



**SOCIAL AFFAIRS MINISTER RESPONDS TO ESRI SURVEY ON
TRENDS IN WELFARE IN IRELAND**

The Minister for Social Affairs, Séamus Brennan T.D., in a response to the publication today by the Economic and Social Research Institute (ESRI) of the report "Trends in Welfare for Vulnerable Groups, Ireland 1994-2001", stated:

"I welcome this report as a useful addition to the research on poverty levels for vulnerable groups. The report provides an insight into the situation of such groups in terms of their risk of experiencing poverty and social exclusion. Although this report refers to the period from 1994 to 2001, a combination of economic growth and active labour market policies has led to Ireland maintaining its strong employment performance in the years since then. The overall employment rate increased from 65.7% at the end of 2003 to 66.7% at the end of 2004. The overall labour force participation rate was 61% at the end of 2004. Ireland recorded the second highest population growth at 12.3% in the ten years to 2004, well above the EU25 average of 2.2%. In 2004 the excess of births over deaths was 33,000, while net migration was 32,000.

The continued improvements in employment and participation levels have also helped to maintain unemployment at very low levels. The unemployment rate, at 4.3%, is among the lowest in the EU.

From a government perspective indicators show that Government actions have been extremely positive. For example:

- Unemployment rates are now the lowest in the EU.
- Improvements in social welfare rates have led to substantially increased spending from €7.8 billion in 2001 to €12.2 billion in 2005.
- Between 2001 and 2003, social welfare payments have increased by 17 per cent for both the basic rate and the old age pension, well ahead of the 8% increase in the CPI, and the 13.8 per cent increase in gross average industrial earnings. This represents an increase in real terms of 23.6 per cent, in comparison to a real increase in industrial earnings of 5 per cent.
- Child Benefit rates increased by some 45% in the period covered by this report, and have increased significantly since, at 65% between 2001 and 2005.
- Social welfare rates have continued to increase. Over the period 2001 to 2005 the lowest social welfare rates have increased by 40% while the CPI has increased by just over 13%.
- Both the Combat Poverty Agency and CORI have commented on the positive redistribution impact of the last Budgets.

Ireland has enjoyed sustained economic growth and employment since the 1990s. The priority given to investment in human resources under the National Action Plan for Employment has resulted in significant returns in terms of a more skilled, healthy, and productive workforce. This, together with modernizing income support,



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and other services, to facilitate employment participation and make work pay, has helped in significantly reducing dependency and in breaking the cycle of poverty and dependency.

These policies have contributed to a major reduction in jobless households (where none of the adults of working-age has a paid job) and a substantial increase in households with two or more adults employed. The number of households where none of the adults of working age were working has fallen from 22% in 1994 to less than 9% today. This decline is particularly marked among households with children.

In 1994 41% of those at risk of poverty were unemployed compared to less than 5% at present. In 2003 from among the working age population (16 to 65) 145,339 were receiving weekly unemployment related payments. However, over twice those numbers (295,588) were receiving disability related payments or payments as lone parents.

A range of measures has been introduced to assist people with disabilities in employment. These include the Supported Employment Programme, which is designed to assist people with a disability integrate into a job in the open labour market. Also included is the Workway Project, which brings together employers, people with disabilities, trade unions and other groups representing the interests of people with disabilities, in networks established to improve their employment opportunities. Progress is also recorded in relation to tackling the particular difficulties experienced by other vulnerable groups. These include the homeless, Travellers, migrants and ethnic minorities, prisoners and ex-prisoners.

The standard of living of pensioners has improved significantly in real terms, because of the priority given to substantially increasing social welfare pensions in real terms. In the period 2002 to 2004, pensioners received increases of €32.71 per week and the target is to increase social welfare pensions to €200 per week by 2007.

For those who cannot work, especially the elderly, the answer lies in our ongoing commitment to increasing benefits and pensions in real terms and improving services."

Minister Brennan also said: "Our society will rightly be judged on how, at a time of unprecedented economic growth, it reached down and lifted up those less well off and marginalised. I am determined that we will intensify our efforts to eliminate poverty from our society. This Government is committed to improving the situation of those most at risk. The recent budget saw social welfare payments increase by three times the expected rate of inflation. Between 2001 and 2005 the lowest rates of social welfare payments have increased by 40%, against an increase in the rate of inflation of 13%. Each week more than 970,000 welfare support payments are sent out by my Department that in total benefit more than 1.5 million of our population.

The causes of poverty are many. Working to eradicate it requires action across a range of different policy areas. The Government strategy includes actions in relation to employment, social welfare, education, health, housing, equality and so on. The strategic approach in the National Action Plan means that these actions are being coordinated in an integrated 'joined-up' way by the Office for Social Inclusion which is located in my Department."

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