



Better Europe Alliance

Irish Civil Society Organisations for a Social and Sustainable Europe

Response to European Commission

2019 Country Report for Ireland

Including proposal for Country Specific Recommendations for Ireland and Ireland's NRP

April 2019

The **Better Europe Alliance**, Irish Civil Society Organisations for a Social and Sustainable Europe, involves a range of social and equality NGOs, the Environmental Pillar and the SIPTU trade union. The overall objective of the Alliance is to strengthen progress towards the social and environmental goals of the Europe 2020 strategy and to improve the level of debate and engagement of all stakeholders in progressing the Europe 2020 Strategy and the European Semester. The Better Europe Alliance is coordinated by the European Anti-Poverty Network (EAPN) Ireland.

The members of the Better Europe Alliance are:

- Age & Opportunity
- Co-operative Housing Ireland
- Disability Federation of Ireland
- Environmental Pillar
- EAPN Ireland
- Irish National Organisation of the Unemployed
- Irish Rural Link
- National Adult Literacy Agency
- National Women's Council of Ireland
- SIPTU
- Social Justice Ireland
- Society of Saint Vincent de Paul

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1. Introduction

As part of the annual European Semester process the European Commission published its Country Reports on each EU Member State, including Ireland, in March 2019¹. These Country Reports present the Commission's analysis of the economic, social and environmental policies of each country, as well as national progress in delivering on both the five agreed Europe 2020 targets and the Country Specific Recommendations issued by the Commission the previous year. The reports of Member States with higher economic risks, and which are therefore under the macroeconomic imbalance procedure, have additional sections on these risks. While Ireland's economic situation is improving it continues to be one of these Member States.

The Country Reports are published by the Commission to:

- support debate on the policy issues they raise; and

¹ European Commission 2018. Country Report Ireland 2019.

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf

- inform the content of each Member States' National Reform Programmes (sent to the European Commission in mid-April) and the Country Specific Recommendations (issued by the European Commission to each Member State in May).

From 2018 the Country Reports also include a box monitoring each Member States performance in relation to the new European Pillar of Social Rights which was agreed by all EU Institutions and Member States in November 2017.

The Better Europe Alliance has analysed the Irish Country Report. This paper is part of our contribution to the debate and the policy development that flows from it, with the aim of ensuring a more just, inclusive and sustainable future for Ireland. It includes proposals for Ireland's National Reform Programme and the EU's Country Specific Recommendations for Ireland.

2. What is the EU Semester and Europe 2020 Strategy?

The European Semester is the annual reporting and coordination process at EU level from 2010-2020 whereby EU Member States, under the coordination of the European Commission, work together towards agreed, economic, social and environmental goals². The economic goals are agreed as part of the Growth and Stability Pact and these are binding, while the social and environmental goals are part of the five targets agreed to as part of the Europe 2020 Strategy for smart, sustainable and inclusive growth. The five Europe 2020 targets are:

1. Raise to 75% the employment rate of women and men aged 20-64.
2. Spend 3% of GDP on research and development.
3. Reduce greenhouse gas emissions by 20% by 2020, increase the share of renewables in energy consumption by 20% and move towards a 20% increase in energy efficiency.
4. Reduce school drop-out rates to less than 10% and increase the share of 30-34 years old having completed tertiary or equivalent education to at least 40%.
5. Lift at least 20 million people out of risk of poverty and social exclusion by 2020.

The Irish Government agreed on national targets to contribute to the overall EU targets and these are reported on annually in the National Reform Programme. Commitments at EU level have a direct bearing on the policies being implemented at national level.

As 2020 approaches the EU and its Member States will be expected to achieve their Europe 2020 targets. We must also look to post 2020 and a new strategy to replace Europe 2020. The Alliance supports proposals that the UN Sustainable Development Goals provide a clear policy frame for guiding a balanced approach to EU policy up to 2030.

² European Commission webpage https://ec.europa.eu/info/strategy/european-semester_en

3. Response overview

While the Country Report continues to be dominated by economic concerns, it has a detailed section on labour market, education and social policies and a short section on energy and climate action. However, there is an improvement in the balance between these three areas compared to previous Country Reports where many social issues were viewed mainly through an economic lens.

The Alliance will continue to try to ensure that a more balanced approach is taken in the European Semester process which recognises the interrelatedness and interdependence of social, economic and environmental policy. The ultimate goal should be to ensure a better and more sustainable quality of life for everyone. This is particularly crucial if the EU and its member states are to strive to achieve the UN Sustainable Development Goals.

Stakeholder engagement

An essential element in the implementation of the European Semester process, is the engagement of stakeholders. This includes civil society organisations. This has a strong basis in the EU Employment Guidelines. There has been a markedly improved engagement by the European Commission to ensure a wide range of stakeholders are involved at different stages, with formal opportunities to feedback and input to the process. This is visible in Ireland.

However, the Oireachtas and Government Departments, including the Department of the Taoiseach, which has a coordination role, has a very limited engagement with stakeholders on the Semester process, leaving it to specific Departments to engage separately on different policy areas, while focusing on coordinating written submissions to the National Reform Programme. There is also the Government's National Economic Dialogue each year on the annual Budget. This limited engagement is highlighted in the 2019 National Country Report which says that *'In 2015 the government created a structured forum for national economic dialogue where social partners have the opportunity to raise concerns and share views ahead of the annual budget on key policy issues. However, they are rarely involved and consulted in relation to the European Semester process by the government'*.

A much deeper face to face engagement in the process is needed involving different stakeholders, and recognising the integrated economic, social and environmental nature of the Semester process.

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

- Ensure balance between economic, social and environmental policy and recognise their interdependence so as to bring about a better and more sustainable quality of life for everyone.
- Improve engagement in the semester process across the range of stakeholder at national level.

4. Climate Change

Poorer communities across the globe are more likely to experience the effects of climate change such as flooding and drought and be exposed to air pollution, to poor water quality and water contamination. At present Ireland is one of the worst performers in reducing carbon emissions. However, the cost of climate action must not fall disproportionately on those living in rural areas or in low income households. This not only relates to energy poverty but also the impact of a transition to a low carbon economy for communities reliant on fossil fuel employment.

Unfortunately, we must repeat that the Better Europe Alliance's analysis and recommendations in response to the 2015, 2016 and 2017 Country Reports remain relevant, having not been taken on board in Irish policy.

We believe that the young people of the world are the only people that understand the urgency of protecting their future. This message is infusing the 'Zeitgeist' of the moment.

This may finally be understood by the Government and Irish policy truly change to meet the realities of Climate Change, Biodiversity Loss and resource over usage.

Ireland must make firm commitments to reduce total emissions outputs from agriculture, transport and energy. These commitments must be underpinned by ambitious and substantive policies which must be implemented fully. These policies will require sufficient resourcing and an all-of-Government approach to ensure that we meet our domestic and international environmental targets.

Addressing energy poverty

Light, heat and power are fundamental requirements to participate in society and a pre-requisite for social inclusion. Energy poverty occurs when high energy prices, energy inefficient homes and low income intersect, and energy poverty can be driven by any or all of these issues. It is estimated that up to 28% of the population experiences energy poverty.

In order to meet our climate obligations and to ensure that the cost of climate action does not fall disproportionately on those living in rural areas or low-income households, tackling energy poverty must be the cornerstone of Ireland's environmental policy. Without addressing energy poverty, it will not be possible to meet our climate obligations, as low-income energy poor households are often unable to change their behaviours in response to measures such as an increase in carbon tax. It appears to us that this point is not well understood by Government.

Reducing emissions requires that implementation policy decisions are made in the interest of a sustainable future rather than short-term sectoral interests. While this implementation may be difficult in the initial stages, it will lead to reduced emissions and benefits for all. This is where our Government and all members of the Oireachtas must show leadership and act in the national

interest. Ireland has a window of opportunity to implement ambitious emission reduction policies that will ensure a sustainable future for us all. This requires immediate policy action.

Any programme for sustainable development has implications for public spending. In addressing this issue, it needs to be understood that public expenditure programmes and taxes provide a framework which help to shape market prices, reward certain activities and penalise others. A key aspect of this could be to broaden the tax base through environmental taxation. Eco-taxes, which put a price on the full costs of resource extraction and pollution, would help with the transition towards a resource efficient, low carbon green economy. The taxation system should reflect the environmental costs of goods and services.

Environmental taxation measures

A well-designed carbon policy which can reduce the cost of transition will make the necessary reforms more acceptable. It is vital that any carbon tax is well-designed and accompanied by the necessary measures to assist people and communities to transition to a low carbon economy and society. This means that investment in energy efficiency schemes, income supports, renewable energy and transport, in conjunction with a national dialogue on how Ireland can ensure our transition to a low carbon economy is fair and socially just, are necessary.

Research has shown that an increase in the carbon tax, as it is currently designed, would hit low income households harder, particularly those living in rural areas. A significant increase in the tax could potentially add €10.50 to a bag of coal, €2.25 on a bale of briquettes, and 26.5 cents on a litre of diesel. And unless there is greater investment in public transport and energy efficiency schemes, low income households will have to absorb these costs as they are unable to afford the switch to climate friendly alternatives. The development of a new National Energy and Climate Plan provides an opportune moment to review the application of the PSO and the carbon tax to low income and rural communities and to consider how we can ensure that communities reliant on employment from fossil fuel generation are not left behind.

The revenues from carbon taxes should be used to support households in energy poverty to improve energy efficiency and invested in low carbon technologies to improve the energy efficiency of the housing stock.

When considering environmental taxation measures to support sustainable development and the environment, and to broaden the tax base, the Government should ensure that such taxes are structured in ways that are equitable and effective and do not place a disproportionate burden on rural communities or lower socio-economic groups.

Sustainable Growth

The Better Europe Alliance must take issue with the constant reference to growth in the process: the fact is that constant growth within the one world is not possible. For instance, we are sure the Commission is aware of the horrors of cobalt mining in the Democratic Republic of Congo. The same cobalt that we are using for batteries for our mobile phones and electric cars. What will continuing growth in the developed world do for these Congolese cobalt miners?

The Better Europe Alliance would like to highlight the lack of interest in Biodiversity Loss within this process.

- The United Nation's biodiversity chief, Cristiana Paşca Palmer, stated in 2018 that "The world has two years to secure a deal for nature to halt a 'silent killer' as dangerous as climate change"³.
- We are losing insects: A report published in February 2019 states "Insect extinction threatens 'catastrophic collapse' of ecosystems. Human activity could see 40% of insect species wiped out in decades⁴.
- We are also losing large animals - 70% of megafauna species with sufficient information are decreasing and 59% are threatened with extinction⁵.
- Global loss of biodiversity is threatening the security of the world's food supplies and the livelihoods of millions of people, according to a new report⁶ by the United Nations' Food and Agriculture Organization (FAO). Land-use changes, pollution, overexploitation of resources, and climate change were listed as the biggest drivers of this biodiversity loss.

Energy efficiency

New grant schemes have been announced to increase the number of deep retrofits with a target of completing the approx. 1 million homes by 2050. Why not an earlier target date? One constraint that needs urgent remediation is the serious lack of trained operatives in all aspects of deep retrofitting. A full training programme is required – see possibility for workers from closed peat fired generation. Further promotion is required in the benefits and cash saving possible through Deep Retrofit. Energy companies must provide "pay as you save" schemes.

There has been limited uptake of **energy efficiency schemes among low income households:**

- Since 2000, 134,883 homes have been upgraded under the Warmer Homes schemes⁷. But it is estimated that over one million homes need improving⁸.
- In addition, the Department of Housing, Planning and Local Government has upgraded 64,000 local authority homes since 2014 with cavity wall and attic insulation and it is estimated that approximately 30% of social housing stock, is more than 40 years old, which would equate to approximately 40,000 more units⁹.

³ Jonathon Ross The Guardian 06/11/2018 <https://www.theguardian.com/environment/2018/nov/03/stop-biodiversity-loss-or-we-could-face-our-own-extinction-warns-un>

⁴ Worldwide decline of the entomofauna: A review of its drivers
<https://www.sciencedirect.com/science/article/pii/S0006320718313636>

⁵ Are we eating the world's megafauna to extinction? <https://onlinelibrary.wiley.com/doi/full/10.1111/conl.12627>

⁶ FAO Commission on Genetic Resources for Food and Agriculture, The State of the World's Biodiversity for Food and Agriculture <http://www.fao.org/state-of-biodiversity-for-food-agriculture/en/>

⁷ Parliamentary question <https://www.kildarestreet.com/wrans/?id=2018-04-17a.3187>

⁸ SEAI (2017) Behavioural insights on energy efficiency in the residential sector
<https://www.seai.ie/resources/publications/Behavioural-insights-on-energyefficiency-in-the-residential-sector.pdf>

⁹ Joint Oireachtas Committee on Climate Action
<https://www.kildarestreet.com/committees/?id=2018-10-10a.5&s=retrofitting+social+housing#g7>

- The *Better Energy Warmer Home Scheme* is available to social welfare recipients who own their own home, which may be a good option for older people. However, for those in receipt of the One Parent Family Payment or the Disability Allowance, it is more likely they are living in social housing or the private rented sector.

Energy efficiency standards in the private rented sector are inadequate:

- Research conducted on behalf of the Society of St Vincent de Paul by the Vincentian Partnership for Social Justice (VPSJ) showed that the private rented sector has higher proportions of E, F and G Building Energy Ratings (BERs) than either local authority or owner-occupied homes¹⁰.
- The Housing Standards 2009 do not include measures to realise energy efficiency in private rented dwellings and while a BER rating is required in order to let a dwelling, there is no minimum BER threshold below which a dwelling is considered unfit for letting.
- There are insufficient incentives and obligations for private landlords to consider upgrading and retrofitting their properties.

Executive Summary of Country Report

The Report still fails to integrate climate change fully into its analysis. It is not highlighted in the Executive Summary, which contains a single reference to climate issues in the context of infrastructure investments. This is despite the fact that Ireland is one of only two EU Member States which is failing to meet its 2020 greenhouse gas emissions (GHG) target for the non-traded sector. This is a headline issue and a major challenge for Ireland which should have been highlighted in the Executive Summary.

National Development Plan – NDP

The National Development Plan is featured in the summary (on Page 4) and in the Progress with Country Specific Recommendations (Page 15) under CSR 2. It is our submission that the NDP has never been ‘Climate proofed’. It is stated that 20% of the monies in the NDP are specifically for Climate related projects, however many of the projects in the other 80% are actually counterproductive, such as building more motorways and the second runway at Dublin Airport. We strongly believe that the bullet point on page 4, “and a sound system for selecting projects remain essential for its timely and effective deliver” should be extended to include “and that said projects should be checked for their actual decarbonisation”.

Investments for sustainable development (Page 52)

This confirms that Greenhouse gas emissions are rising with particularly severe challenges in transport, agriculture, energy and the built environment but gives no suggestions as how investment in sustainable development will alleviate these problems.

¹⁰ Vincentian Partnership for Social Justice (2014) Minimum Household Energy Need.

<https://www.svp.ie/getattachment/716d46e2-e390-4fce-8e4e-cc3fb2297f62/Minimum-Household-Energy-Need-VPSJ-Research-report.aspx>

There is a reference to concerns from key multinational companies and states that these companies are committed to resource all their energy from renewable sources. As it is stated (page 53) that “Ireland is likely to miss its renewable energy targets”, where is this extra requirement for renewable energy to come from?

Ireland is yet to spell out a pathway towards a decarbonised and sustainable future
(Page 53)

We have stated before that National Mitigation Plan is useless in the main because it does not contain any targets. We agree that the Government need to revisit it or replace it.

We do believe the National Planning Framework (NPF) shows the importance of sustainable communities and how they can lead to better community wellbeing and lessening of carbon emissions through reduction in sprawl and car-based commuting. The importance of public transport and provision of cycling and walking infrastructure is fully supported within the National Planning Framework.

However, the National Development Plan (NDP) reverses the NPF’s call for considerable investment in Public Transport and walking and cycling infrastructure and proposes more investment in motorways etc. We consider this to be counter to a vision of a sustainable and low-carbon economy.

We would be worried that the Government’s “whole of government” plan will contain hundreds of policy objective without any ‘key performance indicators’ and hence will be a tick box exercise.

The draft National Energy and Climate Plan (page 53)

It is critical that the new National Energy and Climate Plan addresses the issue of energy poverty, and this requires policy coherence across the forthcoming National Action Plan for Social Inclusion and the successor to the current Strategy to Combat Energy Poverty.

A summary of the submission on the draft NECP by a leading eNGO:

- Ireland’s Draft National Energy and Climate Plan (NECP) fails to deliver energy or agriculture emission reduction, or any coherent climate action aligned with commitment to the Paris Agreement. Therefore, it requires urgent revision by the end of 2019 to ensure that the finalised NECP includes ambitious plans for substantial and sustained reductions in annual GHG emissions.
- The Draft NECP (hereafter “the Draft”) shows no realisation in government that greenhouse gas (GHG) emissions must now go down very fast, no matter what. The climate system does not “care” about economics or population, only about accumulating amounts of long-lived climate pollutants, carbon dioxide and nitrous oxide, and changes

in emission rates of shorter-lived GHGs such as methane and black carbon. This is what a mitigation imperative means.

- All four Draft scenarios fail by approximately only ‘flat-lining’ total annual fossil fuel CO₂ emissions from 2015 to 2040, thereby continuing to add about the same amount of CO₂ every year to accumulate further in the atmosphere.
- The Draft is not constrained by any stated quota limit to cumulative CO₂, to be aligned with a fair share of the global carbon budget for the Paris temperature objectives, therefore it is not a climate action plan that is coherent with the EU’s or Ireland’s own climate plan.
- The Draft even fails to show scenarios coherent with Ireland’s existing climate policy, widely understood as a linear annual reduction in CO₂ to at least an 80% reduction in 2050 compared to 1990
- The Draft’s data projections show no reduction in annual GHG emissions from agriculture and land use to 2035 – methane and nitrous oxide emissions from livestock and nitrogen fertiliser use increase. Therefore, no approach to carbon neutrality in this sector is shown nor any contribution from it to overall decarbonisation as required by the National Policy Position².
- The Draft should assume emission reduction as a driving imperative that must be met by economy-energy modelling within the ‘fair share’ carbon budget limits of the Paris objectives. But instead, contrary to the European Governance Regulation (EU-GR) requirements, Ireland’s Draft NECP assumes that business-as-usual demand growth will be met without decarbonisation.
- The Draft shows a move to lower carbon intensity fossil energy in energy supply – less coal and peat, but much more gas and little change in oil use. Paris requires urgent reductions in aggregate oil and gas CO₂ emissions as well as from coal and peat.
- The NECP proposes some exploratory investigation of the potential for deployment of (still high cost and immature) carbon capture and storage technologies (CCS), but the scale and timing is not quantified in detail, the scope is limited to natural gas and industrial process emissions only (i.e. not oil) and certainly would remain minimal in the period to at least 2030. That being the case, deep emissions reductions are already urgently required within that period that can only be effectively achieved by commensurate absolute reductions in consumption of all fossil fuels beginning immediately.
- The Draft is based on projected increases in emissions from agriculture, which cannot be offset by mitigation in other less prolific emitting sectors. As such the Draft is a plan for increases which breach the linear reduction pathway needed in the 2020-2030 period and exposes the State to substantial and potentially punitive compliance costs. This is not a responsible course of action for government to advocate.
- The Citizens’ Assembly recommendations should have been addressed in the Draft and must be in the final report, the urgency now needed for climate action requires it.

- Stranded asset investments in gas infrastructure such as the proposed Shannon LNG terminal must not be pursued. It is a waste of time and resources to invest in a high carbon fuel that only adds to unsustainable energy and climate insecurity.
- In terms of Climate Action Network Europe's five pillars for transformative NECPs we find that the Draft: fails to deliver sufficient ambition; does not meet a long-term Paris check; has policies that are incoherent and lack consistency even with existing plans; uses technical loopholes (undermining climate mitigation effectiveness) and fails to report all fossil fuel subsidies.
- The Draft was published in a barely readable light blue font with a large 'DRAFT' watermark. This is a basic communications error that needs to be avoided in future. Even a draft plan needs to be in an easily readable black font with no watermark.
- On transparency, DCCA's NECP consultations have shown a welcome increased commitment to publishing data (as required by the EU-GR). However, the Draft fails to show how views were taken into account, if at all. For example, the basic point that limiting future cumulative CO₂ is core to climate action has been ignored.

Transport

In both of the last two years we also criticised the omission of any reference to the then proposed Greater Dublin Area Transport Strategy 2016-2035¹¹. As mentioned previously, the National Transport Authority which developed the Strategy has confirmed it is based solely on addressing congestion and has not been designed to meet climate change objectives. Consequently, it envisages an increase of about 11% in annual transport GHG emissions from the Greater Dublin Area over the period of the plan.

The Report should have taken note of the Smarter Travel Policy¹², adopted in 2009, which set a 2020 target of reducing greenhouse gas emissions from the transport sector below 2005 levels. This target will not be met. This is due to a failure to implement most of the actions in the Policy. The report has been almost universally ignored.

The implementation of Smarter Travel along with investments consistent with long-term decarbonisation are urgently required. Such an approach also has multiple co-benefits including:

- public health (active travel and reduced air pollution);
- addressing transport poverty, difficulties accessing employment and services, social isolation;
- employment;
- energy security;
- secure long-term return on investment.

¹¹ <https://www.nationaltransport.ie/planning-policy/greater-dublin-area-transport-strategy-2016-2035/>

¹² <http://www.smartertravel.ie/>

Fossil and renewable energy

The Country Report notes that fossil fuel subsidies remain significant. It does not note that two peat power plants will continue operating beyond 2019. It should also note that it is intended to indirectly subsidise continued peat combustion at these plants until 2030 by means of a biomass subsidy which requires that at least 70% of the fuel is peat. There is no statement in the plans of what type of biomass will be used or where it will be sourced. There is insufficient locally produced biomass for these plants.

These plants need to be closed down on a phased basis, ensuring the workers there are adequately compensated. The current subsidies used to provide direct and indirect workers with a 'Just Transition' into other forms of employment.

Then all bogs should be rewetted to return them to Carbon Sinks.

Engaging with communities on rewetting peatlands and wetlands and giving community a sense of ownership, which helps place more value on the peatland by the community, where they can use it as a local amenity. Community Wetlands Forum, a network formed under the umbrella of IRL, as a response to the Habitat Directives is a network of community groups who became involved in the rewetting and restoration of peatlands and wetlands in their community. It is a bottom up approach giving people a sense of ownership¹³.

In relation to Carbon sinks – on an individual level - some scheme to consider for landowners is that if they left bogs untouched or rewetted/restored them, they could get payment similar to the current Glas scheme or credits off heat/energy bills.

At a community level the 'Moors Futures' model should be explored. MoorFutures are a way to raise funds for the rewetting and restoration of peatlands and wetlands. Essentially, they are a type of carbon credit used as an instrument for financing peatland protection, ecosystem services and biodiversity, through private investment. MoorFutures offer corporations an opportunity to offset their carbon emissions while investing in the biological diversity and the multiple benefits of peatlands and wetlands. MoorFutures create trust because projects are carried out in the local community and the buyer can visit the site easily; supplier and buyer are in direct personal contact. They started in Brandesburg state in Germany in 2012 with other states following suit. With the amount of peatland and wetland across Ireland, there is an opportunity now to explore such a scheme to help Ireland achieve its climate targets.

An interesting fact is that for considerable periods in 2018, Moneypoint, the country's large coal plant, did not run at all due to maintenance problems. Further, the hydroelectric station at

¹³ More information on the work of the Wetlands Forum is available on <http://www.communitywetlandsforum.ie/> (currently being updated) or facebook <https://www.facebook.com/communitywetlandsforum/>

Ardnacrusha did not generate, we believe in order to maintain lake/river levels during the summer drought. The loss of neither seem to have affected the grid.

The development of renewable energy needs to be maintained and increased. Unfortunately, it has slowed in recent years.

There has never been a proper map created showing the areas of the country suitable for renewal energy as constrained by such things as Natura 2000 sites, existing grid, distance to housing etc. Nor has the disparity between the planning system and the grid connection (gate) system has been sorted.

Ireland is apparently still the only Member State which does not provide opportunities for household-level and other renewable energy micro-generation.

Agriculture, Forestry and other land-use

As with last year's Country Report, rising agricultural greenhouse emissions are noted but the policies leading to this situation are not discussed. Agricultural policy continues to focus on producing and promoting meat and dairy¹⁴. Its concession to climate policy is to seek to improve the relative carbon efficiency of inherently carbon-intensive foodstuffs.

There is no understanding that these carbon increases are totally negated by the large and continuing increase in cattle numbers in recent years.

The Intergovernmental Panel on Climate Change has pointed out that addressing demand can have more impact: "Hence, the potential to reduce GHG emissions through changes in consumption was found to be substantially higher than that of technical mitigation measures"¹⁵.

It also noted the opportunity to simultaneously derive climate and public health benefits by "shifting consumption away from animal products, especially from ruminant sources, in high-meat-consumption societies toward less climate altering pollutant intensive healthy diets"¹⁶.

Despite this, policy options to shift consumption are ruled out of discussion in Irish policymaking circles.

The absence of a national programme for protecting and enhancing greenhouse gas sinks and reservoirs is striking. We particularly point to the significant opportunity to reduce emissions, protect existing stocks of terrestrial carbon and restart carbon sequestration, with large cost-

¹⁴ See agricultural policy as set out in Food Wise 2025 <https://www.agriculture.gov.ie/foodwise2025/>

¹⁵ http://www.ipcc.ch/pdf/assessment-report/ar5/wg3/ipcc_wg3_ar5_chapter11.pdf

¹⁶ https://www.ipcc.ch/pdf/assessment-report/ar5/wg2/WGIIAR5-Chap11_FINAL.pdf

effective emissions reduction potential, by rewetting, rehabilitating and restoring peatlands and other wetlands¹⁷.

Added to this is the latest information from the EPA¹⁸ shows that Ireland exceeded its emission limits for ammonia for the first time in 2016 and this has recurred in 2017 and 2018 and that emissions of this gas are increasing. The agriculture sector accounts for virtually all (99 per cent) ammonia emissions in Ireland arising from the application of fertilisers - 40 million tonnes of animal manures are used annually together with 400,000 tonnes of nitrogen in artificial fertilisers (in 2018).

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- Ireland must carbon proof the National Development Plan/ National Planning Framework and ensure investment decisions, especially in transport and spatial planning, are consistent with long-term climate emissions pathways.
- Ireland must develop policies to reduce agricultural and land use emissions.

5. Investment

The Alliance welcomes the focus on public investment in the 2019 Country Report. The Alliance has highlighted the need for investment in social infrastructure in previous reports and in particular welcomes the focus on investment in social inclusion and skills. Well-targeted social investment would further reduce unemployment, contribute to robust public finances, and help to secure wellbeing.

Investment in Ireland is recovering, and after years of severe cuts it will be a projected €8.4bn in 2019¹⁹. This is a significant increase – both on the 2018 figure for gross capital expenditure and on what was projected for 2019 in Budget 2018. The Alliance welcomes this positive trend and believes that this investment must be aimed at long-term solutions in areas such as housing, healthcare, education and childcare, rather than short-time, high cost options.

Consistent under-investment in public infrastructure by successive Governments has created a deficit in essential services. As stated previously in the Alliance response to the 2018 Country Report, the effects of inadequate investment can be seen everywhere from the current crisis in housing supply to the lack of adequate health services. It will be almost impossible for Ireland to meet our macroeconomic goals on infrastructural maintenance and expansion, or the social goals of adequate housing, healthcare and education services, without adequate levels of investment.

¹⁷ https://www.epa.ie/pubs/reports/research/climate/CCRP_15_web.pdf

[http://www.ucd.ie/bogland/publications/STRIVE_75_Renou_Bogland_prn_web%20\(1\).pdf](http://www.ucd.ie/bogland/publications/STRIVE_75_Renou_Bogland_prn_web%20(1).pdf)

¹⁸ <http://www.epa.ie/pubs/reports/air/airemissions/irelandsairpollutantemissions2016.html>

¹⁹ http://www.budget.gov.ie/Budgets/2019/Documents/Budget_2019_Economic_and_Fiscal_Outlook_F.pdf

Substantial additional investment in services and infrastructure is now required to ensure there is no further erosion of social infrastructure; something that would have significant future costs. A comprehensive public investment strategy requires an integrated and balanced approach, accommodating social, economic and environmental requirements. Adequate social infrastructure and services are necessary to support economic development. Investment in public services and infrastructure is not only required to meet existing needs (and has proven to be grossly inadequate at current levels), but to provide for future demand. Ireland's shifting demographic profile, with an increased total fertility rate and ageing population, while positive, present challenges in terms of healthcare, childcare, housing, education and public and social infrastructures, which can only be met with sufficient targeted investment.

The Alliance welcomed the commitments made by Government in the National Planning Framework and National Development Plan, however we pointed out that there was a lack of definite timelines for achieving the kind of infrastructure development required, and that the plans did not go far enough to provide sufficient infrastructure and services to link remote areas to and build sustainable communities.

Ireland's balance sheet is improving. Government has improved availability of funds that could be used to enhance investment opportunities. This 'on balance sheet' investment could also be supplemented by 'off balance sheet' public commercial investment based on appropriate commercial criteria and revenue flows and coupled with prudential oversight. Examples of areas where this can be undertaken are broadband infrastructure, public housing and renewable energy.

The Alliance is of the opinion that Government should use the recent significant unexpected – and presumably temporary – windfalls in corporation tax on once-off infrastructure projects to address deficits outlined in areas such as social housing, decarbonisation, and broadband infrastructure. An investment programme will contribute to economic growth, which would in turn lower Ireland's deficit and debt burden. If properly structured and correctly targeted, it would also create much needed employment and address the deficits in areas such as housing, decarbonisation and childcare, which are highlighted in the Country Report.

The Country Report highlights decarbonisation as an area requiring investment. The Report notes that fossil fuel subsidies remain significant. It does not note that two peat power plants will continue operating beyond 2019. It should also note that it is intended to indirectly subsidise continued peat combustion at these plants until 2030 by means of a biomass subsidy which requires that at least 70% of the fuel is peat. There is no statement in the plans of what type of biomass will be used or where it will be sourced. It is important that current fossil fuel subsidies are diverted away from harmful environmental practices and instead used to fund investment in decarbonisation, while ensuring adequate income protection and other supports for workers who may be impacted. If Government is serious about progressing decarbonisation, investment

in this area will have to increase significantly in the coming years. The redirection of fossil fuel subsidies to decarbonisation would be an appropriate first step in this regard.

Investment in Ireland's social and physical infrastructure and environmental resources is necessary to ensure we are best placed to take advantage of the current levels of growth and can build a robust social, environmental and economic infrastructure that can both meet future demands and withstand future shocks.

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

- Ensure that Ireland's fiscal commitments under the Fiscal Compact and the Growth and Stability Pact do not inhibit Ireland's investment strategy.
- Ireland must maximise its fiscal space as much as possible as afforded by the fiscal rules.
- Amend the fiscal rules to:
 - i. better accommodate shift level increases in social and physical investment spending and to exclude that spending from the structural deficit target.
 - ii. exclude public investment in social infrastructure (in areas such as health, education, social housing and childcare) from the 3% public deficit threshold.

6. Taxation and Expenditure

Tax plays a key role in shaping Irish society through funding public services, supporting economic activity and redistributing resources to enhance the fairness of society. It is therefore crucial that clarity exist with regard to both the objectives and instruments aimed at achieving these goals, with policy development centred on the collection of sufficient taxes to ensure a full participation in society for all, through a fair tax system in which those who have more pay more, while those who have less pay less.

Despite favourable lending rates and payback terms, there remains a recurring cost to service the national debt – costs which have to be financed by current taxation revenues. Furthermore, the erosion of the National Pension Reserve Fund (NPRF) through using it to fund various bank rescues has transferred the liability for future public sector pensions onto future exchequer expenditure. Although there will be some return from a number of the rescued banks, it is likely to be small relative to the total of funds committed and therefore will require additional taxation resources. These new future taxation needs are in addition to those that already exist for funding local government, repairing and modernising our water infrastructure, paying for the health and pension needs of an ageing population, paying EU contributions and funding any pollution reducing environmental initiatives that are required by European and International agreements. Collectively, they mean that Ireland's overall level of taxation will have to rise significantly in the years to come – a reality Irish society and the political system need to begin to seriously address.

The Country Report assessment notes that although some progress has been made on tax expenditures, some measures introduced in Budget 2019 increased tax expenditures and narrowed that tax base. The Alliance welcomes the Commission's recommendation to use the review of the local property tax in 2019 as an opportunity to broaden the tax base. The Commission highlights the volatility of Ireland's corporate tax receipts, the Alliance is of the view that this revenue be invested in once-off infrastructure projects. The Alliance shares the Commission's concern regarding the use of Ireland's tax rules by companies engaged in aggressive tax planning. The use by corporations of Ireland's tax rules for aggressive tax planning is a cause for concern to the Alliance. The transposing of Anti-Tax Avoidance Directives into national law by the deadline of the end of 2018 (with the exception of exit tax and interest limitation rules due to be transposed in 2020 and 2024 respectively) may go some way to limit these aggressive tax planning structures, however this will be dependent on the nuances of the wording used in the transposing instrument and its interpretation by practitioners in the area.

In October 2017, the Department of Finance published a consultation document noting several areas on which Ireland is taking a leadership role on global tax reform. The consultation document also notes that Ireland "remains committed" to the Base Erosion and Profit Shifting Process (BEPS) and to playing our full part in its implementation. The introduction of a minimum effective corporate tax rate would serve as another opportunity for Ireland to take a leadership role in implementing progressive moves relating to the international corporation tax system.

We further welcome the recommendation to introduce taxes to support the environment and to align the tax treatment of petrol and diesel for road use, and are of the view that 'polluter pays' tax policies should be implemented to encourage corporate responsibility and repair the damage caused by corporations who have pursued profit at the expense of the environment. As outlined earlier the Alliance proposes that fossil fuel subsidies be removed and invested into decarbonisation policies. With regard to carbon taxation, it is the view of the Alliance that this should form a part of an overall carbon policy, whereby there is significant investment in decarbonisation and in supporting household and community transition to a low carbon future.

When considering environmental taxation measures to support sustainable development and the environment, and to broaden the tax base, the Government should ensure that such taxes are structured in ways that are equitable and effective and do not place a disproportionate burden on rural communities, households experiencing energy poverty or lower socio-economic groups.

The Better Europe Alliance proposes moderate increases to Ireland's overall tax take in the coming years, by broadening the tax base and introducing a minimum effective tax rate for corporations and high net-worth individuals, raising Ireland's tax revenue over the next ten years to meet the EU average. This moderate increase could then be used to fund essential services and infrastructure such as housing, healthcare, education and public services, infrastructure and services reasonably expected in a modern Western society. It would also provide the necessary revenue to fund the

social and infrastructural requirements necessary to support our society and complete our convergence with the rest of Europe. Ireland has also committed to reducing or eliminating environmentally harmful practices, such as fossil fuel excavation and the production of greenhouse gas emissions. Broadening the tax base to encompass environmental taxes and 'polluter pays' principles would bring Ireland closer to its targets under the Europe 2020 programme, the COP21 and to meeting our obligations under the Sustainable Development Goals.

Public expenditure was significantly constricted in the past decade. As a result, Ireland has a housing and homelessness crisis, a struggling healthcare system, an under-funded education system and inadequate public services, particularly in rural areas. Population increases and changing demographics means that Ireland will face significant pressures across the population lifecycle in the coming years, for which we are ill-prepared. While household formations have recently contracted, resulting in an increase in accommodation over-crowding, the estimated number of houses needed in the next few years ranges from 16,000 to 33,000 per year, this in addition to the latest social housing waiting list of 71,858 and those in private rented accommodation experiencing significant rent inflation. These houses cannot exist in a vacuum and will need to be supported by adequate infrastructure such as roads, schools, hospitals and amenities. Existing infrastructure will also need to be maintained and developed to ensure it is capable of meeting demand. The changing demographics means an increase in both current and capital expenditure in the short, medium and long term and, as per our response to the 2018 European Semester package, the Alliance calls on Government to acknowledge this increased demand and include these demographic changes in the expenditure and revenue projections produced by the Department of Finance. The present situation of producing these projections on a 'no policy change' does not allow for long-term policy planning and inhibits progress in meeting demand.

The Department of Finance's Economic and Fiscal Outlook 2019 projects total revenue and expenditure each falling to 25 per cent of GDP or to 41.1 per cent of GNI* in 2019²⁰. Such an approach will not provide the revenue that Ireland needs to increase expenditure in order to improve our public services and infrastructure. The re-emergence of economic growth should be seen as an opportunity to increase expenditure on our depleted social infrastructure, not to reduce taxes.

The Alliance believes that over the next number of years Ireland needs to increase its taxation levels closer to the EU average. Increasing taxation levels must be based on the following principles:

- The focus must be on strengthening the fairness and progressiveness of the taxation system, which must reduce inequality and avoid environmental harm. This includes a more progressive effective tax rate, broader than just in the area of income tax.

²⁰ http://www.budget.gov.ie/Budgets/2019/Documents/Budget_2019_Economic_and_Fiscal_Outlook_F.pdf

The Alliance understands that GDP, as a measure of progress, is problematic and appreciate the recent efforts of Government in addressing this. However, the point remains that Ireland's revenue take, and subsequent public expenditure, is insufficient to meet current and future demand.

- Those who have benefited the most from the present system and are furthest from the risk of poverty should contribute the most, this includes the corporate sector.
- Additional taxation must be addressed through ongoing review and cost-benefit analysis of tax expenditures, as proposed by the European Commission, including consideration of standardisation and the elimination of tax expenditures with little environmental, economic or social benefit.
- In broadening the tax system there is a need to find an appropriate balance to reflect both environmental and social goals, for example in terms of carbon taxes and water charges.
- The EU polluter pays principle must be part of tax policy.
- There must be a focus on addressing the effective corporation tax rate paid by companies.
- There is a need for a wealth tax based not just on income but also on all other financial and fixed assets.
- A financial transaction tax (FTT) should be introduced to provide additional revenue for delivery of services which have been cut back over the last decade. It would also discourage speculative finance whilst simultaneously generating revenue for investment in social infrastructure.

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

- Publish the annual review and analysis of tax expenditures prior to the Budget and present it to the Oireachtas Committee on Budgetary Oversight for discussion and consideration.
- Ensure all Department of Finance expenditure and revenue projections incorporate CSO demographic projections.

7. Pillar of Social Rights

In November 2017 EU institutions and Member States agreed the European Pillar of Social Rights. The European Semester is the key instrument for monitoring delivery of the Pillar. In 2018 the Alliance was critical of the quality of this monitoring as it was isolated to a one-page box in the Country Report. In the 2019 Country Report there are slight improvements with the Pillar of Social Rights being used as a context for assessing progress in relation to the use of social transfers to reduce poverty, to assess the provision of childcare and in the context of the Multiannual Financial Framework. However, this is still not satisfactory. The Pillar should be mainstreamed across the Report as a means of assessing progress on social and employment policy against the Pillar's 20 principles/rights.

A second issue highlighted by the Alliance is the need to address the method for monitoring implementation of the Pillar. As in 2018 this continues to be mainly by comparing progress in Ireland to the EU average across 14 headline indicators (p35). While using EU averages is a useful way of comparing the situation across Member States the Alliance believes that the Pillar of Social Rights

needs to be assessed according to the ambition in each Member State to deliver on the 20 principles/rights.

However, the changes in Ireland's performance compared to other Member States between 2018 and 2019 is notable. On early school leaving and the impact of social transfers on poverty reduction Ireland has moved from being 'better than average' to among the 'best performers' in the EU. However, it has moved from 'better than average' to 'average' on the risk of poverty and social exclusion and from 'average' to 'to watch' in relation to income inequality. It is still 'to watch' on digital skills'.

The narrative accompanying the table of indicators is more informative. While highlighting progress in some areas such as in household disposable income, it also highlights ongoing issues of concern to the Alliance. This includes the fact that everyone has not seen the benefits of the economic upturn, that employment of people with disabilities continues to be among the lowest in the EU and a particular concern over child poverty. It also draws attention to rapidly rising homelessness and housing issues for many across Ireland, naming the particularly impacted groups as single parents, single men, the elderly, people with disabilities and increasing numbers of families and young people. This is an issue which is covered in much greater detail elsewhere in the Country Report.

8. United Nations Convention on the Rights of Persons with Disabilities (UN CRPD)

We welcome the marked increase of consideration and mention of people with disabilities in a number of places in the 2019 Country Report, in particular inclusion in the matter of homelessness. These references to disability help highlight to the Irish Government the particular inequalities faced by people with disabilities, and reinforce the fact that people with disabilities cannot be missed or ignored, even in areas where Ireland is scoring average in the EPSRs score card in comparison to the wider EU.

We urge the Commission to build on this progress and to increasingly incorporate the UN CRPD and disability specific considerations throughout the EU Semester process and its specific application to Ireland - to thread them throughout its analysis. This is key to furthering the rights of the 80 million people across the EU and in particular, the 643,131 people in Ireland with disabilities which the EU and Ireland have committed to respect and to promote when they ratified the UN CRPD and to respect the EPSRs, the EU's 2020 targets and the Sustainable Development Goals. And so, in addition to highlighting disability in relation to employment, education and housing, we call on the Commission to also highlight:

- the particularly high rate and risk of poverty experienced by people with disabilities, their family and carers. Please note that while employment activation will be key, proper supports must be available to those not in a position to work²¹.
- the lack of community-based supports, which are key to deinstitutionalisation and the avoidance of institutionalisation by facilitating people with disabilities to live in their communities.
- the need for inclusion of people with disabilities in further education and training through the Education and Training Boards, ETBs.

The EU and Ireland must, individually and jointly, contribute to, incentivise and monitor the provision of community-based support, inclusive labour market opportunities and inclusive education systems - for people with disabilities and their family members. The EU Semester is a key tool for achieving this. The UN CRPD and people with disabilities should be incorporated and referenced throughout the EU Semester process.

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

- The National Reform Programme and Country Report should all include specific mention of policies and legislation which are key to implementing the UNCRPD as well as the relevant provisions of the UN CRPD, under each relevant section. Particular consideration should be given to:
 - The rate of poverty amongst people with disabilities in comparison to the wider population
 - Living in the Community – Appropriate housing and Community-based Services
 - Inclusive Education and Training systems
 - Inclusive Labour Markets
- The Country Specific Recommendations should mirror these disability specific references. The recommendations should reflect whether or not these national measures are meeting the standards of the UN CRPD.
- The European Semester should collect and reference disability specific data insofar as possible.²²

9. Poverty

The Country Report (p37-38) highlights that the levels of risk of poverty and social exclusion have continued to fall in Ireland, with progress across the three elements that make this up i.e. those with incomes that put them at risk of poverty, those in material deprivation and those living in

²¹ www.cso.ie

²² For more, see How the European Semester Can Help to Implement the UN CRPD

http://www.easpd.eu/sites/default/files/sites/default/files/easpd_2015_report_on_european_semester_un_crpd_final.pdf. Specific reference to p. 5 *ibid*.

houses with very low work intensity. However, the Report does highlight ongoing concerns in relation to child poverty, with one in four children at risk of poverty and social exclusion. The Report also acknowledges that *'many people have yet to reap the social benefits of the economic upturn'*.

The Alliance welcomes the fall in risk of poverty and social exclusion, the improvements in the lives of many people and the policy measure which supported this. However, poverty is still above pre-crisis levels and urgency is needed to address its causes and consequence.

750,000 people, or 15.7% of the population, have incomes below the poverty line. This is much higher than before the crisis. 18.8% of people are living in deprivation because they cannot afford two of the eleven agreed basic essentials, well above the 11.8% level of 2007. 6.7% of the general population experiences both of these and are therefore in consistent poverty, well above the pre-crisis level of 4.2% and leaving a significant challenge if Ireland is to achieve its poverty target²³ *'to reduce the number experiencing consistent poverty to 4% by 2016 (interim target) and to 2% or less by 2020, from the 2010 baseline rate of 6.2%'*.

The Irish contribution to the Europe 2020 poverty target is to reduce by a minimum of 200,000 the population in combined poverty (either consistent poverty, at-risk-of poverty or basic deprivation). According to the Country Report Ireland is now beginning to make progress towards this target, but according to the Report Ireland will have to lift 180,000 people out of combined poverty by 2020 to achieve its target. According to the EU statistical agency, Eurostat, this is higher at 238,000 people.

The Alliance has previously highlighted that poverty has a greater impact on particular groups and communities. Headline statistics and trends can mask this reality. Poverty statistics capture poverty levels for some of these groups. This includes single adult households with children, those who are unemployed or not in work due to illness or disability and those renting at below market rate or rent free. For example, 24% of people who have a disability/illness (154,351 people) are living in consistent poverty. The statistics do not capture other groups with high poverty levels such as Travellers, migrants or the growing number of people who are homeless. Poverty is also higher in the more disadvantaged urban areas, while poverty in rural areas has specific characteristics which can often make it invisible and harder to address. Statistics can also only capture some of the daily reality experienced by those in poverty.

Addressing poverty requires a strong response from Government, supported by a strategy which takes an integrated approach capable of addressing its multidimensional nature. This involves addressing access to an adequate income, whether in or out of work, access to affordable quality services, and access to a quality job for those who can work. Measures must also be taken to

²³ Ireland - National Reform Programme 2016
http://ec.europa.eu/europe2020/pdf/csr2016/nrp2016_ireland_en.pdf

address the discrimination experienced by many in society. Since 2017 Ireland has not had an anti-poverty strategy. It has spent two years in the process of developing a new National Action Plan for Social Inclusion. In responding to consultation on the new Plan Alliance members have called on the Government to maintain ambitious poverty targets and a definition of poverty which reflects its multidimensional nature. It is urgent that this plan is put in place soon, containing these ambitious targets, and outlining an all of Government approach to achieving them. It must also reflect and address the different risks of poverty for particular groups and communities as highlighted above. The Report does not mention the delay in the Government's publication of a new National Action Plan for Social Inclusion.

While still placing the main emphasis on labour market access as a means of addressing poverty, the report does look at policy issues related to income, services and access to the labour market, including making a clear link between the unaffordability of housing, homelessness and poverty. However, the 2019 Country Report does need to look at these in a more integrated way and better address how these three areas interact with each other e.g. how the cost of living impacts on the adequacy of incomes for those in or out of work and how the quality of work and pay impacts on poverty.

The Report highlights the importance of measures to tackle household joblessness, and the implementation of the Action Plan for Jobless Households in addressing poverty for a range of households, and through this to also address child poverty. While positively addressing household joblessness can support a reduction in poverty, it can only be effective as part of a wider integrated approach. In addressing child poverty, this integrated approach is outlined in the 2013 EU *Recommendation for Investing in Children and breaking the cycle of disadvantage* and in Ireland's own National Children's Strategy *Our Children – Their Lives*.

Access to adequate social welfare supports

The Country Report highlights the effectiveness of social transfers in reducing poverty in Ireland, particularly for older people, and in its assessment of implementation of the Pillar of Social Rights Ireland is ranked among the 'best performers' under this indicator. However, the Country Report itself urges that this should be treated with caution '*due to the low level of in-kind benefits relative to the high cost in the economy*' (p9), in other words the impact of the cost of living on people's incomes.

The Report also shows that minimum income benefits in Ireland are among the most adequate in the EU (91.3 % of the poverty threshold and 70.4 % of the income of a low wage earner) and Ireland's unemployment benefits are rated as close to the EU average in terms of adequacy. The Report also highlights additional income measures taken in Budget 2019 which will help address poverty. However, a key issue for Alliance members is ensuring that the adequacy of social welfare supports is measured against what it takes for people to live with dignity. This is the ambition in the Pillar of

Social Rights which includes the principle that *'everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life'*.

Adequacy of social welfare supports must reflect the real cost of living and should be set against a benchmark which is adequate to both lift people above the 60% poverty line and provide them with a Minimum Essential Standard of Living. Currently this is not the case for the majority of family types²⁴.

Despite welcome increases in social welfare rates between 2017 and 2019 they are still below the 2017 poverty line of €239.95 per week for all recipients, apart from those on the State Pension. The biggest gap is for those under 26 years of age, who are on unjustifiably lower social welfare rates, and their welfare supports are €127.25 and €82.15 below the poverty line. Budget 2019 improved the ability of more families to meet a Minimum Essential Standard of Living. However, most household types still do not have an income to live with dignity with gaps of up to €71.83 for some households.

The Social Welfare, Pensions and Civil Registration Act 2018 includes the welcome commitment to consultation on the benchmarking of social welfare payments and Alliance members will be availing of the opportunity to engage in this process.

Moreover, people with disabilities can experience particular additional costs, referred to as 'the cost of disability'. As part of Budget 2019 the Department of Employment Affairs and Social Protection allocated €300,000 to commission research on the cost of living with a disability across all government departments. Once completed, it is vital that the findings of that research inform proper provision of social welfare supports for people with disabilities.

In work poverty and lone parents

A new report from the Society of St Vincent de Paul (SVP), entitled *Working, Parenting and Struggling*, has found that the rate of in-work poverty among lone parents more than doubled between 2012 and 2017²⁵. In 2012, 1-in-11 working lone parents were living below the poverty line, but by 2017 this increased to 1-in-5.

In-work poverty is a key concern for the Better Europe Alliance and in 2017, 14% of those living below the poverty line and 26.2% of those experiencing deprivation were at work (CSO, 2018)²⁶. More detailed data from Eurostat shows the longer-term trends in in-work poverty and its relationship to the poverty threshold, measured as 60% of median income. The rate of in-work poverty for a single adult increased from 8.7% in 2014 to 12.8% in 2016, falling to 11.1% in 2017.

²⁴ Vincentian Partnership for Social Justice/Minimum Essential Budget Standards Research Centre 2018. Minimum Essential Standard of Living 2018. <https://www.budgeting.ie/publications/mesl-2018/>

²⁵ Working, Parenting and Struggling? An analysis of the employment and living conditions of one parent families in Ireland. Available from www.svp.ie/workingparents

²⁶ CSO (2018) Survey of Income and Living Conditions 2017
<http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2017/>

However, to give a complete picture of trends over time it is also important to examine changes in the poverty threshold. In 2011, there was a significant increase in the rate of in-work poverty, but the poverty threshold fell significantly. This suggests that incomes just above the threshold fell faster than the median. The drop in the in-work poverty rate from 2012-2014 reflects a fall in median incomes more generally. In the last number of years, there has been an increase in the rate and the threshold, which suggests that median income is increasing, but the lowest incomes are remaining stable or are increasing at a slower pace. This pattern indicates that recovery in income from employment in lower income groups is not recovering as fast as higher income groups and if this trend continues, we are likely to see further increases in working poverty.

Some of the main findings of this report:

- Lone parents in Ireland are almost 5 times more likely to experience in-work poverty than other households with children (20.8% compared to 4.2%).
- 84% of lone parents in Ireland were unable to meet unexpected expenses – compared to an EU-15 average of 58%.
- In 2017, 58% of lone parents were working compared to 46% in 2012. This is the lowest rate among EU-15 countries. However, the rate increases to 66% for those with children over 12, indicating when childcare needs are lower, the labour market attachment of lone parent is higher.
- Almost 60% of lone parents reported that they couldn't access childcare services due to cost – the second highest rate in EU-15 countries just after Spain.
- Childcare costs significantly reduce the returns from work, particularly for those employed in low paid work.
- Housing costs are also an important factor in a family's ability to make ends meet. In 2017, 45% of lone parents reported a heavy financial burden due to housing costs and almost 18% were in arrears on the mortgage or rent repayments. The rate of arrears for other households with children was 8% in 2017.
- Employment rates are 3 times higher among lone parents with third level education but 1 in 5 lone parents reported that they couldn't access formal education for financial reasons.

Inequality

The 2019 Country Report states that market income inequality in Ireland is among the highest in the EU, but that after taxes and social transfers it is considered to be 'low'. At the same time there was a slight increase in income inequality in Ireland and in relation to the Pillar of Social Rights it is rated a 'to watch'. While the redistribution effect of Ireland's tax-benefit system plays a crucial role in reducing both income inequality and poverty it is very important to understand and address the causes of market income inequality and why our tax and welfare system has to work so hard to reduce it compared to other countries.

The Report raises concerns related to the opportunities for those from a disadvantaged background. The issue of access to third level education is particularly highlighted but also access to other services such as health and housing.

It is still a major failure that those who experience discrimination due to their socio-economic status are not protected under Irish equality legislation. The Equality (Miscellaneous Provisions) Bill 2017 which is currently stuck at Third Stage in the Dáil needs to be progressed and become law.

Policy proofing

The Alliance has consistently highlighted the importance of ex-ante policy proofing in order to ensure all relevant policies, including economic policy, are consistent with commitments to reducing poverty, social exclusion and inequality. The Programme for Government contains the commitment to *“develop the process of budget and policy proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights”*²⁷. This includes specific commitments in relation to the annual Budget process. As part of Budget 2018 the Government published a report on Equality Budgeting outlining the process it wished to undertake in relation to Equality Budgeting and in Budget 2019 expanded pilots on equality budgeting beyond the initial pilots on gender budgeting to also include disability and socio-economic status. This process needs to move forward in a transparent and effective manner. The European Commission needs to monitor the implementation of this process as a means of ensuring economic policy supports social goals and the delivery of the Europe 2020 poverty target.

Participation

The Alliance repeats its call for a reinvestment of Government resources to support autonomous community development organisations, particularly at local level. These organisations are necessary to support the active participation of the most marginalised people and communities. They ensure that those impacted on by policies can participate at all stages of the policy process and that policies to prevent and address poverty and social exclusion are the correct ones and are effective. Severe cuts and changes to programmes have greatly undermined this over the past ten years resulting in these communities being further marginalised, with official consultations being often cosmetic. This needs to be reversed as part of the overall policy process.

Proposal for Country Specific Recommendations for Ireland and Ireland’s NRP

- The new National Action Plan for Social Inclusion must be an ambitious and integrated anti-poverty strategy. It must be designed and implemented with the participation of people affected by poverty at all stages.
- Implement a transparent and effective process for the poverty, equality and gender impact assessment of all relevant policy.

²⁷ Department of the Taoiseach 2016. A Programme for a Partnership Government.

http://www.merrionstreet.ie/MerrionStreet/en/ImageLibrary/Programme_for_Partnership_Government.pdf

- Benchmark all social welfare rates at a level which is adequate to both lift people above the poverty line and provide them with a Minimum Essential Standard of Living.
- Under the poverty target introduce sub-targets across the different measures for groups with high levels of poverty.

10. Housing

The Better Europe Alliance accepts and welcomes many of the pronouncements made in the Country Report for Ireland 2019. It is clear that the Commission is keenly aware of the great challenges posed by the current housing crisis in Ireland. Key aspects raised in the report include rising rates of homelessness, house price and rental inflation, concerns regarding social housing, the potential impact of housing shortages on our economic competitiveness, and the lack of capacity in the construction sector as a result of the Global Financial Crisis.

Homelessness

In relation to homelessness, we would concur with the view of the Commission that ‘rapidly rising rents, insufficient residential construction activity and a lack of affordable and social housing have driven up homelessness, especially in Dublin’. We would also agree that, as the Commission notes, the effectiveness of ‘policy measures...being taken to tackle homelessness’ remain ‘uncertain’. In terms of a specific policy measure, the Better Europe Alliance would strongly advocate a wider implementation of the ‘Housing First’ model. Although Government has demonstrated a commitment to testing of the policy in the publication of the ‘Housing First National Implementation Plan 2018-2021’, we believe the current target of 737 adults to be far below what is necessary with respect to current homelessness figures, even taking into account the specific high-dependency focus of Housing First. Indeed, this was acknowledged in October 2018 by Juha Kaakinen, the chief executive of the Y Foundation, a social housing provider in Finland, in his declaration that ‘these projects are too small to have any real impact on the numbers of homeless’.

In January 2019 6,363 homeless adults accessed emergency accommodation while 3,624 children were also homeless. Significant rent increases, increases in demand for private rented housing and the lack of social and affordable homes has led to families and individuals accessing homeless accommodation. Families that have to ‘self-accommodate’ have to find their own emergency accommodation and are not able to access supports such as a case manager to help with the daily challenges of homelessness and support families to move on from emergency accommodation.

In 2017, the government announced a new type of emergency accommodation: family hubs. They are provided in refurbished buildings including former religious institutions, warehouses, retail units, and former hotels & B&Bs²⁸. There is concern that the structures and regulations

²⁸<https://www.maynoothuniversity.ie/sites/default/files/assets/document/Investing%20in%20the%20Right%20to%20a%20Home%20Full%201.pdf>

considered necessary for the operation of these centres, and for the assurance of child protection, will impact on normal interactions within and between families, and impinge on family privacy and autonomy and on the exercise of parental roles²⁹. The Irish Human Rights and Equality Commission (IHREC) has recommended that the legislation governing the provision of emergency accommodation (Section 10, Housing Act, 1988) be amended to place a limit on the length of time a family will spend in emergency accommodation of any kind, suggesting that this should be no more than three months.³⁰ When a family exits homelessness it must be into secure and affordable accommodation so that they are not faced with the threat of experiencing homelessness in the future.

The Children's Rights Alliance has published comprehensive research on the educational needs of children who are experiencing homelessness³¹ while Focus Ireland has published research into food poverty among homeless families living in emergency accommodation³². Findings from research in the Irish context must be used to inform the development of policy and services for families who are experiencing homelessness.

House prices

With regard to **house prices**, continued concerns raised by the Commission with regard to 'the price-to-income ratio', despite 'more stringent macro-prudential rules'³³ are welcomed by the Better Europe Alliance. It is our view that credit-based Governmental initiatives, including the Help-to-Buy scheme, which appears to be referenced in the report, have simply served to inflate house prices in Ireland, as highlighted in the 2018 OECD Economic Survey in their statement that, while such schemes, 'may improve affordability in the short-term...(they) will do little for affordability over a longer horizon if they feed into rising dwelling prices'³⁴. While the report acknowledges that, as a result of rising house prices, there has been a reduction in 'the number of those in negative equity'³⁵, the detrimental impact of rising house prices in limiting access to housing perhaps suggests that the prevailing approach in Ireland, and indeed, across Europe, to housing as a commodity and an asset as opposed to a right and a shelter has, on the whole, served us poorly. The provision of mortgages under the Rebuilding Ireland Home Loan scheme at a loan-to-income rate of up to a 500%, thereby bypassing current macroprudential rules, is

²⁹ [Housing%20&%20Homelessness/Homelessness-and-Social-Housing-Policy.pdf](#)

³⁰ [file:///E:/The-provision-of-emergency-accommodation-to-families-experiencing-homelessness.pdf](#)

³¹ Scanlon, G & G McKenna (2018) Home Works: A study on the educational needs of children experiencing homelessness and living in emergency accommodation. Available from:

https://www.childrensrights.ie/sites/default/files/submissions_reports/files/Home%20Works%20Study%20on%20the%20Educational%20Needs%20of%20Children%20Experiencing%20Homelessness%20-%20Full%20Report.pdf

³² Share, M & M. Hennessy (2017) Food access and nutritional health among families in emergency accommodation. Available from <https://www.focusireland.ie/wp-content/uploads/2014/08/Share-and-Hennessy-2017-Food-Access-Report-%E2%80%93-Main-Report-FINAL.pdf>

³³ European Commission (2019) 'Country Report Ireland 2019', p.18. Available at:

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf

³⁴ OECD (2018) 'OECD Economic Surveys Ireland : March 2018', p.32., Available at:

<http://www.oecd.org/eco/surveys/Ireland-2018-OECD-economic-survey-overview.pdf>

³⁵ European Commission (2019) 'Country Report Ireland 2019', p.5. Available at:

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf

also a source for concern in this regard. In order to avoid repeating the mistakes of the past, it is our view that credit-based initiatives should be avoided insofar as is possible and that Central Bank loan-to-value and loan-to-income limits should be strictly adhered to.

Rents

Continued rising **rents** are also referred to in the Report, with the Housing Assistance Payment (HAP) pointed to potentially ‘exacerbating rent increases in the already supply-constrained private rental market.’ The Better Europe Alliance is in absolute agreement with such a statement. The Housing Assistance Payment is a vital support for individuals and families who are unable to access social housing, and who cannot afford market rents. However, the policy direction set out in Rebuilding Ireland, where the majority of social housing need is to be met in the private rented sector through the Housing Assistance Payment is flawed. The high cost to the State, coupled with the lack of security of tenure and high cost to the tenant means that while HAP is an essential measure in the current context, it is only a short term, temporary response to long term housing need. State expenditure on HAP has increased from €390,000 in 2014 to €276 million in 2018. While this is meeting the immediate needs of households in the private rented sector and is important in helping homeless families to move out of emergency accommodation, commentators have questioned whether HAP provides ‘value for money’. According to Reynolds (2017)³⁶ the financing of a direct build social housing unit in Dublin through state borrowing would cost approximately €800 per month. In contrast, the monthly repayment for a HAP unit in Dublin is €1,244. This means financing a HAP unit in Dublin is €5,328 more expensive to the state per annum than a new build unit. Furthermore, if private market rents increase, as they have done in recent years, then the cost of HAP necessarily has to increase in time.

The increasing privatisation of social housing in Ireland is thus a source of serious concern for the Better Europe Alliance. The Better Europe Alliance notes, however, that there is no reference in the report to the impact of the Rent Pressure Zones (RPZs). Though the rate of rental increases appears to be slowing, an increase of 10% nationally and 8.8% in Dublin between Quarter 4 2017 and Quarter 4 2019³⁷ indicates that the RPZs are perhaps not having the desired effect. Measures by which rental increases can be more rapidly tapered therefore require urgent review.

Cost-rental

With regard to potential solutions to the current housing crisis, the Programme for a Partnership Government, and in the Strategy for the Rental Sector, includes a commitment to develop a “cost rental” option for lower income households. Cost rental models can involve rents set at

³⁶ Reynolds, M. (2017) cited in Cited in An absence of rights: Homeless families and social housing marketisation in Ireland, Hearne, R., Murphy M., Administration, vol 66, no.2 (2018),pp.9-31 doi: 10.2478/admin 2018-0016 DeGruyter Open

³⁷ Daft.ie (2019) ‘The Daft.ie Rental Price Report – Quarter 4 2018’. Available at: <https://www.daft.ie/report/2018-Q4-rental-report.pdf>

approximately 70% of market rent³⁸ and may be effective in providing a supply of more affordable accommodation over time.

Under a cost rental model, a housing provider charges rents that are sufficient to cover current and capital costs, creating the potential to provide rental accommodation at below market rents and address the affordability gap for certain households between the social housing sector and market rental. The National Economic and Social Council (NESC) argues that providing cost-rental accommodation with secure occupancy to a significant share of the population is the best available response to the dynamics of rental systems and housing markets that we are now facing. It also points out the need for a movement in this direction to be accompanied by complementary adaptation of Housing Assistance Payments, limiting the state's current exposure to rising rents in the private rented sector, and ensuring affordability for tenants currently paying differential rent³⁹.

A further benefit of a cost rental model highlighted by the Nevin Economic Research Institute (NERI) is that it would supplement social housing investment by local authorities and could begin to exert downward pressure on market rents by a gradual expansion in supply of new dwellings as well as the charging of full economic rental cost below going market rates. The move to cost rental therefore has the potential to reduce State exposure to rent increases, by providing an instrument capable of ensuring supply and assisting in the control and moderation of rents.

Notwithstanding the above benefits, it is acknowledged that there will be limited capacity to provide affordable rents through a cost rental approach in the early stages without the provision of subsidies to moderate high initial costs. It should also be noted that the concept of affordability should not be linked to discounts on market rents, but rather to the income of the household.

Social housing

Tenants in receipt of HAP are deemed to have their housing need met, and as such do not appear in the Summary of Social Housing Assessments, which identifies the numbers of households qualifying for and in need of social housing supports. In 2018 the total number of qualified households for social housing supports was 71,858, a drop of 16.2% on the 2017 figure. However, tenants who have their housing need met through the Housing Assistance Payment are often in insecure tenancies and would have their housing need better met through social housing provided by a local authority or Approved Housing Body. Households awaiting a transfer from HAP into social housing are not captured in the Summary of Social Housing Assessments.

There is a great deal of inconsistency in the ways that local authorities calculate the rent payable by tenants, known as differential rent. For example, some local authorities include income from the Working Family Payment as assessable income for calculating differential rent, while others

³⁸<http://oireachtasdebates.oireachtas.ie/debates%20authoring/DebatesWebPack.nsf/committeetakes/CHH2016052600002?opendocument>

³⁹http://files.nesc.ie/nesc_reports/en/138_Social_Housing_ExSum.pdf

do not. This can result in households with similar levels of income and circumstances paying different amounts of rent. This should be reviewed, with the aim of improving consistency and increasing the return from employment for households in social housing or in receipt of social housing supports. Choice Based Letting should be rolled out nationally as it has been demonstrated to work well in local authority areas which it currently operates in in terms of speeding up allocations of social housing to those on the waiting list.

The Commission references under-occupation of social homes, particularly in Dublin. This issue needs to be addressed as part of the wider development of social housing, for example, ensuring that there are enough single bedroom units being developed by local authorities and approved housing bodies in areas where there is under-occupation of larger homes, so that tenants who would like to remain in their community, but in accommodation more appropriate to their needs, would have the option to do so. Maintaining strong, stable communities and allowing people to age in their community as well as ensuring that overcrowding and under-occupation are addressed should be considered in this regard.

Moreover, given that projected plans for addressing the housing crisis rely heavily HAP, and in turn on the private rental sector Government must take account of the fact that certain demographics can experience particular difficulties in accessing the private rental market. For example, for people with disabilities difficulties include:

- Lack of appropriate, accessible housing.
- A reluctance of landlords to undertake adaptations.
- Attending viewings, relating to transport, etc.

The reliance of social housing provision on HAP, and in turn on the private rental market, risks blocking people with disabilities from housing solutions unless these issues are addressed. In 2010 the Housing Agency made recommendations for targeted initiatives to unlock the potential of this market for people with disabilities.⁴⁰ However, there is no mention of people with disabilities in the Rental Strategy under Rebuilding Ireland. Meanwhile, the number of people qualified for social housing primarily on the basis of disability increased from 6.7% in 2017 to 7.2% in 2018.⁴¹ Also, people with disabilities, make up one quarter of all homeless people in Ireland.⁴² The Government must provide appropriate housing for people with disabilities.

In July 2014 FIDH lodged a collective complaint to the European Committee of Social Rights, that oversees the Revised European Social Charter within the Council of Europe. That Committee

⁴⁰ Housing Agency (2010) *The Potential Role of the Private Rental Sector in the Provision of Accommodation for People with Disabilities* <https://www.housingagency.ie/Our-Publications/Housing-for-People-with-a-Disability/The-Potential-Role-of-the-Private-Rented-Sector-in.aspx>

⁴¹ Table 2.5 p. 21

https://www.housing.gov.ie/sites/default/files/publications/files/summary_of_social_housing_assessments_2018_-_key_findings.pdf

⁴² ERSI and IHREC (2018) *Discrimination and Inequality in Housing in Ireland*, p. ix
<http://www.esri.ie/pubs/BKMNEXT361.pdf>

made a decision on the complaint in May 2017 and found that Ireland has failed to take sufficient and timely measures to ensure the right to housing of an adequate standard for not an insignificant number of families living in local authority housing and therefore Ireland has violated Article 16⁴³.

In Ireland, local authorities monitor the standard of their housing stock, inspect the stock and repair properties through a range of approaches. Under the legal framework regulating local authority housing, local authorities are obliged to *inter alia* assess the adequacy of supply and conditions of housing and that legislation lays down the standards that social housing must adhere to. The National Oversight and Audit Commission is an oversight body for the local government sector established in July 2014. It was to commence a thematic review during 2015 of the performance of the function of maintaining and managing local authority housing stock generally. Although statistics on the conditions of local authority housing stock are carried out at considerable intervals, the last one was in 2002 and there is no national timetable for the refurbishment of local authority housing stock.

These issues have been identified by the Committee in the Collective Complaint FIDH v Ireland (Complaint No. 110/2014). Ireland also has acknowledged the Committee observation that statistics on the conditions of local authority housing stock are not comprehensive and up to date.[2] In response to the Committee, Ireland states that ‘as a first step in meeting this Rebuilding Ireland commitment, all local authorities who have not already done so, are to undertake a stock condition survey in respect of their social housing stock. This will be completed between Q4 2017 and Q4 2018. Such surveys across the stock of all the authorities will provide the basis for the adoption of preventative maintenance approaches to housing stock management as required under Rebuilding Ireland’⁴⁴. However, those surveys have not been completed and there is no report available.

Economic competitiveness

The Better Europe Alliance agrees with the Commission that ‘supply constraints in the housing sector could negatively affect **competitiveness**’⁴⁵ in Ireland. This is a view that is shared by a range of parties in Ireland, including IBEC, the National Competitiveness Council, and Friends First. It is absolutely essential to recognise and robustly address this risk. However, we also believe that it is vital that, in dealing with this specific facet of the crisis, that the overall *social* risks of lack of access to affordable housing are not overlooked. In other words, it is essential the importance of provision of adequate affordable housing to *all* households across the lifecycle,

⁴³ Para 113. The Report to the Ministers of the Council of Europe of 22 June 2017 on the Decision on the Merits of Collective Complaint International Human Rights Federation (FIDH) v Ireland Complaint No. 110/2014

⁴⁴ Appendix to the Resolution CM/ ResChs (2018)1 FIDH v. Ireland, Address by the Representative of Ireland at the meeting of the Rapporteur Group on Social and Health Questions (GR-SOC) of November 2017 International Federation for Human Rights (FIDH) v. Ireland, Collective Complaint No. 110/2014, para 4

⁴⁵ European Commission (2019) ‘Country Report Ireland 2019’, p.10. Available at:

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf

including those more economically vulnerable groups such as lone parents and older people, is not underplayed.

Construction sector

The Better Europe Alliance welcomes the recognition by the Commission of the ‘weak capacity of the **construction** sector’ as an ‘obstacle to deliver the infrastructure and housing required’, and agrees with the proposal that the ‘sale or leasing of land to private promoters may be conditioned to its immediate development to avoid land hoarding’⁴⁶. We would add to this that the implementation of the Vacant Site Levy introduced under the Urban Regeneration and Housing Act 2015 and referred to in ‘RI’ as a method ‘to incentivise the development of vacant and under-utilised sites in urban areas for housing and regeneration purposes’⁴⁷, requires review. Indeed, there has been considerable debate with regard to its efficacy, with only ‘140 sites registered to be fined’, by only ten local authorities. Difficulties reported include a lack of clarity regarding suitability of the land for development, ‘infrastructural deficits’, and a lack of staff capacity⁴⁸. If the Vacant Site Levy is to have a tangible impact on residential construction, it is essential that such issues are urgently examined. Similar concerns have been raised with respect to Compulsory Purchase Orders of derelict or vacant units, with only ‘240 attempts...been made by county councils in the past seven years’⁴⁹, with Louth County Council acquiring a disproportionate number of these properties⁵⁰. Initiatives to encourage the refurbishment of private properties for use as social housing, including the Repair and Leasing scheme, introduced under ‘RI’, have also seen disappointing results, with only 48 units ‘unlocked’, in contrast to an expectation of 3,500 up to 2021⁵¹. It is clear that there are a number of valid concerns with regard to such measures. However, it will be interesting, as noted by the Commission, to examine the impact of the newly established Land Development Agency in their role in regenerating ‘under-utilised sites’ and assembling ‘strategic landbanks from a mix of public and private lands’⁵², as well as the recently announced Home Building Finance Ireland initiative for developers ‘seeking

⁴⁶ European Commission (2019) ‘Country Report Ireland 2019’, p.50. Available at:

https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf

⁴⁷ Government of Ireland (2016) ‘Rebuilding Ireland: An Action Plan for Housing and Homelessness’, p.62 Available at: http://rebuildingireland.ie/Rebuilding%20Ireland_Action%20Plan.pdf

⁴⁸ Smyth, Oona. ‘Why have so few local authorities imposed the vacant site levy?’, *January 19, 2019. RTE.ie* Available at: <https://www.rte.ie/news/analysis-and-comment/2019/0118/1024157-vacant-site-levy/>

⁴⁹ The Irish Examiner. ‘Councils attempt to buy only 240 vacant houses since 2011’, *1 November, 2018. Available at: https://www.irishexaminer.com/breakingnews/ireland/councils-attempt-to-buy-only-240-vacant-houses-since-2011-882498.html*

⁵⁰ Louth County Council (2018) ‘Opening Statement by Mr. Joe McGuinness, Director of Services, Louth County Council to the Joint Committee on Housing, Planning and Local Government’, p.4 Available at: https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint_committee_on_housing_planning_and_local_government/submissions/2018/2018-12-06_opening-statement-joe-mcguinness-director-of-corporate-services-louth-county-council_en.pdf

⁵¹ McGee, Harry. ‘Housing crisis: Has the Government delivered on rebuilding Ireland?’ *February 7, 2019. Irish Times. Available at: https://www.irishtimes.com/news/politics/housing-crisis-has-the-government-delivered-on-rebuilding-ireland-1.3784446*

⁵² Merrionstreet.ie (2019) ‘The Government Launches €1.25bn Land Development Agency’, Available at: https://merrionstreet.ie/en/News/Room/News/Government_Launches_€1_25bn_Land_Development_Agency.html

to build viable residential development projects⁵³ in encouraging supply of housing from the private sector.

Mortgage Distress

The Country Report acknowledges that people in long term mortgage arrears are most likely to be vulnerable families and that it is this category of arrears that are proving to be the most difficult to restructure. This has been a focus for country specific recommendations for Ireland. In 2018, two studies looked at the experience of these families in some detail, highlighting the human dimension behind the statistics as well as serious human rights concerns.

In *Access to Justice and the ECB*⁵⁴ authors Dr Padraic Kenna and Simon W. Kennedy studied 99 court lists of almost 2,400 mortgage possession cases in December 2017 and January 2018. In some 70% home loan debtors had no recorded legal representation. This report highlighted the widespread and systemic non-application of EU consumer and human rights law in Ireland in mortgage possession cases, namely The Unfair Contract Terms Directive and the EU Charter of Fundamental Rights

In the *House Hold: Life in Mortgage Distress*⁵⁵ report, the social justice NGO, Community Action Network looked at the lived experiences of people in mortgage distress and at risk of losing their homes, based on information gathered at a series of eight public information sessions held in 2018, and a survey. This report reveals a picture of shame, silence, stress, lack of legal representation, rejections in court and a failure by state supports systems like MABS and Abhaile to support them adequately. *House Hold* highlights over 70% of people have not consulted a solicitor and over 80% have not retained a solicitor to represent them in court. Most say it is because they can't afford to and that they do not trust that solicitors can help in the face of highly represented financial institutions. Over 90% have not applied to legal aid for a solicitor, most because they have been told that they are not eligible. People involved in the research described courts as being intimidating, difficult to understand, daunting and largely intolerant of unrepresented plaintiffs and lay litigants.

The report found that the majority of properties at risk of possession are long standing family homes, with 56% in their homes for over 10 years and a further 36% for 20 years. Just under half (49%) of these homes have one or more children living with them and just under a quarter (23%) have one or more persons with a disability. A significant number (17.5%) purchased the home that is in possession with a spouse or partner who is no longer in the home – an indication of the many difficulties that people are often living with through mortgage distress. Two thirds (66%) say that if they lose their homes, they cannot afford to rent privately.

These two reports raise significant questions in relation to access to justice for many families that are engaged in a very complex legal arena and for the most part without legal assistance or representation and obliged to pay the costs of the lenders' actions. The Abhaile Scheme offers

⁵³ Department of Finance (2019) 'Home Building Finance Ireland Bill', Available at: <https://www.finance.gov.ie/updates/home-building-finance-ireland-bill/>

⁵⁴ Dr. Padraic Kenna and Simon W. Kennedy: *Access to Justice and the ECB – A Study of ECB Directly Supervised and other Mortgage Possession Cases in Ireland* (2018)

⁵⁵ Community Action Network (CAN): *House Hold: Life in Mortgage Distress* (2018)

vouchers to borrowers at risk of home loss for free legal advice from a solicitor or a consultation with a Personal Insolvency Practitioner. The one, two maximum consultations with a solicitor that are available do not constitute legal representation and are deemed to be totally inadequate by the vast majority of people who are left without representation to face a lender with a full-blown legal team. The House Hold study shows that the statutory systems put in place to support people in mortgage distress are not working for many of them. Nearly 60% said that they have not participated in the Money Advice and Budgeting Service (MABS). Over 90% said that they have not requested a consultation with a solicitor through the Abhaile scheme. The participants cite a lack of trust that the services can realistically help them.

In a recent letter to the Irish Times,⁵⁶ John McDaid, Chief Executive, Legal Aid Board, says

“Mortgage arrears are a financial rather than a legal problem, albeit one with legal components. Providing legal representation for repossession is not going to resolve mortgage debt difficulties or come up with solutions.”

This highlights the assumptions underpinning the state response to people in long term mortgage distress. And yet there are EU consumer and human rights laws in place that are not being applied in the courts as outlined in *The Guide for People in Mortgage Distress*, written by the Open Society Foundations and The Centre for Housing Law, Rights and Policy NUI Galway⁵⁷. The Unfair Contract Terms Directive could potentially offer legal protection to people who may have unfair terms in their mortgage contracts and opens the way for courts to do a Proportionality Assessment which then allows for consideration of all the rights contained in the EU Charter of Fundamental Rights.

Proposal for Country Specific Recommendations for Ireland and Ireland’s NRP

- Implement the ‘Housing First’ model more widely, alongside more ambitious targets.
- Amend legislation governing the provision of emergency accommodation (Section 10, Housing Act, 1988) to place a limit of three months on the length of time a family will spend in emergency accommodation of any kind, and to ensure that families exit into secure and affordable accommodation from homelessness.
- Limit use of credit-based initiatives by Government and ensure that that Central Bank loan-to-value and loan-to-income limits are strictly adhered to.
- Introduce measures by which rental increases can be more rapidly tapered, considering the limited impact of Rent Pressure Zones on rental prices.
- Ensure that households awaiting a transfer from HAP into social housing are captured in the Summary of Social Housing Assessments.
- Introduce greater consistency with regard to rent schemes across Local Authorities and roll out Choice Based Lettings nationally.
- Review efficacy of the Vacant Site Levy and Compulsory Purchase Orders in freeing up land for residential use.

⁵⁶ <https://www.irishtimes.com/opinion/letters/abhaile-scheme-and-debt-advice-1.3777907>

⁵⁷ Your EU Consumer and Human Rights: A Guide for People in Mortgage Distress in Ireland

- Roll out cost-rental housing on a national basis, while ensuring affordability with respect to income.
- EU consumer and human rights laws should be applied in full in Irish courts.
- The Irish Government should promote the Unfair Contract Terms Directive to offer legal protection to people who may have unfair terms in their mortgage contracts.
- The Irish government should require Irish courts do a Proportionality Assessment in all mortgage arrears cases to allow for consideration of all the rights contained in the EU Charter of Fundamental Rights, such as Article 7, the Right to Respect for Home, Privacy and Family Life, Article 24, the Rights of the Child, Article 47, the Right to Fair and Public Hearing and Legal Aid.
- The Irish government must ensure adequate legal representation and access to justice for all those in mortgage arrears.
- The Irish government must provide appropriate social housing to people with specific accommodation needs, in particular people with disabilities, to enable people to live in their communities and to facilitate deinstitutionalisation in line with the UN CRPD.

11. Early Years Education and Care and School Aged Childcare

The Better European Alliance welcomes the continued focus within the Ireland Country Report on the accessibility of quality affordable childcare. As in previous years, the report highlights the comparatively high cost to parents of childcare in Ireland. We acknowledge that high costs are an impediment to labour market entry – especially for women and lone parents. This, in turn, means greater reliance on social protection income – income that is inadequate for a high number of households. The recent EU Survey on Income and Living Conditions show that lone parents suffer a deprivation rate of 44.5% compared to a national average of 18.8%⁵⁸.

The issue of affordability, however, is inextricably tied to (a) the financing model that currently dominates the formal childcare sector in Ireland; and (b) the low level of remuneration and career progression opportunities for childcare workers.

The Irish Early Years sector is highly fragmented with over 4,500 providers of early years' services catering for over 200,000 children. Currently, apart from programmes that are targeted on low-income households, this *market-led* model requires that providers raise fees to at least match their outgoings (including provision for investment and a sinking fund). This results in average fees for full-day childcare ranging from a low of €147 to €233 per week depending on location⁵⁹.

However, the childcare sector is faced with not only an affordability crisis; it also faces a low-pay crisis which is impacting on the quality of childcare and the sustainability of large numbers of providers. Childcare workers are some of the lowest-paid in the Irish economy. The average

⁵⁸ EU Survey of Income and Living Conditions, 2017

⁵⁹ Pobal, Early Years Sector Profile Report 2017/18

wage in the childcare sector is lower than any sector in Eurostat's 64-digit breakdown⁶⁰. The average wage for childcare assistants and room leaders falls below the 2018 living wage in Ireland of €11.90; the estimate of the hourly wage required to provide a minimum required standard of living based on a full-time working week. Furthermore, there is a high level of part-time work in the childcare sector – it averages 50% across the whole sector but rises to over 60% of employees in the community based childcare schemes. This leads to high levels of precarious living.

The combination of low-pay and low-working hours has resulted in high levels of staff turnover which in turn incurs additional costs to providers and undermining quality. Pobal reports that turnover in the early years sector to be 25%. Early Childhood Ireland (ECI) – the main providers' body - reports increasing difficulties in recruiting and retaining staff. In their 2017 survey of those working or recently working in the sector, 49% of providers reported a difficulty in retaining staff while 36% reported an inability to recruit staff. Of staff who left in the previous 12 months, 57% cited '*working in the sector wasn't financially viable as the reason*'⁶¹.

We welcome the Government's policy to both incentivise and upgrade the skill-base among providers e.g. an enhanced subsidy to ECCE providers who employ workers with advanced accreditation and the establishment of a professional accreditation minimum for new employees. However, this attempt at upgrading is stymied by a sector that cannot offer appropriate pay, full-time hours and career progression.

It has been well-established that Ireland is a chronic low-spend jurisdiction in the early years sector. The Government's recently published Early Years Strategy⁶² admits this:

'Ireland will spend just 0.2% of GDP of ELC. This investment compares poorly to other European countries where the OECD average is 0.8%. It also falls short of the UNICEF-recommended investments level of 1% of GDP.'

The Department rightly points out that GDP is not the best comparative measure for Ireland. However, even using the CSO's modified measure of Gross National Income⁶³, Ireland spends only 0.3% compared to the OECD average of 0.8%. This suggests that Ireland would have to more than double expenditure on early years services to reach the OECD average.

It should also be pointed out that Ireland has a much higher proportion of children under the age of five. In the EU, those under the age of five make up 5% of the population; in Ireland, the

⁶⁰ SIPTU, March 7th, 2019

⁶¹ Early Childhood Ireland, Research shows depth of staffing crisis, March 31, 2017

⁶² Department of Children and Youth Affairs, First Five, A Whole-of-Government Strategy for Babies, Young Children and their Families 2019-2028, 2018

⁶³ CSO, N1724: Annex 1. Modified Gross National Income at Current Market Prices by Item and Year. The modified measurement is an attempt by the CSO to exclude contributions to GDP that are the results of multi-national accountancy practices that artificially inflate output.

percentage is 6.6%. Therefore, Ireland would need to spend proportionally more to take account of the demographic structure⁶⁴.

However, it is not just about increasing expenditure. Government spending on the early years sector has more than doubled since 2015. This has not resulted in a positive impact on affordability or pay and quality. The Government's introduction of a universal subsidy to childcare providers (equivalent to €43 per month) in 2017 coincided with a continued rise in childcare fees and no identifiable impact on wages and quality.

The Government is intending to introduce a new means-tested Affordable Childcare payment in late 2019. There is little data as to how this will operate but it will provide substantial subsidies to very low incomes (though, in many instances, this will merely replace existing programmes). However, the extent to which households on average incomes will benefit is unknown. Furthermore, this will be a direct payment to the household. There will be no payment to improve wages and working conditions; therefore, it will have little impact on staff turnover and issues with recruitment and retention.

We would argue that in a market-led model, subsidies chase price. This is certainly the case in other jurisdictions and we saw this effect with the universal subsidy. A direct payment to households under the new means-tested scheme may afford providers the opportunity to increase fees. We believe that the subsidy will have a perverse effect on fees – increasing them overall and so, increasing the prospect that households on average or slightly above average income will be more exposed to rising fees, with no guarantee that this, in turn, will be passed onto those working in the sector.

There is also a concern that the current model would be incapable of meeting the underlying demand for formal childcare. In 2016, 44 percent of households availing of non-formal childcare for pre-school children (e.g. parent, relative, child-minder, etc.) expressed a preference for formal childcare. It is debateable whether the current highly fragment market-model, with increasing difficulties in recruiting and retaining staff, would be in a position to accommodate household's preference for formal childcare⁶⁵.

The key to a sustainable alternative financing model – a *service-led model* – would be for additional government expenditure to be targeted on the wages, working conditions and career progression of employees in the formal childcare sector. Given that wages make up 75% of total expenditure in this sector, this would allow providers to reduce fees to all households. While there is a role for means-testing to protect low-income households, directly funding wages would begin to resolve the staffing crisis in the sector and set the foundations for introducing a '*maximum fee threshold*' which the Government has referred to in its early years strategy. In this way, a service-led model would be more efficient, address the staffing crisis while creating

⁶⁴ Eurostat, Population on 1 January by age group and sex [demo_pjangroup]

⁶⁵ CSO: CCA18: Percentage of Households who desired Alternative Childcare by School Going Status, Types of Alternative Childcare and Year

affordability in the sector. This is essentially the model that prevails in the Early Childhood Education sector in other countries where the state subsidises wages (along with non-labour costs) and which results in a free, universal service which is highly popular – 98 percent participation rate. This should be the model for future childcare provision in Ireland.

12. Inclusive Labour Market

Overview

In February, 2019 the Central Statistics Office (CSO) published the Labour Force Survey (LFS) for Quarter 4, 2018⁶⁶. According to this survey there were 2,281,300 people employed, an increase of 50,500 on the same quarter in 2017. An additional 48,200 people were in full-time employment, and 2,300 people in part-time employment. Part-time employment accounts for 20% of people in employment. 108,500 people who are working part-time described themselves as underemployed i.e. they working less hours than they would like, 6,900 fewer people than in Quarter 4 2017. In that quarter people who were underemployed accounted for 5.2% of the employed, in Q4 2018 this figure had fallen to 4.8% of those in employment.

There were 128,800 people who were unemployed, a decrease of 15,200 over the year. The overall unemployment rate in Q4 2018 was 5.4%, 0.7% lower than the same quarter in 2017. Looking at this rate from a gender perspective, the female and the male unemployment rates were both 5.4%. Young women, aged 15-19 years, had the highest unemployment rate at 19.1% in Q4 2018, while men aged 65+ has the lowest rate at 1.3%. The seasonally adjusted unemployment rate was 5.7%. On foot of this Labour Force Survey data the CSO revised the Monthly Unemployment Rates published for December 2018 and January 2019: the new rates are now 5.7% in comparison to 5.3%.

50,100 people were unemployed for more than a year. The long-term unemployment rate was 2.1%, down 0.4% on Q4 2017. Looking at long-term unemployment from an age perspective young people aged 15-24 account for 15.8%; people aged 25-44 account for 43.1%; while those aged 45 years and over account for 41.1%. Men account for 61% of the long-term unemployed, and women account for 39%.

The country has been divided into eight regions: Border; West; Mid-West; South-East; South-West; Dublin; Mid-East; and Midland. Four regions had unemployment rates higher than the State's rate of 5.4%: the West at 5.8%; the Mid-West at 5.6%; the South-East at 7.7%; and the Midlands at 6.6%. The State's Participation Rate, which is arrived at by dividing the Labour Force by the total population aged 15+ years, stood at 62.2%. This rate was lower in the four regions with a higher unemployment rate. Two regions had a higher participation rate and they were the Mid-East at 64.1% and Dublin at 66%. These two regions also had lower unemployment rates: 4.9% and 5% respectively. Two regions had lower participation and unemployment rates: the Border region and the South-West. The participation rate in the Border region was 58.1% and

⁶⁶ Ref: <https://www.cso.ie/en/releasesandpublications/er/lfs/labourforcesurveyquarter42018/>

their unemployment rate was 3.8%. The same figures for the South-West were 61.2% and 5.3%.

The Potential Additional Labour Force (PALF) stood at 108,300 people in Q4 2018, 3,000 fewer people than in Q4 2017. The CSO notes that PALF consists of two groups '*persons seeking work but not immediately available*' and '*persons available for work but not seeking*'. This figure captures people who are unemployed but may have lost heart seeking work, people who may face logistical challenges, including childcare and transport, finding and maintaining paid employment.

Looking behind the figures

The fact that the headline statistics are moving in the right direction often masks specific challenges facing particular groups in the labour market. Ageism remains an issue in the labour market with many older workers distant from the labour market and facing challenges in finding and remaining in work. Targeted labour activation programmes for older people are needed to assist a return to work. Targeted training and additional supports are also needed to assist older people to stay in the workforce. Government should explore ways of phasing in retirement, recognising that a one size fits all approach to retirement and pension age is not suitable in a modern workforce. Employers should be provided with supports to explore and provide part time work opportunities in the context of an employee's transition to retirement.

The *Europe 2020 Employment Target* covers the age range 20-64 years. Yet, it is important to note that the increasing gap between the cut-off point of 64 and the rising pension age, which in Ireland will be 67 years by 2021. As a result, the needs of older workers and subsequent training and supports are not captured as they should be, and indeed need to be if the labour market is to be truly inclusive of older workers and reflective of wider policy changes.

In *Futures Jobs Ireland 2019*⁶⁷ the term 'youth unemployment ratio' is used rather than youth unemployment rate, which seeks to reflect that most young people are in education and training. However, what it fails to acknowledge is that for people in this age category who are in the labour force, a higher % of them are unemployed. Many of these young people are likely to be living in disadvantaged and marginalised communities, living in jobless households, and the only way their exclusion will be properly addressed will be through proper sub-targets to the overall employment target. The new statistic and subsequent target in *Futures Jobs Ireland* is not a welcome development, as it has the potential to lose sight of these issues, the very concerns a programme like the Youth Employment Support Scheme (YESS) seeks to address.

The Country Report notes that even though Ireland's labour market has improved significantly, the Participation Rate has yet to recover and remains quite flat. The overall unemployment rate was 5.4% in Q4 2018, similar to the rate in Q1 2008, when it was 5.3%. However, the participation rate was 65.8% in Q1 2008 and only 62.2% in Q4 2018. Pillar 4 in *Futures Jobs Ireland* will focus

⁶⁷ Ref: <https://dbei.gov.ie/en/Publications/Publication-files/Future-Jobs-Ireland-2019.pdf>

on increasing participation in the labour force, and it useful that it notes *“Improving participation rates means a more equitable, balanced and sustainable development of our workforce. Policies must differentiate between the different needs of people as well as the different barriers to participation.”* (p59) The document goes on to focus in on women, older people and people with disabilities, which are all to be welcome. However, it would also be important to ensure policy developments are inclusive of minority ethnic groups, in particular Travellers and Roma, whose unemployment and employment rates are in stark and negative contrast to the overall national rates. Similarly, when opening up the Public Employment Service to everyone of working age, a new model of engagement is required, one that is truly accessible, pro-active and informative, and works with people to ensure that they can access the most meaningful options for themselves. In this regard the quality of work that is on offer and that people can access is critical. It is in everyone’s interest that people can access the best employment possible, work is only a route out of poverty if it is decent and sustainable. As we come to the end of *Europe 2020* the challenge of growth that is smart, inclusive and sustainable remains to be truly addressed for many in Irish society.

What the Country Report says

On page four of the Country Report it says *“The labour market has recovered well from a very sharp economic downturn a decade ago on the back of successful employment policy choices.”* Later on page 37 it says *“The JobPath activation programme has now been fully rolled out and the first results suggest that it has contributed significantly to the drop in long- term unemployment: 26 % of the 20 447 participants who completed the programme got a job (JobPath Performance Data, 2017).”* The reality is that we don’t know the extent to which labour market policy has contributed to these developments or not, as insufficient external evaluations have taken place, and in particular what have been the quality of the employment outcomes for people who have been ‘activated’. The DEASP have undertaken customer surveys on Intreo and JobPath, and produced performance data for JobPath, though curiously not for Intreo itself. The DEASP commissioned the ESRI to undertake an evaluation of Intreo which was finally published on March 29th, 2019⁶⁸. In their press release the ESRI noted that *“The study finds no consistent evidence that the Intreo reforms had an impact on exits from the Live Register to employment or education for jobseekers either in Dublin or nationally. Overall, the findings suggest that the Live Register exits may have been driven by efficiency gains for the DEASP through the early identification of invalid unemployment claims, as a result of the Intreo reforms.”*

On page 14 of the report it notes that *“Most of the measures foreseen in the Action Plan for Jobless Households are yet to be implemented. In particular, integrated support for people furthest from the labour market needs to be improved. In addition, people with disabilities are still facing considerable challenges, although support is being enhanced.”* A major challenge facing the DEASP is rolling out this Action Plan properly is that its current method of engagement

⁶⁸ The report entitled "An Initial Evaluation of the Effectiveness of Intreo Activation Reforms", Research Series Number 81, March 2019 can be accessed at <https://www.esri.ie/system/files/publications/RS81.pdf>

with service users will not suffice. The Intreo model is underpinned by the *Genuinely Seeking Work* criteria that are attached to a Jobseekers payment, an approach that often undermines the Public Employment Services initial engagement with service users. As noted in the INOU's research⁶⁹ in this area: *"Readers of the reports from the previous two phases of this work will be familiar with the very strong negative impact that the wording of the invitation letter had on some recipients. The reaction to the wording of the letter in this phase of the project was similarly negative and evident across all the Focus Groups. The letter includes information inviting people to attend their local JobPath office at a scheduled time and date. The aspect of the letter that causes concern is the text in bold that advises the recipient that failure to attend the meeting may result in a reduction in a person's Jobseeker's payment. 'I was worried about being cut-off [my payment]' one of the Focus Group members advised."* (p10)

It is interesting, and somewhat disconcerting, that much of the focus on inclusion in the Country Report is on economic growth, rather than on the range of social and economic policies required to truly realize an inclusive labour market. To do the latter requires engaging with people of working age in a holistic manner, one that has their needs at its heart, one that strives to invest in them and their development, so that they can participate meaningfully in Irish society and its economy, it requires an *active inclusion* approach. The Country Report references *Future Jobs Ireland* on pages four, fifteen, forty-seven and sixty-one, with the focus firmly on addressing productivity concerns with indigenous SMEs and R&D. Addressing life-long learning and skills gaps are an important aspect of *Future Jobs Ireland 2019*. Under the Lifelong learning rate KPI, FJI notes that the latest score 8.9% (2017) which they aim to double by 2025 to 18% (Targets table p51). In the second 2018 Country Specific Recommendation it said *"Prioritise the upskilling of the adult working-age population, with a focus on digital skills."* In FJI 2019 it says that it will move the *'% of population with basic or above basic digital skills'* from the latest score of 48% (2017) to \geq EU Average in 2025. In 2017 EU Average for the % of the population with basic or above basic digital skills was 57% (Targets table p51).

The challenge facing the State is twofold: how best to engage with people living in jobless households so that policies like *Futures Jobs Ireland* actually meet their needs and do not further exacerbate their distant relationship with the labour market; and secondly, how to ensure that people who are in employment can address their literacy and digital skills to ensure they maintain and improve their relationship with the labour market. Under Ambition 3.5 Deliverables it aims to *"Enhance the career advice service provided through the Public Employment Service to include offering support to those currently in employment who may need to identify new opportunities as a result of technological and other changes."* (p57) To deliver on this ambition demands that DEASP fully implement their first strategic objective *"Put the Client at the Centre of Policy and Service Delivery"* and that they work in partnership with other service providers, including community-based organisations, to meet the needs of people more distant from and vulnerable in the labour market.

⁶⁹ Ref: https://www.inou.ie/download/pdf/inou_employment_services_report_phase_3.pdf

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

- Under the employment target introduce sub-targets to address the structural inequalities in the labour market.
- Run a campaign to properly address discrimination and other barriers in the labour market facing people because of their age; ethnicity; disability; family status; sexual orientation; socio-economic status.
- Equality proof all activation schemes to ensure that everyone who want to can apply and participate.
- Ensure that policy developments, like *Future Jobs Ireland*, spell out how they will support the delivery of an inclusive labour market.
- Invest in training of Intreo staff so that they can support disabled jobseekers appropriately.

13. Wages and Decent Pay and Precarious Work

The Country Report for Ireland 2019 notes that “nominal compensation per employee grew by 0.95% in 2017 and it is estimated to have reached 2.7% in 2018”, adding: ‘this remains slightly lower than could be expected...’ (page 8). The Alliance would like to highlight that this relatively subdued level of wage growth signals a deeper dynamic. While the unemployment rate fell to 5.4% over the year to Q4 2018, leading to suggestions by some commentators of full employment, wage inflation has not accelerated on a widespread basis as would conventionally be expected in this situation. The country report identifies spikes only in areas with labour and skills shortages: ‘above 4 % in the information and communication sector (5.4 %), the professional, scientific and technical activities sector (5.3 %), the financial services and insurance sector (5 %), and the building and construction sector (4.3 %) (page 8 & 9). The likelihood is that that underemployment and precarious work are acting as a break on overall wage growth.

There are over 100,000 workers or almost one quarter of those in part-time who are underemployed (CSO Labour Force Survey). This means they would like to work more hours in the job they have but this option is not available. While the number of full-time jobs has increased in recent times, part-time work is a significant feature in many sectors. For instance, 38% of all those working in accommodation and food services activities were part-time and 31.3% of the total in wholesale and retail and repair of motor vehicles and motorcycles were part-time as of the second quarter of 2018. The Elementary occupational group had the largest number of part-time employees at 107,600 (43.6%), followed by Sales and Customer Service group with 73,000 (40.2%). One in ten employees in the economy was on a temporary contract (CSO Labour Force Survey Employment Series Q 2 2018).

The Alliance wishes to underline the need for the Country Report to assess quality of work rather than simply providing standard measures of employment and unemployment. There are significant issues in sectors such as childcare, hospitality, education, healthcare and construction, in relation to low pay, inadequate and/or variable hours, security of tenure (temporary or fixed-term), precarious conditions, agency work and bogus self-employment, as demonstrated through ongoing SIPTU and other civil society groups campaigns.

The previous government passed the Industrial Relations (Amendment) Act 2012 which allows for the establishment of a Joint Labour Committees to set pay and conditions in an economic sector, through negotiation of employment Regulation Orders (EROs) between employer bodies and the relevant trade unions. The hotels sector was identified as suitable for a JLC but the Irish Hotels Federation has refused to come to the table over several years. The Alliance believes that the Country report should urge the government to play a more active role in facilitating the establishment of JLCs to ensure living earnings, progression and security where there is need.

The Alliance welcomes the Employment (Miscellaneous Provisions) Act 2019 which has recently become law as a step in the right direction in tackling the problem of precarious work. It means employees must be given a written statement of core terms within five days of starting work; offers greater certainty over working hours; largely bans 'zero hours' contracts; includes minimum payments in certain situations and provides for placement in an accurate band of hours. It is very early days and enforcement will have to be closely monitored as well as future interpretation of its provisions by the courts. The legislation is not a panacea and employees will require the support of trade unions and other groups to vindicate their rights. It is also important to have a strong EU Directive on Transparent and Predictable Working Conditions, including limits on probation periods and charges for training, and its transposition must not be subject to a lengthy time delay. The EU institutions have reached provisional agreement on the Directive and the measures that must be consequently incorporated into Irish legislation should be implemented as swiftly as possible.

The other main factor in Ireland's labour force is the employment rate which currently stands at 69.1% among persons aged 15-64 (Q2 2018, Labour Force Survey). This needs to be increased in order to improve the affordability of public services and pensions in the future. It is crucial to address the structural barriers that inhibit some people from taking up work whether it be because of a lack of affordable childcare or elder care; issues of long-term unemployment and disadvantage or other factors. According to the CSO Labour Force Survey, in the fourth quarter of 2018, Ireland's untapped or potential labour supply ranged from 6% to 17.5%, depending on different measures.

The Country Report rightly points out that the social partners "are rarely involved and consulted in relation to the European Semester process by the government" (p37). Discussion of the EU economic and fiscal policy coordination process, from initiation stage, needs to be deepened in Ireland.

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

- Monitor and set targets at EU and domestic levels to reduce low-pay and precarious work.
- Call for the establishment of a JLC for the hotels sector, with a view to regulating pay and conditions through an Employment Regulation Order.
- Address structural barriers that inhibit higher labour market participation, e.g. quality affordable childcare and eldercare.

14. Education

School costs

Despite Ireland having the youngest population of people aged 0 to 24 years in Europe, Ireland ranks 10th as a percentage of total general government expenditure on education⁷⁰. While expenditure on education has increased from 2013, this has largely been consumed by the growth in student numbers⁷¹. This has meant schools have continued to experience funding shortfalls and have had to rely on ‘voluntary’ contributions from parents to meet day-to-day running costs. In May 2018 the Education (School Admissions) Bill passed in the two houses of the Oireachtas. This legislation ensures equal access to schools for all children and young people. In particular it bans the imposition of registration fees on parents⁷². However, parents continue to receive requests for payments from their child’s school at both primary and second level⁷³. Successive budgets since the economic crisis have failed to restore core capitation rates to 2010 levels following a 15% cut. Also, of major disappointment, particularly for low-income families is Budget 2019 did not provide any additional funding for the School Book rental scheme. It is acknowledged however that the budget for children with special needs has been increased to allow for the hiring of up to 950 new special needs assistants, which is vital to support inclusive education.

DEIS – Delivering Equality of Opportunity in Schools

Growing Up in Ireland (GUI) data indicates that over two-thirds of children from semi-skilled or unskilled manual or non-employed backgrounds attend non-DEIS primary schools. Patterns are roughly comparable for second level schools⁷⁴. Targeted programmes like DEIS, whilst of significant benefit to students who experience disadvantage are more effective when the universal services are of high quality, and critically, adequate investment is allocated towards the education system so that all students can benefit regardless of the status of their school.

The new model of funding allocation for DEIS proposes tapering of funding for schools rather than a sharp withdrawal below the specified cut off⁷⁵. This is a welcome initiative; however, it remains unclear how many schools and ultimately students will benefit from ‘tapering’ and this is a cause for concern.

Primary school

A recent report from the Education Research Centre⁷⁶ on urban primary schools found that the achievement of pupils in schools with concentrations of pupils from disadvantaged backgrounds is well below that of other schools despite improvements since 2007. The authors conclude that,

⁷⁰ OECD (2018) ‘Ireland, in Education at a Glance 2018: OECD Indicators, Paris OECD Publishing

⁷¹ ASTIR Association of Secondary Teachers, Ireland Volume 36: Number 2: March 2018

⁷² <https://www.education.ie/en/The-Education-System/Legislation/education-admission-to-schools-bill-20161.pdf>

⁷³ Correspondence from SVP Information Support Officer East Region 25 July 2018

⁷⁴ Smyth (2017) Off to a good start? Primary school experiences and the transition to second-level education <http://www.esri.ie/publications/off-to-a-good-start-primary-school-experiences-and-the-transition-to-second-level-education>

⁷⁵ Department of Education and Skills, DEIS Plan 2017 (DES 2017)

⁷⁶ <http://www.erc.ie/wp-content/uploads/2017/06/DEIS-report-2017.pdf>

with family poverty remaining the largest determinant of educational outcomes, the achievement gap between children from poor backgrounds and their more affluent peers will likely continue until economic inequality is addressed.

Post primary school

The most recent evaluation of DEIS at post-primary level finds that there have been marked positive improvements in attainment and achievement in DEIS post primary schools since 2002. There has been an increase in retention rates in junior and senior cycle in DEIS post primary schools and an increase in the proportion of students in DEIS schools taking Higher Level papers in English and Mathematics. The fact that the achievement and attainment gaps between DEIS and non-DEIS post primary schools is closing is very positive. However significant gaps still exist and this is a cause for concern. One of the key findings of this report echoes that of the evaluation of DEIS at primary level; that many of the achievement gaps that still exist have their basis in income inequality (Weir and Kavanagh, 2019)⁷⁷.

While advances have been made to address inequality in our education system, and the DEIS programme is proving to have a positive effect, children from lower socio-economic backgrounds continue to underperform in literacy, numeracy and science. Overall performance in DEIS schools remains lower than the national average. Decisions regarding numeracy and literacy policy, investment, and the allocation of resources within the education system must be focussed on reversing this negative trend.

Continued support for DEIS schools must be a policy priority and the positive policy measures which are seeing reductions in the achievement gap must be used as a stepping stone to further improvements. Literacy and numeracy trends in DEIS schools will not be resolved by 2020 so it is important that ambitious targets are set to 2025. It is vital that sufficient ongoing resourcing is available to support the targets in the current DEIS plan.

There is also a lower educational attainment for specific groups in society, such as Travellers. All specific supports aimed at improving outcomes for Travellers in education were cut at the beginning of the economic crisis and have not been replaced. There are also new specific issues for the large number of homeless children living in emergency accommodation.

Third Level

The pursuit of knowledge and skills and the acquiring of third level qualification continues to be an aspiration of many in Irish society. Education and the holding of educational qualifications is now the currency for employment and full participation in society and it is the lack of such qualifications that are major contributors to poverty and social deprivation.

Marginalised and vulnerable groups including people living on low incomes, lone parents, Travellers and migrants face additional barriers accessing higher education. The Higher

⁷⁷ <https://www.education.ie/en/Schools-Colleges/Services/DEIS-Delivering-Equality-of-Opportunity-in-Schools-/the-evaluation-of-deis-at-post-primary-level-closing-the-achievement-and-attainment-gaps.pdf>

Education Authority (HEA) points out that in spite of high progression rates to higher education overall, progression rates in disadvantaged areas of Dublin can be as low as 15%, in comparison to more affluent parts of the city where progression to higher education rises to over 90%. It is important that these considerations are reflected in the Country Report and analysis of progress under the European Pillar of Social Rights.

Lone parent participation in education has decreased by approximately 20% between 2011 and 2016⁷⁸. Very often part-time study is the only viable option for someone with work and family responsibilities; however, a disincentive exists in that they are subject to tuition fees. The Higher Education Authority (HEA) set up an advisory group to consider part-time and flexible higher education in 2012, which, recommended that by 2016, 'full equality of provision and support will have been achieved in higher education for all students, regardless of time, place or pace of study'⁷⁹. However, this is still not the case.

The DIT Campus life survey outline that the monthly expenditure, which excluded fees, for a student living away from home is €1,314 which equates to €11,829 per year⁸⁰. A further issue for prospective students is the cost of transport while attending college. The current qualifying criteria for the non-adjacent grant rates was changed in Budget 2011 from 24km to 45km. This puts many students at a disadvantage financially, especially those from outside major urban areas. Cullinan et al. (2013) examined the impact of travel distance on higher education participation, showing travel distance has a negative impact on the likelihood of school leavers from lower-socio economic backgrounds proceeding to higher education⁸¹.

Intergenerational transmission of low skills

The OECD PIAAC (Programme for the International Assessment of Adult Competencies) study found that the children of parents with low levels of education have significantly lower proficiency than those whose parents have higher levels of education, thus continuing the cycle of disadvantage. This is echoed in the 2018 report by the OECD on education in Ireland (OECD, 2018) which found that the educational attainment levels of 25-64 year olds are very similar to that of their parents and that 40 percent of adults whose parents did not attain upper secondary education had also not completed upper secondary education.

The inter-generational transmission of low levels of skills and educational qualification underscores the need for high-quality initial education and second-chance educational pathways, as well as improved access to, and relevance of, lifelong learning and community education opportunities (with both academic and vocational tracks). Clearly ongoing work with parents in disadvantaged areas is of key importance in encouraging support of children in education.

⁷⁸ [http://www.cso.ie/en/databases/Census2016Profile4-HouseholdsandFamilies.FamilyUnitsinPrivateHouseholds2011to2016byTypeofFamilyUnit,NumberofChildren,EconomicStatusofReferencePersonandCensusYear](http://www.cso.ie/en/databases/Census2016Profile4-HouseholdsandFamilies/FamilyUnitsinPrivateHouseholds2011to2016byTypeofFamilyUnit,NumberofChildren,EconomicStatusofReferencePersonandCensusYear). CSO Statbank

⁷⁹ HEA 2012b, p33

⁸⁰ <http://www.dit.ie/campuslife/studentsupport/costoflivingguide/>

⁸¹ <http://hea.ie/assets/uploads/2017/06/How-Equal-Access-to-Higher-Education-in-Ireland-Research-Papers.pdf>

Education alone cannot solve income inadequacy and inequality. It is vital that Government, through the Department of An Taoiseach, take the lead in implementing and overseeing the new National Action Plan for Social Inclusion to ensure better outcomes for all. Addressing Ireland's stubbornly high levels of poverty and inequality will lead to improved educational outcomes for everyone.

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

Primary and Second Level

- Provide the requisite level of investment to deliver free primary and secondary education.
- Enhance supports under the DEIS programme to close the gap with non-DEIS schools.

Third Level

- Commit to publicly funded higher education including a commitment to annual increases to SUSI grants that reflect the cost of living.
- Extend the SUSI grant for part-time students studying in publicly funded further and higher education and training institutions to promote lifelong learning and removing barriers to access and participation.

15. Further Education and Training

Addressing adult literacy and numeracy

The Country Report states that "Reforms aimed at improving the skills of the adult working-age population and the acquisition of digital skills are promising, yet it is too early to assess their positive impact. The lack of basic digital skills among those in employment remains a concern and requires further investments."

Ireland's National Skills Strategy (NSS) 2025 has a target of upskilling 165,000 people from PIAAC Level 1 in literacy (from 17.5% to 12%) and 256,000 people from PIAAC Level 1 in numeracy (from 25.6% to 17%), by 2025. This is the same target we had in the NSS 2007 and as we did not meet this target, it was rolled over.

Current statistics show there are 445,800 people (aged 25-64) who have less than a QQI Level 4 qualification⁸². These include 233,300 people who are employed (52%) and 24,900 who are unemployed (6%). There are a further 187,600 (42%) adults who are inactive and have less than a QQI Level 4 qualification (CSO statistics). Recent research shows that one in six Irish adults (521,550 people) find reading and understanding everyday texts difficult: for example, reading a leaflet, bus timetable or medicine instructions (CSO, PIAAC 2012). One in four (754,000 people)

⁸² SOLAS Skills and Labour Market Research Unit (SLMRU) analysis of CSO (Labour Force Survey data)

has difficulties in real world maths, from basic addition and subtraction to calculating averages. These people are at the lowest level of a 5 level scale.

Currently adults can receive between 2 and 6 hours adult literacy tuition per week. There are a small number of longer programmes delivered under Intensive Tuition in Adult Basic Education (ITABE) and some through the Back to Education Initiative (BTEI) in the Education and Training Boards (ETBs). There is no financial support or incentive to return to education for QQI levels 1, 2 or 3, for example tax relief. There is no fulltime childcare or elder care provision or transport costs. Therefore, between the gap in intensive or full-time provision in adult literacy and supports to attend classes, Ireland is presented with a significant challenge again to meet our NSS targets.

To address these issues and achieve the NSS target, the Government and Department of Education and Skills:

1. should set an adult literacy and numeracy target or at least report on the target set out in the National Skills Strategy including addressing specific challenges related to literacy and numeracy.
2. should prioritise adults with literacy and numeracy needs and less than a QQI Level 4 qualification and greater resources should be allocated to addressing this. Adults with literacy, numeracy and digital needs and less than a QQI Level 4 qualification should be offered a high quality and relevant learning programme with a local education and training provider. This would include intensive and flexible options; appropriate supports as required (income, transport, child and elder care), work placement where appropriate and progression opportunities.
3. could suggest introducing a targeted paid learning leave programme for employees in work with less than a level 4 qualification to develop their basic literacy and numeracy skills if they wish to do so. This will facilitate employees who are most in need, and who very often receive little or no training, while improving equality of access to workplace training.

Government also needs to invest in the development of a Strategic Plan to support people with disabilities access mainstream further education and training (FET) to include the funding of appropriate training, systems, supports and accommodations to enable learners with disabilities to participate at all levels of FET programmes managed through the ETBs.

Integrated support

The Country Report highlights “Most of the measures foreseen in the Action Plan for Jobless Households are yet to be implemented. In particular, integrated support for people furthest from the labour market needs to be improved.”

In the pilot areas, we are unclear what literacy, numeracy and digital skills supports were identified in households and how they were referred or supported and what was the outcome.

The National Adult Literacy Agency (NALA) has worked with short and long-term unemployed people over many years and has developed guidelines for support.

Digital skills

The report specifically refers to digital skills:

“The EXPLORE pilot has a limited reach at this stage, Springboard+ focuses only on advanced information and communication technologies (ICT) skills. The ICT apprenticeships offer training in specific ICT fields. Whilst funding has been made available for years for introductory digital literacy courses across Ireland, this has not been sufficient to address the significant digital skills gaps, which persist among the wider population or indeed within the workforce where levels are below the EU average. This requires a comprehensive and coordinated policy action and sufficient investment, which complements the comprehensive digital skills policy and investment for primary and higher education already in place or planned.”

We welcome this analysis and recommendation and hope to see action on this. We would also encourage reference to the importance of accessible and assistive technologies to support people with disabilities in education and training. The Commission could make particular reference to the recently agreed European Accessibility Act in that regard.

Participation

The Report notes that adult participation in lifelong learning remained low at 8.9%, below the EU average of 15%.” This is very disappointing but not shocking. Ireland needs to relook at how we promote lifelong learning and what is on offer to people. Our needs, interests and time availability have changed drastically and we need a fresh vision for lifelong learning from policy to practice. We need a lifelong learning awareness campaign to promote and motivate adults to engage and return to learning. This may be a short flexible health and wellbeing course run in the morning or weekends or online depending on what suits people. We need to look at a ‘just in time, just enough’ model for delivering chunks of relevant learning for adults.

Upskilling Pathways

In February the European Commission produced a ‘Staff Working Document’ on Upskilling Pathways. Ireland has developed our action plan which was submitted to the Commission. We are eagerly awaiting implementation and action on this from the Department of Education and Skills.

Adult Education in Later Life

The adult education policy is limited to people of working age. This represents a failure to address the education needs of people who are 65+. A report from Aontas in 2017 states the following:

“Numerous research reports have highlighted the impact of community-based adult education in terms of reducing isolation, increasing social inclusion, well-being and mental health in those over the age of 65.

A Europe wide study backs this evidence up though it's finding that adults over the age of 65 who engage in adult education benefit more than any other group in terms of health and mental well-being, with social interaction being seen as an important source of well-being (Education, Audiovisual & Culture Executive Agency, 2014)⁸³.

The National Positive Ageing Strategy aims to “promote the concept of active citizenship and the value of volunteering, and encourage people of all ages to become more involved in and to contribute to their own communities”. The Strategy also aims to provide more opportunities for the continued involvement of people as they age in all aspects of cultural, economic and social life in their communities according to their needs, preferences and capacities; and to support people as they age to maintain, improve or manage their physical and mental health and wellbeing (Department of Health, 2013). Excluding people over the age of 65 from the SICAP programme is completely at odds with the National Positive Ageing Strategy.”

Pobal still does not include people over 65 as a target group; while the previous exclusion of people 65+ from SICAP has been removed it is not enough, people over 65 should be included as a target group for further education and training.

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

- Develop a creative, ambitious and aligned Whole-of-Government Strategy for literacy, numeracy and digital skills over the next 10 years. We suggest setting up a National Literacy and Numeracy implementation group with a specific task to develop, oversee and evaluate this strategy. The Group would consist of government departments, state agencies and civil society and should be given a specific budget to allocate to specific initiatives.
- Ensure all adults with literacy, numeracy and digital needs and less than QQI level 4 qualification (Level 4 is the equivalent of the Leaving Certificate in Ireland) are offered a high quality and relevant learning opportunities. This would include an intensive option for people who are unemployed (15-20 hours per week) with an option to accreditation and work placement.
- Encourage Government to invest in the development of a Strategic Plan to support people with disabilities access mainstream further education and training (FET) to include the funding of appropriate training, systems, supports and accommodations to enable learners with disabilities to participate at all levels of FET programmes managed through the Education and Training Boards (ETBs). And to support access to assistive technologies (AT) and to introduce an AT passport.

⁸³ Education, Audiovisual & Culture Executive Agency, 2014. Benefits of Lifelong Learning - BeLL, Bonn:

16. Health

Ireland continues to have high running costs of its health system, with the highest per capita spenders on health in the EU. The large health budgets haven't shown any real investments or improvements to reduce waiting times for appointments or surgeries or A&E overcrowding. This coupled with an ageing population and the projected spend on this expected to increase faster in the coming years. Long term care continues to be an issue of concern. The publication of Sláintecare in 2017, the establishment of the Sláintecare Implementation Office and in the last week the publication of the Sláintecare Action Plan for 2019⁸⁴ is very welcome but the budget and resources must be available to ensure that actions and the direction Sláintecare will take can be fully implemented. The overrun in the National Children's Hospital is a concern for the Alliance and what other health capital projects will be postponed or will be cut altogether. Will it impact on the implementation of Sláintecare?

Sláintecare

The 2017 publication of Sláintecare by the Oireachtas Committee on the Future of Healthcare is welcome. Sláintecare makes proposals for a ten-year strategy for health care and health policy in Ireland. The Alliance welcomed, in particular, its recognition that Ireland's health system should be built on the solid foundations of primary care and social care. The Country Report for 2019, recognises that the reforms of Ireland's healthcare system outlined in Sláintecare are going in the right direction. With the publication of the Implementation Plan in Summer 2018, the establishment of the Implementation Office and the publication of the Action Plan 2019, we must now see reforms begin to happen.

However, the required capital allocation of €500 million per year for the first six years to support the infrastructure to implement Sláintecare has not been made available in any Budget since the programme received cross-party support. Budget 2019 was the first budget Sláintecare was given an allocated budget and this was reduced to €200million. In order to deliver the modern, responsive, integrated public health system that the report envisages it is vital that the necessary investment is made available.

The implementation of Sláintecare and reform of the health care system will require investment before savings can be made. Not undertaking the required prior investment will mean that recurring problems in the health service will continue and will be exacerbated as our population ages.

Ageing Population and Future Demand

The Alliance is seriously concerned that the ageing of the population is not being properly planned for given that it will result in a steady increase in older people and people with disabilities accessing services.

⁸⁴ Department of Health (2019) 'Sláintecare Action Plan 2019' <https://health.gov.ie/blog/publications/slaintecare-action-plan-2019/>

It is expected that in thirty years the number of people in Ireland over the age of 65 will double⁸⁵. There has also been an increase in the number of people over the age of 85 and this too is expected to double by 2031.

This will no doubt increase pressure on health and caring services. In fact, evidence suggests that older people are not experiencing better health than previous generations, and that those who have experienced disadvantage across their lifetime have a higher risk of poor health. Thirty-eight percent aged 50+ have a chronic disease in Ireland, with 62% of those over 65 reports having a chronic disease⁸⁶. Chronic diseases account for 80% of all GP visits, 40% of hospital admissions and 75% of hospital bed days. As the number of older people increase this will lead to an increase in the number of people with a chronic disease and pose challenges to the existing model of care which is very much hospital centric⁸⁷.

Planning and investment is required to meet the challenges presented by demographic change, and also to address the infrastructural deficits created by underinvestment within the past decade. Health-promotion measures and action to facilitate the full participation of people with disabilities – including older disabled people - in social life are also required, as well as a comprehensive approach to care services that would include integrated services across the areas of GP care, public health nursing, home care supports, acute hospital care, rehabilitation, short-term and long-term care.

The Government and Health Service Executive (HSE) recognise that moving care out of acute and congregated settings and into the community and home is more cost effective, better value for money and supports people to remain in their own home. The Department of Health held a public consultation on a new Home Care Scheme in October 2017 but no indication of when the strategy on this will be published has been given. Services in the community for older people and for people with disabilities can help alleviate the pressure on healthcare services and help move away from the hospital centric model that currently exists. There are a number of services that are already available in communities and play a vital role in keeping people in their own homes; services like home help, meals on wheels, befriending services also help reduce isolation and loneliness among older people. With a proper funding structure in place for these services they can play a bigger role in the continuum of care in the community. Health services need to be developed and improved upon to meet future demand for healthcare and meet the healthcare needs of an ageing population.

⁸⁵ 'Programme for a Partnership Government' (2016)

http://www.merrionstreet.ie/MerrionStreet/en/ImageLibrary/Programme_for_Partnership_Government.pdf

⁸⁶ HSE 'Prevention and Management of Chronic Diseases'

<http://www.hse.ie/eng/about/Who/clinical/integratedcare/programmes/chronicdisease/>

⁸⁷ Department of Health (2016) 'Department of Health Statement of Strategy 2016-2019' <http://health.gov.ie/wp-content/uploads/2016/12/Statement-of-Strategy-2016-2019-English.pdf>

Primary Care

Ireland is the only EU health system that does not offer universal coverage of primary care⁸⁸. Accessing our complex system depends on whether one has a medical card, a GP visit card, private health insurance, private resources to spend on health services, where one lives and what type of services one is trying to access; it is also those who are poorest, sickest and those with disabilities who find it hardest to pay charges, to negotiate access, and who must wait longer for care⁸⁹. Those who are poor and sick without medical cards fare worst in terms of coverage and access⁹⁰. The Country Report does highlight the importance of primary care but in the context of cost effectiveness. While Primary care centres are being rolled out, the Alliance would be concerned at the pace of this roll out. More emphasis on health inequalities accessing GP services and the high cost to many people should be included in the report. The Sláintecare Plan will have an important role in this and must be adequately financed to do so.

Countries with a strong primary care sector have better health outcomes, greater equity, lower mortality rates and lower overall costs of healthcare⁹¹. The development of primary care teams (PCTs) and primary care networks across the country was intended to have a substantial impact on reducing problems within healthcare provision, and to shift from over-reliance on acute hospital services to a more community-based model of service delivery. It was envisaged that 530 Primary Care Teams supported by 134 Health and Social Care Networks would cover the country by 2011.

Primary and community care services must be prioritised and invested in so that effective step down from acute hospital settings becomes a reality and where effective and efficient treatment and rehabilitation can be accessed. While the ongoing and systemic reform of the financial system continue, with the inclusion of activity-based funding, the Better Europe Alliance understands that these reform levers, cannot be sufficient in themselves to solve the large-scale deficits in service provision currently evident in primary and community health and social care services which hinder effective discharge planning and bed capacity in the acute sector.

Two Tier Health System

The two-tier health system that continues to exist is more evident in specialist healthcare such as consultations with a specialist and for some surgeries. The speed of access to specialist healthcare continues to be an issue and leads to inequalities based on income. The report highlights that private insurance plays a bigger role in financing healthcare in Ireland than in most other EU

⁸⁸ http://www.euro.who.int/_data/assets/pdf_file/0006/260088/Health-system-responses-to-financial-pressures-in-Ireland.pdf

⁸⁹ <http://www.oireachtas.ie/parliament/media/committees/futureofhealthcare/Dr-Sara-Burke,-Centre-for-Health-Policy-and-Management,-TCD.pdf>

⁹⁰ <http://www.oireachtas.ie/parliament/media/committees/futureofhealthcare/Dr-Sara-Burke,-Centre-for-Health-Policy-and-Management,-TCD.pdf>

⁹¹ <http://health.gov.ie/wp-content/uploads/2016/05/Better-Health-Improving-Health-Care.pdf>

countries. While this continues to be the case, Ireland will continue to have a two-tier health system.

Access must be based on a person's need and not on their ability to pay or if they have private health insurance. People with private health insurance can be fast-tracked to specialist care. Those on low or fixed income and who may be in most need of specialist healthcare are often the ones most far removed from it.

Health Inequality

Those from lower-socio-economic and a higher risk of social exclusion experience, such as Travellers, have worse health outcomes than the rest of the population. This health inequality is caused often by wider social determinants of health such as living on inadequate incomes, the quality of accommodation and people's environment etc, but also the quality of people's access to health services⁹². This relates to both mental and physical health of these groups. Therefore, as highlighted in the Country Report, while those from disadvantaged backgrounds may have access to a medical card to address the cost of healthcare, it does not in itself redress health inequalities. The Sláintecare reforms has the capacity to address some of the health inequalities but is essential they are made explicit. Addressing Health inequalities is a key objective of the Health Ireland strategy, but to date the implementation of this objective has not been adequately developed or implemented.

Centres of Excellence and extra costs incurred

While Centres of Excellence provide the best of treatment for people and the Alliance are supportive, these patients can incur extra costs in accessing treatment. Most patients need to travel to access treatment, and in some cases, if travelling a long distance, may need accommodation. These costs are incurred by the patient. There is also the cost of caring, with another person often having to travel with the patient. Car parking costs in hospitals are also an extra cost incurred for people, with many hospitals having increased car parking charges over the last number of months.

The Budget from Exceptional Needs Payment fell from €80 million in 2008 to about €31 million in 2017. This has made it more difficult for those with high health and hospital related travel costs. This is payment is also administered on a case by case basis.

With advancements in healthcare and treatments, a review of what treatments could be provided in local hospitals could be examined to reduce costs for patients.

Medical and Health Care Staff

Staff shortages across both the primary and secondary health care system and retaining staff continues to be an issue and is contributing to the long waiting times to access GP services and hospital appointments. There is now a shortage of GP's especially in rural areas where many are

⁹² Community Platform 2017, Six Principles for an Inclusive Health Policy. <http://communityplatform.ie/wp-content/uploads/2017/11/Community-Platform-Six-principles-for-an-inclusive-health-policy.pdf>

due to retire, with very few younger GP's to replace these. However, it is not just GP's but also nurses, mental health professionals and other health care practitioners that are in short supply and is hindering the move from a hospital centric to a primary and community care health system.

Prescription Charges

The Alliance continues to be concerned at the cost of prescriptions in Ireland. We are very aware that Irish citizens continue to pay much higher prices for medication than other Member States. People on low or limited income, who may not be eligible for a medical card, are impacted the most by the cost of medicine, especially people who need to take medicine regularly. Budget 2019 announcement of reduction in the Drug Payment Scheme threshold from €134 to €124 per month will come into effect from 1st April 2019. However, it remains costly for those who are dependent on medicine. The Alliance would call for this monthly threshold to be reduced further.

The Alliance welcomes the new Framework Agreement on the Supply and Pricing of Medicines and that some money can be saved. From 2017, prescriptions for people over 70 years of age with a full medical card had prescription charges reduced to €2 per item. However, for people with a number of items on the prescription and on a fixed income, it can still be expensive.

Disability Services

We welcome the specific mention in the CSR that:

'Additional funding totalling EUR150million has been allocated for disability services in the 2019 budget. How this money will be invested remains to be seen as details have so far not been released on specific measures and programs.'

We can inform the Commission that in relation to community- based disability support services, the HSE's National Service Plan 2019 states that in 2019 there will be an increase in funding for the provision of Personal Assistant from 1.46 million to 1.63 million hours and Home Support hours is to be increased from 2.93 million to 3.08 million hours. In fact, these increases represent the allocations needed to cover the overrun from 2018. In practice it does not result in extra hours of these community-based services which are vital to support people with disabilities to live in their communities, to support deinstitutionalization and prevent institutionalization.

It also commits to the investment in 100 new therapy posts (€2.5m). But this will need to be monitored throughout 2019 to ensure that all these posts are established.

Proposal for Country Specific Recommendations for Ireland and Ireland's NRP

- A health system with equal access for all and based on need rather than ability to pay needs to be a priority in healthcare. The two-tier system that currently exists should be removed.
- Resources – both Budget and Staff be made available for the full implementation of Sláintecare so that there can be a move towards primary and community care services in so that effective step down from acute hospital settings becomes a reality, reduce

admission to hospital and where effective and efficient treatment and rehabilitation can be accessed.

- The budget for Exceptional Needs Payments must be increased so that those who have to travel to access healthcare are not prevented from doing so because of travel costs.
- A review of what specialist treatments could be provided for local hospitals should be looked at.
- Continue to introduce measures which will lead to a reduction in prescription costs.
- Staffing issues in the health system must be addressed and retaining new graduates must become a key objective for Government.
- Community-based services must be prioritised and received increase in funding to support people with disabilities to live in their communities.