



Department of Social and Family Affairs

SOCIAL AFFAIRS MINISTER RESPONDS TO EU SURVEY ON INCOME AND LIVING CONDITIONS IN IRELAND

The Minister for Social Affairs, Séamus Brennan T.D., in a response to the publication today by the Central Statistics Office of the first results from the 2003 EU Survey on Income and Living Conditions in Ireland, stated:

“The findings of this survey will be a valued contribution to the comprehensive research already undertaken into income, living standards and the extent of poverty in Ireland. We must take heed of the message that this survey delivers which is that, despite the extremely positive and targeted action taken by Government and the record levels of spending on social welfare, some people continue to be vulnerable and to struggle on the margins of society.

Whatever about the findings, and the debate over the different methodology used, we must not lose sight of the fact that the rising tide of economic progress has not, as we would all have desired, raised all boats and that we must all redouble our efforts to work to eradicate poverty and social exclusion from our society.

It should be noted that the Living in Ireland Survey (LIIS), undertaken by the ESRI between 1994 and 2001, has been the source of all data on poverty both nationally and internationally. This survey measured consistent poverty in Ireland for individuals at 5.2% in 2001. The EU-SILC survey was conducted in 2003. Between 2001 and 2003 spending on social welfare has increased substantially, from €7.8 billion in 2001 to €10.5 billion.

Between 2001 and 2003, social welfare payments have increased by 17% for both the basic rate and the old age pension, well ahead of the 8% rise in the Consumer Price Index (CPI), and the 13.8% increase in gross average industrial earnings. Child Benefit rates increased by some 45% in the same period (2001-2003) and between 2001 and 2005 that increase has risen further to 65%. Over the period 2001 to 2005 the lowest social welfare rates have increased by 40% while the CPI has increased by just over 13%.

Since the EU-SILC survey was conducted in 2003 the Government has delivered two Budgets that have directed further significant additional spending to social welfare. For example, in 2005 the Department of Social Affairs will be spending €12.2 billion, or almost one in every three Euro spent by the State, on social welfare. This makes it the largest spending Department in the State. The €12.2 billion is more than double the figure for 1997 when the Government launched its first National Anti-Poverty Strategy.

As a result of Budget 2005, welfare payments have increased by 3 times the expected rate of inflation. Each week welfare payments go out to 970,000 people that directly benefit 1.5 million of the population.

It must be further emphasized that all of this is happening against the backdrop of Ireland having now achieved the lowest unemployment rates in the EU-another major factor in increasing incomes and taking more people away from the threat of poverty and social exclusion.



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The National Action Plan against Poverty and Social Exclusion is the Government's plan targeted at eradicating poverty. It includes a range of actions on employment, social welfare, education, health, housing, disability, equality and many other areas. This Government is tackling poverty in a co-coordinated and 'joined up' way so as to ensure better results in relation to both the people supported and the substantial resources devoted to providing that support.

I am especially committed to taking swift and decisive action on child poverty. Serious consideration is now being given to the introduction of a second tier of supports-in addition to the Child Benefit and other support entitlements- aimed specifically at addressing those children most at risk. Linked to this are the vulnerable circumstances of many lone parents. The existing support systems will be scrutinized over the coming months and changes considered that more adequately reflect the needs of this group, and society in general, in a 21st century Ireland.

The new EU-SILC survey will in time build into a comprehensive measure of incomes, living standards and poverty levels across the European Union based, for the first time, on accurate comparative data. It will allow Ireland to directly compare the impact its anti-poverty strategies are making with those of the other EU states.

It must be stressed that this is a new survey that uses a different methodology to that employed in earlier surveys conducted in Ireland by the CSO and the ESRI. As regards differences that emerge in the 'consistent poverty measure', I have been assured by the CSO and the ESRI that such differences are explained by the fact that the 2001 Living in Ireland survey and the new 2003 EU-SILC survey are methodologically different. Both the CSO and the ESRI confirm that the latest data does not suggest any radical increase in poverty rates in Ireland between 2001 and 2003.

The causes of poverty are many and complex. Working to eradicate poverty requires action across a range of different policy areas. It also requires that we focus on outcomes, and in this regard the Government has instructed officials to review the way in which we measure and report these outcomes.

This latest survey will generate a debate on the various types of methodology employed but I am not interested in squabbling over the measurements used. The simple fact is that different surveys give different results. The debate over what constitutes real poverty, consistent poverty and those at risk of poverty and so on shows us different aspects of a complex issue. What is not in question is the groups who are identified as being at risk. It is time we all reached a clear consensus on an agreed measure of poverty so that we can move away from academic debates over methodology and instead concentrate all of our resources in a targeted way on eradicating the social evil of poverty that is no longer acceptable in Ireland in the 21st century."