



Submission to the EU Headline Poverty Target

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Overview

Irish Rural Link (IRL) is the national network of rural community groups, representing over 600 groups and thousands of individuals committed to socially, environmentally and economically sustainable rural communities.

We welcome the opportunity to make a submission to the EU Headline Poverty Target Consultation.

While consumer prices started to increase in 2021, mainly fuel and energy prices, the recent war in Ukraine has exacerbated this further and food prices are starting to increase also. The Consumer Price Index for March 2022 showed a 6.7% rise in prices to the year. This is up from an annual increase of 5.6% in the year to February 2022 and the largest annual increase in the CPI since November 2000¹. The biggest price increases occurred in transport, housing, electricity, gas and other fuels. These are essential goods and services for many households and are the ones households on low incomes spend the largest proportion of their income on. Those who already were at-risk of poverty or living in consistent poverty were already struggling to pay utility and food bills and keep homes adequately warm. These price increases, will continue to push them further into poverty and push more households into 'at-risk of' or consistent poverty.

The number of people employed is now higher than pre-pandemic. However, with the Pandemic Unemployment Payment (PUP) now ended and those who were still in receipt of the payment moved to Job Seekers, there will be some that do not qualify for this payment and may not qualify for activation programmes as a result. The quality of jobs that are available are created is also an important factor in employment targets. The VSPJ Minimum Essential Standard of Living² shows that households with two adults in minimum wage employment still have an income inadequacy. This is especially true for households in rural areas, who incur extra costs in relation to transport, in most cases needing two cars so they can access employment.

The EU Headline Poverty Targets must now take these external factors into consideration and Ireland must ensure there are targeted measures put in place to support vulnerable and low income households from increasing cost of living and from falling further into poverty and further away from the labour market and access to training and education.

¹ CSO CPI March 2022, Press Release April 2022

<https://www.cso.ie/en/csolatestnews/pressreleases/2022pressreleases/presstatementconsumerpriceindexmarch2022/>

²Vincentian Partnership for Social Justice MESL 2021 <https://www.budgeting.ie/publications/mesl-2021/>

Poverty Reduction Target

The Headline Poverty Reduction Target for the EU as a whole is that:

“the number of people at risk of poverty or social exclusion should be reduced by at least 15 million (compared to 2019). Out of the 15 million people to lift out of poverty or social exclusion, at least 5 million should be children”.

(European Commission, 2021)

The “Roadmap for Social Inclusion 2020-2025” continues to recognise the definition of poverty outlined in the National Anti-Poverty Strategy 1997, but broadens this definition to include access to services, decent employment and greater participation in society.

“Social Inclusion is achieved when people have access to sufficient income, resources and services to enable them to play an active part in their communities and participate in activities that are considered the norm for people in society generally.

The EU set a target for Ireland of a 3 percentage point to - 3.2 percentage point reduction on the 2019 rate of ‘at-risk of poverty of 20.6% by 2030. The ‘Roadmap for Social Inclusion’ has a more ambitious target of 16.7% to 2025. The most recent SILC³ figures for 2020 showed that the ‘At Risk of Poverty’ rate was 13.2%. However, children, those in the 0-17 age cohort, had the highest rate of at-risk of poverty at 16.9%. While the reduction in the overall rate is welcome, we would see this increase over the next year given the increase in the cost of living. SILC 2020 also showed that those unable to work due to long-standing health problems were the group most at risk of poverty at 33.7% and those unemployed at 32%.

With cost of living and prices of essential goods and services namely; electricity, home heating oil, solid fuels, gas and food, all increasing we expect to see the overall at-risk of poverty rate to increase and vulnerable groups and those on low-income to be pushed further into poverty. Electricity prices increased by 22.4% in the year to March 2022, with home heating oil increasing 126.6% in the year and 58.5% in the month, and with these prices expected to continue to increase over the coming months, it is very concerning for low income households who are already making tough financial decisions. For low income households in rural areas, the extra cost of transport is causing hardship for many households, with diesel prices increasing by 46% to the year and by 17% in the month to March 2022⁴, they are now having to decide what car journeys to take.

³ SILC – Survey on Income and Living Conditions 2020 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2020/>

⁴ CSO (April 2022) Consumer Price Index March 2022 <https://www.cso.ie/en/releasesandpublications/er/cpi/consumerpriceindexmarch2022/>

It is also important to note that Ireland signed up for the Sustainable Development Goals with Goal 1 stating No Poverty by 2030 and Goal 2 Zero Hunger. These must be kept at the forefront when setting targets to reducing poverty and every effort made to achieving these.

Employment rate

The EU have set a headline employment rate target of “at least 78%” by 2030. To achieve this Member States must create conditions for stronger job creation and higher labour market participation especially among groups who are furthest away from the labour market.

The EU have set a national employment target for 2030 for Ireland of 78.2% and 78.6%. The Labour Force Survey for Q4 2021 showed the employment rate for this period for those aged 15-64 was 73.0%. This was up from 67.0% for the same period in 2020 and from 70.1% in Q4 2019 (pre-pandemic). The employment rate for females was lower at 69.1% compared to 76.9% for men.⁵

While there has been improvement in the employment rate, it is important to note that there are still barriers to employment for many cohorts. The quality of jobs and the creation of new jobs must also be considered when setting and trying to achieve employment targets. The value placed on minimum wage employment during the pandemic; carers, those working in retail and now as tourism sector re-opens, needs to be considered and that these jobs need to become more valued and sustainable for people working in these sectors.

The unemployment figures for people with disabilities and Travellers are still stark in contrast to the national ones. Many people living in rural areas find it more difficult to access decent or sustainable employment in their area, and less commensurate with their skills and aspirations. Disadvantaged and marginalised communities in both urban and rural areas continue to face many challenges to accessing employment such as; a lack of affordable and accessible transport and childcare, inadequate broadband, a poor match between their existing skills or work experience and available employment.

Economic cohesion and decent jobs must be an integral part of the Employment Rate Targets. It will be essential that employment supports are available for everyone of working age, especially for those furthest from the labour market. Good information is critical, to guarantee that people are aware of what entitlements they may hold on to, what supports are available to them, and support them to make informed choices about their own futures. Given the costs of taking up employment it will also be important to ensure that people do not experience a net loss of income, that services such as transport

⁵ CSO (2022) Labour Force Survey Q4 2021 <https://www.cso.ie/en/releasesandpublications/ep/p-lfs/labourforcesurveyquarter42021/employment/>

and childcare are available, accessible, and affordable, that existing supports are tapered and new supports developed to support people to access decent and sustainable work.

Participation of adults (25-64) in learning activities

The EU overall Headline Target by 2030 for participation of adults in learning activities is “at least 60%”. This is important as we move towards a greener and more digitised society, to support the recovery, improve opportunities for employment, especially for those furthest from the labour market. The EU has set a national target for this for Ireland at 64.2% (unconstrained) and 66% (constrained).

Investment in an active labour market programme to support young jobseekers, those who have lost their jobs as a result of the pandemic and the closure of peatlands and peat factories, as well as those who were unemployed prior to the pandemic is needed. Supports to education, training, apprenticeship and/or work experience opportunities should be incorporated into this target and ensuring that these are sustainable and match future skills needs.

Also continuing and life-long learning will be needed to achieve targets and supporting micro and small businesses to offer continued training and upskilling for employees is needed.

The rate of adult population that lack basic digital skills is 52%, which is well above the EU average of 43%. Irish Rural Link deliver the Getting Citizens Online basic computer training to adults over the age of 45 who have never used a computer before. It teaches people the very basic skills such as turning on the computer, the different parts of the computer, creating an email address, sending email, browsing the internet and using Government websites and paying bills, motor and property tax online. With payslips, P45's all moving online, employees who do not have basic digital skills must be trained up on these skills also.

The skills to use technology as we move towards a digitalised society must be considered in targets and vulnerable groups must have access to supports to develop, improve and stay updated with these skills.

Irish Rural Link the Organisation

Irish Rural Link (IRL), formed in 1991, is a national network of organisations and individuals campaigning for sustainable rural development in Ireland and Europe. IRL, a non-profit organisation, has grown significantly since its inception and now directly represents over 600 community groups with a combined membership of 25,000.

The network provides a structure through which rural groups and individuals, representing disadvantaged rural communities, can articulate their common needs and priorities, share their experiences and present their case to policy-makers at local, national and European Level.

Irish Rural Link is the only group represented at the national social partnership talks solely representing rural communities' interests.

'Our vision is of vibrant, inclusive and sustainable rural communities that contribute to an equitable and just society'

Irish Rural Link's aims are:

- To articulate and facilitate the voices of rural communities in local, regional, national and European policy arenas, especially those experiencing poverty, social exclusion and the challenge of change in the 21st century.
- To promote local and community development in rural communities in order to strengthen and build the capacity of rural community groups to act as primary movers through practical assistance and advice.
- To research, critique and disseminate policies relating to rural communities including issues such as sustainability, social exclusion, equality and poverty
- To facilitate cross-border networking between rural communities

'Our mission is to influence and inform local, regional, national and European development policies and programmes in favour of rural communities especially those who are marginalised as a result of poverty and social exclusion in rural areas.'