Election 2016 Briefing

POVERTY AND DEPRIVATION



Policy Objective: To provide all with sufficient income to live life with dignity. This would require enough income to provide a minimum floor of social and economic resources in such a way as to ensure that no person in Ireland falls below the threshold of social provision necessary to enable him or her to participate in activities that are considered the norm for society generally.

The present situation¹

These are some of the latest poverty statistics – published December 2015:

- Three quarters of a million people are living in poverty in Ireland, up 55,000 since 2011.
- 1.3 million people in Ireland are experiencing enforced deprivation, an increase of 215,000 since 2011.
- The number of people experiencing enforced deprivation has almost doubled (+615,000) since the crash of 2008.

- 230,000 children are living in poverty up 12,000 in a single year despite the economic recovery.
- Poverty is rising among children and pensioners as well as among people with disability and carers.
- Poverty in rural Ireland is 4.5 percentage points higher than in urban Ireland.
- There are 94,700 people with jobs who are living in poverty.

It is important to note that the poverty line has fallen from €11,113 a year in 2011 to €10,786 in this latest study. Yet, despite this fall, three quarters of a million people are subsisting on an income below the poverty line, and in a number of instances, are being deprived of basic essentials. This represents a huge challenge to Government and to society.

A further challenge the latest poverty statistics identify concerns those with jobs. While this situation has been improving there are still more than 94,000 people with jobs who are in poverty. These are the working poor.

The poverty line for different types of households is set out in Table 1 below.

A better future is possible

Poverty should never be acceptable. Poverty could be eliminated in Ireland in a few years if

The CSO, in keeping with its counterparts in all other EU countries, calculates a 'poverty line' which is 60% of median income, adjusted to take account of family size and composition. The median income is the income of the middle person in society's income distribution. In other words, it is the middle income in society. Irish data on poverty looks at those living below this 60% line.

Since 2007, the deprivation rate measures the number of people who are forced to go without at least 2 of 11 basic necessities, such as being able to afford new clothes, or heat their home.

¹ The statistics in this briefing are drawn principally from the CSO's Annual Survey on Income and Living Conditions (SILC) which is a household survey covering a broad range of issues in relation to income and living conditions. It provides a number of key national poverty indicators, such as the risk of poverty rate, the consistent poverty rate and rates of enforced deprivation. The population totals have been calculated by *Social Justice Ireland* using the CSO's census data.

it were a policy priority. The creation of decent jobs paying good wages will go a long way towards addressing poverty but it will not resolve the problem. As shown above, there are almost 100,000 people with jobs who are still living in poverty.

10 things Government could do to eliminate poverty

- 1. Set a goal of eliminating poverty in the course of a single five-year Dáil term.
- 2. Introduce a full Basic Income system to replace the parts of the social welfare system that are no longer fit for purpose.
- 3. In the meantime, benchmark social welfare payments to ensure that poverty is eliminated among people depending on social welfare.
- 4. Ensure equity of social welfare rates to stop the discrimination against certain groups on an arbitrary basis such as age.

- 5. Provide adequate payments for children to end child poverty.
- Support the widespread adoption of the Living Wage so that low-paid workers receive an adequate income and can afford a minimum, but decent, standard of living.
- 7. Make tax credits refundable to eliminate poverty among people with low-paid jobs.
- 8. Introduce a universal state pension to ensure all older people have sufficient income to live with dignity.
- Introduce a cost of disability payment to ensure that people with disabilities are not driven into poverty by the additional cost of their disability.
- 10. Prioritise the reduction of rural poverty to redress the current imbalance between urban and rural poverty in Ireland.

Table 1: The Minimum Weekly Disposable Income Required to Avoid Poverty in 2015, by Household Types		
Household containing:	Weekly poverty line	Annual poverty line
1 adult	€201.74	€10,519
1 adult + 1 child	€268.31	€13,990
1 adult + 2 children	€334.88	€17,462
1 adult + 3 children	€401.46	€20,933
2 adults	€334.88	€17,462
2 adults + 1 child	€401.46	€20,933
2 adults + 2 children	€468.03	€24,404
2 adults + 3 children	€534.60	€27,876
3 adults	€468.03	€24,404