Annex 3 – Income and Income Distribution

To accompany Chapter 3 of our Socio-Economic Review 2021, this annex outlines details of the composition of poverty in Ireland over recent years alongside offering an overview of Ireland's income distribution over the past three decades. It also reviews the process by which the basic social welfare payment became benchmarked to 30 per cent of Gross Average Industrial Earnings. The material underpins the development of many of the key policy priorities we have outlined in Chapter 3.

Poverty - Who are the poor?

Two interchangeable phrases have been used to describe those living on incomes below the poverty line: *'living in poverty'* and *'at risk of poverty'*. The latter term is the most recent, introduced following a European Council meeting in Laeken in 2001 where it was agreed that those with incomes below the poverty line should be termed as being 'at risk of poverty'. The results of the *SILC* survey provided a breakdown of those below the poverty line. This section reviews those findings and provides a detailed assessment of the different groups in poverty.

Table A3.1 presents figures for the risk of poverty facing people when they are classified by their principal economic status (the main thing that they do). These risk figures represent the proportion of each group that are found to be in receipt of a disposable income below the 60 per cent median income poverty line. In 2019 the groups within the Irish population that were at highest risk of poverty included those permanently unable to work due to illness or a disability and the unemployed. Over one in four classified as being "on home duties", mainly women, have an income below the poverty line. The "student and school attendees" category represents a combination of individuals living in poor families while completing their secondary education and those attending post-secondary education but with low incomes. The latter element of this group are not a core policy concern, given that they are likely to only experience poverty while they gain education and skills which should ensure they live with sufficient income subsequently. Those still in school and experiencing poverty are more aligned to the issue of child poverty, which is examined later in this annex.

Despite the increase in poverty between 2010 and 2015 (see Chapter 3), the table also reveals the groups which have driven the overall reduction in poverty over the period (falling from 19.4 per cent in 2004 to a record low of 12.8 per cent in 2019). Comparing 2004 and 2019, the poverty rate has fallen for all groups although the big changes have been for those on home duties, those unable to work due to illness or disability and the retired.

Table A3.1: Risk of Poverty Among all Persons Aged 16yrs+ by Principal Economic Status, 2004-2019

	2004	2010	2015	2019
At work	7.0	5.7	5.7	4.6
Unemployed	37.2	27.3	41.0	35.4
Students and school attendees	23.6	22.7	32.6	19.4
On home duties	32.1	19.5	24.1	22.8
Retired	26.1	8.8	12.7	11.1
Unable to work as ill/disabled	47.3	19.8	33.5	37.5
Total population	**19.4**	**14.7**	**16.3**	**12.8**

Source: CSO online database.

The working poor

Having a job is not, of itself, a guarantee that one lives in a poverty-free household. As table

A3.1 indicates, almost 5 per cent of those who are at work are living at risk of poverty. Over time poverty figures for the working poor have remained more-or-less static, reflecting a persistent problem with low earnings. In 2019, almost 100,000 people in employment were still at risk of poverty[1]. This is a remarkable statistic and it is important that policy makers begin to recognise and address this problem.

Many working families on low earnings struggle to achieve a basic standard of living. Policies which protect the value of the minimum wage and attempt to keep those on that wage out of the tax net are relevant policy initiatives in this area. Similarly, attempts to highlight the concept of a 'living wage' (see section 3.2) and to increase awareness among low income working families of their entitlement to the Working Family Payment (formerly known as Family Income Supplement (FIS)) are also welcome; although evidence suggests that FIS had a very low take-up and as such this approach has questionable long-term potential. However, one of the most effective mechanisms available within the present system to address the problem of the working poor would be to make tax credits refundable. We have addressed this proposal in Chapter 4 of this review.

A report from Collins (2017) provided new insights into the scale and composition of low pay in Ireland. It established that 25 per cent of employees (almost 345,000) earned less than the (then) Living Wage of €11.45 per hour. The paper found that low pay was most common among: female workers; young workers; those in retail, hotels and security sectors; single parents; and those on temporary contracts. Looking at the household level, the paper also found that a higher proportion of low paid employees are living in households that struggle financially, borrow for day to day living costs, and experience deprivation.

Child poverty

Children are one of the most vulnerable groups in any society. Consequently, the issue of child poverty deserves particular attention. Child poverty is measured as the proportion of all children aged 17 years or younger that live in households with an income below the 60 per cent of median income poverty line. The 2019 *SILC* survey indicates that 15.3 per cent were at risk of poverty.

Table A3.2: Child Poverty – % Risk of Poverty Among Children in Ireland

	2004	**2010**	**2015**	**2019**
Children, 0-17 yrs	22.7	18.4	18.4	15.3

Source: CSO online database.

Translating the data in table A3.2 into numbers of children implies that in 2019 around 190,000 children lived in households that were experiencing poverty[2]. The scale of this statistic is alarming, and this situation is not acceptable. Furthermore, the fact that such a large proportion of our children are living below the poverty line has obvious implications for the education system, for the success of these children within it, for their employment prospects in the future, and for Ireland's economic potential in the long-term.

Child benefit remains a key route to tackling child poverty and is of particular value to those families on the lowest incomes. Similarly, it is a very effective component in any strategy to improve equality and childcare.

[1]See table 3.6.
[2]See table 3.6.

Older people

According to the CSO's 2016 *Census Results* there were 637,567 people aged over 65 years in Ireland in 2016. The CSO noted that this age group experienced the largest increase in the population since the previous Census in 2011. Of those in this age group, more than a quarter live alone, comprising almost 98,000 women and 59,000 men (CSO, 2017). When poverty is analysed by age group the 2019, figures show that 10.5 per cent of those aged above 65 years live in relative income poverty.

Among all those in poverty, the retired have experienced the greatest volatility in their poverty risk rates. As table A3.3 shows, in 1994 some 5.9 per cent of this group were classified as poor; by 1998 the figure had risen to 32.9 per cent and in 2001 it peaked at 44.1 per cent. The most recent data record relatively stable poverty rate, of almost one in ten pensioners, with the reduction over the last decade driven by increases in old age pension payments. While these decreases are welcome, it remains a concern that so many of this county's senior citizens are living on so little.

Table A3.3: Percentage of Older People (65yrs+) Below the 60 Per Cent Median Income Poverty Line, 1994-2019

	1994	1998	2001	2004	2010	2015	2019
Aged 65 +	5.9	32.9	44.1	27.1	8.7	10.6	10.5

Source: Whelan et al (2003: 28) and CSO online database.

The Ill /People with a Disability

As table A3.1 shows, those not employed due to illness or a disability are one of the groups at highest risk of poverty with almost three in every ten of this group (37.5 per cent) classified in this category. Much like the experience of Ireland's older people, the situation of this group has varied significantly over the last two decades. The group's risk of poverty climbed from approximately three out of every ten persons in 1994 (29.5 per cent) to over six out of every ten in 2001 (66.5 per cent) before decreasing to approximately two out of every ten in the period 2008-2014. The most recent figures, for 2015-2019, mark another notable increase.

As with other welfare dependent groups, these fluctuations parallel a period where policy first let the value of payments fall behind wage growth, before ultimately increasing them to catch-up.

Overall, although those not at work due to illness or a disability only account for a small proportion of those in poverty, their experience of poverty is high. Furthermore, given the nature of this group *Social Justice Ireland* believes there is an on-going need for targeted policies to assist them. These include job creation, retraining (see Chapter 5 on work) and further increases in social welfare supports.

There is also a very strong case to be made for introducing a non-means tested cost of disability allowance and we welcome recent moves to give greater policy consideration to this issue. This proposal, which has been researched and costed in detail by the National Disability Authority (NDA, 2006) and advocated by Disability Federation of Ireland (DFI), would provide an extra weekly payment of between €10 and €40 to somebody living with a disability (calculated on the basis of the severity of their disability). It seems only logical that if people with a disability are to be equal participants in society, the extra costs generated by their disability should not be borne by them alone. Society at large should act to level the playing field by covering those extra but ordinary costs.

Poverty and education

The *SILC* results provide an interesting insight into the relationship between poverty and completed education levels. Table A3.4 reports the risk of poverty by completed education level and shows, as might be expected, that the risk of living on a low income is strongly related to low completed education levels. These figures underscore the relevance of continuing to address the issues of education disadvantage and early-school leaving (see Chapter 8). Government education policy should ensure that these high-risk groups are reduced. The table also suggests that when targeting anti-poverty initiatives, a large proportion should be aimed at those with low education levels, including those with low levels of literacy[3].

Table A3.4: Risk of Poverty Among all Persons Aged 16yrs+ by Completed Education Level, 2004-2019

	2004	**2010**	**2015**	**2019**
Primary or below	34.4	16.3	22.7	21.2
Lower secondary	20.8	18.2	22.6	19.9
Upper secondary	13.9	14.4	19.4	12.8
Third level non-degree	7.9	7.3	9.1	8.6
Third level degree or higher	4.6	6.7	5.1	3.0
Post leaving certificate	12.6	12.2	15.8	13.0
Total population	**19.4**	**14.7**	**16.3**	**12.8**

Source: CSO online database.

Poverty by region and area

In recent years the CSO *SILC* reports have provided a detailed breakdown of poverty by region; a welcome development given the relevance of spatial issues to assessment of progress and societal fairness. This data, presented in table A3.5, suggests an uneven national distribution of poverty. Using the latest results the *SILC* survey found that poverty levels are recorded as higher than the country as a whole for the Border, Midlands, West and South-East regions. The table also reports that the risk of poverty is higher in rural areas compared to urban areas. In 2019 the risk of poverty in rural Ireland was 1.4 percentage points higher than in urban Ireland with at risk rates of 13.2 per cent and 11.8 per cent respectively.

Table A3.5: Risk of Poverty by Region and Area, 2004-2019

	2004	**2010**	**2015**	**2019**
Border	30.2	13.7	21.8	22.4
Midland	19.2	16.8	15.6	14.5
West	25.2	12.1	19.5	15.4
Dublin	12.1	11.4	12.2	11.1
Mid-East	13.8	16.3	16.5	7.4
Mid-West	24.2	15.8	14.8	12.8
South-East	22.5	15.7	19.0	21.8
South-West	22.1	19.9	18.8	8.6
Urban Areas	16.6	12.5	15.3	13.2
Rural Areas	24.1	18.1	18.3	11.8

[3]We address the issues of unemployment and completed education levels in Chapter 5 and adult literacy in Chapter 8.

Total population	**19.4**	**14.7**	**16.3**	**12.8**

Source: CSO online database.

Deprivation: food and fuel poverty

Chapter 3 outlines recent data from the *SILC* survey on deprivation. To accompany this, we examine here two further areas of deprivation associated with food poverty and fuel poverty.

Food poverty

While there is no national definition or measure of food poverty, a number of reports have examined it and its impact. A 2004 report entitled *Food Poverty and Policy* considered food poverty as "the inability to access a nutritionally adequate diet and the related impacts on health, culture and social participation" (Society of St. Vincent de Paul et al, 2004). That report, and a later study entitled *Food on a Low Income* (Safefood 2011), reached similar conclusions and found that the experience of food poverty among poor people was that they: eat less well compared to better off groups; have difficulties accessing a variety of nutritionally balanced good quality and affordable foodstuffs; spend a greater proportion of their weekly income on food; and may know what is healthy but are restricted by a lack of financial resources to purchase and consume it.

Carney and Maitre (2012) returned to this issue and used the 2010 *SILC* data to construct a measure of food poverty based on the collected deprivation data. They measured food poverty and profiled those at risk of food poverty using three deprivation measures: (i) inability to afford a meal with meat or vegetarian equivalent every second day; (ii) inability to afford a roast or vegetarian equivalent once a week; (iii) whether during the last fortnight there was at least one day when the respondent did not have a substantial meal due to lack of money. An individual who experienced one of these deprivation measures was counted as being in food poverty (2012: 11-12, 19).

The study found that one in ten of the population experienced at least one of the food poverty/deprivation indicators; approximately 450,000 people and an increase of 3 per cent since 2009. Those most at risk of food poverty are households in the bottom 20 per cent of the income distribution, households where the head of household is unemployed or ill/disabled, households who rent at less than the market rent (often social housing), lone parents, and households with three adults and children (2012: 29, 38-39).

Results from the 2014 Irish Health Behaviour in School-aged Children (HBSC) survey found that one in five children (22 per cent) go to school or bed hungry because there is no food at home (Gavin et al, 2015).

The results of these studies point towards the reality that many household face making ends meet, given their limited income and challenging living conditions in Ireland today. They also underscore the need for added attention to the issue of food poverty.

Fuel poverty

Deprivation of heat in the home, often also referred to as fuel poverty, is another area of deprivation that has received attention in recent times. A 2007 policy paper from the Institute for Public Health (IPH) entitled *Fuel Poverty and Health* highlighted the sizeable direct and indirect effects on health of fuel poverty. Overall the IPH found that the levels of fuel poverty in Ireland remain "unacceptably high" and that they are responsible for "among the highest levels of excess winter mortality in Europe, with an estimated 2,800 excess deaths on the island over the winter months" (2007:7). They also highlighted the strong links between low income, unemployment and fuel poverty with single person households and households headed by lone parents and pensioners found to be at highest risk. Similarly, the policy paper shows that older people are more likely to experience fuel poverty due to lower standards of housing coupled with lower incomes.

Subsequently, the Society of St Vincent de Paul's (SVP) has defined energy poverty as the inability to attain an acceptable level of heating and other energy services in the home due to a combination of three factors: income, energy price, and energy efficiency of the dwelling. The 2019 *SILC* study found that 8.6 per cent of individuals were without heating at some stage in that year; a figure which is 26.1 per cent for those in poverty (see table 3.10). The SILC data also indicate that these fuel poverty experiences are increasing over time.

The SVP points out that households in receipt of energy-related welfare supports account for less than half of the estimated energy poor households and over time these payments have been cut while fuel prices and carbon taxes have increased. Clearly, welfare payments need to address energy poverty. Other proposals made by the SVP include detailed initiatives on issues such as: the prevention of disconnections; investing in efficiency measures in housing; education and public awareness to promote energy saving; and the compensation of Ireland's poorest households for the existing carbon tax[4].

Social Justice Ireland welcomed the publication of an Energy Poverty Strategy by Government in 2016. The strategy was accompanied by a study, from Element Energy, which estimated that 30 per cent of Irish households lived in fuel poverty. While Government have made some inroads in addressing low-income household energy issues through funding a local authority retrofitting campaign, progress to date has been limited given the scale of the problem and its implication for the health and wellbeing of many low-income families. Clearly, addressing this issue, like all issues associated with poverty and deprivation, requires a multi-faceted approach. The proposals presented by the SVP should form the core of achieving success with any current or future fuel poverty strategy.

The experience of poverty: Minimum Income Standards

A 2012 research report from the Vincentian Partnership for Social Justice (VPSJ) and Trinity College Dublin cast new light on the challenges faced by people living on low incomes in Ireland (Collins et al, 2012). Entitled *A Minimum Income Standard for Ireland,* the research established the cost of a minimum essential standard of living for individuals and households across the entire lifecycle, from children to pensioners. Subsequently the study calculated the minimum income households required to be able to afford this standard of living. The data in this report has been updated annually by the VPSJ and published on their website[5].

A minimum essential standard of living is defined as one which meets a person's physical, psychological and social needs. To establish this figure, the research adopted a consensual budget standards approach whereby representative focus groups established budgets on the basis of a household's minimum needs, rather than wants. These budgets, spanning over 2,000 goods, were developed for 16 areas of expenditure including: food, clothing, personal care, health-related costs, household goods, household services, communication, social inclusion

[4]We address these issues further in the context of a carbon tax in Chapter 4.

[5] See www.budgeting.ie

and participation, education, transport, household fuel, personal costs, childcare, insurance, housing, savings, and contingencies. These budgets were then benchmarked for their nutritional and energy content, to ensure they were sufficient to provide appropriate nutrition and heat for families, and priced.

The study establishes the weekly cost of a minimum essential standard of living for five household types. These included: a single person of working age living alone; a two-parent household with two children; a single parent household with two children; a pensioner couple; and a female pensioner living alone. Within these household categories, the analysis distinguishes between the expenditure for urban and rural households and between those whose members are unemployed or working, either part-time or full-time. The study also established the expenditure needs of a child and how these change across childhood.

Table A3.6 summarises the most recent update of these numbers following Budget 2021 (October 2020). Looking at a set of welfare dependent households, the study found that when the weekly income of these households is compared to the weekly expenditure required to experience a basic standard of living, three of the six household types received an inadequate income. As a result of this shortfall these households have to cut back on the basics to make ends meet (Collins et al, 2012:105-107). The comparison between 2020 and 2021 highlights the impact of price increases and budgetary policy over that period. In each case the challenges facing households marginally reduced as the gap between income and expenditure decreased.

Table A3.6: Comparisons of Minimum Expenditure Levels with Net Income Levels for Selected Welfare Dependent Households (€ per week)

	2A 2C 3 & 10 yrs	**2A 2C 10 & 15 yrs**	**1A 2C 3 & 10 yrs**	**1A 2C 10 & 15 yrs**	**Single Adult**	**Single Pensioner**
2020						
Expenditure	484.06	570.49	366.27	452.70	249.90	257.75
Income	477.20	486.49	355.69	364.98	203.00	266.69
Difference	*- 6.86*	*- 84.00*	*- 10.58*	*- 87.72*	*- 46.90*	*+ 8.94*
2021						
Expenditure	484.66	571.49	366.87	453.80	249.90	258.50
Income	481.20	493.49	361.58	373.87	203.00	273.58
Difference	*- 3.46*	*- 78.00*	*- 5.29*	*- 79.93*	*- 6.90*	*+ 15.08*

Source: VPSJ (2020:1).
Notes: A = adults, C = children. Figures for the current year are projections.

These results, which complement earlier research by the VPSJ (2006, 2010), contain major implications for government policy if poverty is to be eliminated. These include the need to address child poverty, the income levels of adults on social welfare, the 'working poor' issue, and access to services ranging from social housing to fuel for older people and the distribution of resources between urban and rural Ireland[6].

Ireland's income distribution: trends from 1987-2019

The results of studies by Collins and Kavanagh (1998, 2006), Collins (2013) and CSO income figures provide a useful insight into the pattern of Ireland's income distribution over almost

[6] Data from these studies are available at www.budgeting.ie

three decades. Table A3.7 combines the results from these studies and reflects the distribution of household income in Ireland as tracked by five surveys. Overall, across the period 1987-2018 the income distribution is very static.

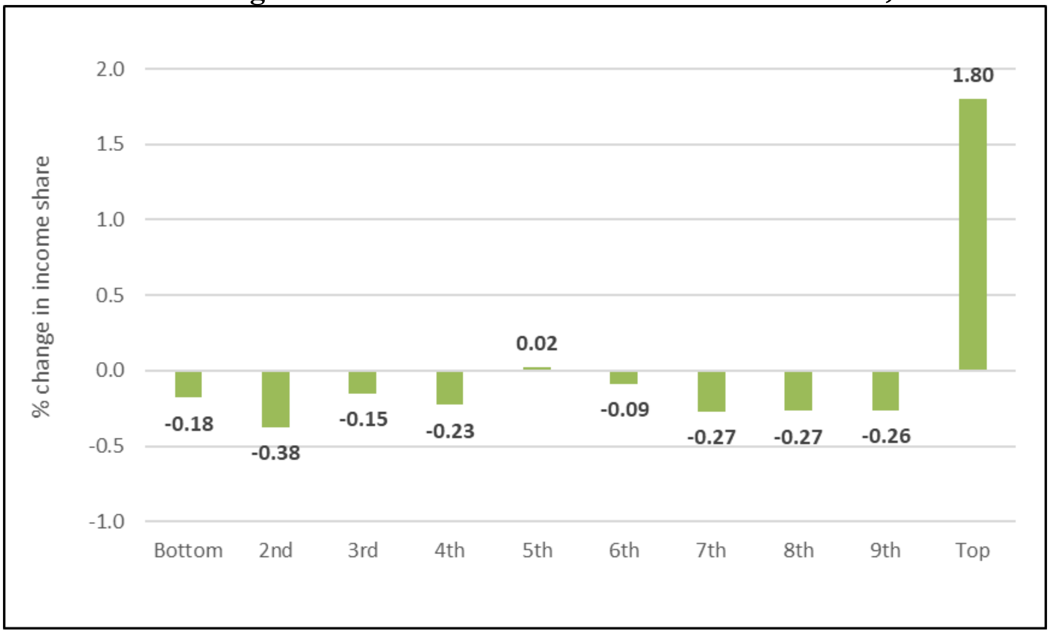
Using data from the two ends of this period, 1987 and 2019, chart A3.1 examines the change in the income distribution over the intervening years. While a lot changed in Ireland over that period, income distribution did not change significantly; the decile variations are all small. Compared with 1987, only one decile, the top decile, saw its share of the total household income distribution increase. However, the change is small (+1.8 per cent) although that increase comes at the expense of small decreases in the income share received by almost all other deciles.

Table A3.7: The Distribution of Household Disposable Income, 1987-2019 (%)

Decile	1987	1994/95	2004	2011	2019
Bottom	2.28	2.23	2.10	2.05	2.41
2nd	3.74	3.49	3.04	3.64	3.63
3rd	5.11	4.75	4.27	5.14	5.13
4th	6.41	6.16	5.69	6.39	6.25
5th	7.71	7.63	7.43	7.82	7.62
6th	9.24	9.37	9.18	9.18	9.20
7th	11.16	11.41	11.11	11.10	10.84
8th	13.39	13.64	13.56	13.32	13.03
9th	16.48	16.67	16.47	16.50	15.92
Top	24.48	24.67	27.15	24.85	25.97
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: Collins and Kavanagh (2006:156) and CSO SILC various editions.
Note: Data for 1987, 1994/95 and from the Household Budget Surveys. 2004, 2011 and 2018 data from SILC.

Chart A3.1: Change in Ireland's Household Income Distribution, 1987-2019



Source: Calculated using data from Collins and Kavanagh (2006:156) and CSO (2020).

Benchmarking Social Welfare Payments, 2001-2011

While Chapter 3 considers the current challenges associated with maintaining an adequate level of social welfare, here we examine the transition to benchmarked social welfare payments. That process centred on three elements: the 2001 *Social Welfare Benchmarking and Indexation Working Group* (SWBIG), the 2002 *National Anti-Poverty Strategy (NAPS) Review* and the *Budgets 2005-2007*.

Social welfare benchmarking and indexation working group

In its final report the SWBIG agreed that the lowest social welfare rates should be benchmarked. A majority of the working group, which included a director of *Social Justice Ireland*, also agreed that this benchmark should be index-linked to society's standard of living as it grows and that the benchmark should be reached by a definite date. The working group chose Gross Average Industrial Earnings (GAIE) to be the index to which payments should be linked[7]. The group further urged that provision be made for regular and formal review and monitoring of the range of issues covered in its report. The group expressed the opinion that this could best be accommodated within the structures in place under the NAPS and the *National Action Plan for Social Inclusion* (now combined as *NAPinclusion*). The SWBIG report envisaged that such a mechanism could involve:

- the review of any benchmarks/targets and indexation methodologies adopted by government to ensure that the underlying objectives remain valid and were being met;
- the assessment of such benchmarks/targets and indexation methodologies against the various criteria set out in the group's terms of reference to ensure their continued relevance;
- the assessment of emerging trends in the key areas of concern, e.g. poverty levels, labour market performance, demographic changes, economic performance and competitiveness, and
- identification of gaps in the area of research and assessment of any additional research undertaken in the interim.

National Anti-Poverty Strategy (NAPS) review 2002

In 2002, the NAPS review set the following as key targets:

> *To achieve a rate of €150 per week in 2002 terms for the lowest rates of social welfare to be met by 2007 and the appropriate equivalence level of basic child income support (i.e. Child Benefit and Child Dependent Allowances combined) to be set at 33 per cent to 35 per cent of the minimum adult social welfare payment rate.*

Social Justice Ireland and others welcomed this target. It was a major breakthrough in social, economic and philosophical terms. We also welcomed the reaffirmation of this target in *Towards 2016*. That agreement contained a commitment to 'achieving the NAPS target of €150 per week in 2002 terms for lowest social welfare rates by 2007' (2006:52). The target of €150 a week was equivalent to 30 per cent of Gross Average Industrial Earnings (GAIE) in 2002[8].

Table A3.8 outlines the expected growth rates in the value of €150 based on this commitment and indicates that the lowest social welfare rates for single people should have reached €185.80 by 2007.

[7]The group recommended a benchmark of 27 per cent although *Social Justice Ireland* argued for 30 per cent.
[8]GAIE is calculated by the CSO on the earnings of all individuals (male and female) working in all industries. The GAIE figure in 2002 was €501.51 and 30 per cent of this figure equals €150.45 (CSO, 2006: 2).

Table A3.8: Estimating Growth in €150 a Week (30% GAIE) for 2002-2007

	2002	2003	2004	2005	2006	2007
% Growth of GAIE	-	+6.00	+3.00	+4.50	+3.60	+4.80
30% GAIE	150.00	159.00	163.77	171.14	177.30	185.80

Source: GAIE growth rates from CSO Industrial Earnings and Hours Worked (September 2004:2) and ESRI Medium Term Review (Bergin et al, 2003:49).

Budgets 2005-2007

The NAPS commitment was very welcome and was one of the few areas of the anti-poverty strategy that was adequate to tackle the scale of the poverty, inequality and social exclusion being experienced by so many people in Ireland today.

In 2002 *Social Justice Ireland* set out a pathway to reaching this target by calculating the projected growth of €150 between 2002 and 2007 when it is indexed to the estimated growth in GAIE. Progress towards achieving this target had been slow until Budget 2005. At its first opportunity to live up to the NAPS commitment the government granted a mere €6 a week increase in social welfare rates in Budget 2003. This increase was below that which we proposed and also below that recommended by the government's own tax strategy group. In Budget 2004 the increase in the minimum social welfare payment was €10. This increase was again below the €12 a week we sought and at this point we set out a three-year pathway (see table A3.9).

Table A3.9: Proposed Approach to Addressing the Gap, 2005-2007

	2005	2006	2007
Min. SW payment in €'s	148.80	165.80	185.80
€ amount increase each year	14.00	17.00	20.00
Delivered	✓	✓	✓

Following Budget 2004 we argued for an increase of €14 in Budget 2005. The Government's decision to deliver an increase equal to that amount in that Budget marked a significant step towards honouring this commitment. Budget 2006 followed suit, delivering an increase of €17 per week to those in receipt of the minimum social welfare rate. Finally, Budget 2007's decision to deliver an increase of €20 per week to the minimum social welfare rates brought the minimum social welfare payment up to the 30 per cent of the GAIE benchmark.

Social Justice Ireland believes that these increases, and the achievement of the benchmark in Budget 2007, marked a fundamental turning point in Irish public policy. Budget 2007 was the third budget in a row in which the government delivered on its NAPS commitment. In doing so, the government moved to meet the target so that in 2007 the minimum social welfare rate increased to €185.80 per week; a figure equivalent to the 30 per cent of GAIE.

Social Justice Ireland warmly welcomed this achievement. It marked major progress and underscored the delivery of a long overdue commitment to sharing the fruits of this country's economic growth since the mid-1990s. An important element of the NAPS commitment to increasing social welfare rates was the acknowledgement that the years from 2002-2007 marked a period of 'catch up' for those in receipt of welfare payments. Once this income gap had been bridged, the increases necessary to keep social welfare payments at a level equivalent to 30 per cent of GAIE became much smaller. In that context we welcomed the commitment by Government in *NAPinclusion* to 'maintain the relative value of the lowest social welfare rate at least at €185.80, in 2007 terms, over the course of this Plan (2007-2016), subject to available resources' (2007:42). Whether or not 30 per cent of GAIE (or equivalent values) is adequate to eliminate the risk of poverty will need to be monitored through the *SILC* studies and addressed when data on persistent poverty emerges.

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