



Stronger Charities.
Stronger Communities.

THE COST OF LIVING CRISIS IN IRELAND

Comments from The Wheel on the Irish State's Ad Hoc Report to the European
Committee of Social Rights

CONTENTS

About the Charity, Community and Voluntary and Social Enterprise Sector	2
The Cost of Living Crisis in Ireland	2
Comments on the Irish State’s Ad Hoc Report to the European Committee on Social Rights Regarding the Cost of Living Crisis in Ireland	5
Benefits & Social Assistance (questions 4, 5, 6)	5
Combatting Poverty (questions 7, 8, 9)	5
Participation and Representation (question 10)	6
Conclusion.....	7

About the Charity, Community and Voluntary and Social Enterprise Sector

Community and voluntary organisations are involved in every community in the country, providing health and social supports, services, and advocacy on behalf of people with disabilities, older people, young people, children, people experiencing poverty and disadvantage, and people at every stage of their lives.

In addition to its societal contribution, the community, voluntary, charity, and social enterprise sector ('the sector') makes a major contribution to the economy. It comprises approximately 35,000 organisations, involves almost 76,500 volunteer trustees, directly employs 281,250 people in charities alone (1 in every 8 employed people), and manages income of €25 billion per year. These organisations raise almost half of this income themselves, majorly subsidising the cost of public services in Ireland. When direct, indirect, and induced impact is considered, the sector had €32.1 billion in expenditure in 2022, and supported 321,000 jobs.¹

The breadth of the community and voluntary sector in Ireland is far reaching. Organisations provide vital services and supports in areas such as health and social care, community development, children and family services, and integration. They are at the forefront of the work to address the climate crisis and to advocate for human rights. The sector plays an integral role in meeting the most important societal challenges as well as providing essential public services. For example, nearly 70% of all disability services are provided by voluntary organisations funded under Section 38 or Section 39 of the Health Act 2004.²

The Cost of Living Crisis in Ireland

Since 2020, Ireland has experienced a sharp rise, along with many other countries, in the cost of living. Increased energy costs and higher food prices have been seen across Europe and continue to have an impact on many people across Ireland. While some of these rapidly rising costs have stabilised somewhat in recent months, the narrative of an upward trend for all contained in the State's ad hoc report to the European Committee of Social Rights (ESCR) does not reflect the reality for those who continue to suffer significant deprivation related to the cost-of-living crisis.

In addition, **Ireland is experiencing a significant housing and homelessness crisis**, which continues to exacerbate the stress on particular groups struggling with increased costs of living. In March 2024, for example, 13,866 people accessed emergency homeless accommodation, of which more than 4,100 were children.³ Research carried out this year by Simon Communities found that more than 30,000 people were experiencing hidden homelessness across the island of Ireland – sleeping in cars, office buildings or friends' sofas.⁴

¹ <https://www.charitiesregulator.ie/media/eqvh32ky/what-is-a-charity-rev-001.pdf>

² <https://www.gov.ie/pdf/?file=https://assets.gov.ie/154163/8fe32ca7-2154-4fb0-8a41-6931c5f15471.pdf#page=1>

³ <https://www.gov.ie/pdf/?file=https://assets.gov.ie/291514/ad110785-912f-4e64-a83b-f82262017212.pdf#page=null>

⁴ <https://www.simon.ie/press-release-poll-by-simon-communities-finds-hidden-homelessness-affects-32000-households-across-the-island-of-ireland/>

Increases in the minimum wage and a package of mainly one-off social welfare payments have not been enough to prevent many people suffering significant deprivation. **More than 560,000 people are at risk of poverty and more than 900,000 are living in enforced deprivation**, according to the latest figures released by the CSO. This represents a worrying rise of over 200,000 people going without basic necessities (enforced deprivation) since 2021. Lone parents with children younger than 25 and people unable to work due to long-standing health problems are most likely to be living in enforced deprivation (45.6% and 44.7% respectively), while tenants are more than four times as likely to be going without than people in households where the home is owned.⁵

The recent *2024 MESL Report* concludes that the cumulative change in the cost of food from 2020 to 2024 is an average increase of 23.1% for urban households and 17.8% for rural households in Ireland. Infant food costs showed the greatest increase in the past year, rising by 7.2% in the twelve months to March 2024. The infant budget has also seen the largest individual change from 2020 to 2024, increasing by 27.3% in this period.⁶

Charities, community and voluntary organisations, and social enterprises are at the coalface of supporting people on the lowest incomes. **One in twelve charities has the specific charitable purpose of the relief of poverty or economic hardship**,⁷ and sector organisations in the health, housing and homelessness, child and family services, and community development sectors are under continued pressure to provide supports to those who are most at risk.

However, persistent underfunding of the sector has led to frontline services being asked to do more with less. Many are experiencing a recruitment and retention crisis as salaries fail to keep pace with public sector operators. **These services provide a lifeline to those on the margins and should be adequately resourced to do this vital work in the face of increasing demand.** In a 2022 Pobal report, 29% of Pobal-funded organisations said that staff left because of salary levels, lack of development opportunities (21%), or preferred private or public sector employment (17%).⁸ This poses a significant risk to the continuation of these vital services.

Community and voluntary organisations also play an important role in producing research on issues such as the impact of the cost of living and increased need across Ireland. Organisations such as SVP, Social Justice Ireland and Age Action have reported for many years on deprivation in Ireland and on the issues that affect specific cohorts of society, such as single parents or older people. This research is vital in understanding the true impact of the rising cost of living on vulnerable people in both the short and long term.

⁵ Enforced Deprivation Survey on Income and Living Conditions (SILC): Enforced Deprivation 2023 - Central Statistics Office.

⁶ https://www.budgeting.ie/download/pdf/mesl_2024_-_update_report.pdf

⁷ <https://www.charitiesregulator.ie/media/4733/crar2022.pdf>

⁸ <https://www.pobal.ie/research-analysis/early-years/>

Summary

Below is a summary of our proposals for addressing the cost of living crisis in Ireland, made in response to the State's ad hoc report.

- Benchmark social welfare payments, increasing regular payments rather than relying on one-off packages
- Introduce a cross-sectoral benchmarking working group to capture the expertise of the community and voluntary sector as well as the State
- Develop and improve public services to ensure equal access to healthcare, recreation opportunities, green space etc.
- Provide adequate resourcing for charities, community and voluntary organisations, and social enterprises who provide essential services and supports
- Improve data collection on the impact of rising costs of living, incorporating research carried out by those working with vulnerable groups in the community and voluntary sector

Comments on the Irish State's Ad Hoc Report to the European Committee on Social Rights Regarding the Cost of Living Crisis in Ireland

Benefits & Social Assistance (questions 4, 5, 6)

In its response to the questions on work benefits and social assistance, the State notes that its Budget 2024 Cost of Living package was the largest in the history of the State at €2.3 billion. The ad hoc report provides further detail on social welfare increases in recent years, such as Qualified Child (IQC), One-Parent Family Payment and Jobseeker's Transitional Payment. While we welcome this package of additional payments, we would argue that these are **not enough to sufficiently support people in the long term**. Only benchmarking of social welfare payments can properly protect against the deprivation currently being experienced by many people across Ireland by truly reflecting costs of living.

CSO data from 2023, for example, reported that people unable to work due to a long-standing health problem (disability) were most likely to be living in enforced deprivation (44.7%).⁹ **Benchmarking is the only way to allow for a fully targeted and agile social welfare system that supports the most vulnerable at any given time.**

In 2022, the Select Committee on Budgetary Oversight published its *Report on Indexation of the Taxation and Social Protection System*, recommending a system of benchmarking social welfare payments.¹⁰ This is a move which has been called for by many of our sector colleagues, and one The Wheel fully supports. We also propose the **establishment of a cross-sectoral benchmarking working group** to ensure adequate income for those at most risk of poverty and to fully utilise the expertise of community organisations working at the coalface.

Combatting Poverty (questions 7, 8, 9)

Ireland's ad hoc report states that at-risk-of-poverty rates in Ireland declined from 17.5% in 2017 to 11.6 in 2021, increasing to 13.1% in 2022. Following publication of the ad hoc report, the Survey of Income and Living Conditions (SILC) data was updated (2023) to take account of one-off social welfare payments made in that year. Despite the large package of benefit payments detailed above, the revised SILC data continues to show significant deprivation across Ireland.

The proportion of persons living in households experiencing enforced deprivation went up from 16.6% in 2022 to 17.3% in 2023. The 2021 rate was 13.7%. The groups most likely to experience enforced deprivation were those unable to work due to long-standing health problems (44.7%),

⁹ <https://www.cso.ie/en/releasesandpublications/ep/p-pihs/povertyindicatorsbyhealthstatus-surveyonincomeandlivingconditionssilc2023/deprivation/>

¹⁰ https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/committee_on_budgetary_oversight/reports/2022/2022-07-14_indexation-of-the-taxation-and-social-protection-system_en.pdf

living in single adult households with children under 18 (41.4%), unemployed (37.8%) and living in rented or rent-free accommodation (36.5%).¹¹

Feedback from many of our member organisations who work on the frontline of service provision reflects this, as they continue to experience an increased demand for their supports. In addition to benchmarking social welfare payments, we support the recommendation made by the Select Committee for Budgetary Oversight Pre-Stability Programme Update 2022 Report that “the government undertake analysis as to what improved data collection is required to better target measures”.¹²

The State response also centres *The Roadmap for Social Inclusion 2020-2025* (the *Roadmap*).¹³ This *Roadmap* addresses the EU-wide poverty reduction targets outlined in the European Pillar of Social Rights Action Plan 2021 and, while we support the Roadmap and its aims, the actions underpinning the Roadmap do not go far enough in meeting these stated aims. An **independent review, co-designed with organisations at the frontline** of providing support to people experiencing poverty and deprivation, should be conducted and a renewed focus on resourcing ambitious actions for change delivered.

Lifting people out of poverty is also about more than income. It requires **access to affordable, sustainable public services**. In taking a cross-Departmental approach, The *Roadmap* acknowledges this and aims to reduce the number of people in consistent poverty and increase social inclusion, but again it should go further.

Participation and Representation (question 10)

The ad hoc reports lists several forums through which the State consults with representatives from advocacy groups and service providers within the community and voluntary sector. These include the Budget Forums, the Social Inclusion Forums, the Community and Voluntary Pillar and the Roadmap working groups. These are all valuable participatory forums through which The Wheel and many of our members engage. However, **meaningful partnership working should be improved in order to address increasing need across communities**.

In 2022, the Department of Rural and Community Development launched the *Values and Principles for collaboration and partnership working with the Community and Voluntary Sector*,¹⁴ which copper-fastened the relationship and partnership between Government and the sector, highlighting its centrality in addressing the crises of recent times. The *Values and Principles* are used by central and local government, as well as state bodies, as a basis for their interactions with the community and voluntary sector in pursuit of the best outcomes for all communities. They provide a basis for respectful, inclusive engagement to reach our common goals. It is important that Government fully commit to social and community dialogue in line with the *Values and Principles* for collaboration and

¹¹ <https://www.cso.ie/en/releasesandpublications/ep/p-silced/surveyonincomeandlivingconditionssilcenforceddeprivation2023/enforceddeprivation/>

¹² https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/committee_on_budgetary_oversight/reports/2022/2022-04-08_pre-stability-programme-update-2022-report_en.pdf

¹³ <https://www.gov.ie/en/publication/ca8bf-roadmap-for-social-inclusion-2020-2025/>.

¹⁴ <https://www.gov.ie/en/publication/d4445-values-and-principles-for-collaboration-and-partnership-working/>.

partnership working with the community and voluntary sector in order to address the ongoing impact of the cost of living crisis.

Recently, we have also seen the attempted undermining of civil society across Europe, particularly participation by organisations in advocacy processes on behalf of their members. This is deeply concerning and **it is vital that the civil society organisations are protected** so that they are able to advocate on behalf of the most marginalised in society.

Conclusion

We welcome the increases in minimum wage and the package of government social welfare supports introduced to address the cost-of-living crisis in Ireland that are outlined in the State's ad hoc report. However, many people are still suffering significant enforced deprivation. Combined with the extensive housing crisis in Ireland, the number of people accessing services and supports provided by the community and voluntary sector is increasing. As demand grows, the sector is struggling with a recruitment and retention crisis and a lack of sustainable funding.

Only by benchmarking social welfare payments will vulnerable groups be enabled to meet their basic needs and to live with dignity. Additionally, the community and voluntary sector should be properly funded to provide these essential supports. We recommend that the Government:

- Benchmark social welfare payments, increasing regular payments rather than relying on one-off packages
- Introduce a cross-sectoral benchmarking working group to capture the expertise of the community and voluntary sector as well as the State
- Develop and improve public services to ensure equal access to healthcare, recreation opportunities, green space etc.
- Provide adequate resourcing for charities, community and voluntary organisations, and social enterprises who provide essential services and supports
- Improve data collection on the impact of rising costs of living, incorporating research carried out by those working with vulnerable groups in the community and voluntary sector

The Wheel is Ireland's national association of charities, community groups and social enterprises. Our membership includes thousands of nonprofit organisations of all types and sizes, including most of Ireland's leading charities.

As a representative voice, we provide leadership to the charity and community sector and we advocate on behalf of our growing community of members.

As a supportive resource, we offer advice, training and other opportunities to people working or volunteering in the charity and community sector.

www.wheel.ie



Stronger Charities.
Stronger Communities.

The Wheel
48 Fleet Street Dublin 2
D02 T883
(01) 454 8727
info@Wheel.ie
www.wheel.ie
Charity Number: 20040963
CHY Number: 13288
Company Number: 302282