

Claiming Our Future IDEAS Minimum Income Briefing Sheet

Briefing Note Number Three – minimum income

This briefing note aims to give facilitators and participants some basic facts, information and tools about poverty and minimum income.

People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in Irish society. Because of their poverty they may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to education. They are often excluded and marginalised from participating in activities that are the norm for other people. (official definition: National Anti Poverty Strategy 2007)

Internationally Ireland scores high across all measurements of poverty/income inequality

Table 5.1: At-risk-of-poverty measures in comparative European perspective

Poverty concept	Measurement	Poverty rate in Ireland	Irish ranking in EU 25
National-at-risk-of-poverty	Percentage of hh below 60% of national median income	18.5	17
EU-at-risk-of-poverty	Percentage of hh below 60% of EU median income	9.9	13
National consistent poverty	Percentage below 60% of national median income and above a deprivation threshold that identifies an identical proportion of individuals to that captured by a national income measure	8.7	21
EU consistent poverty	Percentage below 60% of EU median income and experiencing enforced deprivation	5.1	13
Mixed consistent poverty	Percentage below 60% of national median income and experiencing enforced deprivation	7.1	17

Source: Whelan and Maitre (2010, Table 1, xii).

Poverty is deepening by making the poor pay most for the crisis?

There are clear losers in the crisis. Women in household duties and care roles, the unemployed and low paid workers comprise almost three quarters of poor households. Consistent poverty increased from 4.2% to 5.5% and children fared even worse with deprivation poverty increasing faster than adults. Child (under 17 years) consistent poverty rate of 8.7 per cent in 2009 was up from the 6.3 per cent recorded in 2008 (CSO, 2010 6-7).

Table 5:5: Households below the poverty line (60% median disposable income) by economic status of head of household,

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

Source SILC, 2009 (CSO, 2010)

Year	2003	2005	2008	2009
Irish Consistent Poverty	9.4%	6.5%	4.2%	5.5%

Women and poverty

Income policy is profoundly gendered. The majority of low paid workers are women, women earn only 70% of men, and make up over three quarters of part time workers and make up the domain. Lone parents (over 90% of whom are women) experience the greatest level of poverty and deprivation. Over 100,000 qualified adults over 95% of women receive no direct income in their own right.

Poor have very little share of national income and cannot afford to pay any more for crisis

Table 5.3 Ireland's Household Income Distribution by decile group, 2009

Decile	Bottom 10%	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	Top 10%
% of all income	2.28	3.74	5.11	6.41	7.71	9.24	11.6	13.39	16.48	24.48

SILC 2009, (CSO, 2010, accessed from Social Justice Ireland Policy Briefing Jan 2011 p6

The poorest 50% have only 25% of income and simply can't pay. Making them pay is forcing society's poorest families into deeper levels of poverty. The richest 10% have 24.48% (eleven times more income than the poorest 10%). The rich can pay and making them pay will also have the secondary benefit of addressing such gross inequality, a worthy objective in its own right.

Minimum Income

While it is not necessarily an adequate income, Ireland does have a minimum income. The 1992 EU Minimum Income Directive is met by the provision of the Supplementary Welfare Allowance. The current amount is the same as the lowest social welfare payment; € 194 per week for a single adult but some people get less (young people on job seekers, those who are penalized for not taking up offers of work training or education, qualified adults, asylum seekers.....)

Minimum wages

After significant protest, the Minimum Wage will be restored to €8.65ph in July 1st. However government are now considering cuts in sectoral minimum wages established under joint labour commissions. This would impact many more low paid workers who have already seen hours or work reduced.

How can we decide how much is enough and who should decide?

Should the minimum be set on the basis of:

- a subsistence basket of goods - i.e. be just enough to stay alive and find work?
- what is necessary to participate in society, to live with dignity and to respect human rights?
- a relative amount which is related to available income or highest incomes?

Should the minimum be set by politicians or experts or the poor?

Should people be obliged to take up an offer of work education or training

Cultural norms and arguments against a minimum income

Being poor is not just about not having enough money it is about not having enough status or power. Just as there are cultural norms that justify high levels of income so too there are cultural norms that influence attitudes to people in poverty. It is ironic that while many people feel we have to give the rich more money to reward and encourage effort many people at the same time believe that we have to keep the unemployed poor to encourage them to work. These norms assume adequate minimum incomes may discourage work; are unaffordable; should be earned through peoples contribution to society; or that poverty is the fault of the poor who should be punished.