Tithe an Oireachtais
Houses of the Oireachtas

An Oifig Buiséid Pharlaiminteach
Parliamentary Budget Office

Employment Affairs & Social Protection Expenditure: Performance Budgeting and the Consistent Poverty Rate

Publication 40 of 2019

Séanadh

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Key Messages:

- The Department of Employment Affairs and Social Protection continues to be the biggest spending government department with an estimated €20.5 billion in 2019 representing 31% of total voted expenditure.
- Pension expenditure has increased substantially, from 28% of Employment Affairs and Social Protection (EASP) expenditure in 2009 to 39% (€8.04bn) in 2019. Conversely, the share of EASP expenditure attributed to working age income supports has fallen from 36% in 2010 to 16% in 2019 (€3.19bn).
- Expenditure on Health and Education both show greater percentage increases in the post-crisis period compared to EASP. In the period 2015 -2018, EASP expenditure increased by 2% while Health expenditure increased by 20% and Education by 13%. If this trend were to continue, EASP would make up a decreasing share of total government expenditure relative to Health and Education. However, this 2% increase in EASP expenditure must be placed in the context of the size of EASP expenditure and return to levels of unemployment similar to those pre-crisis.
- EASP is unusual compared to the rest of the expenditure presented in the Revised Estimates for Public Services in that most of its expenditure relates to social transfers aimed at addressing levels of poverty. This should, in theory, make it much more amenable to performance measurement than areas such as Health or Education.
- The overall population consistent poverty rate is used as a 'context and impact' indicator in the Revised Estimates. However, there is significant variance in the consistent poverty rates for groups in Irish society that are targeted by EASP expenditure. For example, the consistent poverty rate for those of State pension age and above was 1.2% in 2017, while for the unemployed it was 24.1%. This would suggest that 'context and impact' indicators relating to consistent poverty rates for specific groups (rather than the total population, as at present) should also be provided in the Revised Estimates. The current situation where only the consistent poverty rate for the total population is provided reduces the visibility of how specific groups are being targeted by EASP expenditure. If this issue were addressed in the Revised Estimates, it would assist Dáil Éireann and its committees when scrutinising EASP expenditure and performance.

Introduction

This paper is composed of two parts. The first part:

- Emphasises that the Department of Employment Affairs and Social Protection continues to be the biggest spending government department with an estimated €20.5 billion in 2019 representing 31% of total voted expenditure.
- Provides an overview of Employment Affairs and Social Protection (EASP) expenditure, in total, and by programme over the period 2009-2019.

The second part:

- Provides an overview of the concept of performance budgeting;
- Summarises the guidelines in place in Ireland as to how performance budgeting should be employed in the Revised Estimates for Public Services;
- Explains how EASP expenditure (Vote 37 and the SIF) are presented in the Revised Estimates;
- Sets out the strategic context to that expenditure;
- Examines EASP performance information in the Revised Estimates and especially the consistent poverty rate as a context and impact indicator; and
- Concludes that EASP expenditure could potentially be better scrutinised, when informed by the varying consistent poverty rates of the cohorts targeted by EASP expenditure.

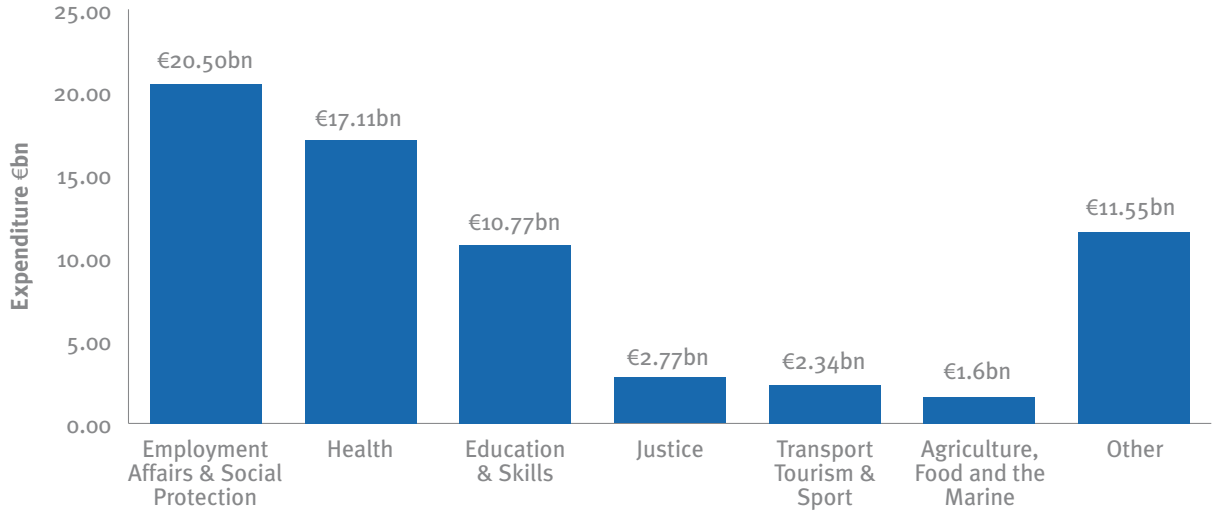
Overview of EASP Expenditure

EASP Expenditure 2019 – Vote 37 in the Revised Estimates

Employment Affairs and Social Protection (EASP) expenditure set out in the Revised Estimates details the voted allocation in the form of social assistance schemes, services, administration and payment to the Social Insurance Fund (SIF). It also, separately, details the estimates of income and expenditure on social insurance benefits paid from the SIF.

Overall, EASP expenditure (Vote 37 and SIF combined) is estimated to be €20.50bn[1] in 2019. As figures 1 and 2 illustrate, this makes EASP the biggest spending Government Department – with 30.8% of total gross voted expenditure, followed by Health with €17.11bn (25.7%) and Education with €10.77bn (16.2%).

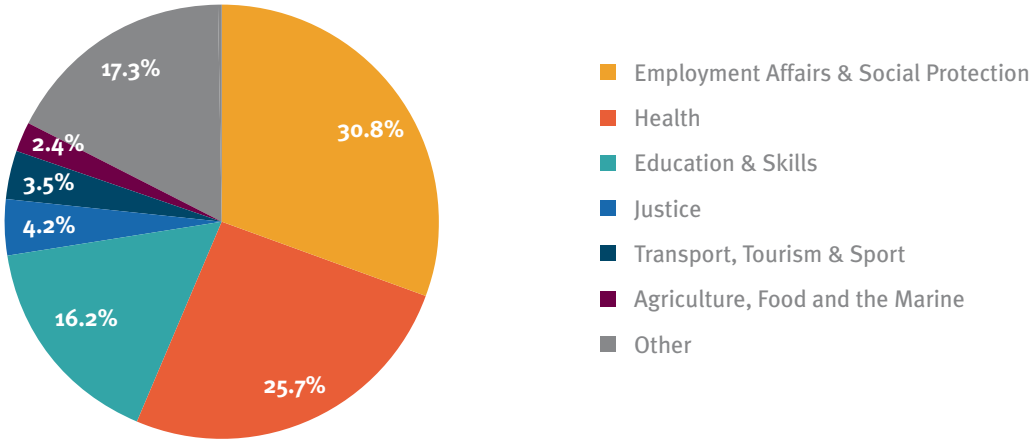
Figure 1: Sectoral Expenditure 2019



Source: PER Databank

1 *The gross voted expenditure detail all the gross spending by government departments and agencies, along with expenditure from the Social Insurance Fund and the National Training Fund. The underlying data is available on the PER Databank. Note: The 2009 to 2016 data is sourced from the actual expenditure returns as shown in the annual Appropriation Accounts, the 2017 data is sourced from the Appropriation Accounts for 2017, the 2018 data is sourced from the Provisional Outturn for 2018, and the 2019 data is sourced from the Revised Estimates for Public Services 2019.*

Figure 2: Sectoral Expenditure 2019 Shares

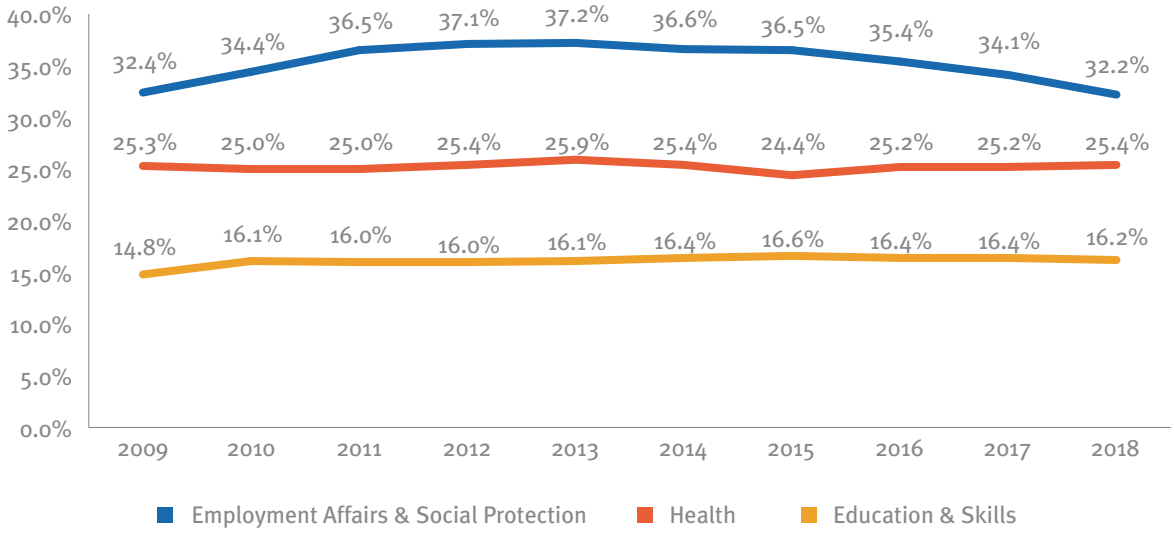


Source: Revised Estimates for Public Services 2019

EASP Expenditure 2009-2018

Over the 10 year period 2009-2018 (see Figure 3), EASP has consistently been the largest spending Department averaging 35.2% of total voted Government expenditure. Expenditure peaked at 37.2% in 2013 (reflecting the increased expenditure on working age income supports during the recessionary period) subsequently falling to 32.2% in 2018.

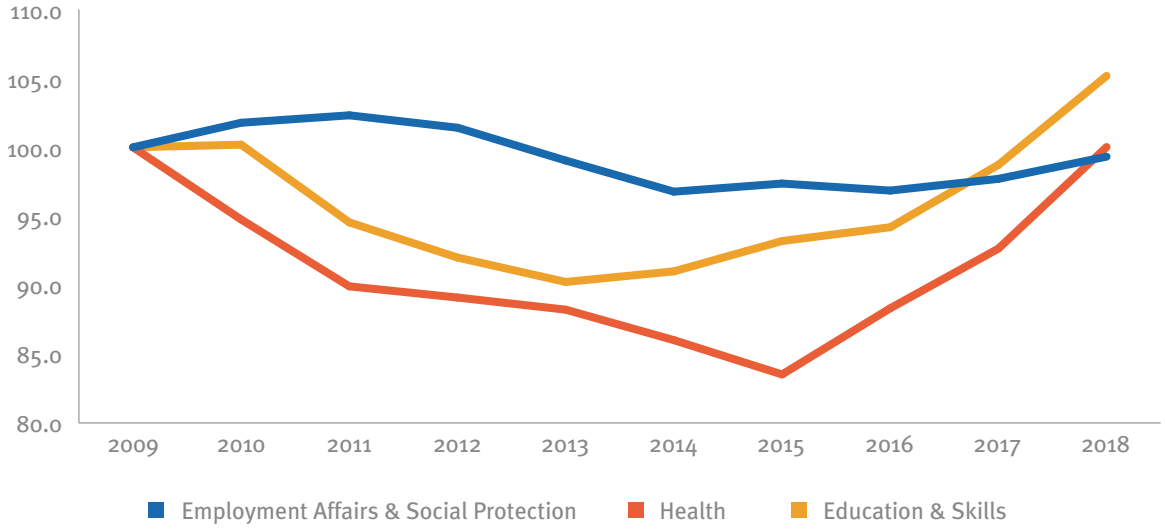
Figure 3: Employment Affairs & Social Protection, Health and Education Expenditure as a share of total government voted expenditure 2009-2018



Source: PER Databank

EASP expenditure over the period has remained relatively stable compared to the second and third largest spending areas of Health and Education respectively. Figure 4 indexes the expenditure of these three Departments to 100 in 2009 to better illustrate their relative trends in expenditure over the observed period.

Figure 4: Employment Affairs & Social Protection, Health and Education Expenditure 2009-2019 indexed to 100



Source: PER Databank

As can be seen, Health and Education both show greater increases in expenditure in the recovery period compared to EASP. In the period 2015-2018,[2] EASP expenditure increased by 2% while Health expenditure increased by 20% and Education by 13%.[3] However, this 2% increase in EASP expenditure must be placed in the context of the size of EASP expenditure and return to low levels of unemployment similar to those pre-crisis.

2 *2018 is used in this instance because the data contained in the Revised Estimates for Public Services 2019 are likely to understate expenditure (as they do not make provision for the Christmas Bonus).*

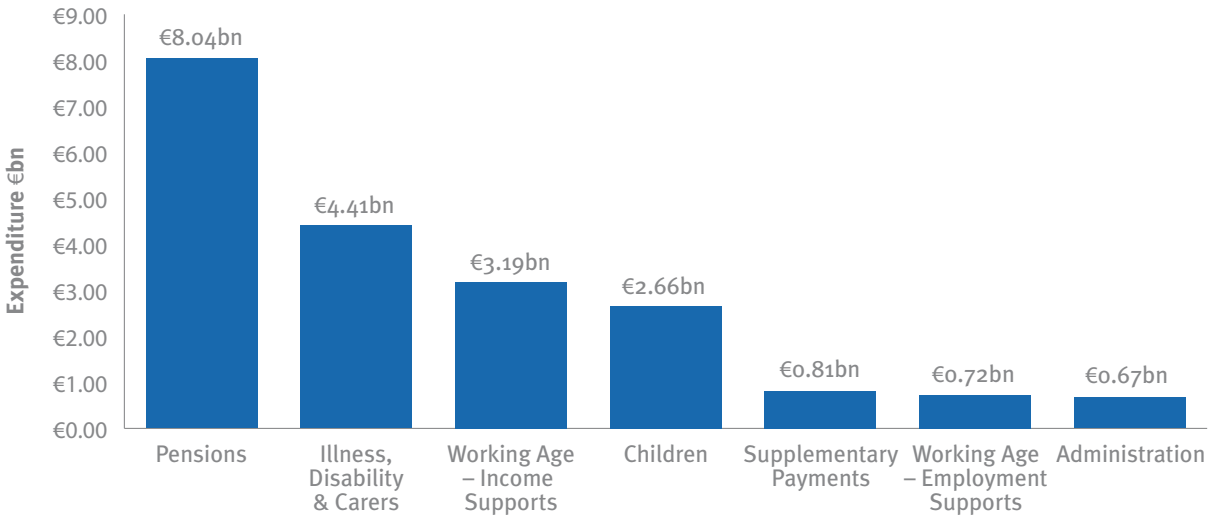
3 *See PBO Infographic 5 of 2018 for an illustration of the decreasing share of expenditure allocated to EASP in Budget 2019.*

Programme Expenditure within EASP 2009-2019

Programme Expenditure 2019

Figures 5 and 6 show that pensions is the largest expenditure area with €8.04 bn (39.2% of EASP expenditure), followed by illness, disability and carers support at €4.41bn (21.5% of expenditure) working age income supports at €3.19bn (15.6% of expenditure), child related payments at €2.66bn (13.0% of total expenditure), supplementary payments at €0.81bn (3.9% of total expenditure), working age employment supports at €0.72bn (3.5% of total expenditure) and administration[4] at €0.67bn (3.2% of total expenditure). A list of schemes and grants within each programme is provided in Table 1.

Figure 5: Estimated Programme Expenditure 2019



Source: Revised Estimates for Public Services 2019

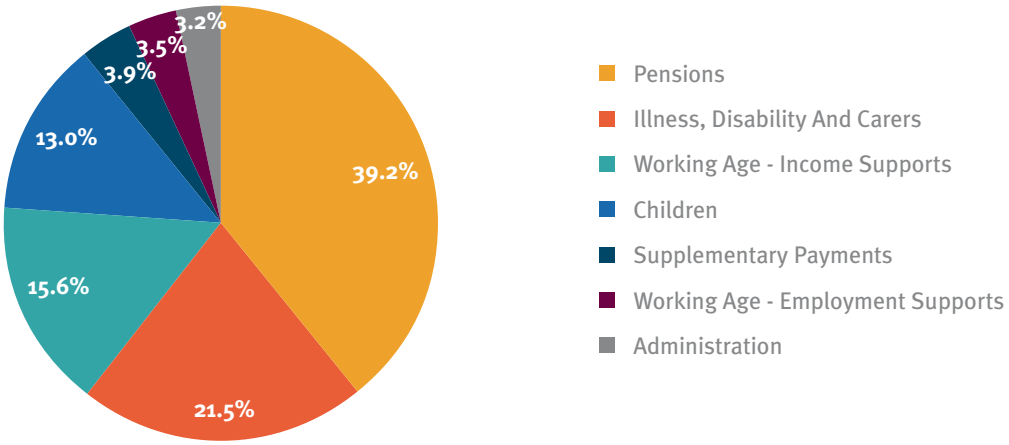
4 *Administration expenses, recovered by Vote 37 from the Social Insurance Fund (€131m), are removed from the total administration costs to avoid 'double counting'. See PBO Note 21 of 2018, The Social Insurance Fund and Vote 37 in the Revised Estimates for Public Services.*

Table 1: Schemes and Grants by Programme

Programme	Schemes and Grants
Pensions	State Pension (Non-Contributory), State Pension (Contributory), Widow(er's) and Surviving Civil Partners' Pension (Contributory), Death Benefit
Illness, Disability and Carers	Disability Allowance, Blind Pension, Carer's Allowance, Domiciliary Care Allowance, Carer's Support Grant, Disability Activation Supports, Wage Subsidy Scheme, Illness Benefit, Injury Benefit, Invalidity Pension, Partial Capacity Benefit, Disablement Benefit, Medical Care Scheme, Carer's Benefit
Working Age Income Supports	Jobseeker's Allowance, One-Parent Family Payment, Widow's/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension, Deserted Wife's Allowance, Basic Supplementary Welfare Allowance Payments, Farm Assist, Exceptional and Urgent Needs Payments, Other Working Age – Income Supports, Jobseeker's Benefit, Deserted Wife's Benefit, Maternity Benefit, Adoptive Benefit, Paternity Benefit, Parental Benefit, Health and Safety Benefit, Redundancy and Insolvency Payments, Treatment Benefits
Children	Child Benefit, Working Family Payment, Back-to-School Clothing and Footwear Allowance, School Meals Scheme, Child Related Payments, Guardian's Payment (Contributory), Widowed Parent/Surviving Civil Partner Grant
Supplementary Payments, Agencies, and Miscellaneous Services	Rent Supplement, Telephone Support Allowance (Social Assistance), Household Benefits Package (Social Assistance), Free Travel, Fuel Allowance (Social Assistance), Grant to the Citizens Information Board, Miscellaneous Services, Low Pay Commission, Household Benefits Package (Social Insurance), Fuel Allowance (Social Insurance), Telephone Support Allowance (Social Insurance)
Working Age Employment Supports	Community Employment Programme, Rural Social Scheme, Tús, Job Initiative, Back to Work Enterprise Allowance, Youth Employment Support Scheme, Back to Education Allowance, Back to Work Family Dividend, Jobplus, Local Employment Service, Jobs Clubs, Other Working Age – Employment Supports

Source: Revised Estimates for the Public Services 2019

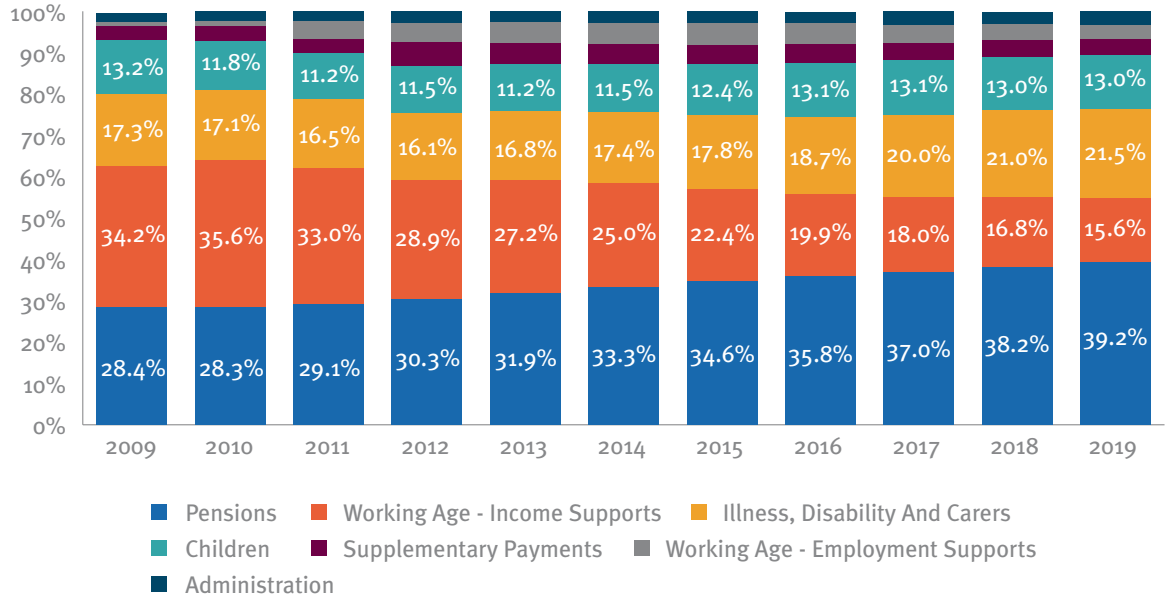
Figure 6: Estimated Programme Expenditure 2019 Shares



Source: Revised Estimates for the Public Services 2019

While EASP has maintained a relatively stable share of total voted expenditure (see Figure 3), there have been significant changes in the composition of EASP expenditure across programmes over the 2009-2019 period, specifically with regard to pensions and working age income supports. Figure 7 shows that pensions, as a share of EASP expenditure, has increased steadily throughout the period, from 28.4% of expenditure in 2009 to 39.2% in 2019. A significant contributor to this increase in share is due to population ageing. According to the CSO's annual population estimates,[5] the number of those of State pension age and above (66+)[6] has increased by 128,000 in the period 2009-2018, going from 11.0% to 12.9% of the population.[7]

Figure 7: Programme Shares 2009-2019



Source: PER Databank

The other noticeable change in expenditure shares over the period is the substantial decrease in working age income supports; decreasing steadily from 35.6% of expenditure in 2010 to 15.6% in 2019. This decreasing share in expenditure can be explained by changing labour market conditions as indicated by those on the Live Register, which since its peak in 2011 of 445,00 has approximately halved to 220,000 in 2018. Furthermore, change in the rates of payments to those on working age income supports in general as well as significant decreases based on age, impacted on expenditure in this area.[8] Figures 8 and 9 respectively, show the diverging trends of those on the Live Register as well as those of State pension age and above in the period 2009-2018, and the corresponding changes in the shares of EASP expenditure attributed to working age income supports and pensions.

5 *Source: CSO.*

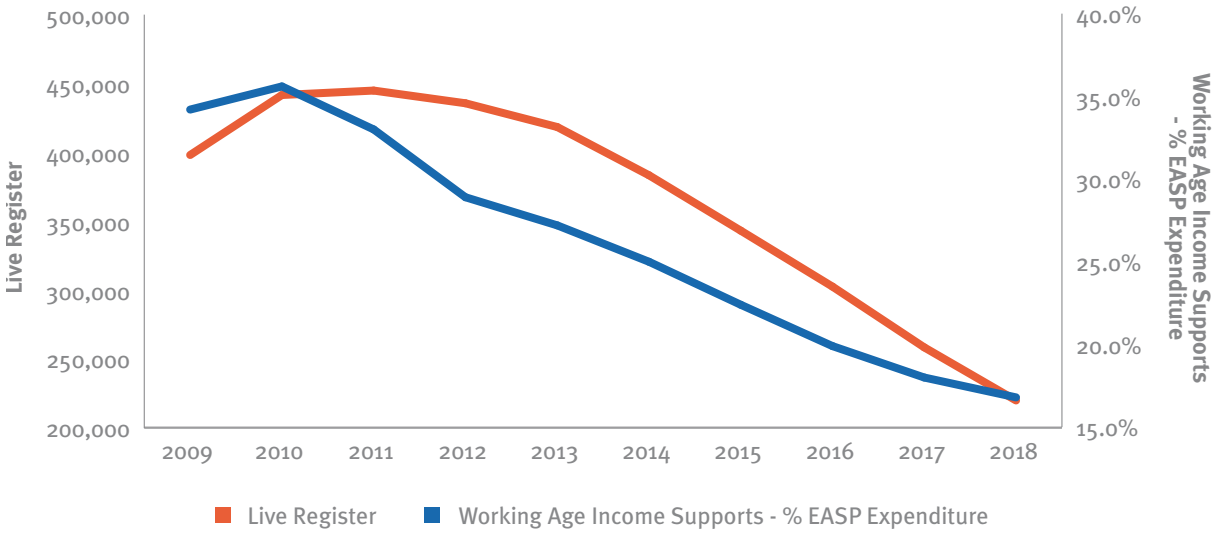
6 *The State pension age was effectively raised to 66 in 2014 with the abolition of the State pension transition and is scheduled to increase to 67 in 2021 and to 68 in 2028.*

7 *Those of State pension age as a share of the population is forecasted to increase to 23% of the population by 2055, as highlighted in KPMG's Actuarial Review of the Social Insurance Fund (2017). See also PBO Publication 1 of 2019, Demographics and Voted Expenditure.*

8 *Budget 2013 provided a distinction in rates of payment for Jobseekers Allowance and the Basic Supplementary payments dependent on whether an individual was aged 26 or over, 25, or under 25. As compared to €186 for those age 26 or over, Jobseekers Allowance rates for those aged 25 were €144, while those under 25 was €100.*

It is also worth noting the increasing share of EASP expenditure attributed to illness, disability and carers which has shown a steady increase in the share of EASP expenditure going from 16.1% in 2012 to 21.5% in 2019. Research carried out by Cronin (2018) found that the increase in numbers on illness and disability payments has been driven by demographics, by some increases in age-related rate increases, and by an increased share of the working age population in the older age groups (corresponding to those with higher incidence rates). As a percentage of the working age population, the total number of recipients of illness and disability schemes has increased from 6.3% in 2012 to 6.8% in 2017.[9]

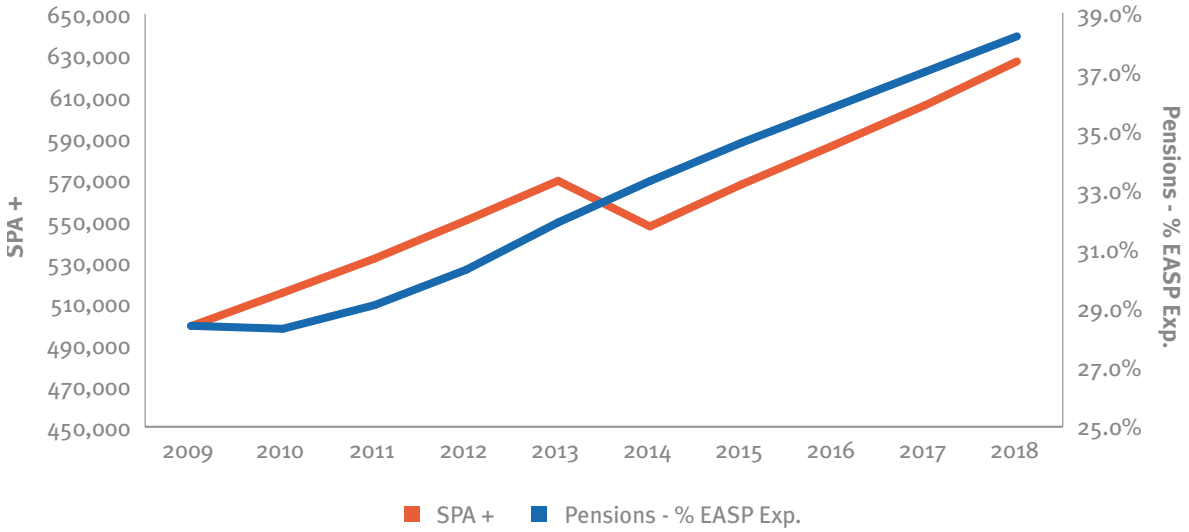
Figure 8: Number of those on the Live Register and the share of EASP Expenditure attributed to Working Age Income Supports



Source: CSO Live Register and PER Databank

9 *An analysis of Disability Allowance inflows and outflows (December 2018).*

Figure 9: Number of those of State Pension Age and above (SPA +) and the share of EASP Expenditure attributed to Pensions



Source: CSO Annual Population Estimates and PER Databank

As expected, there is a strong positive correlation between the number of those on the Live Register and the share of EASP expenditure attributed to working age income supports (90%) and the number of those of State pension age and above, and pension expenditure (94%). EASP has broadly maintained its overall share of total voted government expenditure in the recovery period even though there has been a significant increase in pension expenditure. This increase has largely been offset by a reduction in working age income support expenditure. Forecasting the stability of this scenario is problematic as while increases in the rate of the population of State pension age and above in the medium to long term is relatively easily forecasted,[10] Live Register figures, which are a function of economic conditions (nationally and internationally) are not.

As regards pension expenditure and funding, as highlighted in DEASP's Roadmap for Pensions Reform (2018),[11] the number of pensioners in the population is set to double over the next 40 years and the ratio of people of working age to pensioners fall to about 2.3:1, from 4.5:1 currently. This population ageing presents significant funding challenges for the Social Insurance Fund which operates on a Pay as You Go (PAYG) basis.[12]

10 *For a more detailed treatment of the effect of population ageing and the funding of the Social Insurance Fund, see the KPMG's Actuarial Review of the Social Insurance Fund (2017). For a note on the fundamental issues that relate to Demographics in the Voted allocations presented to Dáil Éireann for approval and to Select Committees for scrutiny see PBO publication 1 of 2019.*

11 *https://www.welfare.ie/en/pressoffice/pdf/PensionsRoadmap.pdf*

12 *This means that today's pensions are not funded by past contributions made by today's pensioners but are instead funded by the taxes and social insurance contributions from today's workers.*

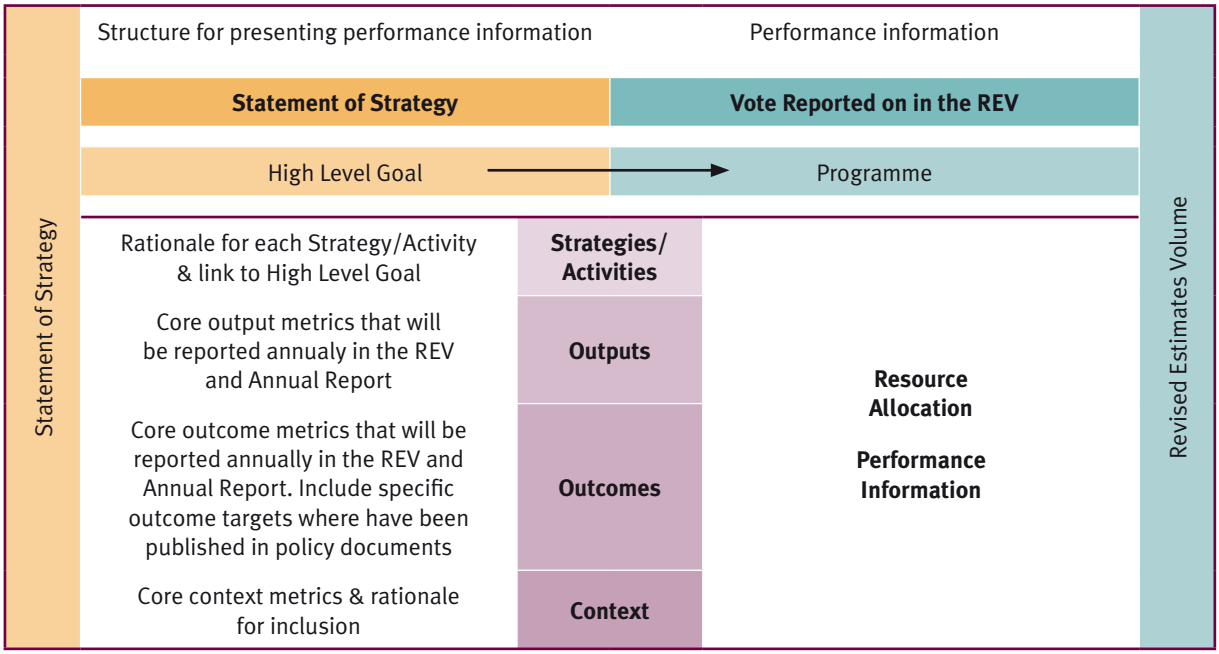
Performance Budgeting and Vote 37/SIF

Performance Budgeting – Overview

Performance Budgeting, as defined by the OECD, is "the systematic use of information about the outputs, results and/or impacts of public policies in order to inform, influence and/or determine the level of public funds allocated towards those policies in the budgetary context".[13] As set out in the Department of Public Expenditure and Reform's 'Guidance Note to Enhance the Quality of Performance Information presented under the Performance Budgeting Initiative' (not dated):

> *"A fundamental aim of the performance budgeting initiative is to increasingly focus on what is being delivered with public resources and to build this information into the policy-making and accountability processes. At its core it is concerned with ensuring that policy development and resource allocation decisions are better informed".*

Figure 10: Performance Information Framework



Source: PER Guidelines on Performance Budgeting (unpublished).

13 *OECD (2017) Budgeting and Performance in the European Union.*

As part of the performance budgeting process, the allocations within the Revised Estimates for Public Services are presented on a 'strategic programme' basis. As set out in Figure 10, a strategic programme is a category of expenditure based on groups of outputs with a common objective. The DPER guidance note states that each strategic programme in the Revised Estimates should have associated with it:

- A 'High Level Objective' which is a broad statement of intent that is focussed on outcomes and covers a particular sector or sphere of activity.
- Public service activities that are undertaken in order to deliver/or produce outputs that are pursued in order to achieve outcomes related to the programmes activities.
- Outputs – the goods or services provided to/for an external party that must potentially be capable of achieving its intended outcome.
- Outcomes (or impact) indicators [14] – the changes brought about by policy interventions upon, individuals, society or the environment which are attributable to the outputs for which resources have been allocated.
- Context Indicators – Relevant metrics are those that capture information relating to the external environment in which the strategic programme operates or may be characteristics of the client benefiting from the service. Of particular relevance are those external or context factors that shape the demand for the strategic programme outputs.[15]

Employment Affairs and Social Protection – Vote 37 and the SIF in the Revised Estimates for Public Services

The Revised Estimates sets out the proposed spending from Vote 37, in the form of social assistance schemes, services, administration and payment to the Social Insurance Fund (SIF). It also details the estimates of income and expenditure on social insurance benefits funded from the SIF. Information on estimates of expenditure funded by the Vote and the SIF are presented at the strategic programme level of:

- Administration;
- Pensions;
- Working Age Income Supports;
- Working Age Employment Supports (Exchequer-funded so *not* presented in SIF expenditure estimates);
- Illness, Disability and Carers;
- Children; and
- Supplementary Payments, Agencies & Miscellaneous Services.

14 *The Statement of Strategy must set out the core set of outcome/impact targets that have been previously announced to the general public. However, this should not be read as excluding the inclusion of additional, relevant measures of outcome or impact in the Annual Report and Revised Estimates.*

15 *These can be integral to understanding the financial allocation (based on expected demand) and financial outturns (variation from expected demand). In order to ensure that the metrics included are relevant to understanding external factors, the Statement of Strategy must include some narrative material making explicit the rationale of including each context metric.*

With regard to how these programme levels relate to population cohorts, it should be noted that the expenditure in these programmes does not strictly equate to what is spent on social transfers for certain cohorts. For example, while 'Children' is a programme of expenditure in the Revised Estimates, qualified increases for children are given to recipients in other programme groups such as jobseekers and people with disabilities. EASP make a distinction between 'recipient' and 'beneficiary'. For example, a recipient will be a jobseeker awarded a claim to jobseeker's allowance while the beneficiary would be a qualified child increase awarded.

Furthermore, qualified adult payments may also be attributed to people who are not in a cohort of recipients targeted at the programme level. For example, a qualified adult payment can be granted to someone receiving the State pension, and that qualified adult may be under State pension age, however, this expenditure is still counted in the 'Pensions' programme. Likewise, the programme of supplementary payments which contains expenditure on fuel allowance and rent supplement, will be paid to individuals and households across the various programme levels. Notwithstanding this proviso, the significant majority of expenditure at the programme level goes towards the recipients (e.g State pensioners, jobseekers) as opposed to beneficiaries (qualified adults and children).

High Level Goal

The Department provide a high level goal at the outset of the Voted (social assistance) programme expenditure which is to: *"Place the client at the centre of all the Department's activities by providing targeted income support, training referral and employment services as required, based on individual needs and circumstances,* ***and attain better outcomes in tackling poverty****"*. This paper will focus on the latter part of that goal (as bolded).

Objective

In the Department's Statement of Strategy 2017-2020,[16] it sets out the mission, high-level objectives and key actions that it will pursue in delivering the policies and priorities as set down by the Minister for Employment Affairs and Social Protection and the Government. The Department's overall mission for 2017 to 2020 is to *"promote active participation and inclusion in society through the framework of employment rights and the provision of income supports, employment services and other services".*[17] The Department identifies three Strategic Objectives for it to pursue in order to facilitate achievement of its overall mission. These are:

- Put the client at the centre of policy and service delivery;
- Drive cost, efficiency and effectiveness; and
- Develop staff, structures and processes.

16 *https://www.welfare.ie/en/downloads/Statement_of_Strategy_2017-2020.pdf*

17 *Ibid.*

Strategy

As regards, objective one, putting the client at the centre of policy and service delivery, high-level strategies are identified in DEASP's annual report to deliver on this objective. This includes the high level strategy of *"Attaining better outcomes by tackling poverty for children and families, people of working age, people with disabilities and older people by providing appropriate income supports"*.[18]

EASP Performance Information in the Revised Estimates for Public Services

Two tables of metrics are presented in the Revised Estimates in respect of EASP expenditure.

In the first table, the key outputs[19] and public service activities[20] of the Department are presented at the strategic programme level for both social assistance and social insurance payments. The Key High Level Metrics associated with outputs detail the Department's efficiency in the administration of its schemes, such as the average number of weekly payments of a scheme, and the rate of claims to award within processing time standards. These metrics provide valuable information regarding the Department's achievement of outcomes related to its programme's activities.

'Context and Impact indicators' are then provided in the second table but ***not*** at the strategic programme level. These indicators include the risk of poverty rate for the population pre- and post-social transfers.[21] Furthermore, the general consistent poverty rate for the population is given (8.3% in 2016). The consistent poverty rate can be considered an impact indicator as it refers to the changes brought about by policy interventions upon individuals, society or the environment which are attributable to the outputs for which resources have been allocated. It is also related to the overall high level goal of attaining better outcomes in tackling poverty. Furthermore, it is the measurement used with regard to the National Social Target for Poverty Reduction. It can also be considered a context indicator as it indicates those external or context factors that shape the demand for strategic programme outputs.[22] However, as previously stated one of the Department's strategies is *"Attaining better outcomes by tackling poverty for children and families, people of working age, people with disabilities and older people by providing appropriate income supports,"*.[23] Therefore, the use of an overall consistent poverty rate as a context and impact indicator may not be appropriate. This is because, as will be shown, the aforementioned groups have significantly varying poverty rates.

18 *Department of Employment Affairs and Social Protection Annual Report 2017, p.25.*

19 *The goods or services provided to/for an external party that must potentially be capable of achieving its intended outcome.*

20 *Categories of work that are undertaken in order to deliver/or produce outputs that are pursued in order to achieve outcomes related to the programmes activities.*

21 *The sharp decline in the general at risk of poverty rate (from 44.9% to 16.5% in 2016) after income from Social Transfers are included, and highlight the substantial positive effect the Irish Social Protection system has on poverty rates*

22 *Equality Budgeting Objectives and Performance Indicators which provide a measurement for the high level goal of promoting active inclusion and reduce the proportion of jobless households in society by providing targeted activation and development and employment services are also given.*

23 *Department of Employment Affairs and Social Protection Annual Report 2017, p.25.*

The Consistent Poverty Rate as a Context and Impact Indicator

Since 1997 and the publication of the National Anti-Poverty Strategy (NAPS), Ireland has developed national anti-poverty strategies to provide a strategic framework in which to tackle poverty and social exclusion. The National Action Plan for Social Inclusion (NAPinclusion) published in 2007, was the first report to adopt the EU Survey on Income and Living Conditions (SILC)[24] consistent poverty rate as a measure of poverty and set targets using this indicator. An individual is defined as being in 'consistent poverty' if they are:

- Identified as being at risk of poverty;[25] and
- Living in a household deprived of two or more of an identified eleven basic deprivation items.[26]

The 'overall poverty goal' as set out in NAPinclusion was to reduce the number of those experiencing consistent poverty to between 2% and 4% by 2012, with the aim of eliminating consistent poverty by 2016. The report highlights that within the overall consistent poverty rate, some groups such as lone parents, those with illness or disabilities and the unemployed have significantly higher consistent poverty rates than the overall target set. NAPinclusion also adopts a lifecycle approach, identifying the key lifecycle groups of children, people of working age, older people and people with disabilities and assesses the risks facing these groups and the supports available. In 2012, the Government revised and enhanced the national poverty target as originally set out in 2007 under NAPinclusion[27] and was renamed the National Social Target for Poverty Reduction (NSTPR). Progress towards the NSTPR is reported annually in the Social Inclusion Monitor (SIM),[28] published by EASP and includes data from the most recently available EU SILC. It also presents information on supporting indicators relating to poverty and social exclusion. The latest SIM,[29] published in May 2019, relates to EU SILC data for the year 2017 and highlights progress made towards the current NSTPR of:

- **Headline Target** – To reduce consistent poverty to 4% by 2016 (interim target) and to 2% 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; and
- **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%).

The SIM also highlights the central role played by the Irish social protection system in reducing poverty and income inequality with social transfers (excluding pensions) reducing the at-risk-of-poverty rate from 32.3% to 15.7%, representing a poverty reduction effect of 51%. The comparative EU average was 34%, making Ireland one of the best performing EU member states in reducing poverty and income inequality through social transfers. Ireland's income inequality reduction effect (as measured by the impact of Irish social transfers on the Gini coefficient) was 26%, compared to the EU average of 15%.

24 *The Survey on Income and Living Conditions (SILC) in Ireland is a household survey covering a broad range of issues in relation to income and living conditions. It is the official source of data on household and individual income and also provides a number of key national poverty indicators, such as the 'at risk of poverty' rate, the consistent poverty rate and rates of enforced deprivation.*

25 *Equivalised income of less than 60% of median income.*

26 *See Appendix for full list of items.*

27 *A review of the implementation of NAPinclusion is due to be completed in 2019.*

28 *https://www.welfare.ie/en/pdf/Social_Inclusion_Monitor_2017.pdf*

29 *Ibid.*

The SIM also provides very valuable information and insight from the EU SILC survey on the poverty rates experienced by different groups and highlights the substantial variance in these rates. As can be seen in Table 2, the overall consistent poverty rate for the total population is 6.7% in 2017, 4.7 percentage points above the 2020 target.

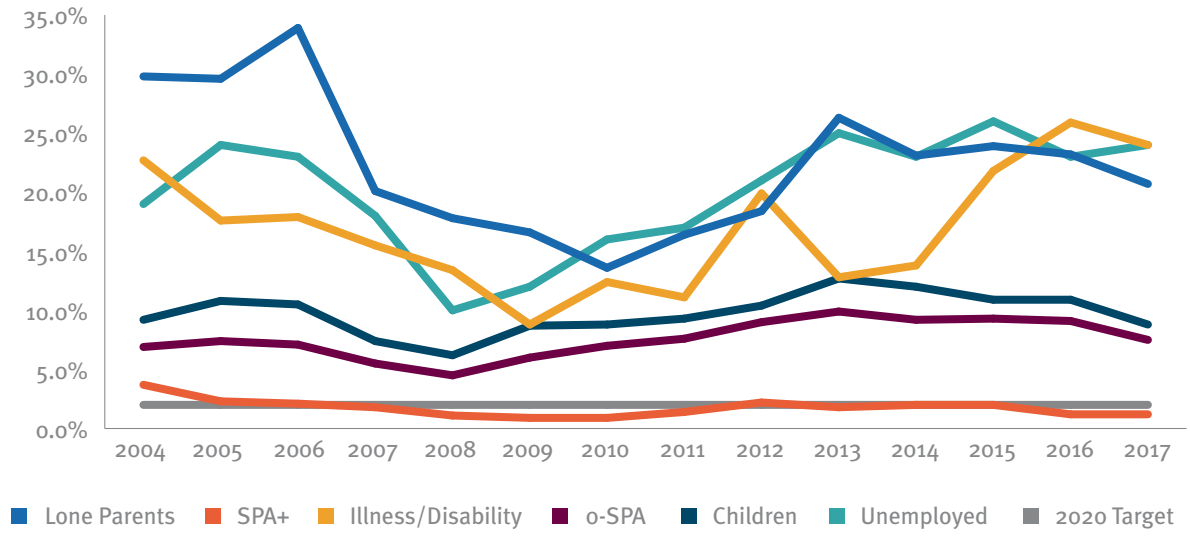
Table 2: Consistent Poverty Rates by Group 2016-2017

	Children	Unemployed	Lone Parents	SPA+	o -SPA	Illness/ Disability	Total Pop
2016	10.9%	23.4%	23.2%	1.2%	9.1%	25.9%	8.2%
2017	8.8%	24.1%	20.7%	1.2%	7.5%	24.0%	6.7%

Note: State Pension Age and above (SPA +).
Source: CSO SILC

However, Table 2 also shows that certain groups in Irish society are substantially further away from this target than the overall population. In 2017, the unemployed, lone parents and those unable to work due to an illness or disability all had consistent poverty rates of over 20%, which is significantly greater than the total population consistent poverty rate of 6.7%.[30] What is also of note is that use of the overall consistent poverty rate masks that some groups in Irish society have surpassed the NSTPR target (as illustrated in Figure 11).

Figure 11: Consistent Poverty Rates by Group and 2020 Target



Source: CSO SILC

30 *Furthermore, Figure 11, which shows the trend in consistent poverty rates by group over time highlights a significant upward trend in recent years in the consistent poverty rates of lone parents, those unable to work because of a disability or illness and the unemployed.*

In 2017, the consistent poverty rate of those of State Pension Age and above (SPA+ are those aged 66 and above) was 1.2%. When those of SPA+ are removed from the analysis, the consistent poverty rate for those aged 0-65 increases to 7.5% from 6.7%. This indicates that, as the population ages and those of the SPA make up a greater share of the population, the overall consistent poverty rate could decrease further. This may lead to a situation where the use of the total population consistent poverty rate may indicate that progress is being made when in reality, the significantly low consistent poverty rate of one group (and its increasing share of the population) impacts on the measurement used and masks the situation of other groups

The significant variance in consistent poverty rates of these groups may therefore bring into question the manner in which the total population consistent poverty rate is currently presented in the Revised Estimates as a context and impact indicator. There may be concerns with trying to identify population cohorts in receipt of support and directly link programme level expenditure with the consistent poverty rates of that particular cohort. However, the significant variance in consistent poverty rates of cohorts targeted by EASP expenditure suggests that providing these rates would provide valuable information for the budgetary scrutiny process. For example, if the consistent poverty rate of one group is shown to be considerably greater that that of another group, then this should inform budget scrutiny when considering EASPs objectives and the prioritisation of any additional expenditure.

Appendix

Deprivation rate

Households that are excluded and marginalised from consuming goods and services which are considered the norm for other people in society, due to an inability to afford them, are considered to be deprived. The identification of the marginalised or deprived is currently achieved on the basis of a set of eleven basic deprivation indicators:

1. Two pairs of strong shoes
2. A warm waterproof overcoat
3. Buy new (not second-hand) clothes
4. Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day
5. Have a roast joint or its equivalent once a week
6. Had to go without heating during the last year through lack of money
7. Keep the home adequately warm
8. Buy presents for family or friends at least once a year
9. Replace any worn out furniture
10. Have family or friends for a drink or meal once a month
11. Have a morning, afternoon or evening out in the last fortnight for entertainment

Individuals who experience two or more of the eleven listed items are considered to be experiencing enforced deprivation. This is the basis for calculating the deprivation rate.

Contact: *PBO@oireachtas.ie*
Go to our webpage: *www.Oireachtas.ie/PBO*
Publication date: *11 July 2019*

Houses of the Oireachtas
Leinster House
Kildare Street
Dublin 2
D02 XR20

www.oireachtas.ie
Tel: +353 (0)1 6183000 or 076 1001700
Twitter: @OireachtasNews

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