European Anti-Poverty Network Ireland

POVERTY WATCH IRELAND 2023
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INTRODUCTION
Poverty Watch is EAPN Ireland’s annual report on poverty and social exclusion in Ireland, with analysis of and concrete recommendations on our priority issues. It also contributes to the European Poverty Watch report’s compilation of data and analysis from EAPN members across Europe. Each year a particular theme informs the report. This year, our focus is on fiscal justice and social rights. Through analysing budget and other policy choices in relation to the cost-of-living crisis, we assess how these measures and reforms address the lives and needs of people experiencing poverty, in the context of fiscal justice and social rights. Each year, we also include a specific focus on the experiences of people and groups experiencing poverty. This year, we focus on how older people and people in in the international protection system are impacted by both poverty and relevant Government decisions.

As we continue to deal with the ‘cost-of-living’ crisis, a shift is required in the Government’s approach to addressing rising living costs and the struggles facing low-income households. The inability to afford basic necessities is a sign of deep and intersectional poverty, and is a growing reality for a diverse number of individuals, households, communities and marginalised groups in Irish society. The fulfilment of basic needs is fundamental to human dignity, human rights, and social and economic equality. The annual Budget, and all relevant policy decisions, should contribute toward Ireland meeting its anti-poverty commitments, including under the Programme for Government: Our Shared Future, the Roadmap for Social Inclusion 2020-2025, the European Pillar of Social Rights, and the UN Sustainable Development Goals (SDGs).
The Government’s own anti-poverty strategy, the Roadmap for Social Inclusion aims to reduce consistent poverty to 2% or less by 2025, a commitment also contained in the Economic Recovery Plan. Despite this commitment, consistent poverty levels have increased from 4% in 2021 to 5.3% in 2022, with over 70,000 more people living in consistent poverty.

For Ireland to effectively tackle not only the cost-of-living crisis, but also to take meaningful steps to address the underlying and structural causes of poverty and social exclusion, it will require a coordinated, sustainable, long-term approach from the Government that is underpinned by a commitment on budgetary and policy levels to fiscal justice and social rights, including through tackling income inadequacy alongside adequate investment in the public delivery of quality public services and supports across the country. As a priority the Government needs to ensure that everyone has access to an adequate income, whether this is from work or social welfare, or a mix of both. This means decent, liveable wages and social welfare set at an adequate level to meet the cost of living. The Government must also tackle the long-term drivers of the cost of living, including the cost of services such as housing, health, and childcare, alongside tackling the current immediate drivers such as energy and fuel costs. There needs to be further investment in public services and supports, such as investment in direct build social and affordable housing, the adequate funding of a public childcare system, investment in health and in public transport across Ireland, particularly in rural areas. This is necessary to ensure that everyone has access to an adequate income, quality services and the opportunity to access a decent job as per the European Pillar of Social Rights.
In the face of the ongoing ‘cost-of-living’ crisis and potential fiscal uncertainty, it is important to remember that effectively addressing poverty and social exclusion has an important role vis-à-vis Ireland’s fiscal policy, as poverty and its consequences will cost the state and society significantly more in the long run. Failure to effectively address these issues has ongoing and dire human, societal and economic costs. Effectively and adequately financing social rights, including our social protection system, benefits not only people experiencing poverty, it also has wider benefits for all of society. Our social protection system should and 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. This requires long-term, sustainable investment, financed by progressive and redistributive taxation, and a whole of Government approach.

If these solutions are in place, it would go some way to ensuring people can live with dignity and meet rising living costs. It would also help to ensure that Government will be better able to respond when unexpected spikes in prices arise in the future. Such an approach would provide the most robust answer and solution to poverty and social exclusion in Ireland, and push us in the right direction towards the type of society we want to see – one based on fiscal justice and social rights.
02 POVERTY IN IRELAND 2023
In 2020 the Irish Government published the Roadmap for Social Inclusion. The Roadmap is the strategy which sets out the Government’s ambition for Ireland to become one of the “most socially inclusive States in the EU”. The Roadmap focuses on achieving social inclusion, which it defines as: “Social inclusion is achieved when people have access to sufficient income, resources and services to enable them to play an active part in their communities and participate in activities that are considered the norm for people in society generally.” The strategy aims to reduce consistent poverty in Ireland to 2% or less by 2025. As mentioned in the Introduction, Ireland is not meeting this target and poverty levels have risen in recent years.

In 2017 Ireland signed up to the commitments within the European Pillar of Social Rights. In 2021 the Action Plan for the Implementation of the European Pillar of Social Rights was published. The implementation plan for the European Pillar has set a target designed to reduce the number of people at-risk-of poverty or social exclusion by at least 15 million by 2030 in the EU, which is scaled down from the previous 2020 target of 20 million. It is anticipated that Ireland’s contribution to the reduction target of 15 million will be 90,000 people.

In 2015 all countries, including Ireland, signed up to the UN Sustainable Development Goals (SDGs) for 2030. There are 17 Goals which all form part an integrated approach to a more sustainable social, environmental and economic future for everyone, with a commitment to ‘leave no one behind’ in achieving the Goals. Goal 1 is ‘No Poverty’ and the SDGs

1 https://www.gov.ie/pdf/?file=https://assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf#page=1
recognise that ending poverty must go hand-in-hand with strategies that build economic growth and addresses a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

2.1 Measuring Poverty

In recent years, poverty and inequality levels in Ireland have increased significantly, with extreme poverty becoming a growing reality for an increasing number of individuals and families. The costs of goods and services required to enable a socially acceptable Minimum Essential Standard of Living in Ireland have increased considerably. Income inadequacy has widened to more household types and is deepening in many cases. Homelessness levels are at a record high. Growing numbers of people depend on charities and foodbanks for support with basic necessities. As a country, we have a long way to go truly address poverty, inequality and social exclusion, and to ensure fiscal justice and the protection of social rights.

In Ireland, there are three primary ways of measuring poverty: at risk of poverty, material deprivation and consistent poverty. The most recent official poverty figures, published in February 2023 by the Central Statistics Office (CSO) in its Survey on Income and Living Conditions (SILC) 2022, show poverty in Ireland has increased under each of the three poverty measurements.³

2.2 At Risk of Poverty / Relative Poverty

People or households are considered to be ‘at risk of poverty’ or ‘relatively poor’ when their income is less than 60% of the median disposable income (mid-point in the scale of the highest to the lowest of all incomes in Ireland). Incomes in households are weighted, depending on the number of adults and children, to arrive at what is called the ‘equivalised disposable income’ for each individual.

Over 671,000 people, or 13.1% of the population, were living below the poverty line (at risk of poverty) in 2022. In other words, they had an income that was less than 60% of the median disposable income, that is €15,754 per annum or €301.91 per week, an increase of €11.68 from 2021. Without the provision of COVID-19 income supports, 20.5% or more than one in five people would have been at risk of poverty in 2022.

One in three unemployed persons are at risk of poverty. Those most at risk of poverty in 2022 were people who were unemployed (35.6%), and people unable to work due to long-standing health problems (35.2%). This compares with an at risk of poverty rate of 5.8% for people who were employed.

By household composition, the at risk of poverty rate was highest among single adult households. One in three people living in households composed of one adult aged 65 years and over (33.6%), or composed of one adult aged less than 65 years

(32.0%), were at risk of poverty in 2022. The rate was lowest for those living in households with three or more adults (4.7%). The at risk of poverty rate for individuals in households with one adult and one or more children aged under 18 was 23.8%, compared with 13.1% of persons living in two adult households with 1-3 children.

By tenure, people living in rented or rent-free accommodation\textsuperscript{5} were more likely to be at risk of poverty (23.6%) when compared with those living in owner-occupied accommodation (8.7%). Regarding the impact of housing costs, over one in five people (21.9%) were at risk of poverty after deducting rent and mortgage interest. When rent is deducted from disposable income, more than half (57.5%) of people living in Local Authority accommodation, and two thirds (67.6%) of those in accommodation rented with other forms of social housing supports such as the Housing Assistance Payment (HAP), Rent Supplement and the Rental Accommodation Scheme (RAS), would have been at risk of poverty.

Over 671,000 people, or 13.1% of the population, were living below the poverty line (at risk of poverty) in 2022.

One in three unemployed persons are at risk of poverty.

\textsuperscript{5} Renting or rent free includes: rent free, rented from a Local Authority, rented using other forms of social housing support and rented without housing supports.
2.3 Material/Enforced Deprivation

People experience material or enforced deprivation if they live in a household that cannot afford two or more of the following eleven items (goods or services) considered to be the norm for other households in society and essential for a basic standard of living:

- Two pairs of strong shoes
- A warm waterproof overcoat
- Buy new not second-hand clothes
- Eat meals with meat, chicken, fish (or vegetarian equivalent) every second day
- Have a roast joint or its equivalent once a week
- Had to go without heating during the last year through lack of money
- Keep the home adequately warm
- Buy presents for family or friends at least once a year
- Replace any worn out furniture
- Have family or friends for a drink or meal once a month
- Have a morning, afternoon or evening out in the last fortnight, for entertainment

In 2022, there was a sharp and statistically significant rise in the deprivation rate, with the proportion of people living in households experiencing enforced deprivation increasing from 13.8% in 2021 to 17.7% in 2022. This means over 906,500 people were experiencing enforced deprivation in 2022. The deprivation rate among children was 19.9%, meaning over 235,000 children in Ireland experienced deprivation in 2022. The deprivation rate for those at risk of poverty was 40.7% in 2022 compared with 34.1% in 2021.
Because the deprivation measures relate to the current year and the at risk of poverty measures relate to the previous year, the former could be capturing some of the effects of the recent surge in inflation that has not yet shown up in the at risk of poverty rates.

48.6%

Employment status: Almost half of all unemployed people in Ireland (48.6%) are living in enforced deprivation. Deprivation rates are also particularly high among people unable to work due to long-standing health problems (44.3%).

43.5%

By household composition, almost two in five people (43.5%) in single adult households with children were living in enforced deprivation, with 18.3% unable to afford to keep the home adequately warm.

35.6%

By tenure status, one in three (35.6%) people living in rented or rent-free accommodation are living in enforced deprivation, compared with one in ten (10.2%) living in owner-occupied housing. While only three in ten people live in rented or rent-free accommodation, they account for almost six in ten (59.4%) of people living in enforced deprivation.
2.4 Consistent poverty

Consistent poverty measures the proportion of people who are both at risk of poverty and experiencing material deprivation. This is the poverty measurement preferred by the Irish Government and developed independently by the Irish Economic and Social Research Institute (ESRI). The Irish Government’s anti-poverty strategy, the Roadmap for Social Inclusion 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.

More than 271,500 people, or 5.3% of the population, were living in consistent poverty. This is a significant increase from 4.0% in 2021, with an additional 70,000 people living in consistent poverty. Children are more vulnerable to consistent poverty, with a rate of 7.5% or 91,000 children experiencing consistent poverty.

Employment status: The consistent poverty rate was highest among people unable to work due to long-standing health problems, with almost one in five (19.7%) living in consistent poverty, and people who were unemployed (18.0%). While the consistent poverty rate was lowest among people who were employed, it has increased from 0.9% in 2021 to 2.3% 2022. For people living in households where no one is at work, the consistent poverty rate is 13.8%, compared with 6.5% for those living in households with one person at work, and 1.5% for those in households with two people at work. One in five (19.7%) people in consistent poverty were in work.
By household composition, consistent poverty rates were highest among people living in households comprised of one adult aged less than 65 years (14.5%) and people living in one adult households with children (14.1%). People living in two adult household where at least one adult was aged 65 years or older had the lowest consistent poverty rate at 1.6%.

By tenure status, the consistent poverty rate for persons whose tenure status was rented or rent-free was 12.9% compared with 2.2% of those living in owner-occupied accommodation. This means seven in ten people experiencing consistent poverty are living in rented or rent-free accommodation. While less than 30% of the population are living in rented or rent-free accommodation, people in this type of accommodation make up over 70% of those living in consistent poverty.

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Children are more vulnerable to consistent poverty, with a rate of 7.5% or 91,000 children experiencing consistent poverty.

The consistent poverty rate was highest among people unable to work due to long-standing health problems.
2.5 Poverty Levels Among Different Groups in Society

The Central Statistics Office Survey of Income and Living Conditions (SILC) for 2022 provides us with important information on income, poverty, and inequality in Ireland and the groups most impacted. It also helps us to see how Ireland is progressing towards its poverty target of reducing consistent poverty to 2% or less by 2025 which was adopted in the Roadmap for Social Inclusion 2020-2025. This is a roll-over of the same target that was previously set for 2020.

Two underlying principles underpin the UN SDGs: to leave no one behind and to reach the furthest behind first. In this context it is crucial to remember that while 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 due to the size of the population used. This includes people with disabilities, 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.
03
THE COST-OF-LIVING CRISIS: FISCAL JUSTICE AND SOCIAL RIGHTS
The spending and taxation decisions the Government makes, including as part of the annual Budget process, have broad and direct implications for the sustainability of the public finances, efforts to address poverty and social exclusion, and for fiscal justice and social rights more broadly. This chapter looks at some of the measures and reforms introduced by the Irish Government to address rising inflation and the cost-of-living crisis, including in the two most recent Budgets, in terms of their implications for poverty and social exclusion. This section will provide an additional focus on the experiences of two groups in society at heightened risk of poverty and social exclusion – older people and people with experience of the international protection system.

### 3.1 The Cost-of-Living Crisis

The ongoing cost-of-living crisis continues to be a major challenge across society, but disproportionately affects low-income households and people experiencing poverty. Rising living costs prevent many people in Ireland from achieving a decent and acceptable standard of living, with an increasing number of people experiencing income inadequacy and facing daily struggles to make ends meet. Households face increasing pressures and are forced to make difficult and inequitable choices due to rising living costs. The current cost-of-living crisis has led to greater numbers of people experiencing poverty. However, this is very much a symptom of the deep levels of poverty which were already prevalent, and which have been exacerbated by the COVID-19 pandemic, Russia’s invasion of Ukraine, and the current cost-of-living crisis.\(^6\)

costs, levels of income poverty and material deprivation had remained consistently high for many groups, including people who are unemployed, lone parent households, people with disabilities, people unable to work due to long-standing health problems, and people in working-age households where no one is in paid work.\(^7\)

In November 2022, the CSO published information on the difficulty people reported in making ends meet.\(^8\) More than half of all households (50.8%) had at least some difficulty in making ends meet in 2022, compared with 42% of households in 2021, and 5.9% of households had great difficulty. Three quarters of households with one adult and children had some difficulty in making ends meet, with one in ten having 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%).

Housing costs have been an ongoing driver of poverty for many years. Regarding the impact of housing costs, over one in five (21.9%) of people were at risk of poverty after deducting rent

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and mortgage interest. When rent is deducted from disposable income, more than half (57.5%) of people living in Local Authority accommodation, and two thirds (67.6%) of those living in accommodation rented with other forms of social housing supports such as the Housing Assistance Payment (HAP), Rent Supplement and the Rental Accommodation Scheme (RAS), would have been at risk of poverty. Housing costs significantly impact on poverty, particularly for lone parent families, children and people in rented accommodation. Of the households with housing costs three in ten (31.1%) regard housing costs as a heavy financial burden, compared with 23% in 2021. By tenure, seven in ten (69.4%) rented or rent-free households had at least some level of difficulty in making ends meet, with one in ten (10.5%) having great difficulty. Four in ten (42.3%) of owner-occupied households had some difficulty.

In recent years, the additional increases in the cost of living are primarily being driven by rising prices in the areas of home energy and food costs, which disproportionately impact on low-income households. The ESRI’s Quarterly Economic Commentary for Spring 2023 found that the “recent rise in inflation has disproportionately affected lower-income households” due to the disproportionate impact of rising food and energy prices on lower-income households. Inflation rose by 6.3% over the 12 months to August 2023. The largest increases were in Housing, Water, Electricity, Gas & Other Fuels (+17.3%), Recreation & Culture (12.9%), and Food & Non-Alcoholic Beverages (+8.2%). Although the pace of price increases has been declining, inflation rates have not declined as rapidly as had been forecasted. The Consumer Price Index (CPI) is forecasted to increase by 6% in 2023 and
3.2% in 2024. Ireland experienced the third largest increases in energy costs in the Eurozone, and energy prices for consumers in Ireland, particularly gas and electricity, remain higher and have been slower to decline compared to the Euro Area. Based on the most recent data, energy poverty is at 29%. This will continue to have the most detrimental impact on rural, older, and low-income households, who spend a greater share of their income on energy and food.

Research by the Vincentian MESL Research Centre demonstrates the impact of recent 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). 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 core MESL basket cost has increased by an average of 10.6% nationally in the year to March 2023 (12.9% for urban households and 5.7% for rural households). Over the past three years, inflation has led to a significant pressure on minimum living costs with a cumulative increase in the core MESL costs of 18.9% nationally (17.8% for urban areas and 21.2% for rural areas) between March 2020 to March 2023. The MESL research has found that the incidence of income inadequacy has widened.

14 https://www.independent.ie/business/irish/ireland-hit-harder-by-electricity-price-hikes-than-most/a571669057.html
16 https://www.esri.ie/news/energy-poverty-at-highest-recorded-rate
17 https://www.budgeting.ie/publications/mesl-2023/
to more household types and is deepening in many cases, with income inadequacy increasing from 31% of MESL research households in 2022 to 59% of households in 2023.

In November 2022, EAPN Ireland published *More Than Just a Temporary Crisis: The Growing Need for Support with Basic Necessities and the Impact on Low-Income Households and the Community and Voluntary Sector.*[^18] This report reveals the impact of the growing dependence of people on charities, foodbanks and wider community and voluntary organisations to make ends meet, put food on the table and pay essential bills. The report shows that, while the current cost-of-living crisis has led to much greater numbers of people unable to make ends meet, this is a symptom of the deep levels of poverty experienced by many people which existed before the COVID-19 crisis, and which has been exacerbated by the pandemic and the current cost-of-living crisis. The report reveals the negative impacts that this growing reliance on community organisations and charities for support with basic necessities has on individuals, households, and on the Community and Voluntary sector itself. While the supports with basic necessities provided by charities and foodbanks play an important role in addressing the immediate and unexpected needs of people living in poverty, their existence highlights the failure of our social protection system and wages to ensure that everyone has an adequate income to meet the cost of living. A major concern is that the role of charities, including food banks, would become a normalised response to meeting the basic needs of people with inadequate incomes.

While there have been some increases in welfare payments in recent Budgets, the Government’s primary approach to addressing the cost-of-living crisis has been to introduce a series of one-off, short-term ‘cost-of-living’ measures intended to help people with the significant rise in living costs.\textsuperscript{19} Several packages of supports have come into effect throughout 2022 and 2023. The initial cost-of-living measures were criticised as their largely universal or untargeted approach were not sufficiently tailored to support those most affected by rising living costs.\textsuperscript{20} Since Poverty Watch 2022, further measures were introduced in Budget 2023 and a subsequent ‘cost-of-living’ package in February 2023. A somewhat curtailed range of measures was recently announced as part of Budget 2024.

Budget 2023 was framed as a ‘Cost-of-Living’ Budget and introduced a number of one-off measures at a cost of €4.1 billion, including further one-off energy supports, as well as tax and welfare measures. All domestic electricity customers received €600 credit to help reduce electricity bills, paid in three instalments of €200 in November 2022, January 2023 and March 2023. The social protection budget included eight lump-sum payments totalling €1.2 billion to help with the cost of living.\textsuperscript{21} Most people in receipt of a weekly social welfare payment received a once-off payment of an extra week, referred to as an ‘Autumn Double Payment’, as a cost-of-living support. Additional once-off lump-sum payments were provided between October and December.

2022, including a double payment of Child Benefit, once-off lump sum payments of €200 to people in receipt of the Living Alone Allowance, €500 to people in receipt of the Working Family Payment, and €400 to people in receipt of the Fuel Allowance. There was also a €500 payment for people in receipt of the Disability Allowance, Invalidity Pension, Blind Pension and carers who qualify for the Carer’s Support Grant (recipients were eligible for one €500 payment only, even if they qualified for more than one of these payments or were caring for more than one person).

The Government announced further cost of living supports in February 2023. 22 A €200 lump sum was paid in April to people in receipt of long-term social welfare payments, including the State Pension, Working Family Payment, and One Parent Family Payment. An additional lump sum payment of €100 per child was paid in June to people in receipt of Child Benefit. A one-off increase of €100 for families in receipt of the Back to School, Clothing and Footwear Allowance was paid in July.

A further, somewhat curtailed, range of one-off measures was announced in Budget 2024. Once again, all domestic electricity customers will get an energy credit, this time of €450, to be paid in three instalments of €150. Additional one-off payments under the social welfare budget include another double payment of Child Benefit, and once-off lump sum payments of €200 to people in receipt of the Living Alone Allowance, €400 to people in receipt of the Working Family Payment, and €300 to people in receipt of the Fuel Allowance. The payment for people in receipt of the Disability Allowance, Invalidity Pension, Blind Pension and carers who qualify for the Carer’s Support Grant was reduced to €400 (under the same qualifying terms as Budget 2023).

The partially-targeted nature of these measures went some way to remedying the mistakes of the previous untargeted cost-of-living measures, which were criticised as an inefficient means of supporting people most affected by soaring energy costs.\(^\text{23}\) While these more targeted measures provided more focused support for low-income households, it is notable that Budgets 2023 and 2024 continued to utilise untargeted measures in the form of the electricity credits for all domestic electricity customers. That the availability of such resources was directed at an untargeted measure such as this is regrettable, as this funding could have been better directed toward more targeted approaches, which would have supported people on the lowest incomes and experiencing poverty.

The one-off payments in Budgets 2023 and 2024 to people in receipt of the Disability Allowance demonstrate the inadequacy of these ‘cost-of-living’ policy responses in the absence of moves to address income inadequacy. The Indecon Report on the Cost of Disability, commissioned by the Department of Social Protection found that “there are significant additional costs faced by individuals with a disability which are currently not met by existing programmes or by social welfare payments”.\(^\text{24}\) The report estimated that the average extra ‘Cost of Disability’ was between €8,700 and €12,300 in 2020. The annual basic income provided by Disability Allowance in 2023 is €11,440. The Cost of Disability is likely to have increased, as this estimate predates the ongoing cost-of-living crisis. So, while the one-off payments represent more money in people’s pockets, they are wholly inadequate to

\(^{23}\) https://www.esri.ie/system/files/publications/RS144.pdf
address the additional costs disabled people face, and are not a meaningful substitute for the long-called for introduction of a weekly Cost of Disability payment.

Similarly, the one-off lump sum payments to people in receipt of the Fuel Allowance does little to adequately address energy poverty in any sustainable manner. Despite the exceptional and significant increases in energy costs, Budgets 2023 and 2024 have retained the Fuel Allowance core weekly rate of €33 for the 28-week season. While the one-off payments have helped to support households facing rising energy costs, the base rate of the Fuel Allowance has devalued. In order to restore its purchasing power and ensure it is in line with average energy inflation, an increase to the annual Fuel Allowance of €680.40 would have been required in Budget 2024, which equates to an increase of €24.30 per week for the 28-week season.25

The one-off ‘cost-of-living’ payments have helped to provide some relief for struggling households and to mitigate some of the increased strain brought about by rising inflation and living costs. However, rising inflation continues to have a major impact on the real value of people’s income. On their own, these payments are ineffective to address increases in the cost of living, particularly in the long term. These payments and credits do little to address let alone begin to solve the wider, ongoing and persistent structural poverty and social exclusion faced by those most affected by the crisis and which existed prior to it. The short-term benefits to low-income households do not compensate for sustainable solutions to

tackle income inadequacy, or structural and systemic poverty and social exclusion, with research showing that the income provided by these cost-of-living measures has been insufficient to address income inadequacy.\textsuperscript{26} The additional income provided by the cost-of-living measures failed to meet the increase in the cost of the Minimum Essential Standard of Living in 2023.\textsuperscript{27} The MESL analysis of Budget 2024 finds that the one-off cost-of-living measures announced for 2024 fail to adequately bridge the inflation gap which has grown between social protection rates and expenditure needs.\textsuperscript{28} This analysis forecasts a reduction in the number of households achieving income adequacy and a significant widening of deep income inadequacy. Particularly for people who are reliant on social welfare, their income remains inadequate despite the introduction of these additional cost of living supports.

3.3 Addressing the Cost of Living: An Income Adequacy Crisis

The one-off measures are part of a series of policy approaches taken by the Government to address the cost-of-living crisis. Budgets 2023 and 2024 both included increases to core social welfare rates. However, in both cases these increases were inadequate. Budget 2023 included a €12 increase to core welfare rates such as Jobseekers payments, the One-Parent Family Payment, the Disability Allowance, and the weekly State Pension. Budget 2024 introduced another €12 increase to these rates. Both increases were significantly lower than the adjustments that would have been required to merely facilitate households to stand still against rising inflation.

\textsuperscript{26} https://www.budgeting.ie/download/pdf/mesl_2023_-_annual_update_report.pdf
\textsuperscript{27} https://www.budgeting.ie/download/pdf/mesl_2023_-_annual_update_report.pdf
\textsuperscript{28} https://www.budgeting.ie/publications/budget-2024-1/
In its Programme for Government, the Coalition Government committed to protect core weekly social welfare rates.\textsuperscript{29} However, the reality is that in Budgets 2023 and 2024 the Government has chosen not to do so. Data from the Vincentian MESL Research Centre shows that, due to the cost-of-living crisis, an adjustment of €27.50 in Budget 2024 would have been needed to restore the real value of core working age payments to 2020 levels, and to maintain the value of core rates over the course of 2024.\textsuperscript{30} This significant level of adjustment was required in Budget 2024 as Budget 2023 did not protect the real value of core social welfare rates; at that point an increase of €20, rather than €12, would have been necessary in order to do so. These amounts would not have helped people move closer to having a minimum essential standard of living but merely represent the absolute minimum increases that would have been required in each year’s Budget to prevent individuals and families being pulled deeper into poverty. Importantly, as the nominal increases in the core social welfare rates in Budgets 2023 and 2024 are inadequate to meet the cost of living, they have both been cuts in real terms.\textsuperscript{31}

\begin{quote}
Many people who are dependent 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.”
\end{quote}

\textsuperscript{29} https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/
\textsuperscript{31} https://www.budgeting.ie/publications/budget-2023-mesl-impact-briefing/
The failure to address inadequacy in the social welfare system, to ensure that rates meet the cost of living and ensure income adequacy, is nothing new. Both the CSO SILC and the MESL research have consistently shown that Ireland’s social welfare supports are inadequate to meet the cost of living and lift people out of poverty. As a result, many people who are dependent 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 2023 Annual Update showed that for 87% of the household types it assessed, the income supports provided from social welfare were inadequate to meet minimum needs. Of these, 59% are experiencing deep income inadequacy, meaning social welfare supports provide for less than 90% of MESL expenditure needs.

The recommended core welfare rate increases would have gone some way to bridging the gap between the inadequate income people receive through social welfare and the cost of living. However, there is strong consensus that some form of benchmarking approach is necessary in order to counteract the erosion of purchasing power for people reliant on fixed income sources brought about by the ongoing inadequacy of social welfare rates. In order to ensure that social protection is adequate in the medium to long-term, a broader strategy is required to 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). The MESL represents a basic standard which allows

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32 https://www.budgeting.ie/publications/mesl-2023/
34 www.budgeting.ie
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.

For the Government to effectively address income inadequacy, it must ensure that everyone in work has decent, liveable wages. A minimum living wage of €14.80 per hour is recommended, for the period 2023-2024, by the Living Wage Technical Group.\(^{35}\) This updated 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 this year. 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.

87%  Of the household types assessed in MESL 2023 Annual Update were inadequately supported to meet minimum needs

59%  Of these, 59% are experiencing deep income inadequacy, meaning social welfare supports provide for less than 90% of MESL expenditure needs

35 https://www.livingwage.ie/documents/
3.4 Addressing the Cost of Living: Access to Affordable and Quality Public Services

The Government’s approach to addressing the cost-of-living crisis must also take into account the accessibility and affordability of 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. 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, our public services, such as health, housing, education, childcare and social care, will help to reduce the high cost of living for many people, whatever their income, and mean that people would not need as much cash at hand to pay for essential services.
3.5 The Structural Housing Crisis

In the past 12 months, we have continued to see increases in rent and house prices across Ireland in addition to insufficient housing supply. The most recent rental figures show rents rose by 3.7% in the year to September 2023, a modest increase compared to the first and second quarters of the year, and a slowdown relative to the peak of 14.1% in Q3 of 2022. The Residential Tenancies Board reported that the national year-on-year rate of change in standardised average rent in new tenancies for Q1 2023 was 8.9%. The national Residential Property Price Index (RPPI) increased by 1.5% in the 12 months to April 2023, with prices in Dublin rising by 1.4% and prices outside Dublin up by 3.8%. Homelessness has also continued to increase. As of August 2023, the number of people who are homeless is 12,691, including a new record high of 3,895 children who are homeless. These official homelessness figures relate only to people accessing State-funded emergency accommodation, and so do not include people sleeping rough, people couch surfing, homeless people in hospitals or prisons, people in Direct Provision, and homeless households residing in domestic violence refuges.

The European Commission’s 2023 Country Report for Ireland recognised the impact of the gap between housing supply and demand, along with increased rental price, decreased availability of rental properties, and insufficient social and affordable housing on the ongoing structural housing crisis in Ireland.
A number of legislative measures introduced by the Government seek to address the housing and homelessness crisis in Ireland, including the *Housing for All* strategy. Despite some progress, the housing provision targets set by the Government’s *Housing for All* strategy have yet to positively impact in any substantial way on the growing number of people experiencing homelessness, the increasing number of households within the private rented sector who are at risk of poverty, and the number of households for whom homeownership is unlikely to ever be a viable option.

Rather than investing in and ensuring the public delivery of public/social housing, Ireland’s housing policy has historically involved an overinflated dependence on the private sector. Reliance on the market to increase the supply of housing has spectacularly failed to provide affordable housing for all. This approach to housing policy has led to a dysfunctional housing system that is a major driver of poverty. This has been exacerbated by a failure to effectively address rental price increases. As highlighted above, the cost of renting has a major impact on the likelihood of being at risk of poverty, with the private rental sector becoming a pathway to homelessness for many. To effectively address social and affordable housing needs, housing policy urgently needs to shift away from this dependence on the private housing market. Investing in the right to quality affordable housing, including public/social housing, should be seen as a priority policy intervention to prevent homelessness and to reduce poverty and social exclusion.

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Access to secure, affordable, quality housing is an essential prerequisite to addressing poverty and social exclusion, together with income adequacy and other public services and supports. It is fundamental to the right to a dignified life, and is an essential foundation to full participation in society. The Government must commit to holding a referendum to enshrine the right to housing in the Constitution. This fundamental reform is crucial to ensure that the State’s planning and decision-making on housing legislation, policy and other measures are designed to move towards a guarantee of access to secure, affordable and suitable homes for all. We support the recommendations put forward by the Home for Good coalition, including that a constitutional amendment be a stand-alone right which includes both a recognition of a directly enforceable right to housing and a separate statement of the State’s obligation to realise that right within available resources.42

3.6 Sustainable funding for social investment

Tax and transfer policy play a crucial role in underpinning inclusive growth, especially for the living standards of people experiencing poverty and those with the lowest incomes.43 Taxation plays a central role in redistributing incomes and generating resources for investment in the creation of a more equal society. Thus, it is crucial for fiscal justice and the protection of social rights. 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.44 To address the need for sustainable investment in many of the challenges outlined above, tax cuts should be avoided

in favour of significantly increasing tax revenue. This should be in
the form of fair and progressive tax increases and widening the
tax base, including the introduction of measures that tax wealth
and disincentivise negative behaviour, including behaviour
that damages the environment. To ensure they do not impact
negatively on fiscal justice and social rights, it is crucial that any
tax changes, including proposals that reduce tax revenue, are
poverty and equality proofed.

Tax changes in Budget 2023 were noted to be regressive as they
benefitted higher income households most. Similarly, and as
expected, tax cuts introduced in Budget 2024 will mainly benefit
high earners (earning over €71,000) rather than lower income
households. However, the initial analysis of the Parliamentary
Budget Office finds that, overall, the combination of tax and
welfare measures in Budget 2024 are progressive in terms of their
distributional impact.

Under Budget 2024, income tax rates will stay the same (at 20%
and 40%), but it has widened the standard rate income tax bands
by €2,000 to €42,000, in order to prevent people falling into
the higher tax bracket as a result of wage growth. It also cut the
Universal Social Charge (USC) rate that currently applies to income
between €22,900 and €70,044 from 4.5% to 4%, and increased the
ceiling for the 2% USC rate by €2,840 from €22,920 to €25,760 (this
means the new 4% rate will apply to income between €25,761 and

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46 https://www.nerinstitute.net/blog/consequential-flawed-budget
47 https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2023/2023-10-10_preliminary-review-of-
budget-2024_en.pdf
€70,044). The combination of these tax measures predominantly benefits middle- and high-income households.

Both the EU Commission and the International Monetary Fund have projected that Ireland and Cyprus will be the only Eurozone countries with budget surpluses, in 2024 and out to 2026 respectively. The Budget 2024 Economic and Fiscal Outlook project a general Government surplus of €8.79 billion, or 3% of national income for 2023, and €8.36 billion, or 2.7% of national income, for 2024. Despite the surpluses projected 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. In this regard, the increase in all Pay Related Social Insurance (PRSI) contribution rates by 0.1%, which will come into effect from 1 October 2024, is welcome and a positive move in order to replenish the Social Insurance Fund. It represents the first step in a planned incremental process of increasing PRSI contributions, and it is expected that this measure will raise €240 million in a full year. This phased process of increasing social contributions could help to stabilise the public finances and sustainably finance our social protection system in the years to come.

52 www.gov.ie/pdf/file=https://assets.gov.ie/273320/7da13749-b1d2-4f12-a6cd-6e705b0b11d3.pdf#page=null
Future Budgetary decisions should enable the Government to ensure sustainable funding for quality public services and adequate social protection. This should include further increasing the PRSI rates, particularly for employers, to replenish the Social Insurance Fund, and progressive taxation which is fair and redistributes income, wealth and resources. This should involve broadening the tax base\(^55\) in a progressive and sustainable manner to move tax levels closer to the EU average, including ensuring that Ireland is no longer overly-reliant on unsustainable corporate tax receipts for current spending. These measures will be crucial in order to ensure the requisite capacity and resources to fund social investment, including quality public services and supports, such as health, housing, education, childcare, social care, and social protection that delivers adequate income supports to afford a decent standard of living. However, it is important that any such moves do not negatively impact the income adequacy of those on the lowest incomes.

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**€240m**

The increase in all Pay Related Social Insurance (PRSI) contribution rates by 0.1%, is expected to raise €240 million in a full year

**22%**

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

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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. This will ensure that broadening our tax base does not place an unnecessary burden upon those 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, protect social rights and take concrete steps towards fiscal justice.
04 ADDRESSING POVERTY EXPERIENCED BY OLDER PEOPLE
More than 1 million people aged 60 and over live in Ireland, meaning more than one in four adults in Ireland are aged 60 or older. The summary report of the most recent Census shows that the highest increase in population was seen among the over 70s, and that the number of people aged 85 years and over increased by 25%. Projections indicate that the population of people aged 65 years and over, will increase to between 1.5 and 1.6 million by 2051, while the population of people aged 80 years of age and over is set to increase from 147,800 in 2016 to over half a million by 2051.

In the context of Ireland’s aging population, it is crucial that the Government effectively prepares for an older population, and the protection of their social rights, including through sustainable and targeted measures to address and prevent income inadequacy, poverty and social exclusion. The Roadmap for Social Inclusion aims to support older people through assuring their income, and has the high-level goal of protecting the incomes of older people through the delivery of the commitment to benchmark State pension payments.

In the context of Ireland’s aging population, it is crucial that the Government effectively prepares for an older population, and the protection of their social rights, including through sustainable and targeted measures to address and prevent income inadequacy, poverty and social exclusion.”
4.1 Poverty Rates

Recent years have seen notable increases in poverty rates among older people (people aged 65 and over). The CSO Survey on Income and Living Conditions (SILC) 2022 found that, by age group, the largest increase in the ‘at risk of poverty’ rate was in persons aged 65 and over. While the overall at risk of poverty rate in Ireland in 2022 was 13.1%, the at risk of poverty rate for older people increased from 11.9% in 2021 to 19% in 2022. This means that almost one in five older people were at risk of poverty in 2022 compared to one in ten in 2020. In other words, over 140,000 older persons were at risk of poverty, at least 55,000 more than the previous year. One in three older persons living alone (33.6%), the majority of whom are women, were at risk of poverty, up from one in five in 2021 (21.5%).

Enforced deprivation among older persons rose by more than half, from 8.4% in 2021 to 12.7% in 2022. Among the deprivation items measured, 11.5% of adults aged 65 years and over who lived alone were unable to afford new (not second-hand) clothes, compared to 7.2% in 2021. In 2022, 8.5% of adults aged 65 years and over who live alone were unable to afford to keep the home adequately warm, compared to 3.5% in 2021 and 3.1% in 2020. Almost half (46.9%) of older persons living alone had at least some difficulty making ends meet. Consistent poverty for people over 65 years of age increased from 1% in 2020 to 2.5% in 2021 to 3.3% in 2022.
Similarly, the MESL research demonstrates the adverse effects on older adults living alone, and the existence of an urban/rural divide. The cost of the weekly core MESL expenditure for older persons living alone has increased by 15.3% in an urban setting and 5.4% in a rural setting between 2022 and 2023. Older persons living alone in an urban area experience a considerable increase in weekly household energy costs, increasing by almost 87% from €24.94 in 2022 to €46.60 in the 2023 MESL.

### 4.2 Older People and the Cost-of-Living Crisis

Rising inflation and the cost-of-living crisis are particularly significant concerns for older people and the organisations that represent them. Many older people are struggling with higher costs, inflation, and inadequate income. In a recent survey conducted by ALONE on financial issues experienced by older people, 75% of respondents say they have been impacted or severely impacted by the cost-of-living crisis. More than half (55%) find it difficult to pay their bills from time to time or regularly, with heating and energy costs being the most worrying costs for older people. Food poverty, energy and fuel poverty, and the purchase of other essential items are some of the cost-of-living issues that older people have raised with EAPN Ireland. Another area of concern was housing, including the prevalence of substandard housing and the situation faced by older people on fixed incomes who are ‘stuck’ in the rental market. In addition, access to and affordability of essential services have been highlighted as pressing concerns, particularly among older people living in rural areas.

59 www.budgeting.ie/publications/mesl-2023/
According to the ALONE survey around nine in 10 older people did not feel any positive impact from Budget 2023, with one in three stating that they were worse off after Budget 2023. Older people have told EAPN Ireland that, while the one-off cost-of-living payments introduced by the Government have helped to some extent, they do not address the issue of income inadequacy, or provide sufficient security and certainty of income to people on fixed incomes. As one older person said:

“

The once-off payments just about covered the additional costs for older people. There was no real benefit or gain for most. Older people have a high degree of cynicism. They view this government as being totally out of touch with their lives.” The one-off payments are not seen as an adequate or a sustainable response to rising living costs: “The one-off payments are great, but it would be good to have more systematic assistance over time. What happens in future years? The rising living costs are not suddenly going to go away. And when prices go up, they don’t go down again.”

4.3 Older People and Income Adequacy

In Ireland, the State Pension is often the main, and in many cases only, source of income for the majority of older people. Seven in ten people aged 66 and over rely on social protection for more than half their income, including three in ten people aged 66 and over who rely on it for more than 90% of their income. However, the State Pension all too often fails to deliver income adequacy for its recipients. Ireland’s pension system has the second lowest level of income replacement in the EU. Measured as a percentage of GNI*, public spending in Ireland on old age social protection was one of the three lowest in the EU in 2021.

Ireland is one of just two OECD countries that do not use a formal system of benchmarking its State Pension. Ireland is also the only Eurozone country that does not index the State Pension against price inflation or wage increases. In the absence of benchmarking, increases to the State Pension are decided in the annual Budget and are therefore dependent upon political will. The Government has committed to the introduction of a system of benchmarking rates of pension payment both to average wages and to inflation. In May 2023, the Minister for Social Protection stated that “a smoothed earnings method to calculating a benchmarked/indexed rate of State Pension payments will be introduced as an input to the annual budget process and will be submitted to Government in September each year, commencing this year.” This new approach is yet to be introduced, and was notable by its absence in the Budget 2024 announcements.

62, 63, 64 www.ageaction.ie/sites/default/files/published_age_action_spotlight_on_income_in_older_age.pdf
Budgets 2023 and 2024 both included €12 increases in the maximum weekly rate of all state pensions and proportionate increases for qualified adults and people receiving a reduced rate. Each year’s increase was significantly lower than the amount needed to keep pace with rising living costs and to replace lost spending power to 2020 levels. This lost spending power is a key driver of the increase in poverty experienced by older people. Ahead of Budget 2024, older people and their representative organisations called on the Irish Government to raise the full rate of the contributory State Pension by between €25 to €30 per week to restore its 2020 spending power, as a first step towards benchmarking the pension rate. Age Action found that inflation has reduced the spending power of the State Pension to such an extent that the full rate would need to increase by €30 per week to give older people the same spending power that they had in 2020.69

The Government’s recent Energy Poverty Action Plan defines energy poverty as “an inability to heat or power a home adequately”, and identifies home energy needs costing more than 10% of a household’s disposable income as a standard measurement of energy poverty in Ireland.70 In terms of energy poverty, older adults living alone have experienced the largest increases in terms of the proportion of income required for MESL Household Energy from 2020 to 2023, with 6% of household income needed to cover home energy costs in 2020, compared to 15.3% in 2023.71 An older single adult’s energy costs are reduced

69 www.ageaction.ie/sites/default/files/age_actionPBS_to_DSP_budget_2024.pdf
71 www.budgeting.ie/publications/mesl-2023/
by both the Fuel Allowance and the Household Benefits Package. However, these energy related supports meet less than half (47.3%) of their household energy costs in 2023, a 37.8 percentage point decrease from 2020, and have not been increased in either Budget 2023 or 2024. In addition, given the higher at risk of poverty rate for older people living alone, it is regrettable that the Living Alone Allowance once again remains static at €22 following Budget 2024. The one-off payments introduced in Budgets 2023 and 2024 are no substitute for adequate increases to income supports in conjunction with adequate increases to the core State Pension rates.

4.4 Older People and Essential Services

Adequacy of housing and accommodation is a pivotal issue for older people. However, almost half (at least 48%) of older people in Ireland do not have housing that meets international human rights standards of adequate housing, including in terms of the requirements of habitability, location and availability of services, facilities and infrastructure.\(^{72}\) The largest issue in terms of inadequacy is that almost half of homes occupied by older people have low home insulation (Building Energy Ratings/BERs of E, F or G).\(^{73}\) Up to 10% of older households lack accessibility or adaptation to the needs of older persons with disabilities or mobility impairments. Other habitability issues include lack of central heating, damp, leaks, or rot, environmental noise, pollution, crime and anti-social behaviour.

\(^{72, 73}\) www.ageaction.ie/sites/default/files/reframing_ageing_state_of_ageing_in_ireland_2022_published.pdf
With the increasing number of older people renting, older people have told us that there needs to be an urgent increase in the levels of state-provided housing, and regulations on rent levels and other housing-related costs in the private sector. The need to increase Housing Assistance Payments (HAP) was particularly highlighted as not adequate to meet rental costs and leaving people to pay top-ups. There is also an urgent need for a sufficient quantity of age-friendly and universal design housing as part of all social housing new builds.

The inaccessibility of many essential services for older people living in rural areas and the need for improved public transport in rural areas were highlighted. Many older people in rural Ireland live in isolated areas, often with poor public transport. While people aged 66 and over are entitled to a free travel pass, no additional support is provided to people who live in rural Ireland whose only viable means of transport is a car. As one older person told EAPN Ireland:

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For older people in rural areas, the free travel pass is a joke – there is no transport to access. An allowance should be paid in lieu of the pass to those that live in rural areas and where there is no public transport.”
Digitalisation is a cause of concern for many older people in terms of exclusion, access and the additional administrative burdens they face. Some older people lack the digital skills and, particularly in rural areas, the necessary digital infrastructure such as broadband, to access essential services online, including public services and electronic banking. Older people are less likely to own or use computers or other digital devices, use internet banking, or interact with Government services online. Older people have highlighted the importance of accessing services face-to-face. This is not just because of the issues outlined above, but also because the physical contact with service providers for some older people can be an essential part of their social network for reasons of mental health or social isolation, and to access community and social services to get personalised support for issues they face. Ensuring equal access to digital services and digital training is important but should not replace or hinder the relationship with service providers and the possibility of receiving personalised and face-to-face support.

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ADDRESSING POVERTY EXPERIENCED BY PEOPLE IN DIRECT PROVISION
Direct Provision was established in 2000, and is Ireland’s reception system for people seeking international protection while they await a decision on their protection application. Throughout the 23 years since it was established, Direct Provision has been criticised, both in Ireland and internationally, for failing to meet our national and international obligations to people seeking international protection. It has been criticised for its inadequate living conditions and institutionalised settings, privacy and overcrowding concerns, the length of time people remain in the system, variable standards and monitoring, impact on physical and mental health, and contribution to social exclusion.

People living in Direct Provision are among those most likely to experience poverty and social exclusion in Ireland. Under this system, the State provides accommodation, board and other essentials, along with a small weekly allowance called the Daily Expenses Allowance (DEA). The Direct Provision system is overseen by the International Protection Accommodation Service (IPAS), an agency of the Department of Children, Equality, Disability, Integration and Youth (DCEDIY). As of the start of October 2023, more than 24,000 people, including more than 5,000 children, live in Direct Provision centres and emergency international protection accommodation. These are mostly congregated settings such as hotels, guest houses, former boarding schools and other accommodation, which are privately owned and operated but are paid for by the State.
5.1 Broken Promises

In 2020, *The Programme for Government* committed to ending Direct Provision and replacing it with a new International Protection accommodation policy, centred on a not-for-profit approach. In February 2021, the *White Paper on Ending Direct Provision* was published. This paper set out the Government’s plan to end Direct Provision and replace it with a new system based on a not-for-profit approach, grounded in the principles of human rights, respect for diversity and respect for privacy and family life. The timeframe envisioned for the completion of this process was 2024, but progress has been very slow and it looks unlikely that this target will be met. This failure to effectively implement policy is having and will continue to have real human costs.

People with experience of Direct Provision shared their frustration that many of the ongoing issues “have been there for nearly two decades now, the daily allowance for migrants living in these accommodations, the remote locations and lack of oversight within the accommodations have been the topic of discussions for the past two decades.” As one person said, “while there have been improvements made in the way these centres are run there is a need for long term solutions.” Some told EAPN Ireland that the big concerns for them are that “asylum seekers are unable to access healthcare due to GP services being overwhelmed, children are placed in schools 40 to 50 minutes from their accommodation and losing school places when families were arbitrarily moved.

to different hotels, and for some people these issues end up with people being forced into unofficial or illicit work, making them vulnerable to exploitation.”

5.2 Income Adequacy

International Protection applicants living in Direct Provision accommodation, who are awaiting a decision on their application, and who do not have the means to live independently are entitled to receive a weekly payment called the Daily Expenses Allowance (DEA). The DEA is €38.80 per week for an adult and €29.80 per week for a child. While increases and additional payments in response to the COVID-19 pandemic and the cost-of-living crisis have been introduced in recent years for the broader population and certain social welfare recipients, DEA payments for people seeking international protection have not been similarly adjusted, and they have been unable to avail of the one-off measures.

The DEA has, in fact, only been increased twice since Direct Provision was established in 2000. The most recent increase was announced in Budget 2019 and implemented in March 2019. Neither increase has been in line with inflation or the cost of living.

People in Direct Provision with children in education are entitled to the Back to School Clothing and Footwear Allowance, an annual payment of €260 for a child aged 4-11 years, and €385 for a child aged 12-22 years in full-time second-level education. Families in Direct Provision are also entitled to a Medical Card and are exempt from paying prescription charges. They can also apply

78, 79 www.irishrefugeecouncil.ie/Handlers/Download.ashx?IDMF=8a2081c4-da20-4891-99c4-9dc22b670429
for an Additional Needs Payment if they have essential needs that they cannot afford using the DEA. Support organisations’ experience suggests many families in Direct Provision go without goods and services such as personal care and clothing items, and do not partake in social or extra-curricular activities, due to their limited incomes.\textsuperscript{80} People with experience of Direct Provision have told us there are particular issues around food costs and school costs for children: “It has increasingly become difficult for people to manage the added costs due to increases in all food related items and any extra expenses that might arise.”

Research from the Irish Refugee Council shows the impact of declining standards in international protection accommodation and the impact of the cost-of-living crisis on people in the protection process and Direct Provision.\textsuperscript{81} The levels of income inadequacy faced by children and families living in international protection accommodation means that basic needs are often unmet. Insufficient nutritional support, transportation limitations, partial healthcare coverage, a lack of organised leisure activities, and difficulties accessing essential amenities are among issues facing participants. The DEA is intended for personal and incidental expenses, with people seeking protection relying on it to afford necessities like sanitary products and public transport, often from very rural locations. However, when their basic needs are not being met by their accommodation centre, residents find themselves spending a considerable portion of the DEA on clothing, medicines, toiletries, transportation, and items for their children such as diapers, wipes, and school lunch supplies. Key findings include that 88% of parents surveyed felt that the DEA is insufficient to cover basic needs such as food and healthcare. Over

\textsuperscript{80} www.budgeting.ie/download/pdf/working_paper_-_estimating_the_mesl_costs_for_families_in_direct_provision.pdf

\textsuperscript{81} www.irishrefugeecouncil.ie/Handlers/Download.ashx?IDMF=8a2081c4-da20-4891-99c4-9dc22670429
80% of respondents indicated that the DEA is insufficient to cover many of their children’s basic needs. 49% of respondents stated that the child DEA is spent on meeting childcare related expenses. 84% said the DEA is insufficient to cover childcare-related needs and 57% of respondents face challenges in saving money for future needs or emergencies.

The research concludes that the exclusion of children in the protection process from receiving Child Benefit directly impacts the well-being, integration, and social development of these children and families within Irish society. In this regard, the announcement as part of Budget 2024 that the expansion of the range of supports provided to international protection applicants will include an additional payment for children is welcome. However, at the time of writing, full details on the rate of this payment and its implementation are yet to be announced.

In May 2023, the Vincentian MESL Research Centre published a Working Paper estimating the Minimum Essential Standard of Living (MESL) costs for families living in Direct Provision. The findings show that for each individual family member living in Direct Provision accommodation, the income supports provided are inadequate to meet their estimated MESL need, and that this inadequacy is compounded at a household level. The paper examined the MESL needs of one and two parent families with two children, one of primary school age and one of secondary school age. For a one parent, two child household living in Direct Provision, their weekly income covers 49% of the estimated MESL need, leaving a shortfall of €117.50 per week. For a two parent, two child household in Direct Provision, their weekly income

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83 www.budgeting.ie/download/pdf/working_paper_-_estimating_the_mesl_costs_for_families_in_direct_provision.pdf
covers 52% of their MESL need, a shortfall of €140.37 per week. Importantly, due to the large variation in the standard and type of service provided in different accommodation centres, the MESL estimates are based on a best-case scenario, where basic needs such as nutrition, transport and hygiene are being met by accommodation providers. As a result, the findings may not reflect, and in fact may underestimate, the dire situation experienced by many people living in Direct Provision.

5.3 Accommodation and Homelessness

In January 2023, the Department of Children, Equality, Disability, Integration and Youth announced that new international protection applicants who do not have children will not be accommodated straight away. As a result of the Government’s failure to provide accommodation, over 1,400 people seeking international protection were forced into homelessness, some for up to 10 weeks. As of the beginning of October, 350 people were in temporary tented accommodation.

In April 2023, the High Court ruled that the failure to provide adequate reception conditions to an applicant was an unlawful breach of Article 1 of the EU Charter of Fundamental Rights, the right to human dignity. In June 2023, the Irish Refugee Council published a report on the experience of homeless international protection applicants in Ireland, highlighting the impact of homelessness and the unsafe conditions they have endured since January. The report shows that the weekly payment of €38.80, and eligibility for Additional Needs Payment, is insufficient to

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85 wwww.irishrefugeecouncil.ie/Handlers/Download.ashx?IDMF=997df5d6-6c62-4e0a-b027-f20707da31b3
87 wwww.irishrefugeecouncil.ie/Handlers/Download.ashx?IDMF=9f970e2f-b2dd-44c9-b9aa-756037946de4
meet the needs of people forced to sleep rough and experiencing homelessness, and that people are facing destitution as a result. The report finds that Government departments did not prepare or respond adequately or quickly enough, despite significant warnings in the preceding months.

It is crucial that the Government effectively develops a long-term approach to addressing accommodation needs in the international protection system. The implementation of *The White Paper on Ending Direct Provision* must be brought back on track and an emphasis must be placed on urgently actioning its commitment to an annualised capital and current investment programme to deliver a permanent and adequate stock of State-owned and operated accommodation for people seeking international protection, that would be additional to current housing plans. It would also cost less in the long-term if the State ended its dependence on the private sector and invested in this approach.⁸⁹

Ireland has the capacity and resources to address the challenges in the international protection system, while also simultaneously tackling the broader ongoing and intersecting issues of housing, poverty and inequality. To do so effectively we need to see a coordinated, whole-of-Government approach grounded in human rights. Targeted investment, supports and resources must be deployed to urgently address the immediate and most pressing needs, while also taking concrete actions to deliver long-term solutions to tackle income inadequacy alongside adequate investment in public services and supports across the country. This must be for the benefit of everyone in our society. People seeking international protection cannot and must not be left behind.

⁸⁸ [www.irishrefugeecouncil.ie/Handlers/Download.ashx?IDMF=4662a241-0d00-4809-9b7e-29e8d2255420](https://www.irishrefugeecouncil.ie/Handlers/Download.ashx?IDMF=4662a241-0d00-4809-9b7e-29e8d2255420)
⁸⁹ [https://assets.gov.ie/269795/fe74706a-e08f-447b-95f6-10b8a3a5afdb.pdf](https://assets.gov.ie/269795/fe74706a-e08f-447b-95f6-10b8a3a5afdb.pdf)
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WATCH 2023
RECOMMENDATIONS
**Income Adequacy**

- 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.
- Ensure that measures to address the cost-of-living crisis prioritise people who are on low incomes and most vulnerable, with an emphasis on ensuring welfare rates and supports are adequate to afford the cost of living.
- Introduce a weekly Cost of Disability payment that adequately reflects the additional costs incurred by disabled people.

**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 Poverty Impact Assessments of all relevant policy at design stage.
Access to Affordable and Quality Public Services

• Commit to adequate investment in and ensure the public delivery of accessible and affordable quality public services and supports, such as health, housing, transport, education, childcare and social care.

• Ensure universal access to essential quality services and supports, combined with additional targeted measures to achieve effective access for vulnerable or marginalised groups, including anti-discrimination and other measures to address 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.

• Adequately increase investment in public transport options that are affordable, accessible, reliable and sustainable, in both urban and rural areas, particularly for people on low incomes or those in underserved areas, ensuring costs, such as those related to the transition to green transport, are not passed on in higher prices that penalise the poorest.
Addressing the Structural Housing Crisis

• Adequately invest in and increase the provision of direct build social and affordable housing as provided by Local Authorities and Approved Housing Bodies, to a level that is adequate level to meet need of people in the state. This should have a specific focus on housing units offering tenants a differential rent as opposed to market-based rent setting, particularly for the benefit of people on low incomes and living in poverty and those requiring accessible housing.

• Ensure robust standards are in place so that all housing meets adequate standards of habitability, accessibility, energy efficiency, location and availability of services, facilities and infrastructure in line with international standards.

• Introduce legislative and other measures to ensure affordability of housing, including adequate levels of state-provided housing, and regulations on rent levels and other housing-related costs in the private sector.

• Improve protection for tenants at risk of eviction due to e.g. unaffordable rents or the retrofitting of properties by landlords.

• Commit to the development of a sufficient quantity of age-friendly and universal design housing as part of all social housing new builds.

• Urgently address barriers to the adequate provision of Traveller specific accommodation.

• Hold a referendum to enshrine the right to housing in the Constitution, including a stand-alone amendment which includes a recognition of a directly enforceable right to housing and a separate statement of the State’s obligation to realise that right within available resources.
Sustainable Funding 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.
Supporting Older People

• Ensure that the State Pension is set at a level that provides an adequate income, and benchmarked appropriately 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 weekly rate and duration of the Fuel Allowance; introduce a partial-rate Fuel Allowance payment for those on low-income who do not currently qualify.
• Prioritise targeted public investments for energy-poor households and those living in rented houses and social housing.
• Increase investment in public transport options that are affordable, reliable and sustainable, particularly for people on low incomes or those in underserved or rural areas, and ensure additional costs, including any associated with the transition to green transport, are not passed on in higher prices that penalise the poorest.
• Address digital poverty, including by ensuring digitalisation is an option rather than an obligation, introducing adequate measures to prevent and address digital poverty, and guaranteeing that digitalisation will not replace or hinder access to personalised and face-to-face support.
Supporting People Seeking International Protection

• Publish and implement a new White Paper on ending Direct Provision without delay, which sets out clear timelines for ending the Direct Provision system and replacing it with a not-for-profit, human rights compliant alternative.
• Introduce the International Protection Child Payment for children living in Direct Provision, at the same rate as the Child Benefit payment.
• Increase the adult’s rate of the Daily Expenses Allowance (DEA) in line with inflation, and increase the children’s rate of the DEA to align with the Qualified Child Increase rates of payment.
• Action the White Paper commitment to an annualised capital and current investment programme to deliver a permanent and adequate stock of State-owned and operated accommodation for people seeking international protection that would be additional to current housing plans.
• Commit to the mainstreaming of refugees, migrants and people seeking international protection across all relevant Government policies and strategies to ensure that their rights and needs are reflected and addressed.
Community Development

• Significantly increase investment in and resourcing of autonomous community development.
• 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 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.

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