



Illustration by Brian Fitzgerald

# What is Poverty?



## TYPES OF POVERTY

There are different types of poverty. Lack of money or limited income are common to any definition of poverty. When we think of poverty we may think of starving people, living without proper housing, clothing or medical care—people who struggle to stay alive. This is known as absolute poverty. Some people in Ireland, including homeless people, may experience this type of poverty.

## RELATIVE POVERTY

In Ireland and other developed countries, poverty is more usually called relative poverty. In this case, people are considered to be living in poverty if their standard of living is substantially less than the general standard of living in society. The government's National Anti-Poverty Strategy reflects this: **"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 that 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 that are considered the norm for other people".**

Relative poverty is made up of two key elements: income poverty and deprivation. The combination of these two elements is called consistent poverty.

Read our *Measuring Poverty* factsheet for more information on consistent poverty.

Poverty is not the same everywhere. It varies as each society's standard of living is different. Poverty also varies over time as living standards change. The income level that might have indicated poverty ten years ago is not the same income level today as living standards have risen. While people in poverty may have more money than ten years ago their position relative to average incomes in society may have deteriorated. If the incomes of the rest of society increase more than the incomes of people in poverty, people's poverty will have worsened.

## CAUSES OF POVERTY

Poverty is not inevitable. Poverty is an outcome of the way society allocates resources such as money, wealth, jobs, education, housing, healthcare and so on. The political system, the labour market, the social welfare system and the taxation system all influence the allocation of resources in society. Other factors, many of which are inter-related, that influence the likelihood of being in poverty include:

- Having a job or not and the type of job
- Size of family and type of family, eg, one-parent, couple, couple with children etc.
- Age
- People's social circumstances or social class
- Gender
- Disability
- Educational experience

- Ill health
- Whether people own/rent a home
- Experience of discrimination
- Sexual orientation

Poverty stops some people from participating as equals in everyday life, from feeling part of their community and from developing their skills and talents. This process is often called social exclusion. The Irish government has set a national policy target of reducing consistent poverty to 2% by 2007.

## SOME FACTS ON POVERTY IN IRELAND

- In 2001 192,000 people (4.9% of the population) lived in consistent poverty.
- Consistent poverty levels reduced from 14.5% in 1994 to 4.9% in 2001.
- In 2001 more than 862,000 people (almost 22% of the population) lived on less than €164 per single person per week.
- Relative income poverty levels increased from 15.6% to 21.9% in 2001.

Further Information:

*Measuring Poverty* factsheet

*Poverty Briefing: Poverty in Ireland - the Facts* (available from Combat Poverty Agency)

*JargonBuster* for definitions of terms used in discussing poverty (available at [www.combatpoverty.ie](http://www.combatpoverty.ie))

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