



PRE-BUDGET SUBMISSION BUDGET 2027

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Budget 2027 will take place in an uncertain world with external factors rocking the foundation of our state, from wars to energy crises, climate change, and historic levels of inequality globally. Poverty & inequality rots society's core, has a devastating, often intergenerational, impact on the lives of those affected, and costs money. In an unstable world, it is all the more important that this issue is placed at the top of the political agenda. Failing to do so will not only ruin lives, but the social cohesion we all need.

5 Steps that Would Eradicate Poverty In Ireland

1. Redesign how poverty is calculated to more accurately reflect the real situation, particularly the impact of housing costs
2. Introduce a Minimum Income, benchmarked to the cost of living
3. Introduce a Universal Care Income

4. Stop subsidising the private sector to deliver more expensive, poorer quality services, that more efficiently should be delivered as public services

5. Overhaul the tax system on a progressive basis, eliminating tax avoidance & taxing wealth to reduce inequality

Introduction

Designing a budget is fundamentally a statement of Government priorities and the means to achieve them. What is important for citizens and how should the resources in society be organised to achieve this?

The Democratic Programme of the first Dail, had a very clear priority. ‘It shall be the first duty of the Government of the Republic to make provision for the physical, mental and spiritual wellbeing of the children, to secure that no child shall suffer hunger or cold from lack of food, clothing, or shelter, but that all shall be provided with the means and facilities requisite for their proper education and training as Citizens of a Free and Gaelic Ireland.’[1] Today, over 107 years later, we believe that this again, should be the first duty of the present Dail.

In 2025, the Roadmap for Social Inclusion concluded. It’s aim was:’ To reduce the national consistent poverty rate to 2% or less of the population and to make Ireland one of the most socially inclusive States in the EU.’[2] This was a roll-over of the same target set ten years ago in the previous strategy, yet the consistent poverty rate stands at more. than double that figure, at 4.7%![3]

It is very clear that the strategies which have been in place have not worked. Repeating them will not yield any different outcome. Ireland is consistently ranked one of the World’s wealthiest countries,[4] with strong growth, a budget surplus and almost full employment. The eradication of poverty is not only possible, it is absolutely necessary, but it requires a whole of society approach which puts this issue at the top of the political agenda. This is the key demand we make of Budget 2027.

1. Redefine Poverty

To combat poverty, we need to understand what it is. Since the first National Anti-Poverty Strategy in 1997, we have used the formulation ‘People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.’[5]

A good definition, but the mechanisms to quantify poverty are inadequate to understand the scale of the problem in modern Ireland. This needs to change if we are to be successful. Currently we measure poverty in three ways; *at risk of poverty* (below 60% of the median equivalised disposable income), *enforced deprivation* (not being able to afford at least two of a list of eleven essential items), and *consistent poverty* (those who are at risk of poverty *and* experience enforced deprivation). There needs to be a discussion on the use of median, rather than average disposable income, and the list of essential items clearly needs updating, but the key problem is that these measures do not take into account the impact of the cost of housing, childcare, energy, and transport, basic essentials that leave many people in poverty or deprivation after those costs are paid.

For example, whether someone owns their own home or is renting or living rent free, is a major determinant of whether they are in poverty. In 2025, 24.2% of those renting or living rent free were at risk of poverty, more than three times those who owned their home, 7.4%. To get a more accurate picture of poverty, we need to deduct the cost of rent and mortgage interest from people's incomes. This would result in an at risk of poverty rate of 19.7% in 2025, almost one in five people, rather than the current figure of 12.6%, one in eight. Almost half (45.2%) of those who rent would be deemed to be at risk of poverty on this basis, including 40.6% of those renting from a local authority, 58% of those renting with other forms of housing support such as Housing Assistance Payment, Rental Accommodation Scheme, and Rent Supplement, and 43.6% of those renting without housing supports.

We must also consider the ticking time bomb of the changes in home tenure, with half of private renters now in the 35-54 age bracket and more than a doubling of those renting over the age of 65, since 2011[6]. In 2024, the Pension Council published a report[7] that stated that an income of €1600 per month is required to meet a basic standard of living in retirement. However it assumes a cost of €600 per month in accommodation and utilities, a situation clearly unattainable for anyone renting. The CSO estimates that home ownership will fall from 80% to 60% by 2035, as the average age of house purchase is now age 39, and there is a massive limiting of affordability and availability of mortgages as people get older, meaning this will only get worse.

The cost of other immovable essentials, such as childcare if you have children, car costs if you are in an area without adequate public transport, and the phenomenal hikes that have taken place in the energy sector, must also be factored in, before we can seriously assess whether someone meets the definition of poverty.

- *Redesign the poverty level after housing costs are deducted as a far more accurate indicator of real poverty.*

2. A Minimum Income

In 2025 anyone with an income of below €366.54 per week is deemed to be living below the poverty line and classified as being *at-risk of poverty*. A minimum income is a level below which nobody should be expected to live. However, this changes depending on family circumstances, what part of the country a person lives in, whether someone owns their own home, is old, disabled, and so on. These differences must be acknowledged.

It must also be acknowledged that income is only meaningful in the context of purchasing power. Yet our social protection payments, and wages are not linked to the cost of living. The state has favoured one off payments in response to external crises. These have certainly assisted in keeping people out of poverty, but as a practise it is incoherent, disjointed and inadequate going forward. The only way to create stability is to benchmark social protection payments, adjusted automatically in response to changes in the cost of living.

The MESL (Minimum Essential Standard of Living) is the most reliable benchmark, as it is linked to purchasing power for basic goods and services and updated annually to reflect the income needed for a broad range of households to have an acceptable standard of living.

Similarly, while employment is often the most effective route to achieve income adequacy, it is contingent on secure hours and in work supports. We have to address the reality of in-work poverty, with almost one in ten (9.5%)[8] experiencing enforced deprivation. The National Minimum Wage must be based on the Living Wage as recommended by the Living Wage Technical Group[9]. Nobody should be worse off as a result of taking up employment. This means that income thresholds for medical card & one parent family income disregards must be updated annually. There also needs to be targeted supports for marginalised groups to access the labour market and overcome the structured barriers they face.

- *Benchmarking Social Protection Payments to MESL, adjusted automatically in response to cost of living changes*
- *Introduce the Living Wage as recommended by the Living Wage Technical Group*
- *Update in work supports so that nobody is worse off by taking up a job*
- *Targeted supports for marginalised groups to access the labour market*

3. Introduce a Universal Care Income

The UN Special Rapporteur for Extreme Poverty & Human Rights has recommended the need for the introduction of a Universal Care Income to eradicate poverty.

Conventional economic frameworks systematically undervalue care and support work despite its essential role in sustaining human life and social stability. This manifests as a systemic economic injustice and a “motherhood penalty” that extends across the life cycle, trapping caregivers in cycles of financial hardship and poverty.[10]

A Universal Care Income explicitly rewards active contributions to social reproduction, transforming care from an invisible private obligation into a formally recognised and remunerated social contribution. It addresses the historical “care debt” owed to marginalised groups while validating self-care as a fundamental human right. The state pays a phenomenal amount of money every year to the ‘care industry’ which has commodified, depersonalised, and bureaucratised care for profit, extracted from low standards, and low pay for an overwhelmingly female and migrant workforce.

It is known lifelong trauma has been created from the experiences of children taken into care in Ireland, with multiple scandals hitting the headlines, the most recent being the placement of vulnerable children in unregulated, unregistered Special Emergency Arrangements, which cost €750,000 per annum per child, and have generated profits of over €56 million, for the 15 companies operating these premises in 2024.[11] With similar devastation and cost from exploitative and substandard nursing homes.[12]

Making direct payments to carers on a universal basis counters such practises by allowing families and individuals have a real choice, which in turn raises standards of service and pay for everyone. Financial and social recognition, raises the status of caring as work, making it more valued and attractive for all genders, ensuring everyone’s right to care throughout our lives becomes a reality based on need, choice and mutual respect.

A Care Income empowers the person who needs the care, and the provider. It is not about ‘freeing women’ to go into the workforce, or preventing people from accessing employment. It simply allows people make decisions on what is required for their wellbeing rather than financial dependence to survive.

Presently carers, especially lone parents are in an endless double or triple day of unwaged and low waged work while depriving society of the time and attention caring demands, whether it is an empty house when children get home from school or disabled and older people being parked in institutions and facing chronic loneliness.

The measure would be somewhat similar to the Tusla Aftercare Allowance paid to young people aged between 18 and 23 leaving care and continuing their education, where recipients receive €300 a week, regardless of other income and payments. A

successful Guaranteed Care Income Pilot Scheme was introduced in San Francisco (June 2024–June 2025) that provided 10 low-income single mothers with \$2,000 a month in unconditional cash payments. It recognized caregiving as essential work deserving of financial support, and targeted women vulnerable to criminalisation from poverty. Mothers could pay bills, care for their children and a number ceased sex work.

Our entire society would be transformed socially and economically by such a measure. The income provided would be spent locally, rather than ending up in shareholders pockets, while giving people more choice in making decisions in relation to their families, significantly reducing stress and mental health problems.

- *Develop a Pilot Scheme for the introduction of a Universal Care Income for those who do the work of caring for people of every age and condition, initially targeting those at risk of criminalisation*
- *Target the extension of the scheme, gradually over a 5 year period, monitoring the results with a view to universal implementation*

4. Stop subsidising the Private Sector -Deliver Essential Public Services

Poverty elimination is not just a question of income, it is equally about access to quality essential services in order to fully partake in society. Ireland spends vast amounts of public money on these services every year, but increasingly, they are being delivered via private operators. The result is a transfer of public resources into the hands of private individuals for their profit, at substantial extra cost to the state and to those accessing the services. These services, time and again have been found to be not just more expensive, of lower quality for users, and poor conditions for staff.

This is evident at every level of Irish society. Ireland has one of the highest costs of housing across the EU. Last year the state paid €570 million to subsidise rent to private landlords under the HAP & RAS schemes. Homeless accommodation cost €513.5 million, paid for the leasing of privately owned buildings and Bed & Breakfasts. Meanwhile developers receive hundreds of millions in subsidies through the Help to Buy and First Home Scheme, along with many other enticements on the capital side.[13]

The cost effectiveness of our healthcare system was highlighted by the 2025 European Semester Spring package at a time of worsening health outcomes and where 47% of the population has private health insurance, with spiralling premiums.[14] Annually around €1.4 billion has by the state for long term residential care, the overwhelming majority paid to private and voluntary nursing home, many of which have been the subject of appallingly poor standards of care.

This year they are getting an extra €92 million to cover extra care costs and €10 million to meet safety and structural standards.[15]

For children in care the situation is even worse, with €270 million being spent annually to private entities, which are appointed and regulated by TULSA, separate from payments to foster parents.[16]

Meanwhile 75% of childcare providers are private, receiving €1 billion annually in direct state supply & demand funding, from operating costs and staff payments, to payments for stabilising fees, and the 15 hours of free childcare provided under the ECCE. The overall amount has doubled in the last 5 years. Between 2019 and 2023, profits of €59 million were recouped by these private owners, and €11 million in directors fees.[17]

It is a similar situation in relation to International Protection Accommodation Services (IPAS) where the state paid €1.2 billion to private accommodation providers last year, an increase of 19%, despite the numbers falling by 29%. This represented an almost doubling of the amount from 2023.[18] Hundreds of millions of public money have been paid to companies such as Cape Wrath Hotel Unlimited, Tifco Group, and Brimwood Ltd, through State accommodation deals,[19]while the conditions in these centres are often sub-standard and of poor quality.

The same trend exists in relation to payments to for-profit companies in the area of disability services, with €306 million being paid to five private companies last year, more than half that budget line. With the disabilities budget ballooning by over €1 billion between 2024 & 2026, the lack of transparency in terms of how this money is being used, and the lack of much needed residential accommodation for vulnerable users is striking.[20]

The list is endless, but the comparisons are clear. We are paying more for less, with growing private sector involvement, and a subsequently dramatic rise in costs to the state over short periods of time, with poorer outcomes for users, and burgeoning profits for the beneficial owners. Moving away from this model is a prerequisite in eliminating poverty.

We need social and affordable housing to be undertaken directly by the state, on state land, delegated to local authorities to provide at least 20% of the annual housing stock, as proposed by the Housing Commission.[21] Combined with rent controls and greater protection for tenants, this is the only way to deal with our housing crisis. There needs to be a specific focus on housing units offering tenants at a differential rent as opposed to market-based rent, particularly for those on low incomes and those requiring accessible housing.

Slaintecare must be implemented in full, and a transition to a public childcare and early learning system, commencing with the state directly providing all new childcare places, and taking over existing private facilities upon request or closure, along with consideration of the state paying all wages in the sector, raising standards and lowering costs for users.

We cannot put this off any longer. The more we delay, the greater the costs. We need to stop all subsidisation of the private sector in the area of essential public services and transition to a fully public system, with more direct payments to individuals to enable them to care for the elderly, and young in their own homes.

- *Stop all subsidisation of the private sector.*
- *Prioritise investment in the delivery of essential public services*
- *A minimum of 20% social & affordable housing directly provided by the state*
- *Move away from private care for old and young, transitioning to publicly owned and run care facilities through new construction and take-over of existing units*
- *More direct payments to disabled people to access services themselves*

5. Introduce a Progressive Tax System -Eliminate Loopholes & Redistribute Income

Inequality in Ireland is stark and growing. As families struggle to make ends meet with the continuing housing and cost of living crises, billions disappear every year in tax avoidance and unfair tax benefits. Figures released from the Central Bank and the CSO in 2026, show that the top 10% of the population own half the net wealth, with the top 1% alone controlling almost 13% – substantially more than the poorest 50% of households who hold roughly 7% to 10% of the total wealth.[22] 11 billionaires are collectively wealthier than 3.46 million people in the State, or 85% of the population,[23] 1885 individuals have a net worth of over €20 million.[24]

Meanwhile, the need for Ireland's tax base to be broadened has long been advised, including in the European Spring Semester Package in 2025. In 2024 over half of the state's tax revenue came from direct taxation, €30 billion from Income Tax, and €28 billion from Corporation Tax.[25] Corporation Tax has grown to over 25% of the total tax take, up from 13% ten years ago and is dangerously concentrated in revenue from a small number of multi-nationals.[26] Added to this, tax evasion and avoidance is rampant, with an estimated loss of \$14 billion annually in global tax avoidance in Ireland.[27]

The result of these realities is that the wealthiest sections of society pay proportionately far less than those on low incomes. This is unsustainable. The

broadening of the tax base is urgent and necessary but will only be successful if it is progressive and redistributive. Those who earn more, should pay more, and the extra resources collected, targeted to develop public services.

There is no justification for failing to implement a wealth tax. Even if only the top 1% of households were targeted at a rate of 1.2%, this would yield €1 billion per annum, rising to €1.7 billion at 2% and €2.5 billion at 3 percent.[28] In fact, all wealth over €3 million should be subject to a wealth tax, starting at 1%, and rising progressively as the wealth increases.://

Similarly, the resistance of successive governments to increase the rate of Corporation Tax to a minimum of 15% is a lost opportunity. The US levies 21% in federal corporate taxes plus additional state taxes. In Britain the rate is 25%, and Germany the combined corporate tax rate just over 30%. On the other hand, Hungary has the lowest level of Corporation Tax in the EU at 9% but very low levels of foreign investment. There are reasons, other than low taxes, why foreign investment locates in Ireland. Why is it deemed acceptable that a worker earning over €20,000 pays tax at 20%, but multi-billion corporations pay 12.5%, not to mention the array of schemes to help them reduce that liability? Ireland should be championing higher corporation tax rates all across the EU, and pushing for the expansion of the EU Anti-Tax Avoidance Directive. Targeting extra taxation from these corporations, with the revenue ringfenced to expand social supports and cohesion, and reduce poverty is an important step in tackling inequality.

Ireland should also be pushing ahead with a Financial Transaction Tax. If implemented across the EU (excluding pension funds) at the level of 0.3%, it would generate an extra €60 billion per annum. But we don't have to wait for the EU, France has had this tax for years at 0.4%. In fact there is need for debate on levying this tax at a significantly higher rate than this negligent percentage.

There is considerable scope to generate the revenue needed to deliver income adequacy, public services, and lift people out of poverty. The only thing missing is the political will to do so.

- Broaden the tax base in a progressive manner, addressing our low rate of corporation tax, and closing the multiple opportunities for tax avoidance in this sector***
- Introduce a Wealth Tax starting at 3% for the top 1%***
- Implement a Financial Transactions Tax & support its implementation across the EU***
- Ringfence revenue from these new sources of income for poverty reduction***

CONCLUSION

Poverty & inequality are pushing societies to the brink with a massive economic and social cost. This cannot continue. Placing the elimination of poverty as the key objective of Budget 2027, during Ireland's Presidency of the Council of the European Union as the first EU Anti-Poverty Strategy begins to unfold, would make a powerful statement of intent. Implementing the 5 measures outlined above can make this objective a reality. Failure to do so is inexcusable.

“Massive poverty and obscene inequality are such terrible scourges of our times — times in which the world boasts breathtaking advances in science, technology, industry, and wealth accumulation — that they have to rank alongside slavery and apartheid as social evils.” NELSON MANDELA

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