



# EUROPEAN ANTI-POVERTY NETWORK (EAPN) IRELAND

## SUBMISSION TO BUDGET 2025

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## 1. INTRODUCTION

The European Anti-Poverty Network (EAPN) Ireland welcomes the opportunity to make a submission to the Budget 2025 process. EAPN Ireland is a network of almost 160 local, regional and national anti-poverty organisations and individuals. It is the Irish national network of the European Anti-Poverty Network (EAPN), which links groups fighting for the eradication of poverty across Europe. The Mission of EAPN Ireland is to put the eradication of poverty at the top of the Irish and European policy agenda and empower groups working to end poverty to understand and influence policy-making.

This submission outlines EAPN Ireland's priorities for Budget 2025. This is the last budget of the current Government, a final opportunity to leave a lasting legacy when it comes to addressing poverty and social exclusion in Ireland. Budget 2025 must prioritise measures which contribute toward Ireland meeting its anti-poverty commitments, including under the *Programme for Government: Our Shared Future*,<sup>1</sup> the *Roadmap for Social Inclusion 2020-2025*,<sup>2</sup> the European Pillar of Social Rights,<sup>3</sup> and the UN Sustainable Development Goals (SDGs).<sup>4</sup> While the most recent Central Statistics Office Survey on Income and Living Conditions (CSO SILC 2023) shows progress towards these targets, the Government's anti-poverty commitments cannot be achieved without measures that are sustained and tackle the structural nature of poverty and social exclusion.

Tackling the root causes of poverty can only be achieved in any effective way through the implementation of a genuinely integrated strategy across all Government policy, underpinned by sustainable investment, and financed by progressive and redistributive taxation. It must ensure everyone has access to an adequate income, quality services and the opportunity to access a decent job. It must also involve proofing all relevant policy for its impact on poverty and give an effective and meaningful voice to people experiencing poverty in how policies are developed and implemented.

As a priority in Budget 2025, the Government must ensure everyone has access to an adequate income, whether this is from work or social welfare, or a mix of both. This involves benchmarking minimum wages and welfare supports to the cost of living. It also involves tackling both the long and short-term drivers of the cost of living, including the cost of services such as housing, care and energy while ensuring people on low incomes are supported in making the transition to a low-carbon way of living. This will benefit not only people experiencing poverty, but also have wider benefits for all of society. Effectively addressing poverty and social exclusion is crucial *vis-à-vis* Ireland's fiscal policy, as poverty and its consequences will cost the state and society significantly more in the long run, with ongoing and dire human, societal and economic costs.

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<sup>1</sup> Programme for Government: Our Shared Future, 2020. <https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/>

<sup>2</sup> Government of Ireland (2020). Roadmap for Social Inclusion 2020 – 2025.

[www.gov.ie/pdf/?file=https://assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf](https://www.gov.ie/pdf/?file=https://assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf)

<sup>3</sup> The European Pillar of Social Rights in 20 principles. [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-20-principles\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-20-principles_en)

<sup>4</sup> <https://sdgs.un.org/goals>

## 2. POVERTY IN IRELAND

The *Roadmap for Social Inclusion 2020-2025* aims to reduce the national consistent poverty rate to 2% or less and to make Ireland one of the most socially inclusive States in the EU by 2025. The CSO SILC 2023 showed that while the at risk of poverty rate and consistent poverty rate have decreased since 2022, the number of people living in enforced deprivation continued to increase.<sup>5</sup> This reflects that the income levels of large numbers of people, whether from work or social welfare or both, are not adequate to meet the cost of living.

### **At Risk of Poverty**

- Over 559,000 people or 10.6% of the population were at risk of poverty in 2023.
- When adjusted for inflation, 13.6% of people were at risk of poverty in 2023 compared with 12.5% in 2022.
- Children had the highest at risk of poverty levels of any age group, with 14.3% of children in Ireland living below the poverty line.
- Those most at risk of poverty in 2023 were people unable to work due to long-standing health problems (27.3%), while over a quarter of people who were unemployed (25.5%) had incomes below the poverty line.
- People who were renting or rent free were at greater risk of poverty (19.7%) than those who owned their own homes (6.5%).
- The at risk of poverty rate for one parent families was 19.2%.

### **Enforced Deprivation**

- More than 913,000 people or 17.3% of the population experienced enforced deprivation in 2023. This was up significantly from 16.6% in 2022 and 13.7% in 2021.
- The enforced deprivation rate for people at risk of poverty was 33.8% in 2023 compared with 38.9% in 2022, whereas the deprivation rate for those not at risk of poverty increased significantly to 15.4% in 2022, compared with 10.8% in 2021.
- Those most likely to experience enforced deprivation were people unable to work due to long-standing health problems (44.7%).
- Over two fifths of one parent households with children under 18 years of age (41.4%) were living in deprivation, as were people who were unemployed (37.8%).
- 36.5% of people renting or rent-free experienced deprivation compared to 8.8% of those living in owner-occupied homes.
- One fifth of children experienced enforced deprivation.
- One third (33.3%) of those who experienced enforced deprivation in 2023 were in work.
- 10.8% of people had to go without heating at some stage in the last year, 17.8% were unable to afford to replace any worn out furniture and 11.8% were unable to afford a morning, afternoon or evening out in the last fortnight

### **Consistent Poverty**

- More than 190,000 people, or 3.6% of the population, were living in consistent poverty.
- The consistent poverty rate was highest among people unable to work due to long-standing health problems (16.5%).
- One in five (20.2%) people in consistent poverty were in work.
- By household composition, the consistent poverty rate was highest for single adults aged less than 65 years (13%) and one parent households (7.1%).
- The consistent poverty rate was 8.9% for persons in households where no one is at work.

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<sup>5</sup> <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2023/poverty/>

- The consistent poverty rate was 8.5% for those living in rented or rent-free accommodation compared with 1.4% for those living in owner-occupied dwellings.
- While 30.7% of the population were renting or living rent free, they make up 72.9% of those living in consistent poverty.

### **Difficulty Making Ends Meet & Experiencing Financial Burden**

- Almost half of households (47.8%) had at least some difficulty making ends meet in 2023, while 6.4% had great difficulty, up from 5.5% in 2022.
- Almost three quarter (72.1%) of one parent households had some difficulty making ends meet, while 17.9% had great difficulty. Around one in five were in arrears with rent or mortgage costs (18.2%), utility bills (21.5%) and hire purchase instalments or other repayments (19.6%). 14.4% of one parent households had arrears on mortgage or rental payments; 16.2% had arrears on utility bills.
- Two in three (66.0%) rented or rent-free households had at least some level of difficulty making ends meet and 14.2% had great difficulty. This compares with four in ten (39.4%) owner-occupied households who had some difficulty and 2.8% had great difficulty.
- In 2023 almost one in eight (12%) households paying rent failed to make one or more payments on time in the past year and 15.2% of these households failed to make one or more utility bill payments on time compared to 3.6% for owner-occupied households.
- Of the households with housing costs three in ten (30.6%) regard housing costs as a heavy financial burden, almost unchanged from 2022, but up from 23% in 2021. More than half (51.7%) of one parent households regarded housing costs as a heavy burden.

Inflation has had a significant impact on both poverty rates and household income. When adjusted for inflation, 13.6% of people were at risk of poverty in 2023 compared with 12.5% in 2022. Similarly, the CSO SILC 2023 showed an increase in household income from the previous year, but when adjusted for inflation real household income fell last year. While incomes have been increasing, the real value of this income has reduced because of inflation. So, while household disposable income increased by 5.8% to €55,149, when adjusted for inflation the real median household disposable income in 2023 was €50,162, a decrease of €958 (-1.9%) from the previous year. The median disposable income for individuals in 2023 was €27,597. This is an increase of €746 (2.8%) from the previous year. However, when inflation is taken into account, the real value of median disposable income fell by €1,223 between 2022 and 2023.

The SILC 2023 figures show that despite decreases in the overall at risk of poverty and consistent poverty rates, the rates remain consistently and disproportionately high across all measures for many of the most disadvantaged and marginalised groups, including people unable to work due to long-standing health problems, people who are unemployed, one parent families, and people living in rented accommodation. Additionally, while these official statistics highlight poverty levels for some groups in society, many groups disproportionately affected by poverty and social exclusion are not included in these statistics at all due to the size of the population used. This includes disabled people, Travellers, Roma, migrants and other ethnic minorities, and people experiencing homelessness.

These figures also cannot tell us about the impact of poverty on people or communities, including disadvantaged socio-economic communities. However, the Pobal HP Deprivation Index shows that between 2016 and 2022 many disadvantaged communities have not seen the same level of improvements as experienced more generally across the country in this period. This put them further from the average in relative terms with the number of people

living in areas classed as very or extremely disadvantaged increasing from 143,506 to 195,992 people during that period.<sup>6</sup>

Research by the Vincentian MESL Research Centre demonstrates the impact of increases in living costs on the minimum basket of goods and services needed to enable people to have a socially acceptable minimum standard of living (MESL).<sup>7</sup> Unlike the Consumer Price Index (CPI), the MESL findings more accurately measure the change in living costs for households on social welfare and low incomes, who are significantly more vulnerable to changes in food, energy, and transport costs in particular. The composition of the MESL basket is different from the average consumption basket used to measure inflation, with basics such as food and household energy making up a larger share of the minimum basket. The cost of the basket of goods needed to ensure Minimum Essential Standard of Living has risen by 16.8% between March 2020 to March 2024.<sup>8</sup>

### 3. INCOME ADEQUACY

Income adequacy must be a key pillar of Budget 2025. Ensuring income adequacy is crucial for the fulfilment of Ireland's anti-poverty commitments, and is fundamental to addressing and preventing poverty and social exclusion. The right to an adequate income which allows people to participate fully in society and to live with dignity is enshrined in international human rights law and standards, the UN Sustainable Development Goals and the European Pillar of Social Rights. This right does not differentiate regarding the source of income, whether through employment or social welfare. In this regard, as a priority the Government needs to ensure that everyone has access to an adequate income, whether from work or social welfare, or a mix of both. The UN Committee on Economic, Social and Cultural Rights, in its recent Concluding Observations on the Fourth Periodic Report of Ireland, highlighted the urgency of ensuring everyone has an adequate income for a decent life, recommending that both wages and social welfare supports be linked to the cost of living.<sup>9</sup>

#### (a) **Benchmarking Social Welfare Against Adequacy**

Comprehensive, adequate social protection for all is a prerequisite for combatting poverty and social exclusion. A failure to effectively address income inadequacy in social welfare rates represents a major barrier to Ireland meeting its poverty-reduction targets and commitments. However, Ireland's social welfare support is not based on the cost of living and what is adequate to lift people out of poverty. Both the CSO Survey on Income and Living Conditions (SILC) and the Minimum Essential Standard of Living (MESL) research have consistently shown that many people on social welfare are not in receipt of an income that allows them to achieve a decent standard of living and are living in poverty. The MESL 2024 Annual Update showed that for more than three quarters (76%) of households the income supports provided from social welfare were inadequate to meet minimum needs.<sup>10</sup> Of these, 43% are experiencing deep income inadequacy, meaning social welfare supports provide for less than 90% of MESL expenditure needs.

<sup>6</sup> <https://www.pobal.ie/pobal-hp-deprivation-index/>

<sup>7</sup> <https://www.budgeting.ie/publications/mesl-2024/>

<sup>8</sup> <https://www.budgeting.ie/publications/mesl-2024/>

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[https://tbinternet.ohchr.org/\\_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FC.12%2FIRL%2FCO%2F4&Lang=en](https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FC.12%2FIRL%2FCO%2F4&Lang=en)

<sup>10</sup> <https://www.budgeting.ie/publications/mesl-2024/>

In its *Programme for Government*, the Coalition Government committed to protect core weekly social welfare rates.<sup>11</sup> However, while the nominal value of core social welfare rates has increased, there has been a reduction in their real value since 2020. If the Government is serious about protecting core weekly social welfare rates, our social protection system must ensure that everyone, at whatever stage in life and whether working or not, has an income that allows them to live with dignity and take a full part in society. To do so, it must effectively address inadequacy in the social welfare system, so that core rates meet the cost of living and ensure income adequacy.

In order to ensure that social protection is adequate in the medium to long-term, adequate social welfare increases in Budget 2025 must be part of a broader strategy to benchmark our system to an adequate level and allow people to live with dignity. The Government must benchmark all core social welfare rates in Ireland against a level which is adequate to lift people above the poverty line and provide them with a Minimum Essential Standard of Living (MESL).<sup>12</sup> The MESL represents a basic standard which allows individuals to live with dignity and below which nobody should have to live. The MESL provides for an income that represents the purchasing power required for the basic goods and services that meet a household's basic physical, social, and psychological needs. The levels would also need to be updated annually to ensure they continue to meet that standard.

As noted above, poverty rates remain consistently and disproportionately high for many disadvantaged and marginalised groups. As such, additional payments and adjustments beyond changes to core welfare rates will be required to ensure these groups are not trapped in poverty and social exclusion. The additional costs faced by disabled people must be addressed through the introduction of a weekly Cost of Disability payment.<sup>13</sup> To tackle in-work poverty, it is crucial that the relativities between thresholds and earnings disregards for in-work income supports are maintained in line with changes to the National Minimum Wage.<sup>14</sup> The State Pension is often the main, and in many cases only, source of income for the majority of older people. It must be benchmarked, along with adequate adjustments to additional income supports, in order to deliver income adequacy for its recipients.<sup>15</sup> The Fuel Allowance must be increased to restore its purchasing power, its eligibility criteria should be widened, and the duration for which it is available should be increased from 28 to 32 weeks of payment to better reflect the heating season. People seeking International Protection are among those most likely to experience poverty and social exclusion in Ireland.<sup>16</sup> To address the levels of income inadequacy faced by children and families living in Direct Provision accommodation, the International Protection Child Payment for children living in Direct Provision should be implemented at the same rate as the Child Benefit payment, and the rate of the Daily Expenses Allowance (DEA) for adults living in Direct Provision should be increased in line with inflation.

## **(b) Living Wage**

For the Government to effectively address income inadequacy, it must ensure that everyone in work has decent, liveable wages. The Government is moving to raise the minimum wage in line with the EU Directive on Adequate Minimum Wages, but this will not be based on ensuring workers have a wage that meets the cost of living. In its recent Concluding Observations, the UN CESCR called on Ireland to take effective measures to ensure that the minimum wage is sufficient to enable workers and their families to enjoy a decent living by indexing it to the cost

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<sup>11</sup> <https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/>

<sup>12</sup> [www.budgeting.ie](http://www.budgeting.ie)

<sup>13</sup> <https://www.gov.ie/en/publication/1d84e-the-cost-of-disability-in-ireland-research-report/>

<sup>14</sup> <https://www.budgeting.ie/publications/mesl-2024/>

<sup>15</sup> [http://www.ageaction.ie/sites/default/files/published\\_age\\_action\\_spotlight\\_on\\_income\\_in\\_older\\_age.pdf](http://www.ageaction.ie/sites/default/files/published_age_action_spotlight_on_income_in_older_age.pdf)

<sup>16</sup> <http://www.irishrefugeecouncil.ie/Handlers/Download.ashx?IDMF=8a2081c4-da20-4891-99c4-9dc22b670429;>  
[http://www.budgeting.ie/download/pdf/working\\_paper\\_-\\_estimating\\_the\\_mesl\\_costs\\_for\\_families\\_in\\_direct\\_provision.pdf](http://www.budgeting.ie/download/pdf/working_paper_-_estimating_the_mesl_costs_for_families_in_direct_provision.pdf)

of living.<sup>17</sup> A minimum living wage of €14.80 per hour is recommended, for the period 2023-2024, by the Living Wage Technical Group.<sup>18</sup> This figure has been calculated as the amount needed to make a minimum acceptable standard of living possible for someone working full-time, with rising food, energy and rent costs among the main drivers pushing up the rate. In Budget 2024, the hourly National Minimum Wage was increased by €1.40 per hour to €12.70. While this is a welcome step, it is still some way off the recommended Living Wage. Steady progress is needed within the next few years towards achieving a benchmark based on the cost of living.

## RECOMMENDATIONS ON INCOME ADEQUACY

- **Increase core working-age social welfare rates by €20, to €252 per week, in order to restore their real value and make progress toward providing people with income adequacy based on MESL data.**
- **Increase the Qualified Child Payment by €6 per week for children under 12 and €15 per week for children 12 years of age and over, in order to make progress on reducing child poverty.**
- **Benchmark all social welfare rates against a level that is adequate to lift people above the poverty line and provide them with a Minimum Essential Standard of Living (MESL).**
- **Move toward introducing a living wage based on the cost of living, as calculated by the Living Wage Technical Group.**
- **Introduce a weekly Cost of Disability payment that adequately reflects the additional costs incurred by disabled people.**
- **Increase the value of the earnings disregards for the One-Parent Family Payment and Jobseeker's Transitional Payment in line with changes to the Minimum Wage.**
- **Ensure that the State Pension is set at a level that provides an adequate income, and benchmarked to account for inflation and rises in the cost of living.**
- **Ensure the provision of income supports for older people living alone, including the Living Alone Allowance, are adequate in conjunction with any adjustments to the core State Pension rates.**
- **Widen eligibility for and increase the rate and duration of the Fuel Allowance; introduce a partial-rate Fuel Allowance payment for those on low-income who do not currently qualify.**
- **Implement the International Protection Child Payment for children living in Direct Provision, at the same rate as the Child Benefit payment.**
- **Increase the rate of the Daily Expenses Allowance (DEA) for adults living in Direct Provision in line with inflation.**

## 4. INCLUSIVE LABOUR MARKETS

In addition to a living wage, the availability of 'decent work' must be addressed in the context of preventing and addressing poverty. Decent work includes appropriate and safe working conditions, where the rights of employees are respected and enacted, regular and consistent hours, as well as access to a wage that meets the cost of living. The 2023 European Semester Country Report for Ireland highlights the need to help under-represented groups, particularly women, people with low skills, single parents, disabled people, and Roma and Travellers,

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[https://tbinternet.ohchr.org/\\_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FC.12%2FIRL%2FCO%2F4&Lang=en](https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FC.12%2FIRL%2FCO%2F4&Lang=en)

<sup>18</sup> <https://www.livingwage.ie/documents/>



integrate into the labour market.<sup>19</sup> More needs to be done by the Government, including via targeted supports, to address the multiple barriers to employment, including discrimination and bias, experienced by vulnerable and marginalised groups in society.

Despite the existence of a number of targeted strategies such as the Comprehensive Employment Strategy for People with Disabilities and the National Traveller and Roma Inclusion Strategy, and commitments in broader strategies such as Pathways to Work and the Roadmap for Social Inclusion, the employment levels of these and other groups experiencing socio-economic exclusion in society has not significantly improved. The employment rate for disabled people is 32.6%, almost 20% below the EU average of 51.3%.<sup>20</sup> The disability employment gap was 38.6% in 2023 which was one of the highest in the EU where the average was 24.4%.<sup>21</sup> Irish one parent households have one of the lowest employment rates in the EU at 67.9%.<sup>22</sup> The employment rate for Travellers was 18% and the unemployment rate was 61%. The employment rate for Roma was 61%, while their unemployment rate was 17%. This is compared to a 4.5% unemployment rate overall.<sup>23</sup>

## RECOMMENDATIONS ON INCLUSIVE LABOUR MARKETS

- **Introduce targeted measures to support under-represented and marginalised groups, particularly women, Travellers, Roma and other ethnic minorities, single parents, and people with disabilities, including through integration into the labour market where appropriate, and addressing the multiple barriers to participation, inclusion and employment, such as discrimination and bias.**
- **Adequately resource and fund effective public employment services and supports to ensure the provision of enabling services, which can identify the specific needs of individuals to develop person-centred pathways toward job activation, where appropriate.**

## 5. ACCESS TO AFFORDABLE & QUALITY PUBLIC SERVICES

Ireland's historical under-investment in public services has resulted in a situation where there is inadequate provision and a high cost for many public services. The ongoing reliance on the private for-profit sector to provide public services leads to an inefficient use of state resources and an inability of the state to manage, control and ensure equitable and affordable access to quality public services, particularly for those on the lowest incomes. There is a direct link between the cost of goods and services and the amount of money people need in order to achieve the minimum standard of living. The more someone has to pay for directly, the more money they need to have at hand.

Therefore, in Ireland, where successive governments have kept taxes relatively low by international standards and have invested less in public services, people require more money to afford a decent standard of living. This is particularly challenging for low-income households, which are more likely to rely on public services almost exclusively and lack the economic means to engage with private sector service provision. Investment in, and reducing the cost of, public services, such as health, housing, education, transport, childcare and social care, will help to reduce the high cost of living for many people, whatever their income, and

<sup>19</sup> [https://economy-finance.ec.europa.eu/system/files/2023-05/IE\\_SWD\\_2023\\_607\\_en.pdf](https://economy-finance.ec.europa.eu/system/files/2023-05/IE_SWD_2023_607_en.pdf)

<sup>20</sup> [https://www.edf-feph.org/content/uploads/2023/05/hr7\\_2023\\_press-accessible.pdf](https://www.edf-feph.org/content/uploads/2023/05/hr7_2023_press-accessible.pdf)

<sup>21</sup> [https://www.edf-feph.org/content/uploads/2023/05/hr7\\_2023\\_press-accessible.pdf](https://www.edf-feph.org/content/uploads/2023/05/hr7_2023_press-accessible.pdf)

<sup>22</sup> [https://economy-finance.ec.europa.eu/document/download/61ad0b86-2eea-4e27-a4ed-ddb148ce6186\\_en?filename=IE\\_SWD\\_2023\\_607\\_en.pdf](https://economy-finance.ec.europa.eu/document/download/61ad0b86-2eea-4e27-a4ed-ddb148ce6186_en?filename=IE_SWD_2023_607_en.pdf)

<sup>23</sup> [https://economy-finance.ec.europa.eu/document/download/9f14e528-de10-41aa-8b4d-01c5848784c8\\_en?filename=SWD\\_2024\\_607\\_1\\_EN\\_Ireland.pdf](https://economy-finance.ec.europa.eu/document/download/9f14e528-de10-41aa-8b4d-01c5848784c8_en?filename=SWD_2024_607_1_EN_Ireland.pdf)

mean that people would not need as much cash in hand to pay for essential services. The Government must commit to adequate investment in and ensuring the public delivery of quality public services and supports.

## RECOMMENDATIONS ON ACCESS TO AFFORDABLE & QUALITY PUBLIC SERVICES

- **Adequately invest in and ensure the public delivery of quality public services and supports, such as health, housing, education, transport, childcare and social care.**
- **Ensure universal access to essential quality services and supports that are affordable, accessible, reliable and sustainable.**
- **Prioritise targeted measures and investment to achieve effective access for people experiencing poverty and social exclusion, and vulnerable or marginalised groups, including anti-discrimination and other measures to address the multiple barriers to participation and inclusion, such as discrimination and bias.**

## 6. AUTONOMOUS COMMUNITY DEVELOPMENT

Extensive cuts to the Community and Voluntary Sector during the post-2008 austerity period<sup>24</sup> continue to have negative impacts in disadvantaged communities. The Community and Voluntary Sector continues to struggle with stagnant funding streams, part-time insecure employment positions, and many have had to augment their services to provide support with basic necessities and emergency responses within their local communities. This has increased pressure on staff, and pressure to chase available funding, at the expense of well-resourced, long-term initiatives designed to address the underlying causes of social exclusion in their communities.

Autonomous community development is essential in addressing poverty, social exclusion and inequalities. The Government needs to invest in an infrastructure of local autonomous community development organisations that supports marginalised groups and communities to have a full say in informing the development and implementation of policies that impact on their lives.

The Government in recent years has taken some measures designed to reconnect with community development on a strategic level. As part of the implementation of the *Sustainable, Inclusive and Empowered Communities: A Five-Year Strategy to Support the Community and Voluntary Sector in Ireland 2019-2024*<sup>25</sup>, the Community Development Programme is a welcome step in the right direction. The Government needs to rapidly expand past the ten organisations currently funded in the Community Development Programme and expedite the establishment of a network of autonomous community development projects in and with marginalised communities.

## RECOMMENDATIONS ON AUTONOMOUS COMMUNITY DEVELOPMENT

- **Significantly increase investment in and resourcing of autonomous community development including further expanding and mainstreaming the Community Development Programme, and expedite the establishment of a network of autonomous community development projects in and with marginalised communities.**

<sup>24</sup> <https://comhlamh.org/wp-content/uploads/2018/10/9-Paper-on-the-Destruction-of-Community-Development.pdf>

<sup>25</sup> <https://www.gov.ie/pdf/?file=https://assets.gov.ie/26890/ff380490589a4f9ab9cd9bb3f53b5493.pdf#page=null>



- **Evaluate how the Community and Voluntary sector could be better resourced and introduce more multi-year funding cycles to allow organisations to effectively plan long term.**
- **Examine the consultation and collaborative governance mechanisms that are currently in place with the Community and Voluntary sector to ensure an effective and meaningful voice is given to those impacted by all forms of poverty in how policies are developed and implemented.**
- **Allocate additional funding to grassroots, community and voluntary groups promoting social cohesion at local level, particularly for cultural exchange programmes and awareness raising and training for communities to address social cohesion in tandem with social inclusion, and to tackle misinformation, disinformation and the scapegoating of marginalised groups and minorities.**

## 7. SUSTAINABLE FINANCING FOR SOCIAL INVESTMENT

The Government should take steps to ensure sustainable funding for social investment, including quality public services and supports, such as health, housing, education, transport, childcare, social care, and social protection that delivers adequate income supports to afford a decent standard of living. Despite projected surpluses over the coming years, analysts have suggested that maintaining and improving the social protection system and public services will necessitate increasing tax revenue to maintain the public finances, beyond the current reliance on windfall – potentially transitory – corporate tax receipts.<sup>26</sup> Ireland is a low tax economy, with by far the lowest levels of tax to GDP in the EU, with taxation levels of 22% of GDP in 2021, only half the EU average, and well behind the levels of similarly wealthy countries.<sup>27</sup> Thus, in order to address the need for sustainable social investment, Budget 2025 should avoid tax cuts in favour of significantly increasing tax revenue.

This should be in the form of progressive taxation, which is fair and redistributes income, wealth and resources, and widening/broadening the tax base<sup>28</sup> in a progressive and sustainable manner to move tax levels closer to the EU average. This should include the introduction of measures that tax wealth and disincentivise negative behaviour, including behaviour that damages the environment, and help to ensure Ireland is no longer overly-reliant on unsustainable corporate tax receipts for current spending. This approach should also include further increasing the PRSI rates, particularly for employers, to replenish the Social Insurance Fund.

However, it is important that any such moves are truly progressive and do not negatively impact people experiencing poverty or people on lower incomes. Any measures that increase tax revenue must adopt an approach that sees those with the highest incomes and wealth paying the greatest amount in tax. Any tax changes, including proposals that reduce tax revenue, must also be poverty and equality proofed. This will ensure that broadening our tax base does not place an unnecessary burden upon people in society who are least able to pay and who are most in need of supports via a strong public infrastructure and service provision. Such an approach will help the Government to ensure the sustainable financing of our social protection system and quality public services, and take concrete steps towards tackling poverty and social exclusion.

<sup>26</sup> <http://www.fiscalcouncil.ie/pre-budget-2024-statement/>; [https://www.esri.ie/system/files/publications/JR4\\_6.pdf](https://www.esri.ie/system/files/publications/JR4_6.pdf)

<sup>27</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tax\\_revenue\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tax_revenue_statistics)

<sup>28</sup> As recommended by the European Commission in its 2019 Country Specific Report for Ireland: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0507>

## RECOMMENDATIONS ON SUSTAINABLE FINANCING FOR SOCIAL INVESTMENT

In order to ensure the requisite capacity and resources are available to sustainably fund social investment, including quality public services and supports, and adequate social protection:

- **Broaden the tax base in a progressive and sustainable manner which is fair and redistributes income, wealth and resources.**
- **Continue to increase the Pay Related Social Insurance (PRSI) contribution rates, in a fair and progressive manner, in order to replenish the Social Insurance Fund.**
- **Introduce measures that tax wealth and disincentivise negative behaviour, including behaviour that damages the environment.**
- **Ensure that any tax changes, including proposals that reduce tax revenue, are poverty and equality proofed.**

## 8. EQUALITY PROOFING & POVERTY PROOFING

Effective and transparent poverty and equality proofing in all policy development and implementation is crucial to ensure policy decisions do not lead to more people experiencing poverty and to help achieve commitments to reduce poverty, social exclusion and inequality. EAPN Ireland is concerned at the lack of progress in expanding equality budgeting to socio-economic status and poverty. Budget 2025 must meaningfully progress these processes and commitments outlined previously as part of Budgets 2018 and 2019. Further, the Government must also more effectively carry out ex-ante Poverty Impact Assessments of all Budget measures to ensure that they are consistent with supporting progress towards anti-poverty commitments, and at a minimum to mitigate any potential negative impact on poverty levels. This is already a requirement as part of Regulatory Impact Assessment, and would be congruent with the Government's anti-poverty commitments. This would also include the full implementation of Poverty Impact Assessment Guideline across Government Departments.

## RECOMMENDATIONS ON EQUALITY PROOFING & POVERTY PROOFING

- **Ensure that the full inclusion of socio-economic status and poverty are prioritised as part of the remit for equality budgeting.**
- **Provide opportunities for regular engagement with members of community and voluntary sector with expertise on poverty, socio-economic status, gender and disability, for the purposes of informing pilot initiatives of equality budgeting.**
- **Improve the implementation of effective and transparent ex-ante Poverty Impact Assessments.**