



Better Europe Alliance

Input to European Semester process

2025

1. Introduction to the Better Europe Alliance

The Better Europe Alliance of eleven 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 social and environmental goals of the EU and to improve the level of debate and engagement of all stakeholders in progressing the European Semester and related strategies, including the European Pillar of Social Rights. The Better Europe Alliance is coordinated by the European Anti-Poverty Network (EAPN) Ireland.

The members of the Better Europe Alliance are:

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

The Alliance engages with the European Semester process annually. Up until 2020 the Alliance made an annual response to the European Commission's Country Report for Ireland including proposals for the Country Specific Recommendations for Ireland and for the Government's National Reform Programme. Since 2021 the Alliance has made an annual Input to European Semester Process.

2. European Semester

2.1 A more challenging EU context

Multi-Annual Financial Framework (MFF)

The total for the next Multi Annual Financial Framework (MFF) of nearly €2 trillion belies that the budget has actually decreased as a number of funds outside the present MFF, have now been integrated into it. That defence and competitiveness have been prioritised above social

spending, raises the real possibility of growing inequality unless corrective action is taken. Funds for the climate transition and industrial decarbonisation are extremely low, only allocating €67 billion for the climate transition and industrial decarbonisation over a seven-year period, €40 billion of which is to come from an already existing instrument (the Innovation Fund). The 'abolition' of the Just Transition Fund, merging it with the newly proposed NRPs, (National and Regional Partnerships) is a concern. That the future framework for agricultural and cohesion policy, including social policy (European Social Fund (ESF) and the SCF), is to be based on these NRPs, needs careful attention. While the Commission promises that at least 14% of the NRPs will be dedicated to social expenditure, the fact remains that there is nonetheless no separate budget or legal autonomy for social spending purposes. It is imperative that social objectives are safeguarded from depletion by reallocation to defence or security initiatives. Indeed, they should be increased.

It is vital that the Semester ensures that crucial resources are not diverted away from the necessary investment in tackling disadvantage for marginalised groups underrepresented in the labour market, and the structural reasons why some groups are more likely to experience poverty.

Shrinking space for civil society

The impact of the MFF proposal for civil society can only be understood when put in the context of a changing landscape for civil society organisations. Civil society in Europe is facing mounting pressures. Funding cuts and increasing administrative hurdles silence critical voices, narrowing space for democratic dialogue and civic engagement. There has been an amplification of negative rhetoric about the role of NGOs by far-right and conservative forces, in particular. These actions are aimed at delegitimising CSOs, contributing to further budget cuts by national governments and leading to the scrutiny of dedicated NGO funding within the EU funding programmes.

It is of critical importance that the National and Regional Partnership (NRP) plans provide structures and safeguards for participation by civil society organisations and that there is guaranteed funding aimed at delivering a more social, equitable and sustainable Europe, ensuring that no-one is left behind. These funds must be available to civil society directly, and not at the whim of national governments.

2.2 An opportunity for an integrated approach to policy development

The European Semester process has evolved over time. As a process primarily focused on economic governance, and the implementation of the Stability and Growth Pact, it has slowly expanded to become a more integrated approach to monitoring economic, social and environmental policy. This came about initially due to the integration of the Europe 2020 Strategy into the Semester process in 2010, the lessons learned from the narrow and damaging approach taken to recovery from the last economic crisis, and the sustained engagement of civil society in seeking a reform to the existing approach.

The possibility of a more integrated approach has been strengthened by the introduction of monitoring the implementation of the UN Sustainable Development Goals into the Semester in

2020. This followed the introduction into the Semester of reporting on the implementation of the European Pillar of Social Rights in 2018 and the European Green Deal in 2019.

While the Alliance welcomes some positive signs that progress can be made in addressing social and environmental challenges, there needs to be a significant policy shift if we are to meet our ambitious targets to make progress on social commitments, address climate change and protect biodiversity while ensuring the transition to a net zero carbon future is fair and helps the furthest behind first. To date the introduction of these social and environmental developments into the Semester process has been weak and they have yet to make any real impact.

The weak progress in achieving social goals was already clear under the Europe 2020 Strategy which saw only half the target of lifting 20 million people out of poverty or social exclusion by 2020 achieved. So far there is little indication that there will be better progress under the Pillar of Social Rights. The adoption of the Action Plan for the implementation of the Pillar in 2021 provided an opportunity to strengthen how the European Semester Process addresses employment and social rights over time. The Action Plan includes a range of policy and legislative initiatives and three targets on training, employment and poverty reduction. This third target is to reduce the number of people at risk of poverty or social exclusion by at least 15 million by 2030, including 5 million children. There were 95.4 million people, or 1 in 5 of the EU population at risk of poverty or social exclusion when this target was set using 2019 poverty levels as the benchmark year. However, Eurostat reported that five years later in 2024 there were 93.25 million people at risk of poverty or social exclusion in the EU, progress of just over two million people over that period.¹ The number of children at risk of poverty or social exclusion has increased by almost half a million children since the target was set in 2019 with almost 24.2 million, or one quarter of children in the EU, at risk of poverty or social exclusion in 2024.²

In this same period, despite significant economic growth, Ireland has made no progress on its EU target for reducing poverty or social exclusion. It is those within the most marginalised and under-represented communities in Irish society who are at a higher risk of poverty. While the EU region has experienced a number of major crises during this period, this clearly shows that those in poverty and on low incomes have experienced the greatest negative impact. A new European Pillar of Social Rights Action Plan will be published in 2026, and must have ambitious targets that will be embedded across EU policy development.

Since 2021, National Recovery and Resilience Plans (NRRPs), as part of NextGenerationEU, are now also being monitored through the European Semester process. NRRPs outline areas of investment and reform and lead to the drawdown of grants and loans through the Recovery and Resilience Facility. The NRRPs were developed to respond to the impact and lessons from the Covid-19 pandemic, but also to support a shift towards more longer-term EU priorities of

¹https://ec.europa.eu/eurostat/databrowser/view/ilc_pecs01/default/table?lang=en&category=tepsr.tepsr_spi.tepsr_spi_hi

²https://ec.europa.eu/eurostat/databrowser/view/tepsr_lm412/default/table?lang=en&category=tepsr.tepsr_spi.tepsr_spi_hi

the climate and digital transitions. Ireland's [National Recovery and Resilience Plan](#) outlines investments and reforms that enable it to draw down €989 million.

As the European Semester integrates different processes, including the climate and digital transitions, the European Pillar of Social Rights and the Sustainable Development Goals, it is critical that it does not do so in silos but rather with an integrated and balanced approach to policy making, ensuring that economic, social and environmental policy support and reinforce each other, rather than compete with or undermine each other.

3. Country Specific Recommendations

In June 2025 the EU adopted new Country Specific Recommendations (CSRs). The six [2025 CSRs for Ireland](#) include two related to the environment, and for the first time since 2021 include a socially-focussed CSR. This alliance has called for more of a social focus in the CSRs for many years, and we do welcome this response to our calls.

The first 2024 CSRs calls for defence spending and readiness to be reinforced. As in previous years it calls for the expected increase in age-related expenditure to be addressed by making the healthcare system more cost-effective. Importantly CSR 1 also calls for measures to address the risks related to the high degree of concentration in Ireland's tax revenue, including by broadening the tax base and reviewing the scope and impact of tax expenditures.

Following CSR 2 which focuses on funding through the Recovery and Resilience Plans and Cohesion Programme, and CSRs 3 which calls for increased investment in business R&D, CSRs 4 and 5 focus on recommendations to reduce Ireland's dependence on fossil fuels and investing in our water and waste treatment infrastructure.

CSR 6, the first social recommendation in years, calls for measures to increase the supply of social and affordable housing. It also calls on Ireland to 'strengthen the labour market and social inclusion of disadvantaged groups, in particular disabled people and single parents'. Indeed, Ireland has one of the worst disability employment gaps in the EU. However, the recommendation takes a narrow approach of recommending "better targeted outreach and upskilling" to address this, rather than the more systemic and holistic approach that is needed. To really make progress in this area Ireland will need to address the structural barriers to employment and participation in their community that many groups in society face. For example for disabled people this includes the extra costs of being disabled, the tied nature of essential supports (including access to a medical card) and the lack of fully accessible transport and housing.

The Alliance calls on the EU Commission to ensure that the 2026 CSRs again includes both crucial social and environmental CSRs, and does this in a way which addresses the root causes of the issues highlighted in this submission. A truly socially-focused CSR should emphasise how Ireland should invest more of its resources (coming from healthy economic growth) into social goals, including reducing poverty and inequality, and the ongoing housing, health and care crises.

Country Specific Recommendations must include policy measures and reforms, including wealth taxation reforms that address underlying and historical inequalities while also ensuring that any fiscal consolidation measures are poverty and inequality proofed to ensure they do not undermine this approach. Country Specific Recommendations should also take into account within-country wealth distribution, as well as cross-bloc distribution. A recent Eurofound study established that Ireland is amongst the worst 3 EU countries which have the highest levels of wealth inequality - along with Germany and Spain.³

The wider Semester process, and the national policy that flows from it, must also include an active and explicit focus on the specific and effective measures needed to address the persistent higher levels of poverty and exclusion experienced by some groups in society, including exclusion from the labour market.

4. Stakeholder engagement

Despite the importance of social dialogue with all social partners and civil society in the European Semester process, which is underpinned by a legal basis in the Employment Guidelines of the EU, the quality of stakeholder engagement with the European Semester has been mixed.

In general, the European Commission continues to adopt a positive approach to stakeholder engagement in the European Semester. Better Europe Alliance members both collectively and individually have had a positive experience of engagement with the European Commission Office in Ireland. This engagement is facilitated through the European Semester Officers based in the Commission offices in Dublin and has included annual meetings with the Commission's fact-finding team on the European Semester.

Up to this point engagement with the Commission has been open, with a sense that we have been heard and an effort made to reflect some of our inputs, particularly within the Country Reports, and to a lesser extent within the Country Specific Recommendations.

Engagement on the European Semester process between civil society and the Government, led by the Department of the Taoiseach, has always been very limited. With the move away from the National Reform Programmes in the revised Semester process, there has been no direct engagement on the European Semester between the Government and wider civil society.

We would also welcome greater transparency and consultation on how European social funding plans, such as ESF+, are developed and delivered. A number of our members have experienced a lack of clarity on the source of their own funding. It is important for us as stakeholders in the European Semester process to know where the boundaries between national and European funding lie.

³ <https://www.eurofound.europa.eu/en/publications/all/a-picture-of-wealth-inequality-across-eu-member-states>

5. Better Europe Alliance headline priorities for the future development of the European Semester

5.1 Promoting the Union's economic, social and territorial cohesion

The European Semester must be strengthened as a process for ensuring balanced and integrated economic, social and environmental development and bring about a better and more sustainable quality of life for everyone. Each of these elements are interdependent and must support and reinforce each other. While the UN Sustainable Development Goals (SDG) are being monitored through the Semester process, they also provide an integrated approach within which the overall Semester could be developed and monitored. This would also put the commitment and vision of the SDGs to 'leave no one behind' at the heart of the European Semester process, in line with the EU's goal of achieving a "Social Europe". The Better Europe Alliance does not currently see a meaningful prioritisation of the SDGs or EU Pillar of Social Rights in Ireland's NRRP, or in budgetary and policy decisions at a national level. Moreover, ongoing, and sometimes worsening, inequalities and an endemic housing crisis have contributed to reducing levels of social cohesion.

The integration of the SDGs and the European Pillar of Social Rights into the European Semester process should also result in greater coherence across wider European and national policy. For example, the priorities of the EU Annual Sustainable Growth Surveys (ASGS) should provide greater focus on long-term social objectives, building adequate, effective social systems that include both investment and protection dimensions and are better aligned to the EU Social Investment Package, the European Pillar of Social Rights and the new EU Anti-Poverty Strategy when it is adopted in 2026.

5.2 EU fiscal governance

The Alliance welcomed the shift in economic policy under the Semester from one of austerity to deal with the economic crisis a decade ago, to one of investment in response to the Covid-19 crisis. It is crucial that this investment approach continues in order to address the decades of underinvestment in public services in Ireland. The need for this investment was highlighted by the European Commission's Country Reports and Country Specific Recommendations for Ireland in the past. Inappropriate EU governance structures that prohibit or inhibit legitimate investment by national governments must be addressed. This is particularly pertinent in light of the significant investment that will be required to meet digital, climate and biodiversity targets and address major deficits in public service provision.

We welcomed that the EU applied the Fiscal Compact's general escape clause on national budget deficits for 2021 to 2023. Despite the positive state of the national exchequer, it is critical to ensure that the return to the rules of the Fiscal Compact in 2024 does not in any way result in a return to austerity policies.

The Alliance is in favour of a Social Imbalance Procedure being incorporated into the European Semester process thereby ensuring that fiscal and economic policies do not have a negative impact on social policies, and in particular the targets set out in the European Pillar of Social Rights Action Plan.

We must 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.

The fiscal rules should be amended 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 and training, social housing and childcare) and in Just Transition from the 3% public deficit threshold.

5.3 Addressing underlying inequalities and social challenges

The ongoing cost-of-living crisis has had the greatest impact on those who receive the lowest incomes and who experience the greatest inequalities. While the rate of inflation has slowed, there has been a cumulative increase of over 23% from January 2020 to September 2025.⁴ The high number of households facing difficulties with the cost of basic essentials has continued. In 2024 almost half of all households (46.2%) had some difficulty making ends meet, while 5.6% had great difficulty.⁵ Deprivation levels increased from 13.7% in 2021 to 15.7% in 2024.

Moreover, deprivation rates for certain marginalised groups are much higher than the national average, including people unable to work due to long-standing health problems (38.5%), those who are unemployed (37.8%) and lone parent households (46.3%).⁶ Over one in five (21.2%) of children were in enforced deprivation making up over one third of all those in deprivation.

These formal data does not show the high levels of poverty for some groups in society including ethnic minority groups such as Travellers and Roma, people with disabilities, those in homelessness or those in the international protection system.

For many, food banks have now become a normalised means of addressing the unaffordable cost of living. The numbers of people experiencing homelessness continues to increase every month to new record levels, with those on low incomes facing a worsening housing affordability burden. At the same time many groups such as people with disabilities, lone parents and people from minority groups including Travellers and Roma remain largely excluded from the labour market.

Monitoring the implementation of the European Pillar of Social Rights through the European Semester provides an opportunity for an integrated and structural approach to addressing these underlying and cross-cutting inequalities, including wealth and income inequality, and ensuring that the balanced implementation of economic, social and environmental policy supports this goal. An unbalanced focus only on economic growth will not deliver social progress or support social cohesion, as it risks gains accruing to only a subset of the population.

In 2025, the Roadmap for Social Inclusion 2020-2025 the current anti-poverty strategy is to conclude, and a consultation for its replacement has commenced. It is claimed that the strategy

⁴ <https://visual.cso.ie/?body=entity/cpicalculator>

⁵ <https://www.cso.ie/en/releasesandpublications/ep/p-silced/surveyonincomeandlivingconditionssilcenforceddeprivation2024/abilitytomakeendsmeetandmaintainthesamesstandardofliving/>

⁶ [Enforced Deprivation Survey on Income and Living Conditions \(SILC\): Enforced Deprivation 2024 - Central Statistics Office](https://www.cso.ie/en/releasesandpublications/ep/p-silced/surveyonincomeandlivingconditionssilcenforceddeprivation2024/abilitytomakeendsmeetandmaintainthesamesstandardofliving/)

was almost totally successful in the achievement of the targets and commitments which accompanied the high-level goals of the strategy.

Yet, as the strategy nears conclusion, the numbers of those in consistent poverty was at 5% in 2024, the highest level since the beginning of the plan, and well short of the overall ambition for 2025 to “reduce consistent poverty to 2% or less and to make Ireland one of the most socially inclusive countries in the EU”. Moreover, certain at-risk groups have much higher consistent poverty rates - people unable to work due to long-standing health problems have a consistent poverty rate of 19% and those who are unemployed 18.9%.

Alarmingly, their consistent poverty levels show a disimprovement since 2019, the base year for Roadmap measurements, again undermining the narrative of success.

The new anti-poverty plan must measure success in terms of the impact on poverty on the ground, in the communities, and among the most marginalised groups, rather than focusing on inputs.

Groups such as children, the unemployed, those unable to work due to a long-standing health issue, lone parent households and households where someone is renting, are well known as being particularly vulnerable to poverty. It is also important to state that the SILC data does not include poverty levels among groups such as Travellers and Roma, migrants and other ethnic minorities, disabled people, or those who are homeless, even though these are the most excluded. These groups need a targeted intervention.

If we are to tackle poverty in Ireland, we must tackle the housing and cost of living crisis. The latest Eurostat report published in July 2025 revealed that average rents in Ireland rose by 115% between 2010 and 2025, cumulatively more than 4 times the EU average.⁷ Those renting or living rent free make up three quarters (76%) of those in consistent poverty.⁸ Meanwhile food prices have increased by 24% in the last 5 years according to the Central Statistics Office. Wages and social protection increases are skewed by these phenomenal increases.

While the rate of inflation has slowed down, the cumulative increase in prices in recent years is posing particular challenges for low-income households throughout Ireland. While all households are experiencing significant price increases, the effect of this inflation continues to impact the living standards of those on the lowest incomes the hardest. Given that these lower income households spend a greater proportion of their income, compared to better off households, they have been more exposed to price increases; and they also spend a greater proportion of their income on areas that experienced significant price increases such as food and energy. As highlighted above 6.4% of households had great difficulty making ends meet in 2023, including 28.6% of those who experienced material deprivation. Nearly half of all households had some difficulty.⁹ 40% of those who rent privately in Ireland are at risk of poverty after making rent payments. This is an increase from 31.5% in 2020. Home ownership has been on a downward trend in Ireland since 2011, according to the CSO, meaning more

⁷ <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20250704-4>

⁸ <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2024>

⁹ <https://www.cso.ie/en/releasesandpublications/ep/p-silced/surveyonincomeandlivingconditionssilcenforceddeprivation2023/abilitytomakeendsmeetandmaintainthesamesstandardofliving/>

people are renting every year. Reducing the drivers of the high cost of living and addressing income adequacy are key to supporting these households.

This is having a crippling impact on all residents and requires an urgent response from Government to ensure an adequate income for all and access to quality services, in order to deliver on the objectives of the European Pillar of Social Rights and the Sustainable Development Goals to leave no-one behind.

The Action Plan for the implementation of the European Pillar of Social Rights launched in March 2021 includes a range of legislative and policy changes, and three targets on increasing employment and training levels and reducing poverty and social exclusion. While the Action Plan itself is not an integrated plan to deliver on social rights, it is critical that the Irish Government takes its delivery and that of the wider Pillar principles and rights seriously through a transparent process, clear implementation deadlines, and clear lines of responsibility. This includes ensuring all other economic and environmental policies, as well as infrastructure, planning and development, are compatible with its delivery.

A new European Pillar of Social Rights Action Plan is expected from the European Commission by the end of this year, with the public consultation for the Plan having recently closed. A recent State of Play report by the European Economic and Social Committee¹⁰ on Ireland's implementation of four key Directives linked to the European Pillar of Social Rights found that Ireland had gaps in its implementation of a number of areas, including the Adequate Minimum Wages Directive; its restriction of the Work-Life Balance Directive to 'employees', potentially excluding those in precarious, platform-based, or zero-hour contracts.

The European Commission's 2024-2029 guidelines put a strong focus on security and defence, and have raised concerns from civil society about the impact of increased national military defence spending on social spending¹¹. The Irish Government must ensure that social spending is ringfenced, and is not impacted by any policy changes in the field of defence, whether at Irish or EU level.

Income adequacy

Inflation and the rise in the cost-of living for essential goods and services has led to a significant financial strain on households, with increasing debt and decreasing savings. 2025 has seen a further increase of 1.8% in core Minimum Essential Standard of Living (MESL) costs in the year to March 2025. The MESL is decided on by members of the public, working together in focus groups to reach consensus on what people need to live and partake in Irish society. Those increases are following on from the previous increases in living costs, particularly in 2022 and 2023 driven predominantly by increases in home energy prices and increase in food costs. From 2020 the MESL food basket has increased by 20.2% and the household energy basket has increased by 58.2%. Compared to the position of households at the end of 2024 (inclusive of Budget 2025 measures), it is anticipated that in 2026 a lower proportion of MESL needs will be met for family households and older adults living alone, and will continue to be out of reach for more people in rural areas.

¹⁰ European Economic and Social Committee, European Pillar of Social Rights: State of play in 2024

¹¹ The EU must protect welfare states at any cost - Joint statement from 11 civil society organisations, January 2025.
<https://www.socialplatform.org/documents/joint-statement-the-eu-must-protect-welfare-states-at-any-cost/>

Despite consultations, there has been no progress on the benchmarking of social protection supports to a level that is adequate, something which would lift the majority of households out of poverty. Benchmarking would decouple the adequacy of social welfare from the unpredictability of annual budget cycles, and reduce inequalities throughout society. Decisions around income support must be guided by evidence, to ensure that everyone in Ireland can live with dignity and security. The Economic and Social Research Institute (ESRI) have highlighted in recent years the extent to which Ireland relied during the cost of living crisis on one-off social protection supports to avoid significant increases in poverty.¹² This year's Budget saw all of these supports removed, and both the ESRI and the Parliamentary Budget Office have predicted an increase in poverty in Ireland next year, as a result of reductions in income for those in the lowest income groupings.¹³ CSO SILC data has also shown how current poverty rates would be higher without the one-off measures. We thus expect to see poverty rates increase in 2026 as a result of this year's Budget¹⁴

Employment should enable people to obtain an income above the Minimum Essential Standard of Living. Budget 2026 announced a €0.65 adjustment to the National Minimum Wage (NMW), bringing the NMW to €14.15 per hour in 2026. However, the 2026 NMW remains €1.25 per hour below the 2025/26 Living Wage rate of €15.40, as such it only meets 92% of the earnings required for a single adult in full-time employment to afford the goods and services needed for a MESL. The Living Wage, as produced by the Living Wage Technical Group since 2014, is based on the MESL research. This approach provides an evidenced-based rate which reflects the real living costs faced by employees. This results in an increased proportion of the "working poor" in Irish society, reducing the potential for employment to be the pathway to income adequacy in Ireland.

Disability Rights

The percentage of persons with disabilities in Ireland (30.3%) at risk of poverty or social exclusion is above the EU average (28.8%).¹⁵ Moreover as we have previously highlighted, one-off Budgetary supports in recent years have potentially artificially reduced poverty rates in Ireland - as these supports (including specific Cost of Disability supports) were removed in Ireland's most recent Budget with no mitigation measures, we expect poverty rates to increase next year. This statistic is not helped by the extra Cost of Disability. The 2025 European Commission Country report on Ireland notes that the Disability Allowance has not increased in line with inflation, and "the Irish social protection system cannot adequately compensate for the additional costs of disability." The already significant Cost of Disability becomes more of an issue if a disabled person takes up employment, given the linked nature of other supports. The Commission also notes with concern that the 2024 at-risk-of-poverty or social exclusion rate for people with disabilities is 30.1% - twice that of the general population (16.7%). Much more must be done to reduce disability poverty, through increased social protection - introducing a

¹² Distributional impact of tax and welfare policies: Budget 2025. p. 13-14.

¹³ <https://www.esri.ie/news/budget-2026-tax-and-welfare-measures-result-in-average-income-losses> , https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2025/2025-10-07_budget-2026-flash-impact-analysis_en.pdf

¹⁴ Impact of Cost-of-Living Measures on Poverty and Income Survey on Income and Living Conditions (SILC) 2024 - Central Statistics Office

¹⁵ https://ec.europa.eu/eurostat/databrowser/view/hlth_dpe010/default/table?lang=en

Cost of Disability payment (retained by people who work), decoupling secondary benefits from employment status, and addressing other structural barriers to employment.

Employment

Though Ireland is experiencing historically high levels of employment, a more ambitious employment target with sub-targets is required to address the structural inequalities in the labour market. While Ireland enjoys a high employment rate, people with limited participation in education, especially women, experience more barriers to accessing the labour market.¹⁶ The European Commission's 2025 Country Report for Ireland again highlights the low participation rate of disabled people, lone parents, Travellers and Roma - this echoes the concerns of members of the Better Europe Alliance.¹⁷

It is welcome that the Commission's 2025 Country Report acknowledges that *"Despite improvements, Ireland has still one of the highest disability employment gaps in the EU (36.7% vs 21.5%). Single parents are employed at a rate below the EU average and the Roma and Traveller communities still have few work opportunities. Disadvantaged groups' access to jobs is hindered by financial and non-financial barriers, such as: (i) the cost of returning to education and training; (ii) the cost and availability of childcare; (iii) few affordable housing options, especially in bigger cities; (iv) limited access to reasonable accommodation at work; and (v) discrimination."* This highlights that poverty and social exclusion are challenges also for these same groups. Ireland's most recent Country Report shows that Ireland's disability employment rate is the only indicator (out of a total of 17) on Ireland's social scoreboard marked red (critical situation) for the third year in a row.

This Alliance has called for an increased social focus in the CSRs, to ensure that those who are most at risk of poverty benefit also from Ireland's economic growth. We thus welcome the inclusion for the first time in a number of years of a recommendation focused on social development, as highlighted previously - this is a positive acknowledgement of concerns we have been flagging for years. However, it is disappointing that the 2025 CSR to address this issue does not take a more holistic approach. Equality proofing must be integral to the development of all activation, education, employment schemes and supports to ensure that everyone who wants to can access a decent job, and the structural barriers that prevent the above groups from accessing, securing and retaining employment must be addressed. For people with disabilities, for instance, such barriers include accessible transport, lack of accessible education, information and communication barriers to recruitment processes and lack of reasonable accommodation. Ireland's disability employment gap is exacerbated by the absence of an in-work Cost of Disability payment for workers to offset the additional expenses associated with disability, and the Commission noted this year that disabled people in Ireland encounter bigger obstacles when seeking work than in other EU countries. Many people receiving Disability Allowance fear losing their Disability Allowance, as well as essential secondary benefits (including a medical card

¹⁶ https://ec.europa.eu/eurostat/databrowser/view/lfsq_ergaed/default/table?lang=en

¹⁷ https://economy-finance.ec.europa.eu/publications/2024-european-semester-country-reports_en

covering healthcare costs, and free public transport) if they take up employment that exceeds the income threshold for eligibility.

This further requires a significant intervention in the labour market on the part of the state to vindicate *'employment quality'* throughout all sectors as noted in the Government's Roadmap for Social Inclusion which states: *'While it is accepted that employment provides the best means of reducing poverty, it is also accepted that we cannot rely in a passive manner on the market to create quality and sustainable jobs'*. This will involve measures to address low-pay, precarious work practices, wage inequality, and Ireland's high level of working hours, while promoting workplace health and safety, the 'social wage' (i.e., in-work benefits), and in-work training and career development.

A key component of reducing in-work poverty and promoting employment equality will be a transposition of the EU Directive on Adequate Wages that is in keeping with the spirit and letter of the Directive; namely, concrete strategies to reach the target coverage of 80% of employees participating in collective bargaining, along with policies that facilitate that goal such as right of access and protection from victimisation over trade union activities.

Supporting people to access a decent and sustainable job must also be at the heart of the implementation of *Pathways to Work 2026-2030*. The Public Employment Service, delivered by the Department of Social Protection, must improve efforts to improve access to the Service for anyone of working age who requires proactive support to gain and retain quality employment.

Early Childhood Education and Care (ECEC)

Lack of affordable childcare is a barrier to low-income families' equal participation in all aspects of society. High-quality ECEC can have a very positive developmental impact for children. However, high staff turnover, driven by issues of low pay and inadequate working conditions for educators, who are mostly women, affects the quality of ECEC. A public, not-for-profit, childcare model is the best way to ensure access to affordable, quality childcare for families. In countries, with public ECEC, services are more affordable, accessible, and of higher quality. Despite significant increased state investment in the sector in recent years, it is still well below the recommended UNICEF target of 1% of national income. Further investment to reach this target by 2030, alongside necessary structural reform to develop a public system of ECEC with direct state delivery of services is essential to ensure all children have a right to access inclusive, universal, public, high-quality early childhood education and care.

Education and Training / Skills Policy

The OECD Survey of Adult Skills 2023, also known as PIAAC (Programme for the International Assessment of Adult Competencies), has found that adult literacy has stagnated or declined across most EU countries, including Ireland. There is a widening gap which is driven by declining literacy among adults with less education, who are also less likely to participate in adult learning - a classic example of the Matthew Effect where those who have less, get less. 21% of adults in Ireland now have literacy needs, while the literacy needs of everyday life are ever-increasing. The Alliance supports the joint statement of the European Association for the Education of Adults (EAEA) and the European Basic Skills Network (EBSN) on addressing this situation at the European level. In Ireland, the Government should adequately invest in the implementation of Adult Literacy for Life, the ten-year strategy for adult literacy, numeracy and digital literacy launched in

September, 2021, and particularly the recommendations of the strategy's Expert Group on Literacy Provision when they are published in 2026.

The inadequacy of funding for adult community education must be addressed to improve delivery of the essential supports they provide. Community education learners make up 20% of all Further Education and Training (FET) learners, yet receive only 2% of the FET budget. Addressing foundational skills provision is essential to prevent further increases for literacy needs in adults.

Health

Healthcare in Ireland remains a two-tier system, despite recommendations from the OECD (in the context of disability and employment issues) that “a much more fundamental and equitable solution... would be to ensure access to universal health care which would allow the government to abolish the Medical Card.”¹⁸ This speaks to the need for integrated care pathways for all, as many marginalised groups, such as persons with disabilities, are falling through the gaps of the current health system leading to late diagnoses, inappropriate and insufficient supports, and expensive treatment. This should also be carefully planned as an integral part of the ongoing development of the Health Regions. Integration across our hybrid system will strengthen its effectiveness, where public, private, and voluntary providers are all part of the structure of service delivery in the community. It is also important to highlight the intersection between disability, poor health, and poverty (including energy poverty). Accordingly, an intersectional approach to tackling inequalities, and in this case, health inequalities, is essential.

The long hospital waiting lists experienced prior to Covid-19 were exacerbated by the pandemic, with the detection and diagnosis of health conditions delayed. Addressing these waiting lists must be part of the recovery plan. The full implementation of *Sláintecare*, which has faced some challenges over the past number of years, should be prioritised. Its implementation should ensure a focus on addressing the health inequalities that exist in our society and result in worse health outcomes and lower life expectancy for the most marginalised and disadvantaged groups and communities. Moreover, many health, social care and community services, including disability supports, have long waiting-lists and inadequate services provided to support community needs. Community and voluntary organisations, which provide core supports, are inadequately resourced, and there is an ongoing recruitment and retention crisis in both public and voluntary service providers, due to inadequacy of funding. Multi-annual sufficient funding is required to address this.

Long waiting times for GP appointments are also becoming increasingly common, as are problems with accessing dentistry through Ireland's medical card. It is becoming more difficult to get an appointment or even register with a GP due to a shortage of healthcare professionals. With a growing and ageing population, addressing the shortage of GPs is becoming more urgent. Retiring GPs are not being replaced, especially in rural areas. Also, if a GP reaches age of retirement (66), they can no longer see patients with medical cards.

Housing and Homelessness

¹⁸ OECD, 2021, p 19, Disability, Work and Inclusion in Ireland <https://www.oecd.org/employment/disability-work-and-inclusion-in-ireland-74b45baa-en.htm>

Housing was introduced as a social right in the European Pillar of Social Rights in 2017. Since that time, the pan-European housing crisis has substantially worsened, with the crisis in housing affordability in Ireland particularly acute. As it has deepened, the housing crisis has had more and more substantive effects on the labour market, on children, on access to education and healthcare, on transport planning, and on government finances, as well as on entrenched social and spatial inequalities.

The number of people in homelessness continued to rise hitting a new record high of 16,614 people in September 2025, including 5,238 children.¹⁹ In 2023 there were 58,824 households on the Social Housing Waiting list, with 55,758 active Housing Assistance Payments (HAP) tenancies. This means the social housing need is closer to 129,000 households. This is not to mention those individuals and families experiencing ‘hidden homelessness’, or living in overcrowded, insecure, or unsuitable accommodation. This is driven by the ongoing inadequate supply of overall housing, including social and affordable housing. Linked to this there is an inadequate supply of houses to rent, with high rental costs, exceeding the level of support provided by the Government to those on low incomes. In 2023 over 30% of households found housing costs to be a heavy financial burden, up from 23% in 2021.²⁰ This includes more than half (51.7%) of lone parent households.

While there have been improvements in the delivery of new housing, social and affordable housing targets have been missed the last few years, and it has been widely accepted for some time that the housing delivery targets included in the Housing for All strategy are inadequate to meet the needs of a growing population. The outgoing Government published revised targets, increasing the ambition from an average of 33,000 to 50,500 houses per year up to 2030.

In November 2025, the Government published a new housing strategy, Delivering Homes, Building Communities 2025-2030. While this plan removes specific targets, it does cite the goal to deliver 300,000 homes, including 72,000 social homes and 90,000 affordable homes ²¹.

It is crucial that these houses are delivered and that this includes an adequate delivery of new social and affordable housing. The Housing Commission has recommended that social and cost-rental housing should make up 20% of the total national housing stock, but social housing will need to be allocated to a much higher proportion of overall annual housing delivery numbers to achieve these goals within the next 6- 10 years. Housing must also be delivered in a way that meets the needs of all. This includes future-proofing Ireland’s housing stock to ensure that it is accessible for all (i.e. ensuring new housing is built to principles of Universal Design and wheel-chair liveable) and addressing severe delays in the delivery of culturally appropriate accommodation for the Traveller community.

The housing crisis in Ireland is an opportunity to adopt an integrated approach, taking the climate crisis, energy poverty, and accessibility requirements into consideration, by building energy efficient homes that are accessible by design. Indeed, Ireland is in the early stages of implementing the EU Performance of Buildings Directive (EPBD) at national level, which will be an important opportunity to take an integrated approach. It is welcome to see that this topic is being given

¹⁹ <https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/homeless-report-september-2025/>

²⁰ <https://www.cso.ie/en/releasesandpublications/ep/p-silced/surveyonincomeandlivingconditionssilcenforceddeprivation2023/financialburdens/>

²¹

priority at the EU level with the EU Affordable Housing Plan underway. Recent research in Ireland has shown that while there has been a focus on retrofitting houses, households in the most disadvantaged areas in Ireland are almost five times less likely to use renewable energy than those in more affluent communities. As the authors note, the study highlights the need to address inequality gaps across Irish communities to support a fairer energy transition, and provide more targeted supports for deprived communities.²²

Wealth inequality

Housing is a whole-of-society problem, and is a symptom of the rapid increase in the concentration of wealth globally over recent years²³ following successive rounds of unconventional monetary policies such as Quantitative Easing.²⁴ Wealth concentration in Ireland has been described by Eurofound as ‘extreme’.²⁵ Key to addressing the crisis in housing across Europe is pan-European action to address this rapid increase in the concentration of wealth. We await the European Affordable Housing Plan, however action on wealth inequality, which has been described as an ‘emergency’ in a recent report by the Extraordinary Committee of Independent Experts on Global Inequality commissioned by the G20,²⁶ will be absolutely critical in addressing the crisis of housing affordability as well as in addressing inequalities in Europe more broadly. The Commission’s recent work on wealth inequality is welcome,²⁷ but rapid action is needed, with a clear implementation pathway for measures, including taxation of extremely high wealth, to address wealth inequality in Europe and prevent its worsening through compounding effects over time, as well as opening up capacity to address its consequences, both social and economic. While the Irish Government has an important part to play in this, given Ireland’s role as a key financial hub, such strategies require cross-country coordination, and the EU must play a leading role in driving forward the growing global consensus that wealth inequality is an ‘emergency’ that needs to be urgently addressed via taxation and other measures.

5.4 Supporting the green and digital transitions

Green Transition

Public investment in Just Transition must be excluded from the 3% public deficit threshold in the Stability and Growth Pact.

²² <https://www.pobal.ie/disadvantage-communities-almost-five-times-less-likely-to-benefit-from-renewable-energy-at-home/>

²³ See for example a recent Working Paper from the European Investment Bank, which found that ‘Institutional investors have become systemically relevant players in euro area housing markets and that they may play an amplifying role in euro area house price cycles’ and ‘the presence of institutional investors in housing markets weakens the link between house prices and local economic fundamentals’ - in other words, house prices accelerate out of line with the incomes of local prospective home buyers. (Bandoni, de Nora, Giuzio, Ryan, Storz - Institutional investors and house prices, European Investment Bank, 2025.)

²⁴ Luigi, Feldkircher, Poynter, and Schuberth, Quantitative Easing and Wealth Inequality: The Asset Price Channel. February 2023, Oxford Bulletin of Economic Statistics. <https://doi.org/10.1111/obes.12543>

See e.g. Groiss and Syrichas, Monetary Policy, Property Prices and Rents: Evidence from Local Housing Markets (January 06, 2025). Available at SSRN: <https://ssrn.com/abstract=5084430> or <http://dx.doi.org/10.2139/ssrn.5084430> for a discussion of the effect of QE on housing affordability.

²⁵ Unequal wealth: Exploring socioeconomic disparities across the EU - Eurofound, 2025, p. 1.

²⁶ Report of the Extraordinary Committee of Independent Experts on Global Inequality, November 2025, South Africa G20 Presidency.

²⁷ Unequal wealth: Exploring socioeconomic disparities across the EU - Eurofound, 2025

The implementation of the European Green Deal is a major priority for the European Commission in addressing the climate and environmental crisis, with the opportunity to direct our economies in a sustainable manner and a clear focus on a socially fair and just transition. The European Green Deal links clearly to the national Climate Action Plan and must be effective in addressing the scale of the crisis we face, while ensuring policies to implement it are consistent with social goals on poverty and inequality and the commitment to 'leave no-one behind'. This includes ensuring that supports and measures put in place to achieve the targets reach the furthest behind no later than others. However, we are already off course in reaching our targets set out in the Climate Action Plan.²⁸ Further, water quality is continuing to decline, with just over half of our waters in satisfactory condition, and our natural habitats and species are increasingly under threat.^{29 30} We are also still waiting for Marine Protected Areas legislation to be published and enacted, which is years late; Ireland currently has approximately 9% of its waters designated as protected, but lacks clear and robust legislation.

We need to reverse these negative trends with swift action, clear progress indicators and adequate resources if we are to reach the ambition which the European Green Deal sets out to achieve. Business as Usual and hope we can fix it in the future is not appropriate.

We would welcome engagement through the Semester process with the challenges which have been at the core of non-attainment of environmental objectives over recent decades. These include:

- difficulty getting a shared understanding of the nature and scale of the challenge, linked to the scarcity of public-facing communications on the climate and biodiversity emergencies;
- linked to the above, a business-as-usual mindset in some public authorities which, at its strongest, embodies a view that addressing the climate and biodiversity challenges is the task only of dedicated authorities and they should be allowed to get on with their work as they have always done it;
- inadequate resourcing of the institutional capacity to implement and enforce existing EU and Irish legislation;
- inadequate resourcing of investment programmes in sustainable infrastructure, (e.g. in waste water treatment) and of the institutional capacity to deliver them rapidly and effectively;
- a tendency for under resourced public authorities (e.g. Uisce Éireann) to blame delays in their processes on members of the public who engage in public participation on their infrastructure projects or succeed in litigation requiring that legal errors are corrected.

We are concerned that the links between decarbonisation of the transport sector and regional development are not sufficiently considered and/or are either misunderstood, misevaluated, or omitted from evaluation. For example, noting that poor progress in achieving convergence of Northern and Western Region and in combatting other regional disparities is highlighted in the most recent CSR, we wish to highlight that the value of public transport infrastructure investment and support in supporting regional development is not sufficiently recognised in policy and in investment assessment. In addition, we are concerned that the term “sustainable transport”

²⁸ <https://www.epa.ie/news-releases/news-releases-2023/ireland-projected-to-fall-well-short-of-climate-targets-says-epa.php#:~:text=In%20April%202023%20the%20Effort,the%20EU%20later%20in%202023.>

²⁹ https://docs.google.com/document/d/1rZr3WWOeiDIXzu0Y-Q2X_Zb3soZPI2sf/edit

³⁰ <https://biodiversityireland.ie/top10/10-species-at-risk-of-losing/>

being undefined is often defined differently by different actors and recommend that “public transport and active travel” be used instead.

Another area of concern, where climate and just transition, and social justice converge, is Energy Poverty. Irish environmental and anti-poverty organisations have made recommendations for addressing this area in recent years, including by addressing income inadequacy, providing Community Energy Advice Services and carefully targeting housing retrofits to support those most in need.³¹

Digital and AI transition

All Government departments with responsibility for digital skills must work together to improve digital skills for everyone across the life course, with a commitment to addressing the requirements of those furthest behind. Policy must however also factor in the needs of those with low digital and AI literacy, and ensure that all state and other essential services provide non-digital access points and engagement options such as AI skills and awareness training. AI is moving at a rapid pace, and whilst it has the opportunity to support the rights of certain groups, e.g. improving the independent living of persons with disabilities through Assistive Technology, it also poses a number of risks. For instance, biased algorithms and data sets could lead to discrimination of the most marginalised groups and lack of information on how our data is being used could violate GDPR. It is essential that Ireland takes a rights-based approach to its deployment of AI so that it doesn't serve to exacerbate pre-existing inequalities in our society. The implementation of the EU AI Act has begun in Ireland, with Ireland being one of the first EU Member States assigning its Market Surveillance Authorities. Accordingly, Ireland has the opportunity to be a leader in rights-respecting AI deployment on the EU stage.

6. Strengthening Stakeholder engagement

Engagement with all stakeholders in the Semester process at national level needs to be strengthened. The Department of the Taoiseach should introduce a process for more meaningful and effective engagement at an early level each year as part of Ireland's approach to delivering its EU Semester responsibilities, including those representing social, equality and environmental concerns. On a wider level, there is a need to build more meaningful collaborative governance to support the development and implementation of effective national policy.

The engagement of the Oireachtas in overseeing the development and implementation of the European Semester process in Ireland also needs to be strengthened, with it having a key role in ensuring the Semester process leads to balanced economic, social and environmental development. Engagement at the level of the Committee on Finance, Public Expenditure, Public Service Reform and Digitalisation, and Taoiseach can play a central role in this engagement and the Alliance welcomes past engagement with this Committee.

The Better Europe Alliance members welcome the continuation of positive engagement with the European Commission in the implementation of the Semester process. The outcome of the engagement must continue to be visible in the Commission's oversight of the process from the setting of priorities in the Annual Sustainable Growth Survey, to the Country Report and Country Specific Recommendations for Ireland. In particular, we strongly feel that it is

³¹ <https://www.friendsoftheearth.ie/news/civil-society-coalition-calls-on-next-government-to-take-urg/>

imperative that Ireland's 2026 CSR strengthen this year's increased focus on social concerns and priorities, as well as economic and environmental recommendations. The 2026 CSRs should contain at minimum one social and equality-focussed recommendation, addressing the areas of concern outlined in this submission and drawing on the systemic solutions and actions required to address poverty, deprivation and inequality in Ireland, as outlined in this document.