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A FUTURE BEYOND POVERTY

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Poverty is abating but is still too prevalent. The increases in social welfare rates sought by CORI Justice and delivered in recent Budgets have seen the risk of poverty reduced from 21.9% in 2001 to 18.5% in 2005 (the most recent year for which statistics have been published by the Central Statistics Office). This global figure hides developments such as the dramatic fall in the risk of poverty among people aged 65+ which has fallen from 44.1% in 2001 to 20.1% in 2005.

However, Ireland still has a poverty problem. In 2007 the poverty line for a single person is €209.87 a week or €10,951 a year. For a household of four it is €486.90 a week or €25,406 a year.

More than three quarters of a million people are at risk of poverty with incomes below this level. Almost 25% of all those at risk of poverty live in households headed by a person who is employed. 22% of all children under 16 years of age are at risk of poverty.

The new *National Action Plan for Social Inclusion* (NAP/Inclusion) has a number of strong commitments that are most welcome, in particular the commitment to continue benchmarking the lowest social welfare rate for a single person at 30% of gross average industrial income. The commitments on social housing should see this issue addressed effectively by 2013.

In many areas, however, the NAP/Inclusion lacks ambition and it ignores some major problems completely. A detailed critique of the Action Plan is contained in the latest *Policy Briefing on Poverty* produced by CORI Justice, published today.

The total failure of the NAP/Inclusion to address the risk of poverty of the 'working poor' is most regrettable. Almost a quarter of those at risk of poverty live in households headed by a person who already has a job or is self-employed. The failure to set out effective initiatives, targets and timeframes to address this group's poverty is not acceptable.

The Action Plan's lack of ambition is evident in areas such as literacy where the target is to reduce illiteracy among people of working age "to between 10%-15% by 2016 from the level of 25% found in 1997". This means that the best this plan hopes for is that illiteracy will be reduced to 10% by 2016 – a frightening level when put in the context of the job market in the years ahead.

The life-cycle approach followed in the NAP/Inclusion honours the commitments made in the national agreement *Towards 2016*. This approach requires that the issues

of (i) income adequacy, (ii) social services and (iii) participation/activation be addressed in a coherent and integrated manner at each stage of the life-cycle.

While the poverty figures show an improvement they also show a risk of poverty that is far too high. It is very disappointing that, in its NAPinclusion, Government has failed to set any target for reducing the risk of poverty (the basic indicator agreed by all EU countries). It could, for example, have set a target of reducing the risk of poverty in the first five years of the plan to the EU-average level (16%) and set a further target to be reached by 2016 as recommended by CORI Justice.

Instead, Government decided to use 'consistent' poverty as the basis for its overall poverty goal. Consistent poverty is a statistic that is used by no other country in the world! It captures a very limited proportion of those in poverty and as such does not reflect the Government's laudable definition of poverty contained in the NAPinclusion. Setting the overall poverty goal in terms of reducing consistent poverty is simply not good enough for a country as rich as Ireland.

CORI Justice believes the Plan is disappointing. Given the extraordinary economic growth of the past decade and given the numbers at risk of poverty and the deficits in social services and social infrastructure that are causing social exclusion for so many people across the country, more ambitious targets and goals would have been expected.

If Ireland cannot tackle poverty and social exclusion effectively in the present economic circumstances it will never do so.

The *Policy Briefing on Poverty*, produced by CORI Justice, is available at www.cori.ie/justice. Copies may be ordered from CORI Justice Office, Bloomfield Avenue, Dublin 4.