



Disability Federation of Ireland

**Submission to
Department of Social Protection
on
Budget 2023**

July 2022

Executive Summary

People with disabilities in Ireland continue to live at extreme risk of poverty, and worryingly, last year their poverty rates increased significantly, while the national average decreased. The experience of the past two years (both the pandemic and the cost of living crisis) has highlighted income inequality and the insufficiency of core welfare rates, with the state providing a much higher level of social protection to people who were unable to work due to the impact of the pandemic, as compared to those unable to work due to disability and chronic illness. This policy choice exacerbated already long-standing and persistent poverty among the groups in Irish society who consistently live with high deprivation, like people with disabilities. The ongoing cost of living crisis and inflation spiral has made things much worse, creating a perfect storm after two long hard years of isolation due to pandemic measures.

Budget 2023 must act to address these inequalities and must deliver real social protection for those who are unable to work due to being disabled. Numerous economic and social actors, including the unions, private sector, Central Bank, ESRI, policy think tanks, and civil society have all strongly recommended specific and carefully targeted measures now and in the coming year to protect those who live on the lowest incomes from being further pushed into poverty by inflation. Moreover, as the economy is performing robustly, we know we have the resources to do this, if our policy actions are carefully targeted at those who need social protection the most.

People with disabilities have lived with shockingly, disproportionately high levels of poverty and low levels of employment for years, and Ireland is one of the worst performing countries in the EU in both these areas, ranking with much poorer EU countries rather than the Western European countries we rank alongside on other social indicators. Those unable to work due a long-standing health condition (disability/illness) are now five times more likely to live in consistent poverty compared to the national average. This cannot be allowed to continue.

This government made a number of commitments to disabled people and to those who rely on our social protection system to live when it was established. The Programme for Government includes commitments on a new Social Contract, while the Roadmap to Social Inclusion promises significant poverty reduction among our disabled community by 2025. Our current level of below-poverty line social protection provision will not deliver these potentially transformative changes in deprivation.

Budget 2023 must thus urgently address this by committing resources to targeted measures to reduce poverty amongst those unable to work due to disability, including in particular acting on the Department's Cost of

Disability report and the very significant income inadequacies that are comprehensively documented in it – with extra costs of €8,700 - €12,300 per year now well established, and a basic annual Disability Allowance income of €10,816, the gap in income provided to disabled people is undeniable and can no longer be ignored. Budget 2023 must also continue to allocate resources to improve the employment possibilities of those who wish to secure employment but experience recurrent structural barriers.

In Budget 2023, DFI calls on the government and the Department of Social Protection to:

Poverty

- Increase all core social protection rates as per the recommendations of Vincentian Partnership for Social Justice Minimum Essential Standard of Living (MESL) and other anti-poverty organisations, i.e. by €20, to keep up with inflation and prevent a rise in inequality and poverty for those on low and fixed incomes.
- Additional to the above, introduce a cost of disability payment of at the very minimum €20 a week for those on Disability-related payments, as an interim measure to start to address the cost of disability (approx. minimum cost €276m).
- Work with other government Departments to develop and resource a clear Action Plan to fully address the Cost of Disability over the next 3 years.
- Develop a specific poverty reduction strategy for disabled people, given their disproportionately high poverty rates and the commitments in the Roadmap to Social Inclusion. Lay out the steps and actions to be taken each year to deliver the reduction targets, and allocate sufficient funding to 2025 to deliver them.

Cost of Living

- Pay all recipients of disability and other social protection payments a Christmas Bonus-style double payment, before the end of October at the latest, along with other measures targeted at those on the lowest incomes to address the ongoing cost of living crisis.
- Implement the recommendations of the civil society *Joint Statement on Energy Poverty and Energy Pollution*¹ to support those on low and fixed incomes with energy poverty.

Disability Proofing and Benchmarking to MESL

¹ https://www.foe.ie/assets/files/pdf/joint_statement_on_energy_poverty_and_energy_pollution.pdf

- Ensure all budget decisions are subject to equality, gender and poverty proofing, specifically assessing their impact on disabled people, including taking into account the cost of disability. Work with the ESRI to address the incapacity of the SWITCH model to assess the impact of budgetary measures on disabled people.
- Commit to benchmarking our social protection system to the cost of a Minimum Essential Standard of Living to ensure everyone has enough to live a decent and dignified life. Factor in the cost of disability if and when benchmarking occurs.

Employment

- Raise the income disregard for Disability Allowance by €25 (approx. cost €0.3m) and increase the weekly means disregard to €15 (approx. cost 3.48m).
- Take action on the recommendations of DFI and other disability organisations to the recent review of the Reasonable Accommodation Fund and provide sufficient funding to deliver improved outcomes based on the changes recommended.
- Increase the rate of the Wage Subsidy Scheme to 65% of National Minimum Wage.
- Specifically examine the Cost of Disability report to understand the extra costs disabled people experience related to employment, and develop an action plan to address these.
- Develop stronger measures and policies to support self-employed disabled people, including addressing any inconsistencies regarding social protection income, employment supports for businesses etc.

Introduction

Disabled people have always lived with a cost of living crisis. They have for many years had some of the highest at risk of poverty, consistent poverty and deprivation rates in Ireland. This is due to a number of issues including very low employment rates (caused by structural barriers to securing and taking up employment) and the significant additional cost of being disabled, as well as the fact that the basic design of our social protection system leaves thousands of people below the poverty line and unable to afford the basics for a decent standard of living. Alarmingly, in 2021 the consistent poverty rates of people not at work due to disability increased to almost five times the national average. It is clear that specific targeted action and resources are required to address this ongoing poverty crisis.

Over the past two years we have seen the power and capacity of Ireland's social protection system to protect people from poverty, through the use

of the €350 PUP, which successfully protected hundreds of thousands of people and their families from poverty and debt, as the 2021 SILC data shows. The question that obviously arises, and that many disabled people have been asking over this period, is obvious. Why should disabled people in Ireland not be provided the same level of protection from poverty and deprivation by the state, if they are unable to work due to a lifelong or acquired disability? This is a particularly relevant question, given the fact that there is clear popular support for a strong social protection system that supports disabled people and ensures they have sufficient income to live a dignified and independent life, equal to others. This was evidenced by the Citizen's Assembly recommendations last year, and by members of the Oireachtas in recent months - both endorsing and calling for an income above the poverty line for disabled people.

Moreover, while this disability poverty crisis has existed for some time, it has been greatly exacerbated by the ongoing cost of living crisis, especially given that the small increase in Disability Allowance in Budget 22 has not kept pace with inflation, and that we know that disabled people spend more of their income on energy.

Budget 2023 thus offers an opportunity to deliver on government commitments to reduce disability poverty, and to both address this ongoing structural inequality and mitigate the disastrous impacts of the cost of living crisis which is pushing people further into poverty. It can and should do this by providing specific targeted increases in income and social protection supports to those who need it most – in particular people with disabilities.

The Roadmap to Social Inclusion also commits to specific targets in poverty reduction by 2025, and while these are insufficient, and it is inherently unfair to have less ambitious poverty reduction targets for disabled people than for the general population, it is nevertheless clear that the current level of social protection provision will not deliver these reductions, meaning that increased social protection rates and targeted measures will be necessary to deliver these commitments.

Disproportionately High Poverty Rates Persist and Increase

Once again, the annual poverty statistics show that people with disabilities have amongst the highest rates of poverty and deprivation in Ireland. For many years disabled people have had poverty rates 2-3 times higher than the national average. We are not making progress to change this sadly, in fact things are getting worse.

- EU SILC data shows that Ireland has the highest percentage of people with disabilities at risk of poverty and social exclusion (AROPE) in Western Europe (37.8% in 2019). This is one of the

worst EU rates, almost 10% over the EU average of 28.4%. Only Estonia, Latvia, Lithuania, and Bulgaria had worse EU AROPE rates.

- The 2021 CSO SILC data shows increases in disability poverty across all indicators, at a time when the national averages decreased (see below for more). Disabled people's poverty rates are now 3-5 times the national average.
- The INDECON report on the extra cost of disability estimated to be the extra cost of disability to be between €8,700 and €12,300. The annual income provided by Disability Allowance is €10,816.
- On average EU countries spend 2% of their GDP on social protection expenditure for disability. Ireland's expenditure is just 0.8%, the second lowest in the EU – only Malta spends less of its GDP.²

CSO SILC 2021

The recently published CSO 2021 SILC data³ paints a bleak and alarming picture. The at risk of poverty rate for those not at work due to a long-standing health condition (disability) for 2021 was 39.1%. This rate has increased by almost 6% on last year's rate of 33.4%. By contrast the overall national average declined to 11.6% of the population, from 13.2% in 2020. The rate for those in employment is 4.4%. The at risk of poverty rate for disabled people who are unable to work was also by far the highest across all economic groupings, as the CSO highlighted, and is almost 4 times the national average.⁴

The deprivation rate, at 39.6%, means that 2 in 5 people who depend on disability social protection payments to live are deprived, showing the deep inadequacy of Ireland's social protection provision for its disabled citizens. The consistent poverty rate of 19.2% is almost 5 times that of the national average of 4%. Like other indicators it increased significantly in 2021, while the overall national average declined. The CSO also noted that "persons 'unable to work due to long-standing health problems' had the lowest median equivalised disposable income", almost €14,000 less than employed people⁵.

Roadmap for Social Inclusion First Progress Report

The First Progress Report on the Roadmap to Social Inclusion documents a similarly bleak picture, and the poverty gap that needs to be urgently

² European Disability Forum, *Poverty and Social Exclusion of People with Disabilities: European Human Rights Report: Issue 4 – 2020*, p26.

³ <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>.

⁴ <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/summaryofmainresults/>.

⁵ Persons 'unable to work due to long-standing health problems' had the lowest median equivalised disposable income, at €16,604, compared with €30,266 for employed persons.

addressed. The report's scorecard shows that (in 2019) Ireland's EU At Risk of Poverty and Exclusion (AROPE) poverty rate for disabled people actually *disimproved* - 37.8% of people with disabilities were deemed to be at risk, with Ireland ranking a dismal 23rd out of the EU27. This is one of only five EU indicators where Ireland's ranking disimproved. It is also one of only two EU Roadmap indicators where Ireland ranks outside the top 20 EU countries. This clearly shows the need for specific attention to disability poverty in order to deliver on the Roadmap's commitments, and for a set of targets and concrete actions to be developed to deliver the almost 10% poverty reduction committed to by 2025 (three years from now) in the Roadmap. We await publication of the second Progress Report, which we fear will show a similar lack of progress, given what the 2021 CSO SILC data showed.

Broad Support for Addressing the Significant Cost of Disability

On cost of disability, a key driver of these poverty rates, the government published the INDECON report on the extra cost of disability in December 2021. This is a comprehensive and lengthy report, based on very significant study, a statistically significant survey of more than 4,000 people with disabilities (mostly recipients of social protection payments), and significant econometric modelling using CSO data. The report confirmed what disability organisations have been highlighting, and calling for action on, for decades.

The report concluded that people with disabilities live with significant extra costs across a number of areas including mobility, transport, and communications, care and assistance services, equipment, aids and appliances, and medicine. The report concluded that "there are significant additional costs faced by individuals with a disability **which are currently not met by existing programmes or by social welfare payments** [our emphasis]. The analysis shows that the actual costs faced by individuals on an annual basis will vary from €9,600 - €12,300 per year for people with severe disabilities to €8,700 - €10,000 per year for those with limited disabilities."⁶ The report found that disabled people also face extra unaffordable costs for items and areas of expenditure that they could not afford, averaging €2,706 a year.

As a supplement to the INDECON report, earlier this year Family Carers Ireland published a report undertaken by the Vincentian Partnership for Social Justice called 'Care at Home - Costs of Care Arising from Disability'. This report looks at the substantial direct costs faced by caring households, but also the hidden costs of caring that are often unaccounted for, including the cost of foregone employment and the financial costs imposed on families when services are not available. The

⁶ <https://www.gov.ie/en/publication/1d84e-the-cost-of-disability-in-ireland-research-report/>.

report finds that when compared to a household without a disability, the household caring for a child with a profound intellectual disability faces a greater depth of income inadequacy. The core Minimum Essential Standard of Living (MESL) costs for a two-parent household caring for an adolescent with a profound intellectual disability amounts to €752 per week, excluding housing. This is €244 higher than the MESL for a two-parent household with an adolescent child without additional caring and disability needs. The areas with the largest additional related costs are transport, caring costs (e.g., cost of accessing essential therapies and respite privately), household goods, personal care, health, clothing, and household adaptations.⁷

INDECON recommended a multi-faceted approach to addressing these significant extra costs, including increased cash payment, enhanced access to services and targeted grant programmes. It stated that these provisions should focus on alleviation of poverty, reducing inequality, and improving social inclusion and quality of life of disabled individuals. While it is clear that fully addressing the numerous costs documented in the INDECON report will require action across numerous government Departments, nevertheless the Department of Social Protection's poverty reduction mandate requires it to address the income inadequacies highlighted by the report. The Department's current Statement of Strategy acknowledges its crucial role in reducing poverty and social exclusion, its responsibility to deliver the poverty reduction targets in the Roadmap and the higher rates of poverty experienced by disabled people. Minister Humphreys in her Foreword wrote "As a Department, our priority is to target our resources to the benefit of our people - to reduce poverty and deprivation"⁸.

It is clear that targeting resources to increase the income of disabled people, in particular those who cannot work and live with these extra costs, is imperative to deliver on this priority. Moreover, another important finding of the report is the feedback from the disabled people surveyed on what they would find most useful in addressing the extra cost of disability. A clear majority favoured extra income - 58% said this would be most helpful, while 31% said better services would be most helpful.

Disability organisations have called for the introduction of a Cost of Disability payment for the past two decades and have been consistently disappointed by the lack of action on this. Bringing in a weekly cost of disability payment of at the very minimum €20 as a first step in acknowledging these extra costs is all the more urgent and relevant in the

⁷ <https://familycarers.ie/news-press-releases/2022/april/new-report-highlights-the-significant-hardship-and-very-real-risk-of-poverty-faced-by-family-carers>.

⁸ <https://assets.gov.ie/127611/9cd7c1dc-642c-4156-a88c-135f1361492d.pdf>, page 3.

context of INDECON's findings and recommendations. This would only address *one tenth of the annual costs* that INDECON established however, so it could only be a first step on the journey. This longstanding call is also increasingly supported across society. It has been endorsed and amplified by Social Justice Ireland, European Anti-Poverty Network Ireland and Saint Vincent De Paul this year in their Pre Budget submissions, and by other civil society organisations like NWCI, as well as the ten signatories to the *Joint Statement on Energy Poverty and Energy Pollution*⁹. A 2021 report by the European Commission on disability equality as part of the EU Semester process also recommended introducing a cost of disability payment.

It has also been supported by the Joint Oireachtas Committee on Disability Matters in its March 2022 report on independent living and in its recent Pre Budget submission. In its report the Committee made a recommendation to "introduce a cost of disability payment for people living with disability to achieve the same standard of living as non-disabled people and to remove existing barriers to disabled people's financial independence and inclusion in the workforce. In the interim increase disability payments to a level to allow disabled people and their families to reach a minimum standard of living."¹⁰ Most recently, the provision of a Cost of Disability payment was *unanimously endorsed by all members of the Dáil* in a motion put forward by the Social Democrats on 6th July 2022. The motion "calls on the Government to introduce a cost of disability payment in budget 2023 of at least €20 per week, as a first step to addressing the significant additional costs of having a disability."¹¹ The government and the Department thus clearly have a strong mandate to finally address cost of disability in Budget 2023.

Inflation, Cost of Living Crisis and Energy Poverty

The current exceptional levels of inflation and cost of living crisis are adding to the significant deprivation already faced by people with disabilities, and pushing them further into poverty. As we know, and as many actors like the Central Bank and ESRI have highlighted, along with anti-poverty organisations, the effect of the ongoing inflation impacts the living standards of those on the lowest incomes most negatively.¹²

In particular the increase in energy costs has been devastating for disabled people who already struggle with poverty. For someone who has

⁹ Joint Statement on Energy Poverty and Energy Pollution.

¹⁰ https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/joint_committee_on_disability_matters/reports/2022/2022-03-10_report-on-ensuring-independent-living-and-the-united-nations-convention-on-the-rights-of-persons-with-disabilities_en.pdf, page 101.

¹¹ <https://www.oireachtas.ie/en/debates/debate/dail/2022-07-06/8/>.

¹² <https://www.socialjustice.ie/article/investment-budget-2023-investment-future>.

to use electricity to charge a power wheelchair, assistive technology or essential medical equipment, there is no way to mitigate against the costs or reduce energy consumption. For example, a person with muscular dystrophy may rely on 3 energy-intensive machines to breathe - a bipap machine, an humidifier and an oxygen concentrator. This energy consumption requirement continues year-round, it does not decline in the summer months. DFI know of customers caring for disabled family members who received energy bills of €600+ in January. While these bills have declined since then, they are still substantially higher even over the summer months than they were a year ago.

The extra costs for food, housing, medical equipment, energy, cost of disposal of incontinence supplies etc. which are described in the INDECON report are increasing rapidly for many. Moreover, the average extra costs documented in the report are based on 2020 figures, meaning the figure of €10,000+ is subject to inflation and thus likely to have increased significantly this year. In the context of continuously escalating fuel and energy costs, and when already last year SVP found that 42% of people unable to work due to illness or disability reported going without heating due to cost¹³, it is crucial to note that the Cost of Disability report also shows that disabled people:

- spend 10% more on energy costs,
- are more likely to be in arrears on utility bills, and
- are more likely to be unable to afford to keep their home adequately warm.

The above was based on CSO figures from 2003/2007-2017, so these figures are likely to have increased substantially, especially over the past year.¹⁴

In January 2022, for the first time in three years, the Disability Allowance was increased by €5. Many anti-poverty organisations, and DFI, pointed out that this was unlikely to even keep pace with inflation, which has proven true. A €5 increase on €203 a week was a 2.5% increase, while inflation is now running at approximately 7%, and is even higher and more impactful for low income households.

While there have been some measures to address cost of living for those relying on social protection, such as the increase and extension of fuel allowance, not enough has been done to support disabled people, and many of the universal measures have disappointingly not been targeted at those on low and fixed incomes, despite recommendations to the

¹³ <https://www.svp.ie/news-media/news/one-in-four-people-report-cutting-back-on-food-and.aspx>.

¹⁴ <https://assets.gov.ie/206636/f8e1b2af-af48-442b-9ca0-aff9efd35bd7.pdf> INDECON report, see for example ps 34, 35, 47, 59.

contrary. Only 50% of Disability Allowance recipients qualify for fuel allowance, despite their low income.

Other European countries have provided more effective and targeted cost of living assistance to those relying on social welfare to stay afloat in a sea of rising living costs. For example, the UK government announced a cost of living package in May 2022 which gave disabled people who rely on social protection a universal £650 payment, a £150 disability cost of living payment, £400 discount in energy bills and a £150 council tax rebate.¹⁵ France has also taken measures in recent months to support people with the cost of living, including a €100 direct payment 'cheque alimentaire' which people on disability payments will receive in September, and is working on more proposals to deal with the cost of living.¹⁶ A similarly targeted support package is desperately needed for disabled people and others on low incomes in Ireland, but has not yet been provided. DFI is a signatory to a *Joint Statement on Energy Poverty and Energy Pollution*, developed by social justice and environmental organisations. It contains a range of social protection recommendations to mitigate ongoing energy poverty.¹⁷

ESRI Reports Recommend Specific Targeted Measures to support Disabled People

A trio of reports published by the ESRI recently should be considered while developing Budget 2023. The first report, on "The impact of Irish budgetary policy by disability status", shows that "welfare policy changes reduced income between 2007 and 2019 compared to an income-adjusted policy, with larger effects for lower-income groups". These changes affected households with a disabled member twice as much as those without; "as social welfare payments represent a larger share of income for households affected by disability, the failure of welfare payments to keep pace with market income growth affected them more". The paper concludes that "future attempts to equality-proof budgetary policy should consider that changes to welfare disproportionately affect households with disabilities" and acknowledges that its analysis was not able to consider cost of disability.¹⁸

The second, a report on "Headline Poverty Target Reduction in Ireland and the Role of Work and Social Welfare"¹⁹, outlines how "over the period

¹⁵ <https://www.gov.uk/government/news/millions-of-most-vulnerable-households-will-receive-1200-of-help-with-cost-of-living>.

¹⁶ <https://www.thelocal.fr/20220629/france-to-issue-e100-food-grants-to-help-with-cost-of-living-crisis/>
<https://www.thelocal.fr/20220708/france-to-limit-rent-rises-to-help-households-with-cost-of-living/>.

¹⁷ https://www.foe.ie/assets/files/pdf/joint_statement_on_energy_poverty_and_energy_pollution.pdf.

¹⁸ <https://www.esri.ie/publications/the-impact-of-irish-budgetary-policy-by-disability-status>, ps 15-16 and 20.

¹⁹ <https://www.esri.ie/publications/headline-poverty-target-reduction-in-ireland-and-the-role-of-work-and-social-welfare>.

2004-2019, lone parents and their children and working-age adults with disabilities and their children experienced the highest rates of at risk-of-poverty (AROP)*, deprivation and consistent poverty”, and that working-age adults with disabilities and their children (as well as lone parents) report the highest degree of overlap between deprivation and income poverty. It notes that “in 2019 they account for just over half of those in consistent poverty”²⁰. Given the particular exposure of lone parents and disabled households to poverty and deprivation, the report finds that “policies addressing income poverty among these groups are also likely to affect many of those in deprivation and thus, consequently, their exposure to consistent poverty.”²¹ One of the authors, Bertrand Maître commented that “a combination of measures targeting both employment and social transfers is likely to be the most effective way to address poverty reduction targets. This could involve increased spending on benefits targeted at vulnerable groups.”²² It is unfortunate that the study could not model the impact of welfare increases specifically for disabled people, given their high risk of poverty and low employment rates, and thus bundled these increases into its general modelling, blunting our capacity to fully understand the impact of these measures.

The final report, on “Energy poverty and deprivation in Ireland” outlined how energy inflation between January 2021 and April 2022 increased the cost of estimated households’ consumption by €21.27 per week, on average.²³ Notably, it agreed with the recommendations that anti-poverty groups have been making since the cost of living crisis began. The ESRI concluded that “increases to welfare payments, the fuel allowance, and even lump-sum payments like the household electricity credit are better targeted at those most affected by energy inflation: for example, a Christmas Bonus-style double welfare payment would result in gains that are larger in both cash terms and as percentage of income for lower - than for higher-income households.”²⁴ These conclusions are obviously highly relevant in the context of the issues outlined above regarding cost of disability and the impact of the cost of living increases on disabled people, who already spend more on energy than the general population.

ESRI reports published in 2021 and highlighted in our 2022 Pre Budget submission last year are also still highly relevant.²⁵ Notably, given the

²⁰ https://www.esri.ie/system/files/publications/BKMNEXT424_Research%20Briefing.pdf, page 3.

²¹ Op cit page 19.

²² <https://www.esri.ie/news/decreasing-poverty-requires-a-mix-of-policy-measures-such-as-increasing-female-labour-force>.

²³ <https://www.esri.ie/news/energy-poverty-at-highest-recorded-rate>.

²⁴ Op cit.

²⁵ ESRI, *The dynamics of child poverty in Ireland: Evidence from the Growing Up in Ireland survey, 2021*, p42 <https://www.esri.ie/publications/the-dynamics-of-child-poverty-in-ireland-evidence-from-the-growing-up-in->

ongoing concern regarding child poverty, the 2021 ESRI report on the dynamics of child poverty found that children with disabled parents are more likely to live in persistent poverty, and this is especially true where the parent cannot work due to their disability.²⁶ The report also found that children living in poverty are twice as likely to have a chronic condition or disability. It concludes that families where the primary caregiver is disabled, and particularly where the mother is disabled, “are at a high risk of becoming trapped in poverty and this warrants additional policy intervention.”²⁷

International Recommendations: EU Country Specific Report, and UN Committee on Economic, Social and Cultural Rights

The EU’s *Country Specific Report* has for a number of years flagged concerns regarding employment and poverty rates for people with disabilities. The 2022 Report notes that “some vulnerable groups – especially lone parent households and persons with disabilities – are at a higher risk of poverty and social exclusion, often exacerbated by difficulties to participate in the labour market and find employment. It is particularly important to quickly integrate groups with lower employment rates into the workforce, especially inactive women, low skilled people, lone parents and persons with disabilities.”²⁸ The Commission’s Report also highlights concerns including the large disability employment gap, the need for targeted updates to the tax and welfare system to ensure low-income households aren’t worse off due to withdrawal of benefits on taking up employment and people with disabilities’ disproportionate risk of poverty in Ireland.²⁹ The Commission’s 2021 “European Semester 2020-2021 country fiche on disability equality” also highlights employment, poverty and income as concerns. It notes that “in anti-poverty measures and tackling social exclusion of disabled people, there is a need for more significant targeted investment to ensure greater disability equality.”³⁰ It also notes that while progress has been made on overall poverty reduction, more needs to be done to address poverty and

[ireland](https://www.esri.ie/system/files/publications/BKMNEXT414%20%281%29_0.pdf), ESRI and IHREC, Monitoring decent work in Ireland, https://www.esri.ie/system/files/publications/BKMNEXT414%20%281%29_0.pdf.

²⁶ ESRI, *The dynamics of child poverty in Ireland: Evidence from the Growing Up in Ireland survey*, 2021, p42. <https://www.esri.ie/publications/the-dynamics-of-child-poverty-in-ireland-evidence-from-the-growing-up-in-ireland>. “The model allows us to differentiate between different types of non-employment and reveals that the mother’s inability to work due to illness or disability is the strongest predictor of both transient and persistent EV. While this is a small group (circa 1 per cent of families in wave 1), **their very high risk of poverty is of policy concern** [our emphasis]”.

²⁷ ESRI, op cit, p 74.

²⁸ COMMISSION STAFF WORKING DOCUMENT 2022 Country Report - Ireland Accompanying the document Recommendation for a COUNCIL RECOMMENDATION on the 2022 National Reform Programme of Ireland and delivering a Council opinion on the 2022 Stability Programme of Ireland, p3.

²⁹ Op Cit, ps 15, 47, 48.

³⁰ <https://op.europa.eu/en/publication-detail/-/publication/16883c15-a719-11eb-9585-01aa75ed71a1>, p4.

exclusion of disabled people, and recommends introducing a cost of disability payment.

The UN's *Committee on Economic, Social and Cultural Rights* has also asked a number of questions related to disability in its March 2022 "List of issues in relation to the fourth periodic report of Ireland*". In particular it has asked about policy measures to increase employment, ensuring fair wages for disabled people, measures to reduce disability poverty and resource allocation to deliver targets in the Roadmap, and what action is being taken on the cost of disability.³¹

Irish Recommendations: Disability Matters Committee and Citizens Assembly

The Joint Oireachtas Committee on Disability Matters has undertaken a substantial number of hearings over the past two years, and its recent report "Ensuring independent living and the UN CRPD" highlights many issues related to social protection policy and disability. The Committee notes that "consistent poverty is the reality of many people with disabilities in Ireland and the cost of disability is not reflected in social protection responses. There is urgent need to develop a rights-based approach to social protection for people with disabilities and update supports accordingly."³² The report also recommends strengthening Ireland's approach to equality and disability proofing policy measures, and to equality budgeting. It concludes that "there is a need to increase disability payments to a level to allow people with disabilities and their families to reach a minimum standard of living and to remove existing barriers to disabled people's financial independence and inclusion in the workforce."³³

The 2021 Recommendations of the Citizen's Assembly remain relevant also for Budget 2023 and the choices to be made by the government and this Department. The Assembly recommended that disabled people should:

- a) Be actively supported and resourced to live independently.
- b) Have access to person centred financial supports to serve their individual needs.

³¹https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2fC.12%2fIRL%2fQ%2f4&Lang=en

³²https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/joint_committee_on_disability_matters/reports/2022/2022-03-10_report-on-ensuring-independent-living-and-the-united-nations-convention-on-the-rights-of-persons-with-disabilities_en.pdf p 9.

³³ Op cit, p 89.

d)[...]Be facilitated and resourced as much as possible if their choice is to be cared for at home.³⁴

It also recommended that:

Social protection services should:

- a) Set social protection payments and/or supports at a level that lifts people above the poverty line, prevents deprivation and supports an adequate standard of living.
- b) Regularly train staff to prioritise dignity and respect in all contact with clients, including giving a choice in how they receive payment.³⁵

Moreover, crucially, it is important to remember that Irish citizens were willing to pay to support increased social welfare provision and a more equal Ireland. 95.6% of citizens indicated that “if necessary, we are also prepared to support and pay higher taxes based on the principle of ability to pay, to make a reality of our recommendations”.³⁶

Government Commitments on Poverty and Disability

The *Programme for Government* promised that “Policy decisions throughout the course of the Government will consistently seek to improve living standards for the most vulnerable in society”, committing to a new social contract. It also stated: “as we emerge from the COVID pandemic, we must build upon the unity, which was fundamental in our response, to improve outcomes for those who are struggling on low incomes, struggling with caring responsibilities, having to raise their families alone, or living with a disability. Any changes made in social welfare provisions will continue to be gender- and equality-proofed. We will do this by rigorous implementation of the [...] Roadmap for Social Inclusion 2020-2025”³⁷.

The *Roadmap for Social Inclusion* commits to specific poverty reduction and employment targets for people with disabilities, i.e. to

- reduce the AROPE (At Risk of Poverty and Social Exclusion) rate from 36.9%, first to 28.7% (2025) and then to 22.7% (2030);
- increase the employment rate from 22.3%, first to 25% (2021) and then to 33% (2027).

The Roadmap also aims to reduce overall consistent poverty to 2% by 2025. While the national average for consistent poverty is currently 4%,

³⁴ Recommendation 10, p 61-62, op cit.

³⁵ Recommendation 14, p66. op cit.

³⁶ Question 49, p. 138, op cit.

³⁷ <https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/>, p.75.

for those unable to work due to disability it is 19.2%, demonstrating the urgent need to focus on people with disabilities in Budget 2023.

The disability specific section of the Programme for Government also commits to “use the recent research into the cost of disability to individuals and families to properly inform the direction of future policy (p.79).” As previously observed, the Cost of Disability Report recommends increased income for disabled people to address their very high levels of poverty and social exclusion.

Ireland has also committed to an AROPE reduction target of 90,000 people as our contribution to the *EU Pillar of Social Rights* poverty reduction targets. Given the disproportionate levels of disabled people who are at risk of poverty in Ireland, increased social protection for people with disabilities would help to deliver these targets.

Disabled People’s Dependence on Emergency Needs Payments Persists

The Department’s own statistics continue to further evidence the concerns already outlined. If we see the Emergency Needs Payments (ENP) as an indication of poverty and financial distress, the uptake figures indicate that people with disabilities live with great economic vulnerability. Looking at the ENP breakdown by category, 30% of the payments made in 2020, 33% of those made in 2021, and 33.6% of payments made so far in 2022 went to recipients of disability-related social protection payments. The level of disability related drawdown from this fund again indicates that existing social welfare provision is insufficient to meet the basic needs of the disabled individuals who rely on these payments to live.

Budget 2022 and Disability Impact Assessment

Budget 2022 saw Disability Allowance and similar payments finally receiving a €5 increase, for the first time in 3 years. Disappointingly though, despite the government having the findings of the Cost of Disability Report in hand, which outlined the significant extra costs disabled people face, people with disabilities were only given the same increase that all other social welfare clients received. Moreover, as previously mentioned, the 2.5% payment increase was swallowed up early in the year by inflation running at 7%.

Also, approximately 21% of people on DA received a living alone increase and just over 50% benefited from increased fuel allowance. The increase in the income disregard, while very welcome and potentially having a much-needed positive impact on employment rates, was estimated by the Department to impact on 1,000 DA recipients, less than 1% of those receiving Disability Allowance. The increase in weekly means disregard,

also very welcome, was estimated by the Department to be likely to impact on 18,000 DA recipients, showing the very meagre means of most people who rely on disability related social protection payments to survive. It is also positive to see the early indications that the WSS increase may have led to increased employment.

A key concern for DFI however relates to the equality and disability proofing of the Budget. Department responses have indicated that the ESRI's SWITCH model, the key tool used to assess the social impact of budgetary options, "does not include specific analysis for people with disabilities". This was also confirmed by the ESRI recently. This raises the question of how well placed the Department is to assess the budgetary impact of various measures on people with disabilities, who consistently have one of the highest AROPE rates in the country. We strongly welcome the indication from the ESRI that work is planned to address this gap in the system's capacity to disability proof our social protection policies, a significant and troubling omission given the stubbornly high poverty rates of disabled people. This needs to be prioritised to ensure future budgets can be properly and carefully disability-proofed.

Budget 2023 must Address Poverty, Cost of Disability: Specific and Targeted Measures needed

If the government is serious about delivering its commitments to reduce poverty, and in particular the Roadmap for Social Inclusion poverty reduction targets for people with disabilities, it will need to bring in specific and targeted measures for disabled people in this and future budgets.

Disabled people were already under significant economic pressure, even before the current cost of living crisis pushed them further into poverty. They are disproportionately likely to live in poverty and deprivation, due significantly to the extra cost of disability, low employment rates, and crucially due to our social protection system's disability payments being consistently set at rates that are significantly below the poverty line. People with disabilities have found it very difficult in recent years to see the state provide a much more adequate level of social protection to those who were unable to work due to the pandemic via the €350 PUP. This demonstrated what disability and anti-poverty organisations have been highlighting for years – the current Disability Allowance rate is completely inadequate to provide a decent standard of living, especially in the context of now well-evidenced extra costs of €8,700- €12,300 (with the higher end of the cost of disability completely exceeding the basic annual DA income of €10,816).

DFI is increasingly receiving alarming emails and phone calls from disabled individuals and their family members, who are struggling to make ends meet due to the cost of living crisis. We include an extract from one of these emails below to show the human impact of the deprivation that disabled people in Ireland live with. The author of this email receives Disability Allowance, fuel allowance and the living alone allowance, and still cannot make ends meet. They indicated to us that they have lost so much weight in recent months (due to lack of money to pay for food) that their friends are expressing concern for their wellbeing.

[Disability Allowance] "does not even cover essential outgoings - even when stripped back to the lowest amounts possible. I use as little fuel as possible, yet cannot pay my bills without going without food for days on end. The fuel allowance has been cut off since the second week of April, even though it is still cold at night.

It seems inhuman that our government treats the most vulnerable in society this way. Such extreme poverty amounts to social exclusion, a large 'NO ENTRY' sign on every ordinary pleasure. A €5 cup of coffee with a friend is an unaffordable expense on an already overdrawn account.

Regular and unexpected household costs set me back for months, particularly if I cannot repair things myself (like broken blinds, boiler trouble or washing machine repairs).

People need to have money in their pockets in order to get out of their homes and mix with the real world. Social isolation is not an acceptable solution to the misery of having no money to join the rest of humanity in ordinary, even inexpensive pursuits. Even with the living alone allowance, fuel allowance and household benefit I am constantly overdrawn due to the necessity to eat and keep warm, yet stay connected with friends, on such a miserable sum."

In this context, the government can learn from the experience of the pandemic and the positive societal and economic impact of providing an adequate level of social protection payments via the PUP, and thus effectively and proactively protecting cohorts of society from poverty and vulnerability, as evidenced in the 2021 SILC data. It should afford the same protection and support to its disabled citizens, especially those who cannot work due to their disability. To do this the government should:

Key Budget 2023 Asks

Poverty

- Increase all core social protection rates as per the recommendations of Vincentian Partnership for Social Justice Minimum Essential

Standard of Living (MESL) and other anti-poverty organisations, i.e. by €20, to keep up with inflation and prevent a rise in inequality and poverty for those on low and fixed incomes.

- Additional to the above, introduce a cost of disability payment of at the very minimum €20 a week for those on Disability-related payments, as an interim measure to start to address the cost of disability (approx. minimum cost €276m).
- Work with other government Departments to develop and resource a clear Action Plan to fully address the Cost of Disability over the next 3 years.
- Develop a specific poverty reduction strategy for disabled people, given their disproportionately high poverty rates and the commitments in the Roadmap to Social Inclusion. Lay out the steps and actions to be taken each year to deliver the reduction targets, and allocate sufficient funding to 2025 to deliver them.
- Make progress and take action on budgetary concerns highlighted by Carers' organisations.

Cost of Living

- Pay all recipients of disability and other social protection payments a Christmas Bonus-style double payment, before the end of October at the latest, along with other measures targeted at those on the lowest incomes to address the ongoing cost of living crisis.
- Implement the recommendations of the civil society *Joint Statement on Energy Poverty and Energy Pollution*³⁸ to support those on low and fixed incomes with energy poverty.

Disability Proofing and Benchmarking to MESL

- Ensure all budget decisions are subject to equality, gender and poverty proofing, specifically assessing their impact on disabled people, including taking into account the cost of disability. Work with the ESRI to address the incapacity of the SWITCH model to assess the impact of budgetary measures on disabled people.
- Commit to benchmarking our social protection system to the cost of a Minimum Essential Standard of Living to ensure everyone has enough to live a decent and dignified life. Factor in the cost of disability if and when benchmarking occurs.

Employment

- Raise the income disregard for Disability Allowance by €25 (approx. cost €0.3m) and increase the weekly means disregard to €15 (approx. cost 3.48m).

³⁸ https://www.foe.ie/assets/files/pdf/joint_statement_on_energy_poverty_and_energy_pollution.pdf

- Take action on the recommendations of DFI and other disability organisations to the recent review of the Reasonable Accommodation Fund and provide sufficient funding to deliver improved outcomes based on the changes recommended.
- Increase the rate of the Wage Subsidy Scheme to 65% of National Minimum Wage.
- Specifically examine the Cost of Disability report to understand the extra costs disabled people experience related to employment, and develop an action plan to address these.
- Develop stronger measures and policies to support self-employed disabled people, including addressing any inconsistencies regarding social protection income, employment supports for businesses etc.
- Implement employment related recommendations of other disability organisations.



DFI is about making Ireland fairer for people with disabilities.

We work to create an Ireland where everyone can thrive, where everyone is equally valued.

We do this by supporting people with disabilities and strengthening the disability movement.

There are over 120 member organisations in DFI. We also work with a growing number of other organisations that have a significant interest in people with disabilities.

DFI provides:

- Information
- Training and Support
- Networking
- Advocacy and Representation
- Research, Policy Development and Implementation
- Organisation and Management Development

Disability is a societal issue and DFI works with Government, and across all the social and economic strands and interests of society.

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