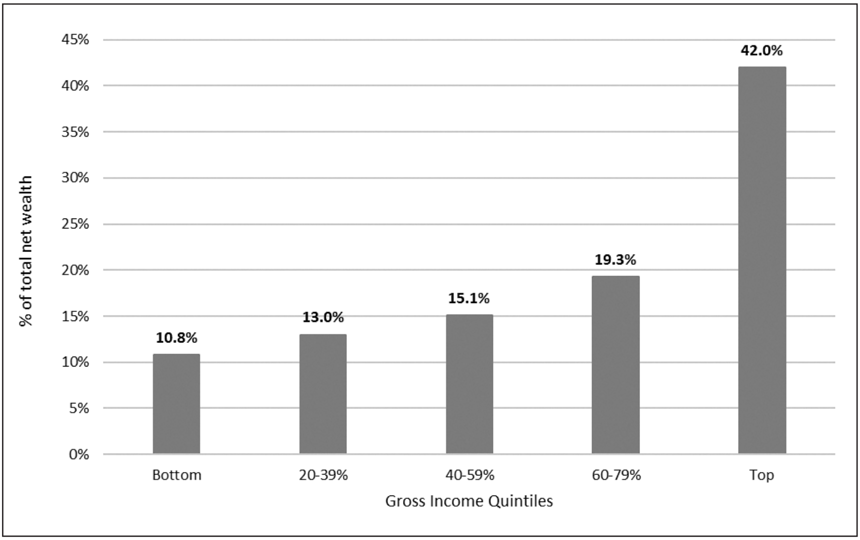
Source: *Social Justice Ireland* Income Distribution Model.
Note: The analysis includes the effect of temporary cost of living measures announced for 2022-2024.

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.

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.

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.

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 September 2023 and reported a Living Wage rate of €14.80 per hour for 2023/24.

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.[14]

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.[15] The Technical Group plans to update this number on an annual basis.

Over the past few years the Government have proposed an alternative Living Wage, calculated as a proportion of average hourly earnings. For 2024 this figure is estimated as €13.80 (Living Wage Technical Group, 2023a).

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 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

[14] See Living Wage Technical Group (2023a:4).

[15] A more detailed account of the methodology used to calculate the Living Wage has been published by the Living Wage Technical Group (2023b) and is available at www.livingwage.ie

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.[16] 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 2023 average weekly earnings equalled €915.96. Taking this as the starting point for earnings in 2024, we can determine that the updated value of 27.5 per cent of average weekly earnings equals €251.81 implying a shortfall of almost €20 between the minimum social welfare rates being paid in 2024 (€232) 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 2025, 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-2024.

Table 3.13: Benchmarking Social Welfare Payments for 2024 (€)

Year	Average Weekly Earnings (AWE)	27.5% of AWE	Jobseekers Payment
2020	814.99	224.12	203.00
2021	853.08	234.60	203.00
2022	881.86	242.51	208.00
2023	915.69	251.81	220.00
start of 2024	915.69	251.81	232.00

Note: Earnings data from CSO *Earnings and Labour Costs* database.

[16] Annex 3 outlines how this significant development occurred.

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 2024, a couple on the lowest social welfare rate receives a payment of €386 per week. This amount is approximately 1.66 times the payment for a single person (€232). Were these two people living separately they would receive €232 each; giving a total of €464. 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, 2002) 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.[17] *Social Justice Ireland* welcomed the commitment in the current *Programme for Government- Our Shared Future* (Government of Ireland, 2020a) 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 note that the initial insights suggest that this initiative is working well and having broad benefits. 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.

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17 These networks are the European Citizens' Initiative for Unconditional Basic Income and Basic Income Ireland.

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 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[18] 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.

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

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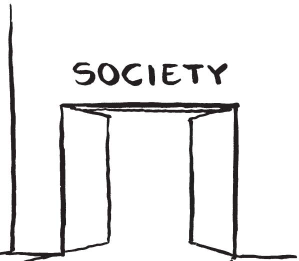
Eurostat online database, web address: http://ec.europa.eu/eurostat

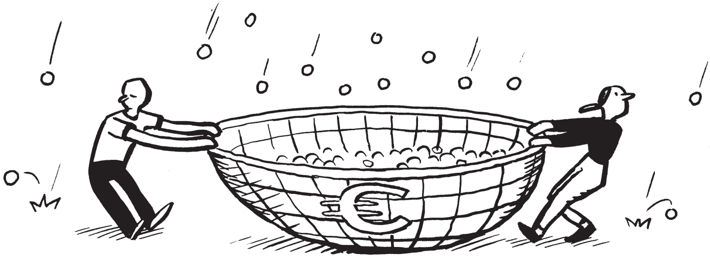
Chapter four

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:

paying for the health and pension needs of an ageing population

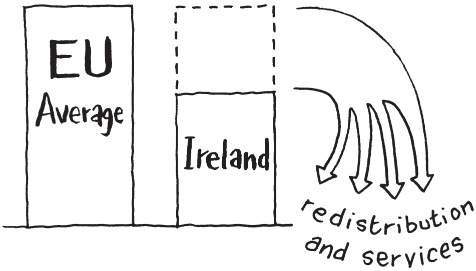
funding local government

repairing and modernising our water infrastructure

paying EU contributions and funding any pollution reducing environmental initiatives

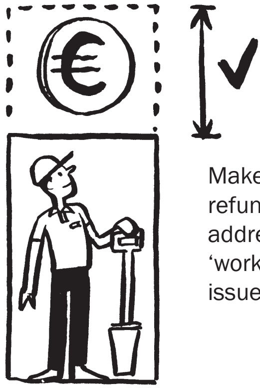
International research shows that higher levels of taxation do not damage competitiveness.

Policy Solutions



Gradually increase the total tax-take to collect sufficient revenue to provide redistribution and public services at average-European levels.

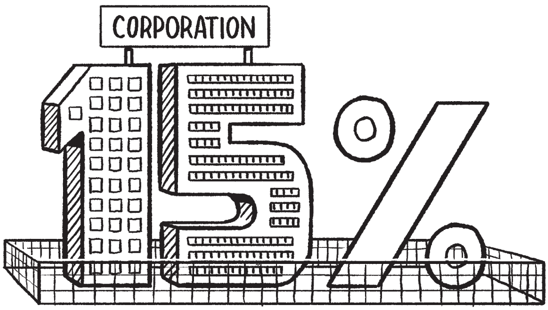
Poverty proof budget tax changes to ensure they do not widen rich poor gap.



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

Adopt policies which 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.

Reform tax expenditures and monitor the cost and benefits of all current and new tax expenditures.



Adopt policies to ensure that the 15 per cent minimum effective corporate tax rate for large firms is successfully implemented, and minimise the opportunities for firms to use tax expenditures to reduce this.

Chapter 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 two decades 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.

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

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

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 almost €77bn in 2020 and €109bn two years later. This recovery, while both significant and remarkable, has also been fuelled by short-term windfall revenue from a small number of multi-national companies. The Fiscal Advisory Council estimate that between €11bn-€12bn of annual corporation tax revenue in the period 2022-2026 can be considered 'excess' (2023: 44).

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

	2007	2010	2015	2020	2022
Direct Taxes	26,087	19,569	27,863	37,293	56,710
Indirect Taxes	25,854	18,076	22,486	23,726	31,669
Capital Taxes	432	245	401	505	615
Social Contributions	10,723	9,511	12,221	15,429	20,100
Total Taxation	**63,096**	**47,401**	**62,971**	**76,953**	**109,094**
% GDP	32.0%	28.3%	23.9%	20.5%	21.5%
% GNP	37.4%	34.0%	31.2%	27.2%	30.1%
% GNI	37.0%	33.7%	31.0%	27.1%	30.0%
% GNI*	38.1%	36.7%	38.8%	37.9%	39.9%
% GNDI	37.6%	34.3%	31.5%	27.5%	30.4%

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 2024 indicated that that debt levels reached 82.3 per cent of GNI*

(€225 billion) in 2022 and anticipated these will fall to 72.3 per cent of GNI* (€222 billion) in 2024. 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 2024 is €3.68bn (Department of Finance, 2022a: 37, 52 and 2023a: 39, 52 and 54).

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.[2] 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 Department of Finance, using the European Commission *2021 Ageing Report* as the basis for its assumptions from 2019-2070, provides some insights into future exchequer demands associated with health care and pensions in Ireland in the decades to come.[3] These findings 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, 2023b: 60). 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.

2 See https://www.socialjustice.ie/publication/social-justice-irelands-submission-commission-taxation-and-welfare

3 A new European Commission Ageing Report, with an update of these projections, is due to be published by mid-2024.

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; 2022b: 48, 49; and 2023b: 60).

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 2024 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 use the figures calculated and projected by the Irish Fiscal Advisory Council (2023: 44).

In 2024, the overall tax gap is €26 billion, and the average gap over the period 2021-2023 is €21 billion per annum. While this figure looks large, it should be understood in the context of current windfall taxes from corporations, which are being mostly spent, dramatically reduced income taxes over recent years (see later), a narrow tax-base (see later), and persistent deficits in the provision of public services and infrastructure.

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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, 2021-2024

	2021	2022	2023	2024
Tax-take € per capita				
Budget 2024 projection#	17,449	19,147	19,827	20,639
Social Justice Ireland target	20,461	22,958	24,612	25,822
Difference	€3,013	€3,811	€4,784	€5,183
Overall Tax-take €m				
Budget 2024 projection#	88,547	99,259	104,721	110,758
Social Justice Ireland target	103,836	119,013	129,988	137,472
Tax Gap	**15,288**	**19,754**	**25,267**	**26,714**

Notes: Calculated from Department of Finance (2023a: 51), 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 the windfall corporation taxation revenues as identified by the Irish Fiscal Council (2023: 44); 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. Gradually 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 sustainable 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 report included as part of the Budget. In 2023, following a recommendation of the Commission on Taxation and Welfare and the Oireachtas Budgetary Oversight

Committee, the Revenue Commissioners and Department of Finance agreed on a consistent way that both would report tax expenditure. Having called for such a development, *Social Justice Ireland* warmly welcomes it as one which makes the assessment of tax expenditure much more approachable and will help drive further policy consideration in this area.

An examination of the comprehensive tax expenditure data published by the Revenue Commissioners in 2023 is informative. Looking at the 2020 tax year, the most recent year with comprehensive information available, they list 198 active tax breaks with 69 per cent of these, 136 measures, having available information on their annual cost. Within the overall list of measures, there are approximately 132 discretionary tax breaks involving revenue forgone of €17.2 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 2016-2024 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 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); no report was published in 2023. 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.

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

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

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.

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'.

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 2024, a single individual on an income of €125,000 gross will pay an income tax and USC effective tax rate of 35.5 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 2025.

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. The current windfall corporate taxation revenues, estimated to be between €11bn-€12bn per annum by the Fiscal Advisory Council (2023: 44), clearly highlights the unsustainable nature of the current system.

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 then accounted 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. A recent report from the Parliamentary Budget Office (PBO) also supports this finding and identified that in 2022, 60 per cent of all corporation tax came from the top 10 corporate taxpayers, with over 40 per cent coming from the top three contributors (O'Connor, 2024).

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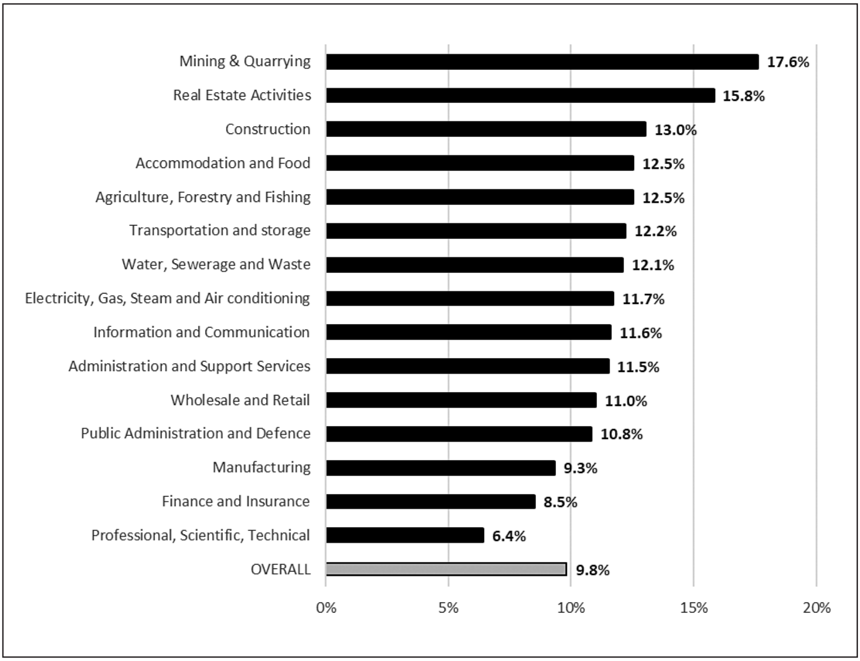
7 See www.oecd.org/ctp/beps.htm

8 See www.europarl.europa.eu/committees/en/taxe/home.html

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 few years to achieve a minimum effective 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. We also welcome Ireland's adoption of this rate from 2024 which will apply to all firms with a global annual turnover of over €750m in at least two of the last four years. While the aforementioned 15 per cent minimum effective rate applies to large firms, *Social Justice Ireland* believes that a minimum effective rate of corporate tax should apply to all firms to ensure everybody pays their fair share. 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 2024 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

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

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 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.

In the context of a shortage of housing stock (see chapter 6), building new units is not the entire solution. Results from Census 2022 identified that there were 66,956

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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).

‘unoccupied holiday homes’ and a further 163,433 vacant houses/apartments in Ireland on Census night (April 2022), implying that 3.2 per cent of the national stock of housing units are holiday homes and 7.7 per cent are vacant units. Table 4.6 provides a breakdown of these vacant units and also highlights how many are long-term vacancies. 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.

Table 4.6: Vacant Housing Stock and Reasons for Vacancy, Census 2022

Reason for Vacancy	Units	%
Rental Property	33,653	21%
Owner Deceased	27,213	17%
Under Renovation	23,205	14%
Unit For Sale	17,472	11%
Farmhouse unit	11,969	7%
Owner in Nursing Home / Hospital	10,902	7%
New Build unit	5,199	3%
Owner with Relatives	5,018	3%
Owner Emigrated	2,429	1%
Other reason / Not Stated	26,373	16%
Total vacancies	**163,433**	**100%**
of these also vacant for Census 2016	*47,923*	
of these vacant for Census 2011 & 2016	*23,072*	

Source: Compiled from CSO Census 2022 (indicators F2014 and F2096).

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. 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 subsidises the owners of these unoccupied houses while many people do not have basic, adequate accommodation.

Social Justice Ireland believes that policy should continue to be (re)designed to reduce the number of vacant units and penalise those who own units and leave them empty. 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. We welcomed the Budget 2024 initiative to impose a Vacant Homes Tax at five times the annual local property tax (LPT) rate on unit that are occupied for less than 30 days in the 12-month period (Social Justice Ireland, 2023). However, we encourage Government to reduce this time period to six-months in Budget 2025 and to further increase the rate of ten time the annual LPT level.

Recent years have also seen welcome improvements in taxation policy related to address underdeveloped land suitable for housing. We welcomed the introduction of the Vacant Site Levy from 2019, with that levy set at 7 per cent per annum of the value of commercial value of the property and paid in arrears to local authorities. It was a concern that many local authorities struggled to implement a vacant sites register and face attempts by many land owners to avoid inclusion. The change, announced in Budget 2024, to a Residential Zoned Land Tax, set at 3 per cent of the lands value per annum and collected by the Revenue Commissioners, should assist in making the tax more effective at addressing inefficiencies associated with under utilised land in the context of a housing crisis. We welcome this development, but believe that the annual tax should be much higher, at 5 per cent of the annual value.

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 4.7 illustrates, this still leaves speculators and land owners with substantial profits from these rezoning decisions.

Table 4.7: 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 over the last two decades have shown that the world is now increasingly linked via millions of 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, with almost no economic/societal relevance, and occur completely free of taxation.

Occasional insights into the scale of this activity 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 and covered 52 countries and the activities of more than 1,200 banks and other dealers. It found that the average daily turnover in global foreign exchange markets was US$7.5 trillion; an increase from $6.6 trillion three years earlier. The survey estimated the global interest rate derivative markets as having a daily turnover of US$5.2 trillion; this is a decrease from US$6.4 trillion in 2022.[13]

The Central Bank of Ireland contributes to the BIS report providing specific data for the activities of reporting banks based in Ireland. To date it has not published a breakdown of the BIS 2022 for Ireland. A report on the 2019 survey found that:

- The estimated daily foreign exchange turnover for Ireland was US$7.2bn up from $2.2bn in 2016 (3.3 times higher).

[13] We provide a more comprehensive overview of the BIS 2022 data in the accompanying annex.

- 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 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 has 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 2025 or any future plans for taxation policy reforms undertaken by Government. Indeed, it runs counter to our aforementioned objectives and the first recommendation of the recent 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 focus 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 discussion on tax credits below, and our assessment of the effective tax rates and the nominal value of income taxation reductions delivered over the past decade (see both in the annex to this chapter), all contribute to these considerations. 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.

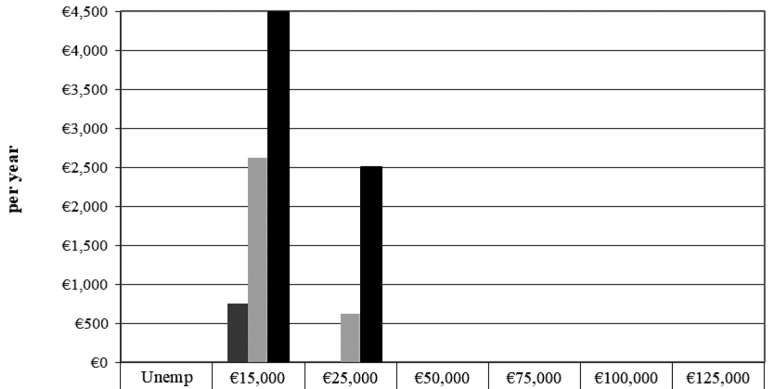
Introducing refundable tax credits

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 their full tax credit then they will not benefit from any income tax reductions introduced by the 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 them 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.

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



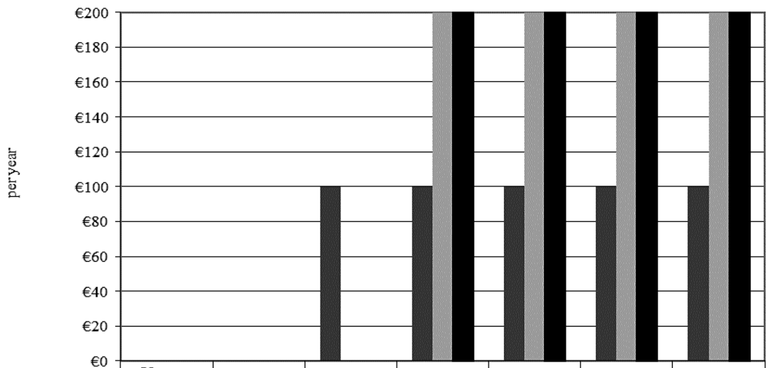
	Unemp	€15,000	€25,000	€50,000	€75,000	€100,000	€125,000
Single	-	750	-	-	-	-	-
Couple 1 Earner*	-	2,625	625	-	-	-	-
Couple 2 Earners*	-	4,500	2,500	-	-	-	-

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?



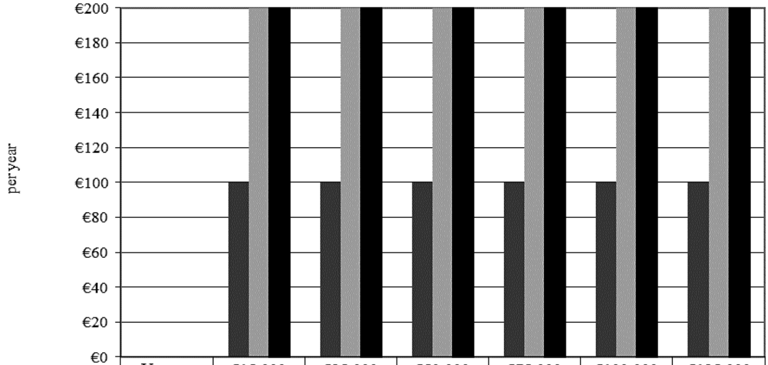
	Unemp	€15,000	€25,000	€50,000	€75,000	€100,000	€125,000
Single	-	-	100	100	100	100	100
Couple 1 Earner*	-	-	-	200	200	200	200
Couple 2 Earners*	-	-	-	200	200	200	200

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. Following Budget 2024, the standard-rate income-tax band for single-income couples is €51,000 while the band for dual-income couples covers a maximum of a further €33,000 (up to €84,000). 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 the 15 per cent minimum effective corporate tax rate for large firms is successfully implemented, and minimise the opportunities for firms to use tax expenditures to reduce this;
- 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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Online databases

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

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

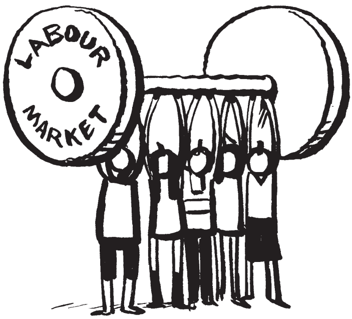
Chapter five

Chapter 5

Work, Unemployment and Job Creation

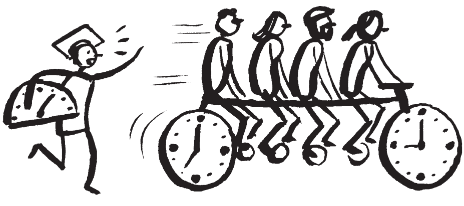
Core Policy Objective:
To ensure that all people have access to meaningful work.

Key Issues/Evidence

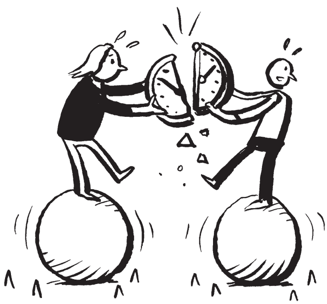


Ireland's labour market has recovered strongly from the period of closures and lockdowns throughout much of 2020 and 2021. Although the numbers unemployed are slightly increased, all other indicators report a strong improvement.

One quarter of those who are unemployed are long-term unemployed, meaning they have been in that situation for more than one year. This is the lowest rate since 2019.

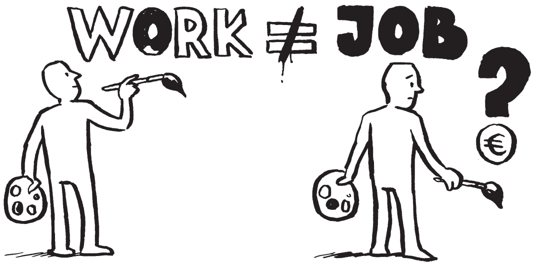


While the number of people employed is higher now than at anytime, just over one in five workers are part-time workers and almost 140,000 of these are underemployed.



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.

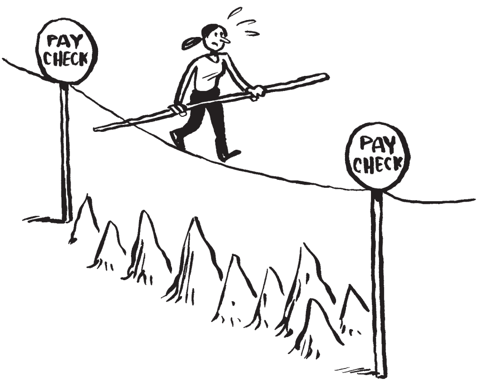
Policy Solutions



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.

Chapter 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 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 in late 2011. Forecasts from the remainder of 2024 suggest that unemployment will reach an annual rate of between 4.2 and 4.3 per cent of the labour force in 2024 (Department of Finance, 2023; ESRI, 2024). While there remains potential for an economic slowdown, associated with the Ukraine crisis and increases in interest rates, these rates sit near to historically low levels of unemployment. Similarly, 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 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

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 thirteen years ago in the midst of the banking and property crash, in 2019 just before the Covid-19 pandemic hit, and using the most recent Central Statistics Office (CSO) data for the end of 2023. Unsurprisingly, the labour market has transformed since 2011 with almost 600,000 additional people in the labour force, an extra 820,000 at work, higher participation rates, and 222,000 less people in unemployment. Compared to the pre-pandemic labour market, the situation in quarter four 2023 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 – 2023

	2011	2019	2023	Change 11-23
Labour Force	2,226,500	2,489,400	2,824,100	597,600
LFPR%	61.8	62.5	65.4	+3.6pp
Employment%	60.1	70.0	74.0	+13.9pp
Employment	1,886,400	2,377,800	2,706,400	820,000
Full-time	1,438,400	1,881,600	2,114,000	675,600
Part-time	447,900	496,200	592,400	144,500
Underemployed	147,200	109,600	139,800	-7,400
Unemployed%	15.3	4.5	4.2	-11.1pp
Unemployed	340,100	111,600	117,700	-222,400
LT Unemployed%	9.3	1.6	1.0	-8.2pp
LT Unemployed	206,500	38,800	29,500	-177,000
Potential Additional LF	*n/a*	100,700	105,700	*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. pp = percentage points
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 forty per cent (820,000 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 increased in size over the period. The service sector, one acutely impacted by the 2009-2013 economic crash, recorded the largest growth accounting for almost 660,000 of the additional jobs created since 2011. The services sector now accounts for 78 per cent of all employees. Over the period, the number of employees grew by 48 per cent, while the number of self-employed increased by 14 per cent. Compared to the late 2019 labour market, Table 5.2 illustrates how employment in agriculture grew by 4 per cent, with stronger recoveries in the construction sector (+9%) and in industry (+11%).

Table 5.2: Employment in Ireland, 2011 – 2023

	2011	2019	2023	Change 11-23
Employment	1,886,400	2,377,800	2,706,400	+820,000
Sector				
Agriculture	103,700	108,500	112,900	+9,200
Construction	88,200	148,000	161,300	+73,100
Industry	244,900	288,300	320,400	+75,500
Services	1,445,100	1,826,700	2,104,300	+659,200
Gender				
Male	1,008,600	1,283,400	1,433,800	+425,200
Female	877,800	1,094,400	1,272,600	+394,800
Employment Status				
Employees*	1,575,500	2,031,500	2,338,500	+763,000
Self Employed	299,200	334,400	341,300	+42,100
Assisting relative	11,600	12,000	26,500	+14,900
Region				
Border	*n/a*	185,400	210,000	*n/a*
West	*n/a*	222,300	255,800	*n/a*
Mid-West	*n/a*	220,500	256,600	*n/a*
South-East	*n/a*	198,800	232,400	*n/a*
South-West	*n/a*	341,700	395,700	*n/a*
Dublin	*n/a*	722,700	800,700	*n/a*
Mid-East	*n/a*	349,800	399,200	*n/a*
Midland	*n/a*	136,500	156,100	*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 2023, a period when the numbers unemployed decreased by 65 per cent. As the table shows, male unemployment fell by almost 156,000 and female unemployment by 67,000; changes that illustrate the depth of that economic crisis. Most of the 2023 unemployed are seeking to return to a full-time (FT) job, with just over 30 per cent indicating that they were seeking part-time (PT) employment.

The improvement in the number and rates of long-term (LT) 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 2023 figure, of 29,500, is the lowest LT unemployment count since the pandemic and implies that just one-quarter 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 2023, 47 per cent of the unemployed had no more than second level education, with 16 per cent not having completed more than lower secondary (equivalent to the junior certificate).

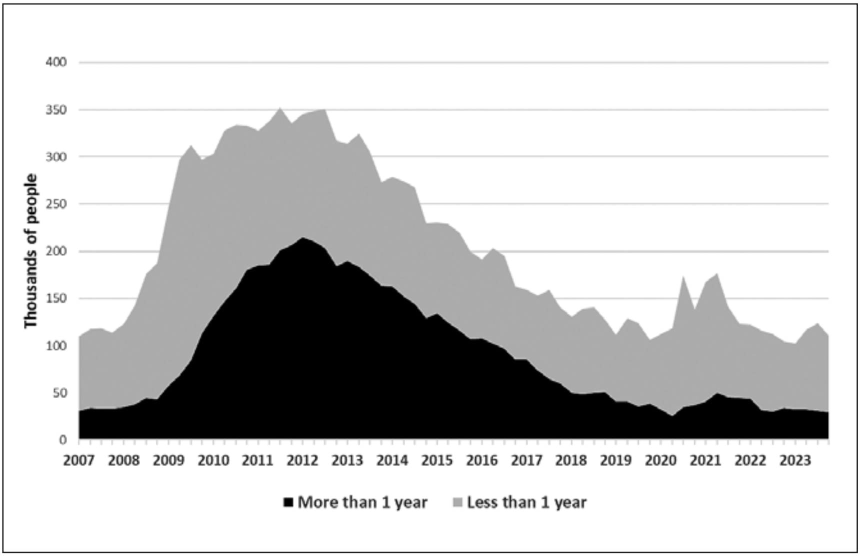
Table 5.3: Unemployment in Ireland, 2011 - 2023

	2011	2019	2023	Change 11-23
Unemployment	340,100	111,600	117,700	-222,400
Gender				
Mae	215,800	62,900	60,100	-155,700
Female	124,300	48,800	57,600	-66,700
Employment sought				
Seeking FT work	289,100	80,000	76,200	-212,900
Seeking PT work	37,800	28,700	36,800	-1,000
Age group				
15-24 years	86,300	28,200	33,800	-52,500
25-44 years	174,500	50,100	53,200	-121,300
45-65 years	78,700	32,300	30,200	-48,500
Region				
Border	*n/a*	7,100	7,500	*n/a*
West	*n/a*	9,600	10,400	*n/a*
Mid-West	*n/a*	11,100	11,100	*n/a*
South-East	*n/a*	14,500	10,400	*n/a*
South-West	*n/a*	13,300	14,600	*n/a*
Dublin	*n/a*	33,700	39,700	*n/a*
Mid-East	*n/a*	15,800	14,900	*n/a*
Midland	*n/a*	6,600	9,100	*n/a*
Duration				
Unemp. less than 1 yr	129,200	67,400	81,500	-47,700
Unemp. more than 1 yr	206,500	38,800	29,500	-177,000
LT Unemp. as % Unemp	60.7%	34.8%	25.1%	

Source: CSO, LFS on-line database.
Note: See 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, 2007-2023



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 2024 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, sales, 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 2024

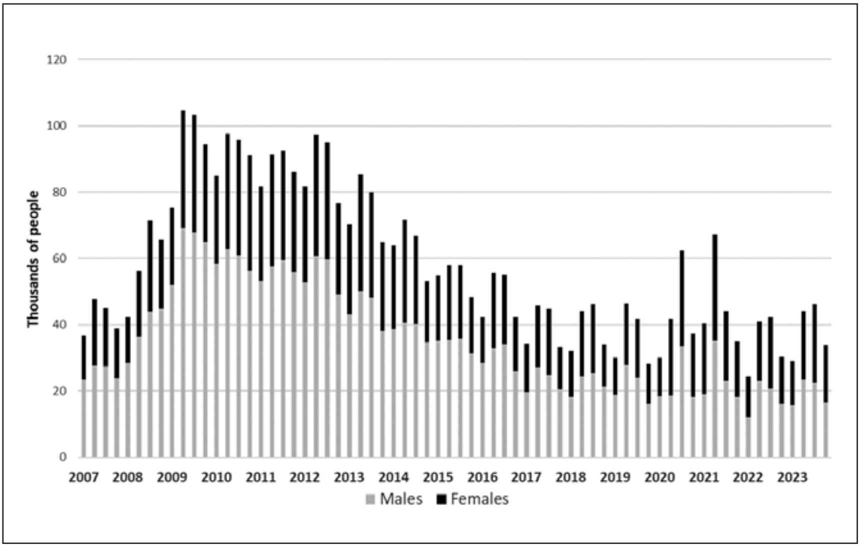
Occupational group	Overall	Under 25 yrs	Over 25 yrs
Managers and administrators	7,080	182	6,898
Professional	7,679	310	7,369
Associate prof. and technical	3,423	138	3,285
Clerical and secretarial	11,085	638	10,447
Craft and related	19,002	1,422	17,580
Personal and protective service	14,623	1,279	13,344
Sales	10,513	1,640	8,873
Plant and machine operatives	17,898	1,818	16,080
Other occupation	17,364	1,687	15,677
No occupation	65,315	9,944	55,371
Total	**173,982**	**19,058**	**154,924**

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 36,000 in 2019 before climbing during the 2020 and 2021 Covid-19 lockdowns.

Chart 5.2: Youth Unemployment by Gender, 2007- end 2023



Source: CSO, LFS on-line database.

By the end of 2023 (see Table 5.3), almost 34,000 people under the age of 25 were unemployed – 16,000 males and 17,000 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 almost 140,000 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 addressed the Oireachtas Committee on Enterprise, Trade and Employment in February 2024 on one recent aspect of this issue, the emergence and growth of 'platform work'; that is work where individuals work freelance and are matched to jobs via online platforms and algorithms.[2] We believe that now is the time to adopt substantial measures to address and eliminate the problem of precarious work. 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 female labour market participation, in particular, well below the levels it should be reaching. The gender gap, of over ten percentage points, illustrates this outcome quite clearly. Data from the CSO in February 2024 also highlighted the regional divides in labour market participation rates, with lower participation (62-63 per cent) in the Border, Mid-West, Midlands and South-East (CSO, 2024).

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.

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2 Our submission to the Committee is available here: https://www.socialjustice.ie/article/platform-work

Table 5.5: Labour Force Participation Rates by Gender, 2011- end 2023

	2011	2019	2023	Change 11-23
Both sexes	61.8	62.5	65.4	+3.6pp
Males	69.2	68.9	70.6	+1.4pp
Females	54.7	56.4	60.4	+5.7pp
Gender Gap*	**14.5**	**12.5**	**10.2**	

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

Work and People with Disabilities

Results from Census 2022, published in September 2023, provide the most recent insight into the scale and nature of disability in Ireland. The *Census 2022 Profile 4 - Disability, Health and Carers* defined the term disability as referring to people who experienced long-lasting conditions or difficulties and found that a total of 1,109,557 people reported experiencing at least one long-lasting condition or difficulty to any extent, equivalent to 22 per cent of the population. Of these 407,342 (8 per cent of the population) reported experiencing at least one long-lasting condition or difficulty to a great extent or a lot, while 702,215 (14 per cent of the population) reported experiencing at least one long-lasting condition or difficulty to some extent or a little.

Of the 1.1 million people recorded with at least one long-lasting condition or difficulty, the four most common conditions were: pain, breathing, or any other chronic illness or condition which was experienced by 8.5 per cent of the population and 39.7 per cent of all people with a disability; difficulty with basic physical activities, experienced by 6.8 per cent of the population (31.5 per cent of those with a disability); blindness or vision impairment, experienced by 5.8 per cent of the population (26.7 per cent of those with a disability); and psychological or emotional condition or a mental health issue, experienced by 5.2 per cent of the population (24.3 per cent of those with a disability). The most common named difficulties were: difficulty working at a job or business or attending school or college (5.9 per cent of the population, 27.4 per cent of those with a disability); difficulty going outside the home (5 per cent of the population, 23.3 per cent of those with a disability); and difficulty dressing, bathing, or getting around inside the home (4.2 per cent of the population, 19.4 per cent of those with a disability).[3]

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

The Census 2022 data also revealed that among the 1,010,758 people aged 15 years and over who experienced at least one long-lasting condition or difficulty to any extent, 400,639 were in the labour force. This gives a labour force participation rate of 40 per cent and compares to a rate of 61 per cent recorded for the full population aged 15 years and over. Among those found to have a long-lasting condition or difficulty to a great extent, the participation rate was 22 per cent. These findings reflect earlier results from Census 2011, the 2006 National Disability Survey (CSO, 2008 and 2010b), a QNHS special module on disability (CSO, 2004), and the 2016 Census (CSO, 2017).

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 labour market participation 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 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 the 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 the 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.[4]

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 2022 Census offers an insight into the scale of these commitments, which save the state large costs that it would otherwise have to bear.

The *Census 2022 Profile 4 - Disability, Health and Carers* found that 5.8 per cent of the population provide regular unpaid care, where that caring role is defined as proving regular unpaid personal help or support to a family member, neighbour, or friend with a long-term illness, health issue, or an issue related to old age or disability. This figure equates to 299,128 people, an increase of over 50 per cent from the 195,263 people identified in Census 2016. The dominant caring role played by women was highlighted by the fact that 181,592 (61 per cent) of these care providers were female.[5] When assessed by length of time, the census found that 46 per cent of carers provided up to 14 hours per week of unpaid help, 14 per cent provided between 15-28 hours, 6 per cent provided between 29-42 hours, and 21 per cent provided 43 or more hours per week of unpaid care.

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 identified the Government Department responsible for their implementation. However, these actions were confined to those that could be achieved on a cost neutral basis. While various progress reports of the strategy were published, and this monitoring process was discontinued from 2018, the overall level of progress in this area has been poor and contrasts with the growth of care needs and activities as revealed in the Census 2022 results.

Social Justice Ireland believes that further policy reforms should be introduced to reduce the financial and emotional pressures on carers. To date, these have been impended by a sustained unwillingness of successive Governments to allocate sufficient resources to supporting those in this sector. In particular, reforms 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

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

5 These proportions are similar to the findings of Census 2016 and 2011 and also echo those from a CSO QNHS special module on carers (CSO, 2010a) and a 2008 ESRI study entitled '*Gender Inequalities in Time Use*' (McGinnity and Russell, 2008: 36, 70).

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 the 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). The Strategy sets out the vision for community and voluntary sector development over five years. It contains a series of eleven 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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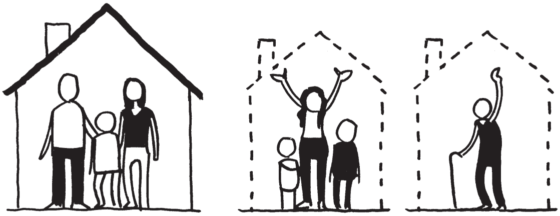
Online database

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

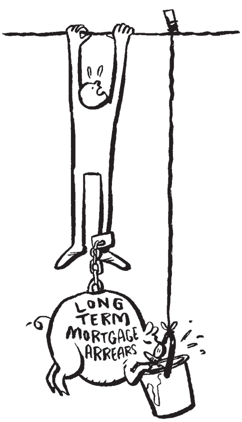
Lack of suitable housing for older people and people with disabilities

High level of vacancy and dereliction

High number of homeless and not all being counted

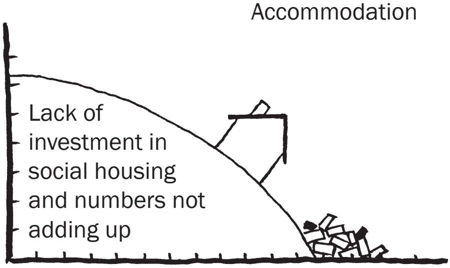
Poverty problem among renters

Lack of sustainable, appropriate Traveller Accommodation



Long Term Mortgage Arrears increasing

House purchase and Rent are unaffordable

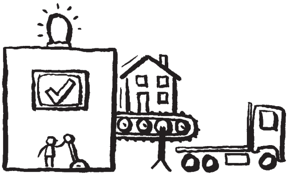


Lack of investment in social housing and numbers not adding up

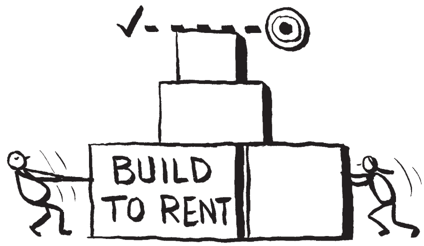
Policy Solutions

Housing First for Families.

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



Address affordability through supply-side cost reductions



Reduce reliance on the Build to Rent sector.

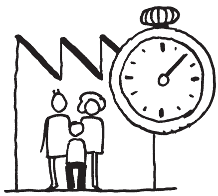
Life-cycle approach to housing development and town planning.

Encourage the right type of supply

Deal with vacancy and dereliction.

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.



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

Chapter 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 almost a decade, with recent developments escalating at an alarming rate. 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. Section 6.1 reviews recent housing trends in Ireland, followed by section 6.2, which considers the key policy reforms for various sectors of society with diverse accommodation needs and outlines a series of proposals for responding to the crisis. Despite 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 shifting from a relatively young population 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 ageing. According to the latest census data from 2022, there has been a significant increase in the elderly population, with those aged 60 and above rising by 19.7 per cent, and those aged 85 and above increasing by 25 per cent compared to 2016 Census (CSO, 2023a). Furthermore, between 2011-2022, the population grew by 560,887, while the housing stock increased by only 117,276 units. Meanwhile, the average household size saw a marginal change from 2.73 in 2011 to 2.74 in 2022. Although variations in household sizes over time suggest that housing supply does not necessarily need to mirror population growth precisely, the data highlights a substantial gap between population growth and housing availability. On average, for each new housing unit, there were at least four additional individuals, indicating significant "supply-side issues, with annual output falling below population-driven demand creating price pressures in the housing market" (Parliamentary Budget Office, 2023, p. 6). Ireland's investment in housing has been the lowest among the EU 14 countries, falling below half the EU 14 average. This underinvestment in housing has undoubtedly contributed to the ongoing housing crisis (Clark, et al., 2024).

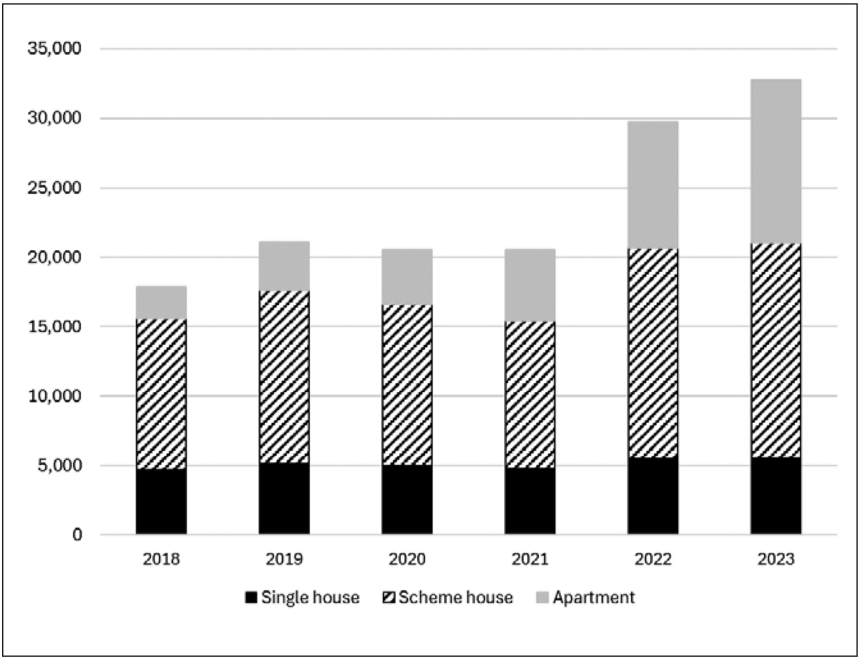
Current Housing Supply

Construction

While new dwelling construction has increased since the low of 2013, in the six years to 2023, a total of 142,428 dwellings were built, resulting in an average of just 23,738 for each of the six years (CSO, 2024a). Last year was the most successful in terms of completions, with 32,695 units built, an increase of 10 per cent from 2022 (Chart 6.1). While this almost achieves the Housing for All target of 33,000 per annum, it is falls short of meeting the estimated demand of 40,000 to 50,000 units per year. Moreover, it fails to address the pent-up demand resulting from years of underinvestment and a rapidly growing population, which could potentially reach 136,000 by the end of 2030 if not adequately addressed (Parliamentary Budget Office, 2023). Additionally, in 2023, there was an annual decrease of 21.9 per cent in the number of planning permissions granted for new construction dwellings, raising concerns about the potential impact on future housing supply (CSO, 2024b).

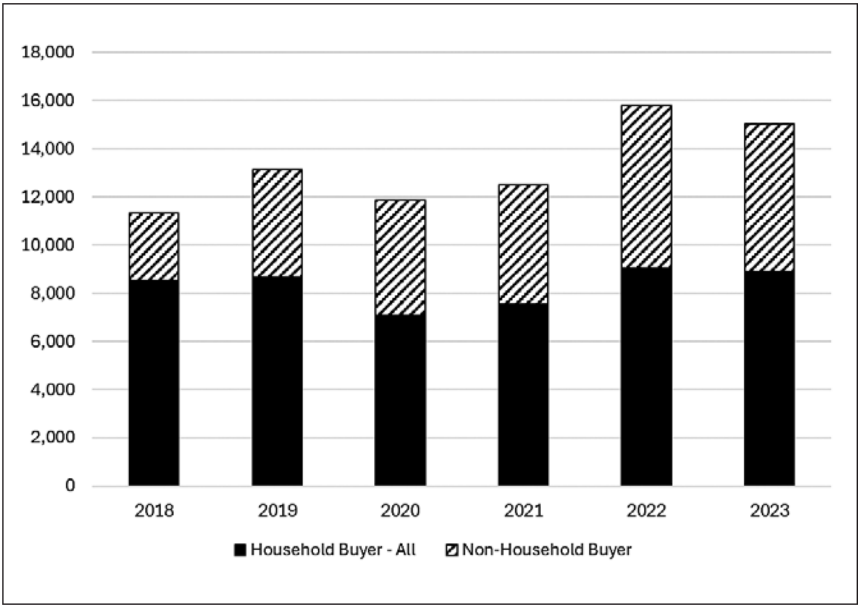
In the last six years, 53.7 per cent of new dwelling completions were scheme houses, 21.4 per cent were single houses, and 24.9 per cent were apartments (Chart 6.1). Within that period, apartments increased from one out of every eight completions (12.5 per cent) in 2018, to more than one-third of total completions (35.6 per cent) (Department of Housing, Local Government and Heritage, 2024a). In the same period, the proportion of new residential properties purchased by non-household purchasers increased by 16 percentage points, from 24.7 per cent in 2018 to 40.4 per cent in 2023 (Chart 6.2). Of all non-household market purchase transactions of new residential properties between 2018 and 2022, the Public/Education/Health sector accounted for more than 50 per cent, declining from 59.7 per cent in 2018 to 52.7 per cent in 2022. The Financial and Insurance sector has increased its share from 8.1 per cent in 2018 to 29.5 per cent in 2022 (CSO, 2023b).

Chart 6.1: New Dwelling Completions 2018 to 2023



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

Chart 6.2: New Dwelling Completions 2018 to 2023



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 Census 2022, there were 163,433 (excluding holiday homes) vacant properties on Census night 2022. Approximately 30 per cent of vacant properties enumerated in 2022 were also vacant in 2016 (48,000), while nearly half of those (23,072) 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 163,433, more than 20 per cent (33,653) were rental properties, 27,213 were due to the death of the owner, and 23,205 were being renovated (CSO, 2023a).

It should be noted that the GeoDirectory Residential Buildings Report puts the number of vacant units at 81,449, with highest rates in Leitrim, Mayo and Roscommon (GeoDirectory, 2024). That same report indicates that there were 20,780 derelict properties across the country in December 2023. The highest proportion was in Mayo, followed by Donegal and Galway. The lowest rates of dereliction are in Wicklow and Carlow.

So, there is anywhere from 102,000 to 164,000 vacant and derelict properties across the country that could be brought into use.

In early 2017, the Government introduced the Repair and Leasing Scheme, allowing owners of vacant properties to access funding of up to €40,000, which was later increased to €80,000 in 2023. The scheme aimed to repair these properties, which would then be leased to the local authority for use as social housing for a term of between five and 25 years. However, the target to bring back properties into use from 2022 to 2026 under Housing for All was drastically reduced to 660, from the 3,500 target set out in Rebuilding Ireland Strategy. The latest data from the Department indicates that of the 3,116 applications made by Q3 2023, just 278 leases were signed in respect of 520 properties, indicating low success rate (Department of Housing, Local Government and Heritage, 2024b). Furthermore, the Vacant Property Refurbishment Grant, launched in 2022 to fund refurbishing vacant and derelict properties, offers grants of up to €50,000 for vacant properties and up to €70,000 for derelict ones. However, of the 6,034 applications received by December 2023, only 100 grants were issued (Department of Housing, Local Government and Heritage, 2024c). This is clearly not working. A study by the Society of Chartered Surveyors Ireland revealed that renovating vacant and derelict properties is unattractive to many aspiring owner-occupiers and investors due to financial viability (Society of Chartered Surveyors Ireland, 2023).[1]

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 Heritage, 2023a). Budget 2023 introduced a Vacant Homes Tax (VHT) on residential properties which are occupied as a dwelling for less than 30 days in a 12-month period. This tax was further increased from three times to five times the basic Local Property Tax rate in Budget 2024, which is welcomed. However, challenges arise due to the difficulty in identifying vacant properties and the lack of enforcement capacity within Local Authorities, making the collection of this tax difficult.

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[1] The property's financial viability is calculated by determining whether the final market value is greater than the starting market value plus the renovation costs.

Preliminary figures published by the Department of Finance indicate that, as of 20th November 2023, more than 50,000 properties have been reported through Revenue's VHT portal, with approximately 5,000 declared as vacant. Among these, approximately 2,000 properties have claimed an exemption from the tax, consequently leaving around 3,000 properties with a liability to pay VHT (Department of Finance, 2024). These property owners are required to confirm whether they remain liable to pay the tax. Enforcing compliance with the VHT poses challenges, as it relies on property owners to voluntarily self-assess their liability and submit returns. This reliance on self-assessment can make it difficult for authorities to ensure full compliance, presenting obstacles to effectively address vacant properties.

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 2024. Based on the provisional report as of February 2024, the total value of approved and pending claims nearly reached one billion euro. More than one in three (34.2 per cent) of homes supported by the Help to Buy Scheme were in the €301-375,000 price range, while more than one in five (22.5 per cent) in the €376-450,000 range (Revenue Commissioners, 2024). This compares to 18.6 per cent, and 12.2 per cent of all home purchases registered on the property price register respectively, and 32.7 per cent and 20.6 per cent respectively of new homes registered (Property Services Regulatory Authority, 2024).

In 2021 Government published the Affordable Housing Act 2021 and the 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 per cent of the market value of the new property. 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.

Housing is becoming less affordable with each passing year. The cost of new dwellings rose by 9.2 per cent in the year to the end of Q4 2023, while the cost of existing dwellings rose by 1.6 per cent in the same period. Median prices are highest in Dun Laoghaire-Rathdown, at €622,250, and lowest in Leitrim at € 165,000. Outside of Dublin, the commuter belt continues to demand the highest prices, with Wicklow commanding a median price of € 430,000 and Kildare a median of € 394,999 (CSO, 2024c).

Over the past decade, housing affordability has worsened, with the residential property prices increasing at a much faster rate than wages. Between the period 2012 – 2022, wages rose by only 27 per cent, compared to residential property prices that surged by 75 per cent (Parliamentary Budget Office, 2023).

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 4 per cent on rent increases in certain strategic areas. Additional adjustments to rental caps were made based on changes in the Harmonised Index of Consumer Prices (HICP).[2] However, with cost-of-living increases exceeding 5 per cent in 2021, this was revised again to the lower of either the HICP or 2 per cent. However, rents continue to rise. According to the Residential Tenancies Board Rent Index Q3 2023, rents increased nationally by 11 per cent in the year to Q3 2023, and by 10 per cent in Dublin in this period (Residential Tenancies Board, 2024). This follows a trend of continuous growth, with rent prices increasing by 6.7 per cent nationally and 5.8 per cent in Dublin in the year to Q3 2022, and by 8.3 per cent nationally and 6 per cent in Dublin in the year to Q3 2021. Meanwhile, asking rents for properties advertised on Daft.ie increased by 6.8 per cent in the year to Q4 2023 (Lyons, 2024).

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,

[2] In the euro area, the Harmonised Index of Consumer Prices (HICP) is used to measure consumer price inflation. That means the change over time in the prices of consumer goods and services purchased by euro area households.

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 13,841 people, including 4,170 children, accessed emergency homeless accommodation in the week 19-25 February 2024.[3] Family homelessness has increased by 76 per cent (from 1,130 families in July 2016 to 1,994 in February 2024) since the beginning of the previous housing strategy, Rebuilding Ireland, and by 98 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 (IHREC, 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 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.

At the other end of the lifecycle, the number of people aged 65 and above who are homeless has more than doubled since the introduction of Rebuilding Ireland (from 83 in July 2016 to 203 in February 2024), and increased by 59 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

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[3] https://www.gov.ie/pdf/?file=https://assets.gov.ie/289080/c9a109d3-0732-473e-8cd4-f2c99d6ac048.pdf#page=null

is often a challenge that comes with ageing and is exacerbated by poor living conditions.

Homelessness is becoming normalised. According to the Homeless Quarterly Progress Report (October to December 2023), 53 per cent of all single homeless households, similar to the year before, while almost 67 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, 2024d). Moreover, 15.2 per cent of all single households and 17.7 per cent of all family households were in the emergency accommodation for over two years. The most recent rough sleeper count, taken in November 2023, showed 118 persons sleeping rough in Dublin over the course of the week of the count, an increase of 27 persons on the same period 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

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 500 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, 2023b). 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 146,438 at the end of 2022 (National Oversight and Audit Commission, 2023). A further c.55,000 were rented by Approved Housing Bodies (AHBs) (Irish Council for Social Housing, 2023). In total, 9 per cent of all housing stock in Ireland is social housing. This is far lower than our European peers such as Austria (24 per cent), France (17 per cent), Sweden (16 per cent) and the Netherlands (29 per cent) (Housing Europe, 2023).

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, "meaning that the true scale of the unmet social housing need in the State is largely unknown" (Parliamentary Budget Office, 2024, p. 2). 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 Q3 of 2023, there were 57,381 home mortgages (private dwelling house (PDH) and buy-to-let (BTL)) in arrears, with two thirds of these (37,180) in arrears of more than 90 days (Central Bank of Ireland, 2024). This represents an increase on the same period in the previous year of 1 per cent of all mortgage accounts in arrears and a decrease by almost 7 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 Q3 2023, non-bank entities owned 16 per cent of all (principal dwelling house) PDH mortgage accounts and 58 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 91 per cent of those in arrears of more than 10 years, a proportion that has increased by 4 percentage points on the previous year (Central Bank of Ireland, 2024).

Local Authorities

Of the 14,329 Local Authority mortgages active as of Q3 2023, 30.6 per cent were in arrears, representing 4,384 low-income households, 12.8 per cent of which are in arrears of more than 90 days (Department of Housing, Local Government and Heritage, 2023c).

Insolvency Supports

According to the Fifth Report of the Abhaile Scheme, for the year 2021, some 17,299 Personal Insolvency Practitioner (PIP) vouchers were issued between mid-2016 when the Scheme began and December 2021 (p.24). 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, 12,669 have been presented for payment. At €500 plus VAT of 21 per cent per voucher, this equates to a value of €7.7 million redeemed out of a possible €10.5 million. This figure does not include the cost of

Legal Aid vouchers or of the Personal Insolvency Review process (Department of Justice, 2022).

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 2021. This report was published in 2022, raising questions of governance as to the monitoring of this multi-million-euro project. In addition, 56.9 per cent of solutions or trial solutions put in place, and almost three quarters (72.7 per cent) of the solutions in progress were informal arrangements not requiring the services of an insolvency practitioner (p30). 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 2,338 households have successfully availed of the scheme out of a total of 6,991 cases (34.2 per cent) and a further 411 are being progressed. Even if all 411 were successful, that is still only two in every five applicants (albeit an improvement on previous years). Mortgage to Rent does not serve all counties equally with just ten Local Authority areas having more than 100 completed cases since 2015 (Housing Agency, 2024).

Mortgage to Rent has been reviewed twice, the first time in February 2017.[4] 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[5], 341 of the 520 cases (65.6 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 (Housing Agency, 2024).

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.

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4 http://rebuildingireland.ie/news/changes-in-mortgage-to-rent-scheme/

5 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 (CSO), there were 156,555 landlords registered in June 2021, and 276,945 tenancies (CSO, 2021). The 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. Census data from 2022 indicates a 6.7 per cent increase in the total number of households living in private rental accommodation compared to Census 2016 (CSO, 2023a). In December 2023, the RTB published a report on large landlords (Residential Tenancies Board and Amárach Research, 2023). 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.9*

Additionally, the latest Daft.ie Rental Report indicates that over 2,200 homes were available to rent on their site in Ireland in February 2023 (Lyons, 2024).A Snapshot Report published by the Simon Communities of Ireland found that while the number of properties available to rent increased by 52 per cent from 757 in December 2022 to 1,149 available to rent at any price within the 16 areas studied in December 2023, just 3.9 per cent were available to rent within the limits of the HAP payments. This marks a 3.8 percentage points decrease from 2022 and a 23.1 percentage points decrease from 2021 (Simon Communities of Ireland, 2023). These findings raise concerns about the accessibility of rental properties for those relying on HAP payments.

Private Rent and Poverty

The period from 2012-2022 saw a nominal increase by 27 per cent in wages, contrasting sharply with the housing sector, where rents surged by over 90 per cent (Parliamentary Budget Office, 2023). In the light of these trends, the latest Survey on Income and Living Conditions (SILC), published by the CSO, sheds light on the disproportionate vulnerability of renters to poverty. The data reveals that renters have a higher poverty risk than both non-renters and the general population. The overall poverty risk in 2023 was 10.6 per cent. For renters, the at risk of poverty rate was 19.7 per cent. Once rent has been paid, more than half (42.1 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, 2023

Category of Renter	At risk of poverty rate after rent and mortgage interest	At risk of poverty rate
Rented or Rent Free	42.1	19.7
Rent Free	36.0	36.0
Rented: from Local Authority	44.1	25.8
Rented: other forms of social housing support*	58.6	12.0
Rented: without housing supports	36.2	17.7

Source: CSO Ireland, Survey on Income and Living Conditions 2023

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

The SILC survey also finds that 12 per cent of tenants were in arrears with their rent at least once in 2023, with almost one in ten renters (9.2 per cent) in arrears twice or more in this period. Around two-thirds of renters (66 per cent) reported having difficulty making ends meet, with more than one in ten (14.2 per cent) reporting experiencing great difficulty (CSO, 2024d).

Rent Inspections

Each Local Authority has a target of inspecting 15 per cent of rental properties in their area. In 2022, number of private rented dwellings inspected was 40,282, an increase of 129 per cent compared to 2021 (National Oversight and Audit Commission, 2023). Of these tenancies inspected, between 77.3 per cent (Monaghan, a sharp increase from 27.1 per cent in 2021) and 100 per cent (Louth County, Offaly County and Waterford City and County) were found to be non-compliant (National Oversight and Audit Commission, 2023). 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.

Moreover, 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 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. Budget 2024 increased funding for Housing Adaptation Grants by €75 million, building on moderate increases since 2015, and the total amount paid in respect of these grants in 2023 was €75.3 million in respect of 13,698 grants (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, 2008-2023

	Housing Aid for Older People		Housing Aid for People with a Disability		Mobility Aid Grant	
Year	**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
2023	7,264	29,522	4,995	40,770	1,439	4,988

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, 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 (CSO, 2023a).

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, 2022). However, more than two years after its publication, it is concerning that there is no 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, Local Government and Heritage, the number of families in all Traveller accommodation increased by almost 10 per cent between 2020 and 2022. Almost two-thirds of Traveller families were accommodated by Local Authorities or Approved Housing Bodies, 14.9 per cent were accommodated in the Private Rented Sector, 6.6 per cent were in accommodation from within their own resources, 7.4 per cent were in shared accommodation, and 5.4 per cent on unauthorised halting sites. With the exception of Local Authority / AHB accommodation, the number of Traveller households accommodated decreased in each of the remaining accommodation types, while there was an increase in unauthorised halting sites (Department of Housing, Local Government and Heritage, 2023d).

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. In its Programme Board Update, published in December 2023, the Expert Group noted progress in relation to ethnic identifiers for Traveller households, increased engagement between the CSO and Department staff working with Travellers to ensure that the Census more accurately captured the characteristics of the Traveller population, and changes to the Social Housing Needs Assessment process (Traveller Accommodation Expert Group, 2023). 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.

In July 2021, the IHREC published accounts of the first Council-by-Council equality review on Traveller Accommodation in the history of the State (IHREC, 2021). This review found that, between 2008 and 2018, of the €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 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, and recent reports suggest that the Housing Commission developed research indicating that between 42,000 and 62,000 units were required annually to 2050.[6] These findings align with estimates provided by Parliamentary Budget Office, as discussed earlier in this chapter.

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[6] https://www.irishtimes.com/ireland/housing-planning/2023/01/26/ireland-needs-almost-double-amount-of-new-builds-in-housing-targets-research-finds/

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 acknowledgment 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 €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 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 around 9 per cent of our housing stock. According to Housing Europe, this is at odds with many of our European counterparts (Housing Europe, 2023). *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.

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, and restrict the sales of State land suitable for residential development to private developers.[7]

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 2024, Government committed increased funding to providers of emergency homeless accommodation, rather than homelessness prevention and the opportunity to use the additional allocation

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7 https://www.irishtimes.com/ireland/housing-planning/2023/03/28/government-has-potential-to-build-at-least-60000-affordable-homes-on-state-land/

of €242 million to extend Housing First to children and families. 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 (IHREC, 2017). 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

A holistic approach to housing delivery accounts for the entire lifecycle of individuals within communities, including older people and those with disabilities. This involves not only addressing immediate housing needs but also considering how those needs evolve over time. 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. For instance, one-bedroom apartments are ideal for young people starting out, while larger houses accommodate growing families. As individuals age and their household contracts, smaller sized houses become more suitable.

Older people and people living with disabilities have a range of needs, from the very minimal to the very complex in care. 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). Universal design ensures that housing is accessible to all individuals, regardless of age or ability, by incorporating features that accommodate a wide range of needs and preferences. By embracing universal design, we can create more inclusive and adaptable communities that promote independence, dignity, and equal opportunity for all residents.

Having diverse housing options within the same community facilitates access to public services such as transportation (see chapter 9), and employment opportunity (see chapter 5), ensuring continuity of support.

Additionally, recognising the importance of upgrading older housing stock to meet contemporary standards is pivotal to a lifecycle approach. Many existing homes may require modernisation and improvement to ensure they remain safe, energy-efficient, and suitable for current and future residents. Prioritising the retrofitting of existing housing stock is essential to ensure sustainability and resilience in the face of changing needs and environmental challenges (see Chapter 11).

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 arrears 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 and Dereliction

There are between 102,000 to 164,000 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.

Replacing the current vacancy taxes with a Site Value Tax (see Chapter 4) would offer 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.

As mentioned earlier, while we welcome the initiative to increase the Vacant Homes Tax, we encourage the Government to reduce this time period to six-months in Budget 2025 and to further increase the rate to ten times the annual LPT level. Addressing challenges in implementation and ensuring full compliance is crucial.

Refining taxation policies concerning the underdeveloped land suited for housing is paramount. The introduction of the Vacant Site Levy in 2019, set at 7 per cent per annum of the commercial value of the property and paid in arrears to Local Authorities is welcomed. However, it was a concern that many local authorities struggled to implement vacant sites register, with landowners attempting to avoid inclusion. In addition, the change to a Residential Zoned Land Tax, announced in Budget 2024 at 3 per cent of the land's value per annum and collected by the Revenue Commissioners, aims to address inefficiencies related to underutilised land amidst the housing crisis. While we welcome this, we believe the tax should be higher, ideally at 5 per cent of the annual value. Additionally, to tackle hoarding, the Government should increase resources to Local Authorities for enforcing the Derelict Site Levy. Authorities should be allowed to apply for judgement mortgages to enforce unpaid sums, potentially leading to possession. The Derelict Site Levy must be clearly defined and set at a substantially higher rate than the current 7 per cent (see Chapter 4 for more details).

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

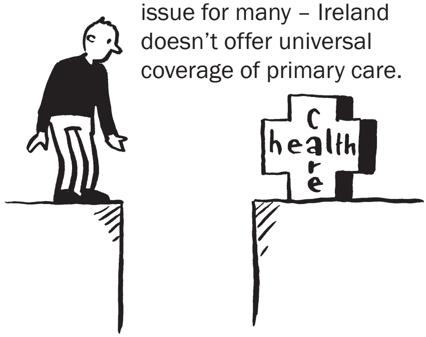
Chapter 7
Healthcare

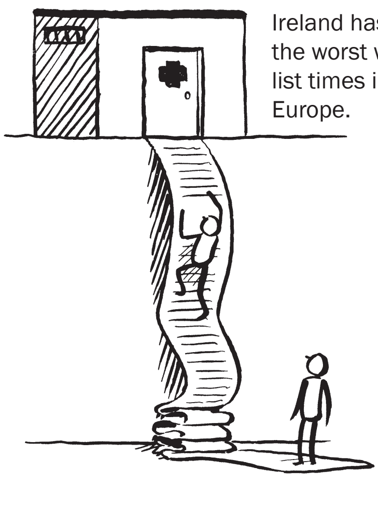
Core Policy Objective:
To provide an adequate healthcare service focused on enabling people to attain the World Health Organisation's definition of health as a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity.

Key Issues/Evidence

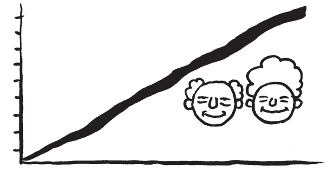
Health = a state of complete physical, mental and social wellbeing and must be seen as so.

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





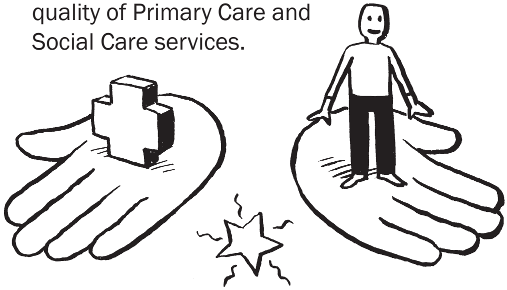
Ireland has one of the worst waiting list times in Europe.

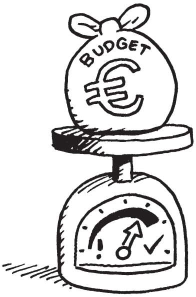


Our population is growing and it is ageing which means we need a different approach to healthcare – one we can access in our communities, close to home.

Policy Solutions

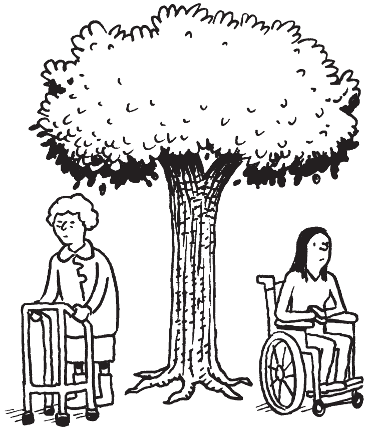
Increase the availability and quality of Primary Care and Social Care services.



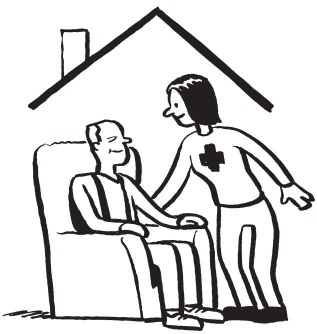


Ensure that additional resources committed required to implement Sláintecare are provided.

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.

Chapter 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 Social Contract outlined in Chapter 2. The standard of care significantly depends on the resources made available, which in turn depends 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, that experience 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, results from the 2022 census suggests that the population grew by an estimated 8 per cent since 2016 to reach 5.1 million people (CSO, 2023a). The population is growing across regions, with the most significant growth amongst older age groups. For example, the highest increase in population was seen in the over 70s (at 26 per cent), while there was a 4 per cent fall in the numbers of people aged 25 to 39 (CSO, 2023a). The average age of the population increased to 38.8 in 2022 (compared with 36.1 years in 2011) (CSO, 2023a). People aged 65+ are estimated to number some 806,000 in 2023, compared with 630,000 in 2016, an increase of approximately 28 per cent (CSO, 2023b). Thus, although Ireland's population is young in comparison to other European countries, it is ageing rapidly. In fact, Ireland had the largest relative increase in the population aged 65 and over (+27 per cent) between 2015 and 2022 among EU countries (OECD/European Observatory on Health Systems and Policies, 2023).

The number of persons aged 80 years and over is projected to rise from 147,800 in 2016 to between 535,900 and 549,000 in 2051 (+262.6% and +271.4%, respectively) (CSO, 2018). 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. Results from the 2022 Census (CSO, 2023c) demonstrate a strong link between disability and increased age with the proportion of people experiencing disability increasing notably from age 75 onwards. In 2022, amongst those aged 75 to 79, approximately 47 per cent of people experienced disability while almost 76 percent of people aged over 85 did so (with disability defined as experiencing at least one long-lasting condition or difficulty). The number of people providing regular unpaid care is increasing – they increased by over 50 per cent between 2016 (195,263 people) and 2022 (299,128 people) (CSO, 2023c). This represented 6 per cent of the population, the majority being women (CSO, 2023c). Consistent with these trends, reports from the ESRI project increased demand for health and social care 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 is the only EU country without universal primary care coverage, which leads to an overuse of more expensive hospital care, and strong inequalities in access persist (OECD and WHO, 2021; European Commission, 2023). As of 2019, Ireland also had the third lowest public hospital bed density in the EU, standing at over 40 per cent below the EU average (OECD/European Observatory on Health Systems and Policies, 2023). In 2021, outpatient care accounted for 40 per cent of total out-of-pocket spending – a share twice the EU average, which partly stems from the fact that the majority of the Irish population access GP services on a private basis (OECD/European Observatory on Health Systems and Policies, 2023). 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).

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 and WHO, 2021). Pre-COVID-19, hospitals frequently ran at 95 per cent occupancy rates – above the capacity considered safe (OECD and 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). A study from the ESRI found that there may be a bed capacity deficit of approximately 1,000 inpatient beds in public acute hospitals in 2023; in addition, over 300 additional inpatient beds are required per annum to keep up with the ageing of the population (Walsh and Brick, 2023).

Official statistics suggest that over 580,000 people were waiting for an outpatient appointment in November 2023 (a decrease on the November 2022 figures) while over 84,200 people were waiting for treatment as an in-patient/day case (an increase from November 2022 figures), and 23,279 people were on an inpatient/day case GI Endoscopy list (National Treatment Purchase Fund, 2023). See Table 7.1. Among people waiting for an outpatient appointment, those waiting 18+ months numbered over 62,100 people while some 6,900 people were waiting 18+ months for an inpatient/day case appointment – although those figures were improved over the November 2022 figures. The Covid-19 pandemic, and pent-up demand following it, is likely to have contributed to the numbers on the waiting lists in recent years. However, as Table 7.1. shows, there have been high numbers on waiting lists over many years.

Table 7. 1: Waiting Lists for Treatment: Adults and Children, 2014-2023

	Dec 2014	Nov 2016	Nov 2018	Nov 2020	Nov 2021	Nov 2022	Nov 2023
Outpatients							
Total waiting	385,781	440,629	515,360	612,576	636,695	602,832	580,055
Waiting 18+ months	20,474	29,478	88,361	156,955	165,266	106,051	62,164
Inpatient/Day Case Active Waiting List*							
Total waiting	63,105	81,103	70,989	72,843	75,740	80,232	84,287
Waiting 18+ months	566	4,001	5,413	8,629	11,686	8,207	6,906
Other Lists:							

Numbers on other lists (Nov, 2023, adults and children) **include**:

Inpatient/Day Case – Active GI Endoscopy: 23,279.
Inpatient/Day Case - 'To come in': 30,892.
Inpatient/Day Case Planned procedures: 18,463.
Inpatient/Day Case GI Endoscopy Planned Procedure: 80,204.
Suspensions (temporarily unavailable or clinically unsuitable for their procedure - Inpatient/Day Case/Outpatients): 58,985

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 47.6 per cent of the population has private health insurance (Health Insurance Authority, 2023), about 20 per cent has neither private health insurance nor a medical card (OECD and WHO, 2021). 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). 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 medical card system protects many households from financial hardship, but poorer households are still disproportionately likely to experience financial hardship (Johnston et al., 2020).

Government's allocation for health for 2023, as approved by Dáil Eireann, was over €24 billion representing close to 27 per cent of total government expenditure provided for (Parliamentary Budget Office, 2023). The Covid-19 pandemic led to a rise in health expenditure of over 12 per cent (2019 to 2021) (OECD/European Observatory on Health Systems and Policies, 2023). The Department of Health (2024) suggests that Ireland has the 14th highest spend per capita across selected OECD countries (figures for 2022). Using modified GNI*[1] for Ireland as a comparator with GDP from other countries, Ireland's total current health expenditure as a percentage of GDP/GNI* ranked 6th (behind France, Canada, the UK, Germany and USA). This position was 9th when looking at public expenditure only. Government financing accounted for 77.4 per cent of total health expenditure in 2022. See Table 7.2. The proportion of expenditure from private/voluntary health insurance schemes was almost 12 per cent, but almost half of the Irish population has in-patient health insurance, as mentioned already. The Irish Fiscal Advisory Council (2021) estimated 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, 2022

Source of Financing %	
Govt. spending	77.4
Private/Voluntary Health Insurance	11.9
Household Direct Payments	10.7

Source: Department of Health, 2024.

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 the population is growing older rapidly, as already discussed). In 2021, Ireland had the youngest population in the EU (OECD/European Observatory on Health Systems and Policies, 2023), with a median age of 38.8 years compared with an EU-27 average of 44.4 years, and with people aged 65+ in Ireland making up 15 per cent of the population compared with an EU average of 21.1 per cent (in 2022). See Table 7.3.

[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.

Table 7.3: EU and Ireland, some Population Comparisons, 2022

	Ireland	EU-27
Median age of the population	38.8	44.4
Proportion aged 65+	15%	21.1%
Proportion aged 85+	1.7%	3%

Source: Eurostat Online Database demo_pjanind.

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). In 2021, Ireland's expenditure on inpatient and long-term care surpassed the EU average in per capita terms (EURO) and as a share of its total health budget (OECD/European Observatory on Health Systems and Policies, 2023). Comparison with other EU countries suggests that spending on inpatient and long-term care in Ireland is relatively high, while spending on prevention and outpatient care is below average (2021) (OECD/European Observatory on Health Systems and Policies 2023). 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).

According to the European Observatory on Health Systems and Policies, the pandemic exposed health system weaknesses in Ireland – in particular, shortage of health workers and low intensive-care unit capacity in public hospitals, and it also revealed some strengths in responding to crises, including ability to develop technological solutions and to mobilise additional funding rapidly for health reform, health workforce and hospital resources (OECD and WHO, 2021). Thus, Covid-19 highlighted shortcomings in our healthcare system and also demonstrated how vital an integrated public system of care is. 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 an opportunity to implement significant reform.

7.2 Key Policies and Reforms

The rest of this Chapter focuses mainly on how healthcare policies address specific groups and issues. We first outline some context for that discussion as to how health is impacted upon 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, with international reports underlining inequalities in life expectancy by socio-economic status, including education level, income or occupational group (OECD, 2019). For example, in older age, large disparities exist 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).

A range of studies provide concerning evidence relative to inequality and health in Ireland. Data from the 2022 Census suggest that among professional workers, 72 per cent reported very good health, compared with 41 percent of unskilled workers (CSO, 2023c). Amongst Irish people in the highest income quintile (top 20 per cent), 90 per cent reported feeling in good health in 2022 compared to 66 per cent of those in the lowest one, a gap that is slightly larger than the EU average (OECD/European Observatory on Health Systems and Policies, 2023). In 2019, smoking was higher among people in the lowest income quintile (18 per cent) than those in the highest (7 per cent); insufficient physical exercise (i.e. below the recommended 150 minutes per week), showed a similar pattern (OECD/European Observatory on Health Systems and Policies, 2023). 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. Indeed, 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).

Overall, life expectancy in Ireland has increased in past decades. Life expectancy at birth in Ireland stands at 82.4 years in 2021 (84.3 years for women; 80.5 years for men), surpassing the EU average by more than 2 years (OECD/European Observatory on Health Systems and Policies, 2023). The Covid-19 pandemic resulted in unprecedented reductions in life expectancy in EU countries in 2020 and 2021 (OECD/European Union, 2022). However, one positive finding is that, according to an OECD report, Ireland was one of only nine OECD states to avoid excess deaths in 2020-2022 (out of 41 OECD countries) (Morgan et al, 2023). Furthermore, Ireland was amongst the EU countries that had the smallest fall in life expectancy caused by Covid-19 (OECD/European Observatory on Health Systems and Policies, 2023). However, and more generally, 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, p.5) acknowledges 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

Because of rising demand, an overly hospital-centric model of care, and Ireland having one of the lowest acute bed densities in EU, hospitals face significant capacity constraints, leading to frequent overcrowding (OECD/European Observatory on Health Systems and Policies, 2023). Thus, problems with the Irish healthcare system are often apparent through difficulties of access (discussed already) and problems with overcrowding in emergency departments. The Irish Nurses and Midwives Association (INMO, 2023) suggest that over 121,526 patients went without a bed in Irish hospitals in 2023. 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.

Contributing to these problems is inability to discharge people, often older patients, due to lack of step-down facilities, in particular access to rehabilitation and respite care beds as well as 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). Ireland also has persistently high hospitalisation rates for asthma and COPD in comparison with other EU countries (OECD/European Observatory on Health Systems and Policies, 2023). 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 with further policy reforms needed to reduce financial and emotional pressures on carers. Each year, in its response to government's budget, *Social Justice Ireland* highlights the lack of planning for existing levels of health service and demographic change. We welcomed measures in Budget 2024, such as the commitment to target reductions in waiting lists in acute and community services under the Enhanced Community Care programme, the commitment to expand acute and community beds, and the provision of additional GP training places. However, we highlight again the lack of transparency in information available that makes it difficult to establish if funds provided to maintain existing services are sufficient within the overall allocation, as well as the continued failure to invest in the infrastructure required to rollout Sláintecare, which is having an impact on all areas of the health service. As we have argued previously, additional resources committed for the development of the healthcare system during the Covid pandemic should be retained and used to implement Sláintecare. 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). 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 high levels of deaths among 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. Long-term residential care in Ireland is predominantly funded by the State but supplied by private operators, with 83 per cent provided by the private and voluntary sectors, and with private for-profit operators alone accounting for 74 per cent (in 2022) (Walsh and Connolly, 2024). Furthermore, changes in the long-term residential sector have followed the pandemic, with the ESRI research estimating that there has been a decrease of 336 beds from the beginning of the pandemic, partly resulting from closure of smaller independently owned residential homes in rural areas and bed reductions in public residential care homes (Walsh and Connolly, 2024). Furthermore, ownership of this sector has changed - there has been a marked shift towards ownership by larger operator groups, many of which are recent entrants to the Irish market financed by international private equity (Walsh and Connolly, 2024). As that report notes, as the population ages, it is important that long-term care focuses on fulfilling residents' health and social care needs within a more integrated care environment (Walsh and Connolly, 2024).

An expert panel suggested that there is increasing evidence that highly dependent persons can live safely and more happily in domestic settings, provided their required homecare supports are in place (COVID-19 Nursing Homes Expert Panel., 2021). There is also evidence of unmet need for home care and consequent over-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, as mentioned (Privalko *et al.*, 2019). The HSE acknowledges that there can be delays between approval of funding and availability of carers to commence delivery of home support hours in some regions, with 6,432 people recorded as waiting on care staff in March 2023 (HSE, 2023b). Furthermore, the European Commission (2023) highlights challenges associated with Ireland's focus on institutional care over more accessible and cost-effective homecare, and how, relative to other countries, a high proportion of the population was not working because of caring responsibilities. Challenges of recruitment and retention in the care sector are also well recognised, in Ireland as well as in other countries, against a background of increasing need for care.

The HSE Annual Report for 2022 suggests that almost 20.8 million hours of home support (combining home care packages and home help but not intensive home care packages) were delivered to some 56,000 people (HSE, 2023a). As Table 7.4 shows, this represents an increase on the previous year. However, targets set were not achieved - the Public Services Performance Report for 2022 indicates that just 88 per cent of the home care support hours that had been targeted were actually delivered, and just 61 per cent of targeted intensive home care package hours were delivered (and to only 34 per cent of the number of people that had been targeted) (Department of Public Expenditure NDP Delivery and Reform, 2023). People living in care settings supported by the NHSS (Fair Deal) scheme in 2022 numbered approximately 22,769, representing approximately 3 per cent of people aged 65+, a proportion that has been relatively static over recent years.

Table 7. 4: Support to Older People in the Community and in Nursing Homes

	2018	2019	2020	2021	2022	2023* (projected)
Home Support						
People in Receipt	53,000	51,345	52,881	55,043	56,162	55,910*
Hours delivered	17.13m	17.48m	17.5m	20.4m	20.79m	23.9m*
Intensive Homecare Packages						
People in Receipt	250	188	149	115	80	235*
Hours Delivered	406,000	376,665		246,374	219,678	360,000*
NHSS (Fair Deal) funded places						
Numbers of People	23,305	23,629	22,755^	22,296	22,769	22,712*
% of 65+ population (approx.	3.5	3.3	3.3^	3.3^^	3.3^^	3**

Source: HSE Annual Report and Financial Statements (2018 – 2022).
* Projections for 2023, HSE Performance Profile, Jan-March 2023 (HSE, 2023b).
^These figures come from HSE Management Data Report, Jan 2021.
^^ Figures from the Public Service Performance Report for 2022 (June 2023).
** Calculated from CSO estimates of population aged 65+ (CSO: Older Persons Information Hub).

In response to these challenges of an aging population and increasing numbers of over 75s on hospital trolleys in all emergency departments the Minister for Health has indicated his intention to fund 1,500 additional acute hospital beds on a modular basis. While Social Justice Ireland welcomes plans to increase our hospital bed capacity in line with population growth it is essential that these developments are matched by an equivalent increase in the full range of community support services if an integrated service model is to be delivered.

Linked to the issues just discussed is that fact that there is currently no statutory home care scheme, or, indeed, regulation of home support services, in Ireland, although results are awaited from a pilot scheme (commenced in 2021). A statutory basis for home care has been called for by *Social Justice Ireland* and initiatives taken in this direction 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 access to dedicated rehabilitation services, respite care places as well as new models of supported housing. 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 acknowledges the progress made in addressing deficits in replacement and/or refurbishment of existing facilities to bring them in line with HIQA standards over the period 2016-2024. However significant additional investment both revenue and capital is required to develop community based rehabilitation and respite bed capacity across the system a minimum of 3,000 rehabilitation and respite care beds required to meet population growth by 2031. *Social Justice Ireland* believes an investment in the order of a total of €500 million over five years (€100 million each year), is required to meet growing need.

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. According to the HSE (2023a), 94 of the planned 96 CHNs were established by 2022, although they need development, including recruitment of approx. 2,000 additional frontline staff across a range of disciplines (HSE, 2023b). 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) established to align with the CHNs (HSE, 2023a), but significant delays in accessing them exist, with significant vacancy rates in network teams reported to an Oireachtas Committee (O’Brien, 2023). In addition, the HSE’s performance report to March 2023 documents significant numbers waiting for assessment and treatment in primary care services such as psychology, physiotherapy, occupational therapy, speech and language therapy, ophthalmology, audiology, and dietetics, including many waiting more than a year (HSE, 2023b, p.39).

Social Justice Ireland has long been an advocate for primary care teams and networks and for a shift in focus towards community based services, and we welcomed the acknowledgement in Budget 2024 of the Enhanced Community Care programme and the success in recruitment of additional primary care staff as envisaged in Sláintecare. However, *Social Justice Ireland* also stated that that the budget provision in Budget 2024 intended to cover existing levels of service and new services is inadequate and will undermine progress in the implementation of Sláintecare. Moving towards a more community based model will require prioritisation of enhanced community care and greater transparency about 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 numbers 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. Approximately one fifth (19.7 per cent, 2022) of the Irish population is constituted by children aged 14 years or younger, contrasting with an EU average rate of 15 per cent (Eurostat database demo_pjanind). In fact, Ireland had the highest share of that age group in the total population across EU countries. The United Nations Committee on the Rights of the Child (2023) commended Ireland on the introduction of some laws and policies concerning children. However, the Committee voiced serious concerns about children's access to healthcare 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. Thus, there is 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.

While previous Budgets have expanded access to primary health care for some children, something welcomed by *Social Justice Ireland,* Budget 2024 did not announce any further extension of this scheme. Thus, children aged 8 or older are not yet included in the free GP visit Card scheme. Budget 2023 committed to invest in supports for GP practices, which will be essential if additional demand is to be met, but Budget 2024 failed to provide sufficient resources to expand the number of GP and Practice Teams to provide universal access to GP care (Social Justice Ireland, 2023). Unfortunately, hospital waiting lists remain a significant issue for children. As of November 2023, 89,448 children were on hospital waiting lists, 18,001 (20 per cent) of whom were waiting longer than a year (Ombudsman for Children's Office, 2024).

There have been many ongoing issues over the long-term for children with disabilities and their families. These include delays in obtaining assessments of need,[2] as children can spend years on lists waiting for an initial assessment with 4,685 children overdue for an assessment of need in September 2022 (Joint Committee on Children, Equality, Disability, Integration and Youth, 2023). In the first quarter of 2023, only 19 per cent of assessments were completed within the timeframes set out in the Disability Act 2005 (and accompanying Regulations) while there was a further increase in the number of applications for assessment of need received (HSE, 2023b). The Ombudsman for Children's office (2022), acknowledging challenges in recruitment/retention of staff in children's disability services, highlighted adverse effects that delays in obtaining assessments and corresponding services are having on children's health and development. There are also ongoing deficits in supports to children with disabilities to grow up at home with their families (Ombudsman for Children's office, 2023).

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. A Mental Health Commission Independent Review (2023) is amongst the reports highlighting a series of problems with CAMHS. These include children 'lost' within the system (that is, children and young people with open cases who had been lost to follow-up), as well as long waiting lists and unacceptable variations in care. On one team, 140 children who had open cases had been lost to follow-up. In addition, the vast majority of teams were significantly below recommended staffing levels, some below 50 per cent of recommended staffing, and a lack of governance in some areas was found to contribute to inefficient and unsafe CAMHS.

Waiting lists for CAMHS can be significant; those on the waiting list numbered 4,490 in March 2023, with 752 waiting for 12+ months (HSE, 2023b). There is also a lack of staff capacity to carry out many therapeutic interventions and large variation in different geographical areas in the number of children on waiting lists and the length of those waiting lists (Mental Health Commission, 2023). Also, the practice of 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 Ombudsman for Children's office (2024) welcomed the establishment in September 2023 of a dedicated National Youth Mental Health Office and the launch of the new Model of Care for CAMHS Hubs, also suggesting that the recommendations of the Mental Health Commission Independent Review need to be implemented without delay.

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.

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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.

Disability

According to the 2022 Census, over 1.1 million people (approx. 22 per cent of the population) reported experiencing disability (defined as experiencing at least one long-lasting condition or difficulty) (CSO, 2023c), with 8 per cent of the population experiencing these 'to a great extent' and 14 per cent doing so 'to some extent'. 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*, 2017-2022. 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. However, according to the Public Services Performance Report, Personal assistance (PA) hours provided to persons with physical and/or sensory disability were 1.175m (in 2022), which was only 69.1 per cent of those targeted, while only 24.5 per cent of the targeted movements from congregated to community settings were achieved (Department of Public Expenditure NDP Delivery and Reform, 2023).

A series of issues have already been highlighted, above, that are relevant to healthcare experiences of people with disabilities. These include waiting lists for therapies in the community, delays in delivery of assessments of need and for community mental health services for children and young people. A report from the Department of Health (2021, p.25) suggests, for example, that there are significant shortfalls in access to specialist disability therapy services for adults and children, and that access to mainstream therapies via primary care is 'sporadic'. In a study from the CSO, approximately a quarter of disabled people reported unmet healthcare needs due to waiting times, compared to a State average of 14 per cent (CSO, 2020). In addition, almost 1,500 people with disabilities aged less than 65 were found to be residing in nursing homes in Ireland, in part because community supports are inadequate (Pierce et al., 2018). Research suggests that that 34 per cent of disabled adults in Ireland have unmet needs for home care and that, compared with other countries, adults with disabilities receive relatively little formal home care (Privalko *et al.*, 2019). Consistent with this, a review of capacity (to 2032) identified significant levels of unmet need for disability services and suggested that changes in the size and age profile of the disability population will add to unmet need over coming decades (Department of Health, 2021). That report found (p. 28) that in broad terms, current spending on disability services would need to rise by between a quarter and a half to deliver the capacity required.

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 relate, amongst other things, to health needs – for equipment, aids and appliances, medicines and care and assistance. *Social Justice Ireland* regrets that Budget 2024 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, and other supports.

Despite a range of policy documents over years proposing major changes in disability services, *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. We are concerned that current allocations are insufficient to meet the current unmet needs for services as well as the significant waiting lists for services, including children's 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

Based on self-reported body mass index data, prevalence of obesity in Ireland stood at 21 per cent in 2022[4], which was above the EU average, but which had declined from 2019 (when it was 26 per cent) (OECD/European Observatory on Health Systems and Policies, 2023). However, high rates of obesity amongst children and adults have remained consistent over several years in Ireland (2015-2019) (Department of Health, 2019) even if there are also signs of positive trends in dietary habits and physical activity levels, which may signal improvements in obesity levels in the future (OECD/European Observatory on Health Systems and Policies, 2023).

Obesity is linked to increased risk for many non-communicable diseases and is a leading risk factor for disability (Department of Health, 2022b). 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 were 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 this tax to develop effective obesity prevention programmes and meet the targets in

3 Other disability related issues are addressed in various parts of this review.

4 Although some caution is advised in relation to these findings due to anomalies in the data, suggesting low reliability (OECD/European Observatory on Health Systems and Policies, 2023).

the Obesity Policy and Action Plan 2016-2025. A mid-term assessment of this plan showed high levels of implementation in some respects, while also highlighting areas of limited action (Department of Health, 2022b). It is important to continue to monitor and take action to address levels of obesity.

Mental Health

The area of mental health is one requiring urgent attention as outlined in respect of children's mental health services, above. The Inspector of Mental Health Services suggests that Ireland has chronically underfunded mental health services and an inclination to drift towards providing institutional care for vulnerable groups (Finnerty, 2023). Furthermore, the Inspector outlines that funding allocated to mental health has been between 5–6 per cent of Ireland's total health budget in recent years, which is a long way off from reaching the 10 per cent of health funding proposed for mental health proposed by *Sláintecare*.

Cross-country comparisons are challenging, as people living in countries with less stigma and ready access to services may be diagnosed more easily. That being said, the estimated prevalence of mental health disorders is relatively high in Ireland - over one million individuals (about 21 per cent of the population) had a mental health disorder in 2019, which had increased from 2016 (when it had been 18.5 per cent) and was a higher share than the EU average (of 16.7 per cent) (OECD/European Observatory on Health Systems and Policies, 2023, drawing on estimates from the Institute for Health Metrics and Evaluation). Among the various mental disorders, anxiety disorders were the most prevalent, followed by depressive disorders, and alcohol and drug-use disorders (OECD/European Observatory on Health Systems and Policies, 2023). A clear link is evident between income and depression prevalence - people in the lowest income quintile (lowest 20 per cent) in Ireland were nearly three times more likely to report depression than those in the highest quintile (OECD/European Observatory on Health Systems and Policies, 2023).

Amongst the issues faced by people trying to access mental health services are waiting lists, with over 17,500 people (children and adults) waiting for treatment from a psychologist in March 2023, and over 6,300 waiting for over a year (HSE, 2023b). According to the Mental Health Commission, the type and maintenance of the premises of inpatient mental health centres varies greatly with some not considered fit to provide a modern mental health service (Finnerty, 2023). The Mental Health Commission (2022) notes that, while there have been some new centres built in recent years, this issue requires a targeted national capital plan. 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 that maximizes quality of life and social inclusion) (Mental Health Commission, 2022). Overall there is considerable work to be done with regard to integration of mental health, general medical health, primary care, and social care (Finnerty, 2023).

Providing good mental health services is a necessary investment in the future wellbeing of the country. A mental health strategy *Sharing the Vision* was published in 2020 as a successor to *A Vision for Change.* However, progress in implementation national strategies continues 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 (Mental Health Commission, 2021). The Inspector characterises the situation as involving serious under-resourcing of community mental health services for older people, involving difficulty in providing a community based service in outpatients, day hospitals, home assessments and treatment with lack of access to essential multi-disciplinary services, and also an 'alarming' under-provision of acute mental health beds for older people (Finnerty, 2020). As she states, resources need to be redistributed to address increasing demands of an ageing population and older people's mental health needs should be central to expenditure planning.

Older people with dementia are a particularly vulnerable group and they are also a diverse group. It is estimated that there are approximately 64,000 people living with dementia and this is projected to increase to 150,000 people by 2045 (National Dementia Office, 2020). 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 significant public health problem in Ireland, as it is in other EU countries, with a higher incidence among men, although, over the past decade, Ireland's suicide rate declined in line with the trend observed across the EU (OECD/European Observatory on Health Systems and Policies, 2023). Statistics from the CSO for 2022 (which are still provisional) suggest that the overall rate was 8.1 per 100,000 people in 2022 and this was similar to the rate for 2021 (8 per 100,000 people) (CSO, 2023). The numbers affected were 412 people – 331 males, 81 females (again, based on provisional figures for 2022). The Implementation Plan for *Connecting for Life* (Ireland's National Suicide Prevention Strategy 2015-2020) has been extended to 2024. 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. However, as *Social Justice Ireland* recently stated in its response to Budget 2024, the continued failure to invest in the infrastructure required for the rollout of Sláintecare is having an impact on all areas of the health service. The Covid-19 pandemic highlighted shortcomings in our healthcare system across a range of areas and also demonstrated how vital an integrated public system of care is and underlined again shortcomings of a two-tier healthcare system and how access to healthcare based on need, not income, should by a key 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.

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 (and their staffing) 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 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 coming 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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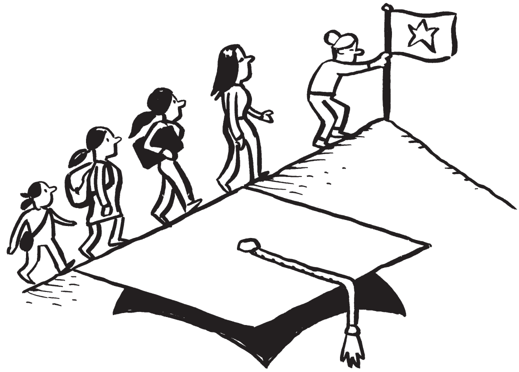
Chapter eight

Chapter 8

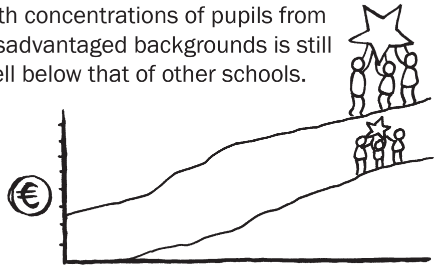
Education and Educational Disadvantage



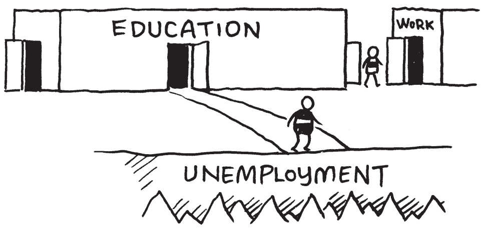
Core Policy Objective:
To provide relevant education for all people throughout their lives, so that they can participate fully and meaningfully in developing themselves, their community and the wider society.

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.

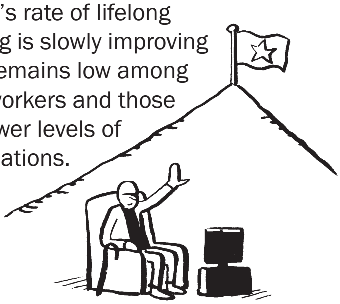


The longer a person stays in education the more likely they are to be in employment. The risk of unemployment increases considerably the lower the level of education.

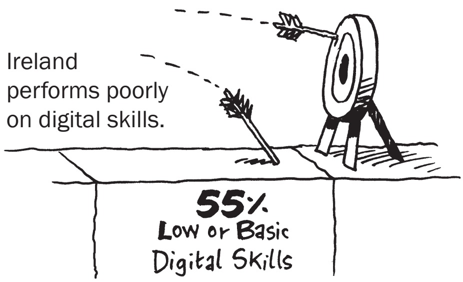


Ireland has the third lowest expenditure on ECCE for 3 to 5 year olds in the OECD.

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

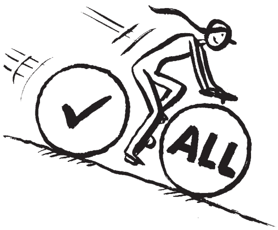


Ireland performs poorly on digital skills.

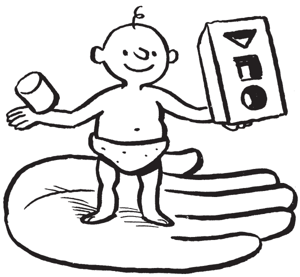


Policy Solutions

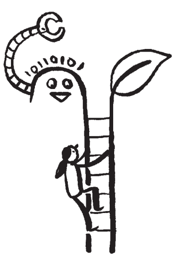
Commit to reducing class sizes and pupil teacher ratios at primary and post primary level by 1 point per annum to 2030.



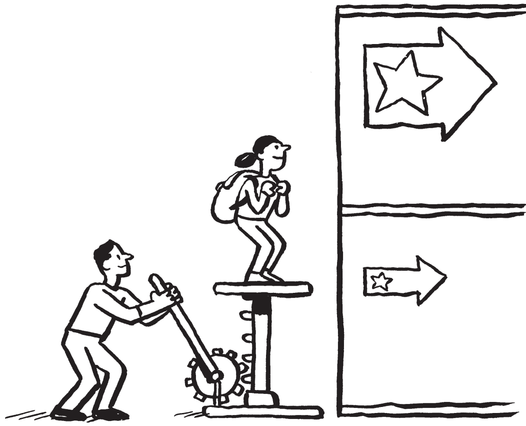
Fully resource 'Adult Literacy for Life'.



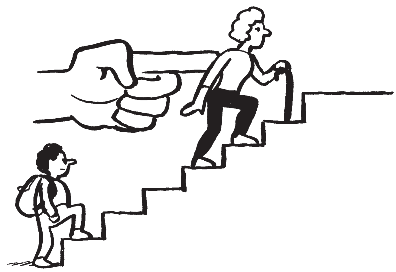
Commit to increasing investment in Early Childhood Care and Education by 0.1 per cent of GNI* annually to reach 1 per cent of GNI* by 2030.



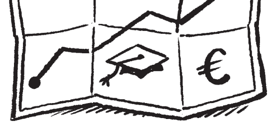
To meet the digital and green transitions develop an integrated skills development, vocational training, apprenticeship and reskilling strategy.



Make improved educational outcomes for pupils from disadvantaged backgrounds and disadvantaged communities a policy priority.



Revise our lifelong learning target to reach 15 per cent by 2025 and to reach 20 per cent by 2030.



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

Chapter 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.

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 GNI* annually to reach 1 per cent of GNI* by 2030;
- Commit to reducing class sizes and pupil teacher ratios at primary and post primary level by 1 point per annum to 2030;
- Update our lifelong learning target to reach 20 per cent by 2030, ensuring sufficient resources are made available;
- To meet the digital and green transition challenges, develop an integrated, multi-generational skills development 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 1,162,388 full-time students in the formal Irish education system for the academic year 2023/2024. At primary level there are 546,787 students, at second level there are 416,632 students and 198,970 students are at third level (Department of Education, 2023). 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 up to 2030, peaking at 239,148 fulltime enrolments (Department of Education, 2022).[1]

Department forecasts project a reduction in student numbers at primary and post-primary level post 2040, with fluctuations from 2030, but this does not necessarily mean a corresponding reduction in expenditure. 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. 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 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

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

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).

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 2023, Ireland spent 3.2 per cent of GDP on primary to tertiary educational institutions, which is almost 2 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, 2023). Notwithstanding the challenges associated with GDP, it is clear that the adequate resourcing of education across all levels remains a concern.

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 for three to five olds in the OECD, Ireland had the third lowest amount of expenditure at 0.3 per cent of GDP 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 (OECD, 2023).

Early childhood is the stage where education can most effectively influence the development of children and help reverse disadvantage, with pupils who had access to quality early childhood education performing better on standardised testing even allowing for socio-economic difference (OECD, 2016).

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. '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 to address many of the issues raised in the review. 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 13.7 (the EU average is 13.4) 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 of 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. There are 17,404 Ukrainian pupils enrolled in schools across Ireland, 10,558 at primary level and 6,846 at post-primary (Department of Education, 2023a). Resources must be available on an ongoing basis to for schools to continue to support and integrate this cohort of students. The number of children with special needs at primary level in Ireland increased by 56 per cent between 2017 and 2021 (Department of Education 2023a). 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.

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.[2] In terms of reading skills, Ireland performed extremely well in the 2021 PIRLS (Progress in International Reading Literacy Study)[3] assessment of reading skills, scoring significantly higher than most other participant countries, albeit with the caveat that pupils in Ireland were tested later than would have been expected due to the impact of the pandemic, and as such would be expected to perform more strongly.

Unfortunately, PIRLS 2021 sees a continuation of the trend of poorer outcomes for disadvantaged students. The achievement in DEIS (Delivering Equality of Opportunity In Schools) schools was substantially lower than that in non-DEIS schools (Delaney et al., 2023) with particular challenges in relation to equity in reading development. Analysis of Ireland’s PIRLS and NAMER (National Assessments of Mathematics and English Reading) scores show that Ireland still has not met three of the four 2020 targets set for reading and numeracy in DEIS band 1 and band 2 schools. Ireland has met the target to increase the number of ‘high achievers’ in second-class reading from 18 to 25 per cent, but it has failed to meet the targets of reducing the percentage of second-class students reading at lower levels, from 44 to 40 per cent; reducing the percentage of sixth-class students performing at the lower levels in maths from 50 to 42 per cent; and increasing the percentage of ‘high achievers’ in sixth class maths from 19 to 27 per cent.

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).

Work continues 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),

2 TIMSS 2023 results will be published in late 2024.

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

reducing the pupil teacher ratio further and ensuring all DEIS Band 1 and 2 schools have sufficient resources to implement strategies to improve literacy and numeracy outcomes for pupils.

Second-level Education

Irish second-level students performed well in the 2022 PISA (Programme for International Student Assessment) tests in reading, literacy, mathematics and science, scoring above the OECD average in all three domains.

- In reading literacy, 11.4 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, 15.6 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, 19 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 (Donohoe et al, 2023). Indeed, the gap between DEIS and non-DEIS schools is likely to be an underestimate as Ireland's student response fell in 2022. While the size of the gap has narrowed significantly in reading, it has not changed significantly in mathematics or science.

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 (at or above Level 5 by 2020) is 12 per cent for reading and 13 per cent for mathematics. The target for reading was met in 2018, but the percentage of students performing at this level fell in 2022. The target for mathematics has not been met.
- While there has been a positive and significant reduction in the percentage of students in DEIS schools at the lowest levels of proficiency in reading and mathematics, but the proportion of students performing at the lowest levels is still substantially above the targets of 8.5 per cent and 10.5 per cent respectively.

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 and 2022. The strategy also proposed 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 and its successor.[4]

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* welcomed 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,

[4] Government has completed the literature review for the new strategy https://www.gov.ie/en/publication/3f341-towards-a-new-literacy-numeracy-and-digital-literacy/

2021).[5] We also welcome the establishment of the National Tertiary Office as a welcome step towards expanding access pathways to further and higher education.

The impact of the pandemic on the leaving certificate and the Central Applications Office (CAO) system highlighted to the need for substantial action and reform. Any reform of the system must address the gap between DEIS and non-DEIS schools in terms of students taking higher level courses and the sustained failure to meet literacy and numeracy targets. This reform must also take a broader view of access to further and higher education and explore pathways beyond the leaving certificate. *Social Justice Ireland* supports the provision of extra resources to DEIS schools to ensure that all students, but particularly those in disadvantaged areas, have equality of opportunity once they complete their second level education.

There has been an increase in retention rates in junior and senior cycle in DEIS post primary schools and an increase in the proportion of students in DEIS schools taking Higher Level papers in English and Mathematics. The fact that the achievement and attainment gaps between DEIS and non-DEIS post primary schools is closing is very positive. However significant gaps still exist and this is a cause for concern. An evaluation of DEIS at primary level concluded that many of the achievement gaps that still exist have their basis in income inequality (Weir and Kavanagh, 2019). Addressing educational disadvantage requires more than just equality of opportunity, it requires that policy address both income adequacy and access to services to break the cycle of educational disadvantage.

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 2023 at four per cent, compared to the EU average of 9.6 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 2023 just under half of early school leavers aged 18-24 were not economically active (CSO, 2023).

CSO data shows that (see Chart 8.1) 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 previous 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

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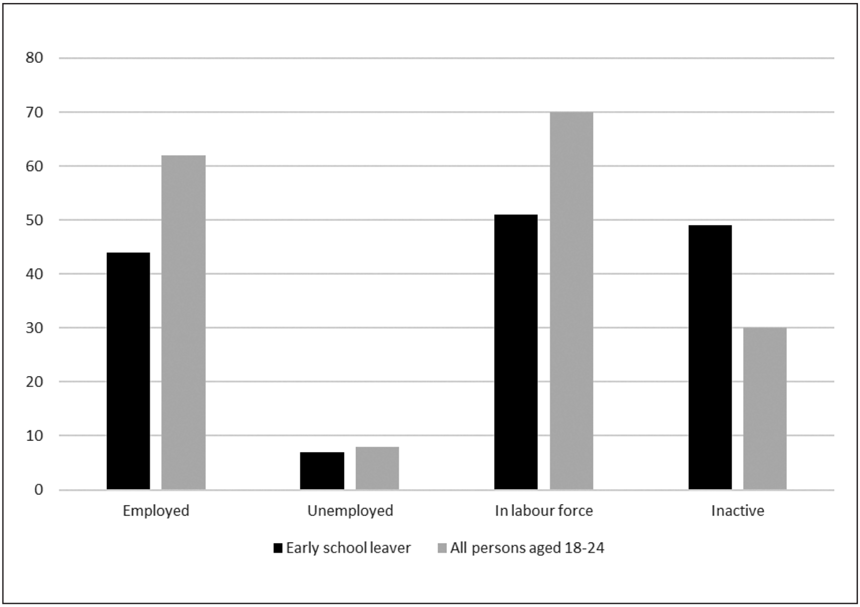
5 https://www.gov.ie/en/press-release/f7bf7-minister-foley-announces-plan-for-reform-of-senior-cycle-education-equity-and-excellence-for-all/

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 8.1: Labour Market Status for Early School Leavers and total population 18-24 year olds Q2 2023



Source: (CSO, 2023).

Ireland also faces challenges in the area of young people not engaged in employment, education or training (NEETs) in disadvantaged areas. The NEET rate in Ireland in 2022 was 9.3 per cent, below the EU average of 12.7 per cent (CSO, 2024). The impact of Covid-19 in terms of disruption to education and employment opportunities has 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 2023a). 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, the establishment of the National Tertiary Office and the broadening of apprenticeships are welcome, recognising the need to broaden access and 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 (OCED, 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.[6] 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

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

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 198,970 students (DES, 2023) and numbers are projected to 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 yet to be delivered. An estimation of the value of the higher education sector to the economy found that every €1 invested generates a return of approximately €9.[7] 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

7 https://www.iua.ie/publications/iua-budget-submission-2020/

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 €307million in the sector (Department of Further and Higher Education, Research, Innovation and Science, 2022).

This gap is the increase in funding which the Departments of Further and Higher Education, Research, Innovation and Science and Public Expenditure and Reform determined is required to deliver enhanced performance, strategic reforms and improved quality of outcomes.

The report indicates that this funding gap of €307million 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 number of years at least. The €307 million 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* looks forward to the work of the National Apprenticeship Office in expanding the age profile, in addition to continuing the work of embedding apprenticeships fully within the education system.

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.[8] Various agencies (European Commission, Expert Group on Future Skills Needs, 2018) 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, standing at 12.8 per cent in 2022 (see Chart 8.2). Our national target is to reach 15 per cent by 2025

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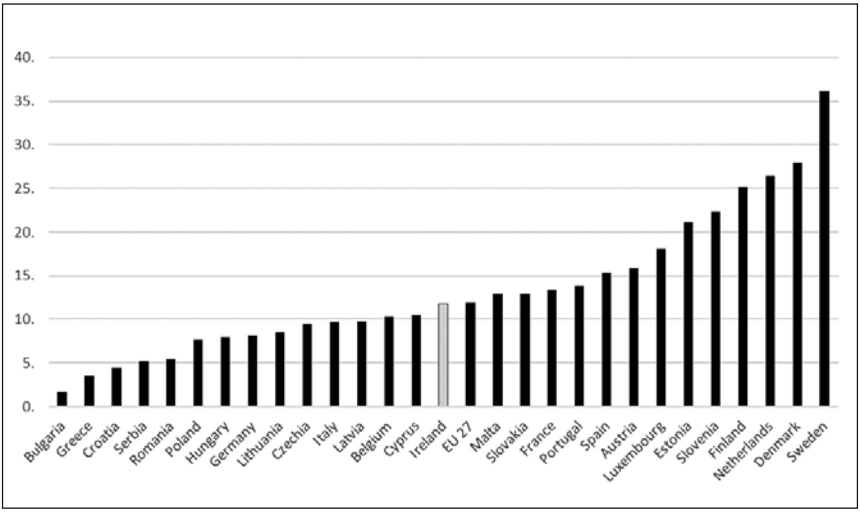
8 https://www.cso.ie/en/releasesandpublications/er/aes/adulteducationsurvey2017/

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 20 per cent by 2030 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.

Chart 8.2: EU-27 Lifelong Learning Participation Rates, 2022



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 (OCED, 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.[9]

[9] http://archive.oireachtas.ie/2006/REPORT_20060531_1.html

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.[10] 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. 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).

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 skill 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, 202b). Our training and skills development policy must be adapted to meet this challenge.

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10 http://oecd.org/general/thecasefor21st-centurylearning.htm

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, Further and Higher Education, Research, Innovation and Science 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 GNI* by 2030 in early childhood care and education (the expenditure of the top performing countries in the OECD is 1 per cent of GDP). Investment should increase by a minimum of 0.1 per cent of GNI* annually to meet the to reach this new target by 2030 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 GNI* annually to reach 1 per cent of GNI* by 2030;
- Commit to reducing class sizes and pupil teacher ratios at primary and post primary level by 1 point per annum to 2030;
- Update our lifelong learning target to reach 20 per cent by 2030, ensuring sufficient resources are made available;
- To meet the digital and green transition challenges, develop an integrated, multi-generational skills development 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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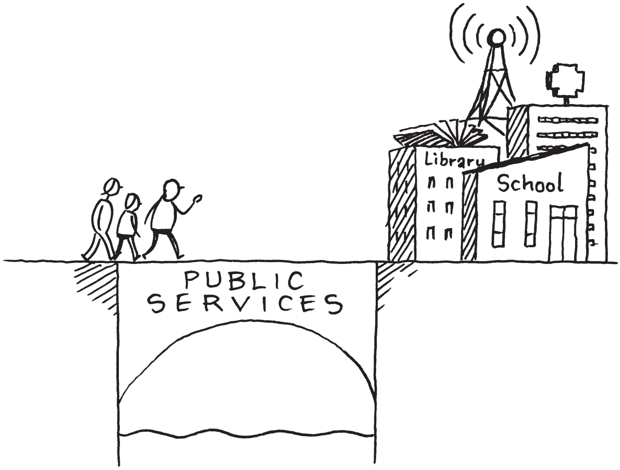
Chapter nine

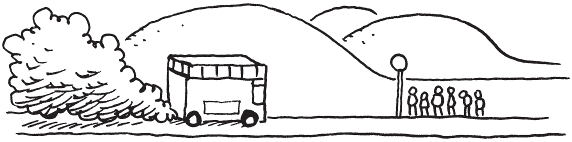
Chapter 9
Public Services

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

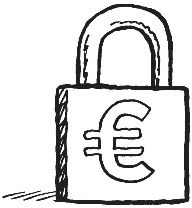


Key Issues/Evidence

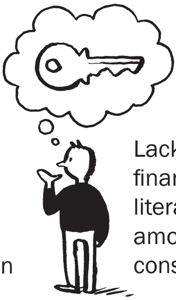
Lack of sustainable public transport, particularly in rural areas.



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

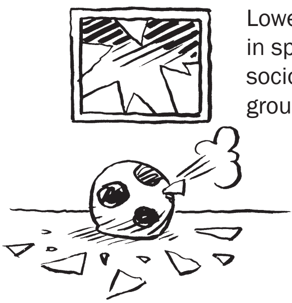


Lack of robust data on financial exclusion.

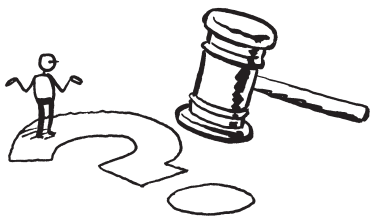


Lack of financial literacy among consumers.

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

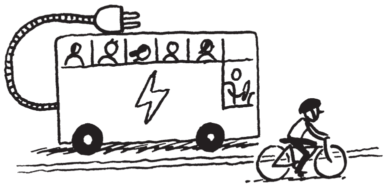


Lower participation in sports in lower socio-economic groups.



Underfunding of Civil Legal Aid – restricts access to justice.

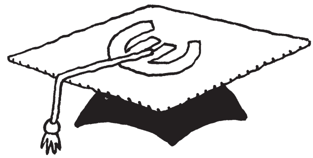
Policy Solutions



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.

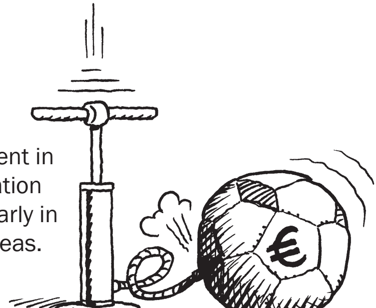


Introduce financial literacy programmes into mainstream education at primary and secondary level.

Roll out broadband, particularly in rural areas.

Increase investment in civil legal aid.

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



Chapter 9

PUBLIC SERVICES

Core Policy Objective:
PUBLIC SERVICES

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

The global turbulence experienced since early 2020 has highlighted just how very important and varied the provision of the essential services that we rely on for well-being is. With almost every aspect of daily life impacted, the importance of these essential services has been highlighted.

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 GNI* each year with a view to reaching 1 per cent of GNI* by 2030;
- Introduce financial literacy 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 Household Travel Survey 2022, (National Transport Authority, 2023) 69 per cent of all journeys taken in 2022 were by private car. Walking is the second most popular form of transport, accounting for 20 per of trips. Five per cent of trips were made by bus, 2 per cent on bike and 2 per cent for train/DART/Luas journeys.

Those in densely populated areas were less likely to use a car than those in thinly populated areas, with private cars accounting for 53 per cent of all journeys in Dublin City and Suburbs, compared to 80 per cent in rural areas. Future housing development must take into account transport links from the earliest planning stage.

Preliminary public transport figures published by the National Transport Authority for 2023 report their busiest ever year across public transport networks with "over

308 million passenger journeys provided by Dublin Bus, Bus Éireann, Iarnród Éireann, Luas, Go-Ahead Ireland and TFI Local Link".[1]

The Transport Dashboard (Central Statistics Office, 2024) showed an overall increase in passengers on public transport between 2010 and 2019, decreasing for 2021 due to ongoing Covid-19 related travel restrictions and returning for most services in 2022 (Table 9.1).

Table 9.1: Summary of Scheduled Bus Passenger Services 2010 to 2022

	2010 (,000)	2019 (,000)	2021 (,000)	2022 (,000)	% Change 2010-2022
Dublin city services	118,977	138,311	69,929	121,378	+2
Provincial city and town services	16,620	26,699	10,530	28,773	+73.1
Other scheduled services	20,640	20,074	8,152	12,677	-38.5
School Transport Scheme	42,327	42,614	30,030	48,700	+15

Source: CSO, Transport Dashboard , extracted from Table 8.1 up to 2021 and TOA16 for 2022.

In addition to the millions of bus passengers in Dublin city, over 48 million journeys were taken across the two Luas lines in 2022 and a further 24.6 million journeys were made using the Dublin suburban rail and DART services.

The bicycle sharing scheme in Dublin saw just over 2 million journeys undertaken in 2022, a slight increase since 2020 but continuing the overall 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 (Table 9.2).

1 https://www.transportforireland.ie/news/record-highs-for-public-transport-passenger-numbers-in-2023/

Table 9.2: Bicycle Sharing Scheme, Dublin, Cork, Galway and Limerick, 2015 to 2022

	2015	2016	2020	2022	% Change 2015-2022
Dublin	4,072,878	4,355,437	1,780,825	2,001,810	-50.8
Cork	289,426	290,590	81,380	109,700	-62.0
Galway	19,934	13,574	6,603	6,264	-68.5
Limerick	40,118	32,892	10,758	9,414	-76.5

Source: CSO, Transport Omnibus, various years, extracted from Tables 8.16 and 8.17, TOA22 and TOA08.

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 Greenhouse gas (GHG) emissions increased by 6 per cent in 2022 and whilst electric vehicles accounted for approximately 19 per cent of all new registrations in 2022, they still only account for approximately 37 per cent (compared to 24% in 2021) of the 2025 policy target of 195,400 or less than 8 per cent of the 2030 policy target of 944,600 electric vehicles.[2]

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 Carbon Reduction and Public Transport in 2021 was 43 per cent. (Irish Government Economic and Evaluation Service, 2022).

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 improve active travel infrastructure such as walking tracks and cycling lanes,

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

and work towards making these a permanent transport feature in both rural and urban areas.

Childcare

In 2021, 64.4 per cent of children under the age of three years are cared for only by their parents (an increase from 57.6 in 2021), which means 35.6 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.[3]

Affordability

Affordable childcare and child-friendly employment arrangements are key requirements for greater labour participation among young mothers (OECD, 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.[4] The average fee for full-time childcare provision is now €186.84 per week, with the highest being in the Dun Laoghaire-Rathdown area (€244.08 per week on average) and the lowest in Carlow (an average of €152.08 per week) (Pobal, 2022).

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 2024 allocated €1.109 billion, an €83 million (8%) increase on the previous year to the National Childcare Scheme. As of January 2024 all families accessing registered early learning and childcare receive a minimum hourly National Childcare Scheme (NCS) subsidy of €2.14 (an increase from €1.40) towards the cost of early learning and childcare. *Social Justice Ireland* believes that childcare staff should earn a decent wage and that Government should ensure that any subsidies aimed at improving the conditions of childcare staff are not used to increase costs

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

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

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, and last year 500 Little Baby Bundles were delivered to participating families in Dublin and Waterford. This pilot is due to undergo evaluation this year, with the feedback from families who received the bundle informing proposals for a nationwide roll out.

Social Justice Ireland welcomed the publication of the Early Years Strategy, with its child-centred focus and inter-Departmental governance and implementation plan. Investment needs to increase by a minimum of 0.1 per cent of GNI* with a view to reaching 1 per cent of GNI* by 2030 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 or 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 2023 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 86 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 91 per cent and 88 per cent connectivity respectively), while the Border and Midlands/South East fare the worst (with 79 per cent and 82 per cent respectively) (CSO, 2023a).

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 (27 per cent), prohibitive cost of access and high equipment costs (7 per cent and 12 per cent). Six per cent also reported the lack of availability of broadband internet as a factor (CSO, 2023a).

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, 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.

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

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 full roll-out on the National Broadband Plan.

Financial Services

Financial services are becoming increasingly digital, with more and more daily, everyday transactions moving on-line or becoming cashless. This can be difficult for those that do 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.

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 family milestone, 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 2023, almost four in ten people (39 per cent of the population) reported being unable to meet an unexpected financial expense of €1,000, access to affordable short term credit or the ability to accrue savings in vital.[7]

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

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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 https://banda.ie/b-pre-budget-zeitgeist-2023/

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.[8]

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 as part of the upcoming National Financial Literacy Strategy. 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.

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 qualifying user, subsidised by the State. 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.

In 2022, there were 20,705 (up from 15,291 in 2021) applications for legal aid made, of which 9,339 related to general family law, 2,540 were in relation to separation/divorce/nullity, 6,889 were about International Protection or Human Trafficking (an increase of 368 per cent on 2021), 719 were about the possible State care of children and 1,218 referred to all other civil matters. As of the 31st December 2022, the average waiting time for legal services with a solicitor at a law centre was 14.5 weeks (down from 18 in 2021). 301 legal advice vouchers were issued for the Abhaile Scheme (for borrowers in late-stage mortgage arrears, (see Chapter 6 for more information). Also as part of the Abhaile scheme, 254 legal aid certificates

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8 https://plainnumbers.org.uk/

were granted for first instance Personal Insolvency Arrangement (PIA) reviews with a further 70 legal aid certificates granted for PIA appeals to the High Court. (Legal Aid Board, 2023).

As highlighted by the numbers above, the White Paper to End Direct Provision and to Establish a New International Protection Support Service (Government of Ireland, 2021) initiated proposals brought by the Legal Aid Board to the Department of Justice by 2022 on an estimated additional allocation of €8.8 million to support 3,500 applicants for international protection per year was wholly inadequate.

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.

FLAC reported 3,318 consultations at Phone Advice Clinics in 2022. The number of calls to their information and referral telephone service increased slightly to 13,556 from 13,147 in 2021. Housing, discrimination and social welfare remain the the three main categories of case work in 2022. FLAC launched three new initiatives in 2022 that respond to known unmet needs for those experiencing racial discrimination with the INAR, a Traveller Legal Service and an LGBTQI+ Legal Clinic (FLAC, 2023).

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.[9] According to its Annual Report for 2022, there were 2,430 registered lobbyists, 2,308 of which are located on the island of Ireland. More than 11,600 returns had been received, exactly the same number as in 2021 (Standards in Public Office Commission, 2023). Health remains 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, albeit limited, available on the Lobbying Register.

Social Justice Ireland continues to call 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.

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.

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9 https://www.lobbying.ie/

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 53.6 million visits between 2018 and mid 2023 by 765,000 registered members, 76 million items issued across 330 branch libraries and 23 mobile libraries (including one cross border service) (Department of Rural and Community Development, the City and County Management Association and the Local Government Management Agency, 2023). Operated by Local Authorities, they play an increasingly vital role in ensuring equality of access to information, reading and learning material. In recent years, libraries have greatly expanded their offering and continue to adapt to the changing needs of their communities, 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 removal of late fees, the introduction of Libraries Ireland, the availability of e-learning and electronic resources etc. However, it is important that these 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, The Library is the Place: *Information, Recreation, Inspiration National Public Library Strategy 2023-2027* sets out three strategic themes for the delivery of the library service, People, Spaces and Connections. *Social Justice Ireland* welcomes the inclusion in the strategy of how the targets and objectives relate to the UN Sustainable Development Goals.

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 culture, learning and enterprise fit for the 21st century.

Sports and Recreation Facilities

Adult Participation

Forty-three per cent of adults (approx. 1.75 million) participated in sports in 2022, an increase of three percentage points from 2021. This is still lower than 2019 levels when 46 per cent participated. However, due to the growth in population during that time, the numbers are only just behind the 1.77 million adults who engaged in sports in 2019. Personal exercise ranked as the most popular activity followed by swimming, running, cycling and weights in the top five (Sport Ireland, 2023). 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 and has stayed at approximately 5 per cent since 2021. Notably age has an impact here. Men under 35 (44 per cent) were more likely than women (39 per cent) to be highly active; yet for those over the age of 35, 31 per cent of men were active compared with 38 per cent of women.

In 2022, there was a notable decline in sports participation among less affluent groups and those with lower levels of education, as increased costs will have impacted. Inactivity was higher among disabled people (20 per cent) and has increased by 1 percentage point since 2019. Overall, 37 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, 2023).

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.[10] 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.[11] However, as of 2020,15.8 per cent of children (0-17) and in 2022, 30 per cent of young people (18-24) were classed as overweight or obese (Department of Children, Equality, Disability, Integration and Youth, 2023).

As noted in the 2021 update to the indicator set for 'Better Outcomes, Brighter Futures - The national policy framework for children & young people 2014–2020', only 22 .1 per cent of children aged between 11 and 17 and just 61 per cent of young people aged between 15-24 were engages in an optimum level of physical activity in 2018.[12] Young Ireland: The National Policy Framework for Children and Young People 2023-2028 states that "far more children and young people should achieve an optimum level of physical activity, especially those who are under 18. The wider findings from the Health Behaviour in School-aged Children (HBSC) survey show girls are less likely to exercise than boys, older children are less likely to exercise than younger children, and children from a higher social class were more likely to exercise more. These disparities should also be addressed" (Department of Children, Equality, Disability, Integration and Youth, 2023).

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

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

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

12 https://www.gov.ie/pdf/?file=https://assets.gov.ie/213523/1ce0be37-11c1-4aac-9e3a-9f9c49368cf0.pdf#page=null

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 (Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, 2022).

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 generated €32 million in 2022.[13] 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 State should expect. They do this notwithstanding continuous evidence that it is

[13] https://www.oireachtas.ie/en/debates/question/2023-03-28/238/

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.[14]

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). 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

[14] See Standing, G, 2019, Plunder of the Commons: A Manifesto for Sharing Public Wealth; Madden and Marcuse, D and P. 2016, In Defense of Housing; Toynbee, P, 2003, Hard Work: Life in Low-pay Britain; Lewis, E, 2019, Social Housing Policy In Ireland; New Directions; Eubanks, V. 2015, Automating Inequality; Healy,T, 2019, An Ireland worth Working For.

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 GNI* each year with a view to reaching 1 per cent of GNI* by 2030;
- 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

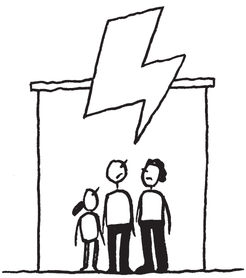
Core Policy Objective:
To ensure that all people from different cultures are welcomed in a way that is consistent with our history, our obligations as world citizens and with our economic status.

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.

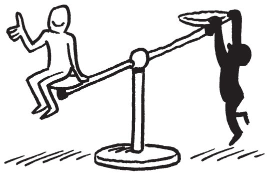
Key Issues/Evidence

Lack of supports for skills transfer programmes for immigrants to Ireland.

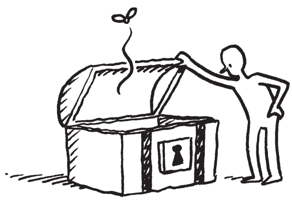
Lack of planning for a changing and ageing population.



Human Rights violations in Direct Provision centres.



Racism, particularly in political discourse.



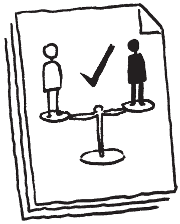
Funding for the Community and Voluntary sector still not restored to pre-crisis levels.

Ireland not meeting our UN obligations.

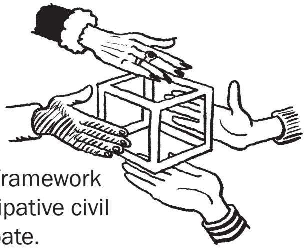
Lack of sustained social dialogue at local and national level.

Policy Solutions

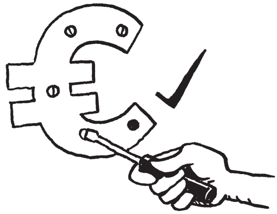
Invest in skills transfer programmes and encourage participation of immigrants in all aspects of economic and social life in Ireland.



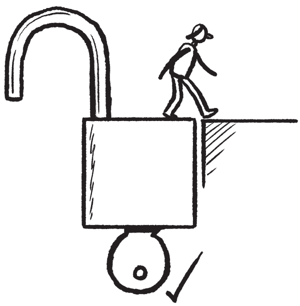
Fully implement and resource the recommendations of the National Action Plan Against Racism.



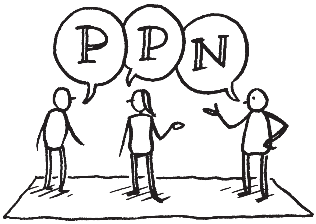
Develop a framework for a participative civil society debate.



Reinstate funding for Traveller specific initiatives and implement the recommendations of the Seanad Public Consultation Committee.



Fully implement the recommendations of the 2023 Trafficking in Persons Report



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

Chapter 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 right across the globe, with over 70 countries holding elections in 2024, 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 discuss how they might be met in Ireland today.

If the objectives set out above are to be achieved *Social Justice Ireland* believes that the 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 2023 Trafficking in Persons Report;
- Reinstate funding for Traveller-specific initiatives and implement the recommendations of the Seanad Public Consultation Committee;
- 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

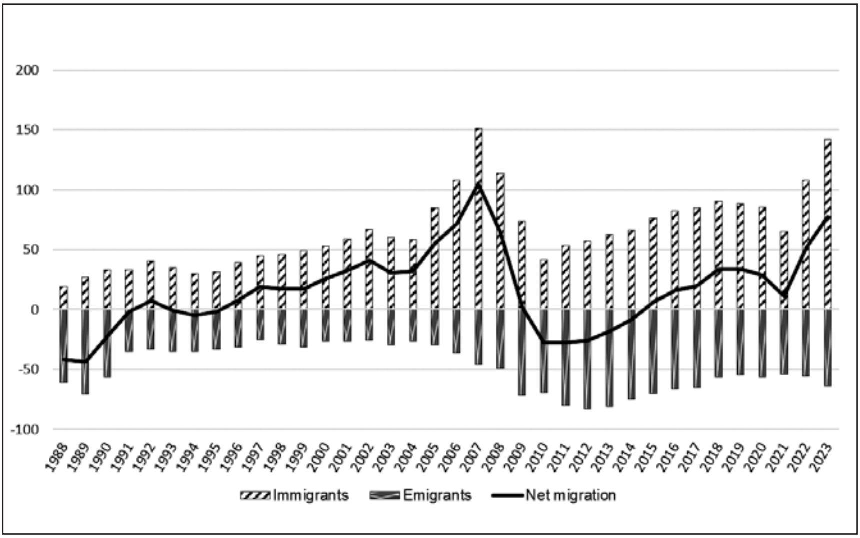
The results from Census 2022 record a population of 5,149,139 persons in April of 2022. This is an increase of 387,274 people (8.1 per cent) from Census 2016. Natural increase accounted for 167,487 of this change (CSO, 2023a). The estimate for net migration is therefore 219,787. This is the highest population recorded since 1841 and is likely to continue to rise. This growing population is also becoming more urbanised and increasingly well educated, particularly women. Additionally, 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 and female life expectancy reaching 83.3 years in 2015 (Hegarty, 2019).

This reduction in fertility levels and increased life expectancy means that Ireland's population, while still relatively young, is getting older.

Emigration and Immigration

Net migration into Ireland was positive in April 2023, continuing a pattern which has been in place since 2015. This means that more people have entered the country than have left it. There were 141,600 immigrants, marking the second consecutive year with over 100,000 people immigrating to Ireland. Of these immigrants, 29,600 were returning Irish citizens, 26,100 were other EU citizens, and 4,800 were UK citizens. The remaining 81,100 immigrants were citizens of other countries, including almost 42,000 Ukrainians. Analysing migration trends over the past 30 years, we see a relatively high rate of emigration in 1988 and 1989, during a recession, which gradually decreased over the next 10 years peaking again in 2012, whereas immigration figures rose slowly from 1990, peaking in 2007. (Chart 10.1)

Chart 10.1: Immigration, Emigration and Net Migration, ,000 people, 1988-2023



Source: CSO, Population and Migration Estimates April 2023, Table 1.
Note: Figures for 2016 taken from Census 2016; Figures for 2017 - 2022 are preliminary.

The high levels of immigration in recent years highlight the lack of school spaces providing suitable language and learning supports, the shortage of G.P.s, the severe shortage of affordable, stable accommodation, and the importance of providing supports to communities. They also highlight the stark differences in the response to refugees from Ukraine compared to elsewhere.

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, 2017a). 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 2022, there was a total of 631,785 non-Irish nationals living in Ireland on Census night (CSO, 2023a). The main nationalities were Polish (15 per cent) and UK (13 per cent). Indian, Romanian, Lithuanian, Brazilian, Italian, Latvian, and Spanish citizens were also among the larger non-Irish groups

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. Census 2022 also asked people to identify their ethnicity and cultural background. 1,191,823 people identify themselves as other than “White Irish”, of whom 327,558 identify as Black, Asian or other people of colour.

As of October 2023, 96,338 Personal Public Service Numbers (PPSNs)[1] have been allocated to those arriving from Ukraine under the Temporary Protection Directive.[2] This “temporary protection” status means they can live, settle, and work in the EU for a period of time. As we enter the third year of the war in Ukraine, Governments across Europe will have to revisit these “temporary” supports. Of note is the stark contrast of the treatment of refugees fleeing other war-torn territories. Our approach needs to be consistent, placing human rights at the centre of International Protection policies.

Racism in Ireland

Following on from publication of their fifth report on Ireland, the European Commission against Racism and Intolerance (ECRI) published their Conclusions on the Implementation of the Recommendations in Respect of Ireland in March 2022 (European Commission against Racism and Intolerance, 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.” 2023 was unfortunately noteworthy due to the number of demonstrations and protests against migration, some of which turned violent and an increasing number of arson attacks on properties both correctly and incorrectly earmarked for emergency accommodation.

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 (UN, 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, albeit stalled since 2020), Human Trafficking, data collection, the legislative framework for the elimination of racial discrimination, and the increasing incidence of racist hate speech(UN, 2020).

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1 https://www.revenue.ie/en/jobs-and-pensions/personal-public-service-number/index.aspx

2 https://www.cso.ie/en/releasesandpublications/fp/p-aui/arrivalsfromukraineinirelandseries11/

In 2022, there were 600 reported racist incidents (compared with 404 in 2021). The percentage of crimes going unreported has increased again, jumping with only 20 per cent of crimes reported to Gardai in 2022, which is a decrease from 25 per cent in 2021. Worryingly, the annual Irish Network Against Racism (INAR) report on the iReport.ie racist incident reporting system noted that “racist assaults are also a consistently present feature of encounters with strangers in Ireland. The violence of such events often deters witnesses from attempting to intervene. In 2022, the perpetrators of assault were strangers in 82% of cases.” Businesses and service providers were the most common perpetrators of discrimination in 2022 (INAR, 2023).

Data from the CSO, as of Q1 2019, indicate that 17.7 per cent of the population aged 18+ experienced some form of discrimination in the two years prior to the interview.[3] Of approximately 636,000 people, the most common ground of perceived discrimination were 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

In 2022, there were 32,949 Irish Travellers, an increase of 6 per cent from 2016, with only 5 percent of whom where aged 65 and over, compared to 15 per cent for the general population (CSO, 2023a). Despite the recognition of Travellers as an ethnic minority, they continue to face discrimination in education, employment, and accommodation, with a discernible gap in health over the life course (Watson, et al., 2017).

[3] https://www.cso.ie/en/releasesandpublications/er/ed/equalityanddiscrimination2019/

A 2019 Report from the European Union Agency for Fundamental Rights[4], 'Travellers in Ireland' found that just 75 per cent of Traveller children aged 4 or 5 were in early childhood education, compared with practically all children in the general population. 27 per cent of parents and guardians reported that their children were bullied in school because they were Travellers. Furthermore, 70 per cent of young Travellers aged between 18 and 24 had completed lower secondary level education and were no longer in either further education or training, compared with just 5 per cent of young people generally.

Traveller health is also poor, with 26 per cent categorised as having a disability (categorised by Census 2022 as experiencing at least one long-lasting condition or difficulty to any extent), compared to 22 per cent of the general population. The suicide rate amongst Traveller men is almost seven times higher than in the general population, indicating serious mental health issues in the Traveller Community. Overall life expectancy for Travellers is low, with male Travellers having a life expectancy of only 73 years compared to 79 for the general male population, and female Travellers having a life expectancy of 75 years compared to almost 83 for the general population. This means Irish Travellers die eight years earlier than the general population.[5]

Migrant Workers

Census 2022 reports that 420,465 people in the work force were non-Irish nationals, with the three leading countries of origin being Croatia, Italy and Spain (CSO, 2023b).

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. On the other hand, non-EEA nationals require a work permit to take up employment in Ireland in sectors where there is a skills shortage. In 2023, 30,981 permits were issued, 1,575 were refused and a further 641 were withdrawn (Department of Enterprise, Trade and Employment, 2024). A third of these (10,037) were for jobs in Health and Social Work.

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

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[4] https://fra.europa.eu/sites/default/files/fra_uploads/fra-2020-roma-and-travellers-survey-country-sheet-ireland_en.pdf

[5] Ibid

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 second national report from the Irish Human Rights and Equality Commission (IHREC), 'Trafficking in Human Beings in Ireland: Second Evaluation of the Implementation of the EU Anti-Trafficking Directive,[6]'notes that "trafficking for sexual exploitation (55 per cent) is the most common form of exploitation that we encounter followed by trafficking for labour exploitation (38 per cent) and to a lesser extent by trafficking for criminal activities (6 per cent)." Also of note, "In 2022, trafficking for criminal activities ceased its declining trend and re-emerged with two new cases, both cases pertaining to exploitation in grow houses. In 2022, for the first time a suspected trafficking for organ removal was recorded, which mirrors the trends in the European Union where novel forms of exploitation are picking up."

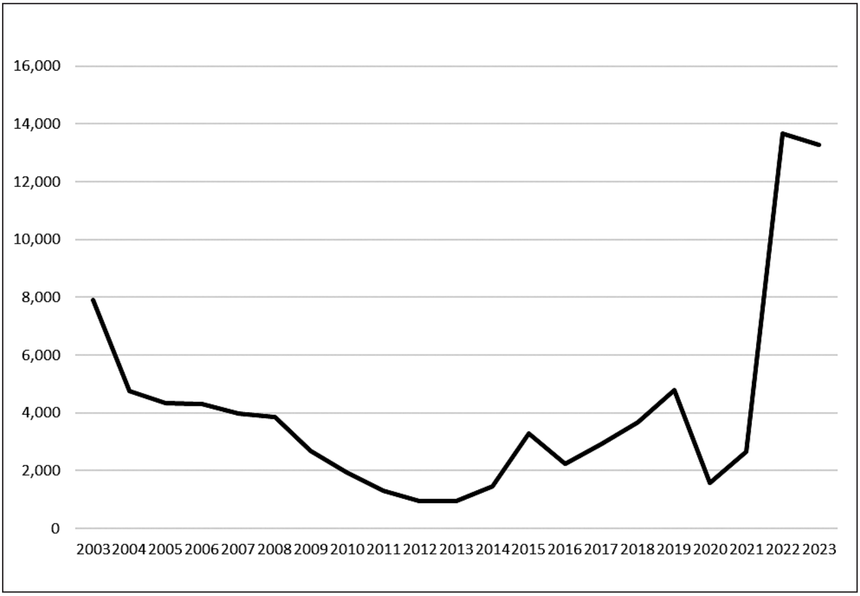
Asylum Seekers and Direct Provision

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 2023.

6 https://www.ihrec.ie/app/uploads/2023/09/Trafficking-in-Human-Beings-in-Ireland-2023_FA_web-Final.pdf

Chart 10.2: Applications for International Protection, 2003 to 2023



Source: International Protection Office, Monthly Statistical Report, various years.

Between January and December 2023, Ireland's International Protection Office received 13,277 applications for International Protection (International Protection Office, 2024). This marked a significant increase compared to previous year, with the number of asylum seekers in 2023 being approximately nine times that of 2020, reflecting worldwide geopolitical events. As 2024 sees half of global adults heading to the polls across 70 countries,[7] there is concern that this may result in a clamp down of human rights, alongside escalating incidents of climate chaos and conflict, leading to an increase in many more individuals seeking safety and security in Ireland.

Direct Provision

In February 2024, there were 27,106 people (compared with 19,741 for the same period last year) living in 270 International Protection Accommodation Service (IPAS) centres located across the 31 local authorities. Looking in detail at where these people are being accommodated, 6,940 individuals, including 2,092 were children, are housed across 49 IPAS accommodation centres, while a further 18,702 people (up from 11,604 in 2023), including 3,924 children (compared with 1,931 in 2023), are housed across 216 (up from 123 in 2023) Emergency Accommodation

[7] https://www.ft.com/content/2e4ba866-0701-4283-8549-84359a2e8dcc

Centres. In addition, there are 431 people, including 51 children, are housed in one National Reception Centre, 558 adults in Citywest Transit Hub, and 475 adults (compared with 101 in 2023) are living in three temporary tented accommodation centres (Department of Children, Equality, Disability, Integration and Youth, 2024). 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. Considering that arrivals in the first five weeks of 2024 are already higher than the same periods in 2022 and 2023, this will only get worse until real concerted action is taken (Department of Children, Equality, Disability, Integration and Youth, 2024).

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. Increasingly, those seeking asylum are not even getting the basics. In April 2023, the High Court ruled that the States failure to provide adequate reception conditions to an international protection applicant was a breach of Article 1 of the EU Charter of Fundamental Rights, which is the right to human dignity. The current system has been in place for over 20 years and has come in for continued criticism from a number of Oireachtas Committees 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, published on the 26th February 2021, sets out the Government's policy to replace the Direct Provision system with 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 aims to 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. The new system will also provide other supports such as access to legal aid and assistance, access to work, education and training, access to driving licences, and bank accounts, 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. This process appears to have completely stalled and the White paper will need to be revisited.

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 setting aside 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 in a meaningful manner and to participate in open and respectful 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 the need to engage with and develop partnerships with people to co-create services and policies. Otherwise, mis and dis-information will overwhelm the discourse,

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 (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

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 from these organisations into local government policy (Department of Housing, Planning and Local Government, 2017). By the end of 2022, over 18,053 community and voluntary, social inclusion, and environmental organisations were members of a PPN. More than 901 PPN representatives were elected to over 418 committees on issues such as strategic policy, local community development, joint policing, and so on (Department of Rural and Community Development, 2023).

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 on policy, 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, if it were to be sourced from the open market, would come at considerable cost to the State. There are an estimated 281,250 employees (that's almost one in every eight workers) and 648,000 volunteers working in registered charitable organisations in Ireland. It is estimated that the value of this volunteering work, using the minimum wage, is €1 billion per year (this increases to €2.5 billion when using the average income) (Charities Regulator, 2023).

During the recession Government funding for the Community and Voluntary sector reduced dramatically and this still has not, as yet, been fully 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, considering the reliance on the sector to deliver vital services. 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 set out the vision for community and voluntary sector development. It contained a series of 11 policy objectives across all stakeholders, from PPNs 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 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 as we come to the final year of the strategy, the sector needs to 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 46,200 in 2021 to 70,300 in 2022) whilst the proportion has decreased (from 70 per cent in 2021 to 58.2 per cent of all immigrants with third level education in 2022). Note that a comparable dataset is unavailable for 2023 as the CSO notes that "there is now a significant number of immigrants living in communal establishments and therefore outside the scope of the Labour Force Survey (LFS) sampling frame which samples private households.... accurate estimation of educational attainment and principal economic status is difficult for this cohort and the methodologies are currently being investigated to allow the publication of these tables to continue."

Migrants tend to be younger than the general population, with more than half of both immigrants (53 per cent) and emigrants (50 per cent) in 2023 aged between 25 and 44. People aged over 65 continued to be the least likely to migrate (CSO, 2023c).

The proportion of emigrants who are unemployed has been in decline since 2012, reflecting the decrease in unemployment generally since then. The lack of affordable housing, affordable childcare, and other services is likely a contributing factor to the increase in employed and highly educated 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 overqualified.[8] 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

8 https://www.ihrec.ie/our-work/equality-review/

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 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.

Fully 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 overseas companies to open offices and invest here and is sourcing workers from all over the world to meet skills shortages, in light of the increase in reported racist incidents, it is imperative that racism in all areas is definitively addressed.

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 again in 2023, misplaced anti-migrant sentiment has and continues to grow. Investing in our core infrastructure and working on social cohesion is therefore a necessity if we are to impede and reverse this disturbing trend.

The Government launched the National Action Plan Against Racism (the Plan) in March 2023 (Department for Children, Equality, Disability, Integration and Youth, 2023). 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

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 support this. Housing legislation provides for the provision of social housing in the form of fixed dwellings. However, 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.

Housing continues to be problematic for Travellers (see Chapter 6). In 2021, the Irish Human Rights and Equality Commission (IHREC), published the First Council-by-Council Equality Review on Traveller Accommodation.[9] 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, 2017b) was published in 2017 and remains current. This strategy lists 149 actions across Government under the headings of cultural identity, education, employment, children and youth, health, gender equality, anti-discrimination, accommodation, and access to public services. Traveller services were disproportionately hit during the austerity programme, and reversing the impact of those cuts will require concerted action (Pavee Point, 2013). The INAR Report to CERD (INAR, 2019) clearly indicated that the pace of progress of this Strategy was

[9] https://www.gov.ie/en/press-release/4d124-statement-in-relation-to-the-trafficking-in-persons-report-2020/

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, particularly in the critical areas of education and accommodation.

Fully Implement the recommendations of the 2023 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 understanding of trafficking also needs to be expanded to include its role in the drugs trade. In June 2020, the Department of Justice and Equality committed to studying the recommendations outlined in the Trafficking in Persons Report for that year and stated that ending the crime of human trafficking is a priority for the country.[10] The 2023 Trafficking in Persons Report gave Ireland a Tier 2 rating. This is because the "Government of Ireland does not fully meet the minimum standards for the elimination of trafficking but is making significant efforts to do so. The government demonstrated overall increasing efforts compared with the previous reporting period, considering the impact of the COVID-19 pandemic on its anti-trafficking capacity, if any; therefore Ireland remained on Tier 2. These efforts included increasing funding for victim care and awareness raising efforts"(US Department of State, 2023). The Human Trafficking investigation and Coordination Unit has been established within An Garda Síochána as part of Ireland's efforts to tackle the problem.

Promote Deliberative Democracy

There is a renewed appreciation of the importance of participation. The OECD Framework for Measuring Well-Being and Progress[11] as well as a newly created Well-Being Framework for Ireland both consider civil engagement as a key indicator.[12] 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 of "A Guide for Inclusive Community Engagement in Local Planning and Decision Making[13]" in February 2023 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. Additionally, a Stakeholder Working Group was established in early 2023 to review

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10 https://www.oecd.org/wise/measuring-well-being-and-progress.htm

11 https://www.gov.ie/en/campaigns/1fb9b-a-well-being-framework-for-ireland-join-the-conversation/?referrer=http://www.gov.ie/wellbeing-framework/

12 https://www.gov.ie/pdf/?file=https://assets.gov.ie/246180/25a3746e-46c1-4b19-8e7f-b8cad930079b.pdf#page=null

13 For further details see http://www.president.ie/en/the-president/special-initiatives/ethics

the local authority Strategic Policy Committees. This review will "include a process of research and consultation, an evaluation of existing arrangements, and any recommendations for adjustments to current arrangements deemed necessary" and is expected to lead to improvements in SPC engagement.

To further strengthen the democratic process, there is a need for development of a new social contract against exclusion and in favour of a just society, including a forum for dialogue on civil society issues. While short-term initiatives such as the Presidents Ethics Initiative,[14] the Constitutional Convention[15] and Citizens Assembly[16] are welcome, they need to be mainstreamed and reach all sections of Irish society. The annual National Economic Dialogue serves as a useful model for sharing 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.

2023 saw the second National Civic Forum take place which *Social Justice Ireland* has long called for.[17] 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 2023 Trafficking in Persons Report;

14 For more information see https://www.constitution.ie/Convention.aspx
15 For more information see https://www.citizensassembly.ie/en/
16 For a further discussion of this issue see Healy and Reynolds (2003:191-197).
17 https://ec.europa.eu/eurostat/en/web/products-eurostat-news/w/ddn-20230309-3

- Reinstate funding for Traveller-specific initiatives and implement the recommendations of the Seanad Public Consultation Committee;
- 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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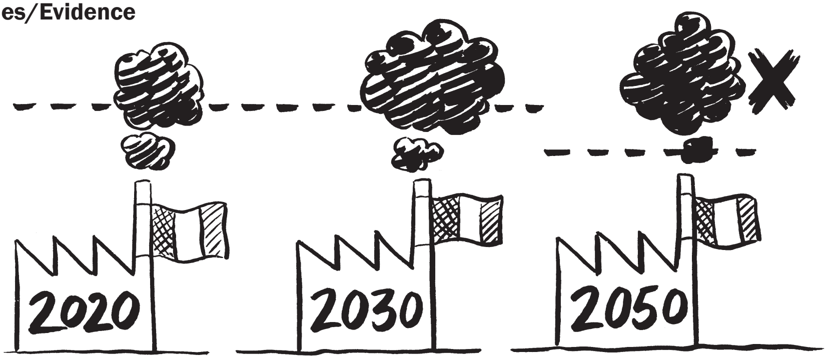
Chapter eleven

Chapter 11
Sustainability

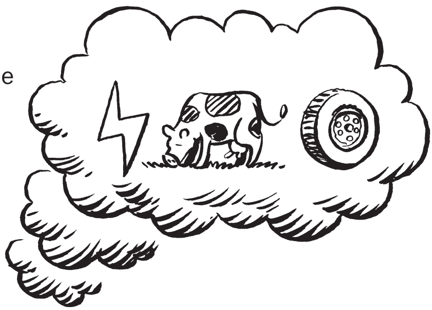
Core Policy Objective:
To ensure that all development is socially, economically and environmentally sustainable.

Key Issues/Evidence



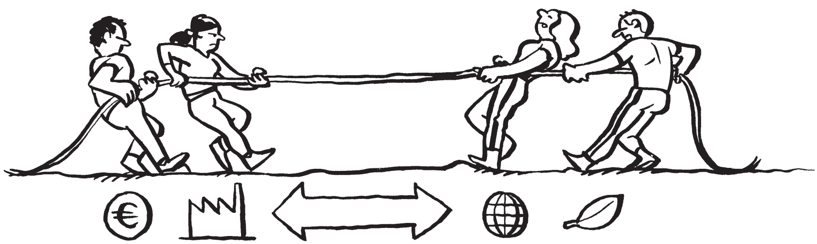
Ireland is on track to overshoot 2030 emissions targets and headed in the wrong direction to meet national 2050 climate goal.

Ireland's greenhouse gas emissions continue to increase in line with economic and employment growth.



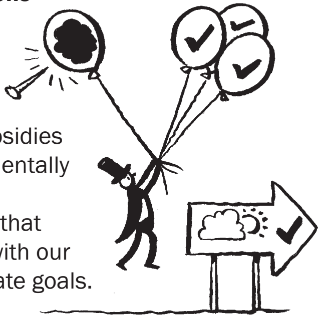
Our emissions are dominated by agriculture, transport and energy.

The window of opportunity to implement climate mitigation strategies is rapidly closing.

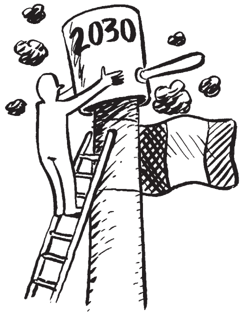


Pursuing expansionary economic and agricultural policies is at odds with our national climate and biodiversity goals.

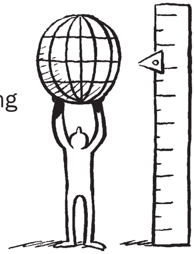
Policy Solutions



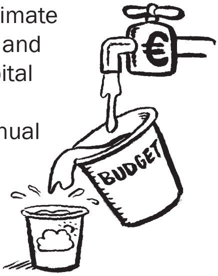
Remove fossil fuel subsidies and environmentally harmful tax expenditures that do not align with our national climate goals.



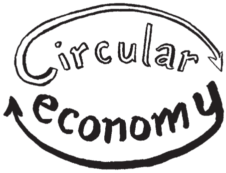
Fully resource the polices required to implement our 2030 climate targets.



Adopt targets and a reporting system for each of the Sustainable Development Goals.

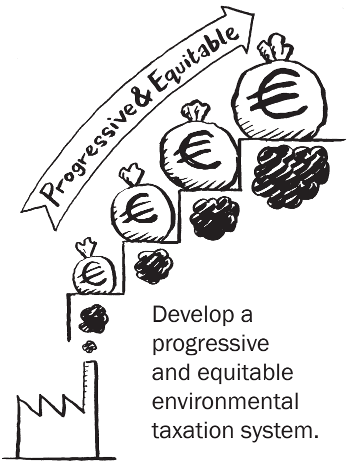


Integrate climate adaptation and natural capital accounting into the annual budgetary process



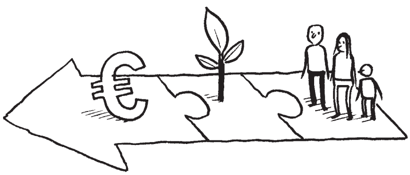
Fully resource the circular economy strategy.

Develop a National Retrofitting Plan incorporating a Building Renovation Passport Scheme.



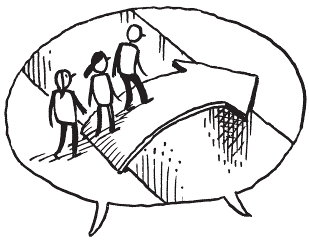
Develop a progressive and equitable environmental taxation system.

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

Measure and report on climate related spending annually.



Develop a Just Transition Dialogue structure at regional and national level.

Chapter 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;
- 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 and harmful tax expenditures in 2024 and set out a roadmap to remove those that do not align with our national climate goals 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. 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). 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.

A 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 Nationally Determined Contributions 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. 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 from other Member States to meet the shortfall. In order to meet our 2030 targets every measure in the Climate Action Plan will have to be fully implemented. Given challenges in implementing previous climate policies it is reasonable to question whether every measure in the plan will be implemented by 2030.

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

[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.

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 on the 25th of October 2021. 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. Government agreed Sectoral Emissions Ceilings for Ireland in 2022 following the approval of the Carbon Budgets. These Ceilings are agreed both by the 5-year carbon budget cycle and with a final cap for the year 2030 (Climate Action Plan, 2023).

The Climate Action Plan sets out indicative ranges of emissions reductions for each sector of the economy. It also sets out the specific actions needed to deliver on our climate targets for each sector. The Plan also commits to a National Dialogue on Climate Action to give everyone in society the opportunity to play their part and to embedding a just transition framework into the design and implementation of climate policy. Progress has been made with the publication of the Climate Action Plan and the country's first ever series of carbon budgets to 2030. Current projections suggest the 2030 targets will be missed (EPA, 2023) and that Ireland will fail to meet the targets in the first and second carbon budget periods without immediate and urgent action to rapidly reduce and prevent emissions (Climate Change Advisory Council, 2023). Ireland is significantly off-track from paths that deliver long-term transition to climate neutrality and our 2050 national policy goals.

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 both its energy and climate targets for 2020. In April 2023, the EU Effort Sharing Regulation, which establishes national greenhouse gas reduction targets for EU member states was amended. Where previously Ireland's national target was set at a 30 per cent reduction by 2030 compared to 2005 levels, the target was updated to a 42 per cent reduction of emissions by 2030 (EU2018/842). Ireland's current national greenhouse gas emissions target is 4.8 per cent annually for the years 2021 to 2025 inclusive. In 2022 Ireland's net greenhouse gas emissions reduction was 1.9 per cent (EPA, 2023).

Emissions predictions released by the EPA in June 2023 indicated that under current measures, Ireland would achieve a 10 per cent reduction by 2030, and under additional measures, a 30 per cent reduction by 2030, still leaving us 12 per cent short of the updated EU Effort Sharing target (EPA, 2023).

In total in 2022, it is estimated that 60.76 million tonnes of carbon dioxide equivalent (Mt CO2eq) were emitted, with emissions 1.9 per cent lower than in 2021, and 4.6 per cent lower than pre COVID, 2019 levels. It should be noted that the largest decrease in emissions in 2022 compared to 2021 was seen in the residential sector, with an emissions reduction of 12.7 per cent. While encouraging, this decrease was largely down to reductions in energy usage by households due to the impact of increased energy costs as a result of Russia's invasion of Ukraine, not due to much needed policy changes at national level and should not be confused for policy progress from Government.

Current provisional greenhouse gas emission estimates for Ireland indicate that 47 per cent of the Carbon Budget for the 5-year period 2021-2025 has already been used in just two years. According to the Environmental Protection Agency staying within the current carbon budget now requires deep emission cuts of over 12.4 per cent per annum over the period 2023 to 2025 (EPA, 2023). The Climate Change Advisory Council (2023) finding (based on EPA projections) that Ireland is very likely to exceed the limit set in the first carbon budget (2025), and indeed is likely to exceed the second carbon budget (2030) is very concerning. The Council notes that failure to take action early has negatively impacted the prospects for meeting the cumulative target to 2030 and that this will have serious consequences for future carbon budgets.

Damaging environmental activity also affects health. According to the EPA (2023) 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'.[2] EPA figures show that air pollutants were above the WHO's updated guideline values for health at 75 monitoring stations across Ireland in 2022 which is a cause for considerable concern.

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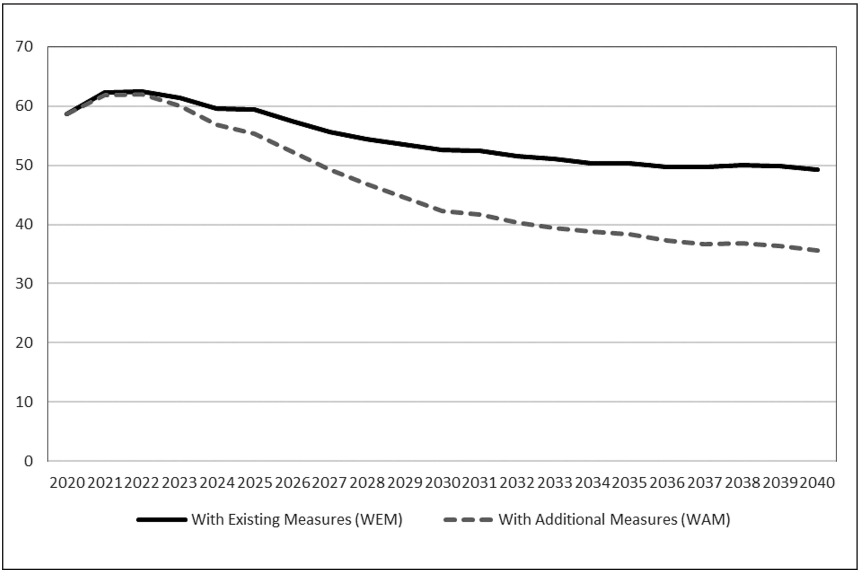
2 https://www.who.int/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health

Chart 11.1: Ireland GHG Emissions Projections 2020-2040 (kt CO2 eq)



Source: EPA, 2023.

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. 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.

Agriculture

Agriculture accounts for the largest proportion of Ireland's emissions (more than one third). Emissions from agriculture decreased by 1.2 per cent in 2022 compared to 2021, driven by decreased nitrogen fertiliser use (down 14 per cent), with a 0.9 per cent increase in dairy cows and a 0.7 per cent increase in milk production. 2022 is the 12th consecutive year that dairy cow numbers rose. It is worth noting that agricultural emissions in 2022 were 14 per cent higher than the 1990 levels (EPA, 2022). 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 22-30 per cent reduction in emissions from this sector by 2030.

Challenges relating to diverse objectives for the agriculture sector may be hard to resolve. This is evident in the 'Ag Climatise' strategy published by the Department of Agriculture, Food and the Marine (2020). The strategy commits to an absolute reduction in the agricultural greenhouse gas inventory by 2030 but it sets no annual targets, nor does it make reference to the size of the national herd, which is a fundamental driver of agricultural emissions. 'Food Vision 2030', the ten year strategy for the agri-food sector 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. 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. The recommendations of the 'Just Transition in Agriculture and Land Use' (NESC, 2023) must be built upon, with the necessary policy changes implemented, and adequate investment to support farmers in the transition to a greener economy and society.

Transport

The transport sector is the second largest contributor to greenhouse gas emissions. Emissions from transport increased by 6 per cent in 2022 compared to 2021, continuing the post COVID emissions rebound in the sector (EPA, 2023). While emissions fell significantly in 2020 due to the impact of the pandemic, overall transport trends continue to go in the wrong direction, driving congestion and a host of sustainability problems and costs (CCAC, 2021b). Long-term integrated spatial and mobility planning supporting public transport and active travel in Ireland must be given urgent priority. Significant investment is needed to develop a public transport network powered by electricity and renewable energy. At the end of 2021, there were just under 47,000 battery electric (BEVs) and plug-in hybrid electric (PHEVs) vehicles in Ireland, approximately 24 per cent of the Climate Action Plan target for 2025 of 195,300 (EPA, 2022). To encourage electric car usage the national charging infrastructure will require a substantial upgrade 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. Jet kerosene use increased by 1.2 per cent in 2019, and is now greater than petrol use, and air travel is now 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[3] 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.

Energy

Energy is the third largest driver of our emissions. Emissions from the Energy Industries sector decreased 1.8 per cent in 2022 compared to 2021. The decline was driven by reductions in coal, oil and peat used in electricity generation. These reductions, however, were largely offset by the highest gas usage since 2010 (up 12.6 per cent compared to 2021). The emissions intensity of electricity generation declined due to increased renewable energy use, but remained above 2020 levels (EPA, 2023).

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. 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 and the upfront costs associated with accessing sustainable energy grants. Whilst there have been positive developments including the National Retrofitting Programme (Government of Ireland, 2022), and in particular the Free

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3 For further details see our proposal on aviation taxation in Budget Choices 2020, 2021 and 2022.

Energy Upgrade for households in receipt of certain social welfare payments, there is a concern 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. These are households who are most likely to use solid fuels such as coal and peat; with an estimated 115,055 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. If subsidies are only taken up by those who can afford to make the necessary investments they 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.

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. Policy 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.

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. 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 (Walker et al, 2023). 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.[4] In addition, Ireland also faced compliance costs for failing to meet its 2020 obligation under the renewable Energy Directive at a cost of €50m.[5]

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. Prices

[4] Ireland spent €91.7m purchasing credits up to 2021. https://assets.gov.ie/246850/5982d0ec-1590-4caf-8c40-ce8bf178f5fc.pdf

[5] 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.

averaged around €20 between 2005 and 2019, rose to €51 in 2020 and peaked at €98 in August 2022. Current projections estimate the cost of credits in December 2030 at €112. A report by the Irish Fiscal Advisory Council (2023) estimate a cost of €500m to deal with the impact of major weather events, and long-term transition costs of up to €4.4bn per annum.

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. 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 is a barrier to effective decision making and opens the door to fragmentation and a conflict for resources (CCAC, 2021b). The 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). 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.

Ireland's environment and natural capital

Climate change is also having an impact on biodiversity in Ireland. Estimates of the economic value of our ecosystem services and biodiversity are approximately €2.6 billion annually (EPA, 2017:24). 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.[6] 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. 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.

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. A report from the National Economic and Social Council (2024) sets out how to go about considering and valuing these often-invisible ecosystem services. The report highlights how understanding what nature contributes can help all of us, and crucially, people within the policy-making system, to become more aware of what needs to be done to measure nature's contribution to society and the economy so it can be better protected. The report recommends that natural capital accounting, the integration of environmental data into the system of national accounts for economic activity, be used as a key tool to inform decision-making. The Irish Government needs to take on board these recommendations and 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.

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 these policies, which will require significant upfront investment and a strong and determined implementation effort. We 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 progress. To achieve this will require integrated and enduring governance, including brave social and economic measures.

6 https://www.ipcc.ch/srccl/
https://www.ipcc.ch/srocc/home/
https://www.un.org/sustainabledevelopment/blog/2019/05/nature-decline-unprecedented-report/

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).

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.

Agriculture

Progress towards changing farm practices has been limited and incentives to reduce on-farm greenhouse emissions have not been delivered on a wide scale. The agriculture and food sector must build on its scientific and technical knowledge base to meet the emissions challenge. The recommendations of the 'Just Transition in Agriculture and Land Use' (NESC, 2023) must be built upon, with the necessary policy changes implemented, and adequate investment to support farmers in the transition to a greener economy and society.

Transport

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.

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) and that renewables make up 45 per cent of energy by 2030. The European Commission assessment of Ireland draft NECP[7] includes a number of concerning observations. 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. Government has much work to do to ensure our energy targets and policies and measures to support implementation of same.

Fossil fuel subsidies were $7 trillion or 7.2 percent of global GDP in 2022 and are expected to increase to $8.2 trillion by 2030.[8] 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 (30 per cent). Eliminating these subsidies and raising fuel prices to their fully efficient levels would reduce projected global fossil fuel CO_2 emissions to 43 percent below baseline levels in 2030 - or 34 per cent below 2019 emissions, in line with the 25-50 per cent 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

7 https://energy.ec.europa.eu/system/files/2019-06/necp_factsheet_ie_final_0.pdf
8 https://www.imf.org/en/Topics/climate-change/energy-subsidies

$4.4 trillion,which would go a long way towards closing the SDG investment gap (IMF, 2023).

Nationally, the subsidising of fossil fuels by the Exchequer is another example of policy incoherence. In 2021, €2.9 billion was not collected by the Exchequer due to direct subsidies and preferential tax treatment of fossil fuel activities in Ireland, this compares to €2.5 billion of revenue foregone in 2020 (CSO, 2023). Direct fossil fuel subsidies accounted for 10 per cent of total fossil fuel subsidies in 2021 while indirect subsidies arising from revenue foregone due to tax abatements accounted for 90 per cent. The excise exemption for jet kerosene accounted for €273 million in 2021, 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 2021, Government raised €3.7 billion in energy taxes, of this just €0.7 billion was spent on environmental subsidies related to energy and emissions, while fossil fuel subsidies were €2.9 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 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.

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.

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.

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

'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 Bill, which puts 'Living More, Using Less' on a legislative footing is welcome progress. The commitment in the bill to eliminate the use of disposable coffee cups and phasing out of single use disposable products is particularly welcome. 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'.

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.

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 tasks9) 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 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. For *Social Justice Ireland,* 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. It is about delivering quality services and a robust social infrastructure through investment in education, training and lifelong learning, childcare, out of school care, health care, long term care and public transport.

[9] 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

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.

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. An on-going social dialogue structure at regional and national level would support this engagement, and maintain public support while developing a pathway for appropriate services and infrastructure to be delivered during the transition.

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. A key role of the planned Just Transition Commission will be to ensure such planning takes place.

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.

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.

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.

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.[10] 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 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 five 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 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

10 https://igees.gov.ie/wp-content/uploads/2019/01/The-Implementation-of-Green-Budgeting-in-Ireland.pdf

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 2025, 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.

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;
- 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;
- Pilot a Farm Sustainability Passport scheme to support farmers to move to environmentally friendly and sustainable agricultural methods.
- Commit to reviewing all fossil fuel subsidies and harmful tax expenditures in 2024 and set out a roadmap to remove those that do not align with our national climate goals 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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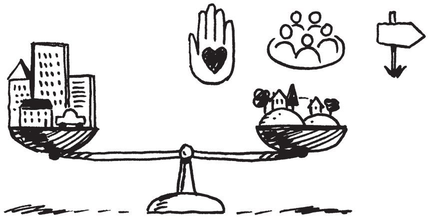
Chapter twelve

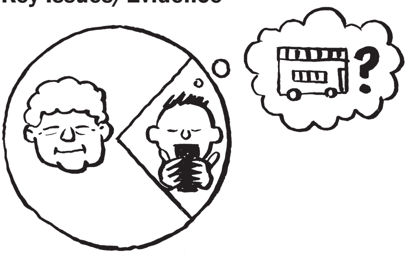
Chapter 12
Rural Development

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.

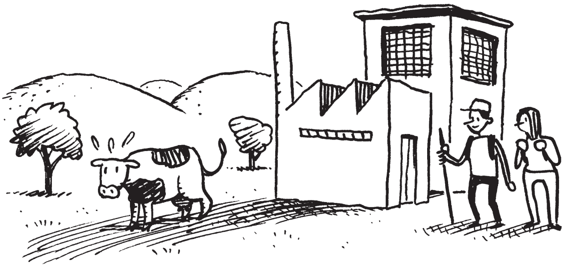
Key Issues/Evidence



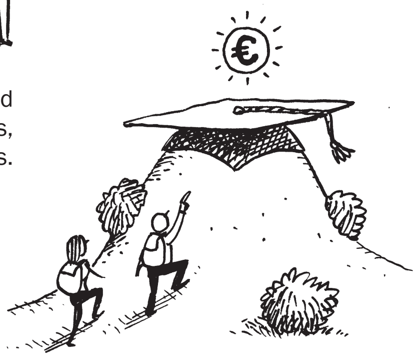
The average distance to most everyday services for people in rural areas is at least three times longer than for people in urban areas.

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.



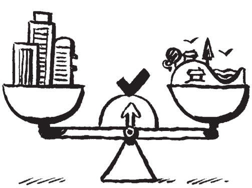
The driver of the rural economy in Ireland is diverse – involving agriculture, services, manufacturing, tourism and others.



Lack of quality broadband is a considerable barrier to the sustainable development of rural Ireland.

Investment in education and training for people in low skilled jobs or unemployed in rural areas would deliver a major social and economic return.

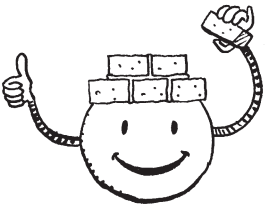
Policy Solutions



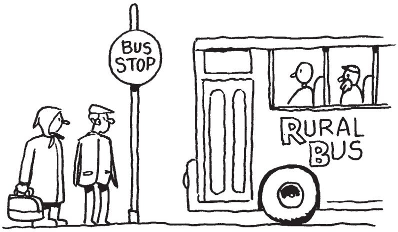
Ensure that investment is balanced between the regions.

Sustainable agricultural practices and sustainable land management must form the basis of future agricultural policy.

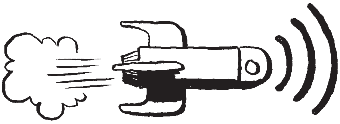
Prepare for the digital transition by investing in the regions and in social, infrastructural and human capital supports.



Ensure rural development policy is underpinned by social, economic and environmental wellbeing.

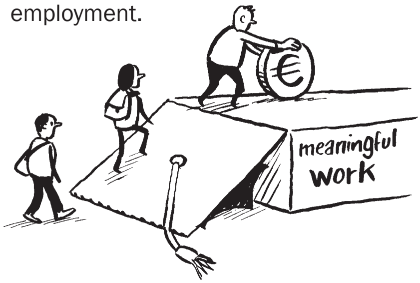


Invest in an integrated, accessible and flexible rural transport network.

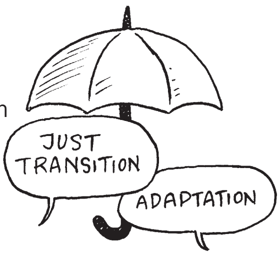


Prioritise continued roll out of high speed broadband to rural areas.

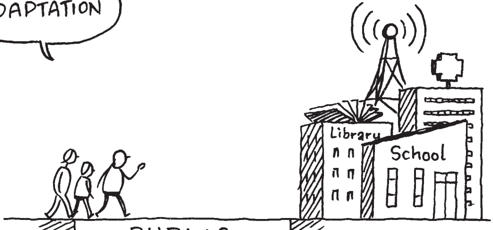
Invest in targeted, place-based education and training programmes, especially for older workers and those in vulnerable employment.

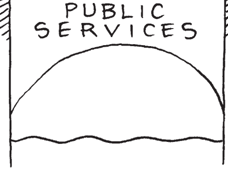


Establish a Just Transition and Adaptation Dialogue for rural areas.



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.

Chapter 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 green and digital transitions 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 green and digital transitions;
- 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.

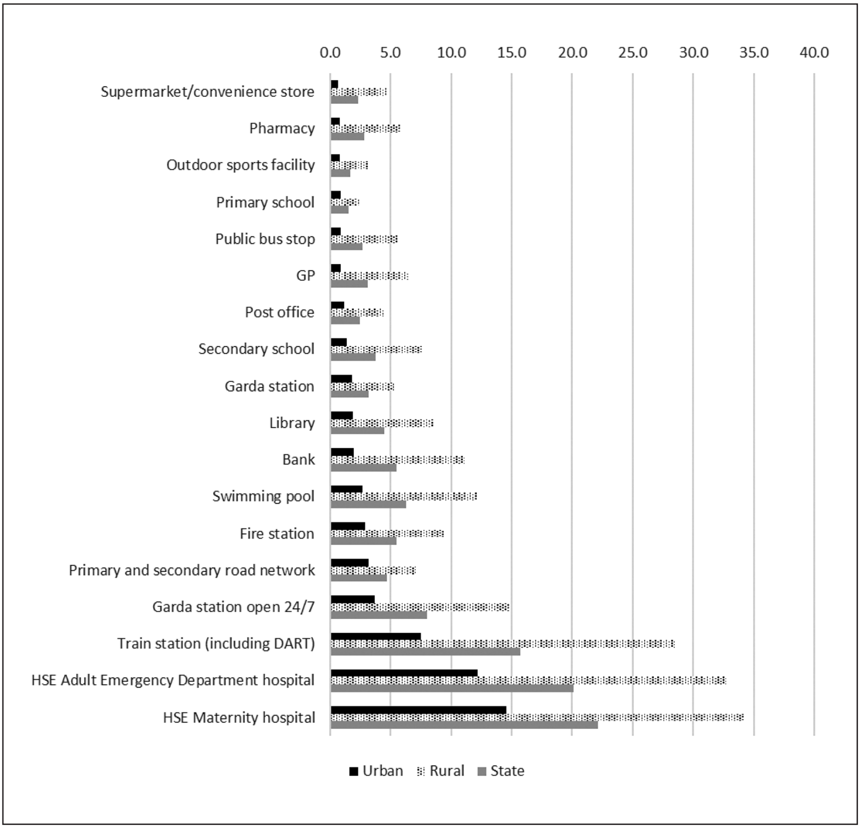
12.1 Key Evidence

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 (CSO) 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

On a positive note, the employment rate in every county increased between 2016 and 2022 according to the latest Census figures (CSO, 2023). Rural areas continue to face challenges around seasonal employment, higher rates of part-time employment, and lower median incomes. Generally, 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 labour force participation rate is lower in rural areas. In open countryside, the participation rate is the lowest, but the employment rate is higher reflecting farming, fishing, and forestry. 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 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.

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.

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 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. 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, pointing 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's decision to downgrade the Northern and 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 regions (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 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

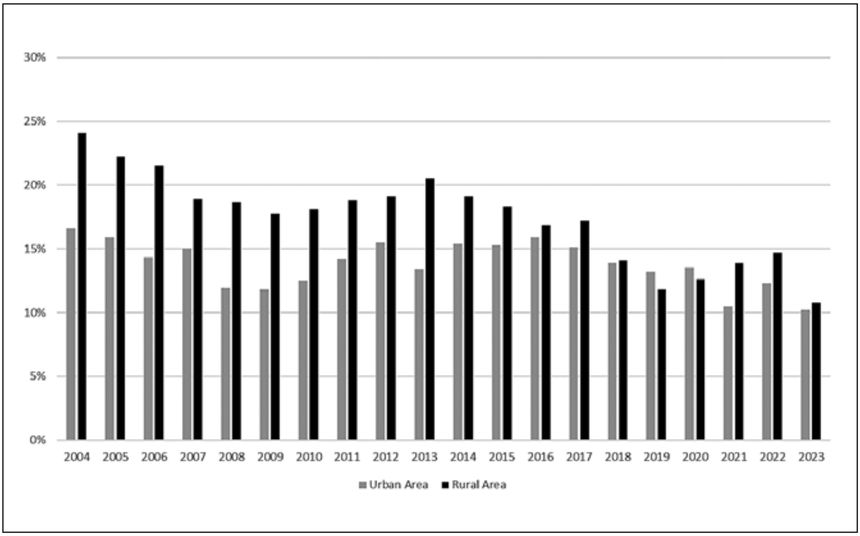
Supporting rural households to ensure that they have sufficient incomes will be crucial to the future of rural Ireland. This requires both social and economic supports, and broader skills and economic development strategies. Low-paid, part-time and seasonal work, and long-term underemployment are significant factors in rural poverty and exclusion.

Looking at incomes on a county and regional level in 2021, 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, 2024). 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, Laois, and Kilkenny 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, 2024). 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 €167 per week higher for rural couples with younger children (pre-school and primary age), to €164 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.[1] Higher costs in 2023 related to household energy, transport, fuel, and food (as was the case in 2020, 2021 and 2022), however, these costs increased significantly between 2022 and 2023. 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.

Chart 12.2: At Risk of Poverty by Area Type, 2004 – 2023



Source: CSO PxStat 2024

1 https://www.budgeting.ie/publications/mesl-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, 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 2022, the average family farm income was €44,936 (Teagasc, 2023), a substantial increase on the 2021 figure, although this is projected to have dropped by more than 40 per cent in 2023 (Teagasc, 2023a), highlighting the fluctuation in farm incomes annually. 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 2022, 12 per cent earning between €5,000 and €10,000 per annum, and 19 per cent earning between €10,000 and €20,000 per annum. Two-thirds of Irish farms earned an income of less than €30,000 in 2022, 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, 2023) include:

- Average family farm income was €44,936 in 2022.
- 68 per cent of farms earned a farm income of less than €30,000 per annum in 2022.
- Dairy farms represent just 18 per cent of the total farm population but account for more than half of total farm income in 2022.
- The average direct payment in 2022 was €18,948.
- Direct payments accounted for 182 per cent of all income on cattle rearing farms, 116 per cent of all income on sheep farms, 40 per cent of all income on tillage farms, and 14 per cent of all income on dairy farms.
- 43 per cent of farms are considered economically viable with 25 per cent considered financially vulnerable.
- 33 per cent of farms economically viable in the Northern and Western Region are economically vulnerable compared with 18 per cent of farms in the South.
- 40 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 2024, 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 (67 per cent) (Teagasc, 2023), and it is also the most volatile due to price fluctuations, making a high dependency on them 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 2023, there were 9,647 beneficiaries comprising 6,282 adults and 3,365 children receiving the Farm Assist Payment (Department of Social Protection 2023). The Rural Social Scheme (RSS) had 4,896 beneficiaries, comprising of 1,169 children and 3,727 adults in 2022.

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.

As we reach the mid-point in 'Our Rural Future', *Social Justice Ireland* recommends that Government focus on the following priority areas as it continues to implement the strategy and begins preparing its successor to 2030:

Public services

- Progress the rural proofing model currently being developed by Government to 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.
- Develop place-based skills strategies and prioritise innovation and the sustainable use of natural resources and natural capital. Local Authorities should be supported to develop a set of local natural capital accounts to support this goal.
- Prioritise improved and expanded public services and infrastructure (including public transport, active transport, broadband, healthcare, childcare) in remote and rural areas to support local social and economic infrastructure.

Investment

- Continue to rollout high quality broadband.
- Expedite investment in infrastructure in the regions and rural areas 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 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 adapt them based on current and future needs.
- Embed the concept of wellbeing, economic, environmental, and social into rural development policy. 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.

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, Public Participation Networks (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. 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 green and digital challenges including the changing world of work.
- 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.
- Develop and introduce a farm sustainability passport for farmers to assist and support them in making the necessary changes during the green transition, and to recognise and acknowledge the work they are already doing to enhance biodiversity and reduce emissions.

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. 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, 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 from Government on addressing areas of market failure in terms of services. In order for the LEADER programme to fully support the achievement of ambitions stated in the Programme for Government to move to a more sustainable economic model, balanced regional development and carbon neutrality it should be fully aligned with the rural development plan 2021-2025.

The 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 and that lack of investment in active travel infrastructure 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 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, 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 the Government. The reconfiguration of rural transport and investment in the Local Link service is welcome, however, sustained and increased investment is required.

Broadband

The 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 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, as 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. 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 should have multi-stakeholder input.

Public investment is one of the main instruments for rural development, particularly to mitigate the market failures in the provision of certain goods and services (OECD, 2018). The 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 the 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[2]. 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. In addition, the Government should consider developing and implementing a farm sustainability passport to support farmers as they adapt and implement more sustainable forms of working, and it would recognise and acknowledge work already being done to protect biodiversity and reduce emissions.

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

2 https://ec.europa.eu/food/farm2fork_en

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. The work of the Land Use Review Taskforce should inform future developments in land management and how we adapt to meet our climate goals.

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 on 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.

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 (Rjinks et al, 2022) found that agricultural, rural, and less densely populated regions contain more jobs at risk of automation. Farmers, forestry workers, agriculture and machinery drivers, and fishing are considered to be high risk occupations in terms of automation. This is particularly problematic for rural areas as there are few alternative employment opportunities for displaced workers.

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.

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, the 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 to meet our climate challenges requires a suite of policy supports. Forthcoming (2024) 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. It also outlines the opportunities identified by rural communities, as well as 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 the 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. The work of the Just Transition Commission should inform this dialogue.

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 green and digital transitions;
- 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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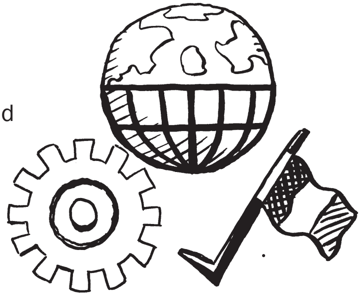
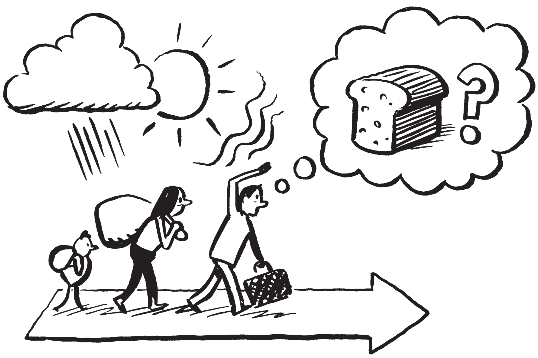
Chapter thirteen

Chapter 13
Global South

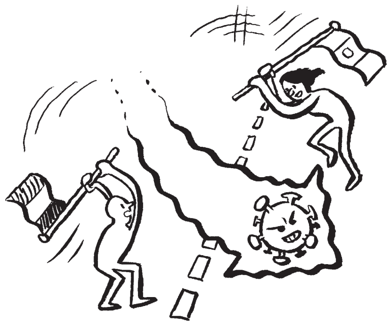


Core Policy Objective:
To ensure that Ireland plays an active and effective part in promoting sustainable development in the Global South and to ensure that all of Ireland's policies are consistent with such development.

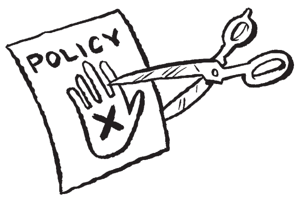
Key Issues/Evidence



Climate change = forced migration.

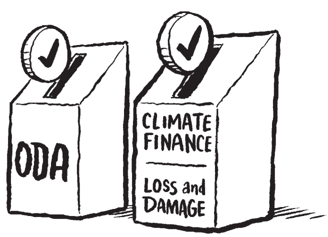


Disease does not respect borders.



Need to combat racism in policies

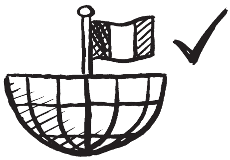
Just taxation in the Global South.

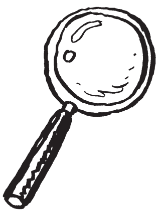


ODA target should not include cost of Climate Finance and Loss and Damage.

Policy Solutions

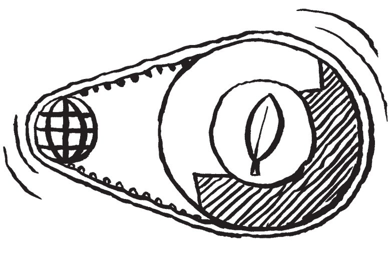
Renew its commitment to meet the United Nations target of contributing 0.7 per cent of national income to ODA by 2027 and set a clear pathway to achieve this.



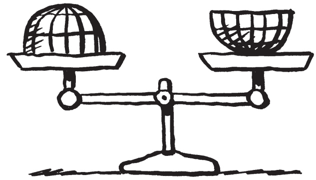


Proper scrutiny for Irish Aid partners in Global South.

Disaggregate our commitments to Climate Finance and Loss and Damage from our ODA target.

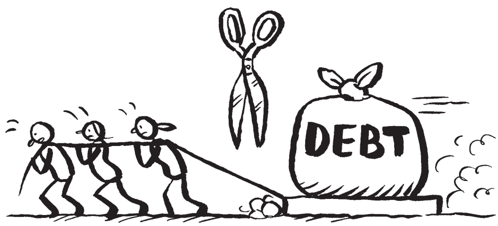


Work for changes in the existing international trading regimes to encourage fairer and sustainable forms of trade.

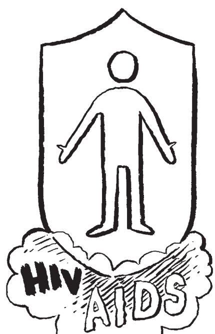


Ensure that Irish and EU policies towards countries in the Global South are just.

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.

Chapter 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 remarks to the Non-Aligned Movement Summit in January, António Guterres (2024), Secretary-General of the United Nations (UN) issued a stark warning:

> We are moving backwards in achieving the Sustainable Development Goals. People are going hungry. Communities lack access to health care, clean water, electricity, and proper sanitation. Families are struggling to make ends meet.

Guterres made a plea for global peace and highlighted the human rights violations emanating from the war on Gaza, warning of a growing humanitarian crisis. He drew links between peace and sustainable development, calling for debt relief for Global South countries and for international cooperation to prevent hunger and to respond to climate change vulnerabilities. Guterres criticised the 'unjust and unfair' global financial system and discussed how it favours the Global North and has failed to 'provide a global safety net'.

These concerns are echoed in previous editions of this publication. There are solutions to these challenges, solutions that could achieve the ambitions of the Sustainable Development Goals, but political will is required to implement them. *Social Justice Ireland* believes that Government policy should:

- Renew its commitment to meeting the UN target of contributing 0.7 per cent of national income to ODA by 2029 and set a clear pathway to achieve this;
- Disaggregate our commitments to Climate Finance and Loss and Damage from our ODA target;

- Work to accelerate progress in the fulfilment of international and European commitments to Climate Finance and Loss and Damage;
- Take a far more proactive stance at government level on ensuring that Irish and EU policies towards countries in the Global South are just and in line with human rights obligations;
- Leverage our diplomatic ties to advocate for tighter regulation of the global arms trade;
- Champion a human rights-based approach to migration and challenge any breaches of humanitarian obligations by EU member states and agencies;
- 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 unpayable debt and take steps to further progress;
- 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 HIV/AIDS crisis.

13.1 Key Evidence

Violent Conflict

Thirty-three armed conflicts were reported in 2022, with most taking place in Africa (16) and Asia (9), followed by the Middle East (5), Europe (2) and the Americas (1) (Escola de Cultura de Pau, 2023). Subsequent to this data being compiled in early 2023, there was significant escalations in the conflicts in Israel-Palestine and Sudan.

Impacts on civilians arising from armed conflict include death, sexual violence, psychological trauma, and enforced disappearance. Damage to vital infrastructure disrupts access to healthcare, water, and sanitation, further compounding the humanitarian crisis. Armed conflict continues to be a primary driver of hunger (United Nations, 2023a).

The Hamas attacks on the 7th October 2023 and the subsequent war in Gaza intensified the Israel-Palestine conflict. More than 32,000 people have been killed. This has contributed to a significant increase in the number of children killed because of conflict in the past 12 months. 2,985 children were killed globally in armed conflicts in 2022 (United Nations, 2023), while an estimated 13,000 children have already been killed in Gaza since hostilities began, with a further 33 children killed in Israel (UNOCHA, 2024), and 83 children killed in the Occupied West Bank and East Jerusalem (UNICEF, 2023).

In Sudan, arising from the outbreak of violence between two rival factions of the military government in April 2023, 18 million people are experiencing food insecurity, with 5 million at risk of starvation (WFP, 2024). 15 million people lack access to healthcare, with over 70 per cent of hospitals no longer functioning (IOM, 2024).

The efforts of humanitarian responders are increasingly being impeded, through violence, bureaucratic obstacles, and the spread of disinformation (United Nations, 2023a). In Sudan, WFP (2024a) reported that it has been prevented from helping over one million people due to border closures, while similar difficulties in aid provision have been reported in Ukraine (United Nations, 2023a). In Gaza, 162 UN Refugee and Works Agency (UNRWA) staff have been killed and 156 UNRWA facilities damaged (UNRWA, 2024). Arising from allegations of collusion between a small number of UNRWA staff and Hamas, nine countries suspended funding, impacting humanitarian response and service provision (UNRWA, 2024a).

Most conflicts globally are intra-state and fought with small arms. Production and trade of these arms is the least transparent of all weapons systems. The United States of America (US) is the largest arms exporter by volume. Since 2014, France's volume of exports has increased by 47 per cent and it has become the second largest exporter (Wezeman, Djokic, George, Hussain, & Wezeman, 2024). Wood and Danssaert (2021) note that Africa's 54 states have struggled to effectively regulate the trade of small arms. The demand for such weapons, most of which originate from outside the continent, is driven by, and further exacerbates, high levels of recurring armed conflict (Wood & Danssaert, 2021). Meanwhile in the Americas, as recently as the 55th Session of the Human Rights Council in April 2024, Volker Türk, UN High Commissioner for Human Rights, drew attention to the high levels of violence in Haiti and called on the international community to 'take stricter measures to prevent the illicit supply, sale, diversion or transfer to Haiti of small arms, light weapons and ammunitions' (Türk, 2024).

Ireland, as a neutral country, is uniquely placed to research and advocate for tight controls in the production and sales of weapons, and to challenge increasing militarisation. Most arms sold globally are produced by countries in the Global North with whom Ireland has close diplomatic ties. Ireland should seek to ensure that all trade agreements, agreements, at both national and EU level, require strict human rights standards. Ireland should also move to prevent the transportation of arms through its airspace and airports. In 2023, 1,185 flights carrying weapons were authorised to pass through Irish airspace, with 258 granted permission to land or take-off at Shannon Airport (McNally, 2024).

There are violent conflicts occurring in several Irish Aid partner countries and their neighbouring nations. Ethiopia, for example, while impacted by two internal conflicts, also shares a border with South Sudan and Somalia. Ireland should ensure its consular network support mediation efforts where possible and promote positive reconciliation efforts amongst civil society groups. Lessons learned from the Department of Foreign Affairs (DFA) Reconciliation Fund projects - fostering peace and community interaction on the island of Ireland would allow DFA 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 2022, 108.4 million people were forcibly displaced due to violence, conflict, human rights violations, or other events seriously disturbing public order, a 19 million increase from 2021. 52 per cent of all refugees and other people in need of international protection came from three countries – Syria, Ukraine, and Afghanistan. 76 per cent are hosted in low and middle-income countries, with 20 per cent receiving asylum in the least developed countries. Turkey continued to host the largest number of refugees, followed by Iran (UNHCR, 2023).

The UN High Commissioner for Refugees (2023) reports that 62.5 million people are internally displaced, but those figures have increased significantly since that report was published in June 2023. Over 6 million people have been internally displaced in Sudan since the outbreak of violence in April 2023, with the country now hosting 13 per cent of all internally displaced persons globally (IOM, 2024). 1.7 million, or 75 per cent, of people in Gaza are now internally displaced; for most this is a secondary displacement as Palestinians in Gaza are already recognised as displaced people (UNOCHA, 2024).

There were 881,200 first time asylum applicants made in the EU in 2022, a 64 per cent increase on the previous year. The number of applicants has dropped significantly since a peak of 1,216,900 in 2015 (Eurostat, 2023). This decline in applications, despite rising numbers of displaced people, points to the impact of deterrence programmes implemented by the EU and its member states. One such response by member states is the use of illegal 'pushbacks', described by Morales (2021) as various measures taken by states to force migrants, including asylum seekers, back beyond the international border that they are attempting to cross, sometimes involving third countries or non-state actors. These 'pushbacks' are in breach of international humanitarian law as they violate the right to individualised assessment and due process, and amount to collective expulsion (Morales, 2021). An estimated 225,533 pushbacks occurred on Europe's external borders in 2022, with the majority recorded on the Hungarian land border, and in the seas between Greece and Turkey, and Italy and Libya respectively (11.11.11., 2023). Human Rights Watch (2022) has implicated Frontex, the EU Border Agency, alleging practices of information sharing with the Libyan authorities, which result in migrant boats being intercepted and forcibly returned to Libya. In total, 24,684 people were returned to Libya in 2022. This is despite the UN warning that migrants in Libya are subjected a 'wide range of human right violations by both State and non-State actors' (Human Rights Watch, 2022).

The EU Pact on Migration and Asylum, passed by the European Parliament on 10th April 2024, raises serious concerns about respect for human rights. While a common system for managing migration is sensible, the Pact threatens to entrench deterrence measures at the expense of human rights. On the face of it, the emphasis on effective management of migration is important for a properly functioning system (European Commission, 2024). However, it is essential that this be underpinned by a human rights first approach and balanced by the commitments to guarantee people's rights and promote legal pathways. Without a cast-iron guarantee of human rights, there is a danger that the Pact will move us further away from a human-rights first approach. Experience tells us that processing human beings in the absence of a human rights focus, all too often leads to a bureaucracy that prioritises process over people.

Russia's invasion of Ukraine has displaced millions of Ukrainians across Europe. As of March 2024, 105,424 people had arrived in Ireland from Ukraine under the Temporary Protective Directive, with 72,711 living in accommodation provided by the State (CSO, 2024).[1] This directive had welcome aspects regarding service provision and accessibility, but essentially created a two-tier system for those seeking protection, based on country of origin. The additional accommodation needs of Ukrainian refugees has illustrated the failure to address the ongoing housing crisis (see chapter 6). As a result, Ireland has now started to reduce the supports offered to Ukrainian refugees, with accommodation for new arrivals limited to the first 90 day (Government of Ireland, 2024). This follows far more restrictive measures imposed on other international protection applicants. Since January 2023, male applicants without children are not prioritised for accommodation, with over 1,000 men now without accommodation. The High Court has found that the State's failure to provide reception conditions for protection applicants is in breach of obligations under Irish and European law (Irish Refugee Council, 2024).

This is policy failure on several fronts: a failure to meet the basic needs of everyone living in Ireland, a failure to adequately plan for incoming migrants in advance of their arrival, and a failure to provide sufficient support in line with legal obligations once they arrive. 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. Ireland should respond to these challenges by committing to long-term planning, through the development of a migration forecasting methodology, as explored in *Migration in Our Common Home – Forecasting for Change*. (2023)

Ireland should use its position in international fora to highlight the causes of displacement of peoples. We should also take a leadership position within the EU promoting a human rights approach to migration and challenge any breaches of humanitarian obligations by member states and EU agencies. Ireland should take a leadership role in assisting the Least Developed Countries in mitigation programmes to address climate change. Everyone has a right to access appropriate

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1 This number is based on the number of PPS Numbers issued to people arriving to Ireland from Ukraine under the Temporary Protection Directive.

accommodation; decent services and infrastructure; the right to participate in society and to maintain an adequate income; and the right to feel safe.

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	Maternal Mortality Ratio**
Least Developed Countries	3,006	64.9	10.1	354
Arab States	14,391	71.3	11.9	128
East Asia and Pacific	16,138	76.2	14.5	78
Europe and Central Asia	19,763	73.6	15.5	21
L. America and Caribbean	15,109	73.7	14.8	85
South Asia	6,972	68.4	11.9	132
Sub-Saharan Africa	3,666	60.6	10.3	516
OECD	46,318	80.1	16.6	21
Worldwide total	**17,254**	**72.0**	**13.0**	**215**

Source: UNHD Report Human Development Index 2023/24, Tables 1 and 5, pp.277, 296

Notes: * Gross National Income (GNI) Data adjusted for differences in purchasing power
**ratio of the number of maternal deaths to the number of live births expressed per 100,000 live births. The comparable rates for Ireland are: GNI per capita: $87,468; Life Expectancy: 82.7; Expected Years Schooling: 19.1; Maternal Mortality 5.

Inequalities

Our world is becoming increasingly unequal. According to Oxfam (2024), the wealth of the five richest people in the world has more than doubled since 2020, while 5 billion people have become poorer. Billionaire wealth has grown at three times the rate of inflation, with billionaires now 34 per cent richer than they were at the start of 2020. Large corporations have enjoyed windfall profits in recent years, with a study showing that 82 per cent of profits by major companies were returned to shareholders through dividends and buybacks, disproportionately benefitting the wealthiest in society. This continued focus on profit extraction and wealth accumulation perpetuates inequality, keeps wages low and erodes capacity to invest in sustainable production methods. Oxfam (2024) estimates that 1.6 per cent of the money flowing to the wealthiest in society would be sufficient to eliminate extreme poverty if reallocated.

The UN Human Development Report (2024) points to some of these inequalities between various regions of the world, as shown in Table 13.1. Today, average life expectancy is 20 years higher for people in the richest countries compared to those in Sub-Saharan Africa.

Health Threats

Pandemics

Various studies indicate that future pandemics are not only inevitable, but may become more extreme (Bhatia & Abraham, 2022) (Haileamlak, 2022) (Dodds, 2019). Marani et al. (2021) contends that the risk of extreme pandemics such as Covid-19 could double in the coming decades. It is important to build the capacity of countries to respond to future pandemics, particularly the most vulnerable countries in the Global South. The World Health Organisation has identified three overarching pillars of pandemic preparedness – trust, solidarity and equity, and sustainable development (WHO, 2022). Ireland should use the lessons learned from Covid-19 to support cooperation with countries in the Global South.

HIV/AIDS

According to UNAIDS (2023) there were 1.3 million new HIV infections in 2022, while AIDS-related deaths have declined by 69 per cent since peaking in 2004. It is estimated that HIV treatment has prevented 20.8 million deaths since 1996. While this indicates a positive progress, this is still far in excess of the target of reducing new infections to 370,000 by 2025 – if trends continue this will not be achieved.

UNAIDS (2023) advocates for inclusive approaches to HIV prevention which respect human rights and address societal factors that put people at increased risk, including criminalising laws, stigma and discrimination, and gender and other inequalities. A ten-country study in sub-Saharan Africa has shown that HIV rates among gay men, and other men who have sex with men, was five times higher in countries that criminalised same-sex relationships. In 2023, Uganda passed new laws, providing for serious punishment for LGBTQI+ people and organisations, with UNAIDS warning about the potential public health implications of this, beyond the clear violation of human rights.

Girls and women in many parts of sub-Saharan Africa still face a heightened risk from HIV, with 4000 new infections per week. In 2022, girls and women accounted for 63 per cent of all new infections in sub-Saharan Africa, while less than half of districts with very high HIV incidence have dedicated prevention programmes for this cohort.

Evidence shows that a public health led response, which challenges unequal social structures has had the most successful outcomes. UNAIDS has called for sustainable and equitable financing of these responses. We urge Ireland to meet its commitments in this area and to play a key role internationally in facilitating the necessary resourcing of responses to this crisis. Uganda is an Irish Aid partner country – Ireland should use its influence to advocate for human rights and a public health led response to HIV/AIDS.

Climate Change

The international evidence regarding climate change and the impact of human activity is irrefutable (see chapter 11), with significant ramifications for the Global South. UNHCR (2023) points to growing links between displacement and climate vulnerability, with 84 per cent of refugees and asylum seekers fleeing from highly climate-vulnerable countries, rising from 61 per cent in 2010. The potential for refugees to return to their country of origin is also reduced due to climate change, with only 1 per cent returning in 2020 (UNHCR, 2024). As per Oxfam (2024), the world's richest 1 per cent contribute as much to carbon emissions as the poorest two-thirds of humanity.

Social Justice Ireland has explored how climate change is impacting migration, displacement, and food security through roundtables with stakeholders from across civil society. *Migrations in Our Common Home: Planning for Change – Climate Change and Migration* (2022) recommends steps 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 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.

Sustainable Development Goals (SDGs)[2]

The SDGs are intended to embody a common global vision of progress towards a safe, just and sustainable space for all to thrive on our planet. 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. Ireland should provide funding and support to developing countries to help them achieve 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.

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[2] 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 people in the Global South.

Ireland's commitments to Official Development Assistance (ODA), Climate Finance, and Loss and Damage

At the UN Climate Change Conference in Copenhagen in 2009, Global North countries pledged $100 billion per year in climate finance intended to meet the needs of developing countries most impacted by climate change. At the 2021 UN Climate Conference in Glasgow, COP26, the Irish Government set out a climate finance target of €225 million per year by 2025, and set out a pathway towards this target in the Climate Finance Roadmap (Government of Ireland, 2022). *Social Justice Ireland* welcomes important focus on adaptation and building capacity and resilience in poorer countries.

Irish climate finance is rightly provided publicly on a grant-basis, as opposed to through loans. This approach is to be commended, as contributions in the form of repayable loans serve only to add to unsustainable debt burdens ultimately to be shouldered by the world's poorest. Ireland can lead as an example in this regard. The obligation to provide climate finance should be recognised by all developed countries as a responsibility derived from the polluter pays principle.

On the face of it much progress is being made, with an additional €41.5 million in climate finance allocated in Budget 2024,[3] bringing Ireland's climate finance contribution to €187.3 million in 2024 (Department of Foreign Affairs, 2024).[4] However, we are concerned that the connection drawn between climate finance and ODA distort our commitments. Including our climate finance contribution as part of our ODA commitment has the effect of counting the same contribution twice, once as a contribution to ODA and then again as a contribution to climate finance. This leaves us further behind in fulfilling our obligations than at first glance. Ireland should decouple these goals and make a concerted effort to recover lost ground in relation to our ODA and climate finance targets.

Ireland has committed to reaching targets for Official Development Assistance (ODA), Climate Finance, and Loss and Damage. It is critical that Government recognize that these are three separate obligations under three different agreements, as explored by *Migrations in Our Common Home: Planning for Change – Climate Change and Migration* (2022), and contributions to each should be disaggregated from one another.

Reaching the UN goal of 0.7 per cent of income in ODA requires increased effort in the years ahead. As Table 13.2 shows, over time Ireland had achieved sizeable

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3 Select Committee on Foreign Affairs and Defence debate - Thursday, 1 Feb 2024: https://www.oireachtas.ie/en/debates/debate/select_committee_on_foreign_affairs_and_defence/2024-02-01/8/#:~:text=In%202024%2C%20slightly%20more%20than,EU%20development%20co%2Doperation%20budget

4 According to the 2022 report cited, Ireland spent €120.77 million on climate finance, to this we add the additional allocation of €25 million in Budget 2023 and €41.5 million in Budget 2024.

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, the ODA budget was a focus of government cuts and in 2014 Ireland's ODA was €614.9m (0.41 per cent of GNI* – a 33 per cent reduction on 2008). Since 2014, the monetary value of Ireland's ODA has increased. In Budget 2022 the allocation to ODA exceeded €1 billion and also exceeded 0.5 per cent of GNI* (Government of Ireland, 2023) . However, the ODA contribution as a proportion of GNI* once again fell below 0.5 per cent in Budgets 2023 and 2024 (Government of Ireland, 2022b) (Government of Ireland, 2024).

Table 13.2: Ireland's net overseas development assistance, 2010-2024

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	1,411.1	0.52*
2023	1,230**	0.42*
2024	1,480**	0.48*

Source: Government of Ireland (2024) 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). Modified GNI (GNI*) is an indicator designed specifically to measure the size of the Irish economy by excluding Globalisation effects.
**Projections from Budget documentation and Estimates.

Social Justice Ireland recognises and welcomes the increased contributions in recent Budgets to ODA[5]. 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 2029. We must continue to recover lost ground in relation to our ODA commitments.

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 13.3, *Social Justice Ireland* proposes a possible pathway to reaching the UN target of 0.7 per cent 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 13.3 Possible pathways to ODA targets 2024-2029

Year	ODA €m	% of GNI*	Increase required €m
2024	1,480.0	0.48	
2025	1,685.4	0.53	205.4
2026	1,906.2	0.57	220.8
2027	2,146.8	0.61	240.6
2028	2,405.5	0.66	258.7
2029	2,683.5	0.70	278.0

Calculations: *Social Justice Ireland* based on estimates of Ireland's macroeconomic prospects contained in Budget 2024 Economic & Fiscal Outlook and author's calculations.

Social Justice Ireland believes that these allocations should not include the increase in expenditure in respect of the Ukrainian crisis which should be ring-fenced and warehoused. 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 an important policy 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 countries in need but would also provide leadership to those other European countries who do not meet the target.

[5] Data for 2019-2022 refers to the actual amounts spent as per the Government of Ireland's Irish Aid Annual Reports.

Social Justice Ireland welcomes the Government's approach to allocating aid to the poorest countries in 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 UN 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;
- Work to accelerate progress in the fulfilment of international and European commitments to Climate Finance and Loss and Damage;
- Take a far more proactive stance at government level on ensuring that Irish and EU policies towards countries in the Global South are just and in line with human rights obligations;
- Leverage our diplomatic ties to advocate for tighter regulation of the global arms trade;
- Champion a human rights-based approach to migration and challenge any breaches of humanitarian obligations by EU member states and agencies;
- 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 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 HIV/AIDS crisis.

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Chapter fourteen

Chapter 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 h*and 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, (4th 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. In a time of transitions, Ireland faces major challenges: how to address the long-term impact of 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. A new Social Contract would enable Ireland to respond to these challenges whilst managing change successfully, with the ambition to achieve a fairer, more just society. 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?

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- The Global South
- Values

Social Justice Matters provides a key reference point for anybody working on Irish social justice issues in 2024.

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