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Poverty & Income Distribution

SOCIAL JUSTICE IRELAND

Policy Briefing

Poverty in Ireland is high yet Government policy has been increasing the income of the richest ten per cent of households and widening the gap between these and the rest of society. Current Government policy looks set to produce a dramatic increase in poverty and social exclusion. Welfare rates are being reduced, services are being cut, charges are being increased. Resources are being taken from the poor to bailout gambling bankers and senior bondholders among others. **This process of dispossessing poor people by appropriating their resources to pay for activities they had no hand, act or part in may be legal but it is deeply unjust and unfair.**

Government policies over the past two decades have moved resources towards the top ten per cent of households in the income distribution. New research produced by *Social Justice Ireland* shows that the top 10 per cent of Irish households receive almost a quarter (24.48%) of total disposable income - an increase

of 1.34% on the situation in 1987.

Disposable income is the amount of money households have to spend after they have received employment/pension income, paid all their taxes and received any welfare entitlements. (cf. page 6).

When the income distribution is broken down into deciles (i.e. 10% segments) we see that:

- The bottom decile receives 2.28% of all disposable income.
- Collectively, the poorest 50 per cent of households received a very similar share (25.25%) to the top 10% (24.48%).
- Overall the share of the top 10% is nearly 11 times the share of the bottom 10%.

Two deciles saw their share of the total income distribution increase since the late 1980s - the bottom decile and the top decile. However, the change for the former is small (+0.11%) while the change for the latter is more notable (+1.34%). All other deciles saw a decrease in their share of the national income dis-

tribution. This means that the gap between the top 10% of households and all the rest of society has widened over these years.

There are more than 620,000 people (14.1% of the population) at risk of poverty in Ireland today i.e. their income is equivalent to less than €1,600 a year for a single person or €27,000 for a family of four. The number at risk of poverty would be more than three times higher if it weren't for social welfare payments (p. 3).

Over 140,000 people are long-term unemployed - the highest since the late 1980s (cf. p.5).

The risk of poverty in rural Ireland is 6% higher than in urban Ireland (17.8% and 11.8% - p.5).

The EU/IMF and the Government's approach to fiscal adjustment (i.e. emphasising cuts rather than broadening the tax base) is both unjust and unnecessary in a country with one of the lowest total tax-takes in the developed world.

The human rights of poor people must be particularly protected in times of economic uncertainty.

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Policy Briefing is a regular publication issued by Social Justice Ireland. It addresses a wide range of current policy issues from the perspective of those who are poor and/or socially excluded. Comments, observations and suggestions on this briefing are welcome.

Poverty and how it is measured

The National Anti-Poverty Strategy (NAPS) published by government in 1997 adopted the following definition of poverty:

People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living that is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities that are considered the norm for other people in society.

This definition, was once again endorsed in the 2007 *NAPInclusion* document.

In trying to measure the extent of poverty, the most common approach has been to identify a poverty line (or lines) based on people's incomes.

Where that line should be drawn is sometimes a contentious matter, but many European studies [including those carried out by the Central Statistics Office (CSO) in Ireland] now suggest a line, which is at 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 and is published annually by the CSO using results from a comprehensive national survey called *SILC (Survey on Income and Living Conditions)*. This data is used throughout this *Policy Briefing*.

□
 □ **For more information on poverty in** □
 □ **Ireland see our website:** □
 □ **www.socialjustice.ie** □
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Where is the poverty line?

The most up-to-date data available on poverty in Ireland comes from the 2009 *SILC* survey, conducted by the CSO. In that year the CSO gathered data from a statistically representative sample of 5,183 households and 12,641 individuals - approximately 130 households per week. The data gathered by the CSO is very detailed incorporating income from work, welfare, pensions, rental income, dividends, capital gains and other regular transfers. It is subsequently anonymously verified using PPS numbers to ensure the accuracy and reliability of the data.

According to the CSO the median disposable income per adult in Ireland during 2009 was €20,107 per annum or €385.61 per week. Consequently, the 60% of median income poverty line for a single adult derived from this value was €231.37 a week. Updating this figure to 2011 levels, using the ESRI's predicted changes in wage levels for 2010 (-3%) and 2011 (-1%), produces a relative income poverty line of €222.18 for a single person. In 2011, any adult below this weekly income level will be counted as being at risk of poverty.

It is worth noting that the value of the 2011 poverty line is lower than the 2009 figure (above) because wages have fallen and are projected to decline further while taxes have increased and social welfare transfers have also decreased. Collectively,

these impact on disposable income and as the poverty line is a relative measure it adjusts accordingly.

Table 1 applies this poverty line to a number of household types to show what income corresponds to each household's poverty line.

The figure of €222.18 is an income per adult equivalent figure. This means that it is the minimum weekly disposable income (after taxes and including all benefits) that one adult needs to receive to be outside of poverty.

For each additional adult in the household this minimum income figure is

increased by €146.64 (66 per cent of the poverty line figure) and for each child in the household the minimum income figure is increased by €73.32 (33 per cent of the poverty line). These adjustments are made in recognition of the fact that as households increase in size they require more income to keep themselves out of poverty.

In all cases a household below the corresponding weekly disposable income figure is classified as living at risk of poverty. For clarity, corresponding annual figures are also included in table 1.

Table 1: Minimum Disposable Income Required to Avoid Poverty in 2011		
Household containing:	Weekly Poverty line	Annual Poverty line
1 adult	€222.18	€1,585
1 adult + 1 child	€295.50	€15,408
1 adult + 2 children	€368.82	€19,231
1 adult + 3 children	€442.14	€23,054
2 adults	€368.82	€19,231
2 adults + 1 child	€442.14	€23,054
2 adults + 2 children	€515.46	€26,877
2 adults + 3 children	€588.78	€30,701
3 adults	€515.46	€26,877

How many are below the poverty line?

The most up-to-date data available on poverty in Ireland comes from the 2009 *EU-SILC* survey, conducted by the CSO (published in late November 2010). Table 2 presents their key findings showing poverty levels among the Irish population.

Using the EU poverty line set at 60 per cent of median income, the findings reveal that in 2009 just over 14 out of every 100 people in Ireland were living in poverty.

The table also indicates that in recent years the rates of poverty have decreased significantly - the increase from 2008 to 2009, though unwelcome, is very small in statistical terms. These decreases in poverty levels must be welcomed. They are directly related to the increases in social welfare payments delivered over the Budgets spanning the years from 2004 onwards (see p4).

As it is sometimes easy to overlook the scale of poverty in Ireland, table 2 translates the poverty percentages into numbers of people. The results give a better insight into how large the phenomenon of poverty is and show that in 2009 almost 630,000 people lived with incomes below the poverty line.

The table's figures are telling. Over the past decade more than 213,000 people have been lifted out of poverty. Furthermore, over the period from 2004-2008, the period corresponding with consistent Budget increases in social welfare payments, over 170,000 people have left poverty.

However, the fact that there are now almost 630,000 people in Ireland living life on a level of income that is this low must be a major concern. As we highlight later in the *Policy Briefing*, it is equally a concern that the key driver of the poverty decrease, the raising of welfare rates to adequate levels, has been reversed in recent Budget and is planned to be further reversed in the next few years.

Table 3 presents the results of a CSO analysis that shows without the social welfare system Ireland's poverty rate in 2009 would have been 46.2 per cent. The actual poverty figure reflects the fact that social welfare payments reduced poverty by 32.1 per cent.

Looking at the impact of welfare payments on poverty over time it is clear that the post 2004 increases in social welfare yielded noticeable reductions in poverty levels. The small increases in social welfare payments in 2001 are reflected in the smaller effects achieved in that year. Conversely, the larger subsequent increases delivered greater reductions. This occurred even as poverty levels before social welfare have increased.

Finally, table 4 examines the number of adults in poverty in Ireland classified by their principle economic status

- the main thing that they do. The calculations show that over one-fifth of Ireland's adults who have an income below the poverty line are employed. Overall, 37 per cent of adults who are at risk of poverty in Ireland are associated with the labour market (classified as in work or unemployed). The remaining adults who are poor are classified as being outside the labour market.

Our forthcoming Socio-Economic Review 2011 will provide additional analysis on poverty in Ireland

Table 2: The numbers of people in poverty in Ireland, 1994-2009

	% of persons in poverty	Population of Ireland	Numbers living in poverty
1994	15.6	3,585,900	559,400
1998	19.8	3,703,000	733,194
2001	21.9	3,847,200	842,537
2003	19.7	3,978,900	783,843
2004	19.4	4,045,200	784,769
2005	18.5	4,133,800	764,753
2006	17.0	4,239,800	720,766
2007	15.8	4,339,000	685,562
2008*	13.9	4,422,100	614,672
2009	14.1	4,459,300	628,761

Table 3: The role of Social Welfare (SW) payments in addressing poverty

	2001	2004	2006	2009
Poverty levels before SW	35.6	39.8	40.3	46.2
Poverty levels after SW	21.9	19.4	17.0	14.1
The role of SW	-13.7	-20.4	-23.3	-32.1

Table 4: Composition of adults in poverty, by principle economic status, 2003-09

	2003	2006	2009
At work	21.4	21.9	19.8
Unemployed	10.2	11.3	17.8
Students and school attendees	11.5	20.4	20.2
On home duties	30.1	25.1	24.9
Retired	12.0	7.9	6.5
Unable to work as ill/disabled	12.2	10.9	8.8
Other	2.5	2.5	2.1
Total	100.0	100.0	100.0

* Data for 2008 excludes the impact of SSIA bonus payments.

Budget Cuts Target the Poor and Will Drive up Poverty

Without doubt, Ireland is in a time of crisis. The combined effects of imploding taxation and banking systems have dramatically altered the economic security and reputation of this country and damaged the long-term potential of this society and its people. However, it is of concern that the most recent Budgets have begun to target the weakest in our society - those furthest removed from the origin of these problems.

Budget 2011's decision to cut most welfare payment rates by € per week burdened the poorest in our society with a disproportionate share of that Budget's cuts. From the start of 2011, a single unemployed person aged over 25yrs receives €188 per week, a 4% reduction from the 2010 level. An unemployed couple receive €13.30 less per week - their income falling from

€26.10 to €12.80 (-4%). While the percentage reduction in income may be smaller than that imposed on others by the Budget, it should be remembered that jobseekers allowance is just €88 per week, that people struggle to survive on this and can only do so by cutting back on life's essentials.

It is a similar story for low income families with children, who saw their child benefit cut. For working poor households, their take home pay has also fallen through the combined effect of the minimum wage being cut (see below) and the implementation of the Universal Social Charge which is levied on all those who earn more than €4,004 per annum - the equivalent of working more than 10 hours per week.

As a consequence of these cuts, we can safely predict that the lives of Ireland's poorest will become even more difficult

and the basic day-to-day living standard choices they face will become all the harder. Despite the current challenges, is this the type of society we want?

A further impact of these cuts will be to increase the national poverty rates in the years to come. The Budget's cuts ignore the very important role that social welfare plays in addressing poverty. As we have highlighted on page 3 (Table 4) without the social welfare system Ireland's poverty rate in 2009 would have been 46.2%. The actual poverty figure of 14.1% reflects the fact that social welfare payments reduced poverty by 32%.

Recent policies have begun to target the poorest in our society and their implementation will drive poverty up. It cannot be acceptable that Ireland's poorest be condemned to even deeper poverty in the year ahead.

4 year Plan & IMF/EU Deal

During November 2010, two important documents were published by Government which carry significant implications for policy formation from 2011 to 2014. These are the *National Recovery Plan 2011-2014* (known as the 4 year plan) and the *Memorandum of Understanding* signed by the Government as a precursor to the release of the bailout funds from the IMF and European Union. Both are available at: www.socialjustice.ie

While it is possible that a new government will renegotiate these documents in 2011, their current structure implies some significant changes for many low income households in the years to come. For example, the reforms signalled in the *Memorandum of Understanding* include:

Quarter 1—2011

- reforming of the Unemployment Benefit system;
- addressing the work disincentive effects for households who receive more than one welfare payment including housing allowances;
- improving the administration of the welfare and job training system;
- improved activation measures through enhanced profiling, more effective monitoring and sanctions;
- Government will provide regular reports on the success of their activation policies;

Budget 2012 & Budget 2013

- Social expenditure reductions will be delivered as part of an overall package of Budgetary cuts to welfare, public sector costs and capital expenditure. These will yield €1.1b in 2012 and €2b in 2013.

We will monitor these developments and propose alternatives to alleviate negative impacts on the poorest in society.

Reverse Minimum Wage Cut

Budget 2011 introduced a Government commitment in the *National Development Plan* and the *Memorandum of Understanding*, to reduce the minimum wage from €6.65 per hour to €7.65. The argument presented to justify this cut was that the rate was too high and acted as a disincentive for employers to create jobs. However, no evidence to support this view was presented; indeed the evidence for such a contention is weak in the international research literature on minimum wages. It remains to be seen whether or not the cut will have the effect of noticeably increasing the numbers of low skilled workers employed in the industries where the minimum wage is most prevalent.

The one impact the reduction will have is on the lives and livelihoods of the lowest income workers in our society. An employee working a 40 hour week will see their gross earnings fall from €346 per week (€17,992 per annum) to €306 per week (€15,912 per annum); a fall of more than €2,000 per annum. They will also see a fall in their take-home pay via the introduction of the Universal Social Charge.

As we have shown in table 2 (p3) almost 20% of adults who live in poverty in Ireland are employed. Similarly, almost 23% of households who live below the poverty line are headed by somebody who is employed (see p5 table 6). It is likely that the reduction in the minimum wage will increase both of these figures in the coming years.

Finally, while reducing the minimum wage might be portrayed as giving an incentive for employers to recruit more employees, for many households it is likely to create an unemployment trap.

Taken together, *Social Justice Ireland* believes that there is limited justification for the Budget 2011 reduction in the minimum wage and that this cut should be reversed.

A Return to High Long-Term Unemployment

The ramifications for Ireland's people of the economic turmoil of recent years have been severe. Concurrent with the cuts and policies that are likely to increase poverty in the coming years, we have also seen some of the great achievements of recent years being reversed with unemployment and emigration returning as widespread phenomena. In mid 2006, unemployment reached 100,000 people as measured by the CSO's quarterly national household survey (QNHS), a figure which represented 4.7% of the labour force. Four years later, the number of people unemployed tripled to reach almost 300,000 (approximately 14% of the labour force). Suddenly, Ireland has returned to unemployment levels equivalent to those experienced in the mid to late 1980s. Long-term unemployment has also significantly increased - there are now more than 140,000 people unemployed for more than 1 year (the definition of long-term unemployed) representing the highest figure since 1988. Such a situation poses a major challenge for Ireland. *Social Justice Ireland* believes that addressing this issue must be central to the agenda of the next Government. A comprehensive set of policies to address this growing social crisis must be put in place.

Table 5: Unemployment & LT Unemployment, 1988-2010

Year	Unemp %	LT Unemp %	No. LT Unemp
1988	16.3	10.4	137,800
1996	11.9	6.9	103,300
2000	4.5	1.5	27,100
2001	3.8	1.1	20,300
2002	4.4	1.2	20,800
2003	4.6	1.4	26,200
2004	4.5	1.4	26,700
2005	4.7	1.4	29,200
2006	4.6	1.4	29,200
2007	4.7	1.3	28,800
2008	5.7	1.5	33,200
2009	12.0	2.6	57,300
2010 latest	13.9	6.5	140,400

Households and Poverty

Given that households are taken to be the 'income receiving units' (income flows into households who then collectively live off that income) there is an attraction in assessing poverty by household type. Table 6 examines the composition of poverty by household type.

Table 6: Households below the poverty line classified by principal economic status of head of household, 2009

At work	22.8
Unemployed	26.0
Students/school attendees	5.4
On home duties	26.7
Retired	6.6
Ill/disabled	10.9
Other	1.6
Total	100.0

Social Justice Ireland welcome the fact that the CSO have, at our suggestion, begun to publish the *SILC* poverty data broken down by household category. From a policy formation perspective, having this information is crucial as anti-poverty policy is generally focused on households (households with children, pensioner households, single person households etc). This data shows that in 2009 22.8 per cent of households who were at risk of poverty were headed by somebody who was employed. Almost 44 per cent of households at risk of poverty were found to be headed by a person outside the labour force.

Regional Poverty Differences

The 2009 *SILC* results provided a regional breakdown of poverty levels. The data, presented in table 7, suggests a very uneven national distribution of poverty. In Dublin approximately one in ten people lives in poverty while the figures are twice this in the Mid-West, South-East and the Midlands.

Table 7 also reports that poverty is more likely to occur in rural areas than urban areas. In 2009 the risk of poverty in rural Ireland was 6 per cent higher than in urban Ireland with at risk rates of 17.8 per cent and 11.8 per cent respectively.

This data breakdown from the CSO is relatively new and at the very least it suggests a need to think about poverty in both national and regional terms - a perspective absent from analysis in this area heretofore.

Table 7: Poverty by region and area, 2009

Border	14.1
Midlands	23.5
West	14.1
Dublin	8.3
Mid-East	14.6
Mid-West	18.9
South-East	18.3
South-West	14.7
Urban Areas	11.8
Rural Areas	17.8
Overall Population	14.1

Ireland's Income Distribution

Measures of income are far from perfect gauges of a society. They ignore many relevant non-market features such as volunteerism, caring and environmental protection to name but a few. However, assessments of the nature and trends in income distribution do offer some useful insights into the nature of any society and how it is changing over time.

During 2011, *Social Justice Ireland* will commence a new project giving greater attention to the income distribution impacts of various policy decisions and proposals. We plan to develop this analysis as a method of further enhancing our ability to provide detailed assessments of Government decisions and proposals. Given the issues highlighted throughout this *Policy Briefing*, we believe that this insight will be useful and timely.

The most recent data on income distribution, from the 2009 SILC survey, is summarised in chart 1. It examines the income distribution by household deciles starting with the 10% of households with the lowest income (the bottom decile) up to the 10% of households with the highest income (the top decile). The data presented is for disposable income which captures the amount of money households have in their pocket to spend after they have received any employment/pension income, paid all their income taxes and received any welfare entitlements.

In 2009, the top 10 per cent of Irish households received 24.48% of the total income while the bottom decile received 2.28%. Collectively, the poorest 50 per cent of households received a very similar share (25.25%) to the top 10%. Overall the share of the top 10% is nearly 11 times the share of the bottom 10%.

Using data from the 1987 Household Budget Survey and the 2009 SILC data, chart 2 examines the change in the income distribution over the intervening 22 years. Over that time a lot changed in Ireland; however, the income distribution did not change substantially. Compared with 1987, only two deciles saw their share of the total income distribution increase - the bottom decile

and the top decile. However, the change for the former is small (+0.11%) while the change for the latter is more notable (+1.34%). All other deciles witnessed a decrease in their

gained from the boom in all forms of income during the 'Celtic Tiger' years. Others slipped backwards, particularly those lower down the income distribution.

During 2011, Social Justice Ireland will commence a new project giving greater attention to the income distribution impacts of various policy decisions and proposals.

share of the national income distribution.

Chart 2's overview does not allow an assessment of how these trends developed over that 22 year period. In fact, as we report annually in our *Socio-Economic Review*, it was mainly the top of the income distribution that

However, looking at just the last six SILC surveys (2004-2009) the CSO found that the bottom two deciles saw their share of income increase. Similar to the poverty analysis on page 3, it is likely that these improvements are related to budgetary policy over that period which increased social welfare payments. The CSO data show that households in these deciles receive a large proportion of their income from social welfare payments.

Chart 1: Ireland's Income Distribution by 10% (decile) group, 2009

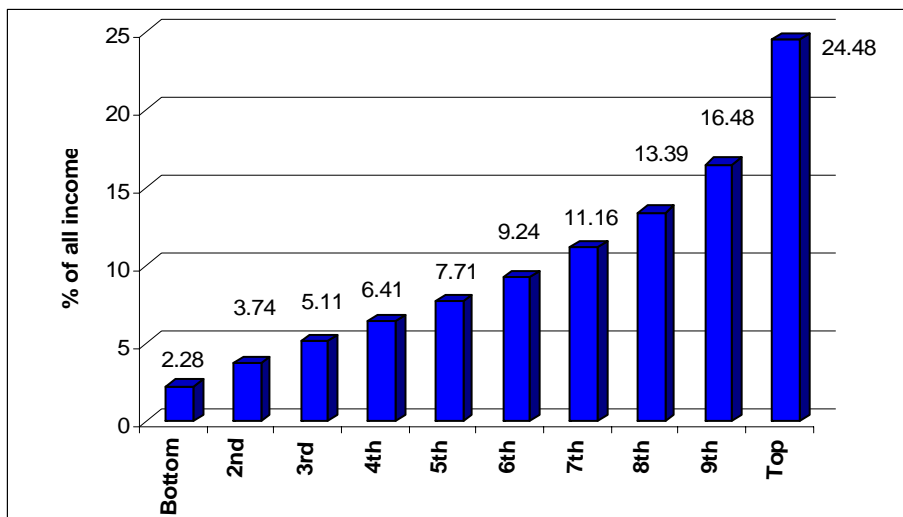
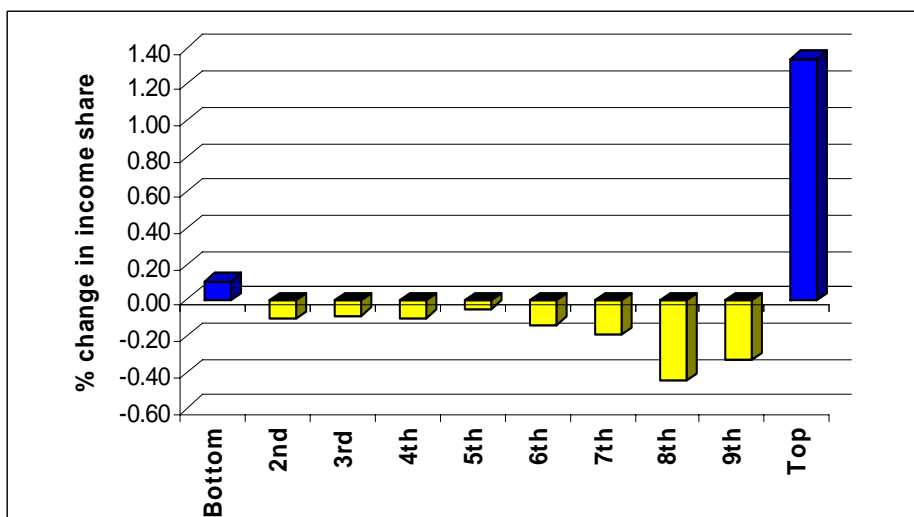


Chart 2: Change in Ireland's Income Distribution, 1987-2009



Key Priorities: Poverty

CORE POLICY OBJECTIVE

To provide all with sufficient income to live life with dignity. This would involve 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.

If poverty rates are to fall in the years ahead, *Social Justice Ireland* believes that the following are required:

- ⇒ benchmarking of social welfare payments,
- ⇒ equity of social welfare rates,
- ⇒ adequate payments for children,
- ⇒ refundable tax credits,
- ⇒ a universal state pension and
- ⇒ a cost of disability payment.

The incoming Government should adopt these policy reforms to ensure the risk of poverty in Ireland falls.

Social Justice Ireland believes that in the period ahead Government and policy-makers generally should:

- Acknowledge that Ireland has an ongoing poverty problem.
- Set a target of reducing the risk of poverty rate by half, to be achieved by 2020. This target should be included in the Europe 2020 Strategy currently being finalised by Government.
- Assess the impact on society's most vulnerable people of any proposed policy initiatives aimed at achieving the required fiscal adjustments required by the EU/IMF bailout and the Government's 4-year plan.
- Change the ratio of expenditure cuts to tax increases in forthcoming budgets. Tax increases should account for two thirds of the required fiscal adjustment.
- Examine and support viable, alternative policy options aimed at giving priority to protecting vulnerable sectors of society.
- Provide substantial new measures to address long-term unemployment. This should include programmes

aimed at re-training and re-skilling those at highest risk.

- Recognise the problem of the 'working poor'. Make tax credits refundable so as to address the situation of the 22.8% of all households in poverty which are headed by a person with a job.
- Introduce a cost of disability allowance to address poverty and social exclusion of people with a disability.
- Poverty-proof all public policy initiatives and provision.
- Recognise the new problems of poverty among migrants and adopt policies to assist this group. In addressing this issue also reform and increase the 'direct provision' allowances paid to asylum seekers.
- Accept that persistent poverty should be used as the primary indicator of poverty measurement once this data becomes available.
- Move towards introducing a basic income system. No other approach has the capacity to ensure all members of society have sufficient income to live life with dignity.

Minimum Income Study

Two recent reports from the *Vincentian Partnership for Social Justice* cast new light on the challenges faced by people living on low incomes in urban and rural Ireland. The results of this research show for the first time the income needed for a household to have a minimum essential lifestyle in modern Ireland. The households studied included: 2 parents and 2 children (aged 3 & 10); 2 parents and 2 children (aged 10 & 15); a lone parent and 2 children (aged 3 & 10); a pensioner couple, a single female pensioner and a single adult male. It found that most households on social welfare or the minimum wage do not have enough income to sustain a basic standard of living. The gap between the basic standard of living and the actual incomes of these households varied by between €10 and €150 a week. The reports are available at: www.budgeting.ie

Poverty and Education

Table 8 report the CSO's finding on the link between poverty and education. The figures underscore the relevance of continuing to address the issues of education disadvantage and early-school leaving. Government education policy should ensure that these high risk groups are reduced and targeted via anti-poverty initiatives.

Table 8: Poverty by completed education level, 2009

Primary or below	18.6
Lower secondary	19.7
Higher secondary	12.8
Post leaving certificate	9.1
3rd level non-degree	4.9
3rd level degree or above	4.8
Overall Population	14.1

Refundable Tax Credits Proposal

During the past year *Social Justice Ireland* published a detailed study on the subject of refundable tax credits. Entitled '*Building a Fairer Tax System: The Working Poor and the Cost of Refundable Tax Credits*' the study identified that the proposed system would benefit 113,000 low-income individuals in an efficient and cost-effective manner. When children and other adults in the household are taken into account the total number of beneficiaries would be 240,000. The cost of making this change would be €140m.

Our proposal to make tax credits refundable would make Ireland's tax system fairer, address part of the working poor problem and improve the living standards of a substantial number of people in Ireland.

The study is available on our website.

Europe 2020

The EU2020 Strategy provides the European Commission's template for the socio-economic development of the EU for next ten years. It is a strategy that is underwhelming to say the least. The development model on which it is built is lopsided. It follows, more or less, the same pathway that the Lisbon Strategy travelled with major lack of success in the period 2000-2010.

The Strategy contains a target to "lift at least 20 million people out of the risk of poverty and exclusion" by 2020. This is less than the original draft of the strategy had proposed. It leaves it up to each member state to decide which indicator to use to achieve the target ('at-risk-of poverty', 'material deprivation' or 'jobless household'). This is a bit like leaving each country to decide how it will measure GDP! It is simply not a credible approach and shows a pathetic lack of commitment to address the problems facing the EU's poorest and most vulnerable people.

Ireland is due to submit its version of the EU Strategy to the European Commission by April 2011. It is crucial that Ireland set challenging poverty targets to be achieved in the coming decade. However, there is a real danger that this will not be done.

There are two problems.

- On the one hand Ireland may well set meaningful targets but commit no resources to meeting these targets.
- On the other hand the European Commission sees the EU/IMF bailout as the primary issue to be addressed by Ireland and may well turn a blind eye to what Ireland proposes.

Both of these amount to a betrayal of Ireland's poor and socially excluded. The human rights of poor people must be particularly protected in times of economic uncertainty. It is crucial that the Irish Government set challenging targets and provide the necessary resources to achieve these targets.

Delay to long-term poverty indicator

As part of the Laeken suite of social indicators, Ireland has agreed to produce an indicator of persistent poverty. This indicator measures the proportion of those living below the poverty line in the current year and for 2 of the previous 3 years. As such the indicator identifies those who have experienced sustained exposure to poverty which is seen to harm their quality of life seriously and increase their levels of deprivation. The CSO had made some attempts to publish such a breakdown but has faced some data weighting and sampling difficulties. We regret this delay and hope that the technical impediments to its publication are overcome. Once this data becomes available *Social Justice Ireland* believes that it should be used as the primary basis for setting poverty targets and monitoring changes in poverty status.

Social Justice Ireland



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