

CEDAW

INTRODUCTION

The VPSJ welcomes this opportunity to make a submission in regards to discrimination against women. This brief submission will highlight aspects of the VPSJ's recent Minimum Essential Standard of Living research which relate to issues predominantly experienced by women.

The MESL research of the VPSJ focuses on establishing the cost of a socially acceptable Minimum Essential Standard of Living (MESL), and the income required to maintain this standard of living. Establishing the cost of a socially acceptable standard of living enables the benchmarking of the adequacy of social welfare supports and minimum rates of pay, shining a light on shortfalls and poverty traps within the current tax and social welfare system.

While the research does not specifically focus on gender, a number of issues demonstrated in the research are of particular pertinence to women, as women tend to experience these situations more frequently than men.

Those in low paid and minimum wage employment are more likely to be women; similarly the incidence of part-time employment and low hour employment is higher for women. Furthermore, the changes to the One-Parent Family Payment will have disproportionately impacted on women as the majority of one parent households are headed by women.

MINIMUM WAGE INADEQUACY

- › The National Minimum Wage (NMW) rate of €9.15 in 2016 does not provide for an MESL for a single adult in full-time employment. The current NMW provides only 78% of the MESL expenditure need of a single person, without dependents, living in private rented accommodation in Dublin. ⁱ
- › The Living Wage rate in Ireland is calculated by the VPSJ's Minimum Essential Budget Standards Research Centre, in conjunction with the Living Wage Technical Group, on the basis of the MESL research.
- › Living Wage is the average gross salary which will enable full-time employed adults (without dependents) across Ireland to afford a socially acceptable minimum standard of living.
- › In 2016 the Living Wage rate is €11.50 per hour, 25% greater than the NMW rate.

LOW AND VARIABLE HOURS

- › Those earning the minimum wage are more likely to be in lower hour employment.
- › The inadequacy of the NMW in the context of full-time employment can only be compounded in situations where less than full-time hours are available.
- › A recent VPSJ working paper examined the social welfare supports available to individuals only able to secure low hour / part-time employment, but seeking full-time employment.ⁱⁱ
- › The analysis found that while combining income from employment with social welfare support provided greater income than when relying on social welfare alone, the total income available would remain significantly below that required for a socially acceptable minimum standard of living.
- › Furthermore, as the level of social welfare support from Jobseeker's Allowance varies based on the number of days worked, those in variable hour employment are placed in a position of precarious income both from the state and from employment.

ONE PARENT HOUSEHOLDS

- › The change to eligibility for the One-Parent Family Payment (OFP), ending the OFP when the youngest child in a household reaches the age of seven, has had significant income consequences for one parent households.
- › A recent VPSJ working paper examined the impact of these changes on the income adequacy of one parent households with one child, when in part-time minimum wage employment.ⁱⁱ
- › The analysis in the paper demonstrates the complexity of the changing entitlements for One Parent household compositions, as the eligibility for supports changes with the age of the child.
- › Due to the complexities of the system the eligibility for particular schemes not only changes, but also the ability to qualify for Family Income Supplement simultaneously with other supports is withdrawn when the youngest child reaches the age of seven.
- › The impact of this is demonstrated by comparing the adequacy of net household income from 19 hours of NMW employment and social welfare supports for a One Parent household with a primary school child aged under seven, to the inadequacy of the net income from the same employment but reduced social welfare supports for a One Parent household with a primary school child aged over seven.
- › When the child in the household is aged under 7, 19 hours NMW employment combined with social welfare supports may provide for an adequate income. When the child is aged over seven, at least 20 hours NMW employment is required to secure a marginally adequate income.

NOTES

MINIMUM ESSENTIAL STANDARD OF LIVING

A Minimum Essential Standard of Living is a standard which no one should be expected to live below. It is the minimum needed to live and partake in Irish society today, meeting the physical, psychological and social needs of individuals and households. It is a minimum standard for everyone, not just those in poverty, and identifies the cost of a dignified standard of living which allows participation in the norms of Irish life. An income below the MESL threshold means individuals & households must go without in order to make ends meet, and must forego items deemed essential for being part of Irish society.

Using the Consensual Budget Standards methodology, over the course of multiple research projects and extensive work with focus groups, detailed baskets of the goods and services vital to a household type's minimum needs have been established. These baskets are comprised of over 2,000 goods & services and define the minimum needs for households to live at a socially acceptable level. The MESL specifies the average weekly cost of all the goods and services necessary to enable a socially acceptable minimum standard of living.

The MESL data uniquely provides an evidence based benchmark against which to assess the adequacy of minimum rates of pay, and shines a light on the extent to which individuals and households can afford a standard of living which enables participation in the social and economic norms of Irish society.

Through its research the VPSJ plays an active role in trying to ensure a fairer society for all. The minimum standards data is widely used in the policy debate across government departments, in analysis by NGOs, contributes to the annual Budget process, and at a practical level it is used by organisations working directly with people such as SVP and MABS. Furthermore, the data forms the basis of the ISI's reasonable living expenses and the Living Wage calculations.

More detailed information on the MESL data and research is available through the VPSJ's Budget Standards research website, www.budgeting.ie, which provides the latest Expenditure and Income data, working and technical papers, and research reports. The VPSJ's Minimum Income Standard calculator, www.MISc.ie, may also be used to calculate the minimum income requirements of household types in specific scenarios.

ⁱ VPSJ (2016) *MESL Annual Update Report*, page 29. Available on www.budgeting.ie

ⁱⁱ Thornont, R. (2016) *Low Hour Work and Income Adequacy*. Available on www.budgeting.ie