

National Anti-Poverty Strategy

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Foreword


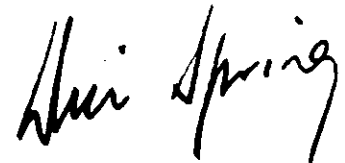
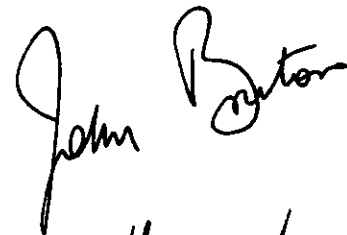
The National Anti-Poverty Strategy is a unique initiative in the development of public policy in Ireland. It is unique because it is the first time that an Irish Government has committed itself to addressing a major overarching aspect of public policy in a strategic way in the medium to long-term. It is also unique in the way in which that policy has been formulated.

When the Government decided to develop the Strategy, following the United Nations Social Summit in Copenhagen in March, 1995, it decided that the Strategy should be drawn up on the basis of widespread consultations, particularly with those who are affected by poverty. As a result of the consultation process that took place, which formed an integral part of the development of the Strategy, the input of those experiencing poverty and their representatives was central to the preparation of the Strategy.

The challenge involved in tackling poverty is a major one. It means bringing about significant change in Irish society. It requires putting poverty among the issues at the top of the national agenda. It involves the mobilisation of all sections of Irish society in building a fair society. It requires listening to and involving those who are directly affected by poverty. It means making difficult choices about priorities and policies. It challenges existing departments and agencies to develop new and more open and inclusive ways of doing things. Above all, given the deep-seated structural causes of poverty, it will require considerable effort over an extended period of time. If this is to be sustained a strategic approach is required. Thus the development and implementation of a strategy which involves all government departments and agencies in addressing all aspects of poverty and social exclusion is of vital importance. The Government's role in this process - through an appropriate economic and social policy mix - is to create the conditions whereby individuals can break out of the cycle of poverty. This policy mix has to be consistent with the management of the public finances so that the targets of the Maastricht treaty and of the Stability and Growth Pact will be met.¹ There is also a balance to be struck to ensure

that the "guiding hand" of state policies will not encourage dependency. The aim should be, therefore, to create conditions in which people will become less dependent through approaches which facilitate integration, participation and the encouragement of self-determination.

This Strategy Framework is an ambitious plan to address the most serious issues which face us. It comes at a time of unprecedented economic growth. It is also a time when there is a risk of increasing divergence of the incomes and expectations between the better off and the most marginalised in our community. The Strategy presents us with an opportunity to address the divergencies within our society and, as a central objective, presents us with a means of bringing interests of those who are most marginalised to the centre of the policy making process.



¹ The Stability and Growth Pact requires a commitment from member States in Stage III of Economic and Monetary Union to aim for a medium term budget position of close to balance or in surplus. Sanctions may be imposed on member States which persist in failing to act on Council Decisions on measures to correct an excessive budget deficit. The Pact provides for the specification of the structure and scale of those sanctions

Brollach

Is tionscnamh uathúil é an Straitéis Náisiúnta Frithbhochtaine a mhéid a bhaineann le forbairt polasaí phoiblí in Éirinn. Is tionscnamh uathúil é mar gurb é an chéad uair riamh gur thug Rialtas Éireannach gealltanais chun aghaidh a thabhairt ar ghné mhór fhorleathan de pholasaí poiblí ar shli straitéiseach sa ghearrthéarma agus san fhadtéarma. Is tionscnamh uathúil é freisin mar gheall ar an tslí inar ceapadh an polasaí.

Nuair a chinn an Rialtas ar an Straitéis a fhorbairt, tar éis Chruinniú Mullaigh na Náisiún Aontaithe faoi Chúrsaí Sóisialta i gCóbhanhávan i Márta 1995, chinn siad gur ceart an Straitéis a tharraingt suas ar bhonn comhairliúcháin leathan agus, go háirithe, chinn siad ar dhul i gcomhairle leo sin a bhfearann an bhochtaine orthu. De thoradh an phróisis comhairliúcháin a bhí ann agus a bhí ina chuid dhílis d'fhorbairt na Straitéise, bhí ról lárnach ag na daoine sin a bhfuil taithe acu ar bhochtaine, agus ag a n-ionadaithe, le linn an Straitéis a ullmhú.

Tá dúshlán mór ag gabháil le dul i ngleic leis an mbochtaine. Ciallaíonn sé nach mór athrú suntasach a dhéanamh ar shochaí na hÉireann. Beidh gá le bochtaine a chur i measc na gceisteanna atá ar bharr chlár oibre an náisiúin. Ní mór gach earnáil de shochaí na hÉireann a spreagadh chun sochaí chóir a thógáil. Beidh gá le héisteacht a thabhairt dóibh sin a bhfearann an bhochtaine orthu go díreach agus ról a thabhairt dóibh. Ciallaíonn sé go mbeidh roghanna deacra le déanamh faoi thosaíochtaí agus faoi pholasaithe. Tugann sé dúshlán do ranna agus do ghníomhaireachtaí láithreacha bealaí nua atá níos oscailte uilechuimsithí a fhorbairt chun a ngnó a dhéanamh. Thar aon ní eile, i bhfianaise na gcúiseanna doimhne struchtúracha atá le bochtaine, beidh gá le hiarracht mhór thar thréimhse fhada. Má táthar chun leanúint den iarracht sin ní mór cur chuige straitéiseach a bheith ann. Dá bhrí sin, tá sé thar a bheith tábhachtach go ndéanfar straitéis a fhorbairt agus a chur i bhfeidhm ina mbeidh gach roinn agus gníomhaireacht rialtais páirteach le linn aghaidh a thabhairt ar gach gné den bhochtaine agus den eisiámh sóisialta.

Is é ról an Rialtais sa phróiseas seo - trí mheascadh cuí polasaithe eacnamaíochta agus sóisialta - ná dálaí a chruthú inar féidir le daoine éalú ó thimthriall na bochtaine. Ní mór an meascadh polaithe seo a bheith ag teacht le bainistí an airgeadais phoiblí ionas gur féidir na spriocanna atá i gconradh Maastricht agus sa Chomhaontú Cobhsaíochta agus Fáis a bhaint amach¹. Ní mór gníomhartha an Stáit a thomhas go cúramach freisin chun a chinntiú nach róspleáchas a thioctadh as an treorú a bhíonn ag gabháil le polasaithe Stáit. Is é an cuspóir is ceart a bheith ann, mar sin, ná dálaí a chruthú inar lú spleáchas daoine de bharr cur chuige lena spreagtar comhiomlanú, páirteachas agus féinchinneadh.

Is é atá sa Chreat Straitéise ná plean uailmhianach chun aghaidh a thabhairt ar na ceisteanna is tromá atá le réiteach againn. Is ann dó le linn tréimhse fáis eacnamaíochta nach raibh a leithéid ann riamh roimhe. Is tréimhse í freisin ina bhfuil an baol ann go dtiocfaidh méadú ar an mbearna sa tsochaí idir daoine atá go maith as agus daoine atá imeallaithe a mhéid a bhaineann le hioncam agus ábhar dóchais. Cuireann an Straitéis deis ar fáil dúinn aghaidh a thabhairt ar na bearnaí atá sa tsochaí agus, mar chuspóir lárnach, cuireann sí bealach ar fáil dúinn leasanna na ndaoine sin ar mó a bhfearann an t-imeallú orthu a thabhairt isteach go lár an phróisis déanta polasaí.

John Burton

Heidi Spring

R. De Rosa

¹ Ceanglaítear leis an gComhaontú Cobhsaíochta agus Fáis go drábharráidh ballstáit iomannas i gCéim III den Aontas Eacnamaíoch agus Airgeadaíochta chun díriú ar riocht buiséadach

meántearna a bheidh gar do bheith ar comhardú nó a bheidh i mbarrachas. Is féidir smachtbhannaí a chur ar bhallstáit a leanann de bheith ag mainneachtain gníomhú de réir Cinntí ón

gComhairle ar bhearta chun easnamh buiséadach iomarcach a cheartú. Deantar socrú sa Chomhaontú chun struchtúr agus scála na smachtbhannaí sin a sbonnú.

Strategy Statement

1. Introduction

Tackling poverty and social exclusion is one of the major challenges facing Irish society. It will involve ensuring that the impact of very rapid economic, social and demographic changes reduces social inequalities and social polarisation. It will mean ensuring that the benefits of sound economic management and growth are distributed fairly and, in particular, are used to tackle the underlying causes of poverty and social exclusion. Investing in tackling poverty is in the interests of us all. As well as causing much misery and hardship, failure to do so would ultimately impose huge social and economic costs on society and curtail economic growth and the development of a more cohesive society.

This strategy statement sets out the strategic direction and overall objectives for the National Anti-Poverty Strategy (NAPS) which is now being put in place across all government departments. The NAPS is a major cross-departmental policy initiative by the Government designed to place the needs of the poor and the socially excluded among the issues at the top of the national agenda in terms of government policy development and action. The development of NAPS has involved wide-ranging consultation and participation with the voluntary and community sector, the social partners, users of services and those with first hand experience of poverty.² Appendix 1 contains a brief note on the background to the development of the NAPS. Appendix 2 contains an Overview Statement on Poverty in Ireland: this was prepared as a background paper in the development of NAPS by the Combat Poverty Agency. Appendix 3 contains summaries of five Working Group reports

prepared by government departments and the social partners, including voluntary and community sectors. Appendix 4 contains a selection of extracts from departmental SMI Statements indicating how NAPS can be rooted in the SMI process. Appendix 5 contain a summary of anti-poverty initiatives undertaken in other countries.

2. Defining Poverty

For some, the term poverty conjures up the picture of what is commonly referred to as absolute poverty. Absolute poverty is a term often used to describe outright destitution, the struggle to survive, not having enough food to stay alive, indeed, not having the physical requirements of food, water, clothing and shelter. The term absolute poverty is usually applied to developing countries.

In the developed world, including Ireland, poverty is understood in a relative way rather than an absolute way. Relative poverty is described with reference to the prevailing socio-economic conditions of the society in question. An understanding of relative poverty recognises that poverty involves isolation, powerlessness and exclusion from participation in the normal activities of society as well as lack of money. Relative poverty recognises that the unequal distribution of resources and opportunities contributes to poverty. Such an understanding of poverty recognises that people have social, emotional and cultural needs as well as physical needs. It is thus recognised that relative poverty is multi-dimensional, dynamic and impacts on individuals, households and communities.

² Nine regional public consultation seminars were held, attended by over 1,000 people, while almost 300 written submissions from groups and individuals around the country were received and considered. These submissions were summarised in a separate document which was published in December 1995.

Another dimension of poverty is embraced by the concept of social exclusion; it focuses mainly on relational issues, such as inadequate social participation, lack of social integration and lack of power. The use of the term social exclusion can be helpful because it takes account of the new and emerging forms of poverty and disadvantage brought about by rapid economic, social and technological changes.

Partnership 2000 has defined social exclusion as follows:

Cumulative marginalisation: from production (employment), from consumption (income poverty), from social networks (community, family and neighbours), from decision making and from an adequate quality of life.

There is no one single definition that has been fully accepted as defining poverty and social exclusion in a comprehensive way, nor is there, at present, one agreed definition that is in common use for policy purposes by national governments.

However, there is much agreement about some of the key elements that need to be incorporated into a definition.

In developing the NAPS, the following definition has been agreed:

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.

3. Poverty in Ireland and the Challenge for NAPS

In 1994 it is estimated that 34 per cent of the population were living on disposable incomes below 60 per cent of the national average.³ Although this survey showed that the proportion below this relative income line (and the 50 per cent line) had increased since 1987, the overall trend indicated a considerable improvement as regards poverty in this period. Over these seven years, the depth of poverty as measured by the average gap between actual incomes and the 60 per cent and the 50 per cent relative income lines fell considerably. In addition, there were real improvements in income. This is shown by the fact that, while in 1987 about 20 per cent of persons were below half average income, by 1994 only 8 per cent were below that line uprated by price increases. Finally, the ESRI results show a welcome fall in the amount of deprivation among those on low incomes, with the indicator of the average level of deprivation down 30 per cent in 1994 as compared with 1987. Notwithstanding these improvements, the survey showed that, when estimates of income and deprivation are combined to produce a measure of persistent poverty, 9 per cent and 15 per cent of the population fell below this measure at the 50 per cent and the 60 per cent relative income lines, respectively.

The challenge of the relative approach to poverty is to find a way in which the fruits of economic success can be more equitably shared. The Partnership 2000 Agreement, the Government Programme and other frameworks have recognised and endorsed this overall objective.

³ ESRI Survey "Poverty in the 1990s: evidence from the 1994 Living in Ireland Survey". This survey showed that 21 per cent were on low incomes below 50 per cent of the average

The known association of poverty with unemployment, and that of unemployment rates and earnings differentials with educational attainment, point to a significant risk of an increasingly divided society emerging in Ireland over the years ahead. That record economic and employment growth can have a limited impact on marginalised groups and individuals is evident from the still high levels of long-term unemployment. No society can view without deep concern the prospect of a significant minority of people becoming more removed from the incomes and life-style enjoyed by the majority. It is the tackling of the structural factors which underpin this exclusion which requires the strategic approach set out in this document. The challenge for the NAPS is to:

- (i) Analyse and understand the scale of the poverty problem which exists;
- (ii) Identify the key areas in which action is needed if poverty is to be reduced;
- (iii) Establish key objectives, targets and a series of concrete actions for tackling poverty; and
- (iv) Ensure appropriate mechanisms are in place to monitor and review the objectives and targets.

The central focus of NAPS must be on the 9 to 15 percent of the population, based on the recent ESRI data, who were found to be "consistently poor", that is, those who are subject to income poverty and who appear to be suffering some form of deprivation due to lack of resources.

Political choices ultimately have to be made through a combination of policy actions involving taxation and public expenditure and also the sharing of the fruits of increased economic growth, including the positive effects from the so-called "demographic dividend".

It is also necessary to note that the current demographic position in Ireland is more favourable now than at any other time in Ireland's recent history. Ireland remains unique in EU terms, in that over the next twenty years any "greying" of the population will be counter-balanced by reduced child dependency and increasing numbers of women at work. In fact, Ireland will have considerably fewer dependants per worker in the future than there have been in the recent past (Fahy & Fitzgerald, 1997).

These lower economic dependency levels provide an opportunity to free up resources for initiatives such as the National Anti-Poverty Strategy. If nothing is done, or if these resources are not applied to the benefit of the socially excluded, the potential result is that a large number of people will become even more alienated with serious implications for all members of society, rich and poor. The adoption of clear overall objectives, targets and policy actions in relation to NAPS, which are discussed later, is designed to demonstrate to everyone the ongoing progress achieved in the development of NAPS over the coming years and also help explain both the reason why and the value of the scale of national resources being directed towards tackling poverty and social exclusion in Ireland.

4. Who are the Poor?

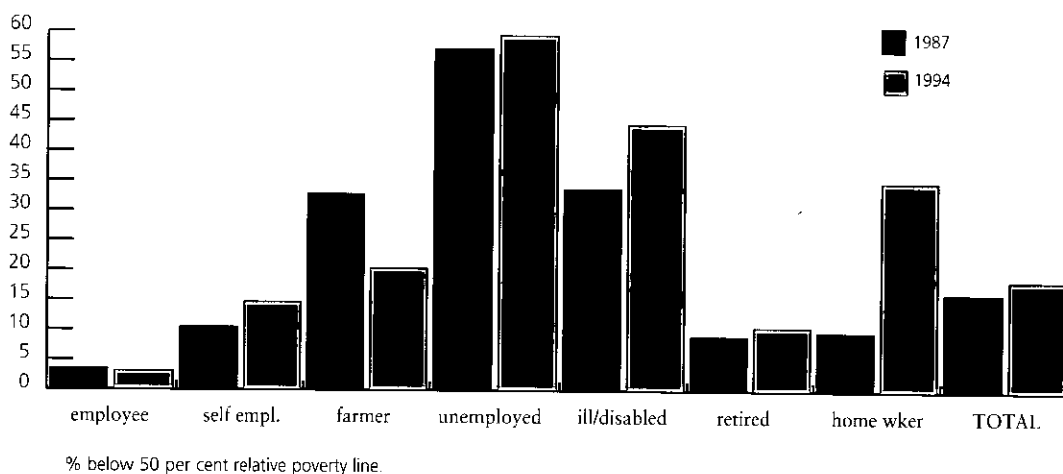
As already stated, there is no one agreed definition of poverty; however, a measure of relative income can be used as an indicator of both the incidence and risk of poverty. It is important to distinguish between those groups of people who account for a substantial proportion of those living in poverty (the incidence of poverty), and other groups of people who may be subject to a high risk of poverty. In other words, we need to identify which types of household face particularly high risks of poverty and which account for most of the poor. According to the ESRI data, households headed by an unemployed person and households headed by someone working in the home were the largest groups in poverty in 1994. The groups at greatest risk of poverty were (see Graph 1):

- the unemployed, particularly the long-term unemployed;
- children, particularly those living in large families;

- single adult households and households headed by someone working in the home⁴;
- lone parents;
- people with disabilities.

It should be noted that there is some overlap between these groups. Other groups known to have a high risk of poverty, but who are not identified in household surveys are members of the Travelling community and people out of home. The main results of the survey show that the unemployed and children, particularly those in large families, continue to be at the highest risk of poverty.

The principal changes since 1987 in regard to the types of low income households were the striking decline in the risk of poverty for farm households, and the increased risk of being below the 50 or 60 per cent income poverty lines for single adult households, the elderly, households headed by women and households headed by full time home workers. There is a good deal of overlap between these groups.



Risk of Poverty By Labour Force Status of Head of Household 1987 and 1994

4 - 52% of single adult households have an income below 60% of the national average. These households make up one-third of the households below this line and can be broken down approximately as follows: 50% elderly women; 20% elderly men; 30% non-elderly.

-21% of single adult households have an income below 50% of the national average making up 25% of total below this line. Here the breakdown is more varied: 34% elderly women; 4% elderly men, 62% non-elderly. Of the approximately 60% non elderly, 10% are men and 20% are women. The 40% of non elderly men living alone are mostly aged over 50 and are unemployed or have a disability (From 1994 Living in Ireland Survey analysis).

The policy of prioritising increases in the lowest rates of social welfare helps to explain the increase in the number of single adult households comprising an elderly person or widow below the relative income lines over the period. Pensions, which were set at a relatively high rate in 1987, increased more slowly than the lowest social welfare rates over the period.

Finally, the gender dimension of poverty needs to be recognised. Men and women can endure different risks of poverty and poverty can be experienced differently by men and women. In addition, inequality and discrimination can increase the risk of poverty and these issues are often inextricably linked.

5. Where are the Poor?

It is important to stress at the outset that disadvantage and unemployment affect virtually every area in Ireland and that the poor or the unemployed are not singularly clustered in the major urban centres. However, particular communities do suffer from cumulative disadvantage and for such people, it is likely that the cumulative effect is to intensify their experience of disadvantage.

In some cases, these communities are geographically concentrated. Three types of areas have been identified as particularly at risk of cumulative disadvantage: decaying inner city areas, large public housing estates on city and town peripheries, and isolated and underdeveloped rural areas.

6. Causes of Poverty

In addressing poverty it is necessary to identify and tackle the causes of poverty. In examining the operation of the labour market, unemployment, particularly long-term unemployment, has been shown to be a fundamental cause of poverty. The experience of unemployment is very unequally shared. The education system can, in the absence of countermeasures, reproduce inequalities and poverty. Thus, the education system has a key role to play in providing a route out of poverty. The tax and social welfare systems are also critical in addressing poverty. In order to prevent poverty, social welfare payments need to be adequate, there should be incentives for people to take up work and the tax system should seek to be progressive. The impact of inequality, discrimination, disability and resource distribution within households can reinforce the impact of these other causes of poverty.

The consequences of high levels and concentrations of poverty can lead to a threat to the social fabric of the country and can incur high economic costs. A number of consequences have been identified: the concentration of poverty in certain communities; the effects on physical health and an increase in psychological stress; an increase in crime; an increasing drug culture; and the alienation of young people.

The causes and consequences of poverty are often inextricably linked. In the worst scenario this can result in a cycle of poverty, which has sometimes been described as a "vicious circle of poverty". For example, a child of unskilled working class unemployed parents living in a disadvantaged suburban housing estate has a particularly high risk of poverty. He/she is more likely to leave

school early without educational qualifications; is likely to remain unemployed and see little chance of getting a job; is more likely as a consequence to become involved in substance abuse and crime, particularly if his/her peers are in a similar position. While this is an extreme example there are undoubtedly areas where this is occurring in Ireland. This cycle of poverty must be broken, otherwise some individuals and groups of people will become further marginalised and alienated from the rest of society. This will hold back economic development and subsequently result in increased costs and security risks for the rest of society. In breaking this cycle of disadvantage attention must be primarily focused on addressing the main structural causes, while not ignoring ameliorative actions, otherwise, we as a society, will be unable to address poverty substantially.

7. Principles Underpinning the Strategy

In developing the NAPS, a number of principles have been adopted which underpin the overall strategy. These principles are:

- ensuring equal access and encouraging participation for all
- guaranteeing the rights of minorities especially through anti-discrimination measures
- the reduction of inequalities and in particular, addressing the gender dimensions of poverty
- the development of the partnership approach building on national and local partnership processes
- actively involving the community and

voluntary sector

- encouraging self reliance through respecting individual dignity and promoting empowerment and
- engaging in appropriate consultative processes, especially with users of services.

The Second Report of the co-ordinating Group of Secretaries on the Strategic Management Initiative, entitled Delivering Better Government, identified poverty as a key Strategic Result Area, that is, a key priority area of Government activity. This approach focuses the attention of departments on their individual and joint contributions to achieving overall objectives. The principles set out above will be applied, in an SMI context, by departments and agencies in implementing the measures set out in this Strategy across the range of their activities.

8. Economic and Budgetary Context

It is recognised that the introduction and implementation of the NAPS must be consistent with the management of the public finances such that the targets set out in the Maastricht Treaty and the Stability and Growth Pact will be met. Thus the implementation of the strategies set out under the five key areas, discussed later, will not result in a departure from the policy of prudent management of public expenditure, set out in Partnership 2000, and in particular the multi-annual expenditure profile published with Budget 1997. Pursuit of the targets set will require a greater emphasis on measuring the impact of programmes and improving their design and delivery to achieve the required results. Insofar as

additional resources are required, this will require a re-ordering of Government spending priorities with increases in expenditure in some areas, e.g. measures to reduce long-term unemployment, being compensated for by reductions in other areas.

While a further £525 million was committed for social inclusion under Partnership 2000, the challenge for the NAPS will be to re-distribute resources in the most effective way on anti-poverty policies across the spectrum of public expenditure and taxation programmes. The conclusions of the UN World Summit on Social Development held in 1995 (Copenhagen) call for a better integration of economic and social planning. The objective is to aim for better integration without sacrificing the basic goals of anti-poverty policies and to avoid fiscal and budgetary considerations overwhelming other considerations in the process. The challenge is, that within these considerations, there is a need to focus more effectively on addressing issues of poverty and social exclusion. Higher levels of public spending are not necessary for a successful anti-poverty strategy. Indeed, the objectives of NAPS could be damaged by policies that resulted in significant tax increases. The most effective way of reducing poverty is the creation of jobs. To the extent that policies were pursued which would result in significantly higher taxes, the job creation potential of the country would be reduced.

9. Partnership 2000

While the National Anti-Poverty Strategy was already in preparation, prior to the negotiation of Partnership 2000, a central feature of that agreement was a commitment to the early completion of NAPS in 1997. The publication now of the Strategy meets the commitment contained within Partnership 2000.

While Partnership 2000 reinforces the principles of the NAPS, it runs only for the first three years of NAPS, which has been designed as a longer-term programme.

10. The Global Target and Strategic Aims of NAPS

Having examined and analysed the data on poverty, three things became clear. Firstly, addressing poverty needs to be based on an understanding of the multidimensional nature of poverty. This means involving a wide range of policy areas covering the social and cultural as well as the economic dimensions of people's lives. The need to build responsibility for tackling poverty into the strategic objectives of all government departments and agencies has been recognised and is now being done. Secondly, addressing poverty involves tackling the deep-seated underlying structural inequalities that create and perpetuate it. To achieve this, government departments and agencies are setting targets to ensure that their policies and programmes contribute to achieving a fairer distribution of resources and opportunities in all areas of day-to-day life and do not create or perpetuate excessive inequalities. Thirdly, there is also a need to give particular attention to a number of key areas if any significant advance on the tackling of poverty is to be achieved. These have been identified as follows:

- (i) Educational disadvantage;
- (ii) Unemployment, particularly long-term unemployment;
- (iii) Income adequacy;
- (iv) Disadvantaged urban areas; and

(v) Rural poverty.

In addition, in developing the National Anti-Poverty Strategy it was also decided to set an overall or global target to measure ongoing success with the implementation of NAPS over a ten year period.

The global target is as follows.

Over the period, 1997-2007, the National Anti-Poverty Strategy will aim at considerably reducing the numbers of those who are "consistently poor" from 9 to 15% to less than 5 to 10%, as measured by the ESRI.

The strategic aims for the National Anti-Poverty Strategy set out below have taken account of the reports of the five key theme working groups on educational disadvantage, unemployment, income adequacy, disadvantaged urban areas and rural poverty. The working groups were composed of representatives from key government departments and state agencies, the national anti-poverty networks, the social partners and other voluntary and community groups.

While all five issues play a key role in this initiative, the combined effect of the first three issues are of central importance in achieving the most significant changes in this area, and indeed, in the light of progress achieved, should impact positively in the other areas.

What is required to advance the Strategy is the adoption of a series of overall objectives, overall targets and supporting policy actions in the five key areas. The setting of overall objectives, overall targets and required policy actions is regarded as the first step in the process of mobilising agreed

action in the following five key areas. It is envisaged that, in the light of progress with the Strategy, and the development by Departments of their SMI Statements of Strategy, objectives and targets will be refined, following a process of monitoring and evaluation.

11. Educational Disadvantage

Overall Objective:

To ensure that children, men and women living in poverty are able to gain access, participate in and benefit from education of sufficient quality to allow them to move out of poverty, and to prevent others from becoming poor.

Overall Target:

To eliminate the problem of early school leaving before the junior certificate, and reduce early school leaving such that the percentage of those completing the senior cycle will increase to at least 90% by the year 2000 and 98% by the year 2007, and having regard to the assessment of their intrinsic abilities, there are no students with serious literacy and numeracy problems in early primary education within the next five years.

Policy Actions:

Education can play a key role in the promotion of equality of opportunity. Educational qualifications, or the lack of them, determine to a large extent the life chances of people. The likelihood of obtaining educational qualifications has been found to be closely associated with social background, to the extent that it is children of the poor who constitute a majority of those who do not benefit from the education system.

More than ever, under-achievement at school begets social difficulties which can lead to a life of uncertainty, marginalisation, and dependence on the structures of social assistance. Lack of qualifications can combine with unemployment, dependence on social welfare, accommodation difficulties and health problems, and create a situation where various types of disadvantage become mutually reinforcing.

The following actions are designed as part of an integrated strategy to address educational disadvantage in the context of a continuum of provision from early childhood through to adulthood. Many of these are not cost increasing, insofar as they are features of ongoing policy and delivery of services, (e.g. curricular reform, in-career development, certification) or relate to the mechanisms through which more effective integration and community empowerment might be achieved (increased democracy in decision-making, consultative strategies, integration of formal and non-formal provision etc.).

Very significant changes are taking place in economic, social and demographic structures which have important implications for education provision. Within the resources released by the demographic dividend in primary education, preventive strategies at pre-school and primary levels will have a high priority.

The following strategies are identified as necessary in order to achieve the overall objective and target.

- **Participation:**

Increased support towards the cost of participation in education for welfare dependent and low income families, thereby eliminating barriers to participation.

- **Pre-school Education:**

Increased pre-school services, in partnership with community interests, including the development of pre-school interventions, designed to address education disadvantage, the objective being to ensure that there are no students with serious literacy and numeracy problems in early primary education within the next five years. Consideration will also be given, subject to the evaluation of the current pilot project, to a phased extension of the Early-Start Programme (an early education initiative involving parents), to all areas of disadvantage.

- **Preventing Educational Disadvantage:**

Preventing educational disadvantage and early school leaving through increased resources at primary level and in the early years of post-primary schooling. This should encourage active parental involvement at the earliest possible age and include consideration of an expansion of the Breaking the Cycle initiative, consideration of an enhancement of the Home/School/Community Links Scheme, remedial, guidance and psychological services, and a targeted reduction in class sizes in the early years of education.

- **Special Educational Needs:**

Ensuring that there is a continuum of provision for special educational needs, with students being enabled to move as necessary and practicable from one type of provision to another.

- **Travellers and Education:**

Improved measures for Traveller children to ensure that all Traveller children of primary

school age will be enrolled and will participate fully in primary education within five years. Within ten years, all Traveller children of second-level school-going age will complete junior cycles and 50% will complete senior cycle.

- **Early-School Leaving:**

Consideration will be given to:- closer integration of the community dimension of provision, and development of integrated area-based links between schools, youth, community and welfare services, out of school education and training; the introduction of a range of pilot initiatives to tackle truancy, with a process for formal evaluation in order to inform national policy in this area and special supports to encourage teenage parents to remain in school to completion of senior cycle.

- **Lifelong Learning:**

Support lifelong learning, second chance education and community-based education and training. Participation could be facilitated particularly through the provision of childcare. Disadvantage among adults will be tackled through the Vocational Training Opportunities Scheme and by ensuring that programmes are in place for those who wish to overcome literacy and numeracy difficulties.

12. Unemployment

Overall Objective:

Paid employment should be available to all men and women currently in poverty who are seeking

employment. This should be capable of providing adequate income, either on its own or when combined with other forms of support, sufficient to lift them out of poverty and should be available without barriers of discrimination.

Overall Target:

To reduce the rate of unemployment, as measured on an internationally standardised basis (ILO) by the Labour Force Survey, from 11.9% in April, 1996 to 6% by 2007; and to reduce the rate of long-term unemployment from 7% to 3.5%¹ with a particular focus on reducing the number of very long-term unemployed who are especially at risk of being consistently poor.

Policy Actions:

The broad strategy will be to:

- continue the macro-economic policies which have contributed to significant increases in employment in recent years;
- enhance policies aimed at increasing the overall level of jobs and income generating opportunities in the economy - in the private, public and social economy sectors and in atypical employment opportunities;
- ensure that the unemployed have the opportunities (in the framework of reciprocal obligations agreed in Partnership 2000) to take up or to acquire the skills necessary to take up the jobs available and that they can increase the wages they can command when they become employed;

¹ If such a reduction had applied in April 1996 it would have reduced measured unemployment from 177,600 to 89,000 and long-term unemployment from 102,000 to 51,000

- ensure that the barriers faced by a person who is long-term unemployed and poor in accessing work are addressed. A strong public employment service including the Local Employment Service will be a key element in addressing these barriers. The Local Employment Service has a particularly important role in providing access to a suitable range of interventions for the long-term unemployed, in building bridges with employers and providing a support and information service to the unemployed to help them access the opportunities available;
- ensure that 'double discrimination' barriers which arise for certain groups, in particular, people with disabilities and Travellers, in accessing employment are removed. This involves putting in place measures to prohibit discrimination and to increase the labour market participation of the groups affected as well as a number of general affirmative action measures;
- ensure that when jobs become available, it is worthwhile for the unemployed to take them up and remain in them. This involves putting in place measures to assist lower paid workers, to ease the transition from welfare to work, to assist those wishing to become self-employed and to develop child income support;
- put in place an effective evaluation, monitoring and feedback process, based on performance indicators, to ensure that the identified strategies are achieving the desired outcomes and to assess the effectiveness of new and existing

measures to tackle unemployment, in an anti-poverty context.

Labour Market Measures: The range of labour market measures including the Community Employment Programme, the Pilot Part-time Job Opportunities Programme and the Jobs Initiative will be reviewed to ensure a greater choice of full-time and part-time options. As resources permit, there will be an increase of 10,000 places with particular provision for those unemployed for more than 5 years.

Social Economy: A working Group will be set up to undertake a detailed examination of the employment potential of the Social Economy sector.

Labour Force Participation: Specific measures will be introduced to improve the labour force participation of women in poor households, people with disabilities and Travellers.

Measures will be introduced to enable women in poor households to access education, training, development and employment opportunities.

Measures to improve the labour force participation of people with disabilities will include ensuring that the 3% employment target for people with disabilities will be met in the broader Public Service and the preparation and active promotion of Codes of Practice on the employment of people with disabilities; the maintenance of proper records of employment of people with disabilities subject to the requirement of confidentiality and privacy; and the identification of suitable employment opportunities, targets and specific timescales.

Action will be taken to endorse labour force participation by the Traveller Community and the

viability of the Traveller economy on foot of the recommendations of the Task Force on the Travelling Community.

Taxation and Transition to Work: The improvement in the take home pay of those at work on low incomes is the key aspect of ensuring that when jobs become available, it is worthwhile for the unemployed to take them up and remain in them. In this context, action will be taken to focus tax improvements on the low paid.

The social partners have agreed in Partnership 2000 that the issue of standard rating and a tax credit system should be subject to further examination before end-September 1997.

Other specific measures to be taken in the context of Partnership 2000 and a range of initiatives being implemented by government departments as part of the National Anti-Poverty Strategy will also contribute, in the short-term, to the achievement of the broad strategic objectives in relation to unemployment set out above.

13. Income Adequacy

Overall Objective:

Policies in relation to income support, whether these policies relate to employment, tax, social welfare, occupational pensions or otherwise should aim to provide sufficient income for all those concerned to move out of poverty and to live in a manner compatible with human dignity.

Overall Target:

Policy actions in relation to income adequacy will be targeted at contributing to the overall reduction in the percentage of the population whom the ESRI have identified as being "consistently poor" from 9

to 15% to less than 5 to 10% over the period 1997-2007.

All social welfare payments will be increased to the minimum of the lower range recommended by the Commission on Social Welfare, in line with the commitment set out in Partnership 2000.

Policy Actions:

The actions which follow are part of an integrated strategy to ensure that income adequacy is achieved through a set of consistent policies relating to social welfare, employment and labour market policies, pay rates, occupational pensions etc. Given the link between poverty and unemployment, increases in social welfare rates need to be complemented by actions to help the unemployed back to work. It is notable that over the last decade Ireland's economy has achieved growth rates more than double the EU average. This has resulted in record increases in employment although long-term unemployment still remains unacceptably high. Specifically in relation to the interaction between income adequacy and labour market policies, the principles identified by the Expert Working Group on the Integration of the Tax and Social Welfare systems are particularly relevant. These are :

- There must be a reward for working.
- The transition to work must be facilitated.
- Tax on the lower paid should be reduced.
- The tax and social welfare systems should be simpler.
- Tax and social welfare reforms should be co-ordinated.

In the light of the foregoing, it is possible to identify a number of key priorities and policy options which flow from these in the area of

income adequacy. These are -

Adequacy of social welfare rates: In addition to the commitment to increase social welfare rates, it is noted that - as set out in the ESRI report, "A Review of the Commission of Social Welfare's Minimum Adequate Income" - it is not possible to derive in an unproblematic, objective and scientific way estimates of income adequacy, which would be universally acceptable and convincing. If adequacy is to be assessed against the standards of the society at a given point in time, as the Commission on Social Welfare envisaged, the target will move up over time as general living standards in the community rise, but there is wide scope for debate about the most appropriate indicators or reference points to employ. These issues, which were examined in the ESRI report, will be considered in the context of NAPS. Such an approach facilitates better informed public debate and political decisions concerning social welfare rates, adequacy, economic efficiency and the hard choices involved.

Reducing Unemployment and Poverty Traps:

One of the conclusions of the Report of the Expert Working Group on the integration of the Tax and Social Welfare Systems was that "successive Governments over the past twenty years have significantly increased social welfare benefits in real terms. This arose from a social consensus to deal with the problem of poverty. During the same period the burden of taxation was increased substantially. This combination of policies has resulted in a reduction in the incentive for the unemployed to accept relatively low-paid work, or for those on low pay to remain in employment. If, in the years ahead, unemployment payments continue to increase at a faster rate than the after-tax-incomes-of-those-at-work,-the-unemployment-

traps which we identify in this report will intensify".

In this regard, an examination of the social welfare system to establish how it can be further adapted to encourage all forms of employment will be carried out; a further expansion of the Back-to-Work-Allowance Scheme will be examined as will increased co-ordination on work incentives across all Departments. The poverty trap created by the withdrawal of rent and mortgage supplements when a person works for more than 30 hours a week will be examined. A more consistent approach to secondary benefits will also be developed. Disincentives to work will be reduced by giving priority, in the short-term, to the Family Income Supplement (FIS) system as a means of increasing the net return from work to families with children. These developments will facilitate the successful provision of more effective opportunities for progression to employment in a framework of reciprocal obligations set out in Partnership 2000, i.e., the obligation of society to provide decent incomes and worthwhile supports in job-seeking for the unemployed and for the unemployed to seek and accept reasonable employment, development and training opportunities.

Children and Income Adequacy: The continued development of the most appropriate course of policy for the future development of child income support, to both alleviate child poverty and reduce work disincentives.

Occupational Pensions: At a minimum, pensioners should have the guarantee of an income that provides for essential needs and this is provided by the Social Welfare pension programmes. The provision of pensions cover that maintains

established standards of living is mainly provided for, at present, by occupational and personal pensions arrangements, set up on a voluntary basis, which supplement Social Welfare pensions. However, coverage is at present not complete with some 46% of those at work being covered by occupational pensions. The recent Consultation Document issued by the Department of Social Welfare and the Pensions Board on a "National Pensions Policy Initiative" forms a focus for general discussion, wide ranging consultation and submissions from all interested parties, including the social partners and the general public. The objective is that recommendations will be framed during 1997 - following this consultation process - on the steps needed to ensure that all citizens have adequate replacement income in retirement.

Tax Policies: As provided for in Partnership 2000, action on personal taxation will be implemented in an integrated manner with measures to promote social inclusion, to ensure that potential distortion of the labour market is avoided, and the impact on work incentives is maintained, in the light of current and ongoing labour market conditions. Government policy aims to enhance rather than maintain the incentive for work.

Means-testing: The key objective in the future development of provisions governing the assessment of means will be to arrive at a situation where the means-testing of payments poses as small a disincentive as possible to the transition to self-sufficiency through employment while still ensuring that available resources are allocated to those most in need. In this regard, the importance of simplifying the means-testing system is recognised.

Individualisation of social welfare payments:

The dimensions and implications of this will be examined by a Working Group to be set up during 1997.

Child Care: The availability of child care facilities has an important bearing on the extent to which some groups dependent on social welfare payments (e.g. lone parents) achieve independent economic status. As provided for in Partnership 2000, an Expert Working Group involving the relevant interests chaired by the Department of Equality and Law Reform, will be established to devise a National Framework for the Development of the Childcare Sector. The Group will consider the conclusions of the Working Group on the Job Potential of Childcare, and the ESRI Survey of childcare arrangements currently being undertaken on behalf of the Commission on the Family, which reports to the Minister for Social Welfare, as well as a number of issues including:

- the financing of childcare provision by a variety of means in the interest of affordable and accessible childcare; and
- the potential of the Department of Social Welfare's Voluntary and Community Services Grants in supporting the development of child care facilities.

Indebtedness: The issue of indebtedness - which is relevant to the ability of people on low incomes to manage their limited resources - will be tackled through the establishment of the Money Advice and Budgeting Service (MABS) funded by the Department of Social Welfare throughout the State in 1997.

Fuel Poverty: A review of the Free Fuel Scheme operated by the Department of Social Welfare is

currently being finalised. The recommendations of this review will be considered with the aim of bringing forward proposals for the future development of the scheme. Other aspects of fuel poverty (in particular relating to insulation standards in local authority housing) are being pursued by the Department of Transport, Energy and Communications.

14. The Spatial Dimension of Poverty

As well as considering the three core issues of educational disadvantage, unemployment and income adequacy, it is also necessary to examine the consequences of high levels and concentrations of poverty which can lead to a threat to the social fabric of the country and incur high economic costs. In addition, there is a complex relationship where consequences of poverty can become causes: a cyclical effect which can lead to the reproduction of poverty, and/or the deepening of inter-generational poverty in some areas and communities. There are areas throughout Ireland where there are concentrations of people living in poverty, often resulting in cumulative disadvantage. These are sometimes referred to as "poverty blackspots". It has been suggested that the experience of being poor and living in such an area is a qualitatively different, and usually worse, experience than being poor and living in a non-disadvantaged environment.

The reasons for the evolution of areas of localised deprivation include: rapid economic and technological change leading to a decline of localised unskilled employment; a concentration of low-income groups, sometimes occurring because of the operation of housing policies; and poor or inadequate provision of local services, facilities and

amenities.

Marginalised rural communities also exist which often exhibit the following characteristics: out-migration, decline of primary industries, especially agriculture, small unviable farms, low income and a dependence on social welfare, sub-standard housing, isolation of old people, poor transport infrastructure and primary school closures, as a consequence of a declining school population. It is important in identifying poverty in rural areas that the people who are poor or who are at greatest risk of poverty are identified i.e. the heterogeneity of rural areas needs to be recognised. Many people living in poverty in rural areas tend to be quite dispersed. However, it is important to note that there are also concentrations of poverty in predominantly rural areas, notably in public housing estates on the fringes of small towns. The following sections deal with objectives, targets and policy actions required to tackle some of these issues.

15. Disadvantaged Urban Areas

Overall Objective: The overall objective in relation to urban disadvantage is to bring about sustained social and economic development in disadvantaged areas in order to improve the lives of people living in disadvantaged areas, by empowering them to become effective citizens, improving the quality of their lives, helping them acquire the skills and education necessary to gain employment and providing them with employment opportunities.

Overall Target: To reduce the numbers of people suffering the greatest deprivation in disadvantaged urban areas by increasing their standard of living and providing opportunities for participation thus significantly reducing the measured indicators of

disadvantage in the area, especially the rate of unemployment and particularly the rate of long term unemployment over the period 1997-2007.

Policy Actions: In order to achieve this the following key strategies are identified:

Partnerships: Government policy as set out in *Better Local Government - A Programme For Change*, outlines a process whereby local authorities will focus more on developmental policies and strategies. Community and Enterprise Groups with not less than half the members drawn from the local development bodies and half from local authorities, and with equality of status for all members, will be established.

These Groups will promote co-ordination generally between the local development and local government systems and steps towards their integration. This will ensure that the partnership approach, involving the community, social partners and state agencies on a multi-sectoral basis, will be secured on a long term basis. It will also ensure that continued attention will be given to the problems of social exclusion, with intensive programmes across a range of services being promoted at a local level. Comprehensive community and enterprise development plans, including the continuation of local area action plans, will be an integral part of the new system, with the full co-operation of all social partners.

A renewed system of local government will provide a more effective focus for the better delivery of public services. The local government system will be strengthened and, at the same time, it will be possible to build on the lessons learned from the local development innovations. The establishment of more structured mechanisms for interaction between local authorities and other state agencies

will lead to more informed decision making on the part of state agencies and of local authorities and will accelerate the development of unified approaches to issues of joint concern, thereby maximising organisational effort and resources in addressing local needs and priorities.

Improved Local Information: Appropriate indicators of poverty and disadvantage identified will be developed further. This information will be used to monitor changes at a local level.

Housing and Environment: In recognition of the need for the regeneration of housing and the surrounding physical environment programmes will be continued, subject to the availability of resources, to enable local authorities to bring the physical condition and environment of their housing estates up to an acceptable standard.

Tenant Participation in Estate Management: Following the commitment made in Partnership 2000, the estate management policies, based on community development principles, will be further developed to provide more participative and more effective arrangements for the management of the local authority housing stock.

Urban Renewal: The question of a role for tax incentive or grant-based urban renewal programmes in urban disadvantaged areas will be examined within the context of the review of urban renewal schemes currently taking place and in the development of future policy on urban renewal.

Community Development: A key element in the rejuvenation of local communities is the mobilisation of those communities and the involvement of those affected by poverty and social exclusion in the process of regeneration. In this regard local community projects, women's groups,

community arts projects, community-based youth projects and community education projects have an important role to play and will be supported accordingly. The recent growth in support for such activity will be maintained through the continued expansion of schemes such as the Department of Social Welfare's Community Development Programme. A priority list of thirty new areas and communities to be targeted for inclusion in the CDP over the period of Partnership 2000 will be drawn up. The support structures for the Programme will continue to be strengthened. In addition, the Combat Poverty Agency will continue to develop its support services to local voluntary and community groups tackling poverty.

Services: As recognised in *Better Local Government - A Programme for Change*, the delivery of services in and to urban disadvantaged areas in an integrated way requires collaboration and a partnership between key actors responsible for delivery of services at the national and regional level. In particular, there is a need for a locally accessible outreach service for unemployed people. In line with commitments undertaken in Partnership 2000, the Local Employment Service will be extended through the country on a phased basis such that the LES will have commenced in all designated partnership areas by the year 2000.

Drugs: With regard to reducing the demand for drugs, local and community responses are recognised, and local drugs task forces have been established in each of the areas with the most severe drugs problem. A comprehensive range of measures being introduced include: a post primary substance abuse prevention programme *On My Own Two Feet*, the ongoing development of a substance abuse prevention programme for primary schools, drug prevention initiatives in the

Youth sector, the elimination of waiting lists for treatment, the expansion of community based treatment facilities, the development and expansion of rehabilitation and sport programmes for those completing treatment, programmes which are linked to the labour market and jobs. As part of the monitoring and evaluation process under the National Anti-Poverty Strategy and Partnership 2000, the operation of the local drugs task forces will be reviewed at the end of 1997.

16. Rural Poverty

Overall Objective: The problems of poverty and social exclusion have a distinct impact in a rural context as they are compounded by aspects of physical isolation and demographic dependence. The overall objective is to tackle poverty and social exclusion in rural areas in a comprehensive and sustained manner by ensuring: the provision of an adequate income, through employment and/or income support and access to adequate services and infrastructure, co-ordination of responses and empowerment of local people and communities.

Overall Target: The overall target is to ensure that strategies are developed with regard to the provision of services in rural areas, especially those concerned with educational disadvantage, unemployment and income adequacy so that the overall targets of the NAPS as already stated are achieved in rural areas.

Policy Actions: In order to achieve these the following strategies are identified. These strategies are in addition to the strategies already outlined which will also apply in rural areas.

A Renewed Local Government System: The renewed system of local government will provide a

more effective delivery of a range of public services. The involvement of sectoral and other interests in the work of local authorities will allow new perspectives and expertise to be brought to bear. The establishment of more structured mechanisms for interaction between local authorities and other state agencies will lead to more informed decision-making on the part of state agencies and of local authorities and an acceleration of a more unified approach to issues of joint concern thereby maximising organisational effort and resources in addressing local needs and priorities.

Access to Services: Adequate access to a variety of public services, particularly transport, is a vital issue for communities living in rural areas. An evaluation of the Pilot Programme for the Delivery of Public Services in rural areas will be completed by mid-1997 and the lessons derived from this Pilot Programme will be reflected in the design and delivery of mainstream public services and in the initiatives for one-stop-shop delivery of a range of public services involving local authorities and other agencies arising from *Better Local Government - A Programme for Change*.

Information Service: An improved, systematic, proactive information system will be implemented to ensure that those living in poverty are informed of the programmes, schemes and assistance which are available to assist them.

Promoting Rural Development: The development of the rural economy is being addressed through the Community Support Framework in the four priority areas : the productive sector, including agriculture, fisheries and tourism economic infrastructure, human resources, and local urban and rural development. The implementation of

these programmes, which represent major initiatives in rural development, will continue. In rural development initiatives sufficient resources will be allocated for targeted measures including community capacity-building in rural areas through programmes like LEADER and the programme for Local Urban and Rural Development. In addition, full account will be taken of the conclusions and recommendations of the NESC study of settlement patterns in the context of viable rural communities, the NESF report on rural development, the report of the Combat Poverty Agency on rural poverty and the report of the Rural Development Policy Advisory Group and the implementation of Government policy on the integration of local government and local development as part of the local government reform programme. A special education initiative , part of the Breaking the Cycle initiative, has been introduced to focus on schools with fewer than five teachers and particularly schools in rural areas which serve depressed populations and which have concentrations of children who are at risk of not reaching their potential in the school system. Supports are being made available to 25 cluster schools, each with a combined enrolment of 300 to 350 pupils.

Community Development: A key element in the rejuvenation of local communities is the mobilisation of those communities and the involvement of those affected by poverty and social exclusion in the process of regeneration. In this regard local community projects, women's groups, community arts projects, community based youth projects and community education projects have an important role to play.

17. Underpinning the National Anti-Poverty Strategy

The need for strong institutional structures to underpin the development of the National Anti-Poverty Strategy was identified early on in the formulation of the strategy. Independent consultants were engaged to draw up a framework for these structures. These reports have been published separately⁶. A consultation seminar with the public and the voluntary and community sector was also held.

Following these deliberations, the following structures are now being put in place. These arrangements will be put in place for three years after which time their effectiveness will be reviewed. Adjustments will be made and new mechanisms introduced as proves necessary to strengthen the impact of the Strategy.

18. At the Political Level

A Cabinet Sub-Committee to deal with issues of poverty and social exclusion will be established. It will be chaired by the Taoiseach, and include all Ministers whose brief includes policy areas relevant to tackling poverty. The Minister for Finance will be a member of the Sub-Committee.

The Minister for Social Welfare will have responsibility for the day-to-day political oversight of the strategy and will appear before the Social Affairs Committee to update the Oireachtas on developments with NAPS. Individual Ministers will have responsibility for development in areas under their remit.

19. At the Administrative Level

The NAPS Inter-Departmental Policy Committee will remain in place. The Committee will be jointly chaired by the Department of the Taoiseach and the Department of Social Welfare. The members of the Committee will comprise senior officers who will be designated as having responsibility for ensuring that the NAPS provisions relevant to their Departments are implemented.

An SMI team based in the Department of Social Welfare will be established which will be complemented at central level in the Department of the Taoiseach by the existing support structure. The SMI team will be provided with core staffing and will also include on a full-time or a part-time basis representatives from other relevant Departments. This will be augmented as necessary with appropriate external expertise. The team will liaise with and complement the role of the CPA and will draw on the Agency's expertise on anti-poverty policies, programmes and research.

Departments have been required to address the question of poverty in the development of their statements of strategy under the Strategic Management Initiative. Extracts from a selection of these statements are included in Appendix 4 and they will form an input into the further development of the Strategy. State agencies and local and regional bodies will also be required to address the question of poverty in their statements of strategy under the SMI. Departments will produce annual progress statements to the Inter-Departmental Committee setting out progress achieved over the previous year in relation to the strategy. The question of the impact of poverty

⁶ National Anti-Poverty Strategy, Report on Institutional Mechanisms, Colin Stutt consulting.
Community Workers Co-Operative, A Commitment to Change? Implementing the National Anti-Poverty Strategy

will also be a key consideration when decisions are being made about spending priorities in the context of the national budgetary process and the allocation of EU Structural Funds.

20. Monitoring and Evaluation

The National Economic and Social Forum has responsibility for monitoring the social inclusion element of Partnership 2000 and in that context will be specifically asked to report on the progress of implementing the National Anti-Poverty Strategy.

The Combat Poverty Agency will constitute another key element of the monitoring arrangements. It will oversee an evaluation of the NAPS process, which will include consideration of the views and experience of the voluntary and community sector, and will present the results of the evaluation to the Inter-Departmental Committee.

As well as having a role in relation to the provision of information and education, the Agency will also support, in an advisory capacity, individual government departments and local and or regional structures in the development of anti-poverty strategies. The Agency will be particularly called upon to advise on anti-poverty strategies in the context of the local government reform process.

21. Partnership

Consultation with and the involvement of the voluntary and community sector, users of services and those with first hand experience of poverty has been a central feature of the development of the

National Anti-Poverty Strategy. It is essential that if the National Anti-Poverty Strategy is to be successful this partnership between all the relevant key actors in the process continues and develops. When appropriate or necessary the community/voluntary sector and social partners will also, as in the preparation of the Strategy, be invited to participate in working groups to look at particular issues arising during the course of the Strategy.

They will also have an ongoing role in relation to the monitoring of the Strategy in the context of the arrangements for monitoring Partnership 2000. In order to facilitate this, Government funding for the National Anti-Poverty Networks will be continued, as provided for under Partnership 2000.

As with the consultation seminars in the past, seminars with the voluntary and community sector and other key actors will be organised in the future at key intervals to allow for an informal consultation process.

22. At Local and Regional Level

Drawing on the Department of the Environment report "*Better Local Government - A Programme for Change*" and the work of the Devolution Commission, social inclusiveness and equality of opportunity will be fostered through a renewed system of local government.

In particular, Community and Enterprise Groups will be responsible for developing plans, including local area action plans which will focus on social exclusion, with intensive programmes across a range of activities. This may involve the development of local anti-poverty strategies.

23. Information

Public opinion is extremely important for the success of the National Anti-Poverty Strategy. The public need to continue to be informed concerning the extent, depth, trends in and location of poverty in Ireland and of its negative consequences for all of society. In this regard, it is intended that the provision of information to the general public relating to the Strategy will be of key importance for both individual Government Departments and the Combat Poverty Agency as the Strategy develops. It will also be important to ensure that the NAPS is fully understood by all sections of the Public Service. It is important to the success of the Strategy that adequate arrangements are made for the provision of services and information through Irish to Irish speakers, especially to the Gaeltacht Communities.

24. Research

Up-to-date reliable data is also essential for the ongoing development of the Strategy. In this regard, related research will continue to be undertaken and commissioned by relevant Government Departments, the Combat Poverty Agency and other bodies to strengthen the collection, analysis, and discussion of core data on poverty and identify gaps.

Appendix

The origins and development of the NAPS

One

The origins and development of the NAPS

At the UN World Summit in Copenhagen in March 1995, the Irish Government endorsed a programme of action aimed at not only eliminating absolute poverty in the developing world but also reducing overall poverty and inequalities everywhere. The following commitment was agreed:

We commit ourselves to the goal of eradicating poverty in the world, through decisive national actions and international co-operation as an ethical, social, political and economic imperative of humankind - Copenhagen Declaration, Commitment 2.

Arising from this commitment, the Government approved the development of a National Anti-Poverty Strategy, by an Interdepartmental Policy Committee, which included the preparation of an overview statement on the nature and extent of poverty, social exclusion and inequality in Ireland; the selection of key themes to be addressed, the selection of specific targets and policy directions within each theme; a recommendation on the type of institutional mechanisms necessary to ensure there is appropriate co-ordination across and between Departments to ensure the reduction of poverty; supporting the inclusion of people directly affected by poverty into these processes of policy formulation through wide-ranging consultations, seminars and participative exercises such as the establishment of Working Groups on the key themes. In addition, the Government made the adoption and implementation of the NAPS a central feature of Partnership 2000 - for Inclusion, Employment and Competitiveness.

Appendix

Poverty, social exclusion and inequality in Ireland:

a Report prepared by the Combat Poverty Agency as a
background document in the preparation of the NAPS

Two

Poverty, social exclusion and inequality in Ireland

An Overview Statement

Prepared by The Combat Poverty Agency for the Inter-Departmental Policy Committee on the National Anti-Poverty Strategy, as a background document in the preparation of the NAPS.

The Overview Statement was initially prepared as a Discussion Paper by Helen Johnston of the Combat Poverty Agency. Following an extensive consultation exercise the Overview Statement was revised on the basis of Submissions received and points raised and comments made at a series of Consultation Seminars held through-out the country. The Overview Statement has also been updated, since the initial Discussion Paper was prepared in December 1995. As part of this process members of the Inter-Departmental Policy Committee suggested additions and changes to the document. The Inter-Departmental Policy Committee would like to record its thanks to Helen Johnston and the Combat Poverty Agency for the work in preparing this Overview Statement.

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1. Introduction

At the UN World Summit for Social Development in Copenhagen in March 1995 the Irish Government agreed to develop and implement a National Anti-Poverty Strategy.

This overview statement on poverty, social exclusion and inequality in Ireland is a response to the first part of developing a national anti-poverty strategy in Ireland. The statement describes and analyses the nature and extent of poverty, social exclusion and inequality in Ireland. On the basis of this description and analysis key issues have been identified which have provided the basis for the further development of the Strategy. The Overview Statement was finalised following preparation of an initial Discussion Paper which was the subject of discussion at five consultative seminars throughout Ireland and takes account of submissions received by the Inter-Departmental Policy Committee.

2. What is Poverty?

This chapter briefly presents some of the definitions of poverty and social exclusion and arrives at a working definition which has been used in the development of the National Anti-Poverty Strategy. For some the term poverty conjures up the picture of what is commonly referred to as absolute poverty. Absolute poverty is a term often used to describe outright destitution, the struggle to survive, not having enough food to stay alive, not having enough clean water to avoid dehydration or infection by life threatening diseases, or not having basic shelter from the elements; that is, people do not have the basic physical requirements of food, water, clothing and shelter. The term absolute poverty is usually applied to developing countries.

In the developed world, including Ireland, poverty is understood in a relative way rather than an absolute way. Relative poverty is described with reference to the prevailing socio-economic conditions of the society in question. An understanding of relative poverty recognises that poverty involves isolation, powerlessness and exclusion from participation in the normal activities of society as well as lack of money. Relative poverty implies that the unequal distribution of resources and opportunities contributes to poverty. Such an understanding of poverty recognises that people have social, emotional and cultural needs as well as physical needs. It is thus recognised that relative poverty is multi-dimensional, dynamic and impacts on individuals, households and communities.

The term social exclusion has increasingly appeared in the European literature in recent years. It has focused mainly on relational issues, such as inadequate social participation, lack of social integration and lack of power. It has been argued by some experts that the use of the term social exclusion is helpful because it takes account of new and emerging forms of poverty and disadvantage brought about by very rapid economic, social and technological changes. In particular, it helps to increase understanding of poverty in three respects: by broadening the focus from income/expenditure to multi-dimensional disadvantage; from a moment in time to dynamic analysis; and from the individual or household to the local community in its spatial dimension (Room, 1995, 233-234). In Partnership 2000, the current national agreement (December 1996), social exclusion is described as "cumulative marginalisation: from production (unemployment), from consumption (income poverty), from social networks (community, family and neighbours), from decision making and from an adequate quality of life".

In the international literature there are a range of concepts, definitions and measurements of poverty and social exclusion in use and arguments and preferences for the use of one term over the other. Indeed there is a view that there is little difference in meaning between the concepts of poverty and social exclusion and in reality the preferred terminology reflects the historical roots of the terms and national governments' preference for the use of one term above another. Thus, poverty and social exclusion in developed countries are complex and multi-dimensional phenomena. There is an

extensive and detailed body of literature examining the interconnections between them and various definitions have been proposed which attempt to capture all the complexities and difficulties that they involve. However, there is no one single definition that has been fully accepted as defining poverty and social exclusion in a comprehensive way. As a result, at present there is no one agreed definition that is in common use for policy purposes by national governments. However, there is much agreement about some of the key elements that need to be incorporated into a definition.

Drawing on the academic debate, on the experience gained from European poverty programmes and the National Anti-Poverty Strategy consultation process the following definition has been agreed as a working definition of poverty in the National Anti-Poverty Strategy.

Poverty is defined 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.

3. Who Are The Poor?

3.1 Introduction

Poverty can be measured in a number of different ways: by measuring expenditure or consumption (eg. the budget standard approach); by using social welfare rates; by asking people what they regard as the minimum resources they would require to make ends meet (subjective poverty lines); by using the prevailing income levels drawn from survey data eg. 50% or 60% of average income is often used (relative income lines); by using indicators of deprivation such as lacking an amenity or being unable to participate in activities which the majority of the population have or participate in (alludes to the multi-dimensional nature of poverty); or by describing the experience of poverty through local surveys, group discussions and case studies. Poverty does not lend itself to measurement by purely scientific, or one internationally agreed measure. A number of measures are used and the strengths and weaknesses of these methods are documented in Callan et al 1996a.

It is not necessarily useful to strive towards obtaining a definitive number of people who are living in poverty. Such an exercise gives rise to conceptual, definitional, methodological and measurement issues. What is more important is that we seek to utilise all the available information to identify trends and patterns of those living in poverty, an understanding of the groups of people who are most at risk of poverty and those whose needs should be addressed under a National Anti-Poverty Strategy. This chapter describes those most at risk of poverty in Ireland: further chapters identify and describe the experiences, causes and consequences of poverty in Ireland.

3.2 Measuring Poverty In Ireland

The most recent poverty estimates for Ireland have been made by the Economic and Social Research Institute (ESRI) on the basis of a national household survey undertaken in 1994, referred to as the Living in Ireland Survey 1994. The research does not give a definitive conclusion on the exact numbers of people living in poverty. Its importance lies in the fact that it highlights the main trends in the numbers and composition of people living in poverty using a range of different poverty lines. To examine trends in the numbers living in poverty in Ireland prior to 1994 reference is made to an earlier national household income survey undertaken by the ESRI in 1987 and to the household budget surveys carried out by the Central Statistics Office (CSO) in 1973 and 1980. In terms of updating the 1994 data, the ESRI, in conjunction with the Department of Social Welfare and the Combat Poverty Agency, are involved in an Europanel survey, under which national household panel data is being collected, initially for the years 1994, 1995 and 1996. It will, therefore, be possible to update the 1994 data on an annual basis for a further two years. If the national household panel survey receives continued support it would be possible to continue to monitor changes before and during the implementation of the National Anti-Poverty Strategy.

How has poverty been measured in Ireland? The most recent comprehensive information on the incidence and risk of poverty has been measured in two main ways: one using "relative income lines" and one combining these with "deprivation indicators". Relative income lines are based on disposable income - gross income minus income tax and PRSI contributions. The relative approach to constructing a poverty line involves calculating the line as a proportion of average household income, taking differences in household size and composition into account. "Income poverty lines" are usually drawn at 50% or 60% of average disposal income. 40% of average disposal income can also be used. However, it is recognised that income lines are arbitrary devices which on their own do not indicate that all persons below these income levels are in poverty, or that all those above the lines are not. In addition, poverty income lines do not take into account additional cash and non-cash benefits'. Therefore, as alluded to earlier it is useful to identify a range of poverty standards rather than focusing on one: on this basis results that hold across a range of poverty lines can be taken as much more firmly based than those produced by concentrating on a single figure i.e. trends and patterns are more useful than absolute figures. This is also in line with the working definition of poverty under which the National Anti-Poverty Strategy is being developed which relates to exclusion from a standard of living which is accepted as the norm for Irish society generally.

Poverty in Ireland has also been measured using relative income lines in conjunction with "deprivation indicators". Deprivation can be understood to mean the extent to which someone is denied the opportunity to have or to do something, that is, "To constitute deprivation, lack of the item or failure to participate in the activity must reflect what most people would regard as inability to participate" (Nolan and Whelan 1996, 81). A basic deprivation index has been constructed by the ESRI which includes an enforced lack of at least one of a number of indicators. These cover things such as lack of adequate heating, a day without a substantial meal, arrears on rent, mortgage, electricity or gas, going into debt in the last six months to cover ordinary living expenses, lack of a warm waterproof coat and so on. It could be argued that the ESRI's list is a rather stringent measure of deprivation. However, its use is justified by the ESRI in that "respondents' evaluations, the results of factor analysis and the relationship between the different items and household resources lead us to believe that these are the best indicators available to us of generalised underlying deprivation" (Nolan and Callan 1994, 53).

Using deprivation indicators in conjunction with income poverty lines shows that those with the lowest levels of income are not always those with the lowest standard of living; nor do all those with higher current levels of income enjoy a higher standard of living. For example, some people may have recourse to savings to tide them over a bad spell, while others whose current income may be higher but who have accumulated debts may suffer higher levels of deprivation and exclusion from the standards of living accepted by Irish society generally. However, those who have both low levels of income and who suffer basic deprivation can be identified as consistently poor. Those who have been

1 In considering the additional value of cash and non-cash benefits it is noted that entitlements to these extra benefits vary a great deal by scheme and across households in different circumstances, so that assigning them a value can be problematic. see Callan et al, 1996b.

identified as consistently poor on this basis have been found to be dramatically different from those identified as consistently non-poor.

3.3 Poverty in 1994 - How many people are poor?

Using relative income poverty lines between 21% and 34% of the Irish population can be said to be living on incomes below 50 per cent to 60 per cent of average disposable income, based on income lines derived from the 1994 data, see Table 1. 50 per cent to 60 per cent of average disposable income was approximately £64 to £77 per week respectively for a single adult in 1994.² Using a combination of income poverty lines and basic deprivation indicators between 9% and 15% of the population can be said to be living in poverty. This group can be identified as consistently poor, whose income is low and whose ability to draw on accumulated resources is extremely limited.

Table 1: Percentage of People in Poverty in 1994

	50% line	60% line	50% line+ basic deprivation	60% line+ basic deprivation
Percent	21%	34%	9%	15%
Approx. Nos. of People	760,000	1,200,000	320,000	540,000

Notes:

1. 50% and 60% lines = percentage of persons below 50% and 60% of average household disposable income.
2. % line + basic deprivation = percentage of persons below the 50% or 60% income line and experiencing basic deprivation.
3. Equivalence scale = 1/66/33

Source:

Derived from Callan, T., B. Nolan, B.J. Whelan, C.T. Whelan & J. Williams (1996a) *Poverty in the 1990s: Evidence from the 1994 Living in Ireland Survey*. Oaktree Press in association with the ESRI, the Combat Poverty Agency and the Department of Social Welfare.

The focus of the National Anti-Poverty Strategy (NAPS) is on those who are subject to income poverty and who do not have any resources on which they can draw ie. the 9% to 15% of the population who in 1994 were found to be consistently poor. Nevertheless the National Anti-Poverty Strategy also recognises that there are others who are income poor but who currently have resources they can draw upon and that their needs should be addressed to the extent that their position should at least not be allowed to deteriorate.

² At the 40% line, which is sometimes used for comparative purposes, 7% of the population fall below the poverty line. 40% of average disposable income in 1994 was £52 per week for a single adult.

3.4 Poverty Trends - 1973 to 1994

Poverty trends over the last 20 years have been examined using a number of indicators. In general, while the numbers experiencing relative income poverty increased, the numbers experiencing income poverty combined with deprivation fell slightly as did the depth of poverty. These trends are discussed in more detail in the following section.

On the basis of relative poverty lines there was an increase in the number of people living in poverty between 1973 and 1994. While the percentage of people below the 40 per cent line remained the same the percentage of persons below the 50 per cent line was 2% higher and below the 60 per cent line was 4% higher in 1994 than in 1987, see Table 2.

Table 2: Percentage of the Population in Poverty: 1973 to 1994

	1973 HBS	1980 HBS	1987 ESRI	1994 LIIS
40% line	8%	8%	7%	7%
50% line	15%	16%	19%	21%
60% line	25%	27%	30%	34%
50% line + basic deprivation	NA	NA	10%	9%
60% line + basic deprivation	NA	NA	16%	15%

Notes:

1. 1973 and 1980 HBS = Household Budget Survey undertaken by the Central Statistics Office.
2. 1987 ESRI = Household Income, Poverty and Usage of State Services Survey undertaken by the ESRI.
3. 1994 LIIS = Living in Ireland Survey undertaken by the ESRI as part of an Europanel survey.
4. For other definitions see Table 1.

Source:

Derived from Callan, T., B. Nolan, B.J. Whelan, C.T. Whelan & J. Williams (1996a) Poverty in the 1990s: Evidence from the 1994 Living in Ireland Survey. Oaktree Press in association with the ESRI, the Combat Poverty and Agency and the Department of Social Welfare.

As well as examining changes in purely relative terms, looking at the numbers falling below income thresholds held constant in real terms since 1987 is also informative. There has been a substantial decline in the numbers below thresholds held constant from 1987 indicating that those on the lowest incomes have also benefited from the growth in real average incomes which has taken place over the period. For example, about 20% of persons were below half average income in 1987; by 1994 only about 8% were below that line uprated by the increase in prices over the period. Similarly, at the 60 per cent poverty line, about 30% of persons were below the line in 1987; this had fallen to about 20% in 1994.

When relative income lines are combined with basic deprivation measures there has been a small reduction in the percentage of households below these lines and experiencing basic deprivation between 1987 and 1994. Combining relative income lines with basic deprivation criteria gives a different picture to one using income lines alone, see Table 2. These differences relate to the different types of household experiencing poverty and assists in our understanding of the nature of poverty and the various processes generating it. The composition of those living in or at risk of poverty is explored in detail in the next section.

When depth of poverty is examined there has been a consistent reduction in the depth of poverty i.e. how far people fall below the line, between 1987 and 1994. Indeed, people were falling less far below the poverty lines in 1994 than in 1973 when the actual numbers falling below the lines had been much less, see Table 3.

Table 3: Depth of Poverty: 1973 to 1994

Depth of Poverty Measures	1973	1980	1987	1994
Per Person Income Gaps	0.04	0.05	0.04	0.03
Distribution Sensitive Measure	0.02	0.02	0.02	0.01

Notes:

1. At 50% relative poverty line and equivalence scale 1/66/33
2. For methodological details on construction and interpretation of measures see Callan et al, 1996a p 83.

Source:

Derived from Callan, T., B. Nolan, B.J. Whelan, C.T. Whelan & J. Williams (1996a) Poverty in the 1990s: Evidence from the 1994 Living in Ireland Survey. Oaktree Press in association with the ESRI, the Combat Poverty Agency and the Department of Social Welfare.

It is important to understand why these changes have occurred. The fall in the extent to which households fall below the relative poverty lines can be explained by the fact that the year covered by the 1987 survey was an unusually bad one for farming and farm incomes have increased substantially since then. This will have reduced the numbers reporting zero or very low incomes, and will thus have had an impact on the extent to which people fall below the income lines. Another important factor is the result of government policy to increase the lowest social welfare payments most rapidly. This is illustrated in Table 4.

In summary, then, while the numbers below the poverty lines held constant in real terms fell between 1987 and 1994, the numbers falling below the relative income lines slightly increased. Although the extent to which people fell below the lines was reduced, mainly due to a substantial improvement in farming incomes and the rapid improvement of the lowest rates of income support, these increases in income support were not enough to bring payment levels above the relative poverty lines. These changes in the bottom of the income distribution have taken place in a macroeconomic context of relatively rapid growth in GNP, an increase of about 20 per cent in real terms in household disposable income per household and in average net earnings in industry, and a fall in the unemployment rate of about 2 percentage points (as measured by the Labour Force Survey). When poverty is measured using relative income lines in combination with a basic deprivation index, poverty between 1987 and 1994 is shown to have fallen slightly. In the development and implementation of the National Anti-Poverty Strategy it is recognised, that using this measure, between 9 and 15 per cent of the population can be defined as consistently poor. It is on these people that measures to reduce poverty and social exclusion under the Strategy should be targeted. The next section examines the composition of those at risk of poverty in more detail.

Table 4: Social Welfare Rates 1987 and 1994 (from July)

Scheme	1987	1994	
Personal Rate	£ per week	£ per week	% increase
Contributory Old Age Pension (under 80)*	55.1	71	28.9
Survivor's (Widow's/Widower's) Contributory Pension, Deserted Wife's Benefit (under 66)*	49.50	64.50	30.3
UB/DB	42.3	61	44.2
Invalidity Pension (under 65)*	48.5	62.6	29.1
Non-contributory OAP (under 80)*	47.1	61	29.5
Widow's/Deserted Wives/Prisoner's Wives Non-contributory Pension (under 66)*	46.20	61.00	32.0
UA short-term**	34.00/35.10	58.9	73.2/67.8
UA long-term	37.80/36.60	61	61.4/66.7
Supplementary Welfare Allowance	34	58.9	73.2
Lone Parent's (Unmarried Mother's) Allowance, with 1 child	57.80	76.20	31.8
Disabled Person's Maintenance Allowance	44.5	61	37.1

Notes:

- * these basic rates do not include the Living Alone Allowance payable to those aged 66 or over and living alone; a higher rate than shown is paid for those aged over 80
- ** in 1987, the lower rates shown applied to rural and the higher rates to urban areas; by 1994 this distinction had been abolished

Source:

Derived from Callan, T., B. Nolan, B.J. Whelan, C.T. Whelan & J. Williams (1996) *Poverty in the 1990s: Evidence from the 1994 Living in Ireland Survey*. Oaktree Press in association with the ESRI, the Combat Poverty and Agency and the Department of Social Welfare.

3.5 Gender and Poverty

Men and women can endure different risks of poverty and poverty can be experienced differently by men and women. The way poverty is measured through national household surveys, as outlined above, can mean that the gender dimension of poverty is not always evident, and in particular it has been argued that women's poverty can be hidden. In addition, inequality and discrimination can increase the risk of poverty and these issues are often inextricably linked. Such inequality or discrimination can often be indirect and be due to the operation of institutional policies and mechanisms.

The gender dimension of poverty is discussed more fully in the chapters on the causes and consequences of poverty, in line with current global debates about poverty which are shifting from discussions of counting numbers of people in poverty to examining the dynamics of the reproduction of poverty. In this section it is acknowledged that there is an underlying equality and gender dimension within many of the groups identified as being at risk of poverty.

3.5.1 Women at Risk of Poverty

Information on women in poverty is difficult to obtain because national surveys are, for the most part, analyzed at household level; in effect assuming that resources are fairly shared within the household. In the context of these constraints, in 1987 the risks of being in a poor household were shown to be similar for men and women. However, it has been found from national household survey research (Callan et al, 1996a) that during the 1987 to 1994 period, the relative position of households headed by women has disimproved considerably at the 50% and 60% income poverty lines³. At both the 50% and 60% lines, the risk for households headed by women rose markedly, whereas the position for households headed by men or where two people shared the role of household head ("couple-headed" households) was little changed. At the 40% line, on the other hand, the risk is still higher for households headed by a man or couple. Households headed by women are now at a substantially higher risk of poverty than households headed by men or couples. Furthermore, the 1994 survey results show that the risk of poverty for single adult households, the elderly and households headed by someone working in the home has substantially increased at the 50% and 60% lines. There is a good deal of overlap between these groups and it is reasonable to assume, until additional analysis is undertaken on the 1994 data, that many of them are headed by women.

The conclusion to be drawn from this analysis is that it is elderly households, particularly those comprised of elderly single women, who are at risk of poverty rather than women within larger households. In a study to examine whether married women are more deprived than their husbands Cantillon and Nolan (1996) found that there was little evidence to suggest that there was substantial

³ 40%, 50% and 60% income poverty lines refer to lines drawn at 40%, 50% and 60% of average disposal income, which in 1994 for a single adult was £52 per week at the 40% line, £64 per week at the 50% line and £77 per week at the 60% line. Further explanations are given in sections 3.2 and 3.3.

hidden poverty among women in non-poor households. However, they acknowledged that there were methodological difficulties in identifying deprivation within households using a large scale survey data source which assumes equal sharing within households.

It is also important to distinguish between the different features of women's poverty. While the national survey evidence has not identified the "feminisation" of poverty in Ireland it has raised questions about whether poverty should be understood as deprivation due to lack of resources or whether a rights based approach is more appropriate where every individual should have "the right to a minimum degree of potential independence" (Jenkins, 1991). While the National Anti-Poverty Strategy has defined poverty in terms of deprivation due to lack of resources there are broader issues in relation to gender inequalities and poverty which are worthy of further consideration. These are dealt with more specifically in Section 5.6.

There is other evidence which shows some women at risk of poverty in particular situations and often having to manage on very low incomes. The experience of poverty for women may be substantially different from that of men. This may relate to the demands made on women in low income families. For example, Rottman's (1994) study on the distribution of income within Irish households shows that households on the lowest incomes and those relying on social welfare payments display a different pattern of income sharing and financial management to other households. Management systems in low income households tend to give wives the stressful responsibility of managing expenses for food, fuel and housing. O'Neill's (1992) study clearly shows that the burden of poverty often falls on women. Their poverty goes beyond the material deprivation of poverty because of the obstacles to social participation resulting from child-rearing or family responsibilities, because of economic dependence, because of the difficulties of struggling to bring up families on low incomes and in poor environments, because of parenting alone, because of barriers in accessing education, training or employment opportunities, because of a lack of adequate, accessible or affordable child care facilities, or because some women are victims of domestic violence.

3.5.2 Men at Risk of Poverty

Traditional analysis of poverty at a household level has tended to focus on the poverty status of the household head, which has conventionally been recorded as male in the majority of cases, unless otherwise explicitly stated. However, as outlined above there are specific dimensions of female poverty which require analysis and explanation. Similarly, for men there is a need to identify particular male groups at risk of poverty. In the research literature, and from the National Anti-Poverty Strategy's (NAPS) consultation process, these have been identified as male youths, particularly those who drop out of school early with no educational qualifications and older unemployed men. It should be noted, however, that the problems of early school leaving are not confined to young men. The recent NESF report (NESF, 1997) has drawn attention to the link between low qualifications, labour market drop out and lone parenthood among young women.

The gender dimensions of poverty will be discussed further throughout the Overview Statement. At this stage it is worth noting however, that the gender dimension of poverty is clearly recognised in the Strategy's principles.

3.6 Who are the poor?

In identifying the composition of the poor it is important to distinguish between those groups of people who account for a substantial proportion of those living in poverty (known as incidence), and other groups of people who may be subjected to a high risk of poverty (known as risk). In other words we need to identify which types of household face particularly high risks of poverty and which account for most of the poor.

Households headed by an unemployed person, and households headed by someone working in the home were the largest groups in poverty in 1994, see Table 5. The groups at greatest risk of poverty were:

- the unemployed, particularly the long-term unemployed;
- children, particularly those living in large families;
- single adult households and households headed by someone working in the home;
- lone parents;
- people with disabilities.

For details on the risks of poverty on some of these groups see Tables 6 and 7. Other, less easily identifiable groups may also be at risk of poverty, particularly through discrimination, but evidence on their levels of poverty is difficult to obtain.

Changes in the risks of poverty between 1987 and 1994 show that the risk of poverty has decreased for heads of household who are farmers and increased for households headed by someone in home duties, someone who is ill or disabled and someone who is retired. These trends are elaborated upon in the following sections.

Table 5: Composition of Households in Poverty by Labour Force Status: 1973 to 1994.

Labour Force Status of the Head of the Household	1973 HBS	1980 HBS	1987 ESRI	1994 LIIS
Employee	9%	10%	8%	6%
Self employed (ex. farmers)	4%	3%	5%	7%
Farmer	26%	26%	24%	9%
Unemployed	10%	15%	37%	33%
Ill/Disabled	10%	9%	11%	9%
Retired	17%	19%	8%	10%
Home Duties	25%	17%	7%	25%
TOTAL	100%	100%	100%	100%

Notes:

1. For definitions see Tables 1 & 2.
2. Composition of households under the 50% relative poverty line.
3. The classifications used in this table are based on standard labour force survey classifications.
4. Figures may not add exactly to 100% due to rounding.

Table 6: Risks of Poverty classified by the Labour Force Status of the Head of Household: 1973 to 1994

Labour Force Status of head of household	1973 HBS	1980 HBS	1987 ESRI	1994 LIIS
Employee	4%	4%	3%	3%
Self employed	10%	9%	10%	15%
Farmer	21%	27%	33%	20%
Unemployed	62%	63%	57%	59%
Ill/Disabled	43%	48%	34%	44%
Retired	29%	23%	9%	11%
Home Duties	42%	32%	10%	35%
ALL HOUSEHOLDS	18%	17%	16%	18%

Notes:

1. For definitions see Tables 1 & 2.
2. Risks at the 50% relative poverty line.
3. The classifications used in this table are based on standard labour force survey classifications.

Source for both tables:

Derived from Callan, T., B. Nolan, B.J. Whelan, C.T. Whelan & J. Williams (1996) *Poverty in the 1990s: Evidence from the 1994 Living in Ireland Survey*. Oaktree Press in association with the ESRI, the Combat Poverty and Agency and the Department of Social Welfare.

Table 7: Risks of Poverty classified by Household Type: 1973 to 1994

Household Type	1973 HBS	1980 HBS	1987 HBS	1994 HBS
1 adult	42%	30%	12%	21%
2 adults	22%	14%	12%	9%
3 or more adults	11%	11%	11%	10%
2 adults, 1 child	10%	7%	17%	14%
2 adults, 2 children	6%	10%	18%	14%
2 adults, 3 children	9%	11%	21%	22%
2 adults, 4+ children	16%	23%	36%	38%
Others with children	15%	19%	23%	33%
ALL HOUSEHOLDS	18%	17%	17%	18%

Notes:

1. For definitions see Tables 1 & 2.
2. Risks at the 50% relative poverty line.
3. Child = under 14 years of age; "others with children" includes single adults with children (most of whom are lone parents) and 3 or more adults with children.

Source:

Derived from Callan, T., B. Nolan, B.J. Whelan, C.T. Whelan & J. Williams (1996) Poverty in the 1990s: Evidence from the 1994 Living in Ireland Survey. Oaktree Press in association with the ESRI, the Combat Poverty and Agency and the Department of Social Welfare.

Unemployed Households

In 1994 households where the head was unemployed made up a third (33% below the 50 per cent line; 31% below the 60 per cent line and experiencing basic deprivation) of all low income households and households with an unemployed head had the highest risk of poverty (59% at the 50 per cent line; 78% at the 60 per cent line). While the proportion of unemployed heads of households among the poor declined from 37% to 33% between 1987 and 1994 at the 50 per cent relative income line, the risk of poverty for unemployed heads of household increased from 57% to 59% at the 50 per cent line over this period. (The increase in risk was even more substantial at the 60 per cent line from 59% to 78%).

Unemployment is the main factor causing poverty in Ireland. Key features of poverty in Ireland are the low level of educational qualifications and its consequence on access to the labour market among the unemployed and the extent of long-term unemployment. Unemployment and labour market exclusion are particularly faced by some women, older people, people with disabilities and lone parents. It is important to stress that many of the underlying dimensions of poverty are inter-related. These underlying dimensions will be discussed in more detail in Chapter 5 on the causes on poverty.

Unemployment remains high in Ireland (12% in 1996, Labour Force Study)⁴ although recent years have seen a slight decline since it peaked at 18% in 1987.⁵ Long-Term unemployment is a particular problem, accounting for 61% of the unemployed in 1994 (compared to 64% in 1987)⁶. Households where the head of household is long-term unemployed are at a particularly high risk of poverty.

The profile of the long-term unemployed shows a concentration of men aged from 25 years and upwards with low education and skills levels. This group of people are becoming further detached from the labour market. There are a number of implications regarding this trend:

- a) people at the highest risk of poverty are those who have been unemployed for some considerable period and whose resources have become eroded. Even though there has been an increase in the rate of unemployment assistance for those people who have been unemployed for some considerable period they are existing on relatively low levels of income and are therefore likely to remain at a high risk of poverty;

4 The unemployment rate on an ILO (International Labour Office) basis was 11.9% in 1996 (Labour Force Survey, 1996).

5 The unemployment rate on a PES (Principal Economic Status) basis was 17.6% in 1987 (Labour Force Survey, 1987 - ILO unavailable).

6 Long-term unemployed defined as unemployed for at least one year. These figures on unemployment duration are cited from Sexton, J.J. & P. O'Connell (eds) (1996) Labour Market Studies: Ireland. Brussels: Commission of the European Communities.

- b) even though employment is increasing the long-term unemployed, and in particular middle-aged and older men with no qualifications, are not getting the jobs; these have been shown to be taken up by younger well qualified people, returning migrants and women;
- c) even though a number of schemes have been introduced for the unemployed, the older long-term unemployed are not benefiting from these schemes to the same extent in terms of obtaining open employment.

The 1987 survey identified the emergence of a significant marginalised working class who experience a degree of deprivation distinctive from even the remainder of the working class. Among the social classes the unskilled manual class is the biggest group in poverty, and most at risk of poverty. Manual classes, in general, which are indicative of a working class background make up a large proportion of the population on low incomes. There is an identified link between these marginalised groups, long-term unemployment and low educational qualifications resulting in cumulative disadvantage. More recent evidence from the 1994 survey will be available in 1997 to further elucidate these links.

3.6.2 Children

In 1987 a higher poverty risk existed for families (23 per cent) and for children (26 per cent) as compared to non-child households (13 per cent) and adults (17 per cent). Four reasons given for the worsening position of households with children were unemployment, low pay, lone parenthood and government fiscal policy (Nolan and Farrell 1991, vi). Unemployment has been identified as the main reason for the high level of child poverty.

In 1994 the level of child poverty remained high with a 29% risk for children compared to a 18% risk for adults at the 50 per cent line; (children have a 40% risk at the 60 per cent line compared to a 32% risk for adults), see Table 8.

Table 8: Risks of Poverty for Adults and Children: 1973 to 1994

	1973 HBS	1980 HBS	1987 ESRI	1994 LIIS
Children				
40% line	8%	10%	8%	8%
50% line	16%	18%	25%	29%
60% line	27%	29%	38%	40%
Adults				
40% line	7%	8%	6%	6%
50% line	15%	15%	16%	18%
60% line	24%	25%	26%	32%

Notes:

1. For definitions see Tables 1, 2 & 7.

Source:

Derived from Callan, T., B. Nolan, B.J. Whelan, C.T. Whelan & J. Williams (1996) *Poverty in the 1990s: Evidence from the 1994 Living in Ireland Survey*. Oaktree Press in association with the ESRI, the Combat Poverty Agency and the Department of Social Welfare.

When the risk of poverty for families is examined in 1994 the situation is a little more complicated. At the 50 per cent line, the risk for 2 adult households with one or two children peaked in 1987 (at 17/18%) and had declined to 14% in 1994. For households with 2 adults and 3 children the risk remained about the same (21% to 22%). However, for 2 adults with 4 or more children the risk of poverty increased from 36% to 38% between 1987 and 1994. 2 adults with 4 or more children have the highest risk of poverty of all households types in 1994.

Children are also at risk of poverty in "other households with children". At the 50 per cent line the risk of poverty for other households with children has increased substantially from 23% to 33% between 1987 and 1994. These include households with 3 or more adults with children (85% of the group) and lone parent households. Since adults are classified as aged 14 and over in the survey many of these households are couples with older children.

While further analysis of these trends will be required, it is known that the primary factor driving the increase in child poverty in the 1980s was the increase in unemployment. Even though unemployment has been gradually decreasing in the 1990s, the unemployment rate at 16% was still high in 1994 and as shown above households where the head is unemployed still make up a third of those in poverty and are still the group at greatest risk of poverty.

In addressing child poverty the adequacy of child support payments is important for children living in families dependent on social welfare. In 1995, 354,000 children were living in families receiving the full-rate child dependent allowance (ie. mainly where either both parents were unemployed or where the family was headed by a single parent). Thus, one third of children in Ireland are dependent on state support for their upbringing. The average cost of rearing a child at a basic minimum living standard has been estimated to be about £34.50 per week in 1996 terms (Carney et al, 1994)⁷. For families dependent on social welfare the combined social welfare payments of £19.89 per week for first and second children, and £21.05 per week for third and subsequent children falls well below the basic costs of child rearing as estimated by Carney et al. This is even in the context of a policy recognition of the need to address child poverty and the increases in Child Benefit in recent budgets, especially for larger families.

The level of child income support payments, as well as addressing child poverty also has implications for work incentives. This is an issue which has received attention by the Expert Working Group on the Integration of the Tax and Social Welfare Systems, which reported in June 1996. The Group concluded that some form of child income support package should be included in any package of reform measures to address unemployment and poverty traps, but it did not recommend a specific approach. It is recognised that any policy response to improve child income support payments must take on board both adequacy and incentives issues.

Lack of an adequate income is one aspect of child poverty. Poor children have been shown to do less well educationally, are more likely to suffer ill health, are vulnerable to homelessness and delinquent behaviour and have fewer opportunities in life. Child poverty can seriously damage the life chances of many children, leading to a cycle of deprivation which repeats itself from generation to generation.

3.6.3 Heads of Household Working in the Home

In the 1994 survey the risk of poverty for heads of household whose labour force status was stated as "home duties" ie. working in the home had substantially increased since 1987 - from 10% in 1987 at the 50 per cent line to 35% in 1994. In terms of the composition of all households below the 50 per cent line, households headed by someone working in the home made up 7% of all households under the line in 1987 and 25% of those below the line in 1994. (As a percentage of all households in the population households headed by someone working in the home only increased from 11% to 13% over this period). Households headed by someone working in the home now make up the second largest group among the poor. This remains the case when the percentage below the 60 per cent

⁷ This estimate is based on the budget standard method of calculating the cost of a child which was used to derive the cost of a child in 1992. The 1996 figure is uprated for inflation. An estimate can also be derived using a relative income approach, although it is recognised that further work is required on estimating the appropriate equivalence scale for a child. However, using a child equivalence scale of 0.33 applied to 60% of the average weekly adult disposable income of £129 per week in 1994 a "relative poverty line" for a child can be calculated at £25.34 per week in 1994 terms; which is £26.96 per week in 1996.

relative income line is combined with the basic deprivation index. Using this definition households headed by someone working in the home made up 29% of the poor in 1994 (only 2% behind the largest group - the unemployed at 31%), almost doubling from 1987 when they made up 15% of the poor.

The increased risk of poverty for households headed by someone working in the home appears to be related to an increase in the risk of poverty for single adult and elderly households and the fact that the growth in social welfare old age and widow's pensions has lagged behind growth in incomes. For example, more than half of households headed by someone who described themselves as working full time in the home (and are below the 60% line) are headed by an elderly woman, mostly living alone, and nearly two thirds are in receipt of social welfare old age pensions or widow's pensions (Callan *et al*, 1996a). However, it is acknowledged that further analysis of the recent survey material is required in this area.

3.6.4 Lone Parents

In 1987 lone parent households were found to be one of the group's at greatest risk of poverty. In 1994 this was still the case. At the 50% line the risk of poverty increased substantially for lone parents, from 29% in 1987 to 57% in 1994. At the 60% line while the risk remains high the increase has been less dramatic - from 65% in 1987 to 67% in 1994.

Ireland has been shown to have relatively low rates of economic activity for lone mothers and married mothers. However, recent figures from the 1996 Labour Force Survey show that women accounted for three quarters of the increase in employment between April 1995 and April 1996 (46,300 - PES definition). About one half of these women had at least one child and one third of these women were lone parents. Lone mothers have a similar rate of economic activity to married mothers, although within this generalisation single mothers are less likely to be employed than separated or widowed mothers. Mothers' participation in the labour market is affected by a range of factors including the availability of work in general, lack of child care provision, traditional attitudes to mothers working outside the home, job segregation and low pay. Nevertheless, the majority of lone parents (and the vast majority of lone mothers) are dependent on the state for their main source of income. For lone mothers maintenance from former partners is not a significant source of income.

Recent research (McCashin, 1996) has shown that the income levels of lone parents dependent on social welfare are below minimally adequate levels and that their living standards are seriously constrained. However, in recent years there has been a number of policy responses. Payment rates for lone parents have increased, the earnings disregards have been improved significantly and treatment in relation to, and participation on, Community Employment Schemes has increased significantly. Nevertheless, some lone parents remain at a high risk of poverty.

3.6.5 People with Disabilities

People with disabilities have been identified as being at high risk of poverty in 1994 - 48% risk for heads of household with a disability at the 50 per cent line; this has nearly doubled from 25% in 1987. At the 60 per cent line the risk is extremely high - three quarters of heads of household with disabilities were at a risk of poverty in 1994 (increased from 64% in 1987). In terms of the composition of the poor (and combining heads of household with a disability with those who are ill, because a breakdown was not available at time of writing), these households make up about 9% of the poor at the 50 per cent line.

In general, there is a dearth of research data and basic information about people with disabilities in Ireland. However, it is known that in 1995 85,000 adults who had disabilities were in receipt of a state payment. This included 42,000 people on Invalidity Pension, some of whom may have other sources of income. However, the 33,000 people on Disabled Persons Maintenance Allowance (DPMA), a means-tested benefit, are unlikely to have other sources of income, and thus to be dependent on state income support.

It is recognised that there are disability-related costs which are not necessarily reflected in the level of payment, for example costs of aids, adaptations, higher insurance premia, additional costs for transport, diet or heating. A recent study on the economic circumstances of adults with multiple sclerosis in Cork and Kerry found that 80% of the people asked reported extra costs⁸. For the majority of respondents the extra costs were approximately £75 per month (Multiple Sclerosis Society of Ireland and Nexus Research, 1996). It is recognised that some extra needs are met by the various authorities through the provision of aids and tax relief on cars. However, as highlighted by the Commission on the Status of People with Disabilities:

"many people with disabilities live close to the poverty line, because they are prevented from working and/or on account of the additional costs associated with disability. There are a bewildering array of schemes, matched by an equally bewildering set of eligibility and assessment procedures", (Commission on the Status of People with Disabilities, 1996).

People with disabilities may also find it relatively difficult to obtain employment, if they chose to do so. Unemployment rates among people with disabilities have been estimated to be much higher than for other groups in society. An NRB case study (1993) indicated that 70% of people with disabilities are unemployed, 70% were unable to pay for the necessary equipment which would make life easier for them and 70% were unable to make plans for the future as they did not have any money, (Combat Poverty Agency et al, 1994).

⁸ The sample size for this survey was 260 people with multiple sclerosis in the Southern Health Board Region. The survey was undertaken in 1995. While it is acknowledged that these figures are not representative, given that they covered only one type of disability in one area of Ireland based on a relatively small survey, they are the only recent estimates available given the dearth of research statistics on disability, as noted in the recent Report of the Commission on the Status of People with Disabilities.

In this context it is important to note that in recent years there have been no substantial increases in levels of payments for people with disabilities. Therefore there are particular concerns for people with disabilities, as borne out in the National Anti-Poverty Strategy consultation process and the submissions received. The Report of the Commission on the Status of People with Disabilities informs the debate about the needs of people with disabilities and makes recommendations for action. Some of these issues are addressed further in Chapter 5.

3.6.6 The Travelling Community

While the Travelling Community are not identified in national surveys as being at risk of poverty, because numerically they are a small sub-group of the population, there is evidence to show that many Travellers have a relatively low standard of living and are at a high risk of poverty. Official statistics estimate that there are about 4,000 Traveller families accounting for about 25,000 people. Up to 3,000 families live in standard local authority housing, group housing or are accommodated on halting sites. However, about 1,000 Traveller households live on the roadside and about 250 households live on temporary halting sites, many of which are without basic services such as toilets, electricity and proper washing facilities (Report of the Task Force on the Travelling Community, 1995). Information from sources such as the Poverty 3 Programme, the Task Force on the Travelling Community and the Department of the Environment has shown that the Travelling Community are still at a high risk of poverty.

3.6.7 People out of Home

Homeless persons are obviously not identified in national household surveys, yet are a group at high risk of poverty. While the official estimate of homeless people in 1996 was 2,501, which has fallen slightly from the previous estimate of 2,667 in 1993, it is generally accepted that it is difficult to attain a precise estimate of people who are out of home.

Homeless people are identified as a group of particularly vulnerable people who also have housing problems. Poverty may lead to homelessness and in most cases homelessness is associated with poverty and exclusion.

3.6.8 Elderly People

The 1987 survey showed a very significant improvement in the position of the elderly though some remained at risk of poverty. This related to increases in the real income of pensions from the mid 1970s to the mid 1980s due to increased coverage under occupational pension schemes, and from greater coverage and higher rates under social welfare pension schemes. However, in 1994 the risk of poverty for retired heads of household had slightly increased at the 50 per cent relative poverty line, from 9% to 11%; but had increased from 21% to 39% at the 60 per cent relative poverty line. As mentioned

earlier there is substantial overlap between retired households, single adult households and households headed by someone working in the home. Single adult households and households headed by someone working in the home have also shown an increase in their risk of poverty between 1987 and 1994.⁹

A key factor in explaining the increase in the risk of poverty for elderly households, especially single adult elderly households and those headed by women is the changing relationships between the poverty lines and the rates paid under different social welfare programmes. Support rates for the elderly and widows increased by a good deal less than incomes between 1987 and 1994. As a result, those relying entirely on means-tested old age or widows' pensions were on incomes at or about the 50 per cent poverty line in 1994 whereas, before that they had been above that level. The elderly are therefore vulnerable to an increasing risk of poverty, especially those who are dependent on non-contributory old age pension. This is borne out by examining income and deprivation information combined where the proportion of the retired among the poor has more than doubled. Using this criterion the retired group made up 13% of the poor in 1994 compared to 6% in 1987.

3.6.9 Farmers

Farmers were identified as being at risk of poverty in 1987. In 1994 the risk of poverty for farmers had declined: from 33% in 1987 to 20% in 1994 at the 50 per cent poverty line. At the 60 per cent poverty line the risk had dropped from 45% in 1987 to 32% in 1994. When income is combined with the basic deprivation indicator, farmers make up only 3% of the poor in 1994, compared to 12% in 1987.

In interpreting these changes a number of factors need to be taken into account. First, these changes have taken place against a background of a decline in the number of farm households. In 1987 households headed by farmers made up 12% of all households, whereas in 1994 this had dropped to 8%. Second, farming incomes may fluctuate considerably from one year to another, and 1986, the year on which the 1987 survey data is based was a particularly bad year for farming incomes. In contrast, 1994 relates to a relatively good year for farming, which is reflected in the improved situation of farm incomes. The volatility of farming incomes makes it relatively difficult to be precise about the risk of poverty for farmers based on data collected only for single years.

Other evidence clearly suggests however, that there are a group of small farmers, many of them elderly, with a low level of educational attainment and a relatively high proportion of direct payments as a proportion of their income. Commins (1996) has identified 30,000 or so farm households composed mainly of older people on low incomes and 48,000 households on uneconomic farms who have no other source of income. Many of these households are living in or at risk of poverty.

⁹ At the 60% income poverty line single adult households have a 52% risk of poverty, making up 33% of the poor. This group can be broken down approximately as follows: 50% elderly women; 20% elderly men; 30% non elderly. At the 50% income poverty line single adult households have a 21% risk of poverty, making up 23% of the poor. Here the breakdown is more varied: 34% elderly women; 4% elderly men; 62% non elderly. Of the approximately 60% non elderly 40% are men and 20% are women. The 40% of non elderly men living alone are mostly aged over 50 and are unemployed or have a disability. (From 1994 Living in Ireland Survey analysis).

In this context the statement by Hannan and Commins in 1992 still holds.

"Clearly there remains an impoverished category of small holders who are unable, for various reasons, to supplement farming income by non-farm earnings and are mainly dependent on State welfare benefits. These now constitute one of the main recruitment bases for poverty in Ireland" (Hannan and Commins 1992, 104).

3.9.10 Others at Risk of Poverty

From published sources and submissions received under the National Anti-Poverty Strategy it is evident that there are a number of other groups in the population who are at risk of poverty, but who may not have been explicitly identified in national surveys. Some of these groups have been identified and discussed above but others include some students, some sections of the gay community, ethnic minorities, refugees and prisoners' families. The various issues raised by these groups in their submissions has been noted.

3.7 Where are the Poor?

Particular communities suffer from cumulative disadvantage. In some cases these communities are geographically concentrated. Three types of areas have been identified as particularly at risk of cumulative disadvantage: decaying inner city areas, large public housing estates on city and town peripheries, and isolated and underdeveloped rural areas. Under the Operational Programme for Local Urban and Rural Development 1994 to 1999, three categories of disadvantaged area were taken into account - Dublin, Other Urban and Rural. The choice of areas was based on an assessment of the areas involving objective and measurable criteria such as indicators of disadvantage, feasible operational boundaries and viability in terms of size and economic base. The objective was to focus on a number of areas with high concentrations of poverty and disadvantage and where the number of people affected was high. The areas are:

Dublin: Ballymun, Tallaght, Clondalkin, Ballyfermot, Dublin Inner City, Finglas / Cabra, Blanchardstown, Coolock / Darndale / Kilbarrack, Crumlin / Kimmage / Walkinstown / Drimnagh, Rialto / Kilmainham / Inchicore / Bluebell, Pockets of Disadvantage in South County Dublin and Dún Laoghaire;

Other Urban: Dundalk, Bray, Galway, Drogheda, Wexford, Tralee, Limerick City, Cork City, Waterford City;

Rural: Mayo, Donegal Gaeltacht, Donegal General, Donegal Inishowen, Connemara, Galway, Limerick West, Monaghan, Cavan, Leitrim, Sligo, Roscommon, Kerry South, Wexford, Offaly

North and Kildare North West, Longford, Westmeath, Waterford.

Areas experiencing concentrations of disadvantage are discussed in more detail in Chapter 6.

Recent work in this area by Haase (1996) and by Nolan, Whelan and Williams (1997, forthcoming) has sought to describe the spatial aspects of poverty and to analyze the processes which lead to spatial concentrations of poverty¹⁰. While using different approaches the main conclusions being drawn from the work are:

- poverty, deprivation and disadvantage are spatially pervasive phenomena which affect virtually every part of the country and every type of area within the country;
- however, depending on the scale used, pockets or concentrations of disadvantage can be clearly identified. For people living in areas of multiple disadvantage it is likely that the cumulative effect is to intensify their experience of disadvantage;
- analysis by Nolan, Whelan and Williams shows the importance of structural factors such as educational attainment, social class and labour force status in determining a household's risk of being in poverty rather than location or housing tenure, although local authority housing tenants have been identified as having a high risk of poverty;
- however, in terms of targeting resources Nolan, Whelan and Williams have found that it is valuable to distinguish between households on the basis of tenure, and that directing resources at public sector renters will be successful in reaching a relatively high number of poor households, particularly in urban centres and especially Dublin;
- nevertheless, Nolan, Whelan and Williams have concluded that if the processes underlying poverty are essentially structural, then area-based strategies should not be the only policy instrument used. Reforms in the education and training systems will be important in encouraging second chance and vocational training. However, the spatial element should not be ignored, especially if the structural processes create geographic concentrations of poverty.

Thus, in tackling the causes and consequences of poverty, a national strategy is required, complemented by an area-based approach.

3.8 The Dynamics of Poverty

It has been shown that for some, poverty may be a long-term almost permanent state from which it is

¹⁰ Ways of measuring geographical concentrations of poverty and deprivation are the subject of academic debate and work is ongoing in this area. Particular concerns relate to the development of a composite deprivation index and the weightings allocated to the different components which make up the index.

difficult to escape, while for others it may be a more transitory phenomenon. Critical factors in determining income mobility and poverty transitions in Ireland are changes in the employment status of the household head, from employment to unemployment and vice versa, and in the numbers of economically active members in the household.

Over the longer term it has been found that the risk of poverty depends not only on labour force status, but also on the extent of unemployment experienced in the past.

"The risk of being poor rose sharply as the extent of unemployment in the previous year increased, and the risk was highest for those who were out of work all year and also had substantial unemployment during their careers" (Nolan et al 1994, xi).

The distinguishing feature of those bearing the brunt of unemployment is the low level of educational achievement - few have second level qualifications and many do not even have a Primary Certificate. Another distinctive characteristic is the relationship between poverty and social class origin: the unskilled manual class have a particularly high risk of poverty.

Thus a time dimension is important in understanding poverty. Labour market experiences have been shown to be the central factor in the risk of poverty over time, with educational attainment the key determinant of success in the labour market. Work on the dynamics of poverty has also shown that the position of individuals and households can change over time and that certain events can trigger an escape from poverty. Conversely certain events, such as the loss of a job, can cause someone to fall into poverty. However, it has also been shown that there are those who are living in poverty for long periods and find it difficult to escape. Factors associated with longer term poverty seem to be related to class origins, childhood economic circumstances and erosion of resources over time. This can be reproduced inter-generationally where the children of those living in poverty are also at high risk of poverty, so that a cycle of poverty is created which deepens the extent of poverty among certain households and communities.

4. The Experience of Poverty

4.1 Introduction

As well as describing the key groups in poverty and at risk of poverty, it is important to understand what it actually means to live in poverty. Most of us have little sense of what life is like for people whose incomes are inadequate. Much of the current debate about poverty fails to convey the experience and quality of life for low income families. Statistical data and academic reports cannot provide insights into what it is really like to have to live in poverty, to struggle on a daily basis to make ends meet, with little hope of improvement, and to feel excluded from a standard of living experienced

by the majority of the population.

The 1994 Living in Ireland Survey provides an insight into the types of items and activities which many people take for granted, but from which some people are excluded due to lack of income. For example, it was found in the survey that 8% of households could not afford new clothes, 6% did not have a warm waterproof overcoat, 7% did not have two pairs of strong shoes, 5% did not have a meal with meat, fish or chicken every second day and 8% did not have a roast or its equivalent once a week, because they could not afford it. There were 4% of households where the household manager had gone without a substantial meal in the last two weeks because they could not afford it, 8% had to go without heating, 12% had debt problems arising from ordinary living expenses and 12% were unable to afford an afternoon or evening out in the previous two weeks (Callan et al, 1996a).

However, how individuals cope with living in poverty clearly varies depending on a range of personal, family and community circumstances. When one reviews reports which are based on case studies (e.g. Pictures of Poverty, 1989, or Telling it Like It Is, 1992) or research which contains qualitative as well as quantitative material (e.g. Scheme of Last Resort, 1991) a number of themes are recurring of what life is like for many people living on inadequate incomes. These are summarised briefly in this chapter.

4.2 Constant Struggle to Manage on an Inadequate Income

People living in poverty have a constant struggle to manage their income. Their choices about spending are very limited and, unlike most people in society, they cannot afford to relax or to occasionally spend in a casual or unplanned manner. There is constant pressure and stress and good budgeting is essential to survival. The majority of income goes on basics - food, clothing and fuel. There is nothing left over when significant additional expenditure arises such as First Communion, Christmas and weddings. Indeed people living in poverty often have to employ strategies to try to buy food at bargain prices.

Murphy-Lawless (1992), in her comparison of the living standards of an "average" family and a "welfare" family found that the "average" family have better quality food, larger portions and greater variety. Fruit consumption, for instance, is a regular item for most "average" families whereas fresh fruit and vegetables are severely limited for the welfare family. The welfare family relies heavily on cheap filler foods like potatoes and white bread to stretch its spending which is 25 per cent less than that of the average family. The mother of the welfare family makes do with smaller portions and compromises her nutritional status.

4.3 Fuel Poverty

A fuel allowance is payable to recipients of social welfare during the winter months. Nevertheless, the problem of fuel poverty, which is the inability to afford adequate warmth in the home, is a subject of

growing concern particularly for low income households. Fuel poverty means having to pay a relatively high proportion of your overall income on fuel and energy costs, having to live at low temperatures in winter, being forced to confine one's activities to only one or two rooms, the inability to install or run an efficient means of heating, the lack of information about energy saving methods, the inability to afford energy saving items in the home and lack of central heating. It also results in ill health, a decline in the maintenance of homes due to inadequate heating, pollution in areas where the main source of heat is coal and general energy waste because of inefficiency. In addition, for low income households, there is often an issue of debt for those who are not able, over long periods of time, to meet their fuel bills.

4.4 Constant Risk of Indebtedness

While there are support systems in place such as the Supplementary Welfare Allowance Scheme¹¹ (Exceptional Need Payments) to help in emergencies, and the Money Advice and Budgeting Service which assists indebted families, in practice low income families often feel they have only limited control over their spending decisions. Once all the necessities are paid for there is nothing left over; often the reverse is the case and people have to turn to their families and friends for help or to take out loans, often from money lenders as access to credit is very limited. Loan repayments and arrears are often a constant threat hanging over people's heads as they juggle their meagre income between priorities. Any unforeseen, and unbudgeted for occurrence, such as illness, the breakdown of an essential item or a funeral can throw a family which is barely existing on a low income into debt. Over time this situation can become worse with the continual erosion of resources.

A Combat Poverty Agency publication (Daly and Walsh, 1988) on money lending and low income families found that income inadequacy was widespread among the households interviewed. Such income inadequacy was at the root of most people's borrowing from moneylenders. Indebtedness was very high - the respondents owed money not only to money lenders, but for state services such as electricity and housing and also to financial institutions. In general, the study found that people's low income rather than their high spending determined their indebtedness and their dependence on credit and that all of the respondents needed access to credit either on a regular or occasional basis. Impoverishment was not the result of borrowing in most cases, although people's financial situation was not helped by their indebtedness. Rather, low income forced most people to borrow in the first place.

4.5 Women Coping

It seems that much of the day to day burden of managing, over a period of time, on very low incomes falls on women, especially in families with children. Normally they are the managers of the household

¹¹ £170m is allocated to the SWA Scheme in the 1997 Abridged Estimates, of which the Exceptional Needs Payments are one component.

budget and have the main responsibility of making ends meet. It is they who will have to cope with unexpected costs and events, the constant threat of debt and a feeling of exclusion from the normal standards of living. Women will often go without clothes or food for themselves in order to provide for their children. In some cases men will keep a significant part of the family income for their own use at the expense of their family's needs.

Many women living on low incomes feel a constant state of worry and pressure. They worry about their children, about them not having enough to eat or how they will be able to buy them new clothes and about whether they will do well enough at school to have a better life. They worry about their families eating snacks and consuming food that they have planned for the next day. They worry about what their relatives and friend's will think. They worry about being blamed for not coping and being labelled a "sponger".

4.6 Isolation and Exclusion

A common theme is one of isolation from normal life. Often people find that they cannot afford to participate in social life. They cannot afford to travel outside their immediate area and meet family and friends. They do not have enough money to entertain family and neighbours. Outings, leisure activities and facilities all cost money which is often not available. In rural areas isolation can be further exacerbated by transport and distance problems. It is often cheaper to stay at home. Some groups, such as people with disabilities or Travellers, often feel further isolated from society as the result of lack of awareness of their needs or active discrimination against them. Indeed in some cases for people living in very disadvantaged areas just their address is perceived as being enough for them to be treated differently.

4.7 Powerlessness and Lack of Hope

As contacts with others lessen through the decline of social or work related networks psychological isolation is increased and self-confidence is undermined. Often people living in poverty feel marginalised and excluded. A common theme is a sense of powerlessness and being dependent on others. Often this is accompanied by a lack of hope. For many there can be a feeling that there is no way out, no escape open to them unless they happen to win the Lottery. They just hope that their children will be able to escape.

4.8 Poor Services and Amenities

For people living on low incomes good quality public services are particularly important. They cannot afford to buy services privately. Yet the perception of many people living in disadvantaged areas is of inadequate or second rate public services and amenities. In some cases basic services are not available and in other instances access to them may involve long waiting lists or lengthy queuing.

4.9 Conclusion

The key issues emerging from studies of the experiences of people living in poverty are the importance of a regular, certain, and adequate income and the desire of people to participate in society and to seek the best for their children. This is illustrated by the overriding importance of feeding a family, of providing children with the basic necessities of life and encouraging them to "get an education", the difficulty of providing for special occasions such as Christmas, Communion and Confirmation, the difficulty of coping with unforeseen expenses and events, and the constant threat of debt. People living in poverty have few choices in life, often suffer ill health and psychological stress, often feel thwarted by the complications of "the system" and can be denied their basic rights as citizens. Often it is women who are left to "manage poverty".

Table 9: Increase in Annual Take-Home Income 1987 - 1996

Gross Annual Salary 1987	Single Person	Increase%	Married Couple	Increase %	Married Couple + 1 child	Increase %	Married Couple + 4 Children	Increase %
£6,000	£ 1,928	43%	£2,320	44%	£3,927	72%	£5,645	83%
£10,000	£ 2,664	38%	£2,400	30%	£2,566	32%	£4,066	47%
£15,000	£ 3,538	40%	£3,614	33%	£3,782	34%	£4,404	38%
£20,000	£ 4,527	41%	£5,252	39%	£5,420	40%	£6,041	42%
£25,000	£5,660	43%	£6,565	43%	£6,553	42%	£8,175	50%
£30,000	£7,519	52%	£8,244	49%	£8,412	49%	£9,034	51%
£40,000	£9,832	53%	£10,377	49%	£10,725	51%	£11,347	52%

Notes:

1. Includes Family Income Supplement and Child Benefit 2. Inflation 1987 - 1996 = 26.9%

Source:

Derived from Conference of Religious in Ireland, Justice Commission (1996) Planning for Progress: Tackling Poverty, Unemployment and Exclusion: Socio-Economic Review 1997.

5. The Cause of Poverty

5.1 Introduction

To examine the causes of poverty it is necessary to examine the operation of the principal systems through which resources in society are allocated. The allocation of resources is a complex issue, and not all systems will affect the income or resources of all groups in the population to the same degree. As well as the important role of the market and the state in allocating resources it is recognised that the social partners, (employers, trade unions and farmers) and the community and voluntary sector have important roles to play. It is also recognised that individuals have rights and responsibilities as citizens of the state. The causes of poverty may also be related to particular personal and social factors which may mediate the impact of the allocation systems. Nevertheless, it is recognised that a systems approach is required to tackle the causes of poverty. Partnership of all the key players: government, the social partners and the community and voluntary sector is also required within an institutional framework.

Recent economic growth has not eradicated poverty. This has been documented by the NESC as follows:

"The resources of Irish society have increased in recent decades, and are set to increase. Nevertheless, there has been a marked failure in relation to a section of the population that is increasingly marginalised through lack of employment, low income, low morale and poor educational attainment. While most Irish citizens will benefit from general economic growth and related social progress, the major challenge facing Irish society is to ensure that social inequalities - which have widened in the dramatic economic and social adjustments of recent decades - now begin to decrease. The alternative, a continued increase in social polarisation, is not only morally unacceptable, but would ultimately impose huge social and economic costs on society. The enhanced resources and capacities for development of the society as a whole indicate that the measures necessary to address acute disadvantage, and start a long-term reversal of inequality, are feasible, both economically and socially." (NESC, 1996 Strategy into the 21st Century).

These trends are further illustrated by looking at the beneficiaries of the current economic and social policies over the last 10 years. Table 9 shows that the main benefits have gone to those on higher incomes. With the exception of very low paid couples with children those on higher incomes received both greater absolute and percentage increases in their take home income (CORI, 1996). Despite this, the depth of poverty was reduced between 1987 and 1994, as noted in section 3.4 of this Overview Statement.

Some commentators would argue that these trends suggest that the present model of economic and social development which has been followed up to now has not effectively tackled poverty. Others would argue that, without the significant level of economic growth in recent years, progress on reducing poverty would have been even more difficult. Ways must be found to address social inequalities through the effective redistribution of resources, either through improvements to the present model of economic development, or by examining alternatives. In this regard, the emphasis in the EU White Paper on Employment, Growth and Competitiveness for a more sustainable European model of development is recognised, which would contribute to a greater intensity of employment and less intensive use of energy and other natural resources. The principles contained in the EU White Paper on Social Policy can also usefully inform the National Anti-Poverty Strategy. These principles are centred on:

- preserving and developing a European social model;
- promoting job creation as the top priority;
- investing in world-class education and training skills;
- encouraging high labour standards;
- promoting equality of opportunity; and
- building a European social model of consensus between governments, employers, trade unions and community and voluntary organisations.

5.2 Operation of the Labour Market

5.2.1 Unemployment

Unemployment is the most important cause of poverty, particularly long-term unemployment and exclusion from the labour market. This is particularly true where the head of household is unemployed, where there are no other earners in the household, where there are dependent children in the household and where the person has been unemployed for more than a year or has experienced extended periods of unemployment over their career. The effect of long spells of unemployment, particularly for families where there are no earners is a run down on savings or other accumulated resources, a susceptibility to debt and survival on a very low income over a prolonged period of time.

The link between poverty and unemployment is clear. In order to address poverty the factors which contribute to unemployment, particularly long-term unemployment need to be tackled. These factors have been identified as:

- low level of skills and educational attainment;
- barriers facing the long-term unemployed in finding jobs such as recruitment practices, employer reluctance and unemployment traps;
- persistence factors, including the loss of skills and lack of influence of the long-term unemployed in the labour market;
- the changing nature of work;
- policy factors including the impact of employment protection legislation and unemployment benefit systems and the extent to which labour market policy is "active" or "passive";(NESF Report No. 4).

Two key issues are apparent. First, adequate and sustainable employment growth is necessary if jobs are to be created. Secondly, employment growth will only impact on poverty where jobs go to those who are presently excluded. Even though employment is increasing, there is evidence to suggest that the jobs created are not being taken up by the long-term unemployed, and in particular, middle aged men and older men with no qualifications. Jobs are being taken by younger well qualified people, returning emigrants and women returning to the labour market rather than the long-term unemployed, many of whom have a generally low level of education (Report of the Task Force on Unemployment, December 1995; Labour Force Survey, 1996).

Recent research on the labour market in Ireland (Sexton & O'Connell, 1996) states quite clearly that Irish unemployment contains a distinct structural element. They highlight the poor educational attainment of the long-term unemployed, which when taken along with the fact that many of them are in older age groups places them at a severe disadvantage of finding employment in the current labour market, given the type of jobs available and given the emphasis that is put by employers on qualifications, skills and flexibility. The authors also highlight a locational aspect to the problem and note that a sizeable proportion of the long-term unemployed are concentrated in disadvantaged localities in disadvantaged urban areas where unemployment rates of 40% or higher are the norm. In these areas long term unemployment is experienced by young people as well as the older age groups. In these circumstances unemployment tends to become an inter-generational problem with many associated economic and social difficulties. These issues are dealt with further in Chapter 6.

5.2.2 Low Pay

While employment may provide an escape from poverty, this is not always the case. When the relationships between low pay and household poverty are examined in detail the extent of the overlap is found to be quite limited (Nolan, 1993). The Living in Ireland Survey analysis for 1994 shows, for example, that heads of household who are employees have a relatively low risk of poverty (3% at the 50 per cent relative poverty line, see Table 6). However, who is low paid is critical: there are important distinctions to make between low paid primary and low paid secondary earners. Where the primary earner is low paid the household may be at risk of poverty, particularly where there are dependent children. Where the low paid person is not the primary earner, the level of pay may be less critical.

It has been identified above that reducing unemployment through creating jobs and providing opportunities for people, particularly those who are long-term unemployed, to take up those jobs are critical in addressing poverty. Most of the new jobs are being taken up by women so that the position of women in the labour market has recently improved.¹² It is forecast that future employment growth will occur mainly in female employment. The growth in female employment is projected to occur predominantly in clerical, professional, personal services occupations and proprietors (Department of Enterprise and Employment, 1996). However, the risk of being low paid is particularly high for women working in service or commercial occupations, or the retail or personal services industrial sectors, (Nolan, 1993). It is therefore of concern to note that women are increasingly at risk of being in low paid jobs. Many jobs which are low paid offer poor working conditions and few prospects of advancement.

The rise in the number of women on the Live Register also reflects women's increasing participation in the labour force and changing attitudes to women's dependency status within the social welfare and taxation systems. However, it is recognised that some barriers remain to women's participation in the labour force which need to be removed and that further research is required on the destination of women returning to the labour market.

While the extent of overlap between low pay and household poverty is quite limited it is critical to note that the probability of being in a poor household is highest where the household head is in a low paid job and there are children to support. Where low paid older employees have experienced spells of unemployment in their careers they can become particularly disadvantaged in the labour market over time and are also less likely to be entitled to a pension when they retire, (Nolan, 1993). Thus, while low paid jobs may improve the position of people relative to dependency on social welfare benefits it may not be sufficient to lift them out of poverty, especially over a long time period. However, low skill, low paid jobs may be a stepping stone to improved employment opportunities, rather than an end in themselves. In this context it is important that there are income, education and

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The recent Labour Force Survey report (1996) shows an increase in full-time employment, particularly for women.

training supports for people who are on low pay, particularly if they are primary earners with dependants. Assistance¹³, such as education and training, needs to be provided to help people to move from low paid to higher paid work; that is, low paid, low skills jobs should not be seen as an end in themselves, but as part of a progression route to higher skilled and higher paid work.

Some commentators have argued that we need to be particularly concerned not to reproduce a cycle of deprivation where the children of today's low-skilled and unskilled parents, through leaving school early and with poor qualifications, become the unskilled and the long-term unemployed of the future. Thus, opportunities for those who are able to benefit from the increase in skilled jobs must be counterbalanced by opportunities for those currently unable to take up skilled employment through increased access to basic education to improve skill levels rather than the promotion of a low wage, low skill economy. The respective responsibilities for the provision of education and training, be it by the State, the employer or the individual, however, need to be clarified.

Family Income Supplement (FIS) and a range of secondary benefits are important income supports for families in low paid work. However, FIS needs to be further developed on a number of fronts, especially with regard to the withdrawal of secondary benefits and take-up issues. In an attempt to address some of these issues the medical card can now be retained for up to 3 years on taking up a full-time job, child dependent allowances can be retained for 13 weeks to allow for the assessment of FIS and FIS is calculated net of PRSI and the levies (from April 1st 1997). Partnership 2000 contains a commitment to reform FIS over the lifetime of the Partnership Agreement so that it will be calculated on a net income basis rather than on gross wages.

A critical factor in relation to low pay is the relatively high tax rates paid at low earnings. Combined with high benefit withdrawal rates, especially for families with children, second earners and young single people this can act as a disincentive to taking up low paid employment.

5.3 Lack of Educational Qualifications

Access to employment is strongly related to education, while income derived from employment is positively related to level of educational qualification. Education has also been shown to influence life chances more generally. The available evidence shows that the level of educational attainment is strongly influenced by social class. It has also been shown that the possession of educational qualifications are an important route out of poverty. At the same time there is a need to recognise the serious consequences for young people who do not attain any educational qualifications and the potential for their alienation from society in general and a cycle of poverty being reproduced.

¹³ It is noted that the people with low skills have access to a large number of inexpensive or even free courses available in RTCs/DIT and that tax relief, at the standard rate, is available to certain part-time students.

There are three important issues which need to be recognised in relation to the importance of educational qualifications in causing poverty or being able to provide a route out of poverty. These are:

- the implications for older people with no educational qualifications;
- the implications for young people who leave school early, fall outside the system and are at a high risk of falling into poverty; and
- education has been found to influence life chances more generally.

Firstly, the evidence shows that 29% of the unemployed have no formal qualifications and 36% have only lower second level qualifications. In contrast, only 10% of the unemployed have a third level qualification (Labour Force Survey, 1995 [on an ILO basis]). The older long-term unemployed in particular are especially educationally disadvantaged: nearly half of the long-term unemployed have no qualifications.

Secondly, young people who leave school early with no qualifications are at high risk of unemployment and poverty. The connection between poor educational qualifications and unemployment becomes more pronounced over time, reinforcing a cycle of poverty and inequality. This has led Breen (1991) to conclude that:

"Thus a cycle is entered in which poor qualifications lead to a poor labour market record leading to long periods of unemployment and to unemployment in unstable jobs, both of which further worsen a young person's labour market record. It is by such a process that educational differences are turned into labour market differentials".

Thirdly, educational achievement has also been found to influence life chances more generally and the transition from youth to adulthood and the ability to establish independent households. Educational outcomes themselves have been systematically related to social background. This is borne out in Clancy's (1995) recent study where large disparities were found by economic status, socio-economic group and social class in access to higher education. For example, 38% of higher education entrants came from the four highest socio-economic groups, although these groups constituted less than 21% of the population. In contrast, the five lowest socio-economic groups were seriously under-represented; 35% of entrants came from these groups although they constituted almost 56% of the relevant age cohort.

More recent evidence, based on analysis of the 1994 Living in Ireland survey and annual School Leavers' Survey (Whelan et al, 1996) suggests that class inequalities in education continue to exist. The conclusion arrived at is that expansion of educational opportunity and participation does not lead to a more rapid improvement of opportunities for the disadvantaged unless the demands of the better off have been exhausted.

Another educational issue is the importance of adult and second chance education. Kellaghan et al (1995) has highlighted the importance of the mothers' education in relation to the educational achievement of their children which lead them to conclude that:

"We feel that many out-of-school initiatives, in particular ones that focus on second chance education for women (partly because of the crucial role mothers play in children's education), could make an important contribution to furthering the Anti-Poverty Strategy"
(Kellaghan et al, 1995, 65).

The fact that educational outcomes are systematically related to social class background suggests that the notion that educational achievement solely reflects individual ability is questionable. The factors underlying this pattern are complex and include family context, attitudes to education, and the social environment. It is recognised that the education system must be structured so as to actively compensate for the inequalities it encounters in wider society. Otherwise it guarantees their reproduction and the danger of a sub-group of disadvantaged young people becoming isolated from mainstream economic and social life at a very early age, with serious consequences for themselves and society in general.

5.4 The Operation of the Tax/Transfer System

The role and importance of the main policy mechanisms which influence the redistribution of income and resources in Ireland ie. the tax and social welfare systems are critical in addressing poverty. While the operation of the tax and welfare systems may not in themselves cause poverty they may be less than effective at preventing poverty. In order to prevent poverty social welfare payments need to be adequate, there should be incentives for people to take up work and the tax system should seek to be progressive. The National Anti-Poverty Strategy has an important role in recommending the appropriate balance between the systems. The interaction of the two systems, and in particular their impact on work incentives has been examined by an Expert Working Group who reported in 1996. The findings and recommendations of this important report will be important in considering strategies to reduce poverty and inequality under the National Anti-Poverty Strategy. Some of the issues in relation to the operation of the two systems and their contribution to putting people at risk of poverty or creating poverty traps are as follows.

First, while employment is a key way to ensure that people can gain access to an adequate income it is clear that not all of the unemployed, and especially the long-term unemployed, are able to use work as a means of income support, at least in the short-term. For these people the social welfare system is critical in determining whether or not they will be living in poverty. In addition there are those whose dependence on welfare is likely to last indefinitely, while there are many others who have recourse to social welfare as a temporary cushion in an increasingly flexible labour market. There are also needs associated with particular groups such as families with children or the extra costs associated with

disability. For people who are in whole or in part dependent on social welfare payments then the adequacy of the levels of payment is a vital consideration in minimising the risk of poverty. Also important is the duration of unemployment payments: in Ireland the payment of Unemployment Assistance is indefinite. Nolan and Callan (1994) have shown that the resources of the social welfare system are relatively well concentrated on those with lowest incomes.

The minimally adequate rates set by the Commission on Social Welfare in 1986 (£40 - £50 in 1985; £68 - £82 in 1996 terms uprated by inflation) have been generally accepted as a basic adequate rate and most social welfare payments have now been increased towards the £68 rate, so that by June 1997 all payments will be within 95% of this rate and the most will be within 98% of the rate. These minimally adequate rates have recently been reviewed by the ESRI, drawing on recent survey data to inform their analysis. This review of the Commission's minimum adequate income (Callan et al, 1996b) will be important in informing the National Anti-Poverty Strategy in relation to the adequacy of social welfare rates and related issues.

Submissions to the National Anti-Poverty Strategy emphasised the impact of the social welfare system on women's economic dependency. This is particularly the case where an adult dependent (usually a woman) receives no income in his/her own right and thus depends on the other partner for financial support. In many cases this may increase the risk of poverty for women. This issue has been considered by the Expert Working Group on the Integration of the Tax and Social Welfare Systems and is currently under examination by the Commission of the Family, in the context of evolving family structures. These issues are important considerations in addressing women's poverty under the National Anti-Poverty Strategy.

Secondly, while the direct effect of transfers on poverty is generally positive, it can be argued that indirect effects may be negative particularly through disincentive effects. Observers have differed on the extent to which job search activity and competition in the labour market is affected by the availability, level and duration of welfare benefits. Another argument put forward is that the Irish tax wedge and UK unemployment levels (through their impact on migration) explain the bulk of the rise in unemployment. Weak employment incentives are cited as an explanation of the persistence of unemployment but not necessarily of the rise in unemployment:

"institutional features of the labour market - welfare benefit systems, employee protection legislation etc. - are considered to have prevented Irish unemployment from falling back to its 1970s' level after the shocks of the early 1980s had abated" (Browne and McGettigan, 1993).

Empirical evidence on the barriers to taking up work suggests that the level of unemployment benefits is only one factor in considering the labour market behaviour of the long-term unemployed. The financial pressure experienced by long-term unemployed individuals is strongly and positively

influenced by their role in the household; their household commitments remain the dominant influence on their assessment of the earnings they require (Dawes, 1993). McLaughlin (1994) who has also undertaken work in this area believes that it is important to take account of the certainty of income as well as the level of income: the difficulties that unemployed people have in budgeting on low incomes can limit their ability to manipulate potential economic opportunities which do not carry an immediate wage high enough to meet household needs.

The Expert Working Group on the Integration of the Tax and Social Welfare Systems examined the issue of incentives in considerable detail (see in particular Appendix 5 of the Integrating Tax and Social Welfare Report, 1996). While much of the evidence is inconclusive the Expert Working Group noted that in Ireland over the last twenty years social welfare benefits, (particularly Unemployment Assistance), significantly increased in real terms and at a relatively faster rate than net take home pay (at average manufacturing earnings). At the same time the burden of taxation increased substantially. Most of this divergence was in the 1980s and since 1990 increases in UA and net pay have been broadly in line with each other. These overall trends led the Expert Working Group to conclude that this combination of policies has resulted in a reduction in the incentive for the unemployed to accept relatively low paid work or for those on low pay to remain in employment. Having reached this conclusion they state that the challenge is then:

" to devise ways of smoothing the transition from unemployment to work (including atypical work as much as traditional work patterns) while protecting the incomes and living standards of the poorest." (Expert Working Group Report, 1996).

From a policy point of view, Bond (1994) has argued that concern about the impact of incentives should not preclude addressing issues of poverty caused by inadequate welfare levels.

" Insofar as concern about disincentives arises in relation to further improvements in social welfare, the main lesson to be drawn for anti-poverty policy is that more must be done to address low incomes among those at work. As the recent experience shows, where these goals are pursued simultaneously, negative effects on incentives can be avoided".

Thirdly, the operation of the tax and welfare systems can be less than effective in relation to addressing poverty. A study by Atkinson et al¹⁴ (1995) reviews empirical work from a comprehensive study of income distribution statistics in a large number of countries. In terms of the distribution of disposable income, the study found that the poorest 10% receive 2.5% of the total income in Ireland; a figure which is bettered by all of the other countries except the US and the UK. In contrast, the richest 10% in Ireland receive 25% of total income; a figure which is only bettered by Switzerland. While Atkinson's study has been controversial there is at present no other study in Ireland to prove or

disprove his findings, and the other limited studies which exist are not inconsistent with these conclusions. Nolan's (1991) study on the wealth of Irish households found that the bottom 50% of households had 12% of total wealth and the bottom 70% had 29% of total wealth. The top 10% of households had 42% and the top 1% had 10% of total wealth.¹⁵

CORI's (1996) socio-economic review presents income distribution changes over the past ten years. The review shows that the smallest absolute increases went to the long-term unemployed whereas those on higher incomes received higher absolute increases, see Table 10. The picture was slightly different in percentage terms, with families, particularly larger families, on half the average industrial wage receiving the largest percentage increases.

Table 10: Net Gain in Annual Take Home Income 1986 - 1995

Category	Single		Couple + 1 Child		Couple + 4 Children	
	Double the Average Industrial Wage	£6,206	62%	£6,973	55%	£7,523
The Average Industrial Wage	£3,472	55%	£3,657	49%	£4,642	58%
Half the Average Industrial Wage	£1,938	51%	£3,885	81%	£5,270	83%
Long-term Unemployed	£1,346	70%	£2,301	59%	£3,597	62%

Notes:

1. The Table presents figures on the net gain in annual take home income 1986 - 1995 for those on various levels of the average industrial wage and the long-term unemployed.
2. The figures include Family Income Supplement and Child Benefit/Children's Allowance.

Source:

Derived from Conference of Religious in Ireland, Justice Commission (1996) Planning for Progress: Tackling Poverty, Unemployment and Exclusion: Socio-Economic Review 1997.

15 However, Nolan notes that on the basis of comparison of the sample with available external information on total personal wealth holdings of various types, and evidence from research internationally, it is known that this is not a fully accurate representation of the wealth distribution. In particular, it is known that financial assets are seriously under-represented in the sample, particularly at the top of the wealth distribution. Therefore it could be expected that the share of the top 10% of the wealth distribution would be about half of all household sector wealth, while the top 1% would have about 20% of total wealth.

Clearly, however, further research and information is needed in Ireland, possibly along the lines of the study commissioned by the Joseph Rowntree Foundation in the UK on Income and Wealth, to examine in detail the extent to which the tax and welfare systems reduce or perpetuate inequalities in income distribution in Ireland.

5.5 Provision of Public Services

Alongside the impact of taxes and transfers on the income distribution, Government plays a major role in the allocation of resources through public provision in areas such as health, education, housing, transport, the arts and so on. While the impact of these policy areas on poverty will be dealt with in more detail in the next chapter, here the redistributive impact of such provision in tackling poverty is briefly discussed.

The National Economic and Social Council (NESC) in their 1988 study on redistribution through State social expenditure (Report No. 85) state that:

"... the benefits from State expenditure are sometimes received directly in the form of cash ... and sometimes come in the form of subsidized or free of charge services ... A redistribution study traces the flow of tax revenues from families into the Exchequer and the reverse flow of the benefits of State expenditure from the Exchequer to recipient families and measures whether the impact promotes greater equality between families...The idea of equality is basic to the very meaning of redistribution. Redistribution studies measure the equality with which some important goods and services are allocated in a society ..." (Rottman and Reidy in NESC 1988, 38).

The NESC go on to say, in relation to the evaluation of redistribution that:

"... any change is desirable which brings nearer a situation in which the disadvantaged are brought nearer to a level that assures their self-respect and the respect of others, in which all are assured of equal access to education, medical care, satisfactory housing and satisfying jobs, in which opportunities for improving their living standards are as nearly as possible equalised, and in which human dignity of all individuals is respected".

Thus in analysing the causes and consequences of poverty it is necessary to examine the allocation of resources through public provision of services and the redistributive impact of this provision. The remainder of this section will discuss some of the factors mediating resource allocation.

5.6 Inequality and Discrimination

A number of factors associated with poverty may mediate the impact of State allocation systems. Those identified and discussed here are inequality, discrimination, disability, the allocation of resources within households and conflict. Where groups of people in society face unequal opportunities, unequal participation, unequal outcomes and unequal conditions this can lead to exclusion, marginalisation and poverty. Discrimination can produce barriers to equal opportunities, participation, outcomes and conditions and can thus increase the risk of poverty and exclusion for some groups in society.

5.6.1 Inequality

Equality measures seek to guarantee a range of rights to disadvantaged groups and to eliminate the various forms of discrimination against them. Groups are at risk of experiencing exclusion or marginalisation in society on grounds of gender, marital or parental status, sexual orientation, religion, age, disability, race, colour, nationality, and national or ethnic origins. The National Anti-Poverty Strategy's particular focus is on the areas where inequalities and discrimination can lead to poverty and exclusion. The Strategy will focus attention on women, people with disabilities, the Travelling community and make reference to other groups also at risk. In addressing inequality and discrimination account will be taken of the NESF report on Equality Proofing Issues and the Policy Appraisal and Fair Treatment procedure in Northern Ireland.

Inequality, gender and poverty have overlapping dimensions. The role of women as workers in and outside the home, the lack of independent income to the mother and the fact that the income is considered in household terms means that women have less relative access to and control of income than men. However, while women's poverty is often viewed as a single entity it is acknowledged here that it affects different women in different ways depending on many factors. For example, there are particular problems for women in rural areas in terms of poor access to child care and women's unpaid contribution working on farms and in the home.

Thus, while poverty and inequality are clearly linked there is often confusion between the two concepts. Ideally, in addressing poverty the aim should be to also address inequalities. Yet it is important to recognise the difference between equality for all and targeting the poorest in our society in the context of relatively limited resources and competing demands. The National Anti-Poverty Strategy will target the poorest (the 9% to 15% experiencing poverty and deprivation) while recognising the need to ensure that those at risk of poverty (up to 34% of the population) do not fall into poverty. In so doing the Strategy will recognise the various factors such as discrimination and inequality which can result in poverty.

5.6.2 Discrimination

There is ongoing debate on the extent to which discrimination can increase the risk of poverty for some groups in society. This relates to discrimination in the employment area, in access to services and in some cases discrimination against basic human rights. People can be discriminated against on the basis of gender, age, race or ethnicity, religion, marital status or sexual orientation. Such discrimination can cause poverty where people are denied access to a standard of living and opportunities to participate in the activities that are accepted as the norm for the majority of people in society. Discrimination can, and does, take place at both the personal and institutional level and can be both direct and indirect. At a personal level discrimination is most common when someone is denied access to a range of goods, services and facilities purely on the basis of their identity. At the institutional level discrimination can occur when procedures and practices reflect a lack of acceptance of a minority culture or identity, when various services are provided in a segregated way and when legislation, policy making and provision can be developed without account being taken of their potential impact on a minority group. Evidence has been documented on discrimination leading to poverty for a number of groups eg. Travellers (Report of the Task Force on the Travelling Community) and lesbians and gay men (GLEN/NEXUS, 1995). While homosexuality in itself does not necessarily place one at risk of poverty, the impact, experience and perception of discrimination may limit the full participation of gay men and lesbians in society, and may in some cases place them at risk of poverty. This may be true for other groups in Ireland, such as ethnic minorities, refugees etc.

5.6.3 Disability

Disability can often be a cause of poverty. The causes, effects and costs of disability and the causal processes which lead to poverty are complex. Many people with disabilities can find their income severely reduced when they find that they are dependent on a social welfare payment over a long period of time, especially when they previously had an earned income. In addition to existing commitments, there are the extra costs associated with disability. People with disabilities often find it difficult to get work and therefore have limited opportunity to escape from poverty. The recent report of the Commission on the Status of People with Disabilities states that:

"Disability is a cause of poverty and social exclusion and it is important that specific measures to respond to the needs of people with disabilities are included in the Anti-Poverty Strategy".

The Commission has made a large number of recommendations - those with a poverty and social exclusion dimension will be given consideration under the National Anti-Poverty Strategy.

5.6.4 Allocation of Resources Within Households

The distribution of resources within households can mediate the effect of resource allocation systems. This is particularly the case for households living on a low income. Women often have the stressful task of managing on a low income. Rottman's (1994) study on the distribution of income within households showed that an independent source of income for women can be important for the incomes of women and children. Specifically, the study showed that Child Benefit emerged as the sole independent income available to most married women with children: among women receiving Child Benefit, 58% had no other source of income. The study also found that husbands are consistently more likely to have money for their entertainment and leisure than their wives and that women's earnings or income directly received give women greater control over how that money is used. However, it is noted that Rottman found that there was not a reservoir of hidden poverty among women in better off households. While Cantillon and Nolan (1996) reached a similar conclusion they acknowledged that there were limitations in identifying deprivation within households using household survey data.

5.6.5 Conflict and Poverty

The connection between conflict and poverty is a complex one, especially in relation to the violence in Northern Ireland. Not only is violence a major hindrance to addressing poverty and an important factor deepening poverty and social exclusion, but equally it must be acknowledged that poverty and social exclusion, while not a direct cause of violence can contribute to people's sense of alienation and exclusion and can be an important factor in the perpetuation of violence.

Conflict undermines efforts to address poverty and social exclusion. It undermines economic growth, which is a key element in addressing poverty and inequality and has a particularly adverse affect on those communities closest to the violence. It results in national resources being diverted away from tackling the causes of poverty and inequality. It diverts public attention and awareness away from existing injustices and from the underlying structural causes of poverty. It undermines efforts to foster the regeneration of disadvantaged communities and to empower those who are currently on the margins of society. It subverts respect for human rights which is essential to tackling poverty. In the end it increases the isolation of individuals and communities and deepens alienation and a sense of marginalisation and exclusion thus deepening the misery and anguish that is part of living in poverty.

Thus any efforts to address poverty and social exclusion would be greatly enhanced by a permanent cease fire. Equally, any long-term peace process must be reinforced by a clear strategy to address issues of poverty and social exclusion.

5.7 Conclusion

Ireland is a relatively wealthy country yet poverty and social exclusion is a major problem. The examination of the principal systems through which resources are allocated has demonstrated that existing systems may not be fully directed to address poverty. It is clear that poverty is a direct result of underlying structural causes.

The examination of the operation of the labour market has demonstrated the fundamental importance of unemployment as a cause of poverty. It has also shown that the experience of unemployment is very unequally shared. In addition, it has highlighted that low pay, in some cases, can be a cause of poverty. The analysis of the education system has demonstrated the extent to which that system can, in the absence of countermeasures, reproduce inequalities and poverty. The study of the tax/transfer system and of the role of public services has emphasised the extent to which they may fail to adequately redress inequalities in access to resources and opportunities.

The discussion has also highlighted that the impact of these major resource distribution mechanisms can be influenced by particular factors affecting individuals or groups. In particular it has drawn attention to the impact of inequality, discrimination, disability, resource distribution within households, and conflict.

The next chapter examines some of the consequences of poverty, both for those experiencing and at risk of poverty, as well as the implications for society generally. It is evident that the causes, consequences and experiences of poverty are inter-related, with one often leading to another in a cycle of poverty. Chapters 4, 5 and 6 of the Overview Statement make an attempt to highlight these issues.

6. The Consequences of Poverty

6.1 Introduction

As well as the causes of poverty, in particular the structural causes and the impact of the principal allocation systems, it is also necessary to examine the consequences of high levels and concentrations of poverty which can lead to a threat to the social fabric of the country and incur high economic costs. A number of consequences are identified here: the concentration of poverty in certain communities, the effects on physical health and an increase in psychological stress, an increase in crime, an increasing drug culture and the alienation of young people. Some of these consequences give rise to policy responses in their own right, over and above poverty responses. In addition, there is a complex relationship where consequences of poverty can become causes: a cyclical effect which can lead to the reproduction of poverty, and/or, the deepening of inter-generational poverty in some areas and communities.

6.2 Concentrations of Poverty

There are areas throughout Ireland where there are concentrations of people living in poverty, often resulting in cumulative disadvantage. These are sometimes referred to as "poverty blackspots". It has been suggested that the experience of being poor and living in such an area is a qualitatively different, and usually worse experience than being poor and living in a non-disadvantaged area.

The reasons for the evolution of areas of localised deprivation include:

- rapid economic and technological change leading to a decline of localised unskilled employment;
- a concentration of low-income groups in certain areas, sometimes occurring because of the operation of housing policies; and
- poor or inadequate provision of local services, facilities and amenities.

This section of the Overview Statement discusses three different types of concentrations of spatially defined disadvantage: inner city communities; suburban communities and marginalised rural communities.

6.2.1 Inner City Communities

Marginalised communities have been identified in inner city areas, particularly in Dublin, Cork and Limerick. Industrial expansion, alongside technological advances have forced a contraction of employment opportunities in inner city areas. In addition, the educational profiles of many of these inner city residents do not fit the new job requirements. The decline of many inner city local economies has resulted in further decline and division of labour between those with the skills to compete for scarce jobs and those without those skills. Thus, within many inner city communities there are now a group of people who have experienced long-term unemployment and are living in an area of economic, social and physical decline with little hope of escape. Such communities have become increasingly isolated from mainstream society and have increasing problems of vandalism, drug addiction and lawlessness.

6.2.2 Suburban Communities

As a result of inner city restructuring and planning policies large suburban housing estates were built on the periphery of many towns and cities in the 1960 and 1970s. However, in many areas jobs and public service provision did not materialise for people living in these new large areas of public housing. This resulted in a number of consequences: high concentrations of low income groups, particularly

the long-term unemployed and lone parents on these estates; socially segregated homogeneous communities often isolated from family and friends and other family and social networks; poor physical environment; poor infrastructure and provision of services; remoteness from urban centres; and a certain sense of fatalism and detachment from society generally. A major cause of poverty in urban and suburban areas is the long-term fall in the supply of unskilled full-time jobs, particularly for adult males. A concentration of low income and unemployed families in such areas limits their potential to improve their economic prospects. Because an area lacks resources its morale and confidence is affected. A cycle of disadvantage becomes obvious. Persistent inter-generational educational disadvantage contributes to this cycle resulting in low levels of educational achievement, high drop-out rates in schools and high levels of illiteracy which further marginalise such communities. With concentrated unemployment and low levels of educational attainment there is consequently a high level of welfare dependency. Such communities often believe that their needs are ignored by the state, whose existing structures are unable to respond to the needs of these communities and further contributes to community isolation and alienation.

6.2.3 Marginalised Rural Communities

Poverty is a spatially pervasive phenomenon and its causes and consequences can apply equally throughout the country in both urban and rural areas. However, the particular characteristics of rural poverty include: high levels of invisibility; out-migration and its effect on the local demography in terms of depopulated areas, physical isolation and ageing populations; a diminishing economic base, the decline of primary industries and the lack of alternative employment opportunities; small unviable farms; low income and a dependence on social welfare; unemployment and under-employment; sub-standard housing; isolation of women and old people through lack of transport and access to financial resources; poor transport infrastructure and inaccessibility of public transport; the non-availability or withdrawal of local services and the increasing centralisation of services leading to closures of primary schools, post offices, garda stations; limited health and social services provision; lack of access to information; low levels of participation in local development mechanisms; and low levels of development activity with an anti-poverty focus.

One of the main characteristics of poverty in rural Ireland is its seemingly invisible nature. It is important in identifying poverty in rural areas that the people who are poor or who at greatest risk of poverty are identified ie. the heterogeneity of rural areas needs to be recognised. Rural areas, unlike some urban areas, do not present homogeneous areas of advantage and disadvantage. Rural areas are thus more diverse and the experience of poverty is often individual and dispersed over a greater geographic area. However, it is important to note that there are also concentrations of poverty in predominantly rural areas, notably in public housing estates on the fringes of small towns. For example, Hannan (1991) has found that in relation to early school leavers, far more early school leavers come from the small towns and rural areas of Leinster, Munster and Ulster than from the urban working class estates of Dublin, Cork and Limerick. Haase, in the study *Poverty in Rural Ireland*, (1996) has pointed out that:

"There is a greater concentration of poverty to be found at the outskirts of small villages or towns which accommodate the housing estates for those who no longer earn their living from farming and who do not possess any land at all" (Curtin et al, 1996).

6.3 Health

A consequence of poverty which has been well documented has been its effect on health and levels of stress. Poverty has been found to manifest itself in psychological distress, physical ill health and reduced life expectancy. Socio-economic circumstances can have various impacts on health; for example, the links between damp housing and respiratory disease, links between poor diet and nutrition and ill health, and the greater risk of accident and exposure to environmental hazards.

These aspects are summarised by Nolan (1994):

"it is particularly relevant ... to emphasis that the persistent marked differences across socio-economic groups in health and life expectancy found in Ireland and elsewhere are not likely to be amenable to "treatment" through the health services. While the structure and design of the health services must take them into account and direct care where it is most needed, health inequalities reflect wider inequalities in material circumstances, and alleviating poverty may be the most effective way of narrowing differentials in health and life expectancy".

When access to the health services is examined, particularly in relation to the role of user charges for public health services it has been found that from an equity perspective, access to health care is generally regarded as a basic right. In this context, the philosophy that care should be distributed primarily on the basis of need rather than ability to pay is widely held. To some extent this need is met through the operation of the medical card system, where need is the basic qualifying criterion, although qualification for the card is also dependent on an income test. However, as noted by Nolan (1993):

"Charges may act as a barrier to access to care for the poor, and exempting the poor from charges via means-testing, as is currently the practice in Ireland, can create other problems by contributing to unemployment and poverty traps. Even where the poor are exempt, charges increase the importance of ability to pay as opposed to need in determining access to care throughout the rest of the distribution".

In relation to other direct consequences of poverty and unemployment research has shown that where both unemployment and poverty occur they can create levels of acute and chronic stress which can lead to a deterioration of a person's psychological health, particularly if this situation has endured over a long period of time. Whelan (1994) has noted that for married women in particular, the unemployment of their husbands has a major effect on their mental health through "the grinding consequences of poverty". Unemployment and poverty can also affect a person's self esteem. They

may feel that their role in society is diminished and thus that they can no longer have a useful role to play.

The consequences of poverty on mental and physical health are vividly illustrated in some of the qualitative and case study material available. A study in Kilmount (O'Neill 1992) found that poverty creates tension, causes strain, which when built up over a number of years contributes to ill health. Examples given include:

- the unrelenting pressure of managing the household budget on an inadequate income and the tension it creates;
- living with fear everyday, afraid of a knock at the door demanding money, afraid that something will go wrong and upset the balance between "barely managing or deep trouble";
- coming to terms with the fact that the head of household may never work again, nor any of the children.

6.4 Crime and Drugs

There has been much concern recently on the growing level of crime and often the associated link to the increasing use of drugs. To what extent is this a consequence of poverty? Many international studies conclude that while unemployment and poverty does contribute to the level of crime it is only one of many factors. In Ireland empirical research on this issue is limited. An Interdepartmental Group reported in 1992 on urban crime and disorder in response to incidents in the Ronanstown area of Dublin. In their report the Interdepartmental Group recognised that the causes of urban crime and disorder are quite complex and varied, and in addressing these consideration needed to be given to unemployment, education, environmental issues and health care as well as the law and order situation.

Specific issues in relation to poverty and crime are the young age profile of criminals and an increase in the use of drugs. A number of American studies have established an association between early school leaving, attendance problems, disruptive behaviour and delinquency. This can lead to a feeling of alienation from any kind of authority. When affiliated with peers who behave in a similar manner groups of young people can become disassociated from school and from the society in which they are placed.

In Ireland Hannan et al (1996) have found that unemployment is the most significant influence on the levels of psychological distress of young adults. This is related to the retention of strong feelings of work commitment. Thus, intervention designed to increase such work commitments without increasing chances of actual employment could do significant damage. Alternatively, interventions

which increase feelings of personal control and efficacy and reduce fatalism could significantly reduce the level of psychological and social stress suffered by the unemployed. While these unemployed young people are somewhat alienated from their peers and adult society, they do not appear to form "subcultures".

"In short these are not "problem young people" but young people who have problems inflicted on them, and suffer extremely damaging consequences". (Hannan et al 1996).

Widely reported in the press, but less well researched to date has been the link between poverty, drug use and crime. The Health Research Board has identified a profile of drug users who present for treatment as mainly male aged between 15 and 39 years old. About two thirds live with their family of origin and about one quarter live in Dublin's inner city. Over 80% are unemployed and one third had left school before 15 (O'Higgins and O'Brien, 1995). The first report of the Ministerial Task Force on Measures to Reduce the Demand for Drugs (October 1996) has undertaken an initial investigation on drug issues and has received and analysed over 100 submissions. This Government report clearly acknowledges the close link between drug addiction and social and economic deprivation. In particular the Chairman to the Task Force claims that drug addicts are concentrated in communities that are also characterised by large scale social and economic deprivation and marginalisation.

"The physical/environmental conditions in these neighbourhoods are poor, as are the social and recreational infrastructures. Abuse and addiction are associated with crime"

(Chairman of the Task Force on Drugs).

However, it should be remembered that most individuals who experience poverty and inequality do not follow criminal careers. It is noted that there also exists the potential for criminality due to the pervasive influences of a consumer durable-led society which many do not have the means to access. The lack of gainful employment and a developed local infrastructure can serve to create the conditions through which feelings of hopelessness and anti-authority can be incubated into crime and social disorder.

It is generally accepted that structural issues within the community can impact on the life chances of individuals and also that through education their access to limited employment possibilities is differentially affected. However, these are not the sole deciding influences in addressing the issue of marginalisation, particularly when this relates to crime and drug misuse. Again, the complex and varying multi-factorial dimension of the problem must be considered carefully both within the community and in relation to the outside forces which promotes its continuance. The spectre of drug misuse is a major worry for all social classes who fear their children may be subject to the peddling of misery, the consequential loss of life chances and the inability to financially support a habit which is

beyond their legitimate means. It is clear that in examining the social problems which communities face today poverty and social exclusion are primary factors.

6.5 Conclusion

This chapter has highlighted some of the main consequences of poverty. It has shown how the causes and consequences of poverty are often inextricably linked. In the worst scenario this can result in a cycle of poverty, which has sometimes been described as a "vicious circle of poverty". For example, a child of unskilled working class unemployed parents living in a disadvantaged sub-urban public housing estate has a particularly high risk of poverty. He/she is more likely to leave school early without educational qualifications; is likely to remain unemployed and see little chance of getting a job; is more likely as a consequence to become involved in substance abuse and crime, particularly if his/her peers are in a similar position. While this is an extreme example there are undoubtedly areas where this is occurring in Ireland. This cycle of poverty must be broken, otherwise some individuals and groups of people will become further marginalised and alienated from the rest of society. This will hold back economic development and subsequently result in increased costs and security risks for the rest of society. In breaking this cycle of disadvantage attention must primarily be focused on addressing the main structural causes, while not ignoring existing ameliorative actions, otherwise we, as a society, will be unable to substantially address poverty.

7. Conclusion

This Overview Statement provides an overview of poverty, social exclusion and inequality in Ireland. The Statement sets out a working definition of poverty; identifies the extent and composition of poverty in Ireland; articulates the experiences of those living in poverty; examines the causes of poverty; and documents the consequences of poverty and social exclusion.

The preparation of the Overview Statement was the first step in the development of an Irish National Anti-Poverty Strategy. It was prepared through a process of documentary research and widespread consultation, and thus provides a platform for the further development of the National Anti-Poverty Strategy.

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Appendix

Three

Summary of the Report of Working Group on Income Adequacy

1. Overall Objective

- 1.1 The Working Group on Income Adequacy endorsed the following strategic objective in relation to income adequacy.

" All policies in relation to income support - whether these policies relate to employment, tax, social welfare, occupational pensions or otherwise should aim to provide sufficient income for all those concerned to move out of poverty and to live in a manner compatible with human dignity. "

2. Target Groups

- 2.1 The households headed by an unemployed person remain the group at most risk of poverty; consequently reducing unemployment, among this group, is the best way to reduce poverty (ESRI 1996). Children face a higher risk of poverty than adults, particularly children in larger families (ESRI 1996). Other groups can also face high risks of poverty (such as people with disabilities, lone parents and members of the Travelling community). However, more detailed research is needed in regard to these groups.

3. Key Strategies

- 3.1 Arising from the Consultation Seminar on Income Adequacy and the views of and discussions between members of the Working Group, the following are regarded as the key issues which need to be tackled.

Social Welfare Rates :

- 3.2 Social welfare rates of payment need to be at adequate levels (taking account of non-cash supports).
- 3.3 Social welfare rates have increased substantially in recent years but there are differing views on what constitutes "adequacy".
- 3.4 At the time of completing the Report, the Working Group noted that new research relating to poverty in Ireland and the adequacy of social welfare rates was due to be published by the ESRI. The Working Group hoped that this information would inform debate on income adequacy .

Tax Policies :

- 3.5 Economic success is a necessary basis for social progress, including the redress of income inadequacy. Through decisions on public expenditure, Governments can profoundly influence both the manner and pace of economic and social development. Over the last decade Ireland's economy has achieved growth rates more than double the EU average. This has resulted in record increases in employment although long-term unemployment still remains high. National agreements between the Government and the social partners have been crucial to the economic success that Ireland has enjoyed in recent years.
- 3.6 The Working Group endorsed the five policy principles set out in the Report of the Expert Working Group on the Integration of the Tax and Social Welfare Systems. These principles are as follows.
- There must be a reward for working.
 - The transition to work must be facilitated.
 - Tax on the lower paid should be reduced.
 - The tax and social welfare systems should be simpler.
 - Tax and social welfare reforms should be co-ordinated.

Children and Income Adequacy :

- 3.7 Unemployment has been identified as the main reason for child poverty. In comparison to the 1980s, children still face a higher risk of poverty than adults, but the gap between risks for children versus adults has narrowed, with households with four or more children at a particularly higher risk (ESRI, 1996). Strategies need to be developed which will reduce child poverty.

Child Care :

- 3.8 The Working Group has identified employment and job creation as one of the best ways to reduce poverty. It was noted by the Working Group that recent policy developments have improved the position for lone parents - payment rates have increased, the earnings disregards have been improved significantly and treatment in relation to participation in Community Employment Schemes has improved significantly. Strategies need to be developed which ensure that lone parents can access the labour market. In this regard, issues relating to child care are a key concern.

Individualisation of Social Welfare Entitlements and "Basic Income"

- 3.9 Interest was expressed, particularly during the Consultation Seminar, on alternative initiatives and/or new developments in relation to social welfare provision. It is of key importance to ensure that customers of social services are satisfied that their needs are being addressed in the correct way.

Equality Policies :

- 3.10 The National Anti-Poverty Strategy has, as part of its guiding principles, " the reduction of inequalities and in particular addressing the gender dimension of poverty". Some groups may find themselves at risk of poverty through forms of exclusion from wider society or through direct or indirect discrimination. Evidence has been documented on how discrimination can lead to exclusion and/or poverty for a number of groups, e.g. people with disabilities, the Travelling community, etc. It was also noted that the problems of some of these groups, who are particularly affected by poverty, may not always be captured by research data. Key strategies need to be developed to tackle poverty which results from discrimination.

Delivery of Social Welfare Policies and Provision of Information :

- 3.11 An integrated approach to the delivery of services and the provision of information in a customer friendly way are considered to be key issues in relation to income adequacy (particularly in relation to take-up of benefits).

4. Strategic Goals

Social Welfare Rates :

- 4.1 The conclusion of the majority of the Working Group on Income Adequacy in relation to social welfare rates was that all rates of payment should be increased, with the utmost urgency, to the level of the lower range of the main rate recommended by the Commission on Social Welfare, which is currently equal to £68.10, in 1996 terms. The Working Group also felt that priority should be given, in forthcoming budgets, to address key issues in relation to income adequacy and that this should be related to national agreements between the social partners.

Tax Policies :

- 4.2 The conclusion of the Working Group on Income Adequacy in relation to taxation was to endorse the recommendation contained in the Report of the Expert Working Group on the Integration of the Tax and Social Welfare Systems which stated that tax policies should aim to increase personal tax-free-allowances. The Working Group noted, however, that this will only be of benefit to those

who pay tax and many people who are at high risks of poverty will remain unaffected by any changes in the tax system. However, it was felt that this measure would improve incentives.

Children and Income Adequacy :

- 4.3 The conclusion of the Working Group on Income Adequacy in relation to children was that adequate support for children by the State was essential if poverty was to be tackled. In this regard, the Working Group wished to endorse the section in the Report of the Expert Working Group on the Integration of the Tax and Social Welfare Systems in relation to child income support and recommended that these issues, alongside the provision of medical cards for children, and the neutrality of child benefit before welfare and work, should be examined further.

Child Care :

- 4.4 The Working Group concluded, in relation to child care, that the development of adequate and affordable child care needed to be facilitated in order to assist parents to take up employment or improve their skills (e.g. through education or training).

Individualisation of Social Welfare Entitlements and "Basic Income" :

- 4.5 The conclusion of the Working Group on Income Adequacy in this area was that the various dimensions and implications of the individualisation of social welfare programmes and payments issues and "basic income" approaches to social welfare provision should be further assessed.

Equality Policies

- 4.6 The conclusion of the Working Group on Income Adequacy in relation to the issue of equality and its impact on income adequacy was that equality policies in relation to sex, disability and particular target groups - such as the Travelling community - have an important role to play in tackling poverty. The effect on equality issues of proposed income adequacy measures should therefore be a prime consideration.

Delivery of Social Welfare Policies and Provision of Information :

- 4.7 The conclusion of the Working Group on Income Adequacy in relation to the delivery of social welfare entitlements was that an integrated approach to the delivery of income support by Government was needed (e.g. a charter of rights for users). The provision of clear and comprehensive information provision was also felt to be crucial to ensure that people were aware of all their welfare and tax entitlements. Policies in this regard need to be examined (e.g. in

relation to cross-departmental co-ordination and funding for independent information providers). The development of the Integrated Social Security System (ISSS) is very important in this regard.

5. Summary of Issues

- 5.1 Adequacy is a central objective of income support policies, including both cash and non-cash benefits. Income adequacy is not just a social welfare issue but also relates to employment and labour market policies, occupational pensions, education, housing and health policies - (this is illustrated in Figure 1- the income adequacy diagram).
- 5.2 There are a number of methods of measuring adequacy. From recent ESRI research into the 1994 Living in Ireland Survey, it can be seen that certain groups are particularly likely to be found below each of the relative poverty lines (40%, 50% and 60% of average income) and that the effect of relative poverty can be even more serious when coupled with indications of basic deprivation. There have been a number of shifts in relative poverty levels across groups in society between 1987 and 1994. In effect there has been a shift in the profile of households below relative income poverty lines. Compared with the 1970s and 1980s, the unemployed and families with children face a much higher proportion of the poor than in the 1970s.
- 5.3 In 1995, the Commission on Social Welfare estimated that the minimum adequate income required by a single adult was £50 per week. This was termed "the main rate". It is equivalent to £68.10 in 1996 terms. The increases in the 1996 Budget have brought all social welfare payments to a minimum of 92% of the main rate with the bulk of payments being at least 100% of the main rate. The full year cost of increasing the remaining social welfare payments up to the main £50 rate (£68.10 in 1996) is estimated at £126.3 million.
- 5.4 Economic success is a necessary basis for social progress, including the redress of income inadequacy. In recent years employment has grown faster than at any time in the history of the State, however, long-term unemployment remains very high. Unemployment is not equally shared in Ireland. A variety of new support structures, particularly at local level, have been introduced, including County Enterprise Boards, Area-Based Partnerships, the Community Development Programme and the Local Employment Service. The Back to Work Allowance Scheme has also been introduced.
- 5.5 Through decisions on public expenditure, Governments can profoundly influence the manner and pace of economic development. Since 1986, the Public Capital Programme has almost doubled. Over the same period, social welfare expenditure as a percentage of GNP has fallen by 1.6%.
- 5.6 National agreements between the Government and the social partners have significantly

contributed to the economic success achieved in recent years. While economic prospects remain positive, there are a number of demanding challenges already evident which will have to be met over the next few years (i.e. the Maastricht budgetary criteria, EMU, the future of EU structural funds and future EU enlargement).

5.7 The following were the main issues which arose during the Consultation Seminar on Income Adequacy.

- Much discussion centred on the adequacy of social welfare rates. Some people thought that rates should be increased immediately to the Commission on Social Welfare's recommended levels, others thought a figure of £75 was appropriate.
- There were a number of comments regarding the need for child support, particularly medical cards for children, a universal child benefit system. The lack of affordable child care facilities of a high quality, supported by the state, was also highlighted.
- Issues relating to individualisation of payments and basic income approaches to social welfare provision were raised in a number of workshops.
- The social economy was raised by a number of speakers.
- Tax reform was discussed and there was agreement that it should focus on increasing personal tax allowances rather than reducing tax rates.
- Some workshops referred to the need for clear, comprehensive and independent information and the need for feedback from users of state services.
- Issues relating to fuel poverty and indebtedness were raised.
- Some individuals felt that various state means-testing schemes should be rationalised.
- The need for Equal Status legislation was also raised.

Membership

Deirdre Carroll	Dept of Social Welfare
Audrey Deane	National Women's Council of Ireland
Joe Gallagher	European Anti-Poverty Network
Tony Gallagher	Dept of Finance
Michael Gogarty	Forum for People with Disabilities
Séan Healy	Conference of Religious of Ireland
Helen Johnston	Combat Poverty Agency
Theresa Kelly	Irish Congress of Trade Unions
Sylda Langford	Dept of Equality and Law Reform
Harry Marsden	Irish National Organisation for the Unemployed
Thomas McCann	Irish Traveller Movement
Chris McInerney	Community Workers Co-op
Joe Mooney	Dept of Finance
Melanie Pine	Dept of Enterprise & Employment
Janice Ransom	One Parent Exchange Network
Anne Vaughan	Dept of Social Welfare
Gary Tobin	Dept of Social Welfare
Ann-Marie O'Connor	Dept of Social Welfare

Summary Report of Working Group on Long-term Unemployment

The report below sets out the proposals of the Working Group for an anti-poverty strategy to tackle unemployment. It should be noted that there was general consensus about the overall objective, target groups and key strategies outlined herein. The Group noted however that some of the recommendations on specific actions listed under the strategic goals require further consideration before implementation.

The Office of the Tánaiste supports the overall objective, target groups and key strategies outlined. It also supports the broad thrust of the specific measures proposed.

1. Overall Objective

It is the view of the group that the overall objective for an anti-poverty strategy to tackle unemployment is that:

Paid employment should be available to all men and women currently in poverty who are seeking employment. This should be capable of providing adequate income, either on its own or when combined with other forms of support, sufficient to lift them out of poverty and should be available without barriers of discrimination.

2. Target Groups

The target groups of the strategy should include the following groups in particular :

Persons on means tested unemployment payments, and

Persons in the following categories who are seeking employment :

- those classified as adult dependants of claimants on unemployment and other means tested payments
- Lone Parents, and
- persons in receipt of Disability Allowance (formerly DPMA)

3. Key Strategies

The key strategies proposed by the group are to :

- **continue** the general thrust of macro economic policy which has contributed to significant increases in employment in recent years and which involves continued discipline in the public finances
- enhance policies aimed at **increasing** the overall level of jobs and income generating opportunities in the economy
- ensure that the unemployed can **do** the jobs by ensuring that they have the opportunities to acquire the skills necessary to take up the jobs available through progression through a suitable range of interventions. It is also important to ensure that they can increase the wages they can command when they become employed.
- ensure that the **barriers** faced by a person who is long-term unemployed and poor in accessing work are addressed
- ensure that 'double discrimination' barriers which arise for certain groups, in particular, people with disabilities and Travellers, in **accessing employment** are removed
- ensure that when jobs become available, it is **worthwhile** for the unemployed to take them up and remain in them
- put in place an effective **evaluation, monitoring and feedback** process, based on performance indicators, to ensure that the identified strategies are achieving the desired outcomes and to assess the effectiveness of new and existing measures to tackle unemployment, in an anti-poverty context.

4. Strategic Goals

4.1 Current macro-economic policies

Overall Strategy

Continue the general thrust of macro economic policy which has contributed to significant increases in employment in recent years and which involves continued discipline in the public finances

Strategic Goals

Continue to develop Ireland's competitiveness so as to generate the resources needed to tackle poverty and unemployment

Re-order spending and taxation priorities to ensure that additional resources are directed towards addressing the core problems of poverty and unemployment.

4.2 Job Creation

Overall Strategy

Enhance policies aimed at increasing the overall level of jobs and income generating opportunities in the economy

*Strategic Goals***Private Sector**

- develop a range of measures to support the retention and growth of decent lower-skilled jobs, particularly in the non-traded services sector
- promote and facilitate job sharing and the reduction of over-time
- continue to provide and develop supports for self-employment, including incubator units and factory space

Public Sector

- develop an action programme to increase the employment of the disadvantaged unemployed in the public sector
- develop measures for targeting the direct and spin-off employment opportunities arising from public sector contracts at the disadvantaged unemployed
- promote and facilitate job sharing and the reduction of overtime

Social Economy Sector

- develop a job creation strategy for the social economy including new models of employment in the sector so as to maximise employment opportunities for the long-term unemployed. This would :

- focus on enterprises within areas of market failure
- focus on the active use of social welfare payments
- include the provision of a broad range of socially useful services such as child care, care of the elderly, rural transport, personal assistant programme for people with a disability, among other enterprise activities
- support the Traveller economy
- require the creation of a support infrastructure at local and national level
- involve solidarity from the private and public sectors - consider the introduction of a job guarantee for those unemployed for a long time (say 5 years) - such jobs should be provided in the social economy where suitable placements cannot be found in the private sector.

Atypical Employment

- ensure that atypical work opportunities are supported by the tax and welfare systems in a way that makes them attractive to the target groups
- establish minimum standards for the employment of atypical workers, having regard to the need to maintain flexibility
- develop training, education and other supports to facilitate lower-paid and/or atypical workers moving to higher paid work.

4.3 Ensuring that the unemployed can do the jobs

Overall Strategy

Ensure that the unemployed have the opportunities to acquire the skills necessary to take up the jobs available through progression through a suitable range of interventions. It is also important to ensure that they can increase the wages they can command when they become employed.

Strategic Goals

Local Employment Service (LES)

- Strengthen and extend the LES nation-wide
- Develop effective links with employers and the providers of other labour market interventions to

facilitate progression from targeted to mainstream programmes and from training to work experience and work in the open labour market

- The LES should play a role in supporting those seeking progression from measures targeted at the disadvantaged on to mainstream provision. In order to do this, the LES must be able to :
 - reserve places on mainstream programmes,
 - develop support services within such programmes and secure necessary changes in the programmes, and
 - provide tailored bridging mechanisms to assist people in accessing the programmes.

Access to these services should not be hampered by a lack of childcare provision. The evaluation of the LES currently underway should inform decisions about its future.

Range of Interventions

- increase the number of places available on labour market measures and in adult education targeted at the disadvantaged unemployed, to meet the scale of the problem, at a pace that enables quality to be maintained
- improve the coherence of existing labour market programmes so as to avoid overlap with other measures
- eliminate arbitrary differences in the relative incentive to take up places on programmes
- link programmes to the skills required in the labour market
- target available opportunities at the hardest to place unemployed
- develop the "intermediate labour market" as a route to employment in the open labour market.

Measures to prevent people becoming long-term unemployed

- develop education programmes to enhance the chances for employment of the most disadvantaged
- introduce a range of pre-school interventions for young children from disadvantaged families at future risk of unemployment introduce options for early school leavers
- introduce options to enable teenage mothers to complete the senior educational cycle introduce

programmes for the training and re-skilling of lower-skilled workers at risk of redundancy, and

- develop a rapid response programme to deal with redundancy

4.4 Ensuring that the unemployed can get the jobs

Overall Strategy

Ensure that the barriers faced by a person who is long-term unemployed and poor in accessing work are addressed, even where they have the skills required to do the jobs

Strategic Goals

Local Employment Service

- develop the LES, as well as the services available nationwide through the network of FAS Employment Services offices. This will :
- provide a bridge between the employer and the long-term unemployed and to encourage employers to recruit from amongst the unemployed, and
- provide a support and information service to the unemployed to enable them to access the opportunities available

State contracts and grants

Consider, as a matter of urgency, introducing measures, including affirmative action clauses, in favour of the disadvantaged unemployed, Travellers and people with disabilities in State contracts and grants. Consideration should be given to :

- the introduction of local labour clauses with a view to the recruitment of the disadvantaged long-term unemployed and
- the local recruitment of the disadvantaged long-term unemployed to a proportion of public sector vacancies

Measures to help the homeless

- consider the special needs of the homeless in accessing employment and other labour market measures and introduce an appropriate range of measures

4.5 Ensuring the removal of specific discrimination barriers to getting the jobs.

Overall Strategy

- Ensure that 'double discrimination' barriers which arise for certain groups, in particular, women, people with disabilities and Travellers, in accessing employment are removed

Strategic Goals

Local Employment Service

- Ensure that the LES can provide in an effective manner for minority groups through the development of targeted out-reach initiatives

Measures to prohibit discrimination

- Enact the Employment Equality and Equal Status legislation to prohibit direct and indirect discrimination and provide a legal basis for promoting equality and securing a range of affirmative action measures
- Develop equal status policies in all Government Departments and State Agencies which will commit them to prohibit and address discrimination and to ensure provision is appropriate to the needs of minority groups

General Affirmative Action Measures

- Increase the numbers from minority groups in mainstream employment
- Increase the take-up by members of minority groups of mainstream training, education and work experience
- Develop a process of 'identified positions' with selection criteria designed to enhance the recruitment of minority groups within the public sector in the provision of services to their own community
- Develop access criteria for labour market measures to take account of distinct needs of particular minority groups where there has been a low take-up
- Put in place regular monitoring of work practices to ensure that no discrimination occurs with regard to promotional or career opportunities of those engaged in atypical employment
- Explore methods to promote social criteria in filling vacancies, such as the methodologies adopted by the NI Fair Employment Agency and the PAFT (Policy Appraisal and Fair Treatment) guidelines.

Measures to increase the labour market participation of disadvantaged women

- Develop as a matter of urgency, within the institutional framework of the National Anti-Poverty Strategy, a mechanism for enabling women in poor households to access training, development and employment opportunities and the services of the LES
- Consider individualising social welfare payments to end women's dependency status within social welfare
- Introduce a national affordable and accessible childcare policy - with appropriate resources - to provide affordable childcare.

Measures to increase the labour market participation of people with disabilities

- Within the National Anti-Poverty Strategy, give serious consideration to the recommendations of the Report of the Commission on the Status of People with Disabilities
- Mechanisms should be put in place by the relevant Government Departments to ensure that the recommendations of the Commission's Report are acted on, and for the purposes of responding to unemployment, in particular those recommendations relating to labour market measures and strategies
- Enforce public service quotas for the employment of people with disabilities
- Introduce an income support payment for people with disabilities who wish to take up employment, which take account of the costs involved for them in taking up work
- Facilitate people with disabilities to access mainstream education, training and development opportunities
- Support measures which assist the retention in employment of people with disabilities and introduce specific affirmative action measures to increase their labour market participation
- Study the possible content and impact of inclusive product design legislation
- Develop initiatives to support and promote work place re-design for accessibility by people with disabilities

Measures to increase the labour market participation of Travellers

- Within the National Anti-Poverty Strategy, give serious consideration to the recommendations of the Report of the Task Force on the Travelling Community
- Mechanisms should be put in place by the relevant Government Departments to ensure that the recommendations of the Task Force's Report are acted on, and for the purposes of responding to unemployment, in particular those recommendations relating to labour market measures and strategies
- Create a supportive environment for the Traveller economy, with particular attention to improving Traveller access to casual trading licences, to securing safe access to waste for recycling and to the provision of work space on Traveller sites,
- Put in place measures to address the difficulties faced by the Traveller community in gaining access to mainstream employment,
- Introduce affirmative action measures to increase the labour market participation rate of Travellers,
- Consider the introduction of quotas for the employment of Travellers in the public service

4.6 Ensuring that it is worthwhile for the unemployed to take up employment

Overall Strategy

Ensure that when jobs become available, it is worthwhile for the unemployed to take them up and remain in them

Strategic Goals

Measures to assist lower paid workers

- Reduce tax on the low paid, in particular increasing personal Tax Free Allowances at the standard rate which would be of more benefit to the lower paid - rather than widening the tax bands, or reducing tax rates and move towards a system of tax credits;
- Calculate entitlement to FIS on the basis of net rather than gross earnings

Measures to ease the transition from welfare to work

- Reduce Supplementary Welfare Allowances (such as rent allowances and other secondary benefits)

gradually rather than suddenly, upon taking up employment

- Consider the treatment of people on unemployment assistance vis-à-vis other social welfare claimants seeking work with regard to the means testing of earned income, including the treatment of child care costs
- Consider the impact of rents in the private and public sector on the decision to take up employment
- Disseminate information more widely on entitlements to labour market measures

Measures to extend universal benefits relating to children

- Consider the introduction of integrated child benefit at improved levels of payment
- Consider the introduction of a medical card for all children

Measures to assist those wishing to become self-employed

- Introduce comprehensive supports for people wishing to take-up self-employment, e.g. extend nationwide the Area Allowance, which is currently confined to the Partnership areas, and provide other supports such as mentoring and training
- Link these supports to the Back to Work Allowance to provide an overall integrated package of measures

Minimum Income

- Conduct further independent research and evaluation on the proposal to introduce a State guaranteed basic minimum income for every adult - whether employed or unemployed

4.7 Monitoring and Evaluation

Overall Strategy

Put in place an effective evaluation, monitoring and feedback process, based on performance indicators, to ensure that the identified strategies are achieving the desired outcomes and to assess the effectiveness of new and existing measures to tackle unemployment, in an anti-poverty context.

Strategic Goals

- Gather comprehensive baseline data against which to measure progress. The Central Statistics Office (CSO) has a role to play through the collection and analysis of existing and new data and more

frequent publication of this analysis. Some of the information the CSO might provide includes the following:

- number of households which have no earner (LFS data)
 - quarterly indications of numbers who are long-term unemployed (LR and LFS)
 - average period of unemployment (LFS data)
 - the scale of skills/education attainment among the long-term unemployed in particular the destination and experience of women returnees to the labour market,
 - qualitative and quantitative data on welfare dependent women, Travellers and people with disabilities
- Develop a series of performance indicators under which each of the strategic goals set out above can be measured. Indicators should take account of both qualitative and quantitative aspects of progress and they should have a particular focus on outcomes. Involve the community and voluntary sector who articulate the interests of these groups in the monitoring and evaluation processes as well as in the development of performance indicators.

IBEC have expressed concerns about some of the recommendations set out above which, in their view, require further consideration.

IBEC considers that a reasonable balance needs to be established between the requirement to create a competitive economy and the need to ensure that people who are disadvantaged are treated fairly, are given the wherewithal to live with dignity and the opportunity to play an active role in social and economic life. IBEC are therefore committed to building a society in which the priorities of equity and equality of opportunity play a central role in policy making. However, they believe that we can only build this society by developing a competitive economy which is able to generate the wealth needed to pay for the social protection measures aspired to. They are concerned that by concentrating on extending and improving social protection through increased expenditure, without serious regard to the imperative of living within our means, the prospects for growth are jeopardised and ultimately the most disadvantaged will suffer.

Membership

Julie O'Neill	Office of the Tánaiste
Senan Turnbull	ADM Ltd
Gerard Walker	FÁS
Mike Allen	INOUE
Sarah Craig	Combat Poverty Agency
Michael Gogarty	Forum for People with Disabilities
Niall Crowley	Community Workers Co-operative
Kerry Lawless	National Women's Council
Germaine Lloyd	European Anti-Poverty Network
Esther Cockram	ICTU
Seán Healy	Conference of Religious of Ireland
Aebhric McGibney	IBEC
Séamus Feely	Office of the Tánaiste
Seán Halpin	Dept of Social Welfare
Brendan Ward	Dept of Enterprise & Employment
Cormac Carey	Dept of Finance
Joe Mooney	Dept of Finance
Paul Fleming	Dept of Finance
Margaret Kelly	Dept of Education
Kathleen Stack	Office of the Tánaiste
Kieran Sheedy	Office of the Tánaiste

Summary of Report of Working Group on Disadvantaged Urban Areas:

1. Overall Objective:

To improve the lives of people living in disadvantaged urban areas, by empowering them to become effective citizens, improving the quality of their lives, helping them acquire the skills and education necessary to gain employment and providing them with employment opportunities.

To bring about social and economic development at local level and to involve communities in that development.

2. Target Groups:

The urban areas identified as disadvantaged are inner city areas and large public housing estates on the periphery of cities and towns.

Marginalised communities have been identified in inner city areas, particularly in Dublin, Cork and Limerick. Within many inner city communities there are people who have experienced long-term unemployment and are living in areas of economic,

High levels of unemployment and poor public service provision have resulted in a cycle of disadvantage and persistent inner-generational educational disadvantage leading to further marginalisation of such communities. There is also a high level of welfare dependency and a high degree of isolation and alienation in these areas.

3. Key Strategies:

- To continue sound macro-economic policies and discipline in the public finances;
- Continue the range of interventions designed to combat disadvantage which operate across all sectors including education, employment and training, enterprise development, social service provision including health and justice and environmental policies;
- Support local communities to enable them to realise their own potential, and have a real role in their development:
- To secure area-based approaches to tackling poverty and disadvantage, based on the concept of partnership, on a long-term basis.

4. Strategic Goals:

Partnership:

Area based approaches are an essential component of national policy in addressing urban disadvantage. Such strategies have the potential to involve a range of partners in developing an integrated response at a local level.

Models of participative democracy must be developed at local level, drawing on the best experience of local development partnerships and other initiatives, where people are more actively included in decision making. There is a need to widen the range of structures for participation, in particular to facilitate the greater participation of communities groups and local Government structures;

There is a need for co-ordination and integration between all local agencies, groups, partnerships and boards.

Housing and Environment:

Existing sub-standard local authority housing should, as resources permit, be brought up to the standards required under the 1991 Building Regulations for new housing as soon as practicable. A specific objective of Government Housing Policy since 1991 has been to mitigate the extent and affects of social segregation in housing. Future urban renewal policy should take full account of social needs in and affects on areas targeted for regeneration.

Implementation arrangements should incorporate mechanisms to ensure that disadvantaged local communities and organisations participate fully in the planning and realisation of urban renewal programmes.

Tenant involvement in estate management programmes should be encouraged through initiating pilot projects, promoting and developing tenant involvement in managing their estates, greater co-ordination of estate management initiatives and estate improvements.

Drugs/Crime:

The tackling of the drugs issue is central to strategies to address urban disadvantage.

Existing drugs programmes should be more community orientated in their objectives, structures and content.

Services:

The delivery of services in and to urban disadvantaged areas in an integrated way will be done in collaboration with the key actors responsible for the delivery of services at the national, regional and local level. Enterprise strategies will be developed in order to link disadvantaged communities to the wider urban economy. The social economy and community business approach should be developed. Disadvantaged areas must be effectively linked to areas of employment through effective labour market interventions and improved transport services.

An action plan for each area, based on the concept of partnership, should be drawn up by the relevant agencies as well as the social partners and the community and voluntary sector. It should be closely linked to a re-structured local authority system.

5 Summary of Issues:

One of the central questions which needs to be addressed is the relationship between urban poverty and economic growth. While average social and economic development has been encouraging, this does not apply equally to different regions and localities throughout the country. There has been an ongoing search for appropriate action to the uneven outcome of social and economic development over the last number of years. Initiatives on the small scale of urban neighbourhoods are unlikely to succeed unless they are coupled with others operating on the scale of cities, surrounding regions, and at the national level. While area based approaches are by their nature limited in scope they allow a response which can better target additional resources and can adopt a horizontal approach through the co-operation of different agencies at local level to meeting the particular needs of the area.

The key issues arising in considering disadvantaged urban areas are around:

- Questions about defining poverty, the urban poor and the geography of poverty;
- Organised responses to poverty in local urban areas;
- Obstacles (at local and national levels) to implementing effective responses.

Approaches to urban disadvantage have to take into account the diversity of problems that exist. In addition, while inner city communities and suburban communities share a number of the same problems they also have their differences, for example, in inner city areas the problems experienced tend to be around displacement of communities and contraction of employment opportunities. In suburban areas the focus has been on the lack of infrastructure such as transport, lack of access to services and employment opportunities. Suburban areas also tend to have a younger demographic profile which has consequences for the type of strategies required.

Area based approaches are an essential component of national policy in addressing urban disadvantage. Such strategies have the potential to involve a range of partners and develop an integrated response at a local level. The work of the Devolution Commission which has been established to examine the role of local authorities and local government should also be taken into account.

Decisions on policies in relation to issues including housing, health, education and welfare should be located as close as is possible to local people. Training to build the capacity of community groups to enable them to participate as full and equal partners on these decisions on policies, should be provided.

Regular monitoring, evaluation and review is essential to the process and should involve those who use the services, those who deliver the services and some independent assessor. Special account needs to be taken of the specific needs of the target groups such as the long-term unemployed, disadvantaged women, lone-parents, travellers and people with disabilities and people out of home. In attempting to address the needs of specific groups it is necessary to refer to the principles of:

- Access and participation;
- Reduction of inequalities particularly in relation to women's participation in the labour market;
- Guaranteeing the rights of minorities such as travellers, people with disabilities etc;
- Ensuring self-reliance through the promotion of empowerment.

Membership

Margaret Deaken	European Anti-Poverty Network
Columba Faulkner	Society of St Vincent de Paul
Magdalen Dooley	Society of St Vincent de Paul
Angela Durkin	Conference of Religious of Ireland
Orla O'Connor	Fingal Centre for the Unemployed
Philip Watt/Rita Fagan	Community Workers Co-op
David Joyce	Irish Traveller Movement
Patricia Quinn	One Parent Exchange Network
Audrey Dean	National Women's Council
Tony Monks	Irish National Organisation for the Unemployed
Paddy Byrne	Dept of Health
Hugh Frazer	Combat Poverty Agency
Denis O'Neill	Dept of Justice
Deirdre Carroll	Dept of Social Welfare
Rody Molloy	Dept of Enterprise & Employment
Paul Cullen	Dept of Enterprise & Employment
Pat Dowling	Dept of Education
Finian Matthews	Dept of the Environment
Dr Tony Crooks	ADM Ltd
Julie O'Neill	Office of the Tánaiste
Dermot McCarthy	Dept of the Taoiseach
Paul McGarry	Dept of the Taoiseach
Sara Cantillon	Dept of the Taoiseach

Summary Report of Working Group on Tackling Poverty in Rural Areas

1. **The Report of the Working Group takes the form of:**
 - (a) an examination of the current situation in terms of demographic trends, identification of groups at risk of poverty and the characteristics of rural poverty
 - (b) a statement of objective, proposed strategy and suggested areas of action based on the needs identified and on the detailed discussion in the Consultative Seminar which was held in Limerick in October 1996 (copy of the detailed account of the proceedings in the Seminar is included in the full report).
2. **Overall Objective**

The Working Group decided on the following overall statement of objective in relation to addressing poverty in rural areas:

The overall objective is to tackle poverty and social exclusion in rural areas in a comprehensive, sustained manner by ensuring:

- the provision of an adequate income, through employment or income support or a combination of both,
- access to adequate services and infrastructure in particular the development of services which make provision for disadvantaged groups, including education and training, information, housing, health services and transport,
- co-ordination within and between the public, private and community/voluntary sector responses to tackling poverty in rural areas,
- empowerment of the community/voluntary sector to participate fully in the development process through partnership and consultation with the public and private sectors.

3. Target Groups

The theme of poverty in rural areas covers a broad geographical and socio-economic spectrum and the Working Group identified the following social groups as living in or at risk of poverty:-

- farmers (particularly those on low income non-viable farms and/or engaged in non-economic enterprises) as well as those in other primary production sectors such as the fishing industry
- those who are not property owners engaged in part-time or seasonal work
- the unemployed, particularly the long-term unemployed, on low incomes the under-employed and their dependants
- children, particularly those living in large families and early school leavers
- some rural women
- lone parents
- people with disabilities
- the elderly, particularly those living in isolated areas
- Travellers

4. Key Strategies

The Working Group recommended the following key strategies or principles for addressing poverty in rural areas:-

- a multi dimensional, integrated, socio-economic approach to tackle the structural weaknesses of the economy as well as local problems in order to maintain sustainable and viable rural communities including the retention of the maximum number of viable farm families; the mainstream economy should be encouraged to operate in a manner which does not lead to further widening of the rural/social divisions and increased incidence of marginalisation; a comprehensive co-ordinated approach rather than a sector by sector attempt to modify the undesirable effects of past or current policies is required to ensure an equitable balance between economic progress and social cohesion.

- a partnership approach which, through a process of on-going consultation and participation, mobilises a broad range of actors in the public, private and community/voluntary sectors in policy formulation and implementation in order to ensure the maximum co-ordination of responses.
- an inclusive approach to development which will break persistent patterns of disadvantage particularly in relation to women, long term unemployment and educational disadvantage; people should have the right to sufficient income and meaningful work in order to live with dignity.
- policy formulation and implementation, particularly with reference to service provision, based on the principles of equality, equity and social justice rather than economic efficiency; in order to ensure an adequate response in this regard there should be positive discrimination in favour of certain social groups and areas.
- a sustained concentrated approach to addressing poverty in rural areas rather than the implementation of short-term pilot or temporary programmes; the approach should be preventative as well as curative in addressing the cause of poverty and should be based on the practical experience and best practice gained from existing or previous policies.

5. Strategic Goals

In order to achieve the overall objective, the Working Group recommends the following Strategic Goals:-

- **A clear national policy statement** recognising the distinctiveness of poverty, social exclusion and inequality in rural areas and the need to tackle it urgently. Given the dispersed invisible and isolated nature of poverty and social exclusion in rural areas there is a particular need for **improved information on the nature, causes and extent of the problems.**
- **Equality and poverty proofing** of the policies of all Departments and State Agencies at local, regional and national levels to ensure that at a minimum, they do not contribute to the creation of poverty, that they avoid any negative impact and where possible, make a positive contribution to addressing the needs of the poor or socially excluded. General economic, social and cultural policies should be subject to appraisal of their impact in order to avoid any adverse effect on the conditions of those living in or at risk of poverty in rural areas.
- Implementation of **targeted measures**, with adequate resources, designed to address the causes and the specific needs of those living in or at risk of poverty in rural areas. Generalised responses can not be assumed to make a significant improvement in the conditions of those who are socially excluded. The Group identified areas for action in relation to Income and Employment, Education,

Services, Natural Resources, the Community and Voluntary Sector, Rural Development and in Institutional Mechanisms.

- A comprehensive service delivery focused on the needs of all disadvantaged groups living in or at risk of poverty.
- **Information Service:** an improved, systematic pro-active information service to ensure that those living in or at risk of poverty are informed of the programmes, schemes and assistance which are available to assist them.
- **Evaluation, research and development:** within the institutional arrangements, the establishment of a research, monitoring and evaluation function into the on-going operation of policy and its impact on the poor and socially excluded in order to ensure that policies are efficient and effective and that the experience of successful initiatives and best practice is identified and incorporated into on-going policy implementation.
- **Institutional Mechanisms:** the strategy will be effective only if there are appropriate institutional mechanisms to ensure that policy objectives are translated into effective action to tackle poverty and social exclusion. In the rural development context, the institutional arrangements should incorporate:
 - a co-ordinated, integrated response at central Government level but equally importantly, at local level; the top-down and bottom-up structures must be complementary in order to implement policies which meet the objective and the goals of tackling poverty and social exclusion.
 - support for actions at local level based on an on-going process of consultation with, and involvement of, the local community and voluntary sectors and those who are poor or socially excluded.
- **Targets:** the setting of realistic targets which are achievable within a defined time schedule for those given responsibility for implementation of the strategy.
- **Resources:** the achievement of the objective contained in the report can be achieved through:
 - (i) more effective targeting of existing resources in favour of those living in or at risk of poverty and social exclusion
 - (ii) improved co-ordination of existing services, particularly at local level
 - (iii) the allocation of additional resources to effect improvements in service delivery and to implement new measures.

While significant improvements can be made under arrangements for improved targeting and co-ordination, an effective, sustained approach to the needs of those living in or at risk of poverty can not be achieved without the commitment of additional resources.

6. Summary of Issues

The main issues of concern to the Working Group in relation to tackling poverty in rural areas were:-

- Low income farming: The agricultural sector is characterised by a number of persistent structural problems including the decline in farm numbers, an ageing farm population, a high incidence of low income and underemployment. In addition the characteristics of small farms in many cases include, a low level of educational attainment and high percentage of direct payments as a proportion of farm income. While farm incomes have been improving those farm families which exhibit the following characteristics are living in or at risk of poverty:
 - small drystock businesses which are in many cases contracting;
 - older farmers who farm at low levels of intensity;
 - little or no contact with the advisory services;
 - low level of general and agricultural education;
 - have no off farm job;
 - high levels of underemployment on farm - only 30% of available labour utilisation in 1990;
 - since 1993 a heavy reliance on direct payments and social welfare transfers;
- Unemployment/underemployment: While high unemployment rates have been found to be a predominantly urban phenomenon, this is in the context of the high level of emigration that persists in many rural areas which results in a reduction of conventional unemployment rates. Migration from rural areas tends to be selective since it is concentrated among the working age population and consequently it leaves behind a disproportionately large economically dependent population. The situation in rural areas is also characterised by the continuing decline in employment in agriculture and the shortage of off-farm job opportunities. There is also underemployment in agriculture and among many other rural residents because of the seasonal nature of much of the economic activity.

For many rural areas, the promotion of enterprise and the creation of job and income opportunities face significant difficulties. Rural areas must compete for mobile investment with urban areas and project promoters, particularly of large projects, have a decisive say in the location of projects. Since investors are attracted by areas which possess the infrastructure, services, access and skilled labour force to support their projects, the number of State supported projects which are located outside of the large urban centres is relatively small. The Working Group was particularly concerned to ensure that job creation, including job and income opportunities in service delivery in the social economy in rural areas is promoted and that mechanisms are put in place to ensure that the poor and socially excluded benefit from the new opportunities.

- Educational disadvantage: the Working Group felt that the following are the key issues in relation to educational disadvantage in rural areas:-
 - the need to better identify educational disadvantage in rural areas;
 - the need for a targeted approach to tackling rural educational disadvantage - targeted on disadvantaged pupils, families, schools and communities rather than areas;
 - the need for a coherent policy on the provision of early education in rural areas;
 - the need for the reallocation of resources within the education sector to pre-primary, primary and adult education provision;
 - the need to address issues pertaining to small rural schools, specifically to prevent closure if possible, to enhance single teacher schools, and to ensure provision of an adequate remedial service;
 - to prevent and address early school leaving; and
 - to enhance access to third level for identified disadvantaged groups.
- Service Provision: Access to public services and amenities such as education, health care, child care, social welfare, post offices, garda stations etc., as well as the provision of housing, are critical not only to the preservation of a viable rural community but also to tackling poverty and social exclusion. Inadequate service provision, and inadequate infrastructural development present major problems to participation and inclusion in rural life. Limited access and provision of services impact on certain groups in rural communities more harshly than others. These include the elderly, poor women with children, people with disabilities and carers. These groups tend to be the least mobile and experience isolation from the normal life of the community.

In addition to concerns about social welfare issues, healthcare, housing, etc., the Working Group identified a particular need in relation to the provision of a comprehensive pro-active information service on existing programmes and schemes.

- **Access/Transport:** Physical isolation and the availability of transport as a means of access to both public and private services and facilities is a major issue for people living in rural communities. The centralisation of service provision means that transport plays an important role in accessing services such as health care and in the social integration of people living far away from major centres of provision. The absence of public transport therefore is one of the major determinants of social exclusion in rural areas. The Working Group felt that policy responses have been weak in this area with legal and institutional barriers, as well as economic arguments, being the most frequently cited reasons for lack of provision of innovative transport services in sparsely populated areas. There is an opportunity to draw on and learn from successful strategies which have been implemented in Ireland (FORUM project in Connemara) and elsewhere, some of which have proved to be relatively cost effective.
- **Crime:** A particular feature of crime in rural areas is the increasing fear amongst elderly people about crime in general and about the rising level of crime which they themselves experience. The number of people in both urban and rural areas who regard their personal safety as at risk has almost doubled from 1973 to 1993 (National Council for the Elderly 1994). Crime in rural areas raises a number of issues for consideration. In the short-term, improvements which have been suggested include the provision of information and advice to elderly people particularly on how to improve their personal security both inside and outside their homes, encouraging community-based initiatives and financial incentives such as the installation of security equipment and telephone in the homes of elderly people. In the longer term the causes of crime need to be identified and addressed.
- **The Voluntary and Community Sector:** Community development, the empowerment of groups which experience disadvantage and marginalisation as well as community capacity building generally have been acknowledged as having a central role in local, social and economic development in rural areas. The voluntary and community sector has undoubtedly enhanced such services and explored innovative responses to areas of unmet need. However, this role has been underdeveloped and under-resourced. Community development also provides an important link between the experiences of people in rural areas and the formulation of regional, national or European policies on rural issues. In an Irish context, anti-poverty networks, both national networks and women's networks, have played an important role in promoting and supporting community development and linking the experiences of rural communities to the policy making process. The Working Group was concerned to ensure that the voluntary/community sector is involved in the partnership process and that it is adequately supported and resourced to contribute to development.

Membership

Bryan Andrews	Dept of Social Welfare
Pat Bogue	Macra na Feirme
Pat Dowling	Dept of Education
Michael Gogarty	Forum for People with Disabilities
Séamus Hanrahan	Dept of Justice
Helen Johnston	Combat Poverty Agency
Dermot Leavy	IEA
Anthony Leddy	CLE
Jimmy Lynch	ADM
Finian Matthews	Dept of the Environment
Kieron McCann	Dept of the Marine
Dan McCarthy	ICMSA
Paul McGarry	Dept of the Taoiseach
Chris McNerney	Community Worker's Co-op
Úna Ni Chuinn	Irish Rural Link
Brian O'Byrne	Dept of Transport, Energy & Communications
Mary O'Driscoll	ICA
Mary O'Hara	NWCI
Fionn O'Grada	Dept of Tourism & Trade
Breandán Ó Suilleabháin	Roinn Ealaíon, Cultúir & Gaeltachta
Malachy Prunty	ICOS

Jim Quigley

Muintir na Tíre

Bridget Reynolds

CORI

Kieran Sheedy

Office of the Tánaiste

Moire Staunton

Dept of Health

Tony Burke

Dept of Agriculture, Food & Forestry

Eimear O'Brien

Dept of Agriculture, Food & Forestry

Summary Report of Working Group on Educational Disadvantage

1. Aim of the Strategy

The overall aim of the strategy is to eliminate poverty, and the focus of the policies and actions recommended in this Document is to ensure that children, men and women living in poverty are able to gain access, participate in and benefit from education of sufficient quality to allow them to move out of poverty, and to prevent others from becoming poor.

A core principle underpinning the Strategy is that, in future, all policies, actions and proposals being considered will be poverty, equality and gender proofed to ensure that they promote equality of access, participation and benefit from State services for those at risk.

2. Key Groups Experiencing Educational Disadvantage

The key groups experiencing educational disadvantage, poverty and social exclusions are:

- those at risk of early school leaving
- early school leavers
- those who are unemployed, particularly the long term unemployed, and their children
- people who are low paid and their children
- people with disabilities and their children
- lone parents and their children
- adults in the travelling community and their children
- people experiencing exclusion as a result of living in rural areas
- families living in deprived urban areas
- prisoners and their families (given the links between early school leaving, crime, acute difficulty in gaining employment, inadequate income and educational participation)

For the majority in these target groups, a key factor in their educational disadvantage is the relatively high cost of education, and inadequate income to support the levels of access, participation and benefit from education which other groups in the community can enjoy.

3. Key Objectives for a National Anti-Poverty Strategy

The key strategies identified which affect educational participation and poverty across all levels of the system are:

- the need to eliminate the costs of educational participation for welfare dependent and low income families and individuals
- the need to remove other barriers to educational participation
- the need to ensure that the development of basic education skills, including literacy, numeracy and new technology skills is a core objective of the National Anti-Poverty Strategy for all members of the population
- a comprehensive range of policies and actions to prevent early school leaving and educational disadvantage
- the promotion of a culture of inclusiveness within the education system, and the development of strategies to combat the cultural and educational barriers which can contribute to under achievement in school, alienation and poverty
- provision in the context of a continuum of supports from early childhood through to adulthood, which allows for adults to re-enter the system at a variety of levels, a range of flexible and affordable options embedded within a national framework of certification, and with formal pathways of progression from one level to another
- structures of delivery which support consultation and partnership, democratic decision-making and which effectively link provision in schools and colleges with that in the non-formal sector and the wider community to ensure a coherent client-focused and area based response.
- Supporting measures to ensure the effective implementation of the Strategy.

Full achievement of the goals of the Anti-Poverty Strategy depends on the interlinking of the strategies outlined into an integrated implementation plan. However, this should not prevent progress being made in each or all of the areas highlighted on a phased or incremental basis.

4. Priority Recommendations

Section A of the Working Group's Report sets out a detailed set of recommendations and actions designed as part of an integrated strategy to address educational disadvantage in the context of a continuation of provision from early childhood through to adulthood. Many of these are not cost increasing, insofar as they are features of ongoing policy and delivery of services (e.g. curricular reform, in-career development, certification) or relate to the mechanisms through which more effective integration and community empowerment might be achieved (increased democracy in decision-making, consultative strategies, integration of formal and non-formal provision, etc.)

While acknowledging the need for prudent management of public spending, a key issue which emerged in the consultation process was that investment in education is central to any strategy to combat poverty, that needs in this area cannot be met through re-deployment of resources, alone, that resources from the demographic dividend should continue to be re-deployed in favour of those at risk, and that there needs to be increased investment on a sustained basis particularly towards preventive strategies at pre-school and primary levels.

The key priorities identified by the Group are:

- elimination of the costs of participating in education for welfare dependent and low income families
- increased provision and access to pre-school services in partnership with community interests, taking due account of the needs in rural areas
- preventing educational disadvantage and early school leaving through increased resources at primary level and in the early years of post-primary schooling. This should encourage active parental involvement at the earliest possible age and include expansion of the Breaking the Cycle initiative, expansion and enhancement of the Home/School/Community Links Scheme, remedial, guidance and psychological services, and a reduction in class sizes in the early years of education. Such provision should ensure a continuity of special supports to facilitate access to every level of the system for Travellers and people with disabilities.
- specific measures to address early school leaving, including
 - closer integration and enhancement of the community dimension of provision, and development of integrated area-based links between schools, youth, community and welfare services, out-of-school education and training, third level colleges and local industry

- a range of pilot initiatives to tackle truancy in the compulsory school period at primary and post-primary level, to be formally evaluated with the aim of informing national policy in this area
 - special supports to encourage teenage parents to remain in school to completion of senior cycle
 - increased provision of second chance education and training for Travellers and early school leavers, and a removal of the barriers which impede progression in this area
- The development in all members of the population of basic education skills, including literacy, numeracy, communications and new technology skills. A systematic strategy should be developed to eliminate illiteracy on a phased basis over a 10 year period. The strategy should include investment in tutor provision, tutor training, guidance and certification.
 - Additional measures to support lifelong learning including increased provision and access to second chance education and community based education and training, and removal of the financial, child care, structural and other barriers which impede participation. Such provision should ensure a continuity of special supports to facilitate access to every level of the system for Travellers, rural dwellers and people with disabilities.

5. Demographic Dividend

The Working Group strongly recommends that all savings emerging from the demographic dividend should remain within the education system and be targeted at those at risk of poverty and disadvantage. A range of exercises were carried out to quantify the extent of such savings. However, given the uncertainties in relation to future fertility and emigration rates, the geographic spread of falls in enrolment, and the variances in impact depending on each school's existing status within school staffing schedules, it was decided not to incorporate the figures in the report.

- 6. Appendix 3 of Section B, the Discussion Paper, sets out costs of existing measures and the unit costs of expanding provision. The Working Group recommends that, when priorities have been identified for the overall National Anti-Poverty Strategy, detailed costings, timescales and implementation plans be drawn up to achieve the changes proposed.
- 7. The Department of Education supports the priority recommendations and objectives set out in the Strategy Statement. Much of what is proposed is a feature of ongoing policy and reflects the commitment to tackling educational disadvantage set out in the White Paper. A clear emphasis emerged from the consultation process in regard to

- the need to strengthen the links between the formal and non-formal education sector in partnership with community interests
- the need to improve inter-Departmental co-operation and inter-sectoral co-ordination in regard to the provision of education services.
- the need for additional investment in education, and priority actions to reduce the cost of participation at every level of the system for welfare dependent and low income families.
- The D/Education will take account of these recommendations in the implementation of the Strategic Management Initiative.

Membership

Maria Hegarty	Irish National Organisation of the Unemployed
Úna Ní Chuinn	Irish Rural Link
John O'Connell	Irish Traveller Movement
Janice Ransom	One Parent Exchange Network
Kerry Lawless	National Women's Council of Ireland
Ann Colgan	National Parent's Council
Gerry Ellis	Forum for People with Disabilities
David Silke	Combat Poverty Agency
Helen Johnston	Combat Poverty Agency
Sr Brigid Reynolds	Conference of Religious of Ireland
Rose Malone	Teachers Union of Ireland
Maire Leyden	Association of Secondary Teachers in Ireland
John Carr	Irish National Teachers Organisation
Par McTernan	Council of Directors of RTCs
Win Harrington	Irish Vocational Education Association
Helen Ryan	Union of Students in Ireland
George O'Callaghan	Joint Managerial Body
Máirtín Ó Fathaigh	Council of Heads of Irish Universities
John Cullen	Macra na Feirme
Declan Purcell	Dept of Enterprise & Employment
Eimear O'Brien	Dept of Agriculture, Food & Forestry
Joe Cullen	Dept of Finance
Frances Fletcher	Dept of Health
Deaglán Ó Briain	Dept of Social Welfare
Pat Dowling	Dept of Education
Rosaleen Killian	Dept of Education
Séan Ó Cearbhaill	Dept of Education
Margaret Kelly	Dept of Education

Appendix

Selection of Departmental SMI Statements

Four

Department of Social Welfare

Department of the Environment

Department of Enterprise and Employment

Department of the Taoiseach

Office of the Tánaiste

Department of Social Welfare

The mission of the Department of Social Welfare is to promote social well-being through income and other supports which enable people to participate in society in a positive way.

The high level goals of the Department include:

- promoting the development of anti-poverty strategies to address poverty and disadvantage;
- through services and supports, helping and encouraging people to participate in society in a dignified and positive way;
- providing our services in an efficient, effective, non-discriminatory and caring manner which is responsive to the needs of all our customers; and
- promoting closer integration of social, employment and community services among departments, agencies and the voluntary sector.

A full statement of strategy from the Department of Social Welfare is entitled “Open, Fair and Caring” and is available from the Department on request.

As part of the development of the National Anti-Poverty Strategy, departments were asked to review the key issues relating to poverty and disadvantage within their area of responsibility, review the objectives and effectiveness of relevant policies and programmes, identify the constraints applying in each case and any cross-cutting issues, and finally set out key action points for the future arising from the review process. The Department of Social Welfare has carried out an extensive review in this regard concerning all its areas of activity. This review has now been completed and is being published separately as a further contribution from the Department to the development and implementation of the National Anti-Poverty Strategy.

Department of the Environment

The Department of the Environment's SMI Strategy Statement sets out a number of policies which are relevant to the tackling of poverty, together with the objectives of those policies/programmes:

Policies/Programmes	Objective
Urban and Village Renewal	To promote the development of urban and rural areas in a manner which facilitates long-term economic and social progress and to promote the renewal, conservation and environmental enhancement of urban and village areas.
Local Development	To support the promotion of local development generally.
Social Housing	<ul style="list-style-type: none">• To ensure that households not in a position to provide housing from their own resources have suitable accommodation available to them at an affordable price.• To promote the conservation and improvement of public private housing.• To reduce the extent and effects of social segregation in housing.• To support a prompt and adequate response to the accommodation needs of homeless people.• To support the provision of suitable housing and halting sites for Travellers.
People with Disabilities catered for in	To ensure that the needs of people with disabilities are catered for in new buildings and in local authority facilities.
Libraries, Swimming Pools	To support the development of local amenities by local authorities, with particular emphasis on libraries and swimming pools.

In addition to these itemised objectives, the strategy statement also addresses other issues relevant to the tackling of poverty and disadvantage. These include the Department's role in:

- contributing where possible to direct job creation efforts; providing infrastructural and other services which facilitate economic activity; and ensuring a proper balance between regulations and cost competitiveness;

- promoting equality in local authority personnel management;
- working in partnership with the private sector and voluntary bodies in areas such as social housing and urban/village renewal;
- providing information about DOE services; and
- consulting interested groups on policies and services.

Department of Enterprise and Employment

Policies and Programmes being pursued in respect of Employment/Unemployment

The Department of Enterprise and Employment's overall strategy in relation to the promotion of employment and reducing unemployment is outlined in its SMI statement "Promoting Employment".

The following SMI objectives have direct relevance to the National Anti-Poverty Strategy:

- To ensure that the skills required for competitive businesses are available in the work force;
- To secure the maximum re-integration of the unemployed into employment, to prevent, to the maximum extent, drift into long-term unemployment and to help alleviate social exclusion, through active labour market interventions;
- To oversee, and evaluate the role of FÁS and the effectiveness and efficiency of its use of the resources made available to it, in achieving the foregoing objectives;
- To meet the Essen Conclusions objectives; and
- To administer and ensure the most effective use of European Social Fund transfers.

Labour market policy is being developed and implemented in line with the Department's recently published Labour Market Strategy document "Growing and Sharing our Employment". This will be supplemented in early summer by the White Paper on Human Resources Development. It is also informed by the NESF Report on Ending Long-Term Unemployment, the two Task Force Reports on LTU prepared pursuant to the NESF Report and the Government decisions made thereunder.

Department of the Taoiseach

Economic and Social Policy Division

Social policy objectives impinge on a wide range of Departments, agencies and programmes. Co-ordination is essential. The Department has a role in promoting this co-ordination, especially in the context of Partnership 2000. This Unit has particular responsibility in relation to local development strategies, the development of a National Anti-Poverty Strategy and the integrated response to the drugs problem. Policy in support of local development is overseen by Minister of State Mitchell and is a significant element in the EU Strategy for Employment. Minister of State Carey has particular responsibility for promoting Rural Renewal, Western Development, Island Development and for co-ordinating the funding arrangements in the Border Region. The Department's responsibility in respect of local development policy entail close co-operation with other Departments and agencies.

Divisional Goals

- Provide advice to the Taoiseach and Ministers of State on social policy issues.
- Support the co-ordination of policy and actions, in conjunction with the relevant Departments, to implement the key social objectives of the Government.
- Develop a coherent national strategy to combat poverty.
- Promote integrated economic and social development at local level.
- Prepare the arrangements to support local development after 1999 in line with the recommendations of the Devolution Commission and the recent white paper Better Local Government.
- Promote Western Development and Rural Renewal on a sustainable basis.
- Support an integrated response to the drugs problem, in line with the Report of the Ministerial Task Force on Demand for Drugs.

Divisional Goals	Intermediate Steps	Actions & Outputs
1. Provide advice to the Taoiseach and Ministers of State on social policy issues.	Maintain close liaison with appropriate Departments, Agencies, analysts and key interest groups.	Ensure access to adequate information on trends and issues impacting on policy and performance. Monitor key indicators of socio-economic performance.
2. Support the co-ordination of policy and actions, in conjunction with the relevant Departments, to implement the key social objectives of the Government.	Identify issues on which collaboration between Departments and agencies should be supported	Establish structured arrangements to pursue implementation, especially in the context of Partnership 2000.
3. Develop a coherent national strategy to combat poverty.	Facilitate completion of an agreed analysis of causes and consequences of poverty, including priority issues for a national strategy.	Prepare and report on a national strategy for the Government and the UN.
	Support consistency in approach by Departments to cross-departmental issues.	Ensure that the recommendations arising from the Report are implemented.
	Propose appropriate institutional mechanisms to underpin a National Strategy.	
4. Promote integrated economic and social development at local level.	Effective management of the Operational Programme for Local Urban and Rural Development	Activity and financial reporting requirements to be met.
	Co-ordinate local development initiatives at local level.	Monitoring Committee of the Operational Programme to be serviced effectively.
		Co-ordination between implementing bodies especially in the use of Technical Assistance funds to be maintained.
		Liaison Team to continue working with County Strategy Groups to implement co-ordination strategies and to support the establishment of proposed Community and Enterprise Groups.

Divisional Goals

Intermediate Steps

Actions & Outputs

Fully evaluate local development measures.

Develop performance monitoring systems which generate appropriate performance indicators.

Support the completion of the mid-term review of the Operational Programme and pursue its findings and recommendations.

Report to Government on a regular basis on the arrangements being put in place to ensure maximum drawdown of funds in the Border Region.

Implement the Urban Operational Programme (OP) in the designated areas.

Financial, monitoring and evaluation requirements to be met. Monitoring Committee to be services effectively.

Administer the special grants scheme in support of local development

Monitor and report on all projects supported to date.

Administer 1997 grants scheme.

Provide an effective focus for policy development at national level, arising from issues identified at local level through the Inter- departmental Policy Committee on Local Development.

Provide a stimulus for the Committee's work through the preparation of reports and analysis of the policy issues.

5. Prepare the arrangements to support local development after 1999 in line with the recommendations of the Devolution Commission and the recent White Paper, Better Local Government.

Plan for and support the transition from County Strategy Groups to the new Community and Enterprise Groups provided for in the Report Better Local Government

Develop and implement a strategy, in collaboration with the Department of the Environment, for the transition.

Divisional Goals	Intermediate Steps	Actions & Outputs
6. Promote Western Development and Rural Renewal on a sustainable basis.	Implementation of Government policy arising from the Action Plan of the Western Development Partnership Board.	Support the work of the Western Development Commission. Assist the Commission in the establishment of a Western Investment Fund.
	Identify innovative approaches to service delivery to sustain populations in remote areas.	Co-ordinate follow-up by Departments to the other recommendations in the Action Plan. Implement and evaluate selected pilot projects and identify policy implications.
	Promote an integrated strategy for the development of the island communities.	Management of an investment programme to improve access to the islands, in particular, evaluation of applications, completion of selected programmes and all reporting requirements to be met.
		Develop a common approach by Departments to meeting island needs through the Interdepartmental Committee.
		Pursue effective implementation of the agreed Action Plan by the Interdepartmental Islands Committee.
7. Support an integrated response to the drugs problem in line with the Report of the Ministerial Task Force on Demand for Drugs.	Tackle the drugs problem in the most seriously affected areas in a co-ordinated manner.	Support the Ministerial Task Force in completing its reports. Support the work of the National and Local Drugs Strategy Teams and provide secretariat to the Cabinet Drugs Committee.

Office of the Tánaiste

Purpose of the Office

The Office represents a mechanism to facilitate the effective working of Government while also discharging particular functions in relation to broadening and deepening democratic processes and tackling disadvantage. Given its location at the centre of Government, the Office is also well positioned to sponsor and pursue critical issues that cross departmental boundaries such as long-term unemployment and social exclusion.

A Government of Renewal

The policy framework and agenda of the Office in advising the Tánaiste on all aspects of Government Policy is determined by Commitments in the Government of Renewal Programme with the Office having a key role in the achievement of two broad objectives set out in its opening section:

- (1) The Reform of our institutions at national and local level to provide service, accountability, transparency and freedom of information. In doing so we are committed to extending the opportunities for democratic participation by citizens in all aspects of public life.
- (2) The continued commitment to the employment needs of all our people - especially the long-term unemployed - is a clear priority if we are to successfully address the causes of poverty and marginalisation in our society.

Office of the Tánaiste - Mission

In this context the Office's Mission can be defined as follows:

- promoting greater openness, accountability and democratic participation in the conduct of public business;
- developing cross-departmental policies and structures for tackling long-term unemployment, disadvantage and social exclusion; and
- facilitating the effective functioning of Government by providing the Tánaiste and Minister of State with the policy advice, information and support essential for an effective contribution to the formulation and implementation of all aspects of Government policy.

Main Objectives and Strategies

In achieving its Mission, the office has identified the following key objectives and strategies:

Providing timely and accurate briefing to the Tánaiste and the Minister of State on policy issues:

- anticipating, monitoring, evaluating and contributing to policy developments in an integrated and strategic way;
- analysing critical policy issues particularly those coming before or likely to come before Government;
- contributing to the work of key interdepartmental Committees and other Groups.

Improving democratic participation and confidence in public life:

- promoting and contributing to the development of appropriate legislative, administrative and cultural change;
- developing a Freedom of Information (FOI) Bill which will give a statutory right to individuals to access official information held by public bodies and overseeing administrative preparations for FOI;
- facilitating and promoting the work of the National Economic and Social Forum (NESF), which is an independent body through which cross-party politicians, the social partners, and representatives of the unemployed, women and other disadvantaged groups contribute to the development of public policy;
- contributing to the development of the Strategy Management Initiative within the public service and the implementation of the proposals in the “Delivering Better Government” document;
- facilitating representatives of the disadvantaged sectors of society to have an input into the development and operation of relevant initiatives and programmes; and
- developing a strategy for the future role of the National Economic and Social Forum, in particular its links with the National Economic and Social Council and the Central Review Committee.

Developing strategic responses to poverty and marginalisation:

- a Working group chaired by Minister of State, Eithne FitzGerald, T.D. is preparing a national strategy on violence against women;
- facilitating and supporting the work of the National Economic and Social Forum in particular in its role of developing social and economic initiatives to combat unemployment;
- leading a Working Group on Unemployment under the National Anti-Poverty Strategy;
- jointly chairing management teams developing and overseeing the International Fund for Ireland's Communities in Action and Community Leadership Programmes;
- leading an interdepartmental review to examine the feasibility of Ireland hosting the Special Olympics World Games in 2003;
- contributing to the development of the Local Employment Service and of new employment opportunities for the unemployed, in areas such as the Social Economy, as a follow on from the work of the Task Force on Long-Term Unemployment which was chaired by the Office;
- participating in and contributing to relevant committees and Task Forces particularly those developing policies and initiatives to tackle poverty and long-term unemployment; and
- contributing to the ongoing development of the National Anti-Poverty Strategy and the Local Development Programme.

Ensuring appropriate mechanisms and resources are available to enable the Office to deliver on its Mission:

- ongoing review of the efficiency, effectiveness and value for money of our administrative, accounting and technology systems; and
- the development and utilisation of the full potential of all our staff.

Representation

The key outside groups on which the Office is represented include:

- the Minister of State at the Office represents the Government on the National Economic and Social Forum;
- the Central Review Committee of the Programme for Competitiveness and Work [PCW];
- the National Economic and Social Council [NESC];
- the delivering Better Government Programme - Co-ordinating Group, Human Resource Management Group, Open and Transparent Service Delivery group and IT Users Group;
- the Local Employment Service Advisory Groups;
- the Steering Group developing the National Anti-Poverty Strategy;
- the Local Development Policy Advisory Committee;
- Strategy Group on Employment and Unemployment;
- Preparatory Group for the new National Programme;
- the National Drugs Strategy Team; and
- the Tax Strategy Committee.

Implementation, Monitoring and Review

The Office has a wide and varied work programme and a small, effective team. In this context, optimising staff performance and reviewing the skills necessary to meet current and future challenges, is an absolute priority. The success of the Office in achieving its objectives will be reviewed and monitored on an ongoing basis against specific performance indicators in the context of an overall performance management system.

The review process will also provide an active means of communication with staff, help maintain and foster a team spirit within the Office and ensure that everyone is given the opportunity to contribute to all aspects of the work of the office. Apart from the ongoing assessments of performance,

progress will also be reviewed by the Head of the Office in consultation with the Tánaiste and the Minister of State and priorities and objectives will be reassessed on a regular basis.

The Future

The position of the Office at the centre of Government has enabled it to sponsor and pursue critical policy issues, particularly those that transcend departmental boundaries such as long-term unemployment and social exclusion. With the implementation of the Strategic Management Initiative, and in particular its focus on Strategic Results Areas, the Office is well placed to play an important part in any new structures or systems that might evolve in the future.

In this context, it is central to the success of the Office that it maintains the flexibility to adapt to changes in its environment, to alter its organisational shape and to acquire any new skills that might be needed to meet future demands. In the short to medium term the Office is satisfied that it has the skills, resources and systems to deliver on its current mandate. In the longer term, the mandate and the role of the Office will depend on the strategic choices of the Government.

National Economic and Social Forum

Role

The National Economic and Social Forum was established by the Government in 1993 to develop initiatives, particularly initiatives to combat unemployment, and to contribute to the formation of a wider national consensus on economic and social matters. In 1995, the Government extended the mandate of the Forum until 31 December 1997.

Membership

The Forum's membership is drawn from three distinctive strands. It includes representatives of the political parties (both Government and Opposition), the traditional Social Partners (business, trade union and farming interests) and a third strand representing the unemployed, women, the disadvantaged, people with a disability, youth, the elderly and environmental interests. Two independent academics are nominated by the Tánaiste. The Government is represented on the Forum by the Minister of State at the Office of the Tánaiste, Ms. Eithne FitzGerald, T.D.. Ms. Maureen Gaffney is the Forum's independent chairperson and the chairs of its two Standing Committees are Dr. Eileen Drew and Prof. Donal Dineen.

Work Programme

To date, the Forum has produced ten Reports and five Opinions:

Reports:

- Negotiations on a successor agreement to the PESP
- National Development Plan 1994-1999 - the proposed Local Development Programme
- Commission on Social Welfare - Outstanding Recommendations
- Ending Long-Term Unemployment
- Income Maintenance Strategies
- Delivery of Social Services
- Jobs potential of the Services Sector
- First Periodic Report of the Work of the Forum - 1993/1995
- Jobs Potential of Work Sharing
- Equality Proofing Issues

Opinions:

- Interim Report of the Task force on Long-Term Unemployment
- National Anti-Poverty Strategy
- Long-term Unemployment Initiatives
- Post PCW Negotiations
- Employment Equality Bill

The Forum is currently finalising Report on Rural Development and Social Exclusion and on Early School Leavers and Youth Unemployment.

The Forum is located in Government Buildings, Merrion Street, Dublin 2 and can be contacted at Tel: 04 6785577, FAX: 01 6621095.

Appendix

Review of National Policies on Poverty and Social Exclusion

Five

The following section sets out some features of national and regional anti-poverty and social exclusion policies which have been put in place across Europe. A short report on policies put in place in South Australia is also included. The section is an abridged version of a review which was carried out by Colin Stutt Consulting as part of a much wider study on possible institutional mechanisms to underpin the National Anti-Poverty Strategy. The full report is available on request from the Department of Social Welfare.

BELGIUM

The move to regional government in Belgium created the conditions for innovative thinking and practice on poverty. For example, in Flanders social exclusion policy has undergone a number of revisions away from the narrow, income based, definition of 'poverty'. The Social and Economic Council of Flanders has helped to clarify understanding of the concept and the limitations of mainstream welfare policy in targeting the most deprived sections of the community. A guiding principle in policy in Flanders according to a government statement is that it should be permanent and co-ordinated, at the level of the Flemish community, the intermediate level (provinces) and the local level (municipalities and Public Centres for Social Welfare).

Policy co-ordination at the federal level is through the Minister for Social Exclusion Policy and in 1990 the Flemish Intersectoral Commission for the Fight against Poverty was established. The aim of the Commission was to gather research data, formulate specific proposals, monitor programmes, facilitate consultation and co-ordination between all relevant agencies, advise government departments and set out progress in an annual report.

An interesting dimension to the Flemish approach is the link with financial resources. A Special Fund for Social Welfare was distributed to 18 municipalities facing concentrations of problems relevant to poverty, migrants and unemployment.

DENMARK

In Denmark the debate on social policy and poverty has concentrated on exclusion from the labour market. In 1991 a Social Commission was appointed with the primary task of developing proposals as to how the social system could strengthen human and economic resources. The Commission was to analyse the levels of cash benefits and evaluate recipients' motivation to leave the benefits system and enter the labour market. The Commission has recommended that the long term unemployed should be compelled to accept 'activity' or employment in return for benefit, an issue of continuing debate in Danish social policy. The reform of labour market policy which came into effect in December 1994 emphasised improving reasonable work offers, increasing leave opportunities to rotate the labour market and drawing up personal action plans for those out of work.

Denmark has a decentralised social welfare system. The Social Affairs Ministry, as the lead policy Department, has requested regional and local authorities to take action on behalf of the socially excluded and risk groups. These groups were to be the subject of A Joint Planning Operation covering 1993-1997. The joint planning operation represents an opportunity to examine, at a local level, whether measures are satisfactory and in keeping with the times.

The Government's Urban Commission was set up in 1993 "to prevent the ghettoisation and fragmentation of society". The Commission recommended 30 Action Proposals on the following themes:

- Education and training of immigrants and refugees;
- Combating crime;
- Achieving a more balanced social profile of urban areas;
- Renovating the residential environment and rent reductions;
- Rules concerning immigrants and refugees;
- Targeting resources at worst areas;
- A housing welfare effort, including the appointment of local co-ordinators and the designation of model areas.

FINLAND

The fight to reduce unemployment is the main plank of policy but the Finnish position recognises potential problems facing the country as the requirements of European Monetary Union (EMU), persistently high levels of unemployment and benefit dependency and a related squeeze on the Government's ability to raise revenue have challenged some of the basic assumptions on which social policy in Finland is based.

A special programme to reduce unemployment by half in 1996-99 has been based on tripartite agreement between government, labour and industry. Operational policy is devolved to the local authorities particularly in the fields of employment, education and social welfare.

FRANCE

Three specific policies illustrate the French approach and the institutional mechanisms necessary to deliver them: the establishment of a minimum income, the development of 'insertion' policies, and area-based urban reconstruction programmes.

The most significant policy development in recent years has been the introduction of the Revenu Minimum d'Insertion (RMI). The RMI consists of a differential allowance which operates technically on the principle of negative income tax. The allowance has almost entirely replaced local minimum benefits.

Urban policy has been skewed to focus on social deprivation and disadvantage. It represents an attempt to tackle deprivation at the micro-scale and combines measures on physical improvement, employment and training to break the spiral of decline in depressed cities.

Taken collectively, French policies are developing within an institutional context that is characterised by a steady move toward decentralisation.

GERMANY

There is considerable emphasis in the German system on the 'duty to explain' to the public about legislation, benefit availability, and eligibility. This is supported by a strong programme of advice and advocacy. Promoting awareness through regional information offices is designed to ensure that existing resources are used as efficiently as possible. In addition, there is a strong tradition of research on the nature of disadvantage, problems accessing the existing system of social security and the experience of those using the system. The research approach is also extended to efficiency evaluations and scrutinies.

This emphasis on ensuring that the existing system of social welfare is maximised to its full, is also reflected in the proactive approach taken to developing benefit up-take. This has institutional implications in the form of the 'Model Social Welfare Office' which is used to promote self-help schemes, the special circumstances of the elderly and assisting people find suitable employment. This method of delivery is crucial to turning "a largely reactive system of social provision into a more active, preventative and dynamic policy".

Often policy is framed at national level, but individual Länder administrations contain special departments within Ministries to ensure effective policy delivery at regional level. In summary, the appointment of dedicated personnel and units, transparency in policy and programme content and the role of research and information awareness in generating a proactive approach to poverty and social exclusion are key themes in German policy formulation and execution.

THE NETHERLANDS

The Ministry of Social Affairs and Employment has explored the concept of poverty in a 1995 Policy Note entitled, *The Other side of the Netherlands: On Prevention and the Struggle Against Hidden Poverty and Social Exclusion*.

Dutch policy is based on three elements: increasing labour market participation; income policy and social security and the Social Renewal Policy. A central element within this latter policy is direct targeting at individuals in need at the local level. In this policy, central government sets the general

framework within which local authorities can take measures to combat disadvantage according to their own priorities. Specific 'agreements' between central and local government set out the actions to be implemented at the local scale. At the local level, there is a policy for the four largest and fifteen medium sized cities in the Netherlands. The agreements or 'covenants' have included action on employment and training in deprived areas with the overall objective of revitalising urban society and ensuring social integration.

The 1996 Social Memorandum on Reducing Long Term Unemployment highlighted important tensions in the Dutch analysis of social exclusion. The Policy Note emphasises that employment growth requires a control in wage costs, reduction in taxation and social security spending.

SPAIN

Issues in relation to social exclusion are primarily the responsibility of the Spanish Ministry of Social Affairs. A new National Plan to Combat Social Exclusion is being prepared and will be matched by Action Plans to Combat Social Exclusion for the Autonomous Communities. These follow the following guidelines:

- to guarantee that basic social and economic individual needs are met;
- to promote equal opportunities with regard to access to resources;
- to prevent social exclusion through the integrated planning of all resources of General Government;
- to encourage self help in the resolution of problems of basic need.

The Spanish model contains some interesting and relevant applications for Ireland. These include the emphasis on systems between central government and the regional authorities that set out clear roles and relationships between the actors, the establishment of a dedicated unit within government to implement a national strategy and the use of action plans that focus on local need by providing a framework for integrating existing policies and programmes.

UNITED KINGDOM - CENTRAL GOVERNMENT LEVEL

The emphasis on 'partnership' at a local level has involved the voluntary sector in the analysis of local needs, the implementation of actual programmes and as an instrument of expenditure on target groups and localities. The establishment of a Voluntary Service Unit at the Home Office has strengthened the role of the non-profit sector and embraced its work more closely into mainstream policy delivery.

Local government is increasingly positioned in a strategic and enabling role, seeking to achieve policy ends through partnership with the private and voluntary sectors. In some authorities these relationships are crystallised in the form of anti-poverty strategies, particularly in urban areas with high concentrations of social malaise.

'City Challenge' was launched in 1991 as a new approach to urban regeneration. Local authorities are asked to form partnerships with public, private and voluntary sectors and the local community to identify problems of a specific run-down area, develop solutions and bid for a five year regeneration programme from the Department of the Environment.

An illustration of the UK's approach to streamlining policy is the Single Regeneration Budget (SRB). This combines 20 separate programmes previously operated by five different government Departments into one fund for local regeneration. The main emphasis for the fund is on sustainable economic growth, environmental improvements, housing renewal, employment, education and skills development.

The integrated emphasis in policy delivery is exemplified by policy on depressed housing estates. Estate Action was established in 1985 to provide additional resources, co-ordinate government programmes and involve the community and voluntary sectors in regenerating run down estates in metropolitan areas.

NORTHERN IRELAND

A number of programmes and policies developed in Northern Ireland have relevance to programme development in Ireland. The key anti-poverty strategy is Targeting Social Need (TSN) which was introduced in 1991 and is now the Government's third public sector spending priority.

Through TSN the Government aims to improve social and economic conditions by targeting resources on Northern Ireland's most disadvantaged areas and people. All Departments take TSN principles into account in drawing up policies and determining expenditure priorities. While TSN is a key element in policy formulation, it is not linked specifically to budget expenditure and in reality is a guiding principle to be taken account of rather than a convincing basis of decision-making.

Where the policy does have some operational bite is through Making Belfast Work and the Londonderry Initiative. These aim to strengthen and target more effectively the efforts being made by government, the community and the private sector in addressing the economic, educational, social, health and environmental problems facing people in the most disadvantaged areas. Six local Action Teams can respond flexibly to proposals from the local community and support relevant project development at grass-roots level.

Running parallel with urban-based initiatives is a separate Rural Development Programme to regenerate areas of concerted rural deprivation. Working within this policy framework the Government sponsored Rural Development Council is responsible for research into rural disadvantage, local community development, project development and the management of EU Programmes such as LEADER.

Many of these programmes have been enhanced by the EU Special Support Programme for Peace and Reconciliation for Northern Ireland and the Border Counties of Ireland 1995-1999 which is funded at a cost of £250m. An interesting feature of this Programme is the establishment of Partnership structures in each of Northern Ireland's 26 District Councils. These are comprised of public sector, local councillors, the local community and business sectors in identifying local spending priorities against objectives to enhance the social inclusion of the long term unemployed, prisoners and ex-offenders, victims and women. Reconciliation objectives must also be transparent in local strategies and projects.

A separate initiative, Policy Appraisal and Fair Treatment (PAFT), aims to ensure that the issues of equality and equity permeate policy making and action in all spheres and all levels of government activity. Under PAFT guidelines, which came into effect at the start of 1994, departments and other public bodies are required in assessing their existing policies, in formulating new ones and in evaluating their service delivery, to take account of the potential for discrimination on the two main communities, people with disabilities, older people and members of ethnic minorities.

UNITED KINGDOM - LOCAL AUTHORITY APPROACHES

In the consideration of the UK national approaches to poverty and social exclusion the development of local anti-poverty strategies was identified. Working within the framework of UK local government these provide useful analysis of institutional requirements at the micro-scale.

In Liverpool City Council, the Director of Social Services chairs a multi-agency steering group, whilst working parties of councillors, staff and representatives from the voluntary and community sectors attempt to cut across sectoral departmental responsibilities and tackle the problem in a truly integrated manner.

In Newnham there is an Anti-poverty and Welfare Rights unit in the Chief Executive's department and specific budget lines are identified for expenditure on poverty. All budget spending is evaluated for its impact on local poverty.

One of the most advanced policies is in Harringey - From the Margins to the Mainstream. The Council has set up equality targets with performance monitoring systems and audits to ensure it is

promoted at all levels of the Council. Baseline data on socio-economic conditions in the local authority area provide the basis for monitoring the impact of poverty programmes on the local population.

The National Local Government Forum Against Poverty (NLGFAP) set out the following institutional pre-conditions for successful implementation of local strategies:

- political commitment with sufficient standing to set the policy priorities and ensure the Strategy is moving in the right direction;
- a lead officer, preferably a member of the senior management team, with enough authority and time within their job description to take the Strategy forward;
- a requirement on each department to integrate anti-poverty strategies into their service planning and budgeting;
- monitoring strategy which can assess departmental progress and achievements;
- mapping poverty in terms of what kinds of poverty exist, where the excluded are and how they experience poverty and social services programmes designed to support them;
- setting council wide priorities and monitoring performance in response to local needs;
- the creation of structures that make it easier for departments to work together on key objectives; building anti-poverty strategies into long term planning.
- staff should improve their own awareness of poverty and its implications for people.

SOUTH AUSTRALIA

An interesting approach to poverty at regional level was developed in South Australia in the early 1990s. A unit located within the Premier's office was made responsible for the Social Justice Strategy which sets out civil rights and in particular "to provide for co-ordinated action by Government to ensure a fairer distribution of resources and opportunities and to redress disadvantage and inequality".

The Social Justice Unit focused activity on:

- integrating social justice into the budgetary process and resource distribution mechanisms of government;
- assisting agencies to translate the Government's broad commitment to social justice into operational policies and programmes within their respective areas of responsibility;
- encouraging cross portfolio and cross sectoral activity;
- encouraging community participation and involvement in the Strategy.

The Unit worked closely with the State Treasury to develop the approach but also with agencies to assist in the preparation of annual budgets. Social Justice Liaison Officers were made responsible for supporting the implementation of the Strategy within government departments and agencies. However, the role of these officers became less important over time, mainly because the link with finance secured the effective participation of the key actors.

