



## **Department of Social and Family Affairs**

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### **Government Not To Be Found Wanting In Eradicating Poverty – Minister Mary Coughlan**

Mary Coughlan, TD, Minister for Social and Family Affairs today launched the 2003 Annual Report of the Combat Poverty Agency and stated that the Government would not be found wanting in making a decisive impact on eradicating poverty.

“The multi-faceted nature of poverty and social exclusion requires a complex and integrated response at both national and local level. The ongoing involvement and technical expertise being provided by the Combat Poverty Agency, working with the Office for Social Inclusion, is a critical factor in this response,” said Minister Coughlan.

“The income and other supports provided by this Government, together with the substantial increases in employment, has resulted in significant reductions in the numbers of people experiencing consistent poverty - falling from 9.7per cent in 1997 to 5.2per cent in 2001. Equally there has been an encouraging drop in figures for consistent child poverty, again dropping from 15.3 per cent in 1997 to 6.5 per cent in 2001. These policies have continued since 2001 and I am confident that come 2007 we will have reached our national anti-poverty strategy target of reducing consistent poverty to at least 2%, or eradicating it altogether.

“Many people are puzzled by the fact that despite all these efforts by Government and social partners, including significant increases in real terms in benefits and pensions, poverty in Ireland appears to be rising. However, it needs to be stated clearly that it is the numbers at risk of poverty who are increasing and not necessarily the numbers in poverty,” said Minister Coughlan.

Those classified as at risk of poverty are those with incomes below the threshold of 60% of median income. The increase in the proportions below that threshold in recent years is mainly due to the unprecedented economic growth of the "Celtic



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Tiger" era. This has led to major increases in employment, including many better-paid jobs, a significant increase in two income households, and lower taxes to secure more moderate wage increases to maintain competitiveness.

A measure based on income alone, of course, can understate the overall resources available to a household. For example, it does not take into the value of homeownership, which is high in Ireland compared to many EU countries, free travel or household allowances for electricity, fuel, telephone rental etc.

"It is also important to focus on what has been accomplished, even if only to reassure ourselves that significant progress is possible. I am not being complacent about the current situation. However, we do have a solid set of achievements to build on which gives the confidence to go forward to make further substantial progress.

"The next National Action Plan Against Poverty and Social Exclusion (NAPs/incl) will apply from 2006 to 2009, and will show definitively the extent to which we as a society will be making a decisive impact on eradicating poverty by 2010. We are determined in Government not to be found wanting in this respect," said Minister Coughlan.

"I anticipate and welcome the contribution of the Combat Poverty Agency to all these processes, bringing its experience, expertise and innovative thinking, much of it based on ground breaking research. The Agency's contribution is greatly valued in working to meet one of the greatest challenges of our society, which simply is to eradicate poverty," concluded Minister Coughlan.

**ENDS September 28<sup>th</sup> September 2004**



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### **Note for News Editors**

*The CPA was established in 1986 and will receive some €3.9m in funding from the Department of Social and Family Affairs during 2004. Its main functions are to:*

- *Advise the Minister for Social and Family Affairs on all aspects of economic and social planning in relation to poverty;*
  
- *Initiate and evaluate measures aimed at overcoming poverty; and*
  
- *Promote greater public understanding of the nature, causes and extent of poverty and the measures necessary to overcome poverty.*

### **Social Welfare Improvements**

*Child Benefit has more than tripled from €38.09 per month in 1997 for the first and second child to €131.60. Rates have increased from €49.52 to €165.30 for third and subsequent children.*

*The Government has raised the lowest social welfare rates by 62% since 1997 - this is 27% above the increase in the cost of living.*

The Government is committed to:

- Achieving a rate of €150 per week in 2002 terms for the lowest rates of social welfare payments by 2007.
- Increasing social welfare pensions to €200 per week by 2007.

### **Risk of Poverty**

Those classified as at risk of poverty are those with incomes below the threshold of 60% of median income. The increase in the proportions below that threshold in recent years is mainly due to the unprecedented economic growth of the "Celtic Tiger" era. This is reflected in the fact that the 60% median income threshold almost doubled from just over €83 per week (or €4,316 per annum) in 1994 to €164.28 (or €8,542.56 per annum) in 2001. These thresholds are adjusted upwards for larger households, for example in the case of a family with two adults and two children, the household 'at risk of poverty' income threshold would be €381 per week (€19,819 per annum).