



**Minister Announces New Figures - At Least 250,000 People  
Lifted Out Of Serious Poverty In Recent Years As Result Of  
Economic Growth & Targeted Supports**

***Brennan Pledges Government Targeting Of Special Welfare  
Supports For Those Remaining In Real Poverty***

The Minister for Social Affairs, Séamus Brennan T.D., said today that while the eradication of poverty in Irish society remains of the highest priority for the Government, it is also important to state that in less than a decade at least 250,000 people have been lifted out of deprivation and hardship as a result of concentrated and targeted measures and supports.

Minister Brennan said that while the debate continued over the best, most consistent and most accurate ways of measuring poverty levels it was important, for all concerned, that the rate of progress in recent years in tackling and eliminating poverty was also acknowledged as it reflected the significant inroads that anti-poverty strategies were having.

Minister Brennan was speaking when launching a new report by the Economic and Social Research Institute (ESRI) on the re-assessment of the measuring of 'consistent' poverty in Ireland. The report - "Reconfiguring the Measurement of Deprivation and Consistent Poverty in Ireland" - re-assesses how poverty is measured in the light of the rapid economic progress in recent years and current living standards and expectations. The existing 'consistent poverty measure' was developed by the ESRI in the 1987 and the report examines if a more up to date system of measurement should be adopted.

The Minister said that less than a decade ago, in 1997, some 7.8%, or 283,000 persons were in consistent poverty, as measured by the Living in Ireland Survey (LIIS). In 2001 the figure had reduced to 4.1%, or 149,000 persons, a reduction of some 134,000 people, based on 1996 census figures.

The latest results from the new EU-SILC survey confirm that the downward trend has continued, showing a significant reduction of 2% in consistent poverty between 2003 and 2004. Using 2002 Census figures, this would equate to a reduction of some 78,000 people, including 22,000 children.

Explaining the estimate of at least 250,000 lifted out of poverty, Minister Brennan said that according to his Department's calculations, and assuming a continuation of the trend shown in the original Living in Ireland survey up to 2005, then in the period 1997 to the end of 2005 at least 250,000 people were helped out of real poverty. Again, still using the old measure, and assuming a continuation of the trends shown in it, it is calculated that today the numbers remaining in consistent poverty would probably be less than 80,000. When the new EU-SILC survey measurement is applied, the figure for those still in consistent poverty increases to 5.5% or 220,000.



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“Whether we have 80,000 or 220,000 remaining in real poverty can be debated but the reality is that whatever the real numbers it is clear that there is a task that is extremely urgent and important” Minister Brennan said. “That is why our focus must be on targeted welfare supports and services so that real poverty, which has no place in the Ireland of the 21<sup>st</sup> century, can be finally eliminated.”

The Minister welcomed the ESRI report as an important contribution to the debate on how best to measure, monitor and report on poverty in Ireland. The objective of a poverty measure must be that it clearly identifies those who are most deprived and vulnerable in society. He said the Government has undertaken to have the report's recommendations analysed in the context of producing later this year the next National Action Plan against Poverty.

Minister Brennan said: “Sustained economic growth combined with record spending on welfare and other supports has in recent years lifted whole generations out of the consistent poverty trap. Our priority now must be to identify more clearly those who remain in the grip of serious poverty and to channel additional supports and resources directly to them. While a sensible and accurate system for measuring poverty levels is an important contribution to achieving this we must also be careful not to allow the debate on methodological methods and different measurements deflect us from tackling poverty at its very core. Poverty is about real people living real lives who urgently need targeted supports and encouragement if they are to escape from the clutches of hardship and deprivation.”

Minister Brennan said that the substantial progress that had been achieved in tackling poverty in recent years reflected the impact of consistent economic growth, almost full employment levels and substantial investment in targeted supports. Over the past five years social welfare payment actually increased by 55.5 per cent, well ahead of the 16.4 per cent increase in the Consumer Price Index, and the 28.2 per cent increase in gross average industrial earnings. This represented an increase in real terms of 33.6 per cent, in comparison to a real increase in industrial earnings of 10.1 per cent. Child Benefit rates have increased by almost 300% in less than a decade with the result that level of child income supports in Ireland is now among the highest in the EU. Since 1997 the number of unemployed fell by almost half from about 171,000 to 91,000, a massive reduction of 80,000 persons. This equates to a reduction in the unemployment rate from 10.4 per cent to 4.4 per cent, one of the lowest in the EU.

Minister Brennan said he noted that the ESRI have recommended that the 'debt' item be removed from the list of deprivation items as it has a disproportionate effect on the results. In fact, if it had been removed from the old LIIS survey, the overall consistent poverty rate could have been below 2 per cent (which was the main NAPS target) and, even in the current survey, it has a very strong skewing impact.

The Minister said Ireland is often unfairly compared to other EU Member States in relation to the percentage of persons at risk of poverty (the relative poverty rate). These comparisons do not paint the full picture for the reason that we are not really comparing like with like. For example, Eurostat figures showed that in 2003, Ireland and Slovakia shared the same 'at risk of poverty' rate of 21%. However, there were very significant differences in the poverty thresholds between the two countries.



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While the threshold for an average family in Slovakia was 7,291 euro (adjusted for purchasing power standards), the figure for Ireland was in excess of twice this, at 18,029 euro. To take another example, the 'at risk of poverty' rate in Hungary was reported as just 10% of the population, while the poverty threshold was less than half of the Irish threshold! It is of course also clear that the standard of living in Ireland is much higher than in the new EU Member States.

**Ends**