

NAP/INCL 2003

First Background Report on Ireland

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SUMMARY

All the indications are of changed and generally more negative circumstances for the forthcoming Nap/incl in comparison with the 2001 process. Economic growth rates, although still impressive by the standards of the other member states, are considerably lower than what they were a few years ago. In addition, rising (but low) unemployment, relatively high inflation and a tight budgetary situation generally act to restrict the amount of available leeway. It is difficult to arrive at an unequivocal reading of current government policy as it might affect the NAP/incl. On the one hand, most if not all of the commitments made in the last NAP/incl have been implemented and this together with the revision of the National Anti-Poverty Strategy (NAPS), finalised in early 2002, indicated a continuing and renewed government commitment to addressing poverty and social exclusion. However, both the last Budget and the recent new three-year social partnership agreement failed to take the opportunity to significantly advance the commitments made in the NAPS. So while there is some stated commitment on the part of government and also the social partners towards anti-poverty and social exclusion measures, it is not clear that these are regarded as immediate priorities. The time frame involved in the revised NAPS is a five-year one which allows the government some leeway. However, issues relevant to poverty and social exclusion are to be found in public and policy discourse, and there is considerable review and discussion of issues relating to benchmarking the social welfare payments and those pertaining to the definition and measurement of poverty. In addition, sections of the voluntary and community sector have been especially vocal about the shortcomings of the new national agreement and their plans to set up a new equality and anti-poverty action movement in the near future. So there is quite considerable relevant activity and discourse underway in Ireland at the present time.

1. ECONOMIC AND SOCIAL BACKGROUND

1.1 Economic Situation

In the period since the launch of the first NAP/incl, the economic and social situation in Ireland has changed considerably. Irish economic growth, so phenomenal in the mid to late 1990s, appears to have slowed down in the last years.¹ Moreover, the prospects for output growth in 2003 and 2004 appear modest when compared to recent periods, with forecast growth rates for 2003 of 3.5 per cent in real GDP and 2.5 per cent in real GNP (ESRI 2003). The predicted rates for 2004 are somewhat better given an anticipated return to better international growth prospects.

In terms of other economic indicators, the inflation rate and the unemployment rate are both predicted to rise. The former has been more problematic than the latter in recent years. Inflation (as measured by the consumer price index) is currently relatively high in Ireland, averaging at about 4.7 per cent in 2002, but is predicted to moderate to an average of 4.1 per cent in 2003 and 3.2 per cent in 2004 (OECD 2003). The unemployment rate, which has been low for the last years but has started to rise, is also forecast to continue to rise in the next two years: to 5.3 per cent in 2003 and 5.5 per cent in 2004.

The slowdown in economic growth occasioned some fall in employment during 2002, especially in private sector employment. Job losses in 2002 were at a higher level than in any period since social partnership began in 1987 and registered a 28 per cent increase over those in 2001. Overall, 2002 saw a fall in seasonally adjusted employment levels for the first time in nearly a decade.

¹ The evidence is not unequivocal, however. When measured in terms of real GDP output growth in 2002 was estimated at 5.7 per cent but at only 1.1 per cent when measured in terms of GNP. This gap, effectively a record gap, is estimated to reflect the large rise in net factor incomes from strong outward profit repatriation, boosted especially by the exceptional performance in the chemicals sector (ESRI 2003).

A generally tighter budgetary situation also prevails with a deficit of €1 billion (or 0.7 per cent of GDP) forecast for the general government balance for 2003 (ESRI 2002). In this context Budget 2003 marked a shift back towards a traditional mix between tax and spending.

The situation facing the country in the lead-up to the next NAP/incl is therefore less auspicious than was the case for the first NAP/incl. However it should be remembered that, while the economic circumstances were less benign as compared with the recent past, Irish economic growth rates still exceed those of the EU as a whole. Hence, the next Irish NAP/incl is being planned for in a context wherein the country is looking forward to faster growth than the rest of the EU.

1.2 Social Partnership

One of the most significant background factors to the NAP/incl process in Ireland is the fact that a successor to the expiring social partnership agreement was agreed during March 2003, thus continuing a 16-year pattern of national agreements and social partnership. *Sustaining Progress* is scheduled to run for three years but its central element – the pay agreement – lasts for only 18 months. Hence, the social partners must negotiate the final 18 months of the three-year programme in 2004. Given that previous agreements have been for three years or more, this not only indicates some instability in the Irish situation but suggests that political relations in Ireland are not as benign as they have been in the recent past. The interim pay deal offers a total pay increase of 7 per cent to be paid in three phases of 3 per cent, 2 per cent and 2 per cent. Public sector workers are also to receive a series of deferred pay awards made by the Public Service Benchmarking Body in 2002. The latter awards are contingent on the delivery of an agreed modernisation programme across the public sector. Notably, the new programme makes no formal commitment on further tax reductions, something which separates it from all of its five predecessors.

A specific point of note about the agreement concerns what it has to say about the process of social partnership. This is a particular focus of the new programme, stating that

government will consult on policy issues and implementation arrangements concerning all issues contained in the programme. For this purpose a new steering group (representing government and the different social partners) will be established and will be given overall responsibility for the management and implementation of the programme. It will also be charged with reviewing, monitoring and reporting on progress in the implementation of the wider policy framework at the regular quarterly meetings of government and social partners. Any social partner will have the right to refer any issue of concern for appropriate action by the steering group. Among other things, this could be a significant measure for ‘enforcement’ and may also act to equalise the power balance between the social partners.²

There has been considerable criticism of the orientation and content of the new programme and it must be said that even its signatories tended to endorse it because they saw it as the best available rather than a good deal in itself (*Irish Times* March 27, 2003). Very significant divisions emerged (within interest group constituencies and also across them) during the negotiation and ratification process. The farmers for example, who absented themselves in the early stages because they felt that they were being offered too little, only agreed to rejoin the social partnership process after they had negotiated separately a package with the government. Among the trade unions, the divisions that emerged during the negotiation and ratification process and the relatively small margins endorsing agreement³ suggest increasing discontent with the agreement (and perhaps also the social partnership process). However, the greatest visible discontent and most public criticism of the agreement came from the voluntary and community sector which has been since 1997 a social partner. Some in this sector view the agreement as the effective delinking of economic objectives from social goals (Community Workers Co-operative 2003). Others argue that the agreement is underlied by the view that people have a right to a share in the wealth of society only as economic agents (National Women’s Council

² There have been some indications that social partnership in Ireland is two-tiered. Not only are the community and voluntary pillar relative late comers to the process but they were not involved in the negotiations around wages and work. They themselves have suggested on occasion that they have not been as central to the negotiations as the more traditional social partners (employers and trade unions) (*Irish Times*, April 29, 2003).

³ 195 to 147.

of Ireland 2003). The absence of a specific set of objectives on social inclusion has been especially criticised by the voluntary and community sector (St. Vincent de Paul, Simon Community, National Women's Council, Community Platform). These developments, together with the government position of making no additional resources available for social inclusion measures, occasioned the refusal of a number of the representatives of the community and voluntary pillar to endorse the agreement and their withdrawal from social partnership. While it is still early days, it does appear as if there has been a split in the community and voluntary pillar about this agreement with some remaining in the process while others have left it.

2. IMPLEMENTATION OF THE FIRST NAPINCL

All of the main actions promised in the 2001 Irish NAP/incl have been realised. Among these the review of the National Anti-Poverty Strategy is arguably the most significant.

2.1 Review of the National Anti-poverty Strategy

This review, undertaken in late 2001 and published in February 2002⁴, was promised when the original Strategy was put in place in 1997. The commitment was to update the Strategy in consultation with the social partners, to review the underlying methodology, to review and revise the existing targets where appropriate and consider new targets in the areas of child poverty, women's poverty, health, older people and housing/accommodation. The timing of the review was somewhat inopportune from the point of the first NAP/incl, however, postdating the June submission date by a few months.

The new version of the strategy is target specific, setting out in all 36 targets (compared to 6 in the original 1997 Strategy). Among other things the new Strategy sets out a target for the extent of consistent poverty⁵, aiming to reduce the numbers of those who are in

⁴ *Building an Inclusive Society: Review of the National Anti-Poverty Strategy under the Programme for Prosperity and Fairness.*

⁵ Defined as being below 50%-60% of average disposable income and experiencing enforced basic deprivation.

this situation to below 2% and ideally eliminate consistent poverty. This is a general target. It is important to note that the background here is of significantly declining rates of consistent poverty – between 1994 and 2000 the rate of consistent poverty more than halved, falling from 15.1% to 6.2%. It is notable that unlike many of the other targets there is no date set for the achievement of the generic poverty target. It is also notable that no target is set for relative poverty – the poverty indicator used in the European NAP/incl process. In regard to relative income poverty, the only intended action is to monitor progress in relation to the proportions falling below such a line, especially over a sustained period. In line with the objective of reducing poverty, the review also set a target of achieving (by 2007) a payment rate equivalent to €150 per week in 2002 for the lowest welfare benefits and for basic child income support to reach 33%-35% of the minimum adult payment. This, equivalent to 30 per cent of gross average equivalent earnings, could be argued to represent a benchmark. As such it is a very important development and is the first time that such a commitment has been made in Ireland. It should be noted, though, that currently the lowest social welfare payment is equivalent to some 24 per cent of gross average industrial earnings (NESC 2003: 313).

In contradistinction to the original Strategy in 1997, however, the review also identified and set targets for particular groups seen to be vulnerable in Irish society. Sectors of the population specifically identified and for which targets have now been set include: children and young people, women, older people and travellers. Other vulnerable sectors of the population identified include people with disabilities, migrants and members of ethnic communities. However few if any targets were set for these (the reason given being missing information). Table 1 in Appendix 1 summarises the main targets set for the different groups.

Just as the original National Anti-poverty Strategy was underlaid by a perspective on social inclusion so too is the revised strategy. Hence, following on from the pattern set by the 1997 Strategy, the review also targets and identifies measures to counteract urban poverty and rural disadvantage as well as improving access to employment, education, health and housing. Consistent poverty in urban areas is to be reduced to less than 2%

and if possible eliminated. Among other measures identified to reduce urban poverty are an improvement of public safety, prevention of crime and ensuring that state services are sufficient to meet the basic needs of all families and especially those that are vulnerable. To combat rural disadvantage, a reduction to 2% in the rate of consistent poverty in such areas is targeted as is improved access to transport, health, education and housing services as well as employment.

In terms of employment, the revised strategy seeks to eliminate long-term unemployment by 2007 at the latest and to reduce the level of unemployment experienced by vulnerable groups to the national average by 2007. In relation to education, literacy levels are the primary consideration. Hence, for example, it is planned to halve by 2006 the proportion of pupils with serious literacy difficulties and to reduce the numbers leaving the school system early so that by 2003 some 85% complete upper second level or equivalent and some 90% by 2006. Health, housing and accommodation are new additions to the strategy. In relation to health inequalities, there is only one specific target set, however, which is to reduce the gap in premature mortality between the lowest and the highest socio-economic groups by at least 10% for circulatory diseases, cancers and injuries and poisoning by 2007. The targets set for housing and accommodation services in general are much more specific, however. These include an identified number of public housing unit starts between 2000 and 2006 and a more general set of targets relating, inter alia, to the provision of emergency accommodation and outreach services.

As was the case with the original 1997 version of the Strategy, attention is given to the institutional framework for implementing the Strategy. Some significant new administrative arrangements are to be put in place as part of the revision of the strategy, in particular the setting up of a National Office for Social Inclusion. Located within the Department of Social and Family Affairs, the main functions of this Office are to oversee and monitor the implementation of the Strategy, to prepare the NAP/incl, to enhance the poverty proofing process, to develop and implement a data and research strategy and develop a strong communication strategy. Another innovation is the setting up of a Social Inclusion Consultative Group, involving the social partners and anti-poverty experts. This

will meet twice a year and offer its advice and observations on the social inclusion policy and process as they develop. This will to some extent be complemented by an annual Social Inclusion Forum (another innovation), to which a wide range of community and voluntary interests will be invited. (The first meeting of this Forum was held on 30th January 2003 and will be discussed below.) These new arrangements are part of an impressive institutional framework which includes a cabinet committee, a senior officials group and a wider consultative and advisory body.

Attention is also given in the Strategy to what one might call the exigencies of policy implementation. Hence, a more effective poverty proofing process is to be put in place, although it is not specified in the document how the existing arrangements are to be improved. More recent information indicates that the intention is to produce enhanced poverty proofing guidelines and to integrate the process with other poverty proofing mechanisms such as equality proofing, gender proofing and rural proofing.⁶ A research programme will be developed (administered and overseen by the National Office for Social Inclusion) which will include a data strategy. Mention is made in this context of plans to utilise the new EU-SILC for policy and planning purposes. Furthermore, there is a commitment to undertake a formal evaluation of the Strategy at two-yearly intervals, to fit into the NAP/incl process.

On a critical note, one can echo the point made by different groups in the community and voluntary sector that the Strategy is rather vague on the steps, policies and resources which are to be employed to achieve the targets (EAPN Ireland 2003). In the words of the NES (2003: 352) “Arguably, the more global are targets, the more articulated and detailed have to be the strategies for reaching them; otherwise little will be learned from attaining or missing them”. In fact the NES (2003: 350-355) offers one of the best overviews of the revised Strategy. The strengths identified include the recognition that new factors keep emerging which fuel poverty and social exclusion, the stronger emphasis placed on access to quality public services, the key remit envisaged for local

⁶ As stated in the Conference Report on the *Inaugural Meeting on 30th January 2003 of the NAPS Social Inclusion Forum*, Dublin: National Economic and Social Forum.

government in developing social inclusion strategies at local level; the acknowledged need to incorporate more formally the role of the community and voluntary sector and of volunteering generally. On the negative side, the Council drew attention to quite a number of weaknesses and potential difficulties, including the following: the need to substantiate how access to better services is to be realised; the need for government departments and state agencies to do more to ensure their engagement in local partnership arrangements; steps should be taken less growing procedural complexity make it more difficult to maintain clarity of purpose and a central focus on outcomes; the more formal and institutionalised role for the voluntary and community sector in deliberating on policy, providing services and evaluating outcomes needs to be more clearly worked out and articulated.

Given that the new national agreement – *Sustaining Progress* – was agreed after the revised NAPS, it is relevant to analyse it in terms of the extent to which it advances the commitments made in NAPS. In this regard it is disappointing, in a number of respects. The first concerns the breadth of the new programme’s coverage and in particular whether it covers issues pertinent to social inclusion. In comparison to earlier agreements and to the trend visible in recent years towards a broadening of the issues and domains covered by the national agreements, the latest one covers fewer issues and could be said to be mainly a wage agreement.⁷ Secondly, in relation to social issues, the agreement represents something of a paradigm shift in that, instead of making specific commitments to issues connected with social inclusion, it is planned that the social partners will work with government on a number of special initiatives. The idea is that a number of identified themes should be the subject of sustained focus of attention from all parties over the period of the agreement. Among other things, this orientation renders the new programme very different to its predecessor (*Programme for Prosperity and Fairness*) which contained a large number of specific commitments in the social sphere. It also represents a different strategy to that of the revised NAPS which has very specific targets. Apparently, the lack of specifics in the new programme results from a refusal by

⁷ In this it makes a return to an early form of the national agreements in Ireland when pay and working conditions dominated the agenda.

government to commit the necessary resources and to increase the total tax-take (CORI 2003).

Ten special themes are identified. Eight of these are social in nature: ending child poverty, migration and interculturalism, housing and accommodation, long-term unemployed, vulnerable workers and those who have been made redundant, tackling educational disadvantage, care (including childcare), alcohol/drug abuse, inclusion of all in the information society. Unlike NAPS, no time schedules or tasks are set for these. It should be noted that the agreement commits no new resources to addressing poverty, social exclusion or inequality and makes few specific commitments in relation to these issues. However, it does contain a commitment to raising the lowest rates of social welfare payments to €150 in 2002 terms by 2007 as set out in the revised NAPS.

2.2 Mobilising Actors

The consultation process for the next round of the NAP/incl has already begun. A first meeting of the new Social Inclusion Forum was held in Dublin on January 30th, 2003. Especially oriented to those who are not directly represented in the social partnership process, the day-long meeting was attended by over 300 people drawn from a range of statutory, NGO and academic and policy backgrounds. The aims of the Forum were to provide organisations and individuals not involved in the social partnership process with an opportunity to input their views on key policies and implementation issues, to monitor and evaluate progress on NAPS as well as to provide feedback on shortcomings and to contribute to the process of preparing the next NAP/incl.

Following presentations by the Minister of Social and Family Affairs, representatives of the Commission and EAPN and the Director of the Office for Social Inclusion, most of the meeting was devoted to workshops, discussions and feedback. The workshops were on the following topics: income adequacy/unemployment, education, health, housing/accommodation, bringing the NAPS to local level, developing a model for the social inclusion process, mainstreaming equality issues and monitoring the NAPS targets.

As reported (NESF 2003), a recurrent theme included the perceived gap, if not contradiction, between the stated objectives and targets of the NAPS and current decisions and reforms which tend to focus on cutting back the services that are prioritised in the NAPS. The position of vulnerable groups, especially people with disabilities, was another recurrent theme. In a related vein, the general lack of participation and sense of disengagement from the policy process of people experiencing poverty or those working with them was also a subject of comment and debate. A final issue raised was the measurement of poverty and the availability of data sources.

The significance of the recent withdrawal of some of the voluntary and community sector from the partnership process should be noted in the context of the objective of mobilising all actors.

2.3 Institutional Changes

In this regard one of the most significant developments is the setting up of the National Office for Social Inclusion and the Social Inclusion Forum. These are both to be welcomed. The setting up of the National Office for Social Inclusion represents an administrative re-organisation for and specialisation on social inclusion whereas the Social Inclusion Forum is to be seen as a move towards regularising consultation with those who are active in the field of poverty and social inclusion, including people directly affected by poverty and social exclusion.

Another relevant development here includes a recent administrative re-organisation which involved the movement of the 'community affairs' brief from the ministry for social welfare to a new department of State with the title 'Department of Community, Rural and Gaeltacht Affairs'. This was a rapidly expanding section and function of the Department of Social, Community and Family Affairs (as it was then titled) and it is difficult to see the logic in moving it to the new unit, other than the fact that it has a generic 'community' or local focus.

The development of mainstreaming in Ireland is also relevant in the context of institutional changes. In Ireland mainstreaming as a strategy applies not just to one domain but is being pursued in relation to poverty, gender and equality in general. In general the institutional arrangements for mainstreaming have proceeded apace although it is important to point out, along with some in the community sector, that while Ireland has one of the most developed discourses on poverty proofing and mainstreaming this not only co-exists with one of the highest rates of poverty but it is difficult to see the impact of poverty proofing on recent policy initiatives.

Another, if more general, identified weakness is the lack of a visible impact of poverty proofing on key economic instruments such as the budget and the National Development Plan. Here one could point to the relative sidelining of the NAPS in the new social partnership document and the failure of the last Budget (for 2003) to make progress towards the achievements of the NAPS' objectives and targets. These and other developments have led some in the voluntary sector to speak of a 'serious credibility gap' in government policy on poverty and social exclusion (*Irish Times*, Dec 10, 2002).

3. RELEVANT DEVELOPMENTS IN POLICY REVIEW AND RESEARCH

3.1 Publication of the National Economic and Social Council's Review of the Poverty Proofing Process

This review was requested by the Department of Social, Community and Family Affairs on behalf of the inter-departmental committee that oversees the implementation of the NAPS. The review concluded that the guidelines while comprehensive were problematic. Among the problems identified (by those who have to implement the guidelines as well as various informed observers) were the difficulty of operationalising 'consistent poverty' and the need to clarify the two objectives of proofing (to sensitise policy makers to the issue and to engage in policy impact assessment). Cognisant of the likely positive impact of proofing on the policy domain as well as the advancement of evidence-based decision making, the Council made a number of recommendations that would serve to improve the practice and extent of poverty proofing in Ireland. The main such recommendations

underlined the need to improve and clarify the definition of poverty and the available indicators and data. In addition, it was recommended that, as well as first level poverty proofing of all proposals, the practice of in-depth policy impact assessment should be undertaken (albeit on a selective basis). A commitment to transparency should also be made. Additional recommendations pertain to the set of institutional supports necessary for successful poverty proofing as well as to resources and training.

As a result of the review, the Department of Social and Family Affairs has committed itself to producing enhanced poverty proofing guidelines.

3.2. Poverty-Relevant Research

Two recent studies on poverty were published which not only served to reveal the extent and nature of poverty in Ireland but occasioned some public discussion and debate.

3.2.1 *Monitoring Poverty Trends 2002* (Nolan et al)

This is the latest in a series monitoring the evolution of poverty in Ireland on the basis of a regular survey of income and living standards. The results presented in this publication are based on the survey carried out in 2000. The results indicate an increase in the numbers falling below most relative income poverty lines as compared with both 1997 and 1994. For example, the proportion of those falling below a poverty threshold of 60 per cent of median income grew from 16-17 per cent in 1994 to 21-22 per cent in 2000. The income gap for those falling below the thresholds also increased. By contrast, the percentage of persons falling below income lines indexed only to prices (rather than average income) since 1994 or 1997 fell sharply, reflecting the pronounced real income growth throughout the distribution between then and 2000. The authors point out that this contrast points to the fundamental factors at work during what was for Ireland a highly unusual period: sharp fall in unemployment, substantial real income growth across the income continuum, including social welfare payments, but the latter lagged behind income from work and property so social welfare recipients were more likely to fall below thresholds linked to average income. The study highlights an increased probability of falling below key relative income thresholds for single person households, those

affected by illness or disability, those who are aged 65 or over and women (especially older women). Those in households where the reference person is unemployed still face a relatively high risk of falling below the income thresholds but continue to decline as a proportion of all those below the lines.

In some contrast to the findings on poverty measured purely in relation to income, the study showed a marked decline in deprivation levels across different household types. As a result 'consistent' poverty, that is the numbers both below relative income poverty lines and experiencing 'basic' deprivation, also declined sharply, from 15 per cent in 1994 to 6 per cent in 2000. Those living in households comprising one adult with children continue to face a particularly high risk of consistent poverty, followed by those in families with two adults and four or more children. Furthermore, the risk of consistent poverty faced by lone parents, those affected by unemployment and those engaged in home duties remained high in 2000. A comparison with 1994 suggests that, whereas people in households headed by an unemployed person dominated in terms of poverty prevalence and risk, both prevalence and risk had decreased for them by 2000 when two other groups accounted for larger proportions of the population in consistent poverty: people living in households where the reference person is engaged in home duties and those where the reference person is in low paid work.

3.2.3 *Against All Odds* (Daly and Leonard)

This was a qualitative study, published in late 2002, of life among low-income families in Ireland. It involved primary empirical research with members of 30 families, including children. Detailing the day-to-day lives of adults and children, it showed very powerfully how poverty affects people and families. Among other things, the relationship between poverty and poor health was laid bare as were the daily deprivations involved. The average family income adjusted for household size was €124 a week which meant that scrimping and saving were commonplace and people's lives were lived out in the shadow of significant indebtedness and a fear of not being able to meet basic costs. Almost all parents worried about their children - both in terms of their immediate welfare and their future prospects. One of the most

significant findings of the study was the fact that the situation of quite a large proportion would not and could not be improved by labour-market related measures. The relatively wide prevalence of illness and disability as well as the lack of child-minding facilities for lone parents meant that an employment focused anti-poverty strategy would be unlikely to change significantly the circumstances of these families. Another important point to emphasise is the very negative views expressed about neighborhood life. Rather than being well-integrated locally, a significant minority of people said that they lived in fear of people who lived or operated locally. There was considerable evidence that many adults and children felt bullied and picked upon in the locality. Lone mothers were very vulnerable in this regard. Added to this was the lack of local service provision. Not alone was there a scarcity of services (such as health, transport, leisure) available locally but their quality was generally poor. All of these factors conspired to make everyday life difficult and unpleasant. On the basis of these and other findings, the research recommended changes in five main areas of public policy: improved levels of social welfare payments, attention to the diversified needs of low-income families; better provision for and focus on the needs of children; improved services provision; better and more co-ordinated area-focused activity.

4. RELEVANT ISSUES IN PUBLIC DEBATE IN IRELAND

As well as the public debate about the new social partnership agreement and also the NAPS, a number of other issues relevant to poverty and social inclusion have been a focus of some discussion and policy deliberation in Ireland.

4.1 Benchmarking and Indexation of Welfare Payments

One such issue is the benchmarking and indexation of social welfare payments. The former national agreement, *Programme for Prosperity and Fairness*, established a working group, comprising representatives of the social partners and relevant government departments, to examine the range of issues associated with the benchmarking and indexation of social welfare payments. The group was established in late 2000 and reported in September 2001 (Department of Social, Community and Family Affairs

2001). The aim of the report was to examine the issues involved in developing a benchmark for the adequacy of social welfare payments as well as issues associated with the measurement of relative income poverty. The group operated in parallel with the review of the NAPS.

The report examined four benchmark options representing a range of payment levels. Clear differences emerged among group members. Briefly, the members were divided between those who felt that it was inappropriate to establish a formal benchmark and that the existing arrangements, which have seen real increases (i.e., in excess of inflation) in welfare rates, should continue to apply. Essentially, it would be left to the discretion of the government to determine the level of welfare increases from year to year, having regard to the range of high priority demands on the Exchequer and to issues of affordability, sustainability and compatibility with the social, economic and employment needs of the economy on a continuing basis. This position was held by the representatives of the Departments of Finance and Enterprise, Trade and Employment, and by the employers' pillar. The trade unions and the community and voluntary pillar took a different view: that it was fundamentally necessary, as of right, to establish a formal linkage between welfare rates and average earnings in order to ensure that the income of welfare recipients keep pace with those of the wider population. The preferred position of those advocating this approach was that the lowest welfare rates should be increased to reach 27 per cent of gross average industrial earnings in the short term (i.e., by 2003) and to 30 per cent in the medium term.

A consensus position emerged along the following lines: recognising that the exact rate was a matter for government, the majority of the group considered that the target of 27 per cent of gross average industrial earnings (on a current-year basis) for the lowest social welfare payments was not an unreasonable policy objective. Given current uncertainties in relation to the short-term economic position and the difficulties in being prescriptive about the precise time frame, the group considered that it would not be unreasonable to expect that the target would be met in full by 2007 (i.e., in the Budget announced late in 2006).

4.2 Issues Relating to the Definition and Measurement of Poverty

This too has been the subject of some consideration by policy makers, researchers and advocacy and community and voluntary groups. As may be known, a very particular concept of poverty has been developed and used in Ireland. This is ‘consistent poverty’ which is measured by a combination of income level and lack of access to at least two basic lifestyle (or deprivation) items.⁸ The research institute which developed this measure has itself raised questions about whether it should continue to be used (Nolan et al 2002). Since the set of eight basic deprivation items included in the measure of ‘consistent poverty’ was unchanged up to 2000, a fundamental problem is that the list of items used to measure consistent poverty is outdated. Levels of deprivation for some of the items included in the original basic set were so low by 2000 that further progress will be difficult to capture empirically. Poverty is invariably reconstituted in terms of new and emerging social needs in a context of higher societal living standards and expectations. Combining low income with the original set of basic deprivation indicators did still appear to identify a set of households experiencing generalised deprivation as a result of prolonged constraints in terms of command over resources, and distinguished from those experiencing other types of deprivation. However, on its own this does not tell the whole story, nor does it necessarily remain the most appropriate set of indicators for the future. The authors therefore argued that it is now appropriate to expand the range of monitoring tools to include alternative poverty measures incorporating income and deprivation. The report actually presents an alternative set of basic deprivation indicators and measure of consistent poverty. This has implications for the approach adopted in monitoring the NAPS and the authors suggest that monitoring over the period to 2007 should take a broader focus than the consistent poverty measure as constructed to date, with attention also being paid to both relative income and to consistent poverty with the amended set of indicators identified.

⁸ Deprivation is measured by eight basic indicators including inadequate heating, a day without a substantial meal, arrears on mortgage, rent, electricity or gas, second-hand clothing, and not having a warm winter coat. Households (or individuals) experiencing consistent poverty are those with incomes below 50-60 per cent of the median and experiencing at least two of the deprivation indicators.

The Final Report of the Social Welfare Benchmarking and Indexation Group also looked at the issue of relative income poverty and discussed the factors which influence the trends in this poverty measure. A discussion on the relative merits of relative income poverty and consistent poverty was undertaken. The Group agreed that both consistent poverty and relative income poverty have merits in relation to our understanding of poverty generally and that trends in both measures should be monitored to gain a more rounded perspective of the evolution of poverty over time. However, since it was not within the Group's remit to consider which measure should be accorded priority when targets for the eradication of poverty are being set in the context of the NAPS and hence they did not come down in favour of one measure over another.

The National Economic and Social Council (NESC) has also devoted considerable attention to this matter (NESC 2003). Endorsing the need to give attention to and keep under review indicators of deprivation and poverty, it also suggested that measures of income dispersion should be incorporated into the monitoring of social inclusion.

There has also been other activity in this field as well. A report was recently published of the key findings of the Steering Group on Social and Equality Statistics (National Statistics Board 2003). This is an interdepartmental group which was established following a formal recognition by the National Statistics Board that a comprehensive and long-term strategy was needed to develop the social statistics required to support policy formulation and to monitor progress on achieving agreed social and equality outcomes. The Group made 12 specific recommendations on actions necessary to ensure that Ireland has the required statistical information on social and equality issues. These recommendations can be divided into four blocks:

- A collectively agreed national framework for social and equality statistics which delivers a comprehensive picture of Irish society and its diversity;
- Systematic identification of the data required by the public sector and by society in order to track change, identify issues, plan policy, and monitor progress;
- Methods which deliver the required statistics at high quality, least cost and with due regard for data protection;

- Effective use of social statistics to inform policy and assist planning.

The chief recommendation was that the Central Statistics Office should set out a framework for social and equality statistics, including key social statistics and indicators in each domain and key disaggregations required of these statistics/indicators. The Group also recommended that each government department should devise a formal statistics strategy. In connection with this, greater interdepartmental standardisation, co-ordination and classification of data collection and maintenance (for example, standardisation of categories such as age, occupation, and so forth) was recommended.

References:

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Table 1 The Main Target Groups and the Targets Set for Them by the Revised NAPS

Target Group	Targets
Children and young people:	<p>Over the period to 2007 to reduce the numbers of children in consistent poverty to below 2% and if possible eliminate consistent poverty</p> <p>Over the period to 2007, to reduce the gap in low birth weight rates between children from the lowest and highest socio-economic groups by 10% from the current level</p>
Women:	<p>Over the period to 2007 to reduce the numbers of women in consistent poverty to below 2% and if possible eliminate consistent poverty</p> <p>By 2010 to increase the employment participation rate of women to an average of more than 60%</p>
Older People:	<p>Over the period to 2007 to reduce the numbers of older people in consistent poverty to below 2% and if possible eliminate consistent poverty</p> <p>To put in place by 2003 national guidelines for the provision of respite care services to carers of older people</p> <p>To improve access to orthopaedic services so that no one is waiting longer than 12 months for a hip replacement</p> <p>By 2007 to make adequate heating systems available in all local authority dwellings provided for older people</p>
Travellers:	<p>To reduce the gap in life expectancy between the traveller community and the population in general by at least 10% by 2007</p> <p>To achieve by 2003 age appropriate placement of all traveller children in primary schools</p> <p>To increase to 95% the transfer rate of travellers to post-primary schools by 2004</p> <p>To double the participation rates of mature 'disadvantaged' students (including those from traveller and refugee backgrounds)</p> <p>To accommodate by end 2004 all traveller families identified in the local authority five year traveller accommodation programme as being in need of accommodate</p>

People with Disabilities:

To increase participation by students with disabilities at third-level to 1.35% by 2003 and 1.8% by 2006
