



An Roinn Gnóthaí Fostaíochta
agus Coimirce Sóisialaí
Department of Employment Affairs
and Social Protection

Social Inclusion Monitor 2017

Department of Employment Affairs and
Social Protection



Social Inclusion Monitor 2017

published by

Department of Employment Affairs & Social Protection

Arás Mhic Dhiarmada

Store Street

Dublin 1

Ireland

ISBN: 978-1-908109-52-1

Dublin, Ireland, May 2019

This monitor is available online at:

www.welfare.ie/en/Pages/Social-Inclusion-Monitor.aspx

Any part of this monitor may be quoted using the following reference:

Department of Employment Affairs & Social Protection (2019), *Social Inclusion Monitor 2017*, Dublin: Department of Employment Affairs & Social Protection.

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Information Note:

Central Statistics Office (CSO)¹ revisions to SILC 2012 to 2016

CSO amended the NUTS boundaries on 21st November 2016 under Regulation (EC) No. 2066/2016 and these changes took effect from 1st January 2018. As the CSO weight results in the SILC using NUTS3 groups, survey estimates have been revised to take account of these changes. The reweighted data from 2012 to 2016 inclusive was published with the SILC 2017 results and there is a break in the regional data series from 2012, as the results for the period 2004 to 2011 are published using the old NUTS groupings.

As the SILC is a sample survey, independent estimates of population and numbers of households are required each year to provide a weighting basis for the statistics produced from the SILC. When the results from a new Census of Population are published, the quarterly population estimates back to the previous Census of Population are revised. The results published for the SILC 2017 incorporate the new population estimates (as calculated from the Census of Population 2016) for each year from 2012 onwards into the weighting methodology.

As the results for the SILC from 2012 through to 2016 have been revised due to the new NUTS3 region classifications and the post Census 2016 population and household estimates, the Income, Consumption and Wealth (ICW) division in the CSO took the opportunity to increase the use of administrative data in the SILC process. The process changes mostly relate to increased usage of administrative data for employee income variables and this has improved the quality of the data from 2012 onwards. While applying the process changes to the periods in question, a number of corrections were made to further improve the quality of the data. The revised estimates for at risk of poverty, consistent poverty, enforced deprivation, the Gini coefficient and quintile share ratio are not statistically significantly different from the pre-revision estimates.

The information in the Social Inclusion Monitor 2017 has been updated to reflect the changes from 2012 to 2016. The figures in previous versions of this annual publication relating to those years are not updated to reflect these changes.

¹ Source: CSO SILC 2017 Release Note - <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2017/introductionandsummaryofresults/>

Summary

The purpose of the Social Inclusion Monitor is to report officially on progress towards the national social target for poverty reduction, including the sub-target on child poverty and Ireland's contribution to the Europe 2020 poverty target. It also presents information on supporting indicators relating to poverty and social exclusion. This Monitor refers to the year 2017, which is the latest data available from the CSO Survey on Income and Living Conditions (SILC) (published in December 2018) and from Eurostat.

Key findings CSO SILC

- 2017 saw improvements in the key poverty targets: consistent poverty among children fell to 8.8 per cent, equating to a reduction of 25,000 children on the child poverty target. Meanwhile, 'combined poverty', the basis for the Irish contribution to the Europe 2020 poverty target, reduced from 29.0 per cent in 2016 to 27.8 per cent in 2017.
- Consistent poverty fell from 8.2 per cent in 2016 to 6.7 per cent in 2017, a statistically significant change².
- Looking at the supporting indicators, basic deprivation decreased by 2.2 percentage points to 18.8 per cent. This is the fourth successive annual reduction.
- The at-risk-of-poverty rate fell from 16.2 per cent to 15.7 per cent; this was not a statistically significant change.
- Median equivalised real disposable income increased by 2.5 per cent to €20,608 per person in 2017. Despite the overall income increase, income inequality rose from 30.7 in 2016 to 31.5 in 2017.
- The social welfare system continued to play an important role in alleviating poverty. Social transfers (excluding pensions) reduced the at-risk-of-poverty rate from 32.3 per cent to 15.7 per cent, representing a poverty reduction effect of 51 per cent. Ireland was one of the best performing EU member states in this regard.
- Looking at the life-cycle, the consistent poverty rate for older people was 1.7 per cent while the rate for people of working age was 7 per cent. The at-risk groups with the highest rates of consistent poverty were the unemployed at 24.1 per cent

² For further information see the 2017 SILC quality report (5.2.1.3 Measuring the precision of a year-on-year change) <https://cso.ie/en/methods/qualityreports/surveyonincomeandlivingconditions/>

and lone parents at 20.7 per cent, over three times the national average (6.7 per cent).



Statement from the Minister for Employment Affairs & Social Protection

I welcome the publication of the Social Inclusion Monitor 2017. This seventh edition provides a progress update on the national social target for poverty reduction, including the child-specific poverty target and the Irish contribution to the Europe 2020 poverty target.

I am pleased to see an improvement in the data in 2017 with consistent poverty falling to 6.7% from 8.2% in 2016. Basic deprivation fell for the fourth year in a row, and 25,000 children were lifted out of consistent poverty in 2017. Looking at the other national social targets, there was progress towards the Irish contribution to the Europe 2020 poverty target, with 'combined poverty' falling by over 48,600 people but we still have a long way to go.

In 2017, the nominal median annual equivalised disposable income was €20,869 representing an increase of 2.6% on the nominal 2016 value of €20,331. The real median annual equivalised disposable income was €20,608, an increase of 2.5% on the previous year's figure.

In terms of the income distribution, Ireland experienced little change in 2017 compared to 2016. The Gini coefficient in 2017 increased slightly to 31.5%, compared with 30.7% in 2016, but this change was not statistically significant.

However, our social protection system continued to play a strong role in reducing poverty and income inequality in 2017. Using Eurostat comparative data, social transfers reduced the at-risk-of-poverty rate from 32.9 per cent to 15.6 per cent, resulting in a poverty reduction effect of 53 per cent. The comparative EU average was 34 per cent. Ireland

was one of the best performing EU member states in reducing poverty and income inequality. Ireland's income inequality reduction effect (as measured by the impact of Irish social transfers on the Gini coefficient) was 26 per cent, compared to the EU average of 15 per cent.

Since 1997, Ireland has developed national anti-poverty strategies to provide a strategic framework in which to tackle poverty and social exclusion. The most recent National Action Plan for Social Inclusion 2007-2017 (NAPinclusion) adopted a strategic framework to facilitate greater coordination across Government Departments at local and national levels and concluded in 2017. A review of the implementation of NAPinclusion is due to be completed in early 2019.

My Department is currently finalising the successor to NAPinclusion. Inspired by the aims and aspirations of the UN Sustainable Development Goals 2030, the new social inclusion strategy aims to build an inclusive Ireland where no-one is left behind and support is provided to those most in need. While this Monitor shows there has been some progress towards the poverty targets in 2017, the results show we still have some way to go. The new strategy will provide an opportunity to ensure the future policy direction and ambition is as comprehensive and realistic as possible to ensure a continued downward trend in poverty rates in Ireland. Accompanying the Strategy will be an Action Plan with targets, who is responsible for achieving targets and deadlines. Biennial Reviews of the Action Plan should ensure completion.

Recent budgets have been forward looking, allocating limited resources in a prudent way, to help ensure that everyone benefits from the recovery. The focus of these budgets has also been on the provision of services rather than simply on income supports. Given the continuing economic recovery throughout 2017 and measures introduced in recent budgets, I expect future poverty figures to show further improvements. I will continue to work with my Government colleagues to ensure that the economic recovery is experienced in all regions and by all families, households and individuals.



Regina Doherty TD

Minister for Employment Affairs and Social Protection



Ráiteas ón Aire Gnóthaí Fostaíochta agus Coimirce Sóisialaí

Cuirim fáilte roimh fhoilsiú an Mhonatóra um Chuimsiú Sóisialta 2017. Cuireann an t-eagrán seo, an seachtú heagrán, an t-eolas is déanaí ar fáil ar an dul chun cinn a rinneadh chun an sprioc náisiúnta sóisialta i leith laghdú na bochtaineachta a bhaint amach, lena n-áirítear an sprioc bhochtaineachta a bhaineann go sainiúil le leanaí agus an méid a rinne Éire ar mhaithe le sprioc bhochtaineachta 2020 na hEorpa a bhaint amach.

Tá áthas orm a fheiceáil gur tháinig feabhas ar na sonraí in 2017, nuair a thit bochtaineacht chomhsheasmhach ó 8.2% in 2016 go dtí 6.7%. Tháinig laghdú ar dhíth bhunúsach don cheathrú bliain as a chéile, agus tógadh 25,000 leanbh amach as an mbochtaineacht chomhsheasmhach in 2017. Ag breathnú ar na spriocanna náisiúnta sóisialta eile, rinneadh dul chun cinn ó thaobh an méid atá le déanamh ag an tír seo ar mhaithe le sprioc bhochtaineachta 2020 na hEorpa a bhaint amach. Tháinig laghdú os cionn 48,600 duine ar líon na ndaoine atá 'i mbochtaineacht chomhcheangailte' ach tá neart le déanamh againn fós.

In 2017, ba ionann an t-ioncam ainmniúil indiúscartha coibhéisithe airmheánach bliantúil agus €20,869, arb ionann é sin agus méadú 2.6% ar an luach ainmniúil de €20,331 in 2016. Ba ionann an fíorioncam indiúscartha coibhéisithe airmheánach bliantúil agus €20,608, arb ionann é sin agus méadú 2.5% ar an luach sa bhliain roimhe sin.

Ó thaobh an dáilte ioncaim de, níor tharla mórán athruithe in 2017 i gcomparáid le 2016. Mhéadaigh an chomhéifeacht Gini go dtí 31.5% in 2017, i gcomparáid le 30.7%

in 2016, ach ní raibh an t-athrú sin suntasach ó thaobh staitistice de.

Ach bhí ról láidir ag an gcóras coimirce sóisialaí go fóill ó thaobh bochtaineacht agus neamhionannas ioncaim a laghdú in 2017. De réir sonraí comparáideacha de chuid Eurostat, laghdaigh aistrithe sóisialta an ráta I mbaol na bochtaineachta ó 32.9 faoin gcéad go dtí 15.6 faoin gcéad, arb ionann é sin agus éifeacht laghdaithe bochtaineachta de 53 faoin gcéad. Ba ionann meán comparáideach an AE agus 34 faoin gcéad. Bhí Éire ar cheann de na ballstáit AE ab fhearr a rinne bochtaineacht agus neamhionannas ioncaim a laghdú. Ba ionann éifeacht laghdaithe neamhionannais ioncaim na hÉireann (de réir mar a thomhaistear ag tionchar na n-aistrithe sóisialta in Éirinn ar an gcomhéifeacht Gini) agus 26 faoin gcéad, i gcomparáid le meán an AE (15 faoin gcéad).

Ó 1997 ar aghaidh, d'fhorbair Éire straitéisí náisiúnta frithbhochtaineachta chun creatlach straitéiseach a chur ar fáil trínar féidir aghaidh a thabhairt ar bhochtaineacht agus eisiámh sóisialta. Ghlac an Plean Gníomhaíochta Náisiúnta is déanaí um Chuimsiú Sóisialta 2007-2017 (NAPinclusion) le creatlach straitéiseach chun comhordú níos fearr a éascú idir Ranna Rialtais ag leibhéal áitiúla agus náisiúnta agus tháinig deireadh leis in 2017. Táthar ag súil leis go gcuirfear athbhreithniú ar chur i bhfeidhm NAPinclusion i gcrích go luath in 2019.

Tá an chéad phlean eile, a thiocfaidh in áit NAPinclusion, á thabhairt chun críche ag mo Roinn faoi láthair. Tá sé mar aidhm ag an straitéis nua um chuimsiú sóisialta, atá bunaithe ar aidhmeanna agus uailmhianta Spriocanna Forbartha Inbhuanaithe 2030 na Náisiún Aontaithe, Éire chuimsitheach a chothú nach bhfágfar aon duine ar an trá fholamh inti, tacaíocht a thabhairt dóibh siúd is mó atá ar an ngannchuid. Cé go léiríonn an Monatóir seo go ndearnadh roinnt dul chun cinn maidir leis na spriocanna bochtaineachta in 2017, léiríonn na torthaí go bhfuil neart le déanamh fós. Cuirfidh an straitéis nua deis ar fáil chun a chinntiú go bhfuil an treo agus uailmhian bheartais amach anseo chomh cuimsitheach agus réalaíoch agus is féidir lena chinntiú go leanfar na rátaí bochtaineachta in Éirinn ag laghdú. Beidh Plean Gníomhaíochta agus spriocanna in éineacht leis an Straitéis, chomh maith le sonraí faoi cé atá freagrach as na spriocanna a bhaint amach agus spriocdhátaí. Ba cheart go gcinnteofar cur i gcrích an Phlean Gníomhaíochta mar gheall ar Athbhreithnithe Débhliantúla.

Chuir na buiséid a bhí ann le déanaí an todhchaí san áireamh, agus leithdháileadh na hacmhainní teoranta a bhí ann ar bhealach stuama chun a chinntiú go mbaineann gach duine leas as an téarnamh. Leagadh béim freisin sna buiséid sin ar sholáthar seirbhísí seachas ar thacaíochtaí ioncaim amháin. I bhfianaise an téarnaimh gheilleagraigh a lean ar aghaidh in 2017 agus na mbeart a tugadh isteach i mbuiséid le déanaí, táim ag súil leis go mbeidh tuilleadh feabhais le feiceáil sna figiúirí bochtaineachta amach anseo. Leanfaidh mé ar aghaidh le mo chuid oibre le mo chomhghleacaithe Rialtais chun a chinntiú go mbaineann gach réigiún, gach teaghlach agus gach duine leas as an téarnamh geilleagrach.



Regina Doherty TD

Aire Gnóthaí Fostaíochta agus Coimirce Sóisialaí



Section 01

Defining the targets and indicators



Section 1: Defining the targets and indicators

1.1 Introduction

The purpose of the Social Inclusion Monitor is to report on progress towards meeting the national social target for poverty reduction by providing regular, timely and accessible updates on key national indicators. The Monitor is one of two instruments to strengthen the implementation of the national social target, the other being integrated social impact assessments³. This is the seventh edition of the Monitor.

The statistical data presented in the Monitor relate to 2017⁴. These are taken from the latest *Survey on Income and Living Conditions* (SILC), published by the Central Statistics Office (CSO) in December 2018⁵, with additional comparative data published by Eurostat.⁶

The SILC data is an annual survey carried out by the CSO of a representative sample of the population. The survey collects information on the income and living conditions of different households in Ireland, in order to derive indicators on poverty, deprivation and social exclusion. It is carried out in every EU country under EU legislation and commenced in Ireland in June 2003. In 2017, the sample size was 5,029 households or 12,612 individuals in Ireland.

The definition of income in SILC is based on a rolling 12-month period. The income reference period relates to the preceding 12 months from the date of the interview with the household. In effect, the income recorded can cover 24 months, from January 2016 to December 2017.

The focus of the Monitor is on social and economic outcomes as they relate to poverty and social exclusion. It does not examine the effect of implementation of

³ The Department published its social impact assessment of Budget 2019 in February 2019. See: <http://www.welfare.ie/en/pdf/SocialImpact2019.pdf>. Social impact assessment is an evidence-based methodology which estimates the likely distributive effects of welfare and tax policies on household income and social groups. It uses the ESRI tax/welfare model, SWITCH, to simulate the impact of budgetary changes on a representative sample of households from the CSO Survey on Income and Living Conditions.

⁴ The income reference period covered by SILC 2017 is from January 2016 to December 2017.

⁵ The published release is available at www.cso.ie. As the Central Statistics Office (CSO) weight results in the SILC using NUTS3 groups, survey estimates have been revised to take account of these changes. The reweighted data from 2012 to 2016 inclusive is published with the SILC 2017 and reflected in this document.

⁶ The co-operation of the CSO in producing the *Social Inclusion Monitor* is greatly appreciated. SILC data from the CSO is available at www.cso.ie/en/silc/.

policies on poverty.⁷ The Monitor is produced by the Social Inclusion Division of the Department of Employment Affairs & Social Protection, as part of its remit to monitor poverty trends and progress towards the national poverty targets.

1.2 Structure of this Report

There are six elements to the Monitor:

- 1) the macro-economic and social context;
- 2) the national social target for poverty reduction and supporting indicators which underpin progress towards the target;
- 3) the Irish contribution to the Europe 2020 poverty target and supporting indicators using European comparative data;
- 4) the child poverty target and related indicators;
- 5) poverty among life-cycle groups and social inclusion indicators; and
- 6) the spatial distribution of poverty.

The Irish Government defines poverty as:

People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society. (Government of Ireland, 1997)

This definition captures the multi-dimensional nature of poverty. Since 1997, Ireland has developed national anti-poverty strategies to provide a strategic framework in which to tackle poverty and social exclusion. The most recent National Action Plan for Social Inclusion 2007-2017 (NAPinclusion⁸) adopted a framework to facilitate greater coordination across Government Departments at local and national levels and to reinforce Government actions to meet the poverty target of 2 per cent by

⁷ For information on the most recent National Action Plan for Social Inclusion 2007 -2017 (NAPinclusion) implemented to support the national social target for poverty see

http://www.welfare.ie/en/Pages/Irish-Social-Inclusion-Policy_holder.aspx

Also see the *National Reform Programme for Ireland Update under the Europe 2020 Strategy* published by Department of An Taoiseach (www.taoiseach.gov.ie/).

⁸ Direct link to the National Action Plan for Social Inclusion 2007 -2017 (NAPinclusion) -

http://www.welfare.ie/en/Pages/Irish-Social-Inclusion-Policy_holder.aspx

2020. The national action plan used a life-cycle approach which placed the individual at the centre of policy development and delivery by assessing risks and supports available at key stages of the life-cycle. Goals were set for each group: children; people of working age; older people and people with disabilities; and communities. The Department of Employment Affairs and Social Protection is currently finalising the successor to NAPinclusion.

The main focus of the Monitor is on progress towards the national social target for poverty reduction. Table 1.1 sets out the headline target and its component parts: the Irish contribution to the Europe 2020 poverty target and the child poverty target.

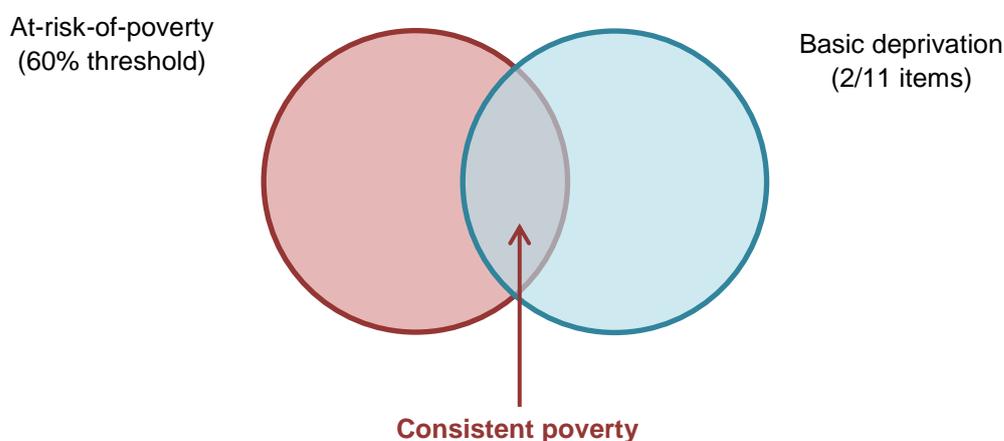
Table 1.1 The national social target for poverty reduction

<i>Target</i>	<i>Target description</i>
Headline target	To reduce consistent poverty to 4 per cent by 2016 (interim target) and to 2 per cent or less by 2020, from the 2010 baseline rate of 6.3 per cent.
Europe 2020 poverty target	To lift at least 200,000 people out of 'combined poverty' (i.e. the combination of consistent poverty, at-risk-of-poverty and basic deprivation) between 2010 and 2020.
Child poverty target	To lift over 70,000 children out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level. This target will include reducing the higher consistent poverty risk for households with children as compared to non-child households (8.8% vs 4.2%), and for children as compared to adults (9.3% vs. 6%).

Box 1 outlines the indicators used to define the population for the national social target for poverty reduction.

Box 1: Indicators used to define the target population

The target population for the national social target for poverty reduction is based on the consistent poverty indicator. This indicator is the overlap of two component indicators: at-risk-of-poverty – which measures individuals whose household income is below 60% of the median – and basic deprivation (capturing individuals lacking 2 or more of 11 basic necessities). A person is in consistent poverty if they are both income poor and deprived.



Consistent poverty reflects a multi-dimensional understanding of poverty and is designed to identify the population which has the greatest needs in terms of both low income and lack of resources. Research in Ireland has also found that during recessionary times, the consistent poverty indicator is particularly effective in capturing perceived economic stress and risk factors associated with poverty.⁹

By contrast, Ireland's contribution to the Europe 2020 target is measured by the combination of at-risk-of-poverty and basic deprivation (including consistent poverty). A person is in 'combined poverty' if they are either income poor or basically deprived (2/11 items).

⁹ Watson, D and Maître, B (2012), *Technical Paper on Poverty Indicators. Appendix C: Report of the Review of the National Poverty Target*, Dublin: Department of Employment Affairs & Social Protection. www.welfare.ie

The Europe 2020 poverty target is to lift at least 20 million people out of the risk of poverty or social exclusion by 2020 (as measured by the combination of three EU indicators).¹⁰ All 28 EU member states have set national targets for contributing to the Europe 2020 objective for reducing poverty or social exclusion. Ireland's contribution to the EU target is to reduce by a minimum of 200,000 the population at-risk-of-poverty and/or in basic deprivation (see [Box 1](#)). The Irish target equates to 1 per cent to the overall EU poverty target, in line with the population share.

In recognition of the higher risks and life-long consequences of child poverty, a child-specific target was set in the National Policy Framework for Children and Young People 2014-2020 (*Better Outcomes, Brighter Futures*) in 2014. The target is to lift over 70,000 children aged 0-17 years out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level. This target will include reducing the higher consistent poverty risk for households with children as compared to non-child households (8.8 per cent vs 4.2 per cent in 2011), and for children as compared to adults aged 18 years and over (9.3 per cent vs. 6 per cent in 2011).

1.3 Supporting Indicators

There are five supporting indicators which underpin progress towards the national social target. Two of the indicators are already used to make-up consistent poverty: basic deprivation and at-risk-of-poverty. The other three indicators are:

- 'vulnerable to consistent poverty';
- the impact of social transfers; and
- at-risk-of-poverty anchored in 2010 values.

¹⁰The Europe 2020 poverty target defines its target population using a combination of three indicators (at-risk-of-poverty, severe material deprivation and very low work intensity), a group which is described as being at risk of poverty or social exclusion.

Table 1.2: Supporting indicators for the national social target for poverty reduction

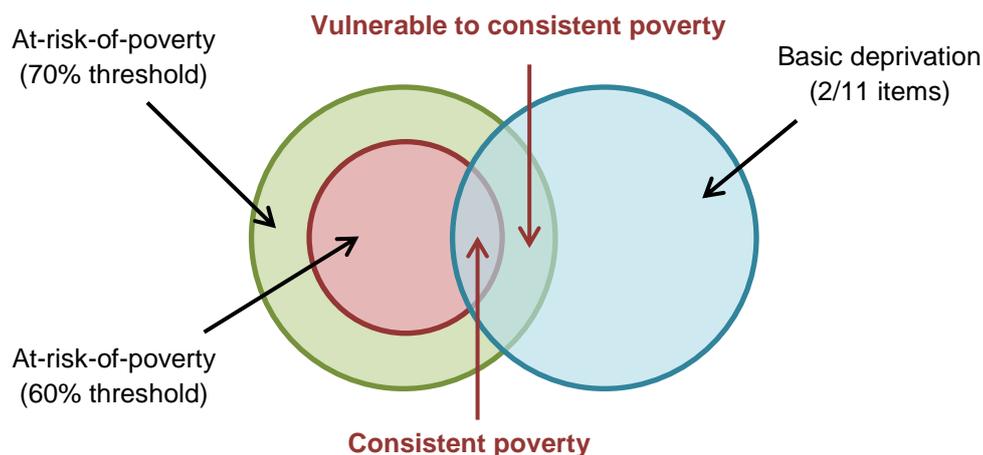
Indicator	Description
Vulnerable to consistent poverty	The percentage of the population experiencing basic deprivation and with an income between 60 and 70 per cent of the median.
Basic deprivation	The percentage of people lacking at least 2 out of 11 deprivation indicators.
At-risk-of-poverty	The percentage of people with an equivalised disposable income below 60 per cent of the national equivalised median income.
Impact of social transfers on at-risk-of-poverty (excluding pensions)	The impact of social transfers is measured by the percentage reduction, in absolute and relative terms, in the at-risk-of-poverty rate as a result of social transfers (excluding pensions). ¹¹
Anchored at-risk-of-poverty	The percentage of the population with an equivalised disposable income below 60% of median income anchored in 2010 values. ¹²

¹¹ Pensions are generally excluded as they are considered an inter-generational transfer rather than a social transfer (see Social Protection Committee (2012); *Social Europe: Current Challenges and the Way Forward: Annual Report of the Social Protection Committee (2012)*, Belgium: European Union).

¹² This indicator reflects changes in fixed living circumstances. Therefore, it is a useful indicator at a time of economic uncertainty, as it measures real incomes and changes.

Box 2: Vulnerable to consistent poverty indicator

The 'vulnerable to consistent poverty' indicator captures the overlap of basic deprivation and households whose equivalised income is between 60% and 70% of the median. It complements the consistent poverty indicator as, during a recession, falling incomes may make the poverty threshold less reliable as an indicator of change over time.¹³



The Monitor also presents a breakdown of the population using the consistent poverty indicator; along with specific indicators reflecting national and European policy concerns, such as income inequality, food poverty, financial exclusion and in-work poverty.

Finally, the Monitor includes a spatial analysis of key poverty trends. The *National Action Plan for Social Inclusion 2007-2017* included a commitment to build viable and sustainable communities, improving the lives of people living in disadvantaged areas. There is a limit to which SILC data can be disaggregated by area due to sample size constraints. Therefore, the Monitor only reports on the consistent poverty indicator by region and by rural-urban characteristics.

¹³ Watson, D, Maître, B and Whelan, C. T. (2012) op. cit. Basic deprivation is considered an effective measure as it has a strong link with risk factors for poverty and, during recessionary times, it captures changes sooner than other measures. At-risk-of-poverty has a number of drawbacks during periods of rapid economic growth or decline. For example, during downturns when median income is falling, the decrease in the threshold could result in less people being at-risk-of-poverty, though their real income has not changed. There is also a delay in the measurement of income changes as the income reference period is the 12 months preceding the survey (Ibid).

Each indicator is analysed individually in the Monitor, using a diagram to represent change since the baseline year (generally 2010), together with a short commentary. In order to put the annual data into a wider timeframe, the headline and supporting indicators are presented for the periods; economic growth (2005 to 2008), economic crisis (2009 to 2013) and early recovery (2014 to 2017).



Section 02

Macro-economic and social context



Section 2: Macro-economic and social context¹⁴

2.1 Macro-economic and labour market indicators

Table 2.1 summarises the macro-economic and labour market indicators for 2017 as compared with previous years. Economic activity as measured by Gross National Product (GNP) grew by 4.4 per cent in 2017. Inflation, as measured by the consumer price index, was 0.4 per cent in 2017.

Table 2.1 Macro-economic and labour market indicators

	Gross National Product ¹⁵	Inflation	Unemployment rate ¹⁶	Long-term unemployment rate ¹⁷	Participation rate	Total persons aged 18-59 years living in jobless households ¹⁸
2005	6.6%	2.5%	4.4%	1.5%	62.2%	8.4%
2006	5.7%	4.0%	4.5%	1.4%	63.2%	7.9%
2007	3.7%	4.9%	4.7%	1.4%	64.1%	7.9%
2008	-3.8%	4.1%	6.5%	1.7%	63.6%	9.0%
2009	-8.3%	-4.5%	12.1%	3.5%	62.0%	12.7%
2010	3.6%	-1.0%	13.9%	6.8%	60.7%	14.6%
2011	0.5%	2.6%	14.7%	8.6%	60.2%	15.5%
2012	-5.9%	1.7%	14.7%	9.0%	59.9%	15.9%
2013	12.4%	0.5%	13.1%	7.9%	60.2%	14.9%
2014	9.2%	0.2%	11.3%	6.6%	60.0%	13.7%
2015	13.6%	-0.3%	9.5%	5.3%	60.0%	12.4%
2016	11.5%	0.0%	7.9%	4.2%	60.2%	11.8%
2017	4.4%	0.4%	6.4%	3.1%	59.8%	10.5%

Source: CSO surveys – national accounts; consumer price index, QNHS, various years

Both the unemployment rate and the long-term unemployment rate continued to fall in 2017, following a period of continuous increase between 2008 and 2012. The

¹⁴ An overview of the main policy measures introduced over this period is available from ESRI in [Distributional Impact of Tax, Welfare and Public Service Pay Policies: Budget 2014 and Budgets 2009-2014](#). For a full list of ESRI publications related to Tax, Welfare and Public Service Pay Policies see [Taxation, Welfare and Pensions](#). Governmental publications can be found on the welfare.ie webpage: [Summary of 2019 Budget Measures Policy Changes](#).

¹⁵ At constant market prices referenced to 2015. Source: CSO.ie – Statbank N1704: T04. Extracted 25/03/2019.

¹⁶ Figures based on ILO Unemployment Rates (15 - 74 years) (Seasonally Adjusted) (%).

¹⁷ Figures based on ILO Long-term Unemployment Rates (15-74 years) (%).

¹⁸ The QNHS defines this indicator as total persons aged 18 to 59 years living in households where no member of the household is working. Students aged 18 to 24 years living in households composed solely of students are excluded. The data for 2009 to 2013 has been revised as the new CSO series excludes student only houses. This is in line with the approach by Eurostat.

unemployment rate decreased from 7.9 per cent in 2016 to 6.4 per cent in 2017. The long-term unemployment rate reduced to 3.1 per cent in 2017 from 4.2 per cent. The participation rate fell slightly in 2017, from 60.2 per cent in 2016 to 59.8 per cent in 2017.¹⁹ A related labour market indicator, the proportion of total persons aged 18-59 years living in jobless households, declined from 11.8 per cent in 2016 to 10.5 per cent in 2017.

2.2 Social protection indicators

Table 2.2 provides an overview of social welfare expenditure and beneficiaries. In 2017, total social welfare expenditure was €19.9 billion. Social welfare expenditure as a proportion of GNP fell to 8.5 per cent in 2017, from 9 per cent in 2016. When taken as a proportion of modified GNI (or GNI*), social welfare expenditure now stands at 11 per cent (Figure 2.1).

Table 2.2 Welfare expenditure and beneficiaries²⁰

	Total social welfare expenditure	Social welfare expenditure as a % of GNP ²¹	No. of social welfare recipients	No. of qualified adults	No. of qualified and other children	No. of beneficiaries	No. of beneficiaries as a % of the population
2005	€12.2bn	8.4%	976,613	119,223	373,270	1,469,106	35.5%
2006	€13.6bn	8.5%	1,003,517	118,110	385,197	1,506,824	35.5%
2007	€15.5bn	9.2%	1,060,327	125,938	391,214	1,577,479	36.0%
2008	€17.8bn	11.1%	1,208,883	145,236	445,756	1,799,875	40.1%
2009	€20.5bn	14.6%	1,379,206	175,037	522,013	2,076,256	45.8%
2010	€20.9bn	15.0%	1,430,833	190,043	558,552	2,179,428	47.8%
2011	€21.0bn	15.3%	1,467,129	197,730	583,425	2,248,284	49.0%
2012	€20.8bn	14.9%	1,468,481	205,684	593,334	2,267,499	49.5%
2013	€20.3bn	13.5%	1,467,918	202,559	602,526	2,273,003	49.5%
2014	€19.8bn	12.1%	1,440,876	194,190	584,596	2,219,662	48.2%
2015	€19.9bn	9.9%	1,377,559	182,568	550,862	2,110,989	45.5%
2016	€19.9bn	9.0%	1,366,996	171,634	533,852	2,072,482	43.5%
2017	€19.9bn	8.5%	1,333,541	153,931	266,211	1,983,830	41.4%

Source: Department of Employment Affairs & Social Protection *Statistical Information on Social Welfare Services*, various years and GNP updated to current market values as per CSO 25/04/19.

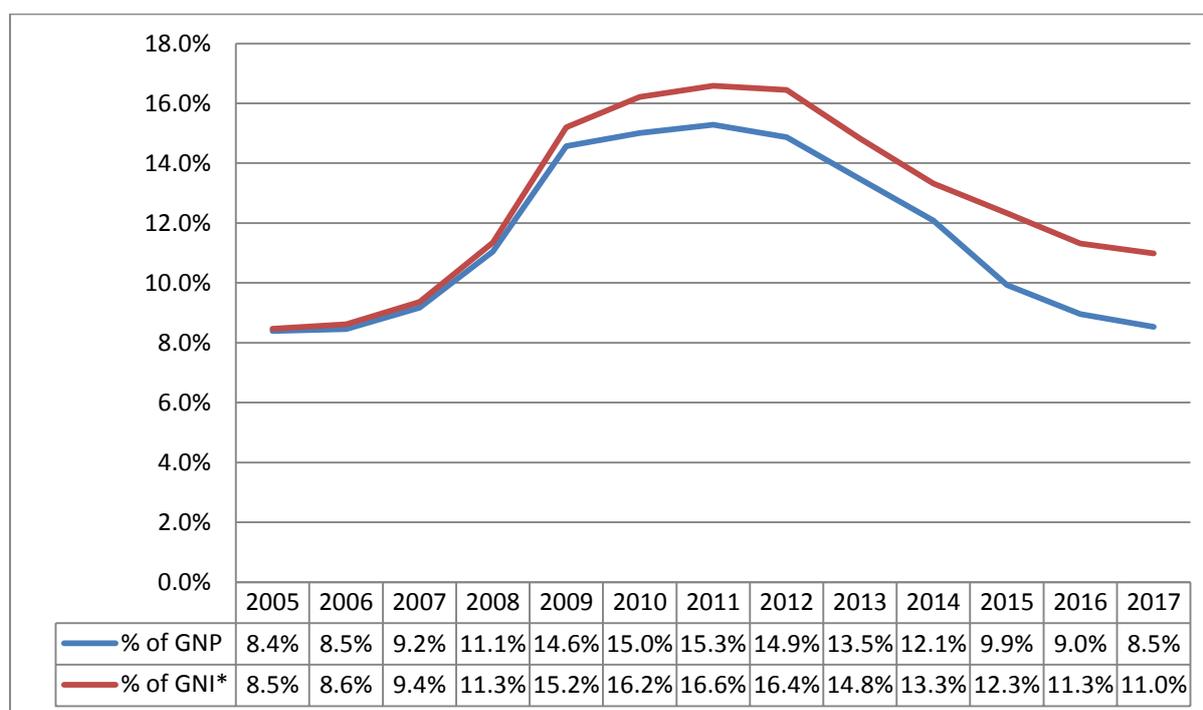
¹⁹See definition provided in the Glossary in Appendix 1.

²⁰ Recipients of child benefit are not included. There were minor revisions to the figures published in the 2012 report due to a revised methodology; as such the figures quoted for that year are based on the revised December 2012 monthly statistics.

²¹ GNP Updated to current market values as at 25/04/2019

Over 1.3 million people were in receipt of a weekly social welfare payment in 2017. Including the 153,931 qualified adults and 266,211 qualified children, there were 1,983,830 beneficiaries of social protection in 2017, amounting to 41.4 per cent of the population. This compared to 43.5 per cent in 2016.

Figure 2.1 Social Welfare Expenditure as a percentage of GNP and GNI*²²



Source: CSO Statbank Table N1724 (extracted 23/4/19)

Table 2.3 provides a Eurostat sourced overview of trends in social protection expenditure as a percentage of Gross Domestic Product (GDP) in comparison with the EU-28 average. Expenditure increased from 13.5 per cent in 2008 to 16.5 per cent in 2009, before falling to 9.4 per cent in 2017. In 2017, Ireland’s social protection expenditure (9.4 per cent) was below the EU-28 average of 18.7 per cent. The unique age structure of the Irish population as compared to other EU member states²³ (i.e. relatively higher proportion of younger people and relatively lower

²² <https://www.cso.ie/en/releasesandpublications/ep/p-nie/nie2017/mgni/>
Modified GNI is an indicator that was recommended by the Economic Statistics Review Group and is designed to exclude globalisation effects that are disproportionately impacting the measurement of the size of the Irish economy. To produce Modified GNI we take GNI and adjust for: factor income of redomiciled companies, depreciation on R&D service imports and trade in IP and depreciation on aircraft leasing.

²³ See [Eurostat \(2019\) Key Figures on Europe – 2017 edition, Luxembourg: Publications Office of the European Union](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_Explained). For more information on population structure and ageing in Europe, see Eurostat’s statistics explained pages on https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_Explained [accessed 25/03/2019].

proportion of older people aged 65 plus) may be one factor²⁴ accounting for differences in social protection expenditure compared to the EU average.

Table 2.3 Social protection expenditure (as a % of GDP)²⁵

	Ireland										EU-28
	2010	2011	2010	2011	2012	2013	2014	2015	2016	2017	2017
Sickness/disability	3.50%	2.60%	3.5%	2.6%	2.6%	2.6%	2.5%	1.9%	1.9%	1.9%	2.7%
Old age	4.10%	4.00%	4.1%	4.0%	5.4%	5.1%	4.7%	3.6%	3.5%	3.4%	10.1%
Survivors	1.10%	1.00%	1.1%	1.0%	0.9%	0.9%	0.8%	0.6%	0.6%	0.6%	1.3%
Family/children	2.70%	2.60%	2.7%	2.6%	2.6%	2.3%	2.1%	1.5%	1.4%	1.3%	1.7%
Unemployment	3.30%	2.90%	3.3%	2.9%	2.9%	2.7%	2.3%	1.6%	1.3%	1.1%	1.2%
Other	1.70%	1.70%	1.7%	1.7%	1.5%	1.6%	1.4%	1.1%	1.1%	1.1%	1.7%
Total social protection	16.40%	14.70%	16.4%	14.7%	15.9%	15.2%	13.8%	10.3%	9.8%	9.4%	18.7%

Source: Eurostat General government expenditure function (COFOG), various years. Extracted 13 March, 2019

Table 2.4 shows the key welfare indicators for 2017 and other years. The minimum personal rate for people under 66 years of age changed from €188 in 2016 to €193 in 2017. The minimum personal rate as a percentage of the at-risk-of poverty threshold was 80.4 per cent in 2017, unchanged from 2016. This reflects the rise in the poverty threshold in 2017 due to increased income from employment.

The qualified adult rate changed from €124.80 per week in 2016 to €128.10 in 2017. The qualified child rate increased to €29.80 per week in 2010 and has stayed at this rate since. Child Benefit was standardised at €130 per child per month in 2013 but increased to €135 in 2015 (it was subsequently set at €140 in 2016 and has remained at this rate since). There were changes made to the Back to School Clothing and Footwear Allowance in 2013, when it fell from €150 per annum in 2012 to €100 per annum up to 2016. It increased to €125 in 2017 where it currently stands.

²⁴ For an explanation of the combination of factors affecting European trends in expenditure by function over time see: [Eurostat pages on Europa.eu on statistics-explained/](#)

²⁵ The data source for this table changed from the 2014 Monitor onwards, due to the lack of availability of up-to-date Eurostat ESSPROS figures. See: <http://ec.europa.eu/eurostat/web/social-protection/data/database>. The data in this table are extracted from Eurostat's General Government Expenditure Function (COFOG), which does not provide the option to break down social protection expenditure by whether it is means-tested.

Table 2.4 Key welfare indicators

	2010	2011	2012	2013	2014	2015	2016	2017
Minimum personal rate²⁶ (per week)	€196	€188	€188	€188	€188	€188	€188	€193
At-risk-of-poverty threshold	€213.78	€208.68	€206.25	€206.78	€211.40	€223.78	€233.79	€239.96
Minimum personal rate as a % of at-risk-of-poverty threshold	91.7%	90.1%	91.2%	90.9%	88.9%	84.0%	80.4%	80.4%
Qualified adult rate (per week)	€130.10	€124.80	€124.80	€124.80	€124.80	€124.80	€124.80	€128.10
Qualified child rate (per week)	€29.80	€29.80	€29.80	€29.80	€29.80	€29.80	€29.80	€29.80
Back to School Clothing & Footwear Allowance²⁷ (per annum)	€200	€200	€150	€100	€100	€100	€100	€125
Child benefit (per month)	€150	€140	€140	€130	€130	€135	€140	€140
Total child income support (weekly equivalent)	€68.13	€65.83	€64.87	€61.61	€61.61	€62.76	€63.91	€64.39
Child income support as a % of the minimum personal rate	34.8%	35.0%	34.5%	32.8%	32.8%	33.4%	34%	33.4%

Source: SILC and Department of Employment Affairs & Social Protection *Statistical Information on Social Welfare Services*, various years

Overall, the combined value of child income support across the three strands for families on social welfare was just below €64.50 per week in 2017, a slight increase on the 2016 figure. This represented 33.4 per cent of the minimum personal rate in 2017.²⁸

²⁶ This is the standard personal rate for working-age schemes. The supplementary welfare allowance is slightly lower at €191 per week.

²⁷ This is the Back to School Clothing and Footwear Allowance for children aged 4-11 years. The weekly equivalent figures are: €3.83 in 2009 to 2011, €2.87 in 2012 and €1.92 from 2013 to 2016 and currently €2.40 from 2017 on.

²⁸ Goal 4 of the *National Action Plan for Social Inclusion 2007-2017* is to maintain the combined value of child income support measures at 33 to 35 per cent of the minimum adult social welfare payment rate.



Section 03

Progress towards the national social target for poverty reduction and supporting indicators



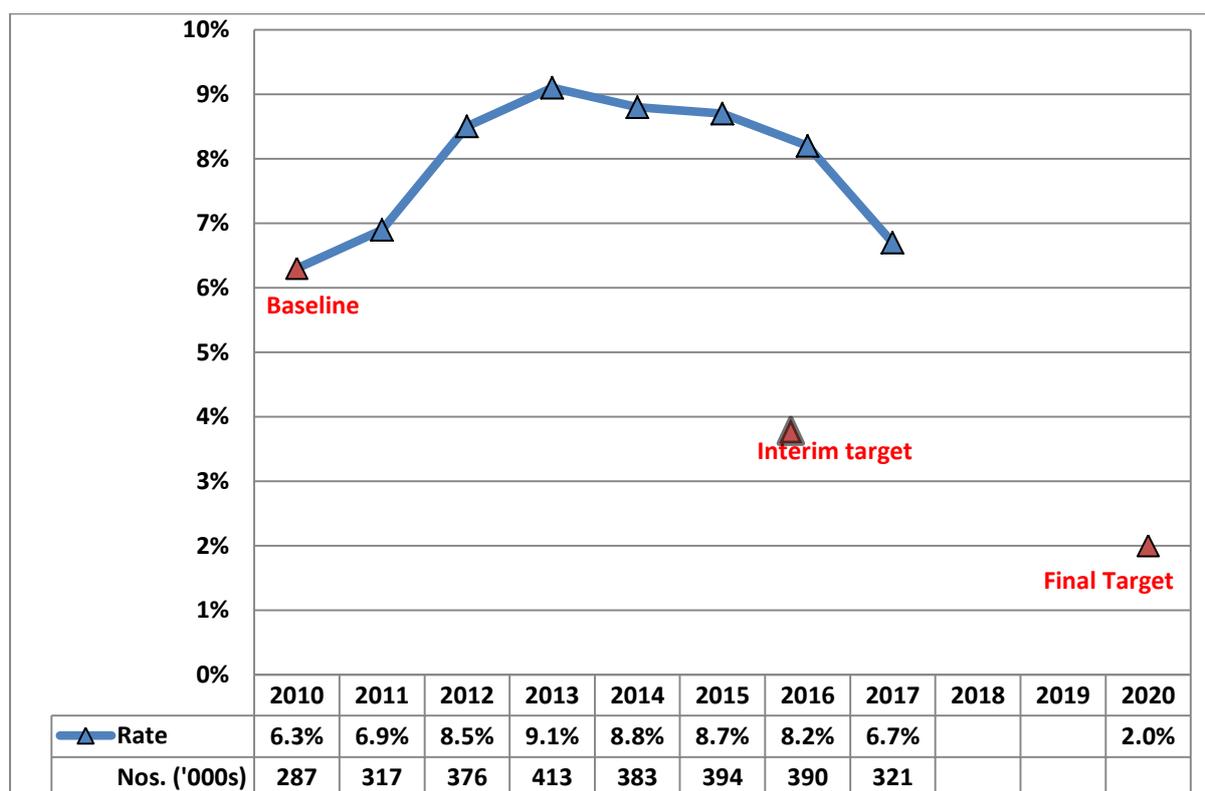
Section 3: Progress towards the national social target for poverty reduction and supporting indicators

3.1 Headline target

To reduce consistent poverty to 4 per cent by 2016 and to 2 per cent or less by 2020, from the 2010 baseline rate of 6.3 per cent.

Figure 3.1 shows the consistent poverty rate in 2017 is 6.7 per cent, down from 8.2 per cent in 2016. Currently, a reduction of 4.7 percentage points (70 per cent) is required to meet the 2020 target. Numerically, 321,000 people were in consistent poverty in 2017.²⁹

Figure 3.1 Progress towards the national social target for poverty reduction



Source: SILC, various years

²⁹ This is based on the 2017 Census population figure of 4,792,490 in 2017.

3.2 Medium-term perspective on consistent poverty

Table 3.1 compares the changes in consistent poverty rates across three time periods; economic growth (2005 to 2008), economic crisis (2009 to 2013) and early recovery (2014 to 2017). This type of analysis contrasts with the trend analysis used in the rest of the Monitor, which can focus on peaks and troughs. The time period analysis neutralises any oscillations or extremes giving a clear sense of the contrast between poverty rates in Ireland during contrasting periods in the economic cycle.

Table 3.1 Medium-term perspective on consistent poverty

	2005 – 2008 4 years	2009 – 2013 5 years	2014-2017 4 years
Consistent poverty	5.7%	7.2%	7.9%

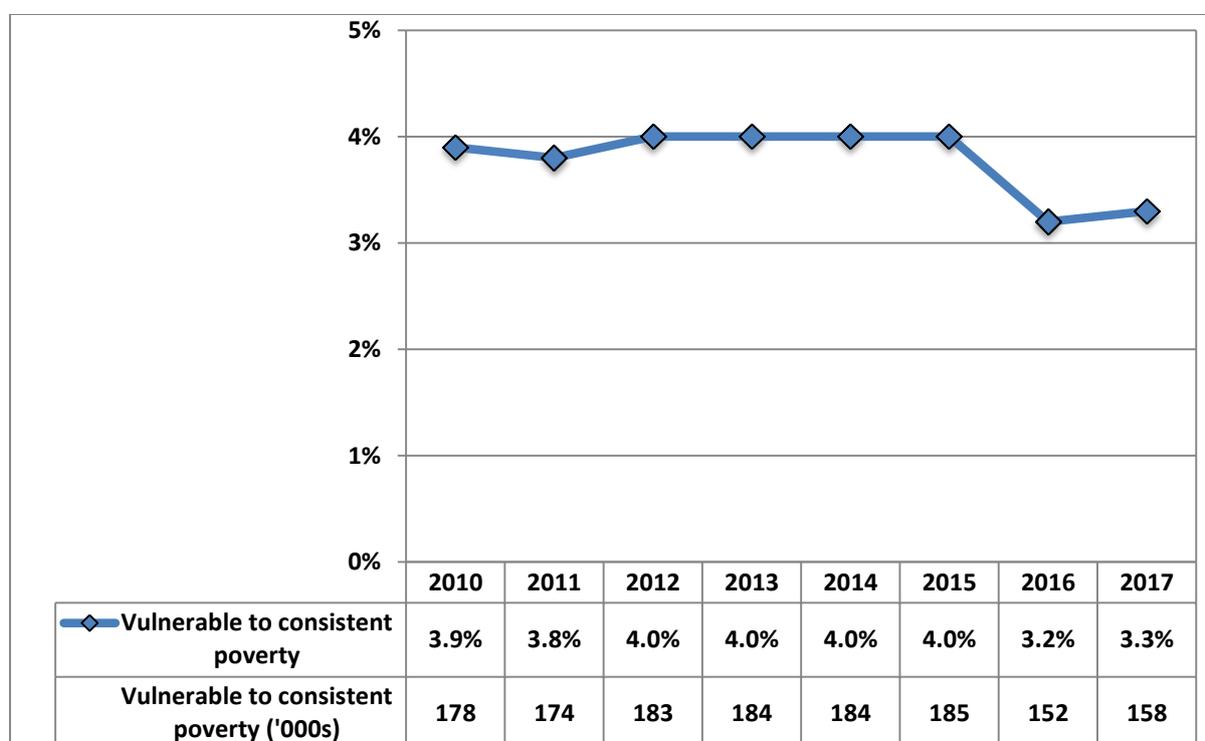
Source: SILC, various years

3.3 Vulnerable to consistent poverty

Vulnerable to consistent poverty identifies the population experiencing basic deprivation and whose income is between 60% and 70% of the median.

Figure 3.2 shows that the vulnerable to consistent poverty indicator increased slightly to 3.3 per cent in 2017.³⁰ Numerically, there were 158,000 people vulnerable to consistent poverty in 2017.

Figure 3.2 Vulnerable to consistent poverty



Source: SILC, various years

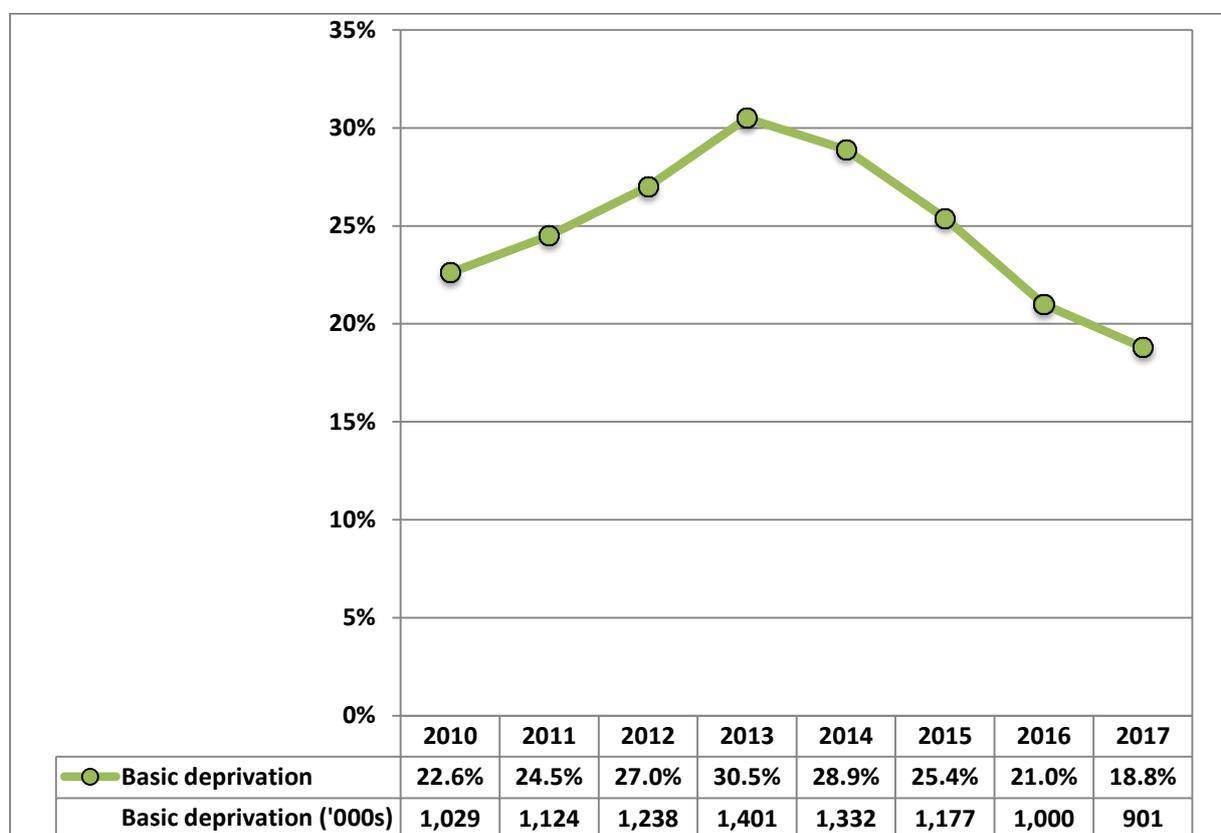
³⁰ Merging the vulnerable to consistent poverty rate with those experiencing consistent poverty gives a combined figure of 10 per cent in 2017, down from 11.4 per cent in 2016.

3.4 Basic deprivation

People are in basic deprivation if they live in a household lacking 2 or more of 11 basic necessities.

Basic deprivation fell by 2.2 percentage points in 2017 and now affects 18.8 per cent of the population. This is the fourth successive year of declining deprivation rates, since the 2013 high of 30.5 per cent. Numerically, 901,000 people experienced basic deprivation in 2017, down from 1 million in 2016.

Figure 3.3 Basic deprivation



Source: SILC, various years

Table 3.2 shows the rate of basic deprivation by item. Overall, 13.5 per cent of people were in households deprived of one item only, 6.2 per cent on two items only, and 12.6 per cent were deprived of three or more items.

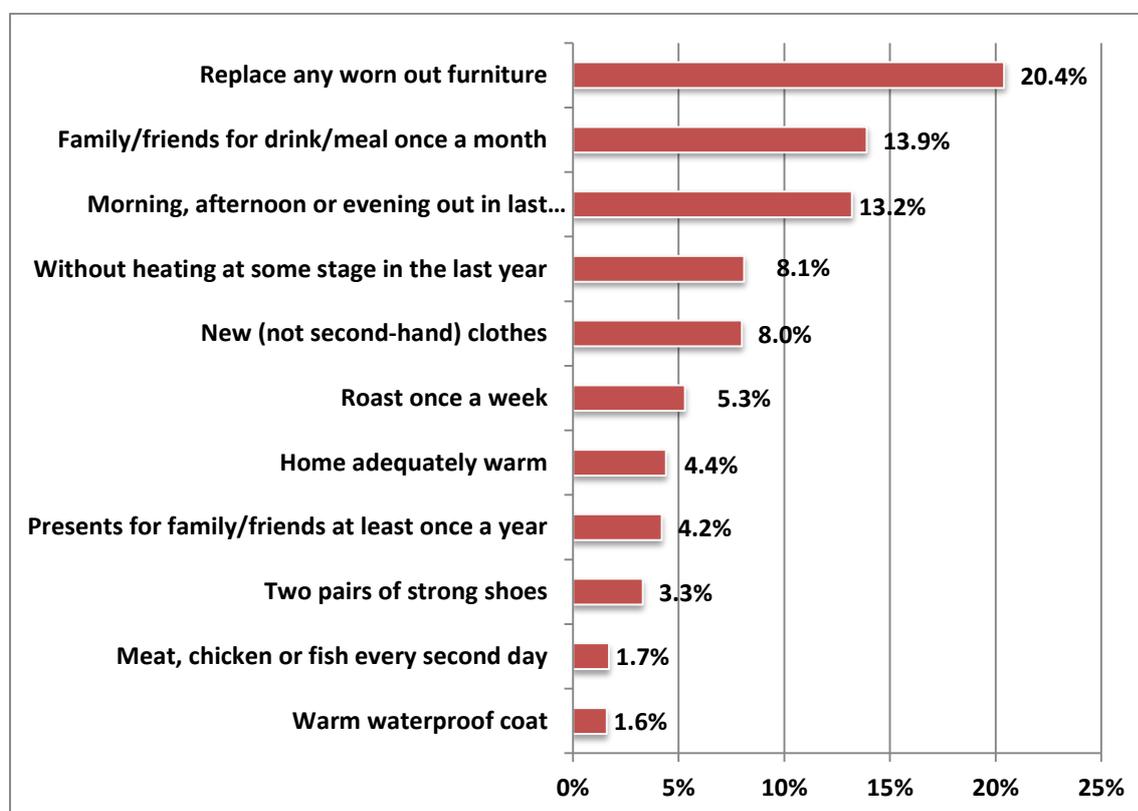
Table 3.2 Basic deprivation rates by item and year

	2010	2011	2012	2013	2014	2015	2016	2017
% deprived on exactly 1 item	13.5%	15.7%	16.1%	14.3%	14.7%	15.2%	14.1%	13.5%
% deprived on exactly 2 items	8.5%	9.1%	9.4%	9.7%	8.7%	7.6%	7.2%	6.2%
% deprived on 3+ items	14.1%	15.4%	17.6%	20.9%	20.2%	17.8%	13.8%	12.6%

Source: SILC, various years

Figure 3.4 shows the individual items of basic deprivation in 2017. The four most common basic deprivation items are being unable to afford to replace worn out furniture (20.4 per cent), to have family or friends for a drink or meal once a month (13.9 per cent), a morning, afternoon or evening out in the last fortnight (13.2 per cent), and going without heating at some stage in the last year (8.1 per cent). The deprivation level fell on almost all of the 9 items in 2017, with one exception (unable to afford two pair of strong shoes increased from 2.9% in 2016 to 3.3% in 2017).

Figure 3.4 Basic Deprivation Items



Source: SILC, various years 3.5 At-risk-of-poverty

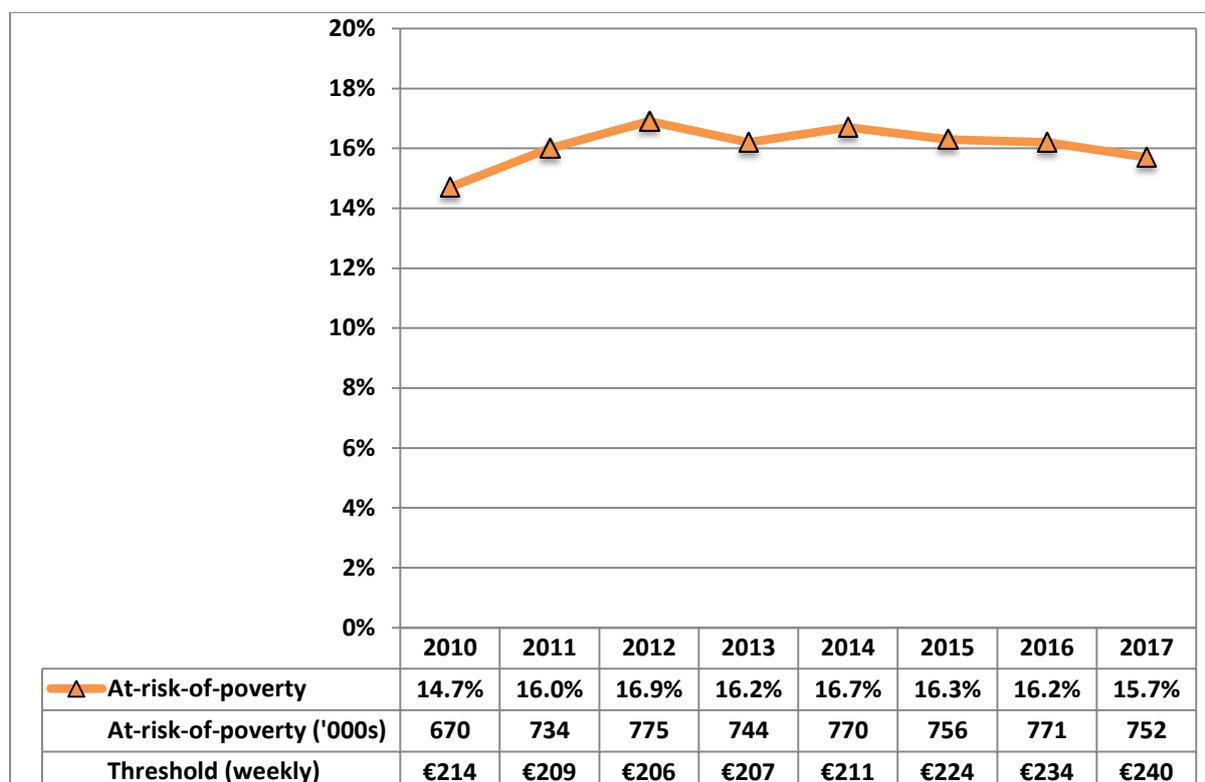
3.5 At-risk-of-poverty

People are at-risk-of-poverty if their equivalised household income is below 60% of the median.

Figure 3.5 shows the at-risk-of-poverty rate decreased from 16.2 per cent in 2016 to 15.7 per cent in 2017, though not a statistically significant change. Numerically, there were 752,000 people at-risk-of-poverty in 2017.

In 2017, the at-risk-of poverty threshold was €239.96 per week for a single person. This compares to €233.79 per week in 2016. The depth of poverty (as measured by the relative at-risk-of poverty gap³¹) decreased from 18.7 per cent in 2016 to 17.5 per cent in 2017.

Figure 3.5 At-risk-of-poverty



Source: SILC, various years

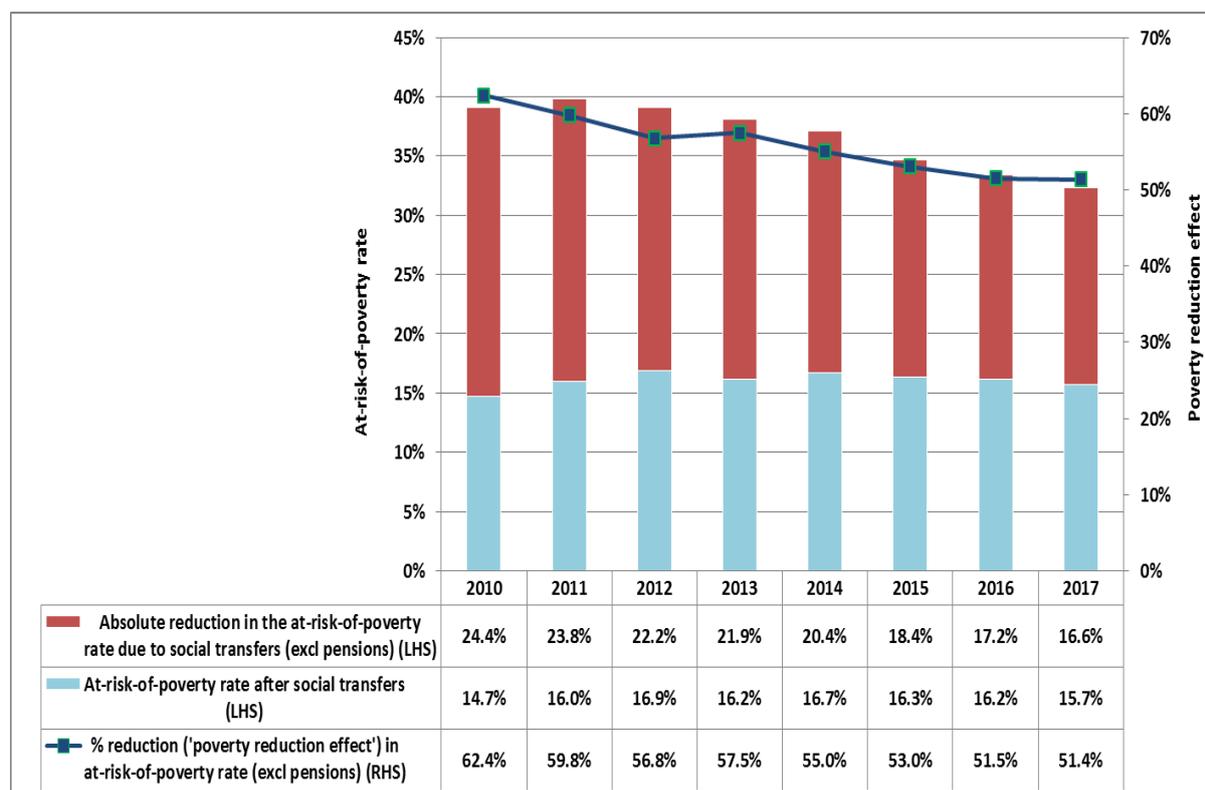
³¹ Relative at-risk-of-poverty gap is the difference between the median equivalised income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold expressed as a percentage of the at-risk-of-poverty threshold (60% of median equivalised income). This indicator is used to estimate the depth of poverty. In policy terms, it indicates the scale of transfers which would be necessary to bring the incomes of those concerned up to the poverty threshold.

3.6 Impact of social transfers on the at-risk-of-poverty rate

The impact of social transfers in reducing the at-risk-of-poverty rate in absolute and percentage terms (excluding pensions).

In 2017, social transfers (excluding pensions) reduced the at-risk-of poverty rate from 32.3 per cent to 15.7 per cent or 16.6 percentage points in absolute terms (left-hand side of Figure 3.6). This represents a poverty reduction effect of 51.4 per cent (right-hand side of Figure 3.6). The comparable figure in 2016 was 51.5 per cent.³² This is amongst the best in the EU (see Figure 4.7).

Figure 3.6 Impact of social transfers on the at-risk-of-poverty rate



Source: SILC, various years

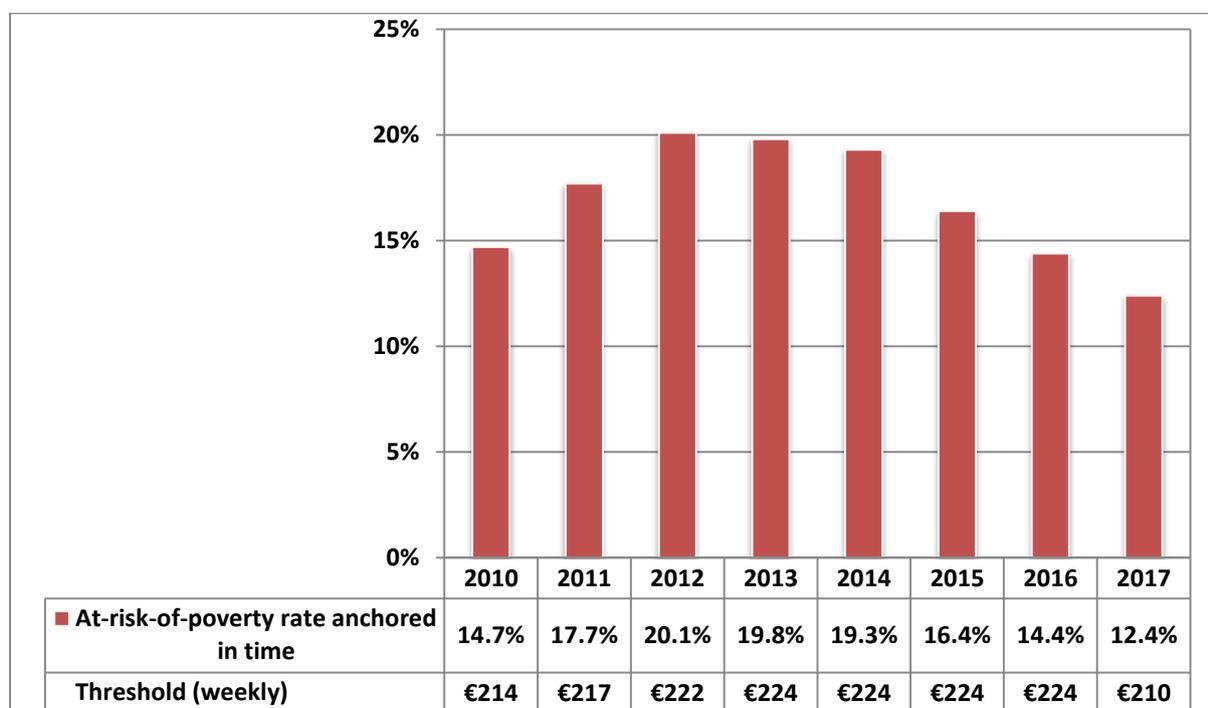
³² The reduction including pensions was from 43.8 per cent (before social transfers) to 15.7 per cent (after social transfers), a 'poverty reduction effect' of 64 per cent.

3.7 Anchored at-risk-of-poverty

The percentage of the population with an equivalised disposable income below 60% of median income, anchored in 2010 values.

Figure 3.7 shows that in 2017 the at-risk-of-poverty rate anchored in 2010 values was 12.4 per cent. This was a 2 percentage point decrease on the 2016 rate of 14.4 per cent. It should be noted that this rate is below the 2010 rate of 14.7 per cent. In 2017, the anchored at-risk-of-poverty threshold was €210 per week for an individual.

Figure 3.7 At-risk-of-poverty anchored in 2010 values



Source: CSO SILC, various years

3.8 Medium-term perspective on the supporting indicators

Table 3.3 compares the changes in poverty rates associated with the supporting indicators across three time periods; economic growth (2005 to 2008), economic crisis (2009 to 2013) and early recovery (2014 to 2017).

Table 3.3 Medium-term perspective on the supporting indicators

	Average 2005 – 2008 4 years	Average 2009 – 2013 5 years	Average 2014 – 2017 4 years
Vulnerable to consistent poverty	2.7%	3.9%	3.6%
Basic deprivation	13.6%	24.3%	23.5%
At-risk-of-poverty	16.6%	15.6%	16.2%
Impact of social transfers on the at-risk-of-poverty rate	49.6%	59.6%	52.7%
At-risk-of-poverty anchored in 2010 values	15.4%	17.0%	15.6%

Source: SILC, various years



Section 04

Progress towards the national social target for poverty reduction and supporting indicators



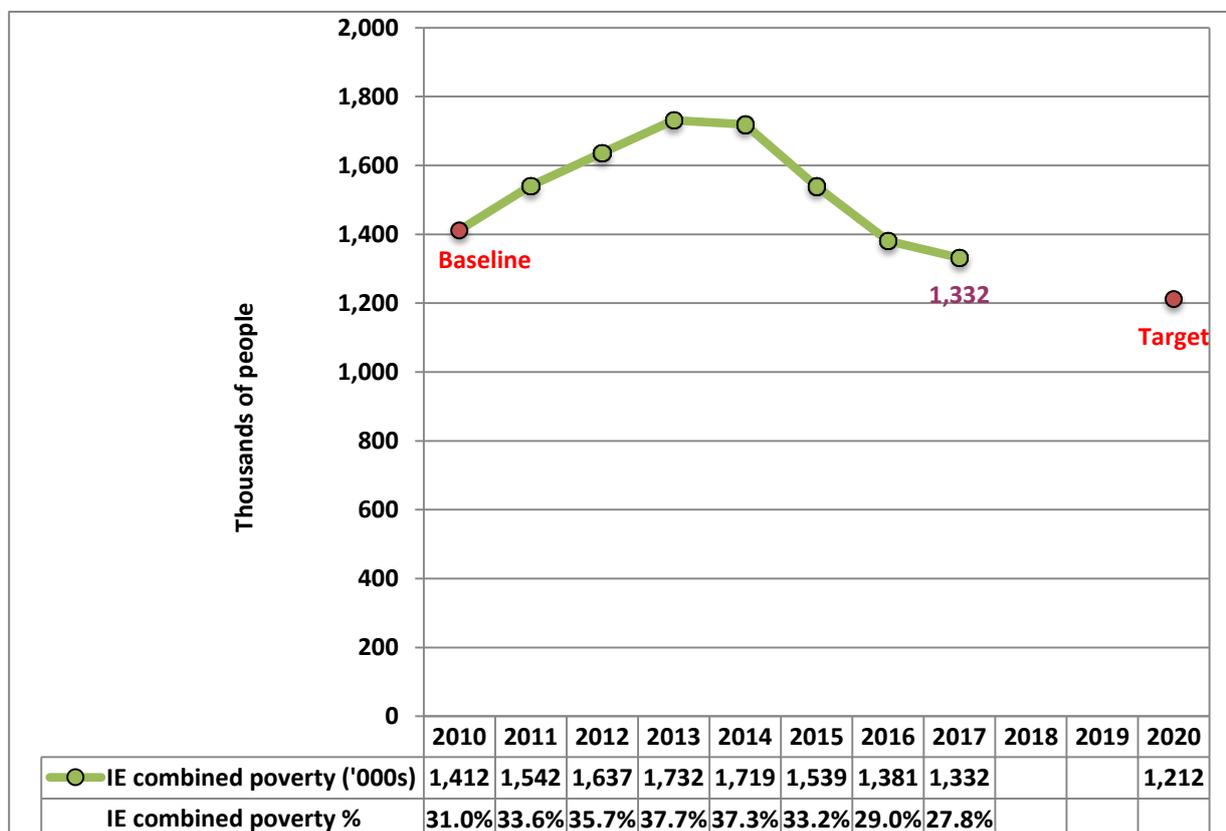
Section 4: The Europe 2020 poverty target

4.1 Irish contribution to Europe 2020 poverty target

Ireland has defined its contribution to the Europe 2020 poverty target as reducing by a minimum of 200,000 the population in ‘combined poverty’ between 2010 and 2020.

As measured using national data, the population affected by ‘combined poverty’ (see [Box 1](#)) was 27.8 per cent in 2017, compared to 29 per cent in 2016. This figure reflects a decrease in basic deprivation (down 2.2 percentage points to 18.8 per cent) and a marginal decrease in the at-risk-of-poverty rate by 0.5 percentage points to 15.7 per cent. Nominally, this equated to 1.33 million people and represents a decrease of 80,000 people on the 2010 baseline figure (see Figure 4.1). Thus, over 120,000 people will have to be lifted out of combined poverty by 2020 to meet the Europe 2020 target. It should be noted that this rate increased to 1.74 million people from 2010 to 2013 and thus the current rate represents a decrease of approximately 400,000 people on the 2013 rate.

Figure 4.1 Ireland’s contribution to the Europe 2020 poverty target



4.2 Medium-term perspective on combined poverty

Table 4.1 compares the changes in combined poverty rates across three time periods; economic growth (2005 to 2008), economic crisis (2009 to 2013) and early recovery (2014 to 2017).

Table 4.1 Medium-term perspective on combined poverty

	2005 – 2008 4 years	2009 – 2013 5 years	2014 – 2017 4 years
Combined poverty	24.4%	32.6%	31.8%

Source: SILC, various years

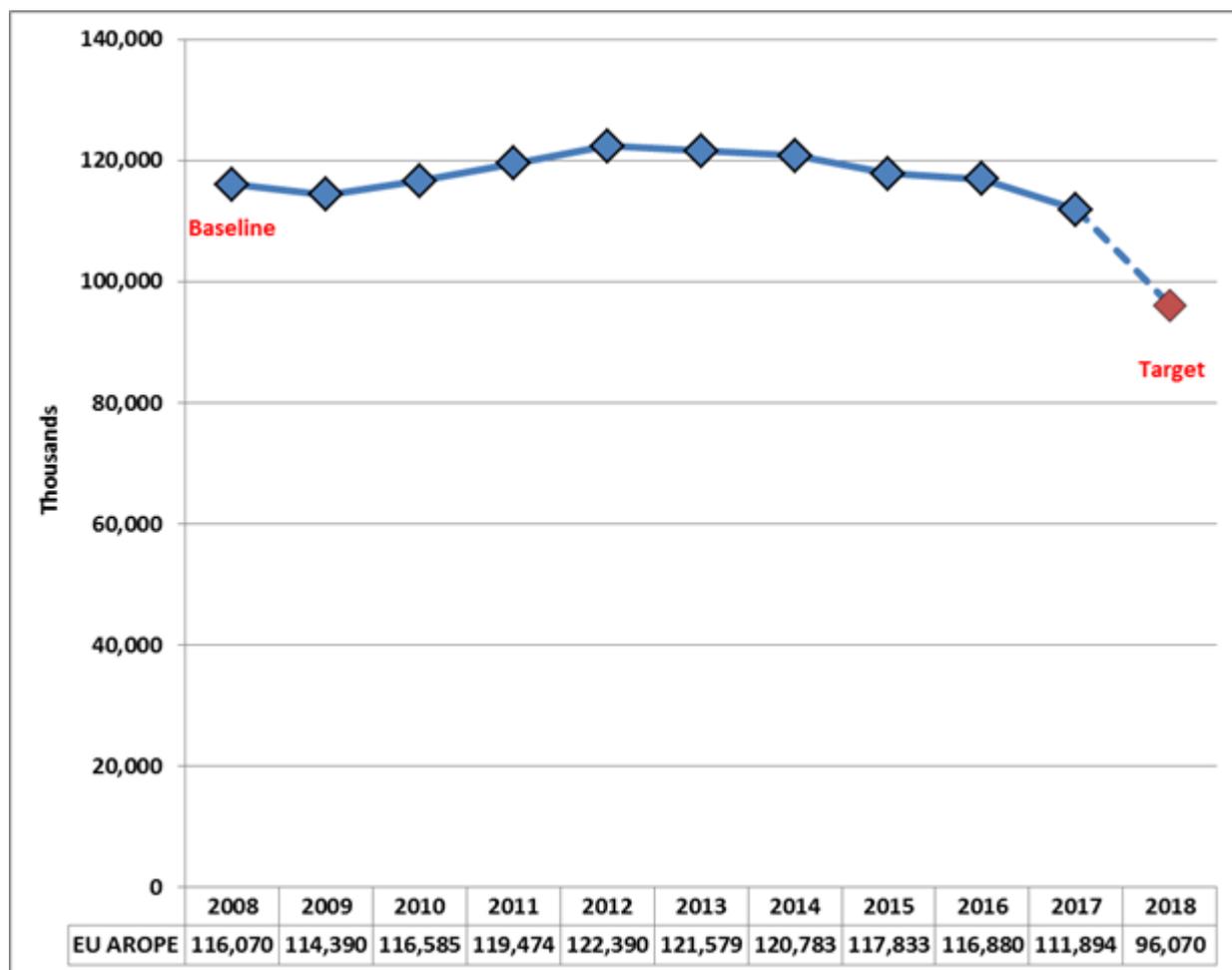
4.3 Progress towards the Europe 2020 poverty target

The Europe 2020 poverty and social exclusion target is to lift at least 20 million people from the risk of poverty and social exclusion. The baseline year for the target is 2008 while the target year is 2018. The baseline figure was 116 million in 2008, meaning the target figure is 96 million by 2018.³³

Figure 4.2 shows there has been little progress towards the target since 2008, the baseline year. The number of people at risk of poverty and social exclusion (AROPE) increased from 116 to 122.4 million in 2012, before falling to 112 million in 2017. The increase over the period was largely due to rising levels of severe material deprivation and very low work intensity households.

³³ The Europe 2020 poverty target is based on the combination of three indicators: at-risk-of-poverty, severe material deprivation, or very low work intensity (i.e. jobless households) – see diagram in glossary. In cases where people experience more than one of these indicators, they are counted only once.

Figure 4.2 Progress towards the Europe 2020 poverty target³⁴



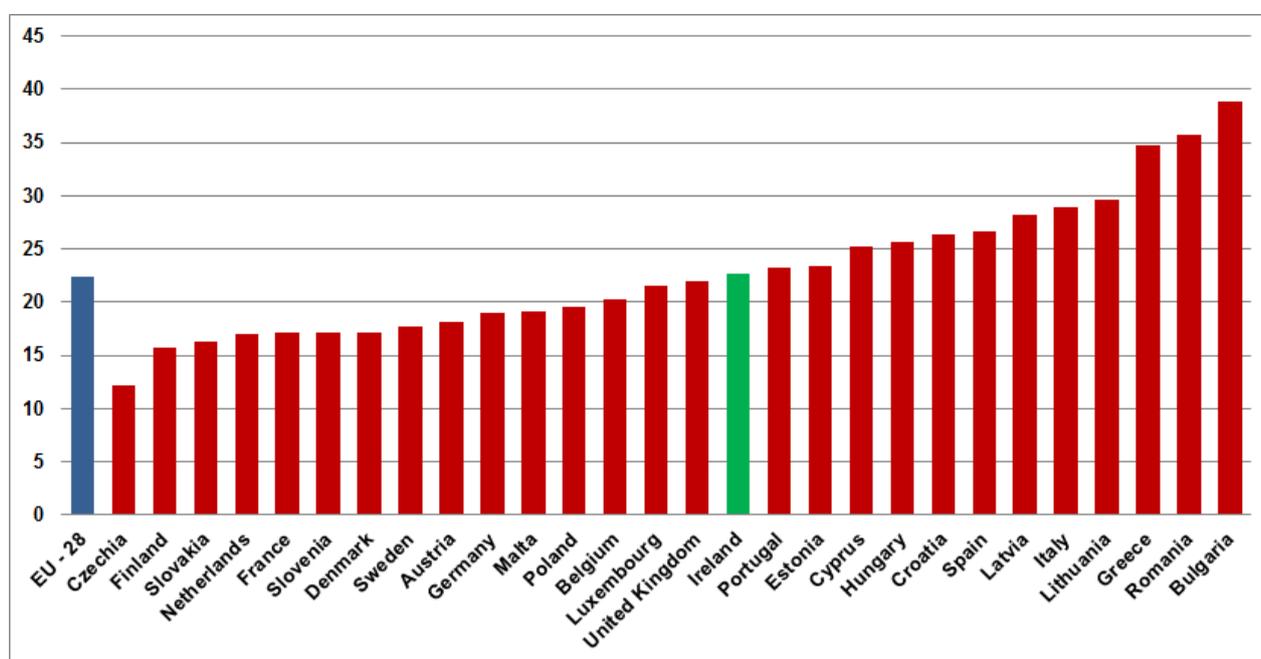
Source: Eurostat EU-SILC, various years

³⁴ In 2010, the Europe 2020 poverty target was set using the latest available data (2008) for all 27 member states. Croatia joined the European Union on 1st July 2013, becoming the 28th member state. Data for Croatia is not available before 2010. Figures exclude Croatia, which contributes an additional 1 million to the target population.

4.4 Comparative EU-28 at risk of poverty or social exclusion rates

As measured using EU-SILC data for 2017, Figure 4.3 shows that the proportion of people experiencing poverty or social exclusion (AROPE) in Ireland is 22.7 per cent, down from 24.2 per cent in 2016. This compares to an EU-28 average of 22.4 per cent. Ireland ranks 16th of the 28 member states on the AROPE indicator in 2017. The relatively higher rate of AROPE is due to the high rate of very low work intensity reported for Ireland. Ireland rates better than average on the at-risk-of-poverty and deprivation measures.³⁵

Figure 4.3 At risk of poverty or social exclusion rates in the EU-28, 2017

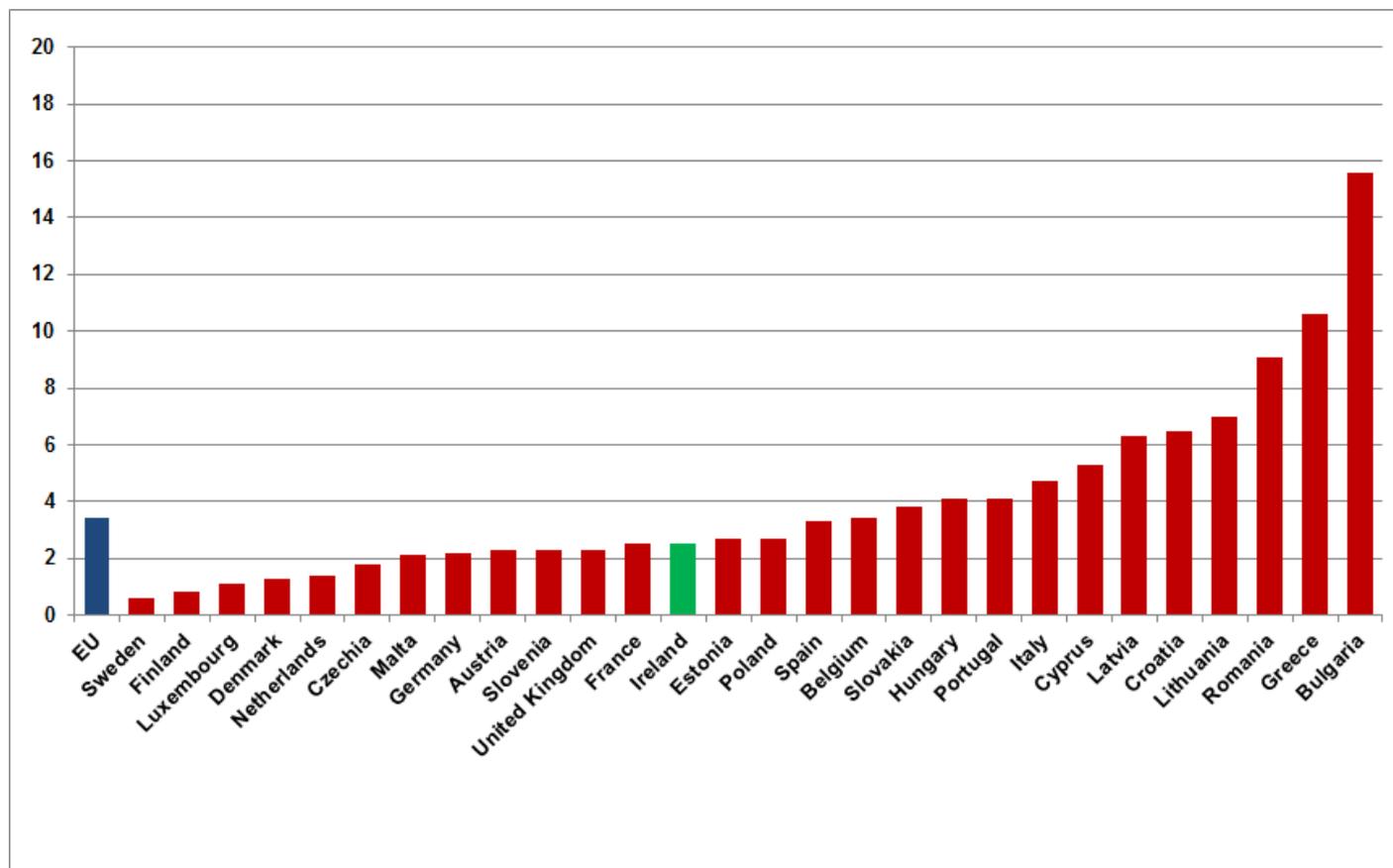


Source: Eurostat EU-SILC

It is possible using EU-SILC data to focus on the overlap of at-risk-of-poverty and severe material deprivation, excluding the very low work intensity (VLWI) measure. Using this measure, Figure 4.4 indicates that 2.5 per cent of the population in Ireland were both at-risk-of-poverty and severely materially deprived in 2017, which is below the EU average of 3.4 per cent in 2017. Ireland ranks 13th of the 28 member states using this indicator in 2017.

³⁵ Following an examination of the data discrepancy with the very low work intensity measure in Ireland, the CSO have advised the Labour Force Survey is the definitive source of employment data, including household joblessness.

Figure 4.4 Combination of at-risk-of-poverty and severe material deprivation in the EU-28, 2017



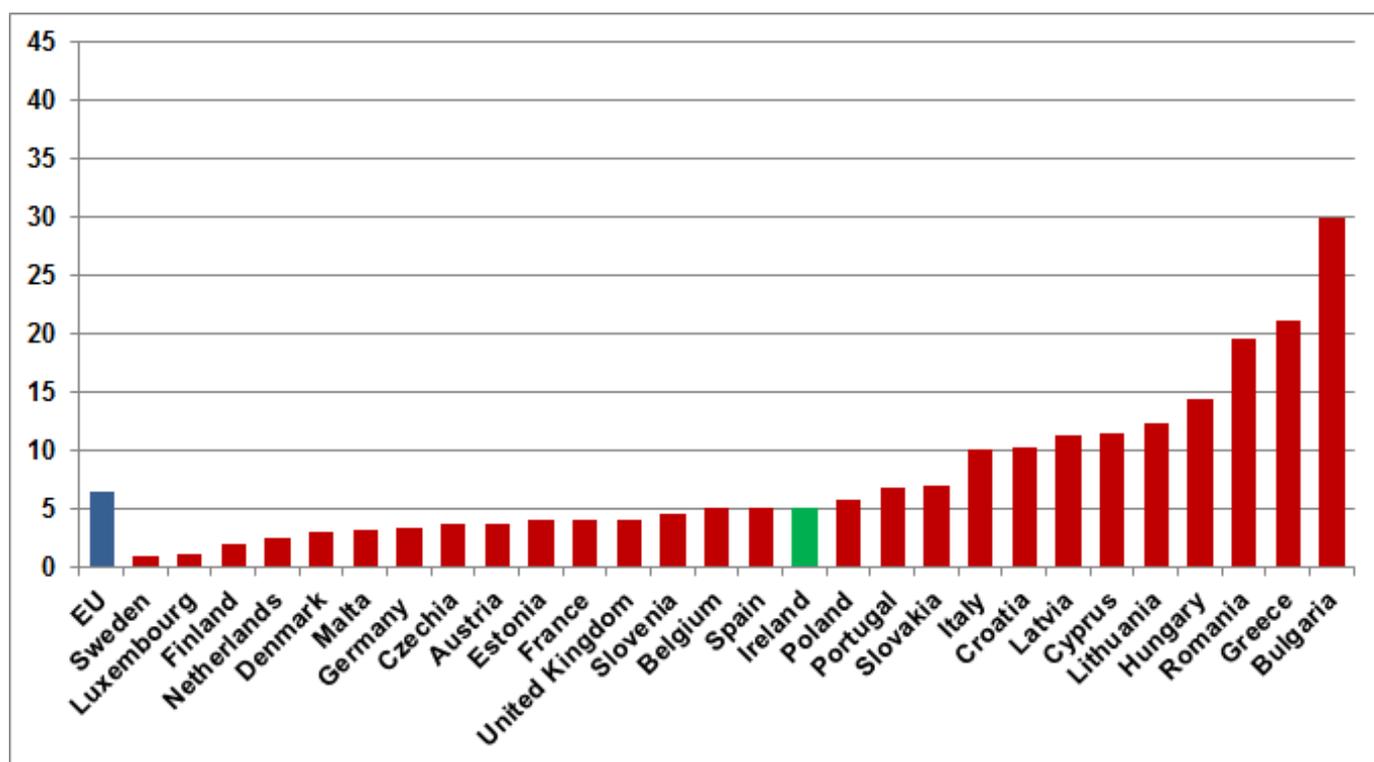
Source: Eurostat EU-SILC

As Figure 4.4 above shows, if the VLWI indicator is removed from AROPE, Ireland’s position in the EU-28 ranking order improves by three places.

4.5 Comparative EU-28 severe material deprivation rates

Figure 4.5 shows that in 2017, the rate of severe material deprivation in Ireland was 5.2 per cent, down from 6.5 per cent in 2016. This is below the EU-28 average of 6.6 per cent. Ireland ranks 16th of the 28 member states.

Figure 4.5 Severe material deprivation rates in the EU-28, 2017

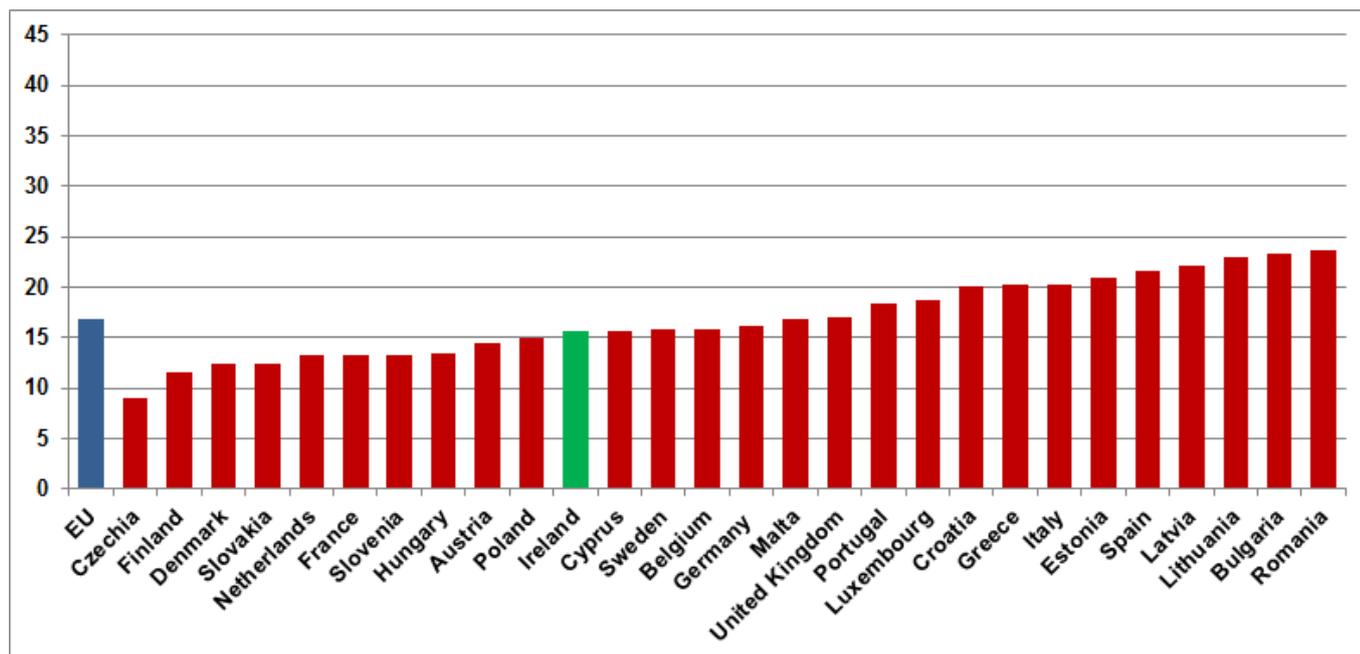


Source: Eurostat EU-SILC

4.6 Comparative EU-28 at-risk-of-poverty rates

Figure 4.6 shows that, using EU-SILC data for Ireland, the at-risk-of-poverty rate was 15.6 per cent in 2017, down from the 2016 rate of 16.6 per cent.³⁶ This is below the EU-28 average of 16.9 per cent in 2017. Ireland ranks 11th of the 28 member states on this indicator.

Figure 4.6 At-risk-of-poverty rates in the EU-28, 2017



Source: Eurostat EU-SILC

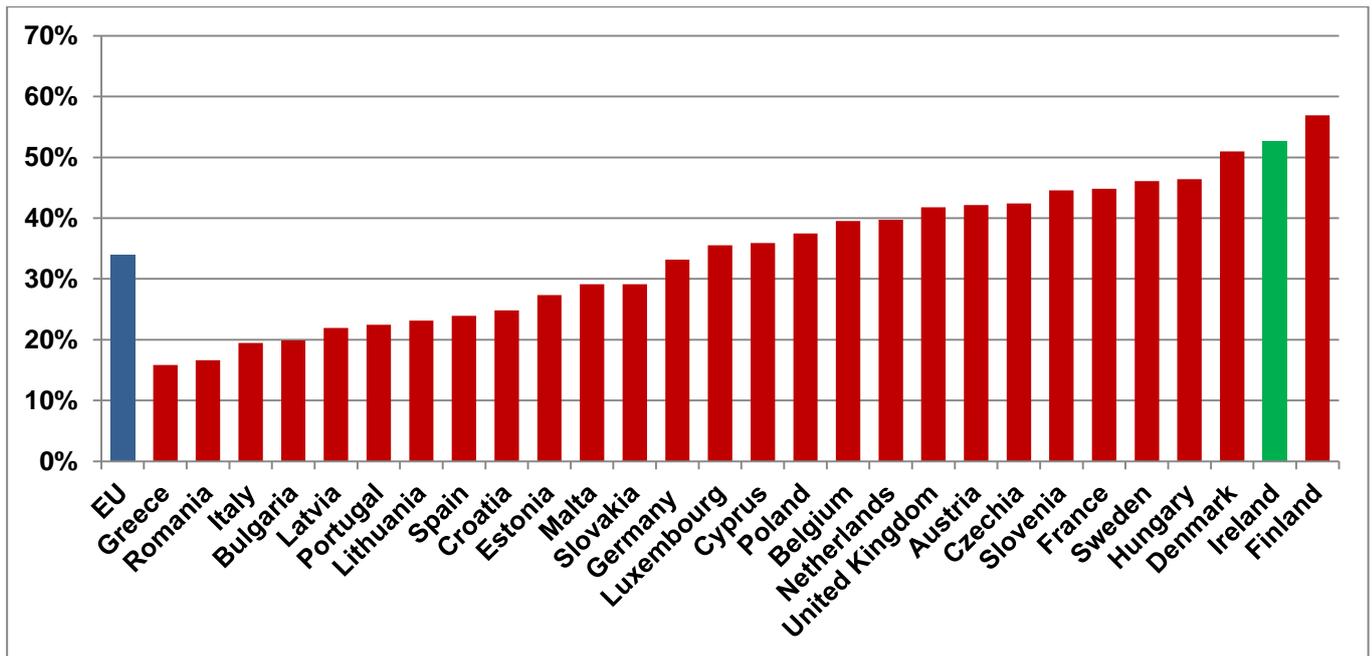
4.7 Impact of social transfers across the EU-28

Figure 4.7 shows that Ireland continued to be among the best performing EU countries in reducing poverty and inequality through social transfers (excluding pensions). Using comparable data from Eurostat for 2017 (Figure 4.7), Ireland’s performance in reducing poverty at 53 per cent was far in excess of the EU-28 norm of 34 per cent and above the 42 per cent reduction achieved in the UK.³⁷

³⁶ Using EU-SILC data for Ireland in 2017, the average weekly at-risk-of-poverty threshold was €263.07, an increase of 3.5 per cent on the 2016 threshold of €258.09.

³⁷ The data from Eurostat for Ireland vary slightly from the national indicators due to the different income concept used.

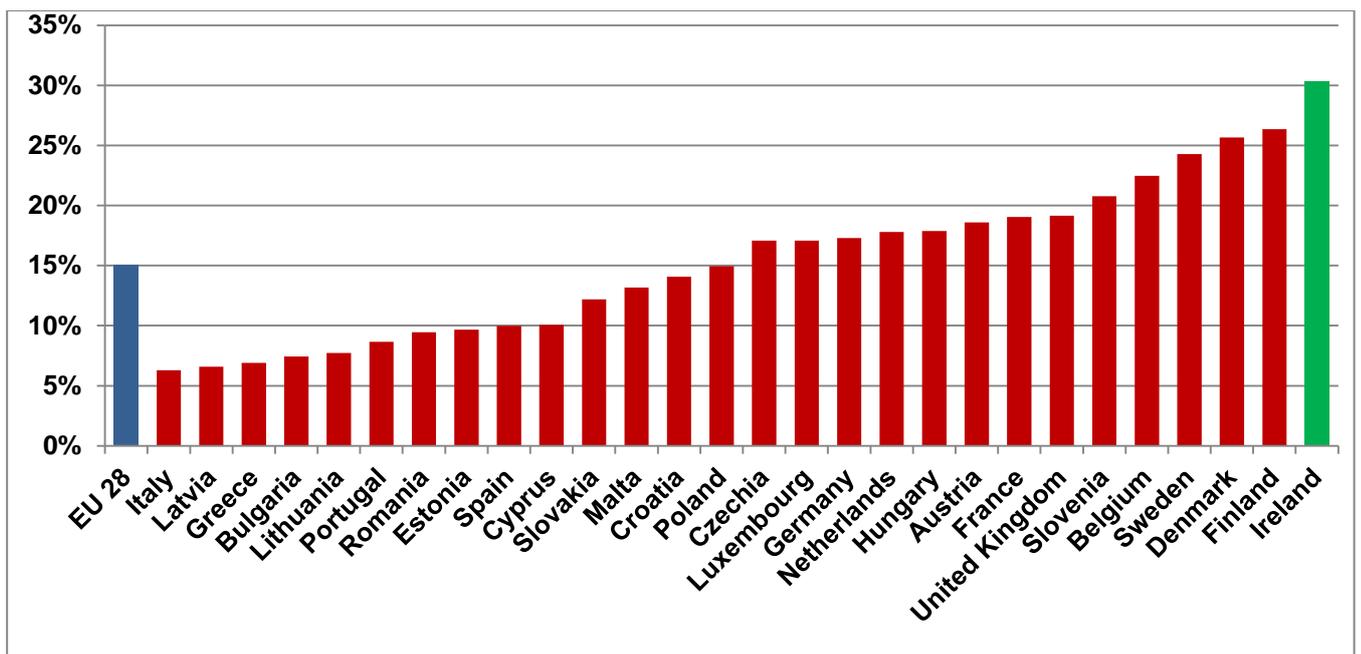
Figure 4.7 Poverty reduction effect of social transfers in the EU-28, 2017



Source: Eurostat EU-SILC, 2016

Figure 4.8 below shows that in 2017, Irish social transfers reduced the Gini coefficient from 41.6 to 30.6, an income inequality reduction effect of 26 per cent. Ireland was the best performing EU member state, reducing income inequality by nearly twice the EU average (15 per cent).

Figure 4.8 Impact of social transfers on income inequality in the EU-28, 2017



Source: Eurostat EU-SILC, 2016



Section 05

Child poverty target and related indicators



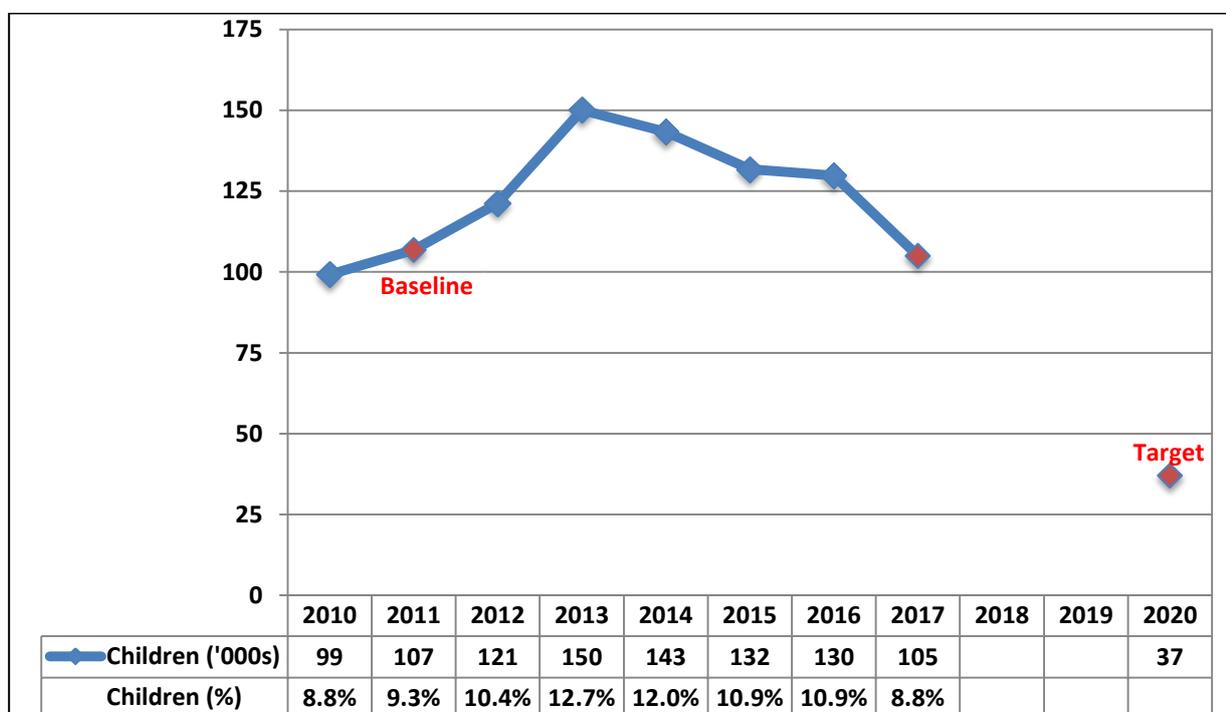
Section 5: Child poverty target and related indicators

5.1 Child-specific poverty target

To lift over 70,000 children (aged 0-17 years) out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level.

Figure 5.1 shows that there were 105,000 children in consistent poverty in 2017, a decrease of 25,000 children on 2016. This means that a revised figure of 68,000 children have to be lifted out of consistent poverty to meet the target by 2020.

Figure 5.1 Progress on the child-specific social target

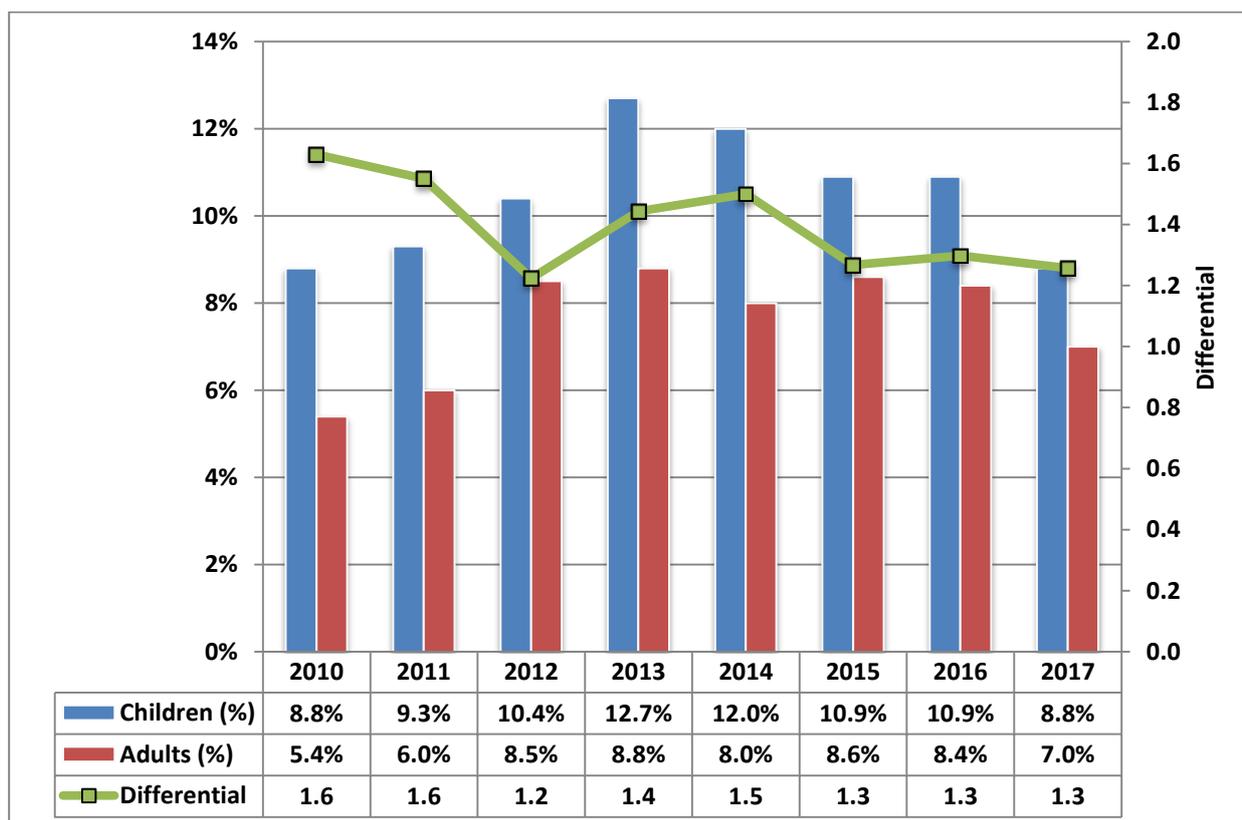


Source: SILC, various years

This target also seeks to reduce the higher consistent poverty risk for children as compared to adults (aged 18 years and over) and for households with children as compared to non-child households.

The left-hand side of Figure 5.2 shows that children had a consistent poverty rate of 8.8 per cent in 2017, compared to 7 per cent for adults (aged 18 years and over). The right-hand axis of the Figure looks at the differential between consistent poverty rates for adults and children. It shows that children were 1.3 times more likely to experience consistent poverty than adults, this remained the same as 2016 and 2015.

Figure 5.2 Consistent poverty rates for adults and children

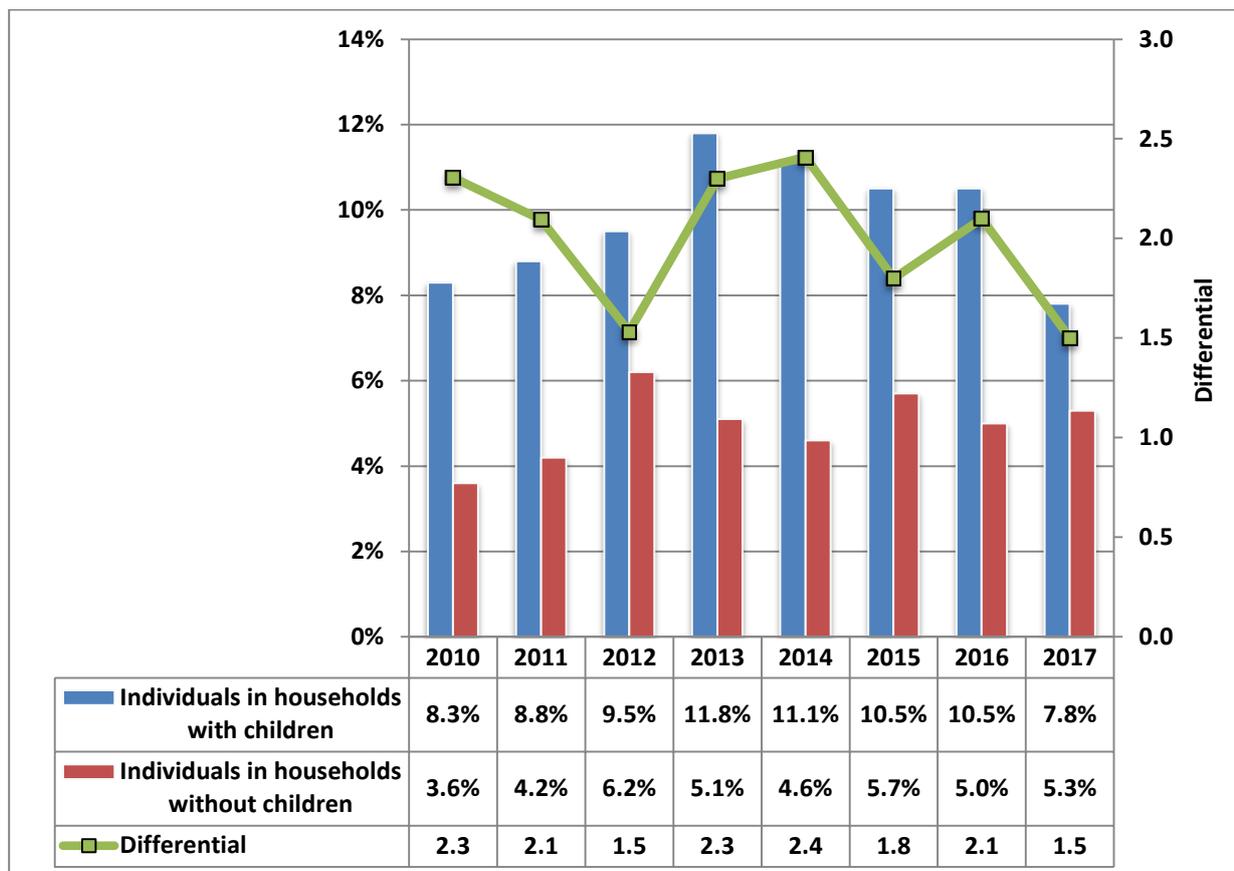


Source: CSO SILC and analysis of SILC by the ESRI, various years

The left-hand side of Figure 5.3 compares the consistent poverty rates for individuals in households with and without children. In 2017, people in households with children had consistent poverty rates of 7.8 per cent, compared to 5.3 per cent for those in non-child households. The rates in 2016 were 10.5 per cent and 5 per cent respectively.

The right-hand axis of Figure 5.3 shows the differential between consistent poverty rates for households with and without children. It finds that people in households with children were almost 1.5 times more likely to experience consistent poverty than those in households without children.

Figure 5.3 Consistent poverty rates for households with and without children (individuals)



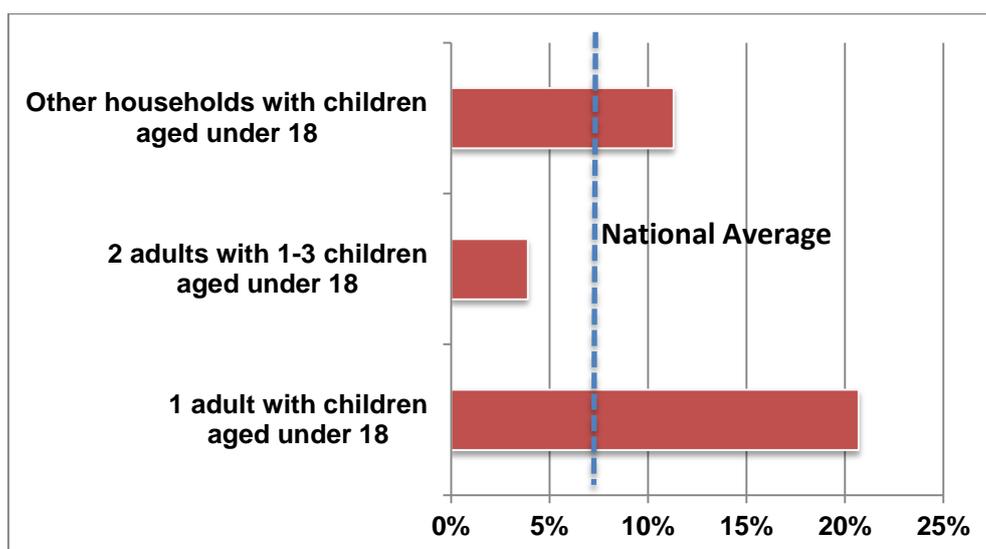
Source: Analysis of SILC by the ESRI, various years

5.2 Consistent poverty rates by household composition

Figure 5.4 compares the consistent poverty rates in different households with children. In 2017, lone parent households and other households with children had consistent poverty rates above the national average rates for individuals in households with children (7.8 per cent).

The rate for lone parent households decreased in 2017 by 2.5 percentage points to 20.7 per cent and the rate for other households with children also decreased to 11.3 per cent, down 4 per cent from the 2016 rate. The pattern of these households being above the national average remains the same.

Figure 5.4 Consistent poverty rates by household type, 2017 (individuals)



Source: SILC, various years. National Average Rate = 7.8%

5.3 Other poverty indicators for children and young people

The National Policy Framework for Children and Young People 2014-2020 (*Better Outcomes, Brighter Futures*) sets out indicators across key national outcome areas. Tables 5.1 and 5.2 set out the progress to date on key indicators in relation to poverty among children and young people. Consistent poverty, deprivation and at-risk-of-poverty rates for these groups were above the national average in 2017. In 2017, social transfers reduced the at-risk-of poverty rate for children from 39.1 per cent to 18.4 per cent, a poverty reduction effect of 52.9 per cent. The comparable figure in 2016 was 51.9 per cent.

Table 5.1 Other poverty indicators for children

	Children (0-17 years)							
	2010	2011	2012	2013	2014	2015	2016	2017
Consistent poverty	8.8%	9.3%	10.4%	12.7%	12.0%	10.9%	10.9%	8.8%
Deprivation	30.5%	32.1%	32.4%	37.5%	36.3%	31.1%	25.0%	23.0%
At-risk-of-poverty before social transfers (ex-pensions)	50.2%	49.8%	45.4%	44.4%	43.6%	41.4%	39.7%	39.1%
At-risk-of-poverty after social transfers	18.4%	18.8%	19.1%	19.2%	19.7%	18.4%	19.1%	18.4%
Poverty reduction effect of social transfers (ex-pensions)	63.3%	62.2%	57.9%	56.8%	54.8%	55.6%	51.9%	52.9%

Source: SILC, various years

The impact of social transfers on the at-risk-of-poverty rate for young people was 36.9 per cent in 2017 (reducing the rate from 45 to 28.4 per cent).

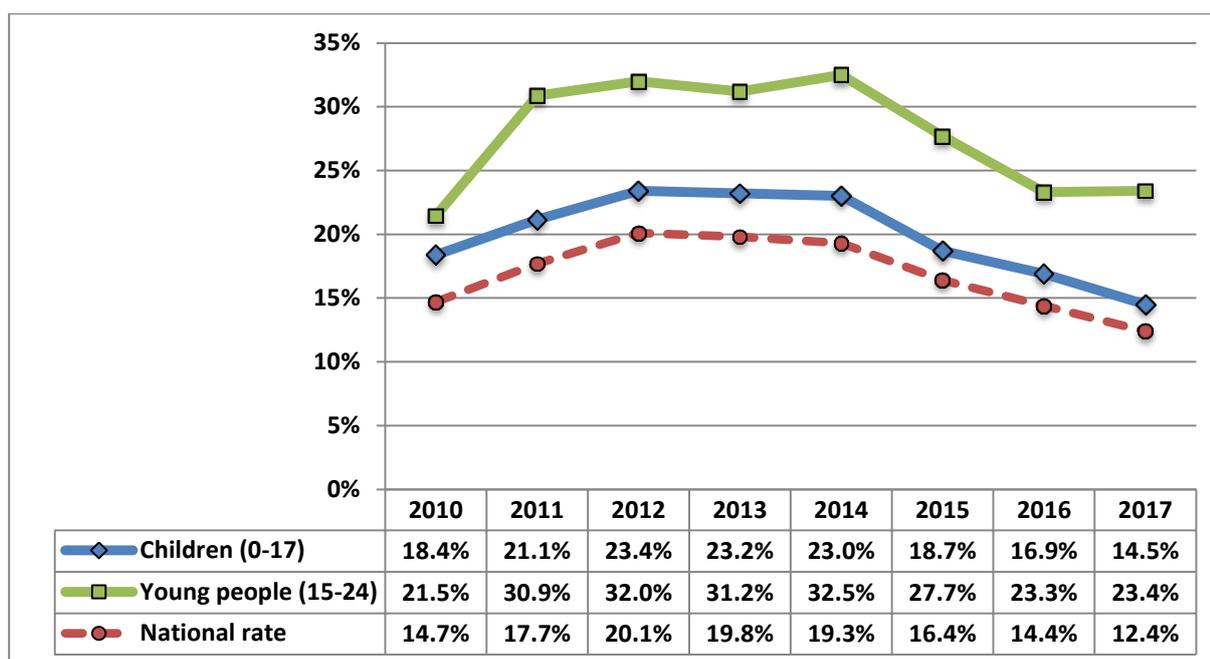
Table 5.2 Other poverty indicators for young people

	Young People (15-24 years)							
	2010	2011	2012	2013	2014	2015	2016	2017
Consistent poverty	9.0%	12.1%	12.3%	14.9%	13.4%	15.7%	13.8%	11.5%
Deprivation	24.5%	26.8%	32.5%	36.3%	34.3%	31.0%	28.2%	25%
At-risk-of-poverty before social transfers (ex-pensions)	48.8%	53.2%	55.3%	50.6%	50.9%	46.9%	43.4%	45%
At-risk-of-poverty after social transfers	21.5%	29.4%	28.3%	26.7%	29.3%	27.4%	25.7%	28.4%
Poverty reduction effect of social transfers (ex-pensions)	55.9%	44.7%	48.8%	47.2%	42.4%	41.6%	40.8%	36.9%

Source: SILC, various years

Figure 5.5 looks at the at-risk-of-poverty rate anchored in 2010 values for children and young people. In 2017, the at-risk-of-poverty rate for children anchored in 2010 values was 14.5 per cent, while the rate for young people was higher at 23.4 per cent. Both were above the national rate of 12.4 per cent, though the rate for children declined in 2017 by 2.4 percentage points and the rate for young people increased slightly by 0.1 percentage points.

Figure 5.5 At-risk-of-poverty anchored in 2010 values, by age group



Further analysis to report the differences in consistent poverty rates by children’s age-bands (0-5 years; 6-11 years; and 12-17 years) is presented in Table 6.1 in the next section. The Table shows that the consistent poverty rates for older children (i.e. those aged from 12 to 17 years) are consistently higher than the two other age categories. The next highest consistent poverty rates were among children aged from 6 to 11. Children under the age of 6 years had the lowest rates. Consistent poverty rates fell in each of the three age-bands in 2017.

5.4 Medium-term perspective on the child-specific social target

Table 5.3 compares the changes in consistent poverty rates for children across three time periods; economic growth (2005 to 2008), economic crisis (2009 to 2013) and early recovery (2014 to 2017).

Table 5.3 Medium-term perspective on the child poverty indicator

	2005 – 2008 4 years	2009 – 2013 5 years	2014 – 2017 4 years
Child poverty	8.7%	10.0%	10.7%

Source: SILC, various years



Section 06

Life-cycle groups, social inclusion indicators and spatial distribution of poverty



Section 6: Life-cycle groups, social inclusion indicators and spatial distribution of poverty

This section monitors trends in indicators relating to life-cycle groups and social inclusion. The first part presents the consistent poverty indicator disaggregated by social group while the second describes a broader range of social inclusion indicators which relate to specific social policy issues. The third and fourth part examine poverty trends from a spatial perspective. An important point to note is that spatial analysis using SILC is limited due to the sample size. As such, the analysis focuses on regions and rural-urban characteristics alone. This limited spatial analysis of national poverty indicators can be complemented by micro-level data on select socio-demographic indicators from the Census (e.g. the Pobal Haase-Pratschke Deprivation Index³⁸ and the SAHRU National Deprivation Index³⁹).

Life-cycle groups and social inclusion indicators

6.1 Consistent poverty rate for social groups

Table 6.1 shows that a number of groups continued to be disproportionately affected by consistent poverty. In 2017, groups with the highest rates of consistent poverty (16.6-24.1 per cent) were individuals who were unemployed and those living in lone parent families or social housing. Those in employment, older people, and people living in owner occupier housing were least affected by consistent poverty.

Analysis for 2017 shows that the consistent poverty rate for people with a disability⁴⁰ i.e. those reporting to be severely limited in normal activities due to a health problem, was 15.7 per cent in 2017. This compared to a rate of 19.2 per cent the year before. However, this figure (like other statistics for very small groups in the survey) has been volatile in recent years. This is due to smaller sample sizes. It is not possible to

³⁸ See: <http://trutzaase.eu/deprivation-index/the-2016-pobal-hp-deprivation-index-for-small-areas/>

³⁹ The Small Area Health Research Unit (SAHRU) is based in the Department of Public Health and Primary Care in Trinity College Dublin. See: https://www.tcd.ie/medicine/public_health_primary_care/research/population/.

⁴⁰ The SILC does not include a question on 'disability'. Therefore, a proxy measure is used for people aged 16 years or over who respond that they have been 'strongly limited' in activities people usually do in the last six months because of a health problem.

say with certainty whether the change over the year is statistically significant and indicative of a sustained trend.

Children (0-17 years) and young people (15-24 years) also had consistent poverty rates above the national average at 8.8 and 11.5 per cent respectively. This contrasted with a rate of 7 per cent among people of working age (18-64 years) and 1.7 per cent for older people (65+ years).

Table 6.1 Consistent poverty rate for social groups⁴¹ (individuals)

	Rate								Share
	2010	2011	2012	2013	2014	2015	2016	2017	2017
National rate	6.3%	6.9%	8.2%	9%	8.3%	8.5%	8.2%	6.7%	100%
Gender									
Male	5.8%	6.9%	8.4%	8.5%	8.1%	8.1%	7.6%	6.3%	46%
Female	6.8%	6.9%	8.1%	9.4%	8.5%	8.8%	8.7%	7.2%	54%
Life-cycle groups									
Children (0-17 years)	8.8%	9.3%	10.4%	12.7%	12%	10.9%	10.9%	8.8%	33.7%
0-5 years	5.8%	7.6%	7.6%	8.5%	8.6%	7.8%	8.3%	6.4%	***
6-11 years	8.4%	8.5%	9.9%	12.6%	10.3%	9.7%	10%	8.2%	***
12-17 years	11.6%	11.8%	13.8%	17.1%	16.9%	15.2%	14.4%	11.2%	***
Young people (15-24 years)	9.0%	12.1%	12.3%	14.9%	13.4%	15.7%	13.8%	11.5%	***
Working age (18-64 years)	6.2%	6.8%	8.5%	8.8%	8%	8.6%	8.4%	7.0%	62.8%
Older people (65+ years)	0.9%	1.9%	2.5%	2.1%	2.1%	2.8%	1.8%	1.7%	3.5%
Specific groups									
People with a disability	8.4%	4.9%	10.9%	7.4%	9.8%	17.8%	19.2%	15.7%	13.7%
Unemployed	16.0%	16.5%	20.5%	25.3%	23.3%	25.9%	23.4%	24.1%	18%
Non-Irish	7.8%	7.4%	7.8%	10.7%	9%	8.8%	11.5%	7.1%	11.2%
Vulnerable households									
Lone parent families	13.6%	16.4%	18.4%	26.3%	23.1%	23.9%	23.2%	20.7%	17.8%
Social housing tenants	17.3%	21.5%	20.3%	25.5%	22.1%	25.1%	21.1%	16.6%	43.8%
Rented at market rate	10.6%	6.8%	9.9%	9.9%	9.7%	9.6%	13.7%	10.6%	20.1%

Source: SILC and analysis of SILC by the ESRI, various years

⁴¹ The SILC dataset will not facilitate disaggregation for all of the nine equality groups. Those excluded are civil status, sexual orientation, religion, race and membership of the Traveller community.

6.2 Social inclusion indicators

Table 6.2 shows that weekly mean equivalised nominal disposable income increased by 5 per cent to €478.78 in 2017. Weekly mean equivalised real disposable income increased by a similar proportion (up 5 per cent) to €472.81 in 2017. Real equivalised weekly social transfers as a proportion of gross income declined from 22.4 per cent in 2016 to 20.4 per cent in 2017.

Table 6.2 Social inclusion indicators⁴²

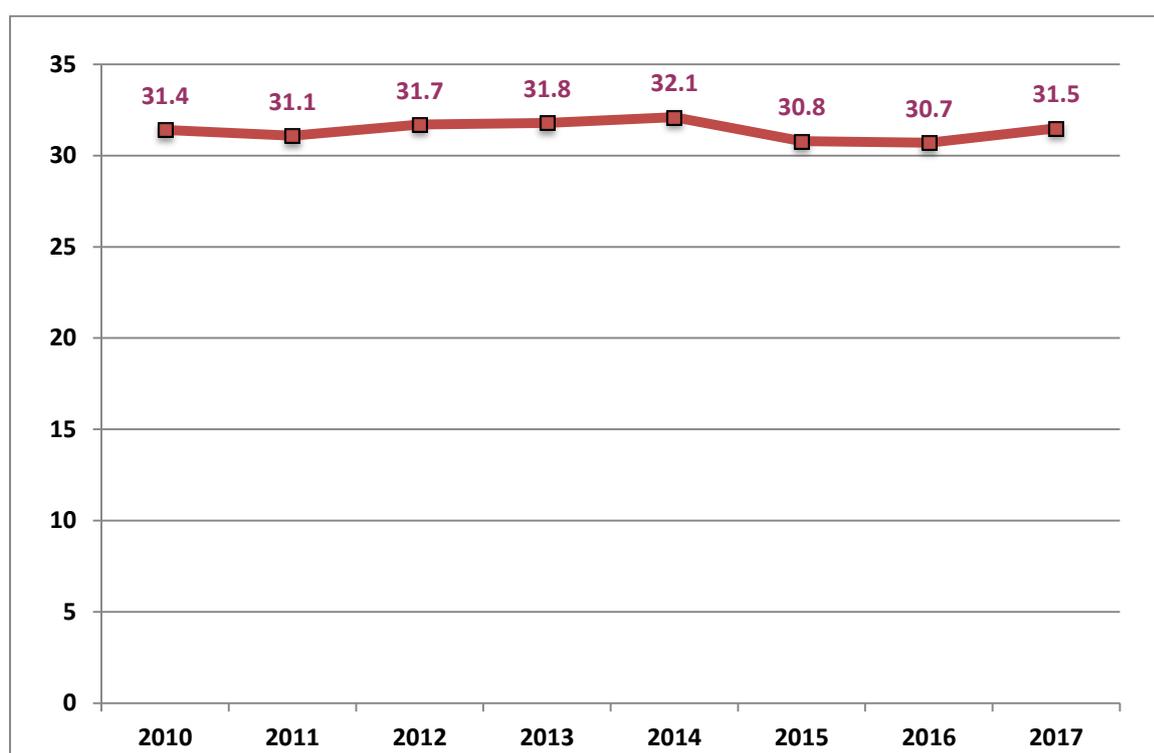
	2010	2011	2012	2013	2014	2015	2016	2017
Nominal equivalised disposable income (per week)	€424.26	€410.89	€408.34	€415.02	€422.40	€440.48	€453.85	€478.78
Real equivalised disposable income (per week)	€439.82	€420.08	€408.34	€410.83	€417.00	€436.96	€449.04	€472.81
S80:S20 income quintile share ratio	4.8	4.9	5.1	5.0	5.1	4.7	4.7	4.8
Gini coefficient	31.4	31.1	31.7	31.8	32.1	30.8	30.7	31.5
Relative at-risk-of-poverty gap	17.7%	19.5%	20.1 %	18.0%	18.9%	16.5%	18.7%	17.5%
In-work poverty	5.7%	6.5%	5.8%	5.3%	6.1%	5.7%	5.8%	5.4%
Food poverty	10.0%	11.4%	11.9%	13.2%	13.1%	12.2%	9.8%	8.7%
Financial exclusion	n/a	n/a	15.9%	11.9%	10.7%	8.6%	8.7%	7.2%
Economic stress	0.27	0.29	0.33	0.34	0.32	0.28	0.25	0.23
Health status (fair to bad)	16.7%	20.5%	17.1%	17.9%	17.3%	17.4%	17.1%	16.7%

Source: SILC and analysis of SILC by the ESRI, various years

⁴² See definitions provided in the Glossary in Appendix 1.

Income inequality increased slightly between 2016 and 2017 based on both the Gini coefficient and the income quintile share ratio. Figure 6.1 illustrates the trend in income inequality measured using the Gini coefficient over the period 2009 to 2017. It shows that the level of income inequality was 30.7 in 2016 and 31.5 in 2017. On a comparative basis, the gap between the rich and the poor in Ireland compared to the EU-28 average remained relatively the same (30.6 IE vs 30.7 EU28).⁴³

Figure 6.1 Income inequality



Source: SILC, various years

Food poverty and financial exclusion emerged as social policy issues in recent years but saw small reductions in 2017. Food poverty (as measured by an enforced lack of one of three food deprivation items) was experienced by 8.7 per cent of the population in 2017, a reduction on the 2016 rate of 9.8 per cent.⁴⁴ In 2017, 7.2 per cent of households experienced financial exclusion (i.e. did not have access to a bank current account) and this was a decrease of 1.5 percentage points on 2016.

⁴³ <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tessi190&plugin=1>

⁴⁴ The purpose of the technical paper on *Constructing a Food Poverty Indicator for Ireland using the Survey on Income and Living Conditions* was to develop a deprivation-based measure of food poverty. For discussion of this see: www.welfare.ie/en/Pages/Food-Poverty.aspx

In-work poverty decreased from 5.8 per cent in 2016 to 5.4 per cent in 2017.

Economic stress is a measure of the change in economic fortunes of Irish households through items such as debt, housing costs, and the difficulties and stresses of managing on reduced household incomes.⁴⁵ The mean level of economic stress decreased from 0.25 in 2016 to 0.23 in 2017.

Health inequality, based on the health status (defined as fair to very bad) of the household reference person, was at 16.7 per cent in 2017 which was a slight reduction on the 2016 figure of 17.1 per cent.⁴⁶

Spatial distribution of poverty

6.3 Rate of consistent poverty by region

Table 6.3 shows the rates of consistent poverty across NUTS 3⁴⁷ regions in 2017. The highest rate was 9.4 per cent in the Border region, this decreased from 11.4 per cent in 2016. In contrast, the West experienced the lowest level at 3.9 per cent, a decrease from 7.8 per cent in 2016. Other regions with rates above the national average were the South-West (8.5 per cent) and the Midland (7.7 per cent).

⁴⁵ This indicator was developed in the technical paper on *Trends in Economic Stress and the Great Recession in Ireland* published in 2014. See glossary for full definition. For a detailed discussion see: www.welfare.ie/en/Pages/Trends-in-Economic-Stress-and-the-Great-Recession-in-Ireland.aspx

⁴⁶ In 2013, the Government published *Healthy Ireland: A Framework for Improved Health and Well-being 2013-2025*, which included a commitment to reduce health inequalities. To reflect this goal a health inequality measure was added to the Monitor in 2012.

⁴⁷ NUTS 3: Border, Midlands, West, Dublin, Mid-East, South-East, Mid-West; and South-West.

Table 6.3 The Rate of Consistent Poverty across NUTS3⁴⁸ Regions

	2014	2015	2016	2017
National rate	8.3%	8.5%	8.2%	6.7%
Border	13.8%	10.1%	11.4%	9.4%
Midland	9.1%	7.5%	10.6%	7.7%
West	9.0%	7.9%	7.8%	3.9%
Dublin	5.4%	6.9%	7.3%	6.4%
Mid-East	9.0%	8.1%	8.1%	6.5%
Mid-West	8.6%	7.7%	7.0%	6.2%
South-East	10.2%	9.9%	6.3%	5.9%
South-West	8.1%	11.3%	9.4%	8.5%

Source: CSO.ie Statbank Database

6.4 Rate of consistent poverty by rural-urban characteristics

Table 6.4 presents more detailed information on the rate of consistent poverty, across five locational categories. In 2017, the highest consistent poverty rates were found in towns with populations between 10,000 and 49,999 (9.4 per cent), followed by towns with populations between 1,000 and 4,999 (8.3 per cent). The rates in large urban areas with populations above 50,000 were (6.3 per cent), towns with populations of between 5,000 and 9,999 (6.4 per cent) and in rural & areas with less than a population of 999 (5.3 per cent) which were all below the national average of 6.7%.

⁴⁸ CSO Statbank SIA20 extracted on 27/03/2019.

Table 6.4 Consistent poverty rates by rural-urban characteristics

	Rate				Share
	2014	2015	2016	2017	2017
National rate	8.3%	8.5%	8.2%	6.7%	100%
Population Density 50,000+	6.4%	7.6%	6.8%	6.3%	33.4%
Population 10,000 – 49,999	10.7%	9.3%	11.8%	9.4%	26%
Population 5,000 – 9,999	6%	7.8%	5.3%	6.4%	4.9%
Population 1,000 – 4,999	9.3%	11.1%	11.8%	8.3%	10.8%
Population < 999 & Rural	9.2%	8.2%	7%	5.3%	24.8%

Source: Analysis of SILC by the ESRI, various years¹



Appendix 1: Glossary

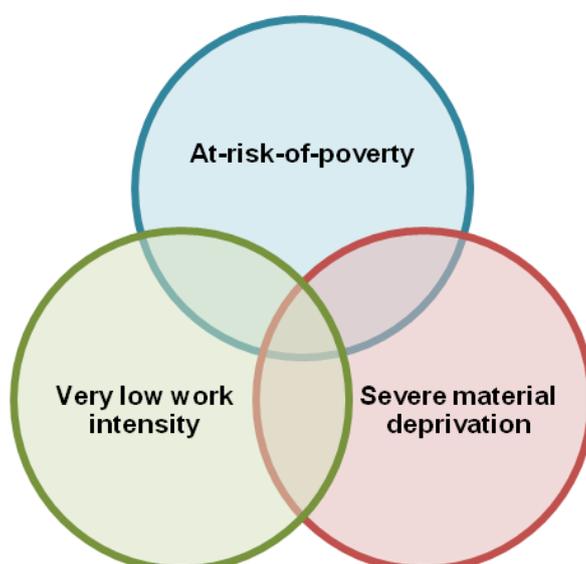


Appendix 1: Glossary

Adults in jobless households are defined in the QNHS as adults aged 18 to 59 years living in households where no member of the household is working. Students aged 18 to 24 years living in households composed solely of students are excluded.

At-risk-of-poverty: Persons are regarded as being at-risk-of-poverty if their equivalised income is below 60% of the median income. In 2017, the at-risk-of-poverty threshold was €12,521 per annum or €239.96 per week for a single person. It was €29,049 or €556.70 a week for a family of 2 adults and 2 children.

At risk of poverty or exclusion: This EU measure combines the number of people who experience at-risk-of-poverty, severe material deprivation, or very low work intensity. This measure is the basis for the Europe 2020 poverty target. In cases where people experience more than one of these indicators, they are counted only once. The Irish version of this measure is 'combined poverty'.



At-risk-of-poverty anchored in time: The proportion of people with an equivalised disposable income below the at-risk-of-poverty threshold calculated in survey year N, adjusted by inflation over subsequent years. It essentially measures the percentage of the population falling below an at-risk-of-poverty threshold of an earlier year, after accounting for the effects of inflation. This indicator is also referred to as an absolute

measure of poverty, which reflects changes in fixed living circumstances, as distinct from changes in relative living standards.

Basic deprivation: People who are denied – through lack of income – at least 2 items from a list of 11 indicators are regarded as experiencing deprivation. This is enforced deprivation as distinct from the personal choice not to have the items. The following 11 basic items are used to construct the deprivation index:

- unable to afford two pairs of strong shoes;
- unable to afford a warm, waterproof overcoat;
- unable to afford new (not second-hand) clothes;
- unable to afford a meal with meat, chicken or fish (vegetarian equivalent) every second day;
- unable to afford a roast joint or its equivalent once a week;
- without heating at some stage in the last year through lack of money;
- unable to afford to keep the home adequately warm;
- unable to afford to buy presents for family or friends at least once a year;
- unable to afford to replace any worn-out furniture;
- unable to afford to have family or friends for a drink or meal once a month; and
- unable to afford a morning, afternoon or evening out in the last fortnight for entertainment.

The indicator of basic deprivation was developed by the Economic and Social Research Institute using data from the *Survey on Income and Living Conditions*. See Maître B., Nolan B. and Whelan C. (2006) *Reconfiguring the Measurement of Deprivation and Consistent Poverty in Ireland*, Dublin: ESRI, for further information.

Combined poverty: Ireland's contribution to the EU target is based on reducing the population in 'combined poverty'. This is the combination of three indicators – consistent poverty or at-risk-of-poverty or basic deprivation. It is similar to the EU composite measure, 'at risk of poverty or exclusion'.

The exclusion of very low work intensity from the Irish measure is not the only difference between the Irish and EU composite indicators. The at-risk-of-poverty measure generates different results at EU and national levels as a result of

differences in the definition of gross income. The EU definition does not include income from private pensions or the value of goods produced for own consumption. Also, employers' social insurance contributions are included in the national definition of gross income but are excluded from the EU definition. The EU uses an alternative equivalence scale (the OECD scale) to that used for national indicators in Ireland. The OECD attributes a weight of 1 to the first adult, 0.5 to each subsequent adult and 0.3 to each child. In terms of deprivation, the national approach identifies those experiencing 'basic deprivation' (lacking 2 or more out of 11 basic items) whereas the EU approach is based on 'severe material deprivation' (lacking 4 or more from a 9 item list). The effect of these differences has generally been a higher at-risk-of-poverty rate using EU definitions rather than national definitions.

Consistent poverty: This is a measure of poverty used in the *National Action Plan for Social Inclusion 2007-2017* that takes account of the household's living standards as well as the household size, composition and total income. Persons are regarded as being in consistent poverty if their income is below 60% of the median income (i.e. at-risk-of-poverty) and are deprived of at least 2 out of the 11 items on the basic deprivation list. (See [Box 1](#))

Disposable income: Tax and social insurance contributions are summed to household level and subtracted from the gross household income to calculate the total disposable household income.

Economic stress: This is a measure that captures the change in economic fortunes of Irish households by going beyond income to include items such as debt, housing costs, and the difficulties and stresses of managing on reduced household incomes. Specifically, it combines five identified economic stress items:

- Difficulty making ends meet;
- Arrears;
- Housing costs that are a heavy burden;
- Inability to save; and
- Going into debt to meet ordinary living expenses.

A mean level of economic stress of 0 means that there is no economic stress on any of the items while a score of 1 means there is difficulty on all the items.

Employment rate: the employment rate is the proportion of the working-age population that is employed. The International Labour Organisation (ILO) definition of employed persons are those aged 15 years and over who have worked for payment or profit in the reference week (usually the week preceding the survey) or who had a job from which they were temporarily absent for reasons such as holidays, maternity leave or sick leave.

Equivalence scales: A set of relativities between the needs of households of differing size and composition, used to adjust household income to take into account the greater needs of larger households. In Ireland the national scale attributes a weight of one to the first adult (aged 14+) and 0.66 to each subsequent adult and a weight of 0.33 to each child. International comparisons such as that done by Eurostat uses the modified OECD scale which attributes a weight of one to the first adult (aged 14+) and 0.5 to each subsequent adult and a weight of 0.3 to each child.

Equivalised income: This refers to household income from all sources adjusted for differences in household size and composition (number of adults and children). It is calculated by dividing total disposable (i.e. after tax) household income by the equivalence scale value. It can be interpreted as income per adult-equivalent.

EU-LFS: European Union Labour Force Survey is based on harmonised national surveys carried out across the EU and designed to provide data on labour force status of people aged 15 and over. In Ireland the QNHS produces the labour force data for the EU-LFS.

EU-SILC: European Union Statistics on Income and Living Conditions is a voluntary household survey carried out annually in a number of EU member states allowing comparable statistics on income and living conditions to be compiled. In Ireland, the Central Statistics Office (CSO) has conducted the survey since 2003. The results are reported in the Survey on Income and Living Conditions (SILC). Any data as compiled by Eurostat and any reference to the questions or questionnaire in the household survey is here referred to as 'EU-SILC'.

Financial exclusion refers to a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong. It is measured by the percentage of individuals/households with no current account.

Food poverty is the inability to have an adequate and nutritious diet due to issues of affordability or accessibility. It is measured by the percentage of individuals experiencing one or more of the following:

- Unable to afford a meal with meat, or vegetarian equivalent, every second day;
- Unable to afford a weekly roast dinner (or vegetarian equivalent); and
- Missing one substantial meal in the last fortnight due to lack of money

Gini coefficient is the relationship between cumulative shares of the population arranged according to the level of income and the cumulative share of total income received by them. If there was perfect equality (i.e. each person receives the same income) the Gini coefficient would be 0. A Gini coefficient of 100 would indicate there was total inequality and the entire national income was in the hands of one person.

GDP stands for Gross Domestic Product and is an estimated value of the total worth of a country's production and services, within its boundary, by its nationals and foreigners, calculated over the course on one year.

GNP stands for Gross National Product and is an estimated value of the total worth of production and services, by citizens of a country, on its land or on foreign land, calculated over the course on one year.

Inflation is measured using the Consumer Price Index which is designed to measure the change in the average level of prices (inclusive of all indirect taxes) paid for consumer goods and services by all private and institutional households in the country and by foreign tourists holidaying in Ireland.

Jobless households capture the share of persons under the age of 60 in households where no working-age adult is in employment (according to the International Labour Organisation – see ‘employment rate’ definition above).

In-work poverty measures the at-risk-of-poverty rate among adults (16+) who are ‘in-work’, based on their self-defined principal economic status.

Long-term unemployment rate measures the long-term unemployed population (greater than 12 months’ unemployment; ILO definition) as a proportion of total active population.

Median income is calculated by ranking the population by equivalised income from smallest to largest and the median or middle value is extracted. This is considered a more appropriate measure than mean income which can be skewed by extreme values.

Nomenclature of Units for Territorial Statistics (NUTS): A hierarchical classification of administrative boundaries developed by Eurostat. The purpose of NUTS is to provide a common designation for different levels of administrative geographic boundaries across the EU regardless of local language and naming conventions. NUTS3 refers to the Border, Midlands, West, Dublin, Mid-East, South-East, Mid-West; and South-West.

Participation rate: the labour force participation rate is a measure of the proportion of the working-age population that engages actively in the labour market, either by working or looking for work.

Poverty and social exclusion: these terms are defined broadly in the *National Action Plan for Social Inclusion 2007-2017* as follows:

‘People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.’

The two concepts are very similar when used in Irish policymaking but poverty is sometimes used in the narrower context to refer to low income (or wealth). On the other hand, social exclusion is almost always used in the broader sense, to refer to the inability to participate in society because of a lack of resources that are normally available to the general population.

Poverty reduction effect of social transfers measures the effectiveness of social protection spending in reducing poverty. This is done by measuring the at-risk-of-poverty rate before and after social transfers.

QNHS: Quarterly National Household Survey is a large-scale nationally representative survey of private households. It was introduced in September 1997 to replace the annual Labour Force Survey. It is designed to provide reliable quarterly labour force statistics and is carried out by the Central Statistics Office. Any data or analysis in this paper that is sourced specifically from the CSO is here referred to as ‘QNHS’.

Relative at-risk-of-poverty gap is the difference between the median equivalised income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold expressed as a percentage of the at-risk-of-poverty threshold (60% of median equivalised income). This indicator is used to estimate the depth of poverty. In policy terms, it indicates the scale of transfers which would be necessary to bring the incomes of those concerned up to the poverty threshold.

S80:S20 income quintile share ratio measures inequality in the distribution of income. It is the ratio of the average equivalised income received by the 20% of

persons with the highest income (top quintile) to that received by the 20% of persons with the lowest income (lowest quintile).

Severe material deprivation: This indicator is defined as the share of the population with an enforced lack of at least 4 out of 9 material deprivation items. The 9 items are:

- arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments;
- capacity to afford paying for one week's annual holiday away from home;
- capacity to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day;
- capacity to face unexpected financial expenses [set amount corresponding to the monthly national at-risk-of-poverty threshold of the previous year];
- household cannot afford a telephone (including mobile phone);
- household cannot afford a colour TV;
- household cannot afford a washing machine;
- household cannot afford a car; and
- ability of the household to pay for keeping its home adequately warm.

SILC: In Ireland, the Central Statistics Office (CSO) is responsible for carrying out the EU-SILC survey. They produce analysis in accordance with Irish national poverty targets, indicators and related issues. These results are reported in the Survey on Income and Living Conditions (SILC). Any data or analysis that is sourced specifically from the CSO is here referred to as 'SILC'.

Social transfers: Social transfers are income from non-market sources. This includes state means-tested allowances, state non-means-tested benefits (such as child benefit and payments based on prior social insurance benefits), occupational pensions, foreign pensions and other non-market transfers (such as from other households or from charities). They are generally categorised in SILC as unemployment benefits, old-age benefits, occupational pensions, children/family related allowances, housing allowances and other social transfers such as survivors, sickness or disability benefits.

Unemployment rate measures the unemployed population as a proportion of total active population aged 15 years or more.

Very low work intensity refers to the share of the population aged 0-59 years living in households where the working-age adults worked less than 20 per cent of their total work potential during the previous 12 months. A working-age person is defined as a person aged 18 to 59, not being a student aged between 18 and 24. This measure of poverty is used in defining the 'at risk of poverty or exclusion' indicator for the EU poverty target. The work intensity of working-age adults is applied to all children in the household. (See 'Work intensity').

Vulnerable to consistent poverty identifies the population experiencing basic deprivation and whose equivalised income is between 60% and 70% of the median. This indicator facilitates monitoring of flows into and out of consistent poverty. See Box 2.

Work intensity: This is an indicator of the amount of available work time the working-age adults in a household actually spend at work. It is calculated as the proportion of person-months over the reference year that working-age adults (aged 18-59 years) actually spend in employment. An adjustment is made to the calculation for those who work part-time. Work intensity is often presented in five categories:

- Very low work intensity = less than 20 per cent;
- Low work intensity = 20 per cent to less than 45 per cent;
- Medium work intensity = 45 per cent to 55 per cent;
- High work intensity = over 55 per cent to 85 per cent; and
- Very high work intensity= over 85 per cent to 100 per cent.

