

David Donnison

David Bell

John Benington

John Blackwell

Chris Elphick

Andrew McArthur

Kieran McKeown

Eamon O'Shea

U R B A N

P O V E R T Y

the economy and public policy



Urban Poverty, the economy and public policy

Options for Ireland in the 1990s

a report prepared for the

Combat Poverty Agency

by

David Donnison

Professor of Town and Regional Planning
University of Glasgow
Scotland

David Bell

Senior Lecturer in Political Economy and Co-Director
Economic Policy Unit, University of Glasgow
Scotland

John Benington

Director of Local Government Centre
University of Warwick
England

John Blackwell

Social Affairs Division
OECD, Paris
France

Chris Elphick

Community Development Consultant
UK

Andrew McArthur

Deputy Director of Training and Employment Research Unit
University of Glasgow
Scotland

Kieran McKeown

Social and Economic Research Consultant
Dublin
Ireland

Eamon O'Shea

Lecturer in Department of Economics
University College Galway
Ireland

ISBN No. 1 871643 17 1
Research Report Series No. 9

Design	Language <i>visual communications</i>
Photography	Daniel de Chenu
Printing	Argus Press
Copyright	Combat Poverty Agency
Date	1991

Contents

Foreword	i
Summary	ii
Preface	ix

Part One Problems and Possibilities

Chapter One	Poverty and Progress	2
-------------	----------------------	---

Part Two The Search for Solutions

	Introduction	44
Chapter Two	The Experience of Community Enterprise in Ireland	46
Chapter Three	Urban Policies to Promote Economic Activity: Experience from the United Kingdom	61
Chapter Four	Lessons from the European Community Poverty Programmes	82
Chapter Five	Civic Leadership	101
Chapter Six	Conclusions	117
	Bibliography	127

Foreword

The Combat Poverty Agency, since it was set up in 1986, has become increasingly concerned about the concentration of poverty and unemployment in particular areas, both urban and rural. It has also been struck by the fact that the rising tide of economic growth since 1987 appears to have had little impact on these communities.

In many cities and towns there is a tendency towards growing decay in traditional inner city communities and the development of large housing estates experiencing multiple disadvantage on the urban periphery. This phenomenon, while particularly acute in Ireland, has been happening throughout Europe. Thus in 1990 the Agency commissioned a team of Irish and British experts headed by Professor David Donnison of Glasgow University to prepare a report on this issue.

The report from the research team is in two parts. The first part examines the meaning and character of poverty and endeavours to explain its persistence despite sustained periods of economic growth in Ireland. The second part draws on Irish, British and wider European experience of policies and programmes which may help to bring these communities back into the mainstream of society and to assist those living in them to gain a fairer share of whatever opportunities and benefits the economy may provide.

After careful consideration of the report the Agency is convinced of the importance of its findings. It believes that the report is particularly timely in view of the emphasis on area-based strategies to tackle long-term unemployment in the new Programme for Economic and Social Progress (1991) agreed between the Government and the Social Partners. The findings of this report will inform the Agency's contribution to the implementation of these area-based strategies.

While the views expressed in the report are those of the authors and do not necessarily coincide with those of the Agency, it is the

Agency's view that the report confirms the need for urgent action to address the problems of disadvantaged urban communities. This report includes a wealth of practical ideas which should enhance the development of effective policies in Ireland. An earlier draft of the report contained useful background analysis of the world and Irish economies which will be helpful to the Agency and is available in the Agency's library. The Agency hopes that the report will be widely read by community activists, policy makers and academics and that it will stimulate lively debate and energetic action.

Particular thanks are due to the team of Irish and British experts who compiled the report. We are especially grateful to David Donnison for all his hard work and his commitment to providing a report which will be of real value to the Agency and to all those concerned about urban poverty in Ireland. A special word of thanks is also due to the various community groups and experts who so readily advised David Donnison when he was working on the project.

Hugh Frazer
Director, Combat Poverty Agency

May 1991

Summary

Introduction

We were asked by the Combat Poverty Agency in the spring of 1990 to address a central question: Does the rising tide of economic growth lift all boats? The answer to this question is crucial to the work of the Combat Poverty Agency and to the entire way in which Irish society sees and responds to those of its citizens living in poverty.

In setting out a framework by which this question could be answered the Agency asked us to concentrate on urban poverty. We decided to break down the central question into two more manageable questions. The first question is: What is the relationship between poverty, particularly urban poverty, and economic growth? The second question is: What can be done to ensure that deprived urban communities are brought back into the mainstream of society, and that those living in them gain a larger share of whatever opportunities and benefits the economy may provide? Part One of the Report deals with the first of these questions. Part Two deals with the second.

The study was commissioned by the Combat Poverty Agency from Policy and Practice (P&P), the applied research division of Glasgow University's Centre for Housing Research. David Donnison, P&P's Director, prepared this report, working in close collaboration with Kieran McKeown and Eamon O'Shea in Ireland; David Bell, Chris Elphick and Andrew McArthur in Scotland; John Benington in England, and John Blackwell at the OECD in Paris - all of whom have contributed to it. They were helped by staff of the Combat Poverty Agency and by many others in Ireland - particularly people living and working in deprived urban neighbourhoods, both north and south, which form the subject of their report. They also consulted people active in Ireland's public affairs - notably Tom

Barrington, Professor Kieran Kennedy, Professor J.J. Lee, Professor Dermot McAleese and Dr. Miriam Hederman O'Brien - all of whom generously offered advice.

Poverty and Progress

The report starts by asking how poverty should be defined. The argument between those who follow the European Community and the OECD in interpreting poverty in a relative sense as exclusion from the evolving living standards of the average citizen, and those who challenge that view and rely instead on unchanging, absolute definitions of poverty is really an argument about whether poverty in the relative sense matters: whether it hurts.

Below certain income levels people are deprived of many things which their fellow citizens regard as necessities. Furthermore, income poverty is exacerbated by many other deprivations which are associated with unhappiness, illness and shortened lives. Each generation reinvents poverty in new forms by adopting ways of living which convert some of the luxuries of its predecessors into necessities without which life becomes difficult or impossible. Low wages and social security benefits are insufficient to provide these new necessities. For these reasons the relative definition of poverty is adopted in this Report, but in a very severe form, distinguishing those with disposable incomes which are less than half of those of the average citizen.

Ireland allows many more of its people to fall into this kind of poverty than most European Community countries, and that proportion has grown much worse in the 1970s and 1980s. Families with young children are now the main victims, accounting for two-thirds of the households (and more still of the individuals) who have less than half the average income. This is essentially

because Ireland is contending with a particularly tough version of the economic changes now to be seen in all the advanced, western economies - changes which are creating a new kind of poverty, excluding large groups of people from the mainstream of their economies and the societies which these economies support. Each economic setback pushes more people out into unemployment from which, as time goes by, they find it is increasingly difficult to escape. Thus, as if by a ratchet effect, the next setback sends unemployment climbing from a higher base level.

The deprived urban neighbourhoods studied in this report are the places on the map where much of this "new" poverty has been concentrated. Dublin and the other bigger cities of Ireland have tended to sift out heavier concentrations of the poor than can be found elsewhere - concentrations which then raise even higher the barriers which prevent people from finding a way back into the mainstream.

Yet, despite the anxieties which must afflict any country that depends heavily on international trade and stands on the outer margins of Europe, Ireland has in recent years been making good progress - reducing inflation and debts, improving productivity and the balance of payments, and increasing incomes and the numbers of people in work. Thus, although careful discipline will be needed, the resources for raising the living standards of poor people and the deprived communities in which they live can be found. However, new and determined steps will have to be taken to achieve that. By itself, economic growth will not bring the excluded groups back into the mainstream of society. An increase in economic growth does little to bring the long-term unemployed back into work because of the structure of the Irish economy and the way in which its labour market works.

Meanwhile, everyone suffers. All tax payers have to find a great deal of money for public services - for social security, housing, health, policing and so on - on which poverty makes heavy demands. Yet these services fail to prevent or eliminate poverty. Other expensive services operate in ways which often make things worse, exacerbating social divisions. It cannot be impossible to do better than this.

The Search for Solutions

The study focuses, as it was required to do, upon deprived urban communities. Rural poverty is an equally important topic, but a subject for another study. The search for solutions begins with non-profit community enterprises operating in areas of high unemployment in Ireland, and finds that although these projects have had many beneficial side effects they are not a cost-effective way of generating jobs and enterprises. Turning next to experience in the United Kingdom, the study shows that it has been possible to start new enterprises in the most unpromising environments, and to shift existing enterprises into them; but it is much harder to get jobs in these enterprises for the long-term unemployed.

The search is then extended to cover a wider range of policy initiatives, operating on a bigger scale, in a larger number of European countries - drawing particularly on the experience of the three Poverty Programmes of the European Community. It shows that initiatives on the small scale of the urban neighbourhood will not succeed unless they are coupled with others operating on the scale of a city, the region surrounding it, and the nation at large.

These initiatives require close cooperation at every stage with community-based people who actually experience the problems to be tackled. Unless they are given a voice which cannot be

disregarded in debates about their needs, the dominant groups in society will always misunderstand some aspects of the problem and prescribe mistaken solutions for it.

At local level, the initiatives to be taken should include:

- training opportunities carefully targeted to the capacities of local workers and the opportunities for work likely to be found in the area;
- linked commitments by employers and trade unions to recruit workers coming through these schemes;
- confidence-building activities which help people who may have been excluded and humiliated for many years to regain a place in the mainstream; and
- child care arrangements which enable parents to take advantage of new opportunities for training and work.

As people begin to get jobs and pay off their debts they will move out to better neighbourhoods if deprived areas remain squalid, inaccessible or disorderly - leaving behind them a community even more impoverished than before. Thus it will also be necessary to:

- modernise and improve housing and the surrounding environment;
- improve the quality of housing management and other local public services and make them more easily accessible to their customers;
- improve public transport services to central areas and bring more services, public and commercial, into deprived neighbourhoods;
- attend more effectively to problems of vandalism, addiction and lawlessness, in close collaboration with local residents;
- grasp opportunities provided by these developments to create new jobs and enterprises in which local people can participate.

These strategies, bringing together central, local and community-based initiatives, and involving the public sector, the private sector and voluntary action, call for strong local civic leadership. In a country which for various historical reasons has weak local government, that will be difficult to mobilise, unless the opportunity for reform offered by the review of local government now going on is seized.

Meanwhile attention must be given to the national scale too. Ireland's social security, tax and training systems tend to be most effective in meeting the needs of those in the secure, fully employed core of the economy. They create obstacles of many kinds for those on the excluded margins of society which make it harder for them to find a way back into the mainstream. In communities where many people are too old, too disabled or too burdened with responsibilities for child care to go out to work, social security benefits and people's ability to secure these rights will often be more important than jobs.

Civic leadership is required not only at the local level; it is also essential on a national scale. Ireland's success since the mid-'eighties in finding a way out of recession, spiralling debts and inflation has been largely due to the determination of government and the social partners to work out mutually agreed ways of steering the economy back to health. That capacity for corporate management based on consensus will be as important in future. It should be combined with a strong commitment to bring excluded people back into the mainstream of society.

Irish leaders have always seen the force of these arguments when speaking as members of the European Community. There they have stressed that impoverished regions must gain a fairer share of Europe's growing prosperity, and that the continued willingness of all to work for the common good is only sustained by their conviction that each will share the benefits of the Community's progress. This report only asks that the nation's leaders follow the same principles within Ireland.

Preface

We were asked by the Combat Poverty Agency in the spring of 1990 to address a central question: Does the rising tide of economic growth lift all boats? The answer to this question is crucial to the work of the Combat Poverty Agency and to the entire way in which Irish society sees and responds to those of its citizens living in poverty.

In setting out a framework by which this question could be answered the Agency asked us to concentrate on urban poverty. This was not based on the assumption that rural poverty is less harrowing or less important. The plight of many elderly people and marginal farmers in rural areas of Ireland must form part of the context for any discussion of poverty in this country, explaining much that happens in Irish cities. But it was decided that a clearer analysis, leading to clear conclusions for policy, would be made if we confined this study to the urban end of the spectrum - which is complex enough.

It was also decided that the central question could be broken down into two more manageable questions. The first question is: *What is the relationship between poverty, particularly urban poverty, and economic growth?* The second question is: *What can be done to ensure that deprived urban communities are brought back into the mainstream of society, and that those living in them gain a larger share of whatever opportunities and benefits the economy may provide?*

The Report gives our answers to these questions. Part I explores the meaning and character of poverty and endeavours to explain its persistence despite sustained periods of economic growth in Ireland. Our conclusions, in brief, are that a large number of people have already been excluded from many of the mainstream benefits of economic growth and will remain excluded in the future if nothing is done to put that right. Putting that right, we argue, cannot be left to market forces alone.

In Part II we discuss the policies and programmes which may help to improve the living standards and opportunities of the most deprived urban communities. This part draws on documented experiences of policies and programmes in Ireland, the United Kingdom and other parts of the European Community. Part II of the Report consists of five Chapters which start with small-scale local projects concerned largely with creating jobs and enterprises, then expanding the focus to take in a wider range of objectives and programmes, pursued on a larger scale. That leads to a discussion of the need for effective civic leadership at the scale of the city and - more briefly - the nation, and some of the steps which may help to provide that. Then, in a final Chapter, we draw conclusions.

The team which worked on this study was drawn from Ireland (McKeown and O'Shea), from the Organisation for Economic Cooperation and Development in Paris (Blackwell), from England and the Third European Poverty Programme (Benington) and from Scotland (Bell, Elphick, McArthur and Donnison). We visited people working and living in deprived neighbourhoods of Belfast, Derry, Newry, Cork, Limerick and many parts of Dublin and drew on our recent experience of many other projects in Britain and in Europe. We are grateful for the unfailingly generous help provided by all of those whom we approached.

Throughout the study we were given a great deal of help by staff of the Combat Poverty Agency who responded to all our requests for information and advice, and for comments on the first drafts of our Report, while leaving us entirely free to arrive at our own conclusions.

We also consulted many others who know a lot about Irish affairs and would particularly like to thank Tom Barrington, Professor Kieran Kennedy and several of his colleagues at the Economic and

Social Research Institute, Professor J.J. Lee, Professor Dermot McAleese and Dr. Miriam Hederman O'Brien for the advice they gave us. None of them, however, bear any responsibility for the use we made of their help.

Part One

Problems and Possibilities

1. Poverty and Progress

Introduction

Ireland has made encouraging progress in the economic and social field in the recent years up to 1991 notwithstanding the precarious prospects facing a small economy standing on the outermost edge of Europe. Output and average living standards are now rising, inflation and public debt are falling, and social benefits have in the main been protected or enhanced. This follows a relatively prolonged period of poor economic performance from the mid-1970s to the mid-1980s.

This chapter examines the issue of poverty in Irish society in the light of recent developments and explores some of its key causes and consequences. In broad terms the chapter addresses the question: What is the relationship between poverty, particularly urban poverty, and economic growth? This is the larger question which we break down into a number of smaller, but still formidable, questions. These questions, around which the chapter is structured, are:

- (1) How should poverty be defined?
- (2) Does poverty matter?
- (3) Does poverty persist in Ireland?
- (4) Why does poverty persist?
- (5) Who are the poor?
- (6) Does economic growth reduce unemployment?
- (7) Does public policy encourage poverty?
- (8) Will the problem solve itself through economic growth?
- (9) Can anything more be done about it?

How Should Poverty be Defined?

The European Community and international research units generally define the poor as those living in households falling below a relative measure of equivalent disposable income (see Smeedling, O'Higgins and Rainwater, 1990). There are four key terms in this complex idea. The basic unit of measurement begins with (a) the **household** - usually meaning an individual or several people who share a home and their catering arrangements. (b) The incomes in question are "**disposable**" in the sense that they exclude tax payments (and sometimes rents) and include cash benefits - but not benefits in kind. (c) It is **income in relation to needs** which is measured, taking a single adult as the basic unit and expressing additional adults and children of different ages as equivalent to varying proportions of that unit - assuming that "two can live cheaper than one" and children cost less to maintain than adults. (d) The equivalent income required to keep people out of poverty is expressed, not in absolute terms, but as a **proportion** (eg. 50% or 67%) **of average equivalent income**.

This relative measure of poverty brings into account the whole population and the distribution among them of every kind of income. Thus average families and the rich become part of the agenda in any discussion of policies to reduce poverty. It is perhaps not surprising that many average and richer people oppose that idea; and it must be recognised that it does produce various paradoxes. An increase in incomes confined to the richer half of the population would, according to this definition, increase the numbers in poverty and the average severity, or depth, of their poverty. A decline in incomes among the poor which was associated with even greater reductions in the incomes of the rich

would reduce the numbers in poverty. A redistribution of income within the household which made poor wives richer at the expense of their more affluent husbands - or vice versa - would have no effect on the figures.

To complicate things further, there are several different relative definitions of poverty in use. The poverty line distinguishing those in poverty has also been defined as a percentage (100% or 140% for example) of the means-tested social assistance payments available to households of the relevant kind when they have no other source of income. The 40 per cent margin over social assistance rates allows for other means-tested help which claimants may receive (for example, help with rents and fuel bills), for small sources of income disregarded by the state's means tests, and for the additional costs incurred by people in work (for example, travel to work expenses). This concept is much simpler to handle and, in Ireland, it produces results broadly similar to those derived from more complex measures of relative, net, equivalent income. But the two concepts are clearly different. The former is a measure of exclusion or inequality. The latter is based on the minimum income a democratic state is prepared to guarantee to citizens who are unable to support themselves; it is a measure of political consensus.

Some have challenged and rejected all relative concepts of poverty. The British politician, Sir Keith Joseph (Joseph and Sumption, 1979, p.27) said there should be:

"an absolute standard of living to which the poorest and most incapable shall be entitled. An absolute standard means one defined by reference to the actual needs of the poor and not by reference to the expenditure of those who are not poor.

A family is poor if it cannot afford to eat."

Since Joseph had been the Secretary of State responsible in the previous British Conservative Government for the social security

services on which poor people depend for survival, his view cannot be disregarded. Others who would not go as far as he did in dismissing all the figures on which the European poverty programmes are based are nevertheless entitled to ask for a clearer account than these figures provide of what more needs to be done. When would the problem of poverty be resolved? Would it be eliminated at any point short of complete equality of equivalent incomes - an equality which might be attained only at an appallingly low level of average incomes? In Ireland, the argument between the "relativists" and their opponents has been clearly set forth in the pages of the **Economic and Social Review** (Barrett, 1989; Callan, Hannan, Nolan and Whelan, 1989). Those who believe that the relativists won this argument tend to feel that poverty, in the relative sense, causes intolerable and preventable human suffering - or matters for other reasons. Their opponents regard the relative definitions as a measure of inequality which should be frankly presented as such, not as evidence of a social problem calling for solution.

Does Poverty Matter?

This argument poses the question in a new form. Does poverty, in the relative sense, matter? "After all", we have been told, with only moderate exaggeration, "They've all got houses, refrigerators and television sets".

It was Brian Abel Smith, Professor of Social Administration and Policy Advisor to British Ministers responsible for social security, health and housing, who said, a long time ago (Abel-Smith, 1958) that the only way to answer that kind of question is to go and see how people live and ask yourself two questions about that experience: "Would I like my family to have to live in this way?"

"And, if not, how much am I prepared to pay to put things right?" We cannot give our readers this experience but, insofar as the printed word can convey it, they can gain it for themselves by reading **Pictures of Poverty: Twelve Accounts of Life on Low Income** (Combat Poverty Agency, 1989) which records the spending and describes the lives and feelings of a dozen Irish households. There they will learn about families with several children living largely on bread and milk, with a little fish, eggs and cheese; parents who go without meals to buy shoes for their youngsters; people who never go away on holiday, never drink alcohol and seldom eat any fruit; people for whom urgent dental treatment, or a first communion, or a son needing football gear to play in his school team, or a close relative to be visited in hospital are financial disasters leading to debts which they will take a year or more to repay. And this is not the world of Charles Dickens or Sean O'Casey. This is Ireland today.

The European Community, now entering on its third series of poverty programmes, has always adopted the relative definition of poverty. Scientific arguments to justify the view that relative poverty can be measured and does matter have been advanced by economists who have shown that poverty can be defined as deprivation of "necessities". "Necessities", in turn, can be defined as the goods and services for which people will make severe and damaging sacrifices in expenditure on other things. A recent paper by Lewis and Ulph (1988) building on earlier work by Amartya Sen (1987) and others, develops this argument which is based on the validity of individual preferences and tastes operating in a free market.

Social scientists, starting from a different standpoint, have reached rather similar conclusions. One of them, building on earlier work by Mack and Lansley (1985), Townsend and Davidson (1982), Veenhoven (1984) and others, has marshalled the evidence in this way.

- (a) The citizens of a particular country share a high degree of consensus about which goods and services are necessities, essential for decent living and which are not.
- (b) The proportion of people unwillingly deprived of these necessities is not related in a random or a linear fashion to income levels. In Britain, for example, the proportion increases sharply below about 150% of the state's social assistance rates.
- (c) The poor, defined in this way, also have less wealth and gain less than others do from occupational fringe benefits, the informal or "black" economy, and the domestic economies which operate among neighbours and kinfolk. Other sources of income exacerbate poverty and the inequality in legitimate cash incomes; they do not compensate for them.
- (d) Poor people are unhealthier and die sooner than richer people; and large groups who move up or down the income range over time in relation to their society's averages show corresponding changes in their life expectations. (Wilkinson, 1989) Thus the poor, in the main, are unhealthy because they are poor, not poor because they are unhealthy - although the reverse causal influence probably operates to some degree.
- (e) Happiness, measured in various ways, is also positively related to income. Poor people tend to be unhappier; they do not choose a short life and a gay one (Donnison, 1987; 1991).

These arguments are based on the authority of a demonstrable public consensus about necessities, confirmed by supporting evidence about "inputs" to deprivation (like lack of income) and "outputs" (like poor health and unhappiness). Although a lot more research remains to be done to give them greater clarity and empirical precision, these arguments are broadly supported by the evidence available in many countries, including Ireland (Nolan, 1990; Whelan, 1991).

So poor people, it seems, are sicker, unhappier and die sooner than the rich. In Britain, children born to unskilled parents have, on average, eight years less life than those born to parents in professional and managerial jobs. Mortality from virtually all causes is related in this way to incomes, despite the fact that class-related differences in medical care are very small (Smith and Jacobson, 1988). The unemployed and their partners suffer particularly severely.

The often-repeated statement that class-related differences in life expectations are obstinately difficult to change is true, but misleading. What is obstinately difficult to change is the distribution of incomes and living conditions. Health differences follow from that distribution. The problem is political, not medical.

These arguments help to answer another question, When would the problem of poverty be resolved? Differences in income, health and happiness are never going to be wholly eliminated. But poverty, in this relative sense, begins to disappear when the correlations between different deprivations and hardships decline: when those with lower incomes no longer have such high morbidity and mortality rates; when they no longer have the worst housing, the poorer educational attainment or the highest probability of ending up in prisons or mental hospitals; and when those who suffer such hardships as remain no longer transmit their ill fortune to their children and grandchildren. Hardships would not disappear, but they would be more randomly distributed. There would no longer be large groups who bear much more than their fair share of suffering.

It should not be thought, however, that poverty inflicts burdens only on the poor. The costs of illness, of wasted talent, of eroded capacities for work, and of the delinquency and social disorder understandably associated with long-term poverty and unemployment are borne by the whole community. The steady growth in the costs of the social security system - amounting to IR£2.663 billion in Ireland in 1989, equivalent to 33 per cent of current government expenditure and 13 per cent of the gross national product - is due in large measure to the growth of unemployment. The numbers drawing unemployment benefit and assistance doubled between 1980 and 1989, rising from 111,000 to 220,000. Of total expenditure on social welfare in 1988, 26 per cent was devoted to unemployment payments.

All taxpayers help to bear this burden. Meanwhile the producers and distributors of goods and services all suffer from their fellow citizens' poverty, for they depend for their success on healthy, skilled workers and on customers with money to spend. A prosperous high street, it has often been said, depends on prosperous back streets.

Does Poverty Persist?

Is there much poverty in Ireland? Before looking at this country we should note what is happening in neighbouring countries. Ireland's economy is closely linked with many of them.

During the past decade well marked trends can be seen in nearly all the OECD countries. There has been a more clearly marked division of the labour force between a securely employed core of workers with rising wages, and a large number of unemployed and intermittently employed people who are excluded from this relatively affluent core.

Unemployment figures have in many countries been falling for some years, partly because the demand for labour has grown and the supply of younger workers has shrunk, partly because many who would like to work - women particularly - have given up trying to find jobs, and partly because of changes in training and social security programmes which have transferred the unemployed to other forms of income, redefining them as trainees, pensioners or disabled people. Long term unemployment, lasting a year or more, has not fallen so rapidly and in many countries has increased.

Meanwhile the previously familiar distinction between full-time, employed workers and those not in work has been blurred by the growth, in virtually all the more affluent countries, of an intermediate range of workers who are self-employed, or hold temporary or part-time jobs. These work patterns are likely to become more common because they are found most frequently in the growing sectors of the economy. Part-time work, the most common of these patterns, and temporary work are most frequently found among women (Blackwell, 1990).

Outside the labour force there have been four social trends: increases in the expectation of life and therefore in the numbers of old people; increases in the duration of training; increases in early retirements; and increases in the numbers of one-parent families. These trends have produced growing numbers who, temporarily or more permanently, are unable to earn their own living. In many countries, the effect of these trends on the size of the labour force has been more than counterbalanced by the growing proportions of women in paid work. At the level of the individual household, however, there has been a general increase in the numbers of small households, many of them consisting of young people, or pensioners, or adults who live on their own or with dependent

children. Many of these are supported in one way or another by the state. Thus social security payments are an important part of the picture for anyone concerned about poverty. The poorest people usually depend wholly on them. We shall turn to this growing source of incomes and its implications later in the chapter.

Poverty in the European Community's member states in the 1990s will be both quantitatively and qualitatively different from earlier patterns of poverty. It is quantitatively different because it now affects very much larger numbers of people within the population. One study for the European Commission (O'Higgins and Jenkins, 1990) estimated that the numbers of people in poverty (defined very severely as having less than 50% of the average equivalent income in each country) in the 12 European Community member states had risen from 38.6 million in the period 1973/77 (13% of the population) to 43.9 million in 1984/5 (14% of the population). (See also Eurostat, 1990; Commission of the European Communities, 1991).

The figures for Ireland are particularly striking. There, the numbers of people in poverty (using the above definition) have risen from 486,000 in 1973 (16% of the population) to 770,000 in 1985 (22% of the population). These figures put Ireland in the same league for poverty as Spain (20%), Greece (24%) and Portugal (28%). With numbers and percentages of this magnitude, poverty can no longer be regarded as a problem affecting small minorities or localised pockets within the population. It has to be treated as a mainstream policy issue. Table 1.1 sets Irish trends within the wider context of the EC countries.

The "new poverty" described above differs in its scope as well as its scale; it is qualitatively different as well as quantitatively larger. In many European countries, poverty now affects much wider sections of the population than before. It includes people from a wider range of age, gender, race, class, and skill categories.

Table 1.1 Poverty Rates and Numbers 1975, 1980 and 1985

Country	Year	Persons in Poverty		Households in Poverty	
		%	Nos (x1000)	%	Nos (x1000)
Belgium	1976	7.9	773.3	8.9	288.3
	1980	*7.6	*748.5	*7.5	*271.0
	1985	7.2	705.9	6.3	227.4
Denmark	1977	12.4	614.9	12.9	331.7
	1980	*13.0	*664.6	*13.4	*275.3
	1985	*14.7	*750.0	*14.7	*317.4
France	1975	19.9	10,173.5	19.6	3,474.3
	1979	17.7	9,302.8	14.7	2,808.0
	1985	*17.5	*9,037.5	*14.5	*2,950.5
Germany	1973	8.8	5,238.2	8.8	1,943.9
	1978	6.7	4,001.2	7.6	1,807.7
	1985	*8.5	*5,026.7	*7.4	*1,895.5
Greece	1974	26.6	2,290.2	26.2	689.7
	1981	24.2	2,245.4	24.0	715.1
	1985	*24.0	*2,280.0	*24.0	*737.0
Ireland	1973	16.4	486.6	18.3	138.0
	1980	16.9	557.8	16.6	148.1
	1985	22.0	770.0	20.0	200.0
Italy	1975	*10.6	*5,861.1	*11.0	*1,892.0
	1980	9.4	5,483.5	9.4	1,748.4
	1984	11.7	6,678.4	*11.7	*2,340.0
Luxembourg	1975	*7.9	*31.5	*7.6	*8.4
	1980	*7.9	*31.5	*7.6	*9.1
	1985	7.9	31.5	7.6	9.1
Netherlands	1977	6.6	898.8	6.1	289.9
	1981	7.0	981.4	5.5	280.8
	1985	7.4	1,058.2	5.3	292.7
Portugal	1973/74	23.4	1,793.0	22.9	505.0
	1981	27.8	2,721.1	27.9	815.9
	1985	*28.0	*2,851.8	*28.0	*877.5
Spain	1973	20.0	6,794.5	20.5	1,811.9
	1980	20.5	7,721.3	19.5	2,042.2
	1985	*20.0	*7,701.0	*20.0	*2,200.3
United Kingdom	1975	6.7	3,624.7	7.5	1,470.0
	1980	9.2	5,032.4	8.4	1,680.0
	1985	12.0	6,636.0	9.8	2,009.0
Aggregates over 12 countries	1973/77	12.8	38,580.3	12.6	12,843.1
	1978/81	12.6	39,491.5	11.5	12,601.6
	1984/85	13.9	43,865.1	12.1	14,056.4

Notes

1) Data with asterisk * indicate that the poverty rates are estimated by the assumptions set out in the source

2) Poverty is defined as less than 50 per cent of average equivalent income in respective countries.

0 Higgins and Jenkins, 1990

Source

The most obvious manifestation of this is that, whereas in the early 1970s pensioners accounted for the biggest percentage of those in poverty, they have now been overtaken by people of working age. Although the elderly still form one of the most significant groups in poverty, the unemployed and their families - many of them long term unemployed - now form a far greater proportion. Changes in social and family structures have also had an impact on the composition of those in poverty, and one-parent households now feature even more significantly than hitherto among those excluded from the central core of society and its economy.

Why Does Poverty Persist?

The changes in the scale and composition of poverty in Europe in recent years have been brought about by two linked processes:

(a) The restructuring of industry and of the economy during the 1970s and the early '80s, led to "deindustrialisation" and a high level of job-loss and unemployment in the traditional industrial areas, together with a sharper segmentation of the labour market, and an increase in the percentage of those in low-paid or temporary and casual employment.

(b) The restructuring and contraction of the welfare state in many European countries, partly in response to the fiscal crisis caused by increasingly heavy burdens of public expenditure; and partly in response to the growth of "new right" ideologies, arguing for the superiority of welfare systems based upon the private market and the individual consumer over those based upon collective solutions to the needs of vulnerable groups.

Ireland has been exposed to the first of these processes, and to a continuing loss of employment in farming. But it has been less inclined than several of its neighbours to reduce and privatise its "welfare state". In Europe as a whole there is growing evidence that both these processes will continue throughout the 1990s, with even more widespread consequences for poverty.

The Cecchini report (Cecchini, 1988) on the benefits of a single, more integrated and more competitive market makes it clear that the aim of the measures coming into effect in 1992 is not just to create a larger sphere of consumption (a market of 320 million consumers to match the scale of those available to America and Japan), but also to radically restructure the organisation of production. Cecchini argues that European-based industries suffer from "massive over-capacity" in many sectors, and that the removal of the many barriers to free trade will expose firms to sharper competition and stimulate a further wave of restructuring through mergers, takeovers, joint ventures or plant closures.

The European Commission has already begun to identify some of the vulnerable industrial sectors, and it is notable that these are not restricted to the older declining industries, but also include many modern sectors like lasers, computers, and telephone exchange equipment. The producers of these goods will no longer be able to rely on protected markets guaranteed by the governments which have often been their main customers.

There is now increasing support for the view that the regional effects of completing the internal market are likely to intensify the polarisation between regions enjoying cumulative growth and cumulative decline. In addition, market liberalisation could well precipitate certain vulnerable regions into cumulative decline. One of the main effects of completing the internal market will be to concentrate economic activity in a reduced number of locations, where cost reductions and economies of scale are best exploited.

The implication of this is that the 1990s may see further substantial rises in unemployment in particular regions of the European Community, and that these may well sweep people from a much wider range of socio-economic and skill backgrounds out of the more prosperous core of the economy into its impoverished margins. These patterns resemble those to be seen in many of the rapidly developing economies of the third world. Since Europe, east and west, has also embarked on a period of rapid economic change, the similarity is not accidental. But European countries have the wealth, the administrative resources and the political traditions which should enable them to avoid the more brutal effects of such periods.

There is a strong likelihood that the "welfare states" of Europe will be reorganised during the 1990s. Part of the reason for this is the fiscal crisis caused by the dramatic growth in the numbers and proportions of elderly people compared to wage-earners within the population. In the EC as a whole, the number of those aged 65 or more has been increasing rapidly from 34 million in 1950 (9% of the population) to 61 million in 1985 (12% of the population), and is predicted to reach 97 million by 2025 (18% of the population). (Economic Commission for Europe).

As Table 1.2 shows, Ireland has, and will continue to have, by far the heaviest dependency ratio (the population over 60 and under 15 per 100 population aged 15-59) compared with any of the other western European states. Although this high ratio is expected to fall during the next 20 years, it will still remain the highest.

A rapidly ageing population structure - particularly among the very old, over age 75 - poses great problems for economic and social policy - particularly in paying for the pensions, social assistance and specialised services (housing, transport, leisure, social work, health care and hospital or domiciliary services) needed by an

Table 1.2 Dependency ratios by countries, 1970 - 2000

Population aged less than 15, and aged 60 and over per 100 population aged 15-59							
Country	1970	1975	1980	1985	1990	1995	2000
Denmark	69	70	69	67	67	66	65
Finland	63	60	55	54	54	53	51
Ireland	88	87	88	88	86	82	76
Norway	74	75	75	74	72	69	65
Sweden	68	72	73	74	72	69	68
United Kingdom	75	76	74	73	73	70	68
Austria	81	78	66	63	63	62	62
Belgium	74	72	64	64	66	67	66
France	75	75	68	69	70	69	67
Germany Fed. Rep.	74	72	61	57	59	61	65
Netherlands	72	69	66	65	66	63	61
Switzerland	72	70	67	67	68	67	65

Source: EC Report, Table 17.

elderly clientele, compared with the very different pattern of welfare services required by the predominantly young and family-centred population of the post-war period.

The combination of these processes (industrial restructuring leading to further job losses and unemployment, and demographic changes leading to an increase in the proportion of elderly and dependent people) is causing fears that the "new poverty" will increase still further in Europe during the 1990s, and that it will undermine the benefits claimed for the single European market. The integrated European market of 320 million people cannot prosper if 45 million are too poor to consume the

Poverty and Progress

goods and services it produces and if public expenditure to support a large number of unemployed, elderly and poor people imposes too heavy a burden on the newly emerging European State.

These are some of the reasons why the European Commission is continuing to mount its programmes to combat poverty - programmes which encourage governments to involve national, regional and local authorities, and other major public, private, and voluntary agencies in developing integrated economic and social strategies to combat poverty, with the active participation of the poor themselves. We shall draw on the experience of these programmes in the second Part of our Report.

Thus poverty, as defined in EC and OECD studies and in European Programmes to combat poverty, persists in Ireland and is more widespread here than in most member states of the European Community. That is due very largely to economic and demographic trends to be seen all over Europe - trends which afflict Ireland particularly severely.

But more local factors are at work too. One of these is the continuing decline of jobs and incomes in Irish agriculture. Another factor, which is both an asset and a liability, is the ease with which Irish workers can migrate to other countries, particularly in the English-speaking world. The limited decline in unemployment achieved since 1987 must have been due to a large extent to emigration which was also flowing at historically high levels during the same period. That reserve army of Irish emigrants, available to return home when prospects improve in Ireland, probably takes a large share of any increase in jobs. This may help to explain why long-term unemployment, shown in Table 1.3, is so prevalent here, and so unresponsive to increases in the demand for labour.

Smaller-scale patterns play a part too. Ireland has an unusually "skewed" urban structure. Dublin - still, in some respects, the second city of the British Isles - is very much larger than any other in Ireland and has been growing rapidly for years, probably faster than any other city in Europe. After Cork, Limerick, Galway and Waterford come places which would be classed as no more than small provincial towns elsewhere in Europe. Dublin holds a dominant position in Ireland as indicated by the fact that it is the administrative centre of government, industry, finance, the media, the arts, the trade unions, many specialised research and education institutions and many voluntary organisations.

More than half the population of Ireland live in urban areas and many of the divisions in Irish society are reflected in the structure of these urban areas. Social segregation ensures that neighbourhoods are carefully stratified according to social class and status as a result of the operation of the housing market and housing policies generally. This process sifts people out into neighbourhoods where nearly everyone is prosperous, or nearly everyone is poor, with other neighbourhoods lying between, each with its clearly recognisable social composition. From the perspective of poverty the effect of this segregation, particularly in the larger urban areas, is to make it harder for those out of work and for many other poverty-stricken people to escape the forces which exclude them from the growing sectors of the city's economy. They also make it harder for public services to respond to the needs of severely deprived neighbourhoods in humane and efficient ways. That is a point to which we shall return later.

Who Are the Poor?

We know that the numbers in poverty are high and have grown much larger during the past decade. But who are these people? And how has their composition been changing? Households falling

Table 1.3 Registered long-term unemployment among men, 1989

(As a percentage of registered male unemployment)

	6 months and over	12 months and over
Austria	23	13
Belgium	75	62
Finland	23	7
Germany	49	33
Ireland	66	49
Netherlands*	71	54
United Kingdom	59	42

*1988

Source: OECD Employment Outlook, July 1990, p.205

below half mean income in 1987 can be broken down by the labour force status of the head of household as follows: unemployed (34 per cent), farmer (24 per cent), employee (10 per cent), self employed other than farmers (5 per cent), retired (10 per cent), ill (3 per cent), persons engaged in home duties (8 per cent) and others not in the labour force (7 per cent) (Callan and others, 1989, p. 102). Comparing these figures with the situation in 1973 we find that the composition of poverty has changed significantly over the period. In 1973, for example, only 10 per cent of households below half mean income had an unemployed head while one half of such households were headed by a retired person or someone in home duties. The growth of unemployment is perhaps the single most important factor influencing this change.

While one in ten households below the 50 per cent poverty line were headed by an employee, this is only part of the low-pay picture. Table 1.4, derived from an ESRI Survey of Income Distribution in 1987, deals with low pay, identifying those below a "higher threshold" of IR£130 per week which is "similar to the FIS eligibility ceiling in 1987 (IR£126), and to 1.4 times the SWA rate for

Table 1.4 The age and sex of employees below pay thresholds. Ireland, 1987

Age	% Below lower threshold			% Below higher threshold		
	male	female	all	male	female	all
Under 25	20	29	49	21	29	50
25-34	6	15	20	9	15	23
35-44	4	9	13	4	7	11
45-54	2	9	11	2	7	9
55-64	1	3	4	2	3	4
65 and over	1	3	3	1	2	3
All	33	67	100	38	62	100

Source: Blackwell, J., and Nolan, B., 1989, *Low Pay - The Irish Experience*, Dublin: Combat Poverty Agency and The Irish Congress of Trade Unions, p. 9

a couple with two children ...". Using this benchmark the authors found that "about 28 per cent of all employees in the sample were below this threshold. This compares with 23.5 per cent of employees who were below the corresponding threshold in ... 1979 ..." (Blackwell and Nolan, 1990).

Poverty affects not only those who are on low pay or in receipt of social welfare payments. It also affects children who depend on these adults. Table 1.5 shows how poverty has been affecting children in recent years. During the fifteen years leading up to 1987 there was a striking increase in the proportion of households with children and a decline in the proportion of childless households among the poor. The same source shows that in 1987 28 per cent of all households with children, and 50 per cent of those with four or more children fell below the 50 per cent

Poverty and Progress

Table 1.5 The Changing Composition of Poor Households

Households below the 50 per cent poverty line
(Percentages falling into different groups)

Household Type	1973	1980	1987
One or two adults	46	37	21
Other adults only	11	9	12
Two adults with children	20	29	42
Others with children	24	25	25
All without children	57	46	33
All with children	43	54	67

Source: Callan, T., and Nolan, B., 1988, "Family Poverty in Ireland: a Survey Based Analysis", in Healy, S., and Reynolds, B., (Editors), *Poverty and Family Income Policy*, Dublin: Conference of Major Religious Superiors, 1988, p.80.

poverty line. Meanwhile only 10 per cent of one-person households and 12 per cent of two person households without children fell below this line. Since the total numbers of persons in poverty have been growing (from 16 to 23 per cent of the total population) the probability that Irish children will be growing up in poverty has increased dramatically.

Does Economic Growth Reduce Unemployment?

Unemployment is one of the main causes of poverty in Ireland. In view of this it is worth examining in more detail the effect of economic growth on unemployment drawing on recent Irish experience in this area. This provides yet another way of addressing the broader question of whether the rising tide lifts all boats.

The growth rate of the Irish economy has been very rapid since 1987, averaging more than 4 per cent per annum, compared with only 1.7 per cent in the period 1980-1986. The growth of industrial output has been particularly rapid at around 10 per cent per annum between 1987 and 1990. This rapid growth rate occurred against the background of continuous economic growth in the world economy between 1982 and 1990, one of the longest periods of sustained economic growth since the Second World War. Viewed from this perspective, the benefits of sustained economic growth in the world economy were relatively slow in making themselves felt in Ireland.

The rapid growth of output in Ireland has not been matched by a corresponding increase in living standards. This is due to high levels of personal taxation combined with the effects of public sector cut-backs. In addition the linkage between the most dynamic parts of the industrial sector and the rest of the economy are rather weak with the result that changes in output are not necessarily reflected in domestic demand.

Within the manufacturing sector of the Irish economy it has become usual to distinguish between indigenous companies and foreign-owned companies. The latter are typically branches of multinational companies who manufacture almost exclusively for export, who employ relatively small numbers of individuals because of the traditional Irish bias towards subsidising capital rather than labour and who declare large profits in Ireland because of the low levels of corporation tax in Ireland. Multinationals understandably organise their accounts so as to declare large profits in countries where corporation taxes are low. Unlike the indigenous companies, foreign-owned companies primarily serve the European market rather than the domestic market.

The attraction of foreign-owned multinationals to set up new plants in Ireland has been a core element in Irish industrial policy for many years. These companies tend to be highly capital intensive and thus require relatively little labour even though it is in plentiful supply. In 1986, wage costs in foreign-owned manufacturing enterprises accounted for only 24 per cent of net output compared with 47.1 per cent for Irish-owned manufacturers. Further, the foreign-owned companies are primarily oriented towards foreign markets both in the supply of components and in their sales. They also tend to repatriate their profits to their parent companies rather than to expand investment in Ireland. The extent of this repatriation has almost trebled in recent years, rising from IR£659m. in 1983 to IR£1,903m. in 1988. Such repatriations are factor payments which offset the value of exports (IR£12073m. in 1988) in the determination of the current account balance. Since they derive mainly from exports, these payments are likely to be highly responsive to the level of external demand.

The rapid growth of productivity, particularly in the foreign-owned sector, has meant that output growth has not been matched by significant increases in employment or consequent falls in unemployment. Indeed employment in the traditional industrial sector fell annually by an average of 4.2 per cent between 1980 and 1987, while growing at 2.9 per cent in the modern sector (Baker 1988).

There is considerable agreement that the performance of indigenous industry in Ireland has been less than satisfactory (Telesis Consultancy Group, 1982). This is not a recent phenomenon. Indigenous industry has never provided (except in the short-run under considerable protection) the level of employment growth achieved by native industry in other countries (O'Malley, 1989). Many reasons have been put forward to explain that relatively poor performance. These range from dependency theories to structural explanations. The debate has in recent years focused on whether the government intervenes too much or too little. Whatever the outcome of the debate, there is a clear need to do something about indigenous industry.

There is now broad agreement about the need to develop large firms with economies of scale capable of competing internationally. There is also support for the view that the prerequisite for a vibrant internationally trading domestic sector is the existence of highly clustered domestic industries which would be competitive enough to launch local firms onto the international market (Porter, 1990). According to this view, size is less important than the creation of conditions which support competitive behaviour and strength. The amount and type of government intervention required to achieve these things depends on how effective you believe governments can be in these matters. The outcome, however, will have a crucial bearing on economic growth in the country, and hence on the prospects of the poor and the scope for public policies which may help them.

One of the attributes of the Irish economy is that labour supply is very flexible in its response to changing economic conditions. An increase in economic growth brings about an increase in labour force participation mainly through net changes in migration. For instance, even though the period from 1987 to 1989 was one of more rapid growth for the Irish economy, the number of persons on the unemployment register fell from 254,000 to 231,000, a fall of only 23,000. The long term unemployed tend to lose out in the scramble for jobs as a result of economic growth. They are "crowded-out" as a result of changes in labour force participation.

Public sector employment is susceptible to a different range of considerations from those in the private sector. Recent cuts in real, non-welfare, government consumption have led to an "embargo" on public sector employment which has inevitably led to a reduction in numbers working for the state as some workers have left and not been replaced.

Changes in employment are not necessarily directly reflected in recorded unemployment. This is particularly true in Ireland because of net emigration which has always been an alternative to unemployment and the fact that everyone seeking work is not necessarily on the Live Register of unemployed. Thus the number of persons on the Live Register can rise or fall independently of any changes in the level of employment.

The potentially benign effects of economic growth on the Irish economy are further blunted by the size of the government deficit and the national debt. The size of the government deficit peaked in 1986 at 13 per cent of GNP. At the end of 1988, the national debt stood at 133 per cent of GNP, which is extremely high by international standards. The cost of servicing this debt was IR£2.43 bn, which amounted to more than 30 per cent of current government spending. This debt is a substantial borrowing against the income of current and future generations. As one commentator recently put it:

"It was not just from foreign banks that we borrowed in the 1980s; we borrowed from the education of the six year old child in the larger class, we borrowed from the health of patients on the waiting lists and the hospital trolleys, we borrowed from the declining years of the old people hobbled and pained for want of a hip operation, we borrowed from the ability to hear and to learn of the kids who had to spend two years half-deaf because their parents could not afford the operation for glue ear which those in the other two thirds of society could have in a matter of days." (O'Toole, 1991, p.4).

Ireland's response to its economic problems has remained strongly corporatist in orientation and has maintained a substantial consensus among the social partners on how the core problems should be tackled. This corporatist approach underpinned the Programme for National Recovery (1987-1990) and the more recent

Programme for Economic and Social Progress (Ireland, 1991). This consensus has yielded benefits in terms of controlling the national debt, reducing inflation and stimulating economic growth but has been markedly less successful in reducing unemployment and involuntary emigration.

Given the persistence of high levels of unemployment in Ireland it may be worth examining this issue in greater detail. Unemployment rates in Ireland are very high by European standards. In December 1990, there were 233,000 unemployed on the Live Register implying an unemployment rate around 18 per cent, which is about twice the EC average and only exceeded by Spain in the European Community.

Over the last twenty years or so the Irish labour market has had a relatively large number of new entrants by contemporary European standards. Offsetting this effect is the substantial net emigration from Ireland, the traditional response to excess labour supply. Though emigration tends to reduce unemployment levels (in the short term rather than the long term) it tends to be selective in its effect. Traditionally in Ireland the great majority of the emigrants were unskilled (Kennedy, et al., 1988). Emigration has, however, also occurred from the professional classes. In recent times, though the evidence is still quite weak here, the general composition of emigration has been changing to include a higher proportion of qualified people (Sexton, 1987). The loss of emigrant workers increases the dependency ratio (though this depends ultimately on whom "they take with them"). That may make it increasingly difficult for the workers who remain to fund social and welfare programmes aimed at the old and young. Further losses come in the form of "discouraged worker effects" - individuals who consider themselves to be potentially employable but who do not choose to register as unemployed.

One of the most notable features of the recession of the early eighties was the unprecedented increase in long-term unemployment throughout Western Europe. Since then, reductions in long-term unemployment have only occurred slowly, even though total unemployment has fallen quite rapidly in recent years. This has been a particularly severe problem in Ireland. In October 1990, of the registered unemployed 45% had been out of work for more than one year while 21% had been out of work for more than three years.

There is no evidence that unemployment in Ireland in the 1980s is to any greater extent than in previous periods due to structural factors. There has been no marked widening of the differentials between regions or between industries during the decade (Walsh, 1987). Neither has there been a major youth unemployment problem, although that pattern may be changing. In 1979, unemployment among those under 25 was 3.5 per cent higher than for all adult workers. But that excess was lower than in most countries of the EC. However, by 1985 the gap between youth and adult unemployment had widened bringing the rate for those under 25 to 25 per cent which was above the EC average of 21 per cent (Kennedy and Giblin, 1987). It should be borne in mind, however, that by far the highest net emigration rate is for those aged 20-24.

Long-term unemployment poses a number of problems which damage economic performance. The principal cause of these problems is the exclusion of the long-term unemployed from active participation in the labour market. As a result of lack of success in finding a job, they may lose the motivation to continue searching and employers may be prejudiced against hiring those who have had no recent experience of work. There is thus a reduction in the effective supply of labour which amounts to a costly waste of talent. High levels of long-term unemployment have damaging economic and social effects and load public expenditure with the heavy burden of maintaining people in idleness. These high levels

of long-term unemployment are not necessary to control inflation. There is evidence that measures designed to bring the long-term unemployed back into work can be taken with virtually no effect on wage inflation (Layard, 1987). Many other countries, such as Sweden, Norway, Finland and Austria, Canada, the USA and Japan, have much lower levels of long-term unemployment (Sinclair, 1987).

The relationship between economic growth and reductions in long-term unemployment is particularly weak in Ireland mainly because growth owes a great deal to the expansion of capital-intensive, foreign owned industries, and because migrant workers return to take new jobs which are made available. It is the short-term unemployed, not those out of work for long periods, who emigrate in search of work. Thus fluctuations in migration, inward and outward, have little effect on long-term unemployment.

Walsh (1987) has shown that a rise in economic growth relative to previous trends first of all calls forth an increase in the supply of labour, then reduces the number of short-term unemployed, and only in the long-run (and even then very weakly) reduces the number of long-term unemployed. This pattern is supported by evidence from other countries (OECD, 1988). Only in countries which have intervened directly in the labour market to bring down the number of long-term unemployed has some progress been made. In Sweden, for instance, intensive counselling, retraining and placement of those out of work for over six months has mitigated the long-term unemployment problem.

Fiscal contraction also played a major role in the growth of unemployment in the last decade (Barry, 1990). This influence is confirmed by Walsh (1987) who concludes that during the 1970s an expansionary fiscal policy helped to narrow the gap between unemployment in Ireland and the rest of the EC, while the

restrictive policy pursued since the early 1980s has contributed to its widening. Other commentators suggest that it was inappropriate fiscal contraction rather than deflation per se which caused the problems. Cutting capital instead of current expenditure while increasing direct taxes was not conducive to creating a climate for economic growth. Whichever viewpoint one adopts it is clear that Irish unemployment cannot be understood without taking fiscal policies into account.

In summary, the Irish economy suffers from particular problems. Amongst these are: a high level of government debt; a high level of foreign debt; an economy where foreign multinationals operate almost independently of domestic industry and repatriate large amounts of their profits; extremely high levels of unemployment and particularly long-term unemployment.

The more hopeful implications of this depressing scenario are that major, new initiatives designed to bring excluded people back into the economy - if carefully targeted to ensure that they do not damage the opportunities of school leavers and the short-term unemployed - can be taken without reviving wage inflation. And, once back into jobs, those who were previously excluded generally remain in work (Matthews, 1990). It is time that such initiatives were taken. In this regard, the recognition in the Programme for Economic and Social Progress (Ireland, 1991) of the need for special measures for the long-term unemployed is encouraging.

Does public policy encourage poverty?

Some have feared that the growth in long-term unemployment, lone parenthood and other forms of dependence on state benefits has been brought about by the higher benefits now offered (see, for example, Murray, 1984). A great deal of research has been

done on this issue - and particularly on the relationship between benefit payments and unemployment rates. It reveals complicated patterns.

A generous benefit system linked to work records, as most of them are, encourages people to seek work in order to gain eligibility for future benefits. The more generous the benefits, the more willing people are to take the trouble to secure these rights. Poor benefits produce poor take-up rates. Thereafter, improvements in benefits may slightly increase durations of unemployment when people fall out of work - partly, perhaps, for the good reason that they enable people to re-train or to search more carefully for a job appropriate to their skills. But changes in benefit rates do not seem to affect the total numbers out of work. If some are deterred by their benefits from finding work, others who would have been unemployed take the jobs instead.

Irish benefit rates for the unemployed have in fact fallen, as a percentage of wages, while unemployment has been rising. OECD figures show that short-term benefits for a married worker with two children stood at 81 per cent of average industrial earnings in 1980. By 1988, when unemployment in Ireland had more than doubled, they had fallen to 66 per cent of these earnings. The largest increase in unemployment has taken place among the long-term unemployed who are no longer entitled to what were formerly more generous, pay-related benefits. The only unemployed people whose benefits come close to a low wage rate are the small minority with large numbers of children. A policy of driving people back to work by cutting benefits therefore has to be a policy of cutting payments for children.

Means tested benefits are unlikely to persuade people to give up decent jobs, but they are more likely than contributory benefits to deter people from returning to work because they are withdrawn

as soon as people earn a little money, and often when they enter training which means they are no longer available for a job. This kind of poverty trap is particularly severe if they have large numbers of dependents to boost their benefits and, when in work, low wages and high tax rates which reduce their net earnings. Whether that is best described as a problem of work incentives, of "targeted benefits" and means testing, of high benefits, of high taxes or of low wages is essentially a matter of political taste: it is all these things.

Thus far we have dealt with benefits for the unemployed. The evidence on benefits for pensioners, the sick and disabled, and one-parent families shows that these payments have enabled many people to stop work who would not otherwise have done so. That, in most cases, is not a problem but a solution: it was an essential part of their purpose.

The tendency for benefits to deter people from returning to work when they wish to do so poses complex questions. It is clear that this happens in many countries for complex reasons which include: (1) rules which deprive people of benefit as soon as they return to the labour force, perhaps before they have built their earnings up to a living wage; (2) means tests which disregard very little of their earnings, and then withdraw benefits pound-for-pound or at a very steep rate as their earnings increase above the disregarded level; (3) low tax thresholds and high tax rates which have a similar effect, increasing the severity of the poverty trap; (4) rules which treat the whole household or family - or even three generations of the family, as in Germany - as the unit for means testing, so that the earnings and savings (including, in some cases, the home ownership) of anyone in this unit will reduce benefits for its unemployed members; (5) for lone parents, the scarcity and the high costs of child care, and the way these costs are treated by the tax and social security systems; and (6) in all cases, the general

severity or laxity of the rules and the administrative system which applies them.

It is clear therefore that the basic principles on which a social security system is based have profound implications for the people who depend on it and for the whole society in which they live. There are three main principles available.

- (1) Insurance based systems, usually linked to work records, which may be funded through state schemes, through the private sector, or a combination of both. Eligibility depends on past contributions.
- (2) Assistance systems, funded by taxes and administered through means tests. Eligibility depends on need.
- (3) Citizenship rights which confer benefits on categories of people without regard to contributions or needs. Child benefits, if untaxed and not means-tested, take this form. So would negative income tax or other ways of providing an assured basic income for all.

Most countries rely on a mixture of the first two types of system - insurance-based or means tested, leaning somewhat towards one or the other, with the addition of child benefits of some kind which may follow the third pattern.

But for our purposes the most important trends to bear in mind are that the proportion of people depending on means tested systems of the second type, and the proportion of state benefits distributed in this way have been growing for many years in most countries for groups other than pensioners. Ireland is no exception. These trends have at least four causes. (1) The growth of long-term unemployment which excludes people from insurance-based systems linked to work; (2) the growth of new kinds of labour contracts for temporary, part-time or self-employed workers who usually lack full social security rights; (3) the growing numbers of one-parent families whose benefits are generally provided by social assistance; and (4) fiscal pressures - coupled in some cases with political ideologies - which have encouraged Governments to restrict public expenditure and to target it more carefully at poorer people.

The motive power of these four factors is likely to drive most Governments further down the means-testing road. Meanwhile, alongside this growth in social assistance, reliance on employers and financial institutions of the private sector to fund increasingly generous insurance-based systems has also been growing for more affluent workers. These are generously supported by tax reliefs, which are rarely mentioned when cuts in social security benefits are considered.

The fear that generous social benefits, too laxly administered, will encourage people to supplement them with fraudulently concealed earnings from uninsured work has alarmed many people. Their response has generally been to demand a "crack-down" on "dole fiddlers" and "scroungers", rather than on the employers who benefit from their subsidised labour. (Meanwhile the same people rarely abandon their search for builders, mechanics and repairmen who will do odd jobs for fivers out of the back pocket at weekends.)

A shrewd and thorough study of this seldom researched topic was made in Ireland by Ray Pahl (1988) who has studied the same issues in depth in the UK. His main conclusions were that

"it is very unlikely that many people in Ireland are getting very rich in the black economy. The most likely conclusion is that a fairly widespread but relatively minor level of fiddling ensures that the high marginal tax rates are more tolerable".

"... it may be that higher marginal tax rates have encouraged migration at all levels of society which in other countries might have produced a much more substantial black economy. If emigration is Ireland's safety valve the local black economy may be Ireland's myth".

The terms of this conclusion make it clear that Pahl is talking about the employed, not the unemployed, as the most likely "fiddlers" - people who pay taxes and migrate to other countries.

There is no conspiracy behind these patterns. It takes two generations to create a fully developed social security system. Those to be seen in Europe today therefore tend to reflect the assumption - often nearly true in the past - that most families would depend mainly on one, fully employed man who worked for a lifetime, while his wife, after a brief period of paid work, spent most of her life rearing children and looking after the home; and retirement, for both of them, was brief. These systems assumed that people were either training (early in life), or working, or unemployed (usually briefly), or retired (completely and for the rest of their lives). They were designed to meet the needs of employers and the best organised workers; not those of a society in which people may have to retrain for different kinds of work several times in the course of their lives; not a society in which women are increasingly part of the labour force; not a society where parents may change partners and rear children single-handed; not a society where unemployed and retired workers, lone parents and others may need to take part-time jobs to supplement their incomes or acquire new skills. Systems based on the old assumptions tend to discourage people who are now on the margins of the economy from taking work unless they can earn enough to lift themselves and their families right above the social assistance level. Thus the labour market and the social security system interact to reinforce and institutionalise the social divisions between those in the core and those on the periphery of society.

Under these arrangements a rising tide cannot lift all boats. Moreover the persistence of these arrangements and the failure to acknowledge market failure where it occurs threatens to erode social solidarity and the precarious ideals of mutual responsibility among fellow citizens in a civilised community. Governments in many parts of the western world manage their economies in ways which arrest the tide of economic growth as soon as signs of "overheating" appear, long before its benefits flow in strength into

the more marginalised communities. If democratic leaders, accountable to their electorates, operate in these ways, that is because the core workers and their families who form the majority of voters are reluctant to accept sacrifices in the cause of a wider social solidarity. These core workers do not feel responsible for those excluded on the periphery of the economy, or do not see why they alone should bear that responsibility when other, richer and more powerful groups seem to evade it. In this sense poverty is a challenge to the ideals of social solidarity and mutual responsibility which are cornerstones of European democracy.

The rising tide of economic growth cannot lift all boats because it frequently fails to break the cycle of poverty for those worst affected by it. At the bottom end of the labour market jobs are filled, not by advertisement, but by word of mouth. If most of the potential sources of this information are themselves out of work, it is easy to see how people can get cut out of the gossip networks which plug them into the system. That is why unemployment afflicts whole families and whole streets. The unemployed are more likely than those in work to have unemployed spouses and children. Social segregation, in turn, is reinforced by regional variations in economic opportunities which concentrate the most prosperous industries in growth areas where their links with customers and suppliers are good and where workers with the scarcest skills are able to live. At an urban scale, segregation is reinforced by the workings of a housing market in which subsidies have concentrated new investment in the suburbs while the old city centres have been neglected. Meanwhile, the poorest people depend heavily upon public rented housing allocated in ways which tend to create, at the bottom end of the market, ghetto neighbourhoods inhabited only by those who urgently need a house and have nowhere else they can go. Many of the most affluent cities in Western Europe - places in which a rising tide would have done its benign work if it ever could - have neighbourhoods of this kind.

There are countries, particularly small countries much exposed to international economic fluctuations but with a homogenous population and a strong sense of national unity - countries not unlike Ireland - which have been remarkably successful in moving towards greater social solidarity, greater equality of living standards and the reduction of poverty. Sweden and Norway are the best documented examples. That did not happen by accident. Their achievement has been largely due to economic and social policies hammered out over two generations of public education and debate, experiment and reappraisal. Sound economic management, based on close consultation between the Government, the private sector and the labour movement, maintaining high levels of employment and low rates of inflation, have together played fundamental parts in the story.

The more sombre reasons for seeking new solutions start from the plight of those who are excluded by their poverty from full participation in the opportunities which a growing economy should be able to offer to all its citizens. The skills, the self-confidence, the courage of thousands of citizens are eroded and their children grow up in conditions which make it harder than it should be for them to develop their abilities. Meanwhile thousands more leave Ireland and contribute to economic growth in other countries.

This kind of argument often leads to pleas for new and expensive programmes - pleas which any Government has difficulty in responding to, and particularly if it is as burdened, as in Ireland, by public debt and a fiscal system so ill-equipped to harvest revenues from economic growth. But although our argument may eventually lead to proposals for new programmes we start at a far more basic level. Our studies of poverty-stricken neighbourhoods up and down the country have repeatedly shown that a great deal of public money is already being spent in ways which too often reinforce the exclusion of

poverty-stricken people from the life of their own country. Some illustrations will show the kind of thing we have in mind.

It was an expensive housing policy, introduced without due regard to its impact on poor neighbourhoods and on other sectors of the economy, which for two and a half years (October 1984 - March 1987) provided a IR£5,000 "Surrender Grant" that encouraged people to move out of local authority housing estates in large numbers, thereby increasing turnover, weakening already precarious communities, and increasing vacancies, vandalism and decay in some of Ireland's most poverty-stricken neighbourhoods.

We have been told in many such neighbourhoods that the expensive training programmes of FAS, which probably work pretty well in more affluent places, are very difficult to participate in for those living on social welfare payments. Moreover, they are often confined to so narrow an age-range that many people under 18 or over 25 are excluded from them. These patterns, imposed by training and social welfare services, without sufficient understanding of the combined effects of their policies help to explain why unemployment rates remain exceptionally high in these communities.

The blighting impact of slowly maturing road plans which have for years laid waste whole swathes of Dublin's inner city; the irony of the regular bus service between Limerick and Shannon Airport which passes the isolated Moyross estate but will not stop there; the millions invested in the DART rail service in Dublin's south-eastern suburbs where car ownership rates are highest, while 70,000 people in the remoter western suburbs of the capital have to travel eight miles by bus to the city centre. These are examples of expensive road and public transport policies which serve to reinforce exclusion rather than overcome it.

Introduction

We have shown, in Part One of this Report, that Ireland has, by European standards, a major problem of poverty which inflicts much hardship and will not be resolved unless fresh action is taken to achieve that. But we showed, too, that Ireland's economic prospects are encouraging, and should provide the means to ensure that more and more of its citizens gain a full share in the benefits of growth. However, the progress made thus far depends heavily on financial discipline, and the capacity of the Government and its social partners to manage the development of the economy without making excessive demands on its resources. In the short run, fresh initiatives calling for public expenditure will be modest, amounting largely to a redeployment within existing programmes. A great deal of public money is spent, however, in ways which accept, or even exacerbate, the exclusion of poor people from the mainstream of society. Given time for fresh thought and more fundamental change, it cannot be impossible to do better.

In Part Two of the Report we draw on the experience of this and other countries to explore ways in which those now excluded from the mainstream may gain a fairer share of the opportunities which an expanding economy could offer them. We concentrate on deprived urban communities, not because the needs of rural people are any less urgent but because a focus on urban poverty allows the more general questions addressed in the Report to be analysed in a more systematic way. This part of the Report draws out some of the key issues and lessons which have been learned about policies and programmes to tackle urban poverty based on documented experiences in Ireland, the United Kingdom and the European Community.

We look first, in Chapter Two, at community enterprises operating in small neighbourhoods in Ireland, many of which have received Government support over a number of years. Although they have many achievements to their credit, the verdict on these enterprises

Introduction

is, in general, disappointing. We do not expect the rich to create their own jobs and enterprises within their leafy suburbs; no more should we expect the residents of poor neighbourhoods to lift themselves into the mainstream by their own bootstraps, even with a bit of advice and subsidy to help them. Policy makers will have to look further for solutions.

In Chapter Three we consider a wider range of strategies, operating on a larger scale, drawing on the experience of the United Kingdom but still focusing mainly on attempts to open up the labour market by generating jobs and creating enterprises. The evidence shows that it is possible to get enterprises going successfully in some of the most discouraging urban environments. It is much less clear whether the long term unemployed and the most excluded people will gain a great deal from these strategies.

Those conclusions lead us, in Chapter Four, to look at the whole range of strategies which have been developed and analysed over many years in the series of three European Community programmes to combat poverty. After drawing conclusions from these, we move on, in Chapter Five, to the larger-scale questions of city government and national policy to which any serious consideration of poverty must lead. We deal with them very briefly, focusing attention on strategic issues only.

Our main conclusions are summed up in Chapter Six. This does not list specific, costed recommendations. At this stage in public debate about poverty it is more important to seek agreement about the general character and urgency of the problems to be addressed, and the main priorities of a strategy capable of responding to them. Armed with a broader consensus, based on a well informed understanding of the problems, the nation will develop more effective solutions for them. Our conclusions are intended as a contribution to the development of that understanding.

The original intention of the Community Enterprise programme was that it would support initiatives in a wide range of community contexts. In practice however, community enterprise activities became concentrated in the most deprived communities as a core element in community development strategies for those areas. Commenting on this, the Chief Executive of the Youth Employment Agency (1982-85) stated:

"It was never conceived that community enterprise would generally be an appropriate initiative for areas with crisis levels of unemployment, geographically as well as socially marginalised with almost universally low levels of vocational and other skills and with no record of achievement in collaborative activities" (Greene, 1990, p.20).

The numbers of groups estimated to be involved in developing community enterprise in Ireland has increased from approximately 10 in the early 1970s to 70 in the early 1980s to over 300 in 1987. By 1990 it is reckoned there will be 500 such groups (see Faughnan, 1989, p.8). The idea of community enterprise has widespread support among community leaders in deprived urban areas in Ireland (see, for example, Cullen, pp.42-43) and is seen by the Combat Poverty Agency as an important element in the process of community development (Combat Poverty Agency, 1989). This is evident in the activities of the nine projects in the Second EC Programme to Combat Poverty (1985-1989), six of which were involved in the promotion of community enterprises (see Cullen, 1989, pp.42-53).

The effectiveness of community enterprise as a strategy for combating poverty and unemployment in urban communities has not yet been proven in Ireland. Although its adherents acknowledge that it is only one element of a much larger strategy of community development, the potential of community enterprise to make a decisive impact on urban communities has yet to be

demonstrated convincingly. The returns from the considerable investment of time and resources, both statutory and voluntary, in terms of sustainable, remunerative and interesting jobs have not yet been fully researched, nor have their impact on the broader issue of community development (Faughnan, 1989, pp.245-246; Ross, 1989, pp.6 and 17). Two substantial evaluations of the Community Enterprise Programme have been undertaken by FAS although the reports have never been published. This Chapter relies solely on the published material on community enterprise.

Community Enterprise in the Mid-West Region

The mid-west region refers to the counties of Limerick, Clare, Tipperary, North Riding and South Offaly. The urban core of this region is centred on the triangle of Limerick, Shannon and Ennis. By comparison with other regions in Ireland, it has a relatively high level of local autonomy in relation to economic development and is highly developed economically. This was the context in which Collins (1988) undertook an in-depth analysis of 13 community enterprises, eight rural and five urban in 1986.

The enterprises were involved in producing a wide range of products in the manufacturing and service sector. In terms of employment, 59 full-time equivalent jobs were created although, as Collins (1988, pp.132-133) points out,

"only eight non-management workers are employed on a secure permanent and full-time basis within the enterprises".

All of the enterprises tended to be small, economically vulnerable and engaged in low skilled, labour intensive and generally low value added production. Many of the enterprises were dependent on poorly paid contract work from one or two multinational companies in the region. In general, participation by workers in the management and decision-making in the community enterprises

was very slight (Collins, 1988, Chapters 8 and 9). All of the enterprises were highly dependent on State support and none of them were financially independent.

Each job created in these enterprises cost IR£4,393 in 1986 which, depending on the circumstances, may not have been in excess of the cost of social welfare payments and other entitlements for an unemployed person with dependents at that time. The comparable cost of jobs created and sustained by the Industrial Development Authority over the period 1980 to 1986 was an average of IR£18,120 at 1986 prices. However the interpretation of comparative figures on the cost of job creation is constrained by the lack of information about the benefits of these jobs in terms of the wages, type of work and their overall multiplier effects. In the absence of such data, Collins (1988, p.139) comments that:

"while jobs in the community-owned firms are inexpensive in absolute terms, they are also of low economic value, low skilled, labour intensive and poorly paid".

The managers in the enterprises played a key "brokerage" role in linking the community enterprise to the state agencies such as AnCO and the Youth Employment Agency (both incorporated in FAS in 1987) and the Shannon Free Airport Development Company. Each of the enterprises availed of approximately five state schemes and, with one exception, the salaries of all the managers were paid by the one of the state agencies (Collins, 1988, p.158). Thus the statutory involvement in the community enterprises was pervasive while the community's financial stake in the enterprises was very modest.

The broader significance of these community enterprises is summarised by Collins (1988, p.162) as follows:

"The high level of State funding and other supports to these projects, and their tenuous commercial basis, suggests that

The Experience of Community Enterprise in Ireland

community enterprise might be more accurately viewed as a form of public welfare or public relief service rather than as a harbinger of a new economic order, or of an innovative way of reorganising production and work. Where they are innovative at all it is in reorganising unemployment rather than employment."

More recent evaluations of community enterprise in Ireland have been undertaken by Faughnan (1989 and 1990) who examined various forms of community enterprise in two different parts of Dublin: Tallaght and the north inner city. Each of these will now be examined.

Community Enterprise in Tallaght

Tallaght was a village in the west of Dublin until 1972 when it was designated by Dublin County Council as the location for a new town. Its population rose from 8,000 in 1971 to 73,000 in 1986. This population is accommodated in housing estates many of which lack the economic and social infrastructure of towns of similar size. The area has a young population and a high level of unemployment.

In 1984, a community-based organisation, Get Tallaght Working, was established to tackle the problem of unemployment in the community. In the following year it received funding from the Youth Employment Agency to carry out a study of employment creation in the area and subsequently, under the Community Enterprise Programme, it employed a Community Enterprise Worker. It also lobbied the various statutory agencies to take urgent action to deal with the various facets of a deprivation in the community.

Nine community enterprise projects were established under the auspices of Get Tallaght Working with a view to creating community-based enterprises. These were based on the following

The main source of funding for the projects was the Community Enterprise Programme of FAS which funded training programmes and provided development grants and commercial aid grants as well as paying the salary of the Community Enterprise Worker, the latter being

"the single most important resource at local level"

(Faughnan, 1989, p.43).

Financial assistance was also provided at crucial stages by the Combat Poverty Agency, Self Aid, the Ireland Fund and the Society of Saint Vincent de Paul. Despite this diversity of funding sources the actual amounts were insufficient for the development of the enterprises.

Some projects had difficulty finding premises at affordable rents while all had difficulty in finding resources to develop the product, undertake marketing and provide a source of income prior to attaining commercial viability. This experience, which has been confirmed by previous research (see notably Ball, 1987; European Foundation for the Improvement of Living and Working Conditions, 1988), serves to underline the entrapment which poverty and unemployment create and the difficulty of escaping from it through the route of enterprise development.

The most difficult hurdle for all the projects was securing a wage for those working in the co-operative since only one co-operative was able to generate enough revenue to pay two people a modest

The Experience of Community Enterprise in Ireland

wage (Faughnan, 1989, pp.63-64). This posed problems because regulations for social welfare payments insist that people should be available for work while receiving them. Conversely the effect of transferring to other forms of payment such as the Social Employment Scheme, the Enterprise Allowance Scheme or trainee allowances often involves a reduction in income and the loss of some of the fringe benefits of the social welfare system. Thus for many of those involved in community enterprise, a poverty trap exists in the period between developing the business and full commercial viability.

Commenting on this issue, Faughnan (1989, p.253) states:

"This area needs to be addressed urgently if there is to be any meaningful commitment to promoting community enterprise where there is massive long-term unemployment, high poverty levels and a huge dependence on the social welfare system. An adequate income whether in the form of an 'allowance' or 'wages subsidy' which provides security for a period, does not penalise people for venturing into job creation and offsets the loss of any benefits in kind, would seem to be the minimum required".

In the case of those community enterprises which generate a certain level of income, Ross (1989, p.43) suggests that

"should such a person come off the dole they might be exempted from income tax and PRSI for two years and put on a sliding scale thereafter".

One of the lessons which has been learned from the experience of community enterprise in Tallaght, according to Faughnan (1989, pp.235-244), is the importance of an integrated approach to the economic and social development of deprived urban communities involving all the agencies concerned. Community enterprise can be only one element in a much larger strategy for combating

poverty and unemployment involving the active participation and support of state agencies, the private sector and community groups. This approach is being pioneered in the Tallaght Integrated Area Development Programme which was set up in 1988 under the auspices of FAS and is currently being evaluated in 1990. The importance of an integrated approach is also underlined in the structure of prototype projects in the Third EC Programme to Combat Poverty (1989-1994).

Community Enterprise in the North Inner City of Dublin

In the north inner city of Dublin a number of community enterprise initiatives have also been undertaken. Unlike Tallaght, the north inner city is an older, established community which has experienced population decline and high levels of unemployment for many decades (see McKeown, 1991a). As in Tallaght, youth unemployment is widespread and a number of training and temporary employment schemes have been funded by FAS and operated by local community groups such as the Youth Employment Action Group, Lourdes Youth and Community Project, the Larkin Centre for the Unemployed, the North City Centre Community Action Project, the Saint Vincent's Trust, Tosach, etc. (see Ronayne, Cullen, Wynne, Ryan and Cullen, 1986, pp.50-66; McKeown, 1991b). Since 1985 a number of these groups have formed a network of community-based organisations in the Alliance for Work Forum.

In the period 1986/87 the Youth Employment Action Group employed a Community Enterprise Worker funded by FAS under the Community Enterprise Programme. During this period, the Community Enterprise Worker provided support to 10 community-based business projects although seven out of the 10 were no longer trading by June 1988. The reflections of the Community

The Experience of Community Enterprise in Ireland

Enterprise Worker on these projects are particularly instructive from the point of view of identifying some of the difficulties associated with combating unemployment through community enterprise:

"Many different proposed projects have walked in my door over the past nine months and while the ideas can range from making rocking horses to steam-cleaning lorries, certain similar traits have emerged from all the projects and I see no reason to believe that these characteristics should change in the future. These are:

(a) Every single project member and proposed project member was on the dole.

(b) Not one single project or proposed project had any means of financial funding whatsoever.

(c) 95% of the projects would not be accepted by the Industrial Development Authority as commercial propositions for reasons of over-capacity, sensitivity, non-manufacture, etc.

(d) Most local people who arrive at my door with ideas for businesses do not have experience of drawing up a business plan, cash flow projections, market research, etc. They expect the enterprise worker to carry out all these functions which they often regard as just a procedure necessary for applying for grants. If the enterprise worker carries out these functions and the project gets the necessary grant, the members will completely discard the business plan as they never originally felt responsible for it or identified with it.

(e) Therefore, a very high proportion of the proposed project members would have to attend an AnCO Start Your Own Business or Co-operative Course if their project was to have any chance of succeeding. In fact our management committee is insisting that all project members attend such a course".

(Quoted in Faughnan, 1989, pp.178-179.)

These observations serve to highlight the enormity of the challenge which enterprise development poses for unemployed persons who lack financial resources, have low levels of education and training, and lack the business experience and expertise to create their own employment. In view of this, deprived urban communities are probably least well-equipped for developing community enterprises.

The obstacles to community enterprise in the north inner city were very similar to those in Tallaght, particularly in relation to the absence of venture capital, the difficulty of securing a living income while developing the enterprise and obtaining access to support and expertise. However as Faughnan (1989, pp.240-241) points out there were additional difficulties in the north inner city particularly in relation to the relatively weak linkages between FAS and the local community groups willing to support community enterprise. This resulted in community enterprise projects being divorced from the broader community development strategies of these groups, a problem identified in earlier research on community development projects (Kelleher, 1986).

Community Enterprise in Irish Projects in the Second EC Programme to Combat Poverty

Community enterprise formed one element in the strategy of community development adopted by six of the nine Irish projects in the Second EC Programme to Combat Poverty (1985-1989). These were the three rural projects (Letterfrack, Louisburgh and Inishowen) and three of the Dublin-based projects: South Inner City Community Development Association (SICCCA), West Tallaght Resource Centre and the Darndale project. The SICCCA project provided information, advice and other supports to a number of individuals and groups endeavouring to set up their own

The Experience of Community Enterprise in Ireland

businesses and participated in feasibility studies in relation to setting up craft-based enterprises (South Inner City Development Association, 1989, p.27). The West Tallaght Resource Centre was indirectly involved in community enterprise through its participation in the Community Training and Employment Consortia and the FAS Integrated Development Programme (West Tallaght Resource Centre, 1989, pp.11-13) while the Darndale project was involved in setting up co-operatives in the areas of engineering, landscaping, shoe repair and printing (McKeown, 1990, pp.87-90).

In his review of the involvement of these projects in community enterprise Cullen (1989, p.53) observes:

"The projects point out that with community enterprise it is possible to achieve development, employment and growth in disadvantaged areas that otherwise would not happen, although they acknowledge that the relatively small number of successful demonstration models in community enterprise makes this difficult to prove".

A detailed evaluation of community enterprise was carried out in the case of the Darndale project (McKeown, 1990). This revealed that the project spent a total of IR£114,259 and an enormous amount of voluntary effort on the development of co-operatives. The output for this resource expenditure was rather limited however, as the evaluation report noted (McKeown, 1990, pp.89-90):

"The most significant output of this activity was the growth in understanding of the issues and difficulties posed by setting up co-operatives. Although the project secured one contract from Dublin Corporation the project is still in the process of developing the range of skills needed to manage this type of enterprise successfully. The morale in the project has fluctuated significantly in relation to co-operatives and, at the end of the programme, some members of the project raised questions about the overall feasibility of this activity as

a way of tackling long-term unemployment in the community. In general therefore the achievements of the co-operatives relative to the substantial investment made in them are rather modest and are an indication of the enormous difficulties posed by this option as a means of job creation. To many members of the project there is a feeling that its endeavours in the area of setting up co-operatives have been a failure".

Conclusion

The documented experiences of community enterprise reviewed in this chapter do not paint an impressive picture of job creation or community development. The actual operation of many of the community enterprises reviewed suggests that it is a form of state assistance to deprived communities administered through the intermediary of an enterprise manager or worker. Some of the community enterprises reviewed do not appear to have a pronounced "community" dimension in the sense of involving widespread community participation, nor a pronounced "enterprise" dimension in the sense of being commercially viable.

The experience of the different projects involved in community enterprise serves to underline the incapacitating effects of poverty and the closure of opportunities which the lack of resources, education, training and skills represents. These combined forms of exclusion from the mainstream of economic and social life cannot be tackled within the confines of a small area, or within the limited time and resources of a community enterprise.

A major impediment to community enterprise in deprived urban communities is that those worst affected by poverty and unemployment are typically least equipped in terms of the skills and resources to deal with the arduous requirements of setting up an

The Experience of Community Enterprise in Ireland

enterprise. Most people in Irish society, particularly those in the broad stratum of the middle class, are not expected to find jobs by creating them, or to set up their own shops, bus services and the like. It is perhaps unreasonable to encourage deprived working class communities to attempt these things through community enterprise.

Community enterprise can, however, have an educative aspect which may be of enduring benefit in helping to improve the levels of skill as well as the self-image and self-confidence of those experiencing urban deprivation. Studies of other projects which have focused on the education and training needs of people living in deprived urban communities have shown that well-designed education and training programmes can have decisive beneficial effects (see McKeown and Smyth, 1990).

A thoughtful and more comprehensive review of community projects and resource centres throughout Ireland made by Brian Harvey (1990) shows that many of them have made important contributions to their neighbourhoods by bringing people together, raising their morale and collective self-confidence, providing information about welfare rights and improving the take-up of social benefits, bringing public services together with local people and improving collaboration between them, creating opportunities for training, and gaining a hearing from the media and some local political influence. But community enterprises, in the narrower sense in which we have used that term, though frequently discussed, were rarely successful.

A central feature in the lives of poor people is their absolute dependency on the state for income and other benefits. Community enterprise does not appear radically to alter that dependency. In many cases it seems to involve trading the fragile security of social welfare dependency for even more fragile dependency on state-supported community enterprise.

The lessons for policy and practice which emerge from this review of community enterprise call for a re-appraisal of the concept. This reappraisal should also include an evaluation of the broad range of activities that come under the umbrella of community development so that the more effective elements of a community development strategy can be identified. More generally, the role of community development in the context of the total package of anti-poverty measures directed towards deprived urban communities, the city and the nation as a whole needs to be re-assessed.

Viewed from the bottom up, community enterprises are a brave gesture in the face of adversity, bringing benefits which often pay off in other forms - in enhanced confidence and social solidarity, a training experience which may lead to more conventional employment, and so on. Viewed from the top down, they represent the traditional liberal hope that hardship and injustice can be brought to an end by action safely confined within the communities which suffer these things, without disturbing the wider society. The hope is illusory.

3. Urban Policies to Promote Economic Activity: Experience from the United Kingdom

Introduction

This Chapter takes our discussion further in two directions: by drawing on experience from the United Kingdom, and by examining a wider range of initiatives - still mainly economic in character, but no longer confined only to community enterprises of the sort discussed in the previous Chapter. It concludes with a broader-based attempt to formulate some guiding principles for action.

Stimulating New Economic Activity

Support for small firms is now a well established element in the United Kingdom's urban policies. However, early optimism about the capacity of small firms to create jobs and reduce unemployment in areas of decline has not been borne out. In recent years an important innovation in the area of property-led support for the small firm sector has been the introduction of "managed workspaces", providing complexes of small industrial or commercial premises catering primarily for start-up or small businesses. A recent national study of managed workspaces estimated their number at over 300 (Jackson, *et al.*, 1987). Most share three basic characteristics. First, they offer very small units, often amounting to just a few hundred square feet or less. Second, rental arrangements are flexible, making it easy for tenants to enter or leave the workspace. Third, shared support services are available where the costs of security, office services, heating and lighting are spread among tenants in the workspace.

The idea behind many managed workspaces is that the more depressed urban areas have lost their traditional manufacturing employers, have little tradition of small business development and consequently enjoy little indigenous employment growth, and the private sector has not been interested in providing premises which call for such intensive management. The aim has been to provide new employment opportunities for commercially depressed urban areas in a number of ways:

- (i) by getting small businesses to move from more to less prosperous areas;
- (ii) by encouraging new starts from within the area; and
- (iii) by targeting a high proportion of the jobs created on local residents.

We summarise some statistical evidence on each of these features for three managed workspaces in Glasgow by drawing on research carried out by Glasgow University's Training and Employment Research Unit (TERU) in 1987 (McArthur and McGregor, 1990). In that year these three workspaces contained 108 occupied units employing a total of 629 workers. This is in itself a substantial job creation effort given that none of the workspaces had been in existence before the early 1980s. Interviews with the tenants of the workspaces revealed the following facts:

- (i) two thirds were genuine gains to the locality, representing either transfer from outside of the area or new starts;
- (ii) less than 1 in 5 (17 per cent) of the managers or owners of these small businesses lived within the locality;
- (iii) 31 per cent of the owners or managers had been unemployed prior to the start up of the business; and
- (iv) for 75 per cent of the owners or managers this was their first experience of self-employment.

These findings seem very encouraging. But the picture is less promising when the workforces of the firms renting the workspace

units are examined. Table 3.1 shows that most employees were either employed or only unemployed for a short time prior to recruitment and that only 33 per cent were recruited from the local area.

Table 3.1: Status and Residence of Employees of Managed Workspace Firms in Glasgow Prior to Recruitment

Previous Status		Area of Residence	
Employed	41%	Local Area	33%
Unemployed (under a year)	39%	Elsewhere	67%
Unemployed (over a year)	8%		
Other	13%		

This points to a fairly weak link between the jobs generated in these small firms and the more disadvantaged among the local unemployed. However, it is probably better to adopt a longer-term perspective. The creation of the jobs within the local area may be an important contribution. Once jobs exist, measures such as subsidies and training programmes can then be deployed to raise the proportion of these jobs going to local people. It is also worth noting that many of the jobs were provided by existing small firms transferring into the local area. Some percentage of their existing (i.e. non-local) labour force will have survived the move. Indeed they would not have been willing to come if this were not so. This helps to explain the poor initial figures on local recruitment but in the longer run, with turnover and expansion, it is likely that more local people will find their way into these jobs.

New Links with Employers

As people recognised the limitations of earlier policies, the mid-1980s onward has seen the growth of initiatives designed to build bridges between disadvantaged workers and employment opportunities. These recognise the need to take special action on behalf of certain groups of unemployed workers living in particular communities to help them back into the labour market. Initiatives in this area can vary widely, but generally fall into one of two broad categories which can be combined. Some deal with "compact" arrangements where customised training schemes are established with guarantees of interviews or jobs for trainees successfully completing these programmes. Others provide financial inducements to employers to hire, and possibly train, certain groups of workers.

An early and influential example of a compact initiative took place in Boston, USA, in 1982 where arrangements were made between inner city high schools and a large number of local employers with a view to both upgrading the performance of people graduating from high school and the numbers of young people moving into jobs (OECD, 1988). The thinking behind this concept has since been picked up and applied in a number of different settings in Britain.

One example is in Birmingham where in 1987 the Handsworth Task Force saw the opportunity of steering unemployed inner city residents into jobs that would be generated by the construction of the Copthorne Hotel. The Task Force and the Hotel, along with the City Council and the College of Further Education, designed a training scheme for 60 participants that was specially tailored to prepare trainees for the jobs arising.

An important feature of the initiative was the leverage the Task Force was able to exert as a consequence of the large scale grant

support (£5 million in Urban Development Grant) that it was providing for the company. A close working relationship between the bodies involved, particularly between the firm and the training provider, was also essential in the design of the customised training. All but two of the trainees completed the training and of these 45 per cent moved into jobs with the employer. Most of these were still in post when the initiative was reviewed in the following year (Hayton, 1990).

It should, however, be borne in mind that overall jobs numbers in this and similar initiatives are limited. Furthermore, in the case of the Copthorne Hotel, the jobs involved were relatively unskilled. Consequently the training required was short and inexpensive. In other situations where jobs require a higher level of skill it will prove more difficult to achieve attractive placement rates.

The example above is also one which depends on a major development or expansion taking place. While there are examples of similar initiatives elsewhere, such as the Scottish and Newcastle Brewery expansion in Manchester, new investment and expansion is relatively thin on the ground in depressed urban areas. That, indeed, is why they are depressed.

This does not rule out the application of customised training or compact arrangements of a different sort. An alternative approach is to focus on industrial sectors in the urban economy which are growing or are characterised by a high degree of labour turnover. The office and clerical sector, and hotels and catering are generally two examples. Targeted pre-recruitment training can therefore be mounted with a view to moving disadvantaged workers into areas where recruitment is fairly buoyant. Again in Birmingham, a dozen local hotels launched a hotel and catering compact of this sort in 1988 where trainees completing a specially designed four week training course were guaranteed a job interview with one of the participating establishments.

Other opportunities exist in areas where environmental improvement or housing rehabilitation is planned. Recent initiatives in two Glasgow housing estates, Barrowfield and Barlanark, show the possibilities here. In both estates arrangements were built into the tendering procedures to ensure that a substantial proportion of the jobs generated by the local works would go to unemployed people from the community. It was recognised that training would be critical in upgrading the skills of unemployed workers to a level required by the contractors and an allowance for this training was built into the contract price. Again the numbers of jobs involved were not large, averaging around 20 in each case. However, schemes of this sort offer one way of helping local and long-term unemployed workers back into employment if only for a temporary period.

Another device which has been widely applied, particularly in Scotland, is the employment subsidy. The broad objective of schemes in this category is to encourage employers to hire additional staff, usually from designated groups among the unemployed, by reducing the cost to the employer through a temporary subsidy towards wages. The availability of European Social Fund (ESF) support has been an important element in the use of employment subsidies. The ESF has been used for this purpose by a number of local authorities and, in Scotland, by the Scottish Development Agency (SDA). A main attraction of these schemes is their flexibility. Schemes can be designed to cover different geographical areas and have been applied in areas ranging from a housing estate to a local authority region. They can be targeted at particular firms or groups of workers, such as the young and the long-term unemployed. The duration and the amount of subsidy can also be varied. Furthermore, some schemes such as the SDA's Training and Employment Grants Scheme (TEGS) described below, build in a training element. The training component can be particularly important where the target group

are workers who are unskilled or whose confidence and abilities have been eroded by long-term unemployment.

Despite their popularity during the 1980s, special employment and training subsidies bring a number of weaknesses. A major problem concerns "deadweight". A recent assessment of a number of these schemes (Turok and Wannop, 1990) showed that some 53 per cent of spending was not resulting in genuine additional job generation. The level of deadweight, however, was found to be smaller where administrators took greater care to screen applicants and encourage firms to provide training. Where training was provided, recruits were more likely to be kept on because firms looked for some reward from their training investment. In addition, recruits who had been trained were also in a better position to secure jobs in other firms if they were not kept on when the training subsidy came to an end. The SDA's TEGS scheme was one of the earliest schemes which combined the training element with the employment subsidy.

TEGS was introduced in the depressed east end of Glasgow in 1982 with one of its main target groups being unemployed youth between 17 and 24 years of age. It provided an inducement to employers to hire **and** provide the unemployed with a minimum of 100 hours training. A grant was provided which covered 66 per cent of the basic wages of the trainee for a maximum of 16 weeks. Certain direct training costs could also be met out of the scheme. Over the scheme's first three years of operation, some 1,000 trainees had been catered for in the east end of the city.

TEGS was specially designed to tackle a particular local problem in the east end of Glasgow. Both employers and recruits have to come from within the designated area. This is an area where central and local authorities made a major effort to regenerate the local economy with many small and medium sized firms occupying

Communities Creating Their Own Jobs

The 1980s have also seen the emergence of community action in the local economy. Partly due to perceived weaknesses in the policies of other agencies and the persistence of high unemployment, neighbourhood groups have increasingly looked at what they themselves can do to create local jobs. A popular response, particularly in urban central Scotland, has been to set up community businesses.

In the light of the Scottish experience, most community businesses can be defined in the following way. They operate on behalf of a geographical community. Local people can join the organisation as members by paying a nominal fee (e.g. £1.00). In turn the members elect a board of directors who run the business on a voluntary basis but usually have the help of a paid manager funded for a temporary period by the Urban Aid Programme. The long term aim is to be economically self sufficient. This is a feature which locates them as part of the business community and apart from other community projects that depend indefinitely upon grant assistance. Over 100 community businesses exist in Scotland and in most local authority regions development agencies have been set up to support and fund these initiatives. The availability of urban aid finance from the central government has been critical in the growth of community businesses. Only one in ten would have started up without this support (McGregor and McArthur, 1988). A major attraction of community business concerns the allocation of the jobs generated by these enterprises. Previous urban initiatives (such as the GEAR renewal scheme in Glasgow's East End) had limited employment impacts on local longer-term unemployed workers. As the tables below show recent evidence from community businesses indicates that they have been more successful in providing jobs for more disadvantaged groups.

industrial premises provided by the public sector. Although many new jobs have been brought into the area the local unemployed in the east end are unskilled and many have been out of work for long periods. Incoming firms have been reluctant to recruit from this area when they can choose from a large pool of labour in other parts of the city. TEGS was designed to raise the level of skills among disadvantaged east-enders and ensure that they obtain a larger share of jobs available in the area.

An evaluation of TEGS (McGregor and McArthur, 1985) found that nearly two thirds of those who completed their training period were kept on by employers beyond the end of the grant period. Most of those who left the scheme found other jobs. That shows the general value of the skills and experience they obtained under TEGS. Adding together all those who left but found a job and those still employed by the TEGS employer, around 80 per cent who had completed their initial training period had moved into permanent jobs. These results need to be treated with some caution. As noted above, some of the workers might have been taken on anyway. Nevertheless, the sponsors of TEGS have been very encouraged by the scheme's ability to move the disadvantaged into jobs and have extended the concept to other areas where high levels of unemployment coincide with the availability of local jobs.

To tackle persistent local unemployment, schemes of this type appear to have a critical role. While initiatives like managed workspaces and community businesses (dealt with below) can bring new jobs into depressed areas, greater opportunities will generally lie outside of the local community. The wider urban area offers a large pool of job opportunities. Any strategy to tackle local unemployment should therefore help local people to gain a greater share of these wider opportunities by building bridges into the surrounding labour market.

To give an idea of the relative effectiveness, comparisons are drawn with the recruitment behaviour of small businesses developed in the Glasgow area under different urban programmes. This is a relevant comparison as community businesses themselves are small businesses by any reasonable measure.

Table 3.2: Status of Employees Prior to Recruitment

Employment Status	Community Enterprise	Conventional Small Business
Employed	14%	31%
Unemployed (under a year)	9%	62%
Unemployed (over a year)	69%	7%
Other	8%	1%

Table 3.2 deals with the recruitment of the unemployed. It shows that community businesses score on two counts over conventional small firms aided by urban policies:

- (i) they are much less likely to recruit people already in employment (14 per cent as opposed to 31 per cent); and
- (ii) they are much more likely to hire the long term unemployed (69 per cent versus 7 per cent).

A similar pattern emerges from Table 3.3. Over three quarters of the recruits to the community businesses are from the local area compared to just over two-fifths in the case of conventional small businesses. Clearly, the results of Tables 5.2 and 5.3 are closely linked. The areas targeted for urban policy contain disproportionate numbers of the long-term unemployed and hence recruitment of local and long-term unemployed people are often one and the same things.

Urban Policies to Promote Economic Activity

Table 3.3: Residence of Employees Prior to Recruitment

Area of Residence	Community Enterprise	Conventional Small Business
Local area	76%	42%
Elsewhere	24%	57%

It should, however, be stressed that the total number of jobs provided by community businesses offers no solution to the wider unemployment problem. A large community business would be one with around 100 employees and most have workforces far smaller than this. Thousands may be out of work in the same city. Nevertheless, a large community business employer can make a significant contribution in smaller and more contained areas, for example a local authority housing estate, where the unemployment problem numbers hundreds rather than thousands.

While the successful targeting of job opportunities has been a major strength of community business, their major weakness - as in Ireland - has been commercial viability. In Scotland, where community business activity is relatively well advanced, there is currently a great deal of concern that they will find it difficult to stay afloat without continued subsidy. Insufficient empirical evidence on viability exists because too few enterprises have completed their cycle of public funding. However, of 15 community businesses studied in depth in 1987 (McArthur and McGregor, 1988), all of them relatively mature organisations, one third have collapsed over the last three years.

There are good reasons we can point to for these difficulties. Many of the commercial activities which dominate the community business area, such as environmental work, neighbourhood

security, cleaning, catering etc., are congested and highly competitive. A concentration in low skilled service activities partly reflects the funding environment for community businesses. Very few have managed to secure access to finance that would facilitate a diversification of business activity, and working capital is not available under the urban aid programme. Their commitment to hiring the long-term unemployed also restricts the range of commercial activities, given the low skill profile of this target group. It also means that the businesses have to accept lower labour productivity, at least in the short term, as workers damaged by long-term unemployment readjust to work.

Other problems which the Scottish experience has recently identified include the need to look seriously at the skills and competencies of community business boards. Many boards are made up exclusively or largely of local people with no previous experience of business who, after a relatively short time, can find themselves called on to run fairly complex commercial operations. Finding and retaining good managers is another problem. Indeed the general issue of management and organisation, and the way in which support agencies can help to get this right, is now high on the agenda. In short, getting community businesses started has been less of a problem than ensuring that the organisations have the necessary technical and business skills to operate effectively and survive.

Providing Local Services

Some community businesses are more concerned with the delivery of a much-needed local service, e.g. cafe or launderette, than with generating jobs. However, when we look at the role communities are playing in organising the provision of their own services, we find we are dealing with a much wider range of community enterprise initiatives than community businesses alone.

Urban Policies to Promote Economic Activity

The concern with services reflects the fact that, quite apart from unemployment, a more general problem in many urban communities is the quality of life and the inadequate provision of private and public services in the area. Constraints on public spending have eroded or restricted the quality of public services available, while low incomes depress the development of private services. In the Greater Easterhouse area of Glasgow, for example, for a population of 46,000 there is only one bank branch.

An increasing variety of community enterprises are engaged in the provision of local services. In Strathclyde Region over 20 local groups have set up neighbourhood food co-operatives. These aim to provide fresh vegetables, groceries and other provisions in areas where alternative sources of supply are limited or expensive. They rely wholly on local volunteers to staff the retail outlets, yet are used regularly by hundreds of residents from the local area.

A more ambitious example of a community reconstructing a retail base can be found in the Galliagh housing estate in Derry. Here local residents raised thousands of pounds through regular share subscriptions enabling them to construct a supermarket and post office in an outer estate previously devoid of shopping provision. The co-operative has also generated full-time and part-time jobs for over 20 local people and generated a substantial financial surplus which it was recently considering investing in other local developments.

Credit Unions are another form of community enterprise which is growing rapidly in depressed urban areas. Although the Irish experience with credit unions dates back over 30 years, the movement has only recently begun to take off in Britain. Over the last year, for example, the number of registered credit unions doubled to over 200. In Ireland, where credit union membership totals around a million, development is also continuing with new

credit unions setting up in areas like the housing estate in Dublin. Some in Ireland feel that this movement has become somewhat bureaucratised and lost its determination to go beyond its banking function and develop local communities. In Scotland, where the idea of community-based unions is fresher, research at Glasgow University points to some very positive economic and social contributions which they have made (McArthur and McGregor, 1989). Compared to most other community initiatives, credit unions reach larger numbers of local people as members and active volunteers and depend less heavily on subsidies. Consequently, they may help more local people to develop new financial and management skills. Community credit unions and other locally provided commercial services open up some hopeful possibilities for the regeneration of deprived communities. Services of this sort have the potential to significantly affect people's spending power. Poverty, along with issues such as jobs, housing, environment and health, is one of the central issues in urban regeneration. Credit unions and related initiatives may play a part, within broader economic development strategies, in strengthening the local economies of deprived urban neighbourhoods and encouraging residents who prosper to stay on and contribute to their communities.

We have discussed so many new initiatives that there is a real danger of their tripping over each other and presenting a confusing picture to the people who are supposed to benefit from them. Some have provided no more than a temporary easing of the problems they aimed to solve, some have tended to be dependency inducing, and where they failed to create lasting change they have too often engendered mistrust in the very communities they sought to help. Initiatives have often developed in an ad hoc manner with little reference to what already exists in the area. This leads to unnecessary duplication of effort and to conflict within the communities concerned.

This kind of thing happens when outsiders react to high unemployment, disaffected youth, and a poor environment impose an external view of how these "problems" affect individuals and communities. It is better to start by looking for the assets of the community and discovering its own leaders. People working on urban regeneration are beginning to realise that they must take as their starting point the community's own assessment of its strengths and limitations, building up community "ownership" of the regeneration process and involving all who have an interest in the community's future.

A People Centred Approach

We conclude this Chapter by drawing its threads together in an analysis of the ways in which depressed communities may be enabled to gain a fuller share of new opportunities. Our aim in working with these communities should be neither to replace what already exists nor to compete with it, but to complement existing activities in a way which can help communities use their resources in a more effective way. This calls for a structure within a community or neighbourhood which can develop the conditions for mutual support and creative interdependence and minimise conflict between vested interests.

People cannot, and indeed do not wish to, sustain developments which arise from external interpretations of their needs and apply "solutions" imposed by outsiders. For any initiative to be sustained in the long-term, it has to take into account the needs of the whole community including its most disadvantaged and marginalised members; and it has to be capable of including all the stakeholders, including representatives of the state and the private sector. Otherwise, one of these interests may eventually destroy whatever is achieved. The challenge is to create a framework in any town or neighbourhood which helps to strengthen these

diverse elements and the move towards constructive interdependence and mutual support.

Much of this is accepted, particularly in the European poverty programmes which we discuss in the next Chapter. But little attention has been given to the methods which can achieve these things in practice.

It is necessary to develop a strategy which can help a community build for itself, and therefore accept and "own" a picture of its needs and problems, its opportunities and strengths. That means that people must be helped to decide for themselves the whole range of issues - not only those of economic renewal - which concern them and affect their well being.

Such a process is certainly no more costly than other more conventional approaches and, although special skills are required, it may make more effective use of existing resources which are too often wasted. Too much money, badly introduced, can be as harmful as too little. The aim is to build a stronger, more participative, more cohesive community which will be "safe" for people and offer them emotional and spiritual security. They must gain experiences of feeling good and being listened to, of self-worth and dignity, and seeing things happen that benefit people. Poverty of expectation has to be replaced by expectations of achievement, wealth creation and co-operation. It is not possible, or advisable, to draw up a blue print for achieving this in terms of a structure. It is better to concentrate on a strategy, or process, which can be adapted to particular local circumstances.

These are the key points to bear in mind:

(1) The process of development is fundamentally about nurturing growth from within a community. It entails identifying the glue that holds the community together, the particular rhythms of the area, "what makes it tick", who the key leaders or actors are. It also

Urban Policies to Promote Economic Activity

involves identifying how people communicate and co-operate and what the potential and perceived roadblocks are.

(2) Owning the process requires that the problems addressed stem from the community which sets the criteria and objectives for any development. This is essentially different from tailoring general objectives to particular circumstances. Support workers may well be needed, but their expertise should be directed to the process (*"if you want to do this, then we can help you achieve it through these means"*) and they should not provide the goals or specify the objectives.

(3) The key to this process is that the community is helped to formulate an effective statement of its problems. Any community will have a great range of problems and issues, many of which will be contradictory. Some framework will be needed to enable a community to refine its subjective and general feelings about poverty, disadvantage, prosperity and opportunity, and to work out a clear statement of more specific strengths and weaknesses, problems and the resources to overcome them (and the additional resources needed for that purpose).

(4) This kind of self-assessment has to be the first of several phases ending with specific and concrete activities to be undertaken by the community from its own motivation, in accordance with its own understanding and choice of the issues to be addressed. Any external support must be geared to this end and not to achieving predefined development objectives.

(5) The fundamental issue is for the community to "own" the process. Without this the will to push the process forward has to come from the outside. Whether that external force is a government agency, a voluntary organisation or the private sector, this creates dependency and a strong tendency for the development to collapse after a short period of time.

(6) The approach assumes that new forms of collaboration between different community groups, the private sector and the central and local authorities will be needed at the local level which will extend the repertoire of actions which are possible. This is often seen as being a technical or structural issue although in fact it is primarily a "political" one. Given consensus and shared political will, seemingly insoluble problems of territories, resources or power become less significant.

(7) Most of the information needed to take the next steps already exists within the community. But because it is often buried under years of depression and apathy it is all too easy for outsiders to believe that the most depressed communities have nothing going for them from within. This view is often used to justify external intervention of a kind which does not help to uncover the talent, information and knowledge which is hidden there. The principal issue is one of identifying it, drawing it out and creating the conditions in which it may be deployed in collective action.

(8) Building a common purpose and commitment among different local institutions and interest groups requires local leadership, vision and channels of communication. Above all, it requires the key actors to talk to each other about their basic interests rather than just defending their positions.

(9) If there is not a minimum disposition towards real collaborative action by a significant number of actors then any efforts by "outside" parties to move things forward are unlikely to succeed in the long term. It is relatively easy to achieve short term, quick-fix "successes" but, if they are not to peter out, these will require continual inputs of external energy. Whenever the level of local ownership of projects or development processes is low, they remain vulnerable even to minor setbacks.

(10) Moving towards a self-sustaining and deepening local process of renewal requires the encouragement of success or at least of tangible progress. This raises important tactical questions about the scale and complexity of the issues that any embryonic group should tackle first. There will probably be tension between the need for an early success to inspire confidence and generate momentum, and the need to move beyond quick-fixes towards more radical and difficult, but potentially more lasting, projects and initiatives.

The job of the people who would help mount this kind of process has to be modestly defined. They have to:

- help to create appropriate structures for focusing local energies;
- facilitate clear and open communication;
- create opportunities to support both individual and group development;
- introduce relevant experiences from elsewhere to widen horizons and to suggest ways around points of deadlock;
- service the administrative, logistical and support needs of the local actors;
- find and work with sources of data about local conditions - for example, past consultants' reports, census material, structure plans, unemployment and skill analyses and so on.

Tactical choices about what issues should be tackled first, by whom and to what end, will always be a matter of judgement but are too important to be taken quickly or without extensive consultation and deliberation.

It is also important that any new vehicles for collaborative decision-making and action are seen from the outset to be independent of existing organisations or institutions and capable of building their own separate credibility. This however should not be taken as a

licence to create competing alternatives to existing bodies. It may be that the correct route, depending on local conditions, is to regenerate or enlarge the functions of an existing institution or organisation. Whatever happens, the new vehicles for action should sort out their relationships with existing organisations as quickly as possible.

All this calls for a great deal of work. In our experience, these are the essential steps in the process. After a period of getting to know local people some sort of steering group will probably have to be established to provide the focus for the first stages of the project. Care must be taken to ensure that this group has a clear and limited remit which does not interfere with other people. An intensive, highly consultative local research exercise follows which aims to identify the key actors and explore the problems they perceive and the scope for change. This work is concerned more with the *"who"* and the *"how"* than the *"what"* and *"why"*. Its aims are to:

- identify the key actors in terms of vision, energy and capacity to initiate change;
- clarify the precise issues most likely to create a powerful forward momentum;
- elicit from the key parties their expectations as to desired outcomes and how these might be measured and recorded;
- define the procedural steps and frameworks needed to advance collaborative actions;
- specify the external inputs likely to be required to support the local process.

At the same time, baseline data on needs, resources, roadblocks and gaps has to be assembled. This work provides:

- a basis for deciding whether there is a sufficient critical mass of local leadership and commitment to make it worth investing further resources in the project;
- a collective best judgement about how the process can be taken forward;
- an idea of a structure with which to proceed which would ensure maximum involvement;

- ideas for short-term actions which could get the ball rolling and demonstrate practical outcomes, avoiding the temptation to go for quick-fixes.

This diagnostic stage of the work should culminate in some form of presentation to all those who have participated in it. By now a good deal of cross-fertilisation of ideas and knowledge between different sectors and organisations should have taken place. Local *"networking"* conducted by outsiders is no substitute for direct communication between local people, but it can help to set these communications going.

As communities define their aims more precisely, the dynamics for future action need to be created. Working methods, forms of communication, accountability procedures, the development of innovative partnerships, gaining access to resources and the building of relationships between organisations are amongst the issues which need to be considered in preparation for the formulation of a strategy and the establishment of procedures and structures for putting the strategy into practice.

It is essential, in conclusion, to stress what is perhaps the most important aspect of this whole process: the emphasis which must be placed on learning and the transfer of skills to ensure that the management of new initiatives does not require constant external intervention. This is not a matter of traditional skill-based training but of emphasising skills and attitudes that are vital for initiative taking, relationship building and group and individual development. People need to be helped to recognise how they learn, in order that they gain a full understanding of the processes in which they are involved. Conventional training initiatives tend to concentrate on the *what* rather than on the *how* and the *why*. An understanding of these processes itself helps to create the foundations for successful action.

4. Lessons from the European Poverty Programmes

Introduction

Programmes to combat poverty have taken a very small share of the European Communities' (EC's) resources, although they have been a continuing theme in the EC's work, assembling a growing body of increasingly well tried experience. In this Chapter we look at the lessons of that experience, starting with the first two poverty programmes, and then turning to the current, third, programme. That leads, in our Conclusions, to some final questions which we explore in the following Chapter.

The First Two Programmes

The first two EC programmes to combat poverty, carried through between 1974 and 1979, and between 1985 and 1989, consisted largely of small-scale, local, experimental projects, concerned as much with social as with economic needs. This was Europe's response to poverty at a time when most people believed that the development of the European economies and the "welfare states" they supported could in time eliminate poverty among all except those who were excluded from prosperity by special handicaps and local circumstances of various kinds.

Social strategies in the first two EC programmes to combat poverty focused on the following tasks:

(1) **Increasing the accessibility of social institutions, especially for the poor**, by taking welfare rights information, advice and advocacy to remote rural areas, and to outlying urban estates, for example.

(2) **Making services more attractive and less stigmatising.** The accessibility of services is not just a question of their

Lessons from the European Poverty Programmes

geographical proximity. Apart from physical distance, sociological and psychological barriers often surround social institutions and make it hard for people in need to ask for help. This may be due partly to the demoralising appearance of the building (e.g. run-down unemployment benefit offices), or to demeaning procedures which leave the customer feeling worthless and powerless. Hence some projects opened shop-front services, on mainstreets, in order to overcome some of these problems of stigmatisation, and to reach out to people from an attractive base in informal, "normal" surroundings.

(3) **Improving the co-ordination of services.** The work of many projects has confirmed previous findings about the poor co-ordination between welfare services. The departments of central and local government, and the institutions of the "welfare state" are organised almost entirely on functional lines with, for example, separate agencies for income support, health, housing, education, and personal social services. These may work well enough when people have a single problem, which fits neatly into the categories of a single department or agency. However, poverty often brings with it a range of inter-connected problems. One of the additional pressures suffered by people with multiple disadvantage is that their needs usually cut across the boundaries of responsibility of several agencies. Hence, there is a growing commitment to inter-agency planning and to corporate management linking different services more effectively. However, even if this is successful at the strategic level, it does not always work effectively at the field level in the co-ordination of service-delivery for those with multiple deprivations. There is nothing new in this discovery. However, the poverty projects in the EC's first two programmes developed imaginative practical initiatives to overcome some of these problems.

(4) **Concentrating resources on particular needs and areas.**

In many cases better co-ordination of existing services is insufficient to tackle the problem of poverty. This may be because the level of resources or services available is simply insufficient to match the levels of need. However, in some cases the projects have helped to achieve some re-distribution or re-targeting of resources. The mere creation of a local project to tackle some specific aspect of poverty such as long-term unemployment can help to give the issue higher profile on local political agendas. However, a substantial re-distribution of resources or services obviously require more concerted action. Although local projects are marginal to mainstream resources, some have attempted to develop just such a strategy. Examples are to be found in Northern Ireland.

The Derry Unemployed Workers' Project put the issue of long-term unemployment on the map through regular campaigning and radio broadcasting about specific problems they had identified through their action research. They argued that the North-West of Ireland had become "the periphery of the European periphery" in terms of investment and resources, and proposed the creation of a Derry Development Board to bring together a wide variety of bodies in the city (industrial and commercial representatives, trade unions, statutory bodies and government agencies, voluntary organisations, associations of the unemployed, etc.) to develop plans and campaigns for a major economic development programme which has some remarkable achievements to its credit. Similar strategies have been pursued in relation to areas of rural under-development. Project workers have worked with local interest groups to formulate local development plans for specific areas. The process of drawing up a community plan of this kind "from the bottom up" can help to co-ordinate existing resources, to mobilise new initiatives, and to bring many benefits to the area. However, the additional aim is to develop a framework of specific project proposals, which can be used as a

Lessons from the European Poverty Programmes

as a magnet for new investment which would not otherwise have been attracted into the area.

(5) **Promoting Decentralisation of Services.** These strategies show that the form of social institutions is as much under question as the content of social policy - at both ends of the political spectrum. The "new right" criticises the inefficiency and uniformity of public services and argues for privatisation or contracting-out of as many services as possible, and a greater degree of consumer choice through the private market. The "communitarian" left criticises the remoteness and unresponsiveness of centralised bureaucracies, and argues for decentralisation of political and managerial structures, and a greater degree of citizen participation in decision-making.

(6) **Strategies for increasing the participation of the poor.** One of the features which most obviously distinguishes anti-poverty projects from mainstream social institutions is their high degree of user participation. The new right and the new left appear (on the surface at least) to share a common critique of traditional social institutions in this regard. Both are critical of the way in which bureaucracies are often structured more to meet the needs of the producers than the consumers of services (i.e. those employed by the agency rather than those it is intended to serve). Both claim to offer the consumer greater opportunities for participation and choice.

The whole issue is even more complex and ambiguous in the case of the poor. Several of the projects have argued that participation is no substitute for decent services; that participation in the planning or management of local services is a mockery when those services are run-down, or under-resourced (*"like being invited to take the helm on a sinking ship"*); and that it is particularly spurious to encourage the unemployed or the poor

to participate in small-scale, temporary projects which raise their expectations but lack the powers or the resources to get them jobs or improve their incomes.

Despite these criticisms, most projects have encouraged participation of their target-group in the development of their work. At the most basic level this is a means of legitimising their work, establishing contacts fairly rapidly with their target customers, and giving them a "constituency" of the poor to work within. Participation in the planning or the management of new initiatives also helps to ensure that the projects are felt to be relevant by their users.

Unemployment and Poverty

We turn next to strategies for tackling unemployment and low incomes. Poverty projects deal with a very wide spectrum of employment problems. At one end of the spectrum are the "new" poor, who have been pushed into unemployment and poverty directly as a result of economic recession or industrial and technological restructuring. Many in this category could be lifted out of poverty and dependence on welfare benefits simply by a targeted programme of job creation and (re)training. At the other end of the spectrum are those facing more complex pressures and difficulties, disincentives and discriminations within the labour market. The solution to their poverty and employment problems would also require changes in social security policy to remove poverty traps; legislative measures to combat discrimination within the labour market; and social support systems (e.g. adequate child care provision). There are also some who will require long-term support within a sheltered employment environment.

One important conclusion arising from the work of the projects is that people do not necessarily remain at fixed points on this scale.

Lessons from the European Poverty Programmes

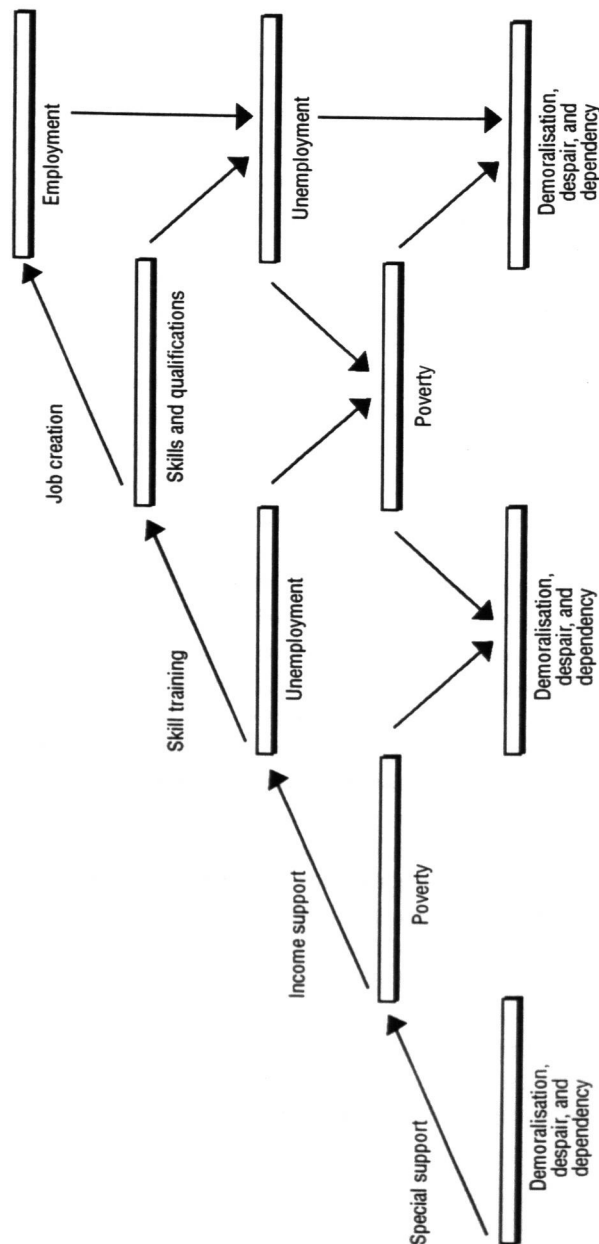
Those only recently in full-time skilled employment can slide very rapidly down the slippery slope into poverty and despair. Equally, those at the bottom of the ladder of demoralisation and dependence can move out of poverty and back into employment and self-sufficiency if helped to regain confidence and skills by an integrated programme of social support, skill training and tailor-made job creation. The link between employment, unemployment and poverty is not a steady, continuous one but a series of sharp steps up and down, more like the game of snakes and ladders. This process is illustrated in Figure 4.1.

Project strategies to tackle unemployment and poverty have been geared to helping groups resist the pressures pushing them down the slippery slope into demoralisation and despair; and wherever possible to hold onto (or to rebuild) their confidence and skills, through group support and skill training, to regain employment. Six main strategies can be identified amongst the projects for dealing with unemployment and poverty.

(1) **Group support, solidarity and counselling.** Many projects aimed to overcome the social isolation, guilt and demoralisation associated with all forms of unemployment in society by group activities which restore a sense of solidarity and belonging, and therefore of confidence and worth. However, it is hard for people to sustain their morale unless they also regain employment and marketable skills.

(2) **Training in skills for employment.** Several of the projects experimented with new forms of training in skills. These were often tailor-made to meet the precise employment histories and training needs of the local unemployed as well as the skill shortages and employment opportunities within their particular areas. In other cases, they were targeted on groups who had received little priority under previous provisions: women for example, many of whom are single parents struggling to live on social assistance payments.

Figure 4.1 The link between employment, unemployment and poverty



Lessons from the European Poverty Programmes

(3) **Provision of work experience in socially useful employment.** Some projects provided sheltered or informal work experience (or temporary work experience on an employer's premises but without full pay or permanent contract) as part of the transition from poverty and unemployment into full-time paid employment.

(4) **Job creation.** Although operating with very limited resources and powers, several of the projects collaborated with other agencies in creating new jobs. These projects were based on the awareness that efforts to help the unemployed to gain or regain confidence and skills can be completely wasted if there are no jobs available for them at the end. They can then all too quickly slip back down into poverty, demoralisation and even homelessness.

(5) **Economic development.** For some of the projects (particularly those concerned with the themes of integrated rural and integrated urban development) skill training and job creation were set within the wider context of plans and proposals for the economic development of their whole area. This has been particularly true of the Northern Ireland projects. They have been concerned with generating jobs to match the skills of the unemployed and the needs of their areas through economic development plans involving local work spaces, forestry co-operatives, environmental conservation, agricultural development, tourism and artistic and cultural activities.

(6) **Campaigning.** Most of the projects realised that they did not have the resources or the powers to combat the problems of poverty and unemployment which they confronted in their project areas. Accordingly, many of them complemented their local action-research programmes with campaigning activity to bring these issues to the attention of regional, national and European policy makers. Such campaigns to raise public consciousness of problems or to change policy can also have the effect of mobilising the poor and the unemployed to higher levels of activity, participation and autonomy.

The Third EC Poverty Programme

The Third EC Programme to Combat Poverty, which began immediately after the ending of the Second Programme, late in 1989, is due to run until 1995. It is consciously designed to build on some of the lessons learned in earlier programmes, and to overcome some of their limitations. The basic aim is to move forward from small-scale, experimental, pilot projects operating primarily at the grassroots level, towards larger-scale, "prototype" projects operating at the level of mainstream agencies as well. There are 39 pilot projects, of which three are in Ireland: one in the North and two in the Republic. The challenge is to find ways of co-ordinating the policies and actions of all the agencies, voluntary and statutory, which have the powers and resources to tackle the local causes of poverty, and to harness these to the energies, initiatives, and priorities of local community organisations and the private sector.

The Third Programme (like many other EC initiatives) has invented a jargon to express its ambitions. There are six key concepts which keep recurring in the official documents and statements about it. Despite the Europeak in which they are dressed, these key words reveal quite a lot about the Commission's aims in tackling the "new poverty".

One of the central concepts is **partnership** between public, private, and voluntary agencies. Typically this means setting up an inter-agency Steering Committee to oversee the development and implementation of the local programme to combat poverty. The "partners" are also responsible for raising the funds to match the European Commission's 50 per cent grant. The concept of partnership is intended to mean a good deal more than simply bringing organisations together to sponsor a fund application to the European Commission, or even just to act as an arm's length

Despite these hopeful developments, the projects encountered many obstacles. Most of them are inherent in small-scale pilot projects of any kind. Some of them arose from the design of the Second European Programme to Combat Poverty. The most fundamental difficulty was that the projects were confronting a problem of new poverty, which has been growing rapidly in scale and in intensity throughout the past decade. Its causes lie deep at the heart of the restructuring of the European economy and the welfare state. A growth in poverty is part of the price being paid for this restructuring. The local projects, scattered across Europe at the grassroots, are in a good position to monitor and diagnose the nature of these changes. But they lack the resources and the powers necessary to respond to the problems and needs which they identify. They are also located outside the structures of the mainstream government and political institutions. They have few sources of leverage, other than the mobilisation of community power through community organisation. Not surprisingly the projects identified with the cliché that they were being asked to *"re-arrange deckchairs on the Titanic"*.

The projects are best thought of as a way of learning about various aspects of poverty and devising strategies for reducing it. They could not, by themselves, bring about major changes. The main obstacle identified by the projects has been the absence of integrated structures at either central or local government level to respond to poverty as a multi-dimensional problem. The problems the projects faced on the ground rarely fit within the remit of a single department or agency. They required an inter-agency and inter-disciplinary response. This is a problem to which we return in the next Chapter.

management committee, presiding over the distribution of grants for community projects. Partners in the third European Programme are intended to be the main actors (not just managers) in developing and implementing an "inter-agency strategy" to combat poverty.

This leads to the second key concept. The Third Programme is intended to promote **inter-agency strategies** which add up to something more than the collection of innovative projects which have characterised previous anti-poverty initiatives. This involves partner organisations in:

- i) analysing the distinctive nature and dynamics of poverty in their specific project area;
- ii) mapping and reviewing all the actions which their agencies and others currently undertake which have any kind of impact (positive or negative) on poverty and deprivation in the project area; and
- iii) developing a strategy which links all the relevant public, private and voluntary agencies in a co-ordinated programme of action which takes account of the specific features of poverty in the project area, eliminates any overlaps or contradictions in policy between the various agencies, and which develops new inter-agency initiatives to tackle needs which may currently be unmet (often because they fall between the responsibilities of the separate agencies).

The third key concept is that of **multi-dimensional poverty**. This is based on the findings of previous research and action that those in poverty are often trapped in a vicious circle of deprivation, in which loss of one resource or service often leads cumulatively to the loss of several others. People losing their jobs not only suffer a sudden loss of income and social status, but may also rapidly experience mortgage or rent arrears leading to loss of housing;

Lessons from the European Poverty Programmes

stress may lead to loss of health, and family or matrimonial breakdown, and the erosion of social support networks. Equally, those areas suffering loss of private or public investment quickly spiral down into social decline, with poorer housing, education, leisure, transport and other communal facilities for childcare and shopping.

The fourth concept promoted in the third European Programme follows from the above, and is that of **economic and social integration**. This is based on the recognition that strategies to combat poverty have to link economic and social measures. There is no point in developing programmes of social support and skill training for the unemployed if there are no jobs for them to go to. Projects have argued that it is both necessary and possible to plan programmes in a way which integrates the economic and the social, and which links demand and supply side measures within the local labour market (for example, high quality skill training programmes which are tailor-made to fit the needs and potential of the unemployed on the one hand, and also the skill shortages and employment needs of local employers, private and public, on the other).

The fifth key concept is **additionality** - the requirement by the European Commission that all strategies and programmes within the third Programme to combat poverty must involve additional net expenditure into the project areas; in other words that there is a bending and a targeting of mainline programmes into these areas, rather than just a European Commission subsidy of activity which would have gone on anyway.

The sixth principle is that of **participation** by representatives of the target groups in the project area in the planning, development, management and implementation of the strategy to combat poverty. This is by no means easy or uncontroversial and much care will

have to be taken to link the top-down strategic planning processes by resource-controlling agencies to the bottom-up initiatives of local community organisations. Previous anti-poverty programmes in America, the UK, Ireland and other parts of Europe have shown some of the dilemmas involved in such policies.

The challenges facing the Third European Programme to Combat Poverty are therefore to develop strategies to tackle the "new poverty" which link:

- economic and social measures;
- supply side and demand side initiatives;
- top-down and bottom-up processes and organisations;
- economic development and community development;
- grassroots power and public, private and voluntary agency resources.

It is clear that these strategies will require new forms of organisation as well as new policies. These are questions to which we turn in the next Chapter.

Conclusions

The policy implications of this European experience are far-reaching. If poverty is no longer a social welfare problem affecting small minorities who have slipped through the safety nets of the social services, but a symptom of a much deeper restructuring of the economy, and the state, then it follows that it cannot be tackled merely by local modifications and innovations in welfare services. It requires changes in economic and social policies at national levels as well. Here we discuss programmes and policies which, though national in scope, operate at a local scale. In Chapter 7 we extend the list, noting changes required on a national scale.

(1) **Existing programmes sometimes make the problem worse rather than better.** Many of the existing forms of governmental support for the poor (including some of those financed via the European Social Fund) fail to achieve their declared aims, and in some cases actually make the problem worse rather than better.

- Financial assistance is often too low to allow even minimally adequate levels of living. This situation can lead to further problems of debt, ill-health etc. which lead to pressures on public services.
- Money is often provided in ways that stigmatise, and reinforce the loss of dignity experienced by the poor and the unemployed.
- Social and welfare support services often reinforce the poor or unemployed person's sense of powerlessness and marginalisation, rather than helping them to regain confidence and autonomy.
- Broader-scale "urban" policies for the location of public services, and for land use, transport and housing often focus resources on richer areas and neglect, or even devastate, poorer areas.
- Too many training schemes, insofar as they serve the long-term unemployed at all, fail to provide skills which are required within the local labour market, or fail in their job placement arrangements. High percentages of the trainees thus slip back into unemployment and poverty at the end of training, rather than being helped into jobs. This outcome is demoralising for those concerned and a waste of the public resources invested in the training programme.
- Some job-creation programmes in areas of high unemployment and poverty fail because they do not relate to the indigenous technologies or the skills and potential of those looking for work, and thus do not provide jobs for those who need them most.

(2) **The need for more cost-effective strategies.** The projects have growing evidence that existing policies and programmes are inadequate to cope with the scale and intensity of the "new poverty", or the magnitude and gravity of long-term unemployment.

Much government expenditure is being wasted on programmes that are not cost-effective because they fail to reduce or ameliorate the problem. In a sense they pour resources down a bottomless pit. The post-war welfare policies which were designed to provide a safety net for relatively small percentages of the population who fell into poverty or unemployment for relatively short periods of time are not capable of supporting the massive numbers of people now facing unemployment and poverty for long periods of time.

In many places, people have concluded that the middle-aged long-term unemployed must be written off as beyond hope - though they rarely say so publicly. This is a misunderstanding, based on an individualistic view of the world which takes no account of the ties linking families and neighbourhoods together, or of the forces operating to keep whole neighbourhoods excluded from the mainstream, and thus to transmit exclusion from one generation to the next. Radical new strategies are required. Instead of aiming simply to provide remedial support, these strategies must be designed to lift people out of poverty and unemployment by getting them back into productive and socially useful jobs. This will require planned programmes of investment and support. The work of the projects identifies the following key elements as necessary:

(i) **Strategies of support for groups in poverty**, which:

- (a) guarantee a decent level of provision for material needs (income, housing, health-care, transport, food and fuel etc.) and co-ordinate necessary support services; and
- (b) enhance people's autonomy, and counteract those processes which create dependency and reinforce powerlessness.

(ii) **Strategies of investment and economic development** which:

- (a) compensate those urban and rural areas from which private and public capital has been withdrawn, leaving behind disproportionate concentrations of the unemployed, the elderly and the poor; and
- (b) regenerate the economies of those areas by investment in indigenous skills, technologies and employment opportunities.

(3) **The need for urban renewal.** Poor people are often compelled to find homes in neglected areas of bad housing, urban decay and general squalor - the places avoided by those with any choice about where they live. Even in the subsidised public sector of the housing market there are strong correlations between the incomes of the residents and the quality of their environment. Hence programmes designed to give people skills and get them into jobs must be coupled with programmes of urban renewal. Otherwise, when they have secured better incomes and paid off their debts, the people who benefit from training and placement programmes will desert these areas, leaving an even more impoverished community behind them. The experience of Pittsburgh, Glasgow, Berlin and many other old cities shows that the growing recognition of the need for economic and social regeneration must not lead to neglect of the equally pressing need for physical regeneration. Investment in better housing, more shops, landscape improvements and other badly-needed forms of urban renewal can also give local people opportunities for work, and should be deliberately designed to do so.

(4) **The need to harness grassroots resources.** Many of the projects have found that an important source of support for those in poverty is the provision of community-based resource centres. These resource centres provide:

- access to information and advice about financial and legal problems and welfare rights;
- social support and activity to overcome isolation and to maintain confidence;
- links to trade unions, to maintain work-based relationships and solidarity; and
- a base for representing the needs of the poor and the unemployed, and for generating grassroots plans for economic development.

(5) The need for high quality skill training programmes.

Many projects would argue from their experience that the unemployed do not need further incentives to find work; what they need is jobs. They point to the weaknesses in current training schemes which often fail to provide a route to permanent employment. In Ireland, these schemes are often provided on terms which preclude the long-term unemployed from participating because means-tested benefits of various kinds are withdrawn and training allowances are low. Child care may not be available to help trainees with young children, and married women may be discriminated against. By implication, people are, therefore, critical of European Social Fund support for these kinds of temporary schemes. They are also critical of the quality of many of the schemes subsidised by the European Social Fund. These criticisms include the quality of the work performed, the opportunities which participants get for obtaining further qualifications, and the participants' chances of creating any kind of career for themselves.

(6) The need for investment in economic and social development.

It is clear that many of the project areas have gone beyond the stage where preventive action can be taken. Hence strategies have to focus on compensation and cure. Areas of concentrated unemployment and poverty need, in addition to better training programmes, substantial investment in major capital projects to restore the physical and social fabric of the area and to regenerate the local economy. We have touched on the need for improvements in residential areas, but these projects also need to be in the manufacturing, construction and service sectors and to be built wherever possible on a foundation of indigenous industries, technologies and skills.

New organisational machinery will be needed for these purposes, along the lines of a regional enterprise board, to develop the necessary business plans and training plans, to attract and manage

the investments, and to provide advice about product development, marketing and business development.

(7) Involving the whole community. Poverty, we have shown here and in earlier chapters, is essentially "exclusion" - exclusion from the opportunities which a progressive economy offers to the rest of its citizens. It follows that solutions must involve the rest of the community, some of whom will be people who find that the exclusion of the poor - from their neighbourhoods, from the schools their children attend, from the jobs they want for their own families - suits them pretty well. They want good things to happen for the poor: but not in **their** part of town.

Thus, if they are to be taken seriously, programmes to combat poverty are bound to be contentious. Reconciliation must be the ultimate aim: reconciliation between those in secure jobs and those out of work, between rich and poor neighbourhoods, between travellers and the settled population, between younger and older generations... But reconciliation cannot be built on foundations of exploitation. It can only be achieved as a society moves towards greater social justice.

Coping constructively with the conflicts to be encountered on any journey of this kind is a task for politicians and other representative civic leaders, lay and religious, working at neighbourhood, urban, national and international scales. It cannot be done by bureaucrats, academics, the media or any other kind of "expert" - although each of these can help to make their civic leaders' task easier or harder.

Wherever possible, people who themselves originated in the excluded sections of the community - businessmen, bankers, teachers, media people and so on - should be challenged to come back to recruit workers and train them, to help in local projects and to work in local services.

People drawn from conflicting social groups generally find it easier to work together in business matters, where each has something to gain, than in other things. Successful collaboration in business can then be a starting point for further progress. We have seen impressive examples of this policy in Belfast where conflict has preserved people's loyalties to their own sections of the community and the neighbourhoods from which they originated. In Dublin's massive and recently-built suburban housing estates other ties, other sources of civic leadership and social solidarity, must be found. But the problems are essentially the same, and so are the solutions.

The comfortable and the powerful must not be allowed to forget that they are part of the agenda too - for the sake of their **needs** as much as their duties. Every business, every hospital, school or university, which wants to attract customers, staff, students or investors has a stake in the economic and social health and the public reputation of the city and the neighbourhood in which it operates. If the health and reputation of their community are not among the main assets of these enterprises they will be among their main liabilities.

5. Civic Leadership

Introduction

Our previous Chapter showed at many points the need for urban strategies which mobilise and combine the efforts of public, private and voluntary sources of initiative and investment, and create effective working links between people operating at the scale of the neighbourhood, the city and the nation - in short, the need for civic leadership. Although many other agencies also have to play their parts, local government and local politicians must have a central role in this work.

That necessity poses special problems in Ireland. In most small countries, those with real power can get to see the Minister responsible for any sphere that interests them. That easy access to government is one of the great advantages of such countries. But it weakens local government. In their formative years the first leaders of the Irish State had specially good reasons for reinforcing this pattern by centralising power: their frail parliamentary democracy might have foundered in local corruption and gunsmoke had they not done so. But corruption becomes ever more tempting to people who have little real power. Later, when worried by evidence that these temptations were becoming a serious problem, Irish Governments responded by imposing stronger administrative controls through a system of County Managers which restricted the scope of local politicians even further. Meanwhile Irish clergy had for generations often been the only authentic spokesmen of the communities they represented, and were therefore powerful civic leaders in their own right - leaving local politicians even less political space in which to operate.

We have visited community-based projects in poverty-stricken neighbourhoods of Dublin, Cork, Limerick and Galway, and everywhere heard the same story. Often with the support of the

local clergy, they are preparing a report "for the Minister" or "for the EC". Often they have had a visit from the Minister and from representatives of the EC. Their local councillors, however, are not expected to play important parts in these negotiations. Thus every local initiative on behalf of poor people has to be started "from cold" and pushed forward by competing for attention with other neighbourhoods. Of the many studies of impoverished local communities that we have read about, roughly nine out of ten deal with Dublin, and nine out of every ten within Dublin deal with Tallaght, the Liberties, the North Central City or Ballymun. Most of the studies are excellent, and the needs of the neighbourhoods they deal with are certainly urgent. But we could have greater confidence that equally needy areas are not being neglected, and these projects would not have had to struggle so hard and for so long to gain public attention, if there was an effective, nationwide system of civic leadership available at urban and neighbourhood scales to monitor what is going on, and to co-ordinate a response to the needs of multiply deprived areas without waiting to be prodded into action by angry, headline-seeking demonstrations and laborious but underfunded research.

Things do not have to be like this, even in small countries. Nor are they unchangeable. The Netherlands and the Scandinavian countries have strong democratic local government. Denmark's is particularly impressive - and specially interesting to the Irish because devolution of a wide range of powers to local authorities was systematically pushed through over several decades. Fourteen years ago, the Strathclyde Regional Council, representing two-fifths of Scotland's population, made a systematic economic and social analysis of every Census enumeration district and identified "areas for priority treatment" on which additional resources have since then been concentrated.

In this Chapter we draw on the experience of Britain, not because it offers a model for other countries, but because this country has a

number of old industrial cities with severely impoverished neighbourhoods whose local politicians have begun to make serious and fairly well documented attempts to tackle their problems. Policies which are at last beginning to work in cities with problems as severe as Glasgow's, Sheffield's, Manchester's and Newcastle's must have something to be said for them. We do not assume, however, that conventional local government of the British type should be adopted elsewhere. Indeed, one of the main lessons to be learnt from the experiments we quote is that many other agencies have to play a part, and local government has to work in new ways with them. Other countries would endorse these conclusions. There are many American cities with similar experience. Glasgow's renewal schemes gained some inspiration from a series of meetings, held over many years, in which representatives of Lille, Hamburg, Dresden and Turin were among those who regularly participated.

The examples quoted in the pages which follow repeat many of the things said in the previous Chapter. The difference is that, whereas the earlier discussion distilled general principles from years of experience spread over many countries, in this Chapter we describe current practice in one country.

Some British Experiences

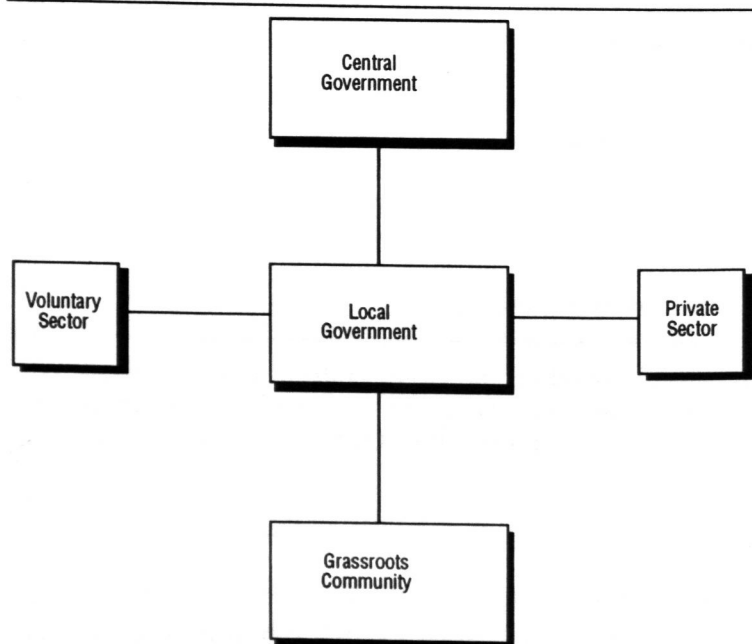
The scale, composition and causes of the new poverty require new strategies. Experience throughout Europe is showing that the new poverty cannot be tackled effectively by central government, or by grassroots community development alone. The energies of both need to be harnessed with the powers and resources of local authorities and other local agencies with the capacity to mobilise for change.

Because the causes of the new poverty are more clearly economic (though the symptoms remain social) a combination of economic

and social strategies is needed. Local community development is necessary, but no longer sufficient. It needs to be linked to local economic development. Likewise, policies for economic development must be based in the convictions of local communities which have played a part in shaping them. Economic development also requires co-ordinated action by private, public and voluntary organisations.

These links are represented in Figure 5.1 which shows, on the vertical axis, the different levels of power, and, on the horizontal axis, the different sectors of society which must be brought together.

Figure 5.1 Mobilising the forces for change



Local government is often in the best position to integrate strategies along both these axes - horizontal and vertical. In many British cities local authorities are giving the lead in developing inter-agency strategies to combat poverty. The most effective of these include the following features:

(1) **A clear political commitment and priority given to anti-poverty strategies.** Several leading city councils have signalled their commitment to tackling poverty in their areas, by setting up what amounts to an anti-poverty committee or sub-committee of the city council: it may be called a "priority areas" or "deprivation" committee, for example. The priority which is given to anti-poverty work is measured, not necessarily by the size of the budget allocated to it, but also by the seniority and calibre of the councillors involved.

When the anti-poverty committee is chaired by a committed and competent politician who acts as champion for its work the issue can be raised in profile and priority within the City Council, the local authority, the political parties, and in public. The fact that a democratically elected City Council puts poverty on the agenda as a mainstream policy issue can also lead to it gaining higher priority in the thinking and activity of other local agencies, inside and outside the authority's services. A clear political and organisational commitment to tackling poverty by the local authority can then act as a catalyst for further activity by other organisations.

(2) **The setting up of an inter-departmental or inter-agency structure to combat poverty.** A growing number of UK local authorities are setting up new organisational structures to develop and co-ordinate their strategies to combat poverty. These are often inter-departmental working groups made up of designated officers from all the key local authority departments, and chaired by a principal officer from the Chief Executive's Department, or one of the other central units. The importance of such initiatives is that

they demonstrate that poverty is a corporate responsibility for the local authority as a whole, and not just for the social services or welfare departments.

In some cases, the working group is established not just within the local authority, but with representation from outside agencies concerned with poverty such as voluntary organisations, the churches, trades unions, the health authority, housing associations and so on. The Third European Programme to Combat Poverty requires representation also from private sector agencies (e.g. local firms) and central and regional government bodies. In England the Government has set up local task forces representing the main departments - Environment, Industry and Employment - which have a contribution to make to urban policy. In Wales, and Scotland, the Development Agencies have considerable scope for initiating and supporting combined local action.

(3) **The mapping and analysis of local concentrations of poverty.**

One of the first tasks carried out by many of the local authorities is to conduct an analysis of the patterns and dynamics of poverty in their areas. In some cases (e.g. Manchester) this has been based on questionnaire survey data. In other cases, it is derived from published sources like the census, along with other available data, including proxy measures for poverty like the take-up of free school meals. There has been a resurgence of interest in the spatial mapping of such data, and in the use of geographical information systems (GIS) to highlight concentrations of particular kinds of poverty. A similar analysis has been made of Dublin, but it has not been given the same public discussion and practical application. Such exercises can be used to help publicise the facts about local poverty, and to target particular areas and particular groups for priority action.

The best local authorities are also going beyond snap-shot descriptions, and trying to develop a dynamic analysis of the political and economic history of specific patterns of poverty in their areas. This begins to allow them to move from documentation of symptoms, to some diagnosis of causes.

(4) **The auditing of current policies and services relating to poverty.** In addition to mapping poverty, some local authorities have begun to monitor and audit all the policies and services which may make some impact on poverty in their areas. This allows them to identify any gaps, overlaps, contradictions, duplications or lack of co-ordination in provision. It also allows them to highlight any policies which may be reinforcing rather than resolving the problem.

(5) **The development of a coherent inter-agency strategy to combat poverty.** The setting up of co-ordinating structures and the collection of data, are not by themselves sufficient pre-conditions for the development of an integrated strategy to combat poverty. This has proved to be the hardest goal for local authorities to achieve. Different agencies and departments have begun to co-ordinate their separate services more closely and to iron out some of the contradictions between the policies and practices of different departments. In some cases different agencies have combined forces to develop a joint programme. Housing and Social Services Departments, for example, may co-operate. Police, Housing and Social Work Services may agree that the violence encouraged by illicit money lenders in places without legitimate sources of credit oblige them to promote the foundation of Credit Unions in poor areas - as in Strathclyde.

None of this is easy. It is much harder in practice to develop coherent anti-poverty strategies than to just throw money or services at problems. It is hard to link top-down economic

development initiatives effectively to bottom-up community development. It is hard to move away from short-term alleviation of symptoms, to longer-term preventive strategies. It is hard to develop strategies which empower the poor, rather than reinforce their dependency and demoralisation.

As Chapter Four showed, those involved in the Third European Programme to Combat Poverty are working on the same problems and reaching similar conclusions. These are some of the strategies developing in British projects:

(a) **Measures to strengthen the systems of social support available to people in poverty.** There is a number of measures which can be taken quickly to improve the direct support available to people in poverty. They involve revenue rather than capital spending and, as a by-product, can also help to create a small number of jobs for the unemployed. They include:

- The organising of imaginative, high-quality play schemes in deprived areas, during school holidays.
- Increasing and improving the childcare facilities and after-school support available to single parents and other priority groups.
- Systematic campaigns to increase the take-up of welfare rights and benefits, both by direct advice and advocacy for claimants; and by training all fieldworkers in disadvantaged areas (from all departments which have any direct face-to-face contact with the public) to act also as welfare rights advisers. Where possible, deprived groups should be helped to organise their own welfare rights services with advice and support from professional staff.
- Improving access to advice from lawyers, debt counsellors, consumer rights experts, local councillors and MPs by organising "surgery" sessions with such specialists to be provided on a regular basis in disadvantaged neighbourhoods.

(b) **Measures to improve physical living conditions in disadvantaged areas.** Poor housing environment, education, health, transport and other facilities compound the problems faced by people in disadvantaged areas. Concerted and co-ordinated action to improve such facilities requires bending and targeting of mainline programmes and may involve capital as well as revenue expenditure. If carefully planned, construction and improvement work can also be used to generate job and training opportunities for the unemployed in the areas concerned.

Examples of such measures include:

- Care and repair schemes for pensioners living on their own in run-down property (with the decorating and maintenance work carried out by teams of specially trained and supervised unemployed people).
- Improvement, repair and remodelling programmes for housing in disadvantaged areas, by decentralised teams of skilled trades people (bricklaying, plastering, plumbing, electricians) to which local unemployed people are apprenticed. In some examples (e.g. Sheffield) local residents have been willing to accept several months extension of the completion date for improvement programmes in order to give the extra time for the training of local unemployed youngsters as apprentices.
- The setting up of housing co-operatives to manage, or going a step further, to own blocks of houses in deprived areas - as in Glasgow and other cities. Small co-operatives and more conventional local firms have also been established to supply the materials necessary for such repair and improvement schemes, and to carry out some of the work.
- Targeted and co-ordinated investment in local schools, nurseries, libraries, community centres, parks and open space, to upgrade the physical environment and material conditions.

(c) **Measures to improve the incomes, skills and job opportunities of those in poverty.** These usually offer the most effective routes out of poverty. However, they are also the most difficult to achieve, and require the longest-term action. The crucial factor seems to be the local linking of a number of separate steps (e.g. training, job creation and job placement) into a staircase of progressive moves forward.

Examples include:

- Skill-training programmes tailor-made to match both the skill levels and potential of specific groups of the unemployed on the one hand, and skill shortages and vacancies within the local labour market, on the other. In Sheffield and Leeds, Womens' Technology Training Workshops have been set up to give high quality training in micro-electronics and computing to women returning to paid employment after childcare and domestic work. These were linked up to a number of local firms (including the local authority) needing to recruit people with skills in information technology.
- Public, private and voluntary sector agencies within the local labour market (e.g. local authority, universities, hospitals and local firms) have been asked to develop positive programmes for the recruitment, training and employment of black and other ethnic minority people from the target area.
- In some places purchasing policies by all public sector organisations have been monitored to trace their scope for creating opportunities for local groups to tender for business e.g. window-cleaning and security contracts for public buildings, the provision and delivery of meals-on-wheels to house-bound pensioners, etc.
- Negotiations have been conducted with major inward investors about the location of new or expanded factories, offices and shops in, or at the edge of, disadvantaged

areas, to increase employment opportunities for local people. Manchester has had some success in this respect with a major brewery expanding its operations in a deprived housing estate.

Some Conclusions

These strategies require local government to move beyond its traditional responsibilities for the distribution and delivery of services. They call upon councillors to gain a better understanding of their political role as elected representatives with a mandate to take up issues of concern within their cities, and to bring them forward for public debate and action. They also require that civic leaders grasp that they have considerable power to exercise economic leverage within their communities, through their role as major employers, investors and purchasers.

We have drawn our examples from initiatives taken by local government, but central government has played a key part in launching some of the most successful: the Glasgow Eastern Areas Renewal scheme (GEAR) and the projects now on foot in Glasgow's Castlemilk and Paisley's Ferguslie Park estates provide examples. All these, however, share the same basic principles: combining economic and social development; mobilising public, private and voluntary initiatives; and linking authentic local community activists, local government and various branches of central government. These principles are more important than the organisational structure.

That would be even clearer if we had looked to Northern Ireland where local government, apart from its very important community development powers, no longer has any responsibility for the services mentioned in previous pages. Some of the most striking examples of projects to combat urban poverty are in fact to be

found in Belfast and Derry. Central government - prompted, perhaps by the disorders - has made it very clear that helping people out of the various forms of exclusion which condemn them to poverty is a top priority on which it is prepared to spend generously. Recognising that many within the community will never trust the present State, the Government has sought to fund local agencies which community groups genuinely own and control. (There is controversy about the extent of that control - but the policy is at least clearly stated and publicly discussed.) These groups provide training and advisory services, create jobs and work spaces, promote cultural development and celebration, and do much else besides. Key people in the Churches who live and work in deprived neighbourhoods have been prepared to devote much of their lives to these projects. Meanwhile employers, now obliged to work towards a more equal representation of both parts of the community in their labour forces, are beginning to see hitherto excluded neighbourhoods as a source of recruits which will help them to solve this problem. Here, as in the Republic, however, the limitations of a regime with very weak local government can be seen. Ministers find it difficult to focus co-ordinated attention on more than one or two places at a time. The smaller towns of Northern Ireland present a far more neglected appearance.

We do not have to go to the United Kingdom for these ideas. They are already familiar to the people who live in the most deprived neighbourhoods of Irish cities.

In 1988 the Tallaght Welfare Society was calling upon "*central government*" to "*formally allocate responsibility and resources for the further development of Tallaght to a single authority*", and upon the Eastern Health Board, Dublin Corporation and County Council, and the Department of Social Welfare to establish local offices to deliver their services in Tallaght (Tallaght Welfare Society, 1988). The following year, local activists in the north inner city of Dublin

were arguing that the Custom House Docks Development Authority should recognise that "*community organisations must have a formal role in the renewal process*" (Alliance for Work Forum, 1989).

In 1990 the Irish Congress of Trade Unions, commenting on the Development Plan for Dublin, criticised "*the dispersal of functions across a wide range of public bodies ...*" and "*The total inadequacy of mechanisms for community participation in the planning and development process*". They concluded that "*developing the new suburbs and regenerating the inner city requires a dynamism and integration of administration which cannot be provided by existing arrangements*" (Irish Congress of Trade Unions and the Dublin Council of Trade Unions, 1990).

The Community Workers' Co-operative (1990), when press-releasing their evidence to the Advisory Committee on Local Government Reform concluded that "*We do not have local government in Ireland, we merely have an impoverished form of local administration. Centralism prevails*" with "*... all the worst side effects of this - irresponsibility, cynicism, and apathy*". The Combat Poverty Agency's (1990) evidence summed up the weaknesses of the present system as "*1. Poverty, powerlessness and centralisation, 2. Fragmentation of services, and 3. No place for community development*".

Most poignant of all was the reminder given by a group of young activists in Ballymun that a special committee of the Eastern Health Board had, back in 1984, said "*There is need for intervention by an agency which will focus attention and resources and action on the broad needs of the district ... a co-ordinated approach is desirable ... the people of Ballymun should be helped to help themselves ...*" "*We ask*" said the local group of this recommendation, "*To whom was it made? Who will take responsibility ...?*" (SUSS Centre, 1987).

From the Local to the National Scale

This chapter has focused mainly upon action to be taken at the scale of an urban neighbourhood or a town. But without consistent supporting policies at national and international scales these local initiatives are unlikely to make a lasting impact. To embark on that larger discussion, however, could lead us into a limitless exploration of public policies which would deprive our Report of any clear focus. Thus we confine our consideration of national policies to a few of the more important spheres for action and treat each very briefly.

We have outlined, in Chapter One, some of the ways in which European social security systems, devised long ago in very different economic and social circumstances, tend to reinforce social divisions between those at the core and those on the margins of society. These systems need to be reappraised. The more fundamental features of Ireland's social security system can probably be recast only in conjunction with those of other European nations with which this country will become increasingly integrated. But more detailed changes can be made without waiting for that.

In Ireland, as in many other countries, the long-term unemployed and many of the oldest pensioners have to live on social assistance payments which are lower than the benefits paid to people more briefly out of work. The assumption seems to be that, with practice, the poor can live on less. But, as time goes by, domestic equipment wears out, children grow out of their clothes, house repairs can be neglected no longer and it costs them more, not less, to keep going. This is a feature of social security systems which will have to be reappraised in countries wishing to respond humanely to the high rates of long-term unemployment characteristic of the new poverty.

"Poverty traps" arise because social security payments are rapidly reduced when earnings are secured, and wages are low but quite heavily taxed. As we showed in Chapter One, there is little evidence to suggest that these provisions tempt people to abandon work in order to live on benefits. But there is reason to believe that they make it difficult for some people to return to work or embark on training courses once they have come to rely on social assistance payments. Lone parents and the homeless are particularly likely to become entrapped in this way because they may be housed under expensively subsidised arrangements which are withdrawn if they earn a modest wage and they get little help with the costs of child care. The inadequacy and unreliability of maintenance payments due from the fathers of their children is another problem which many lone parents have to contend with. The Combat Poverty Agency has already published an analysis of this issue with proposals for action (Ward, 1990).

A more fundamental issue must also be addressed. Without economic growth and greater scarcities of workers at the bottom ends of the labour market, it will be very difficult for the excluded to get a larger share of opportunities. Heavy unemployment keeps down wages at the bottom end of the labour market. Employers do not find it worth training people for skills which are in plentiful supply, or making special arrangements to help lone parents and other marginal workers back into jobs. The poor find themselves in a zero-sum game in which every advance they make has to be taken from others - and often from more powerful groups in their society.

Every market economy which has achieved high levels of employment has had to develop effective ways of regulating the growth and distribution of incomes. The distribution of incomes is particularly important because it is discontent about differentials which tends to destroy precarious agreements about incomes

policies. If such policies cannot be agreed, governments tend to fall back on the "incomes policy" of high rates of unemployment. To do better calls upon the more skilled and strongly organised workers to forego increases in wages which they could secure for themselves if they chose. They will not consent to do that without striking a bargain, implicit or explicit, on matters which include the rate of investment (which ultimately ensures there will be some growth for everyone to share in) and the level and distribution of social benefits and tax burdens. So the conditions which make high levels of employment possible - an incomes policy that works, and the high investment which generates the growth that **enables** such a policy to work - these too are vital components of the strategies required to help the poor.

Fortunately the Irish Government and its social partners - the employers, trade unions and farmers - have shown themselves capable of negotiating such agreements. **The Programme for Economic and Social Progress** (Ireland, 1991) testifies to this. However the neighbourhoods whose fate we have been considering will not benefit from this programme unless it ensures that unemployment falls, social protection for the poorest people continues to improve and there is specific action to tackling the problems of the most disadvantaged communities.

A rising economic tide is not sufficient to lift all boats. But without a rising tide it will be much more difficult to achieve any major reduction in poverty.

6. Conclusions

Introduction

In this Chapter we draw the conclusions of our Report together. For brevity's sake we simply assert these, referring the reader to the Chapters in which the supporting arguments can be found.

We started by questioning the meaning of poverty in European societies, the extent of poverty in Ireland, and the prospects for the future. Our conclusions suggested that, if nothing is done to change things, a large number of Irish people will become increasingly excluded from their own society, and that this society will become more deeply divided. That will impose costs, economic and social, on everyone. Ireland, like other European countries, has a major problem of poverty which will not be solved painlessly.

The evidence presented in Chapter One clearly illustrates that the rising tide of economic growth does not lift all boats. The recent sustained period of growth in Ireland between 1987 and 1990 provided ample evidence of just how weak is the linkage between the growth in the economy and the reduction in unemployment. If the unemployed, particularly the long-term unemployed, are to benefit from growth, rather than being further excluded by it from mainstream society, that will call for humane and statesmanlike corporate management of economic development in which all the main power holders have parts to play.

Next we turned to consider solutions. Given the questions being addressed in the Report we decided to focus upon the needs of deprived urban neighbourhoods and to draw lessons from the experience of other countries facing similar problems. We have visited a number of urban projects and have read reports on the work of many more; but we have not tried to describe or assess them here. Conversely, we say nothing about the plight of people

in rural areas, and little about the achievements of rural projects in Ireland apart from noting that the failure to develop comprehensive policies for farming and related industries has led to the emergence of severe poverty in rural communities and the migration to the cities of many people who are ill-equipped to succeed there.

Our discussion of solutions focuses first on problems and policies - economic, social and environmental - which operate at the small scale of the urban neighbourhood. It then moves on to consider, more briefly, some of the equally important steps which will have to be taken at the larger scales of the city and the nation.

Poverty

How should poverty be defined? How many are excluded from the benefits of economic progress? Can they be properly described as "poor"? Does their exclusion matter? Will it be remedied by economic progress? If not, can Ireland afford to do more for them? These are the complicated questions considered in our first Chapter.

We examine the relative definitions which classify as poor all households whose disposable incomes, measured in relation to their needs, fall below some percentage of the average household's. Although generally adopted by the EC and the O.E.C.D., these definitions are still unfamiliar or unconvincing to many in Ireland. We demonstrate how, in each generation, every society creates new forms of poverty which cause real hardship to those excluded from the new necessities that emerge in a growing economy. These deprivations are closely related to lack of income, and they cause unhappiness, stress, ill health and untimely death. Some nations in the more affluent industrial world have gone far to eliminate poverty, defined in this way. Their progress towards that goal owes more to the distribution of their incomes, wealth and

social rights than to the average levels they have attained. Economic growth is important, not for its own sake, but for the opportunities it provides to create a fairer society, less wasteful of human talents.

We do not suggest that everyone found to lie beneath an arbitrarily chosen percentage of average household incomes is poor, or that everyone above this line is not poor. Some beneath the line will be helped by their families; others will be experiencing - between jobs perhaps - difficulties which are only temporary. Meanwhile, above the stringent line of 50 per cent of average incomes that we have chosen for our own assessments, there will be some who only briefly struggle to this surface, and others burdened with special needs - meeting the costs of disablement, the repayment of debts, the care of sick relatives and so on - who are suffering genuine hardships. We briefly illustrate the living standard of people who live in poverty. No-one who reads this Report would want to live in these circumstances.

Ireland has a larger proportion of its people living in poverty than most other countries of the European Community. It is a more unequal society. And - as in most of them - its numbers in poverty have risen during the 1970s and 1980s.

Throughout the more highly developed market economies a "new poverty" is to be seen. This is no longer concentrated in the working class at predictable phases of their lives - in childhood, early parenthood and old age - as it used to be. It arises from the shedding of large groups of workers from industries which have been restructured or closed down, and the concentration of these people in impoverished regions and neighbourhoods where whole families and whole streets are increasingly excluded from the opportunities which a growing economy offers to other people. The restructuring and relocation of European industries has not

come to an end. Indeed, it is likely to quicken after 1992. Meanwhile the expanding industries, concentrated particularly in retailing, financial enterprises, leisure and services of many kinds, demand skills and are located in places to which the excluded groups cannot easily gain access.

Everyone pays a price for the exclusion of these people - in taxes for the social security and welfare services required to keep them and their families going, in unnecessary ill health and social disorder, and in the squalor and desolation of the neighbourhoods where people who are neglected both by commercial enterprise and by many public services are compelled to live.

That economic growth does not automatically eliminate poverty is obvious enough. The numbers of people whose incomes fall further and further behind those of their fellow citizens, the numbers who are unemployed, and the proportions of those who have been out of work for long periods - all these measures of exclusion have increased in most European countries through the 1980s which were a period of unparalleled economic progress. It is also clear that, at the urban scale, these patterns of exclusion are often most heavily concentrated in prosperous and rapidly growing cities. Ireland is no exception.

The reasons why a rising tide does not lift all boats are complicated. We have said enough in Chapter One to show that they are partly economic, partly social and cultural, and partly political; and that they operate at the national, the urban and the neighbourhood scales. They can only be fully understood by those who have experienced life in excluded neighbourhoods or listened carefully to the people who live in such places. To reverse the trends which exclude them will call for action in all these fields and at all these scales - action which gives a voice to the people who experience the problems to be solved.

Can Ireland afford to take such action? That question suggests that remedial action can only be taken if new money is found to pay for it. But this country, like many others, already spends a great deal on programmes which do little to help the poor - indeed, in ways which too often make it harder for people depending on benefits to find a way back into training and work. It already spends a great deal on hospitals and on prisons which return many of those who pass through them to the conditions which create the problems they were designed to cure. It already spends a great deal on housing, highways and public transport in ways which have exacerbated the exclusion of poor people and impoverished the neighbourhoods in which they live. It spends a great deal on training and on the support of industries in ways which fail to benefit the excluded. These things cannot be changed at short notice. But, in the course of time, a redeployment of resources giving higher priority to programmes designed to reduce poverty can be brought about.

The poor are not a separate race - as phrases like "the underclass" would have us believe - suffering problems of distinctive kinds, to be solved by special services operating in confined neighbourhoods. All citizens, and all the services on which we depend, are involved in increasing or reducing the exclusion of the poor. Hence the saying: *"If you are not part of the solution you will certainly be part of the problem"*.

Some additional expenditure will be needed, and in time major savings can be made too. But the main task of those seeking solutions for these problems is to redirect resources and deploy them in ways which reduce poverty instead of perpetuating it.

Economic Prospects

The prospects of any small country with a wide open economy on the periphery of Europe must be uncertain. Notwithstanding this, Ireland has made good economic progress in recent years. Growth, productivity, earnings, inflation, the numbers of people at work, the balance of payments, and the heavy burden of debt all stand at encouraging levels or are moving in the right directions. Although Ireland has a higher proportion of dependent people than any other country in the European Community, many of the social benefits on which they depend have been increased in recent years, although they still fall short of the minimum levels advocated by many experts.

These achievements owe a great deal to the restraints imposed in recent years on public expenditure, and to the capacity of trade unions, employers, farmers and the Government to reach stabilising agreements about economic policy. **The Programme for Economic and Social Progress** (Ireland, 1991) represents a continuation of this consensualist approach to economic and social policy and provides a useful context for tackling some of the key problems of unemployment and poverty. These problems require concerted action at all levels to ensure that deprived urban communities are no longer excluded from the mainstream.

Solutions

In the second Part of our Report we turned to discuss solutions, starting with one of the first strategies adopted - the promotion of non-profit community enterprises and small firms to provide jobs, services and training in impoverished urban neighbourhoods. This policy was called for by people who found themselves excluded from the mainstream economy. The Government has in various ways supported their gallant efforts, giving them confidence-

building opportunities from which they have benefited. But in Chapter Two we show that this strategy has not, by itself, proved to be a cost-effective way of generating jobs and enterprises. A wider range of initiatives covering larger areas is needed.

Chapter Three draws on experience elsewhere which suggests that small enterprises can be established, both by moving existing firms and by creating new ones, even in the most unattractive environments. But although these firms often recruit unemployed workers, they rarely employ people who have been out of work for a long time.

Community enterprises working on co-operative principles, when supported by training, work-spaces, business advice and occasional contracts, have been more successful in bringing the long-term unemployed back into work. That strategy is likely to be more successful if it forms part of a larger-scale attempt to work with the people who live in the area and to mobilise the combined efforts of community leaders, the local and central authorities, and the private sector. The Chapter ends with an outline of guidelines for such a strategy.

It is clear, by this stage in our argument, that although the creation of new small enterprises is to be welcomed, excluded people must be helped to gain a footing in the growing mainstream of the economy if major changes in the incidence of poverty are to be brought about. Chapter Four extends the scale of the discussion, drawing on the experience of the European Community poverty programmes. It shows how member nations have been driven by the experience gained in successive programmes to enlarge their definition of the problems and the scope of the strategies for tackling them.

At the scale of the city and the urban neighbourhood a combination of initiatives is needed which provide:

- training which is more carefully targeted to the capacities of local workers and the opportunities likely to be available in the area;
- linked commitments by employers and trade unions in the growing sectors of the economy to recruit workers coming through these training schemes;
- confidence-building activities which help people who have frequently been excluded and devalued for many years, to assert their needs and claim their rights;
- special attention to the child care arrangements required to enable parents, many of whom may be coping single-handed, to get training and take jobs, and to pay for these services; and
- closer collaboration between all public services to focus their resources more effectively on deprived areas through accessible local offices.

As people get jobs and begin to pay off their debts, many will move away to more attractive areas if the neighbourhood remains squalid, leaving behind them what may become an even more impoverished community. Thus measures which improve the quality of the environment must keep pace with those designed to improve people's opportunities in the labour market. These should include:

- modernisation of housing and improvements in repair and maintenance work, carried out from accessible local offices;
- provision of transport links which enable people to reach the most active areas of the city's economy;
- cleaning up the external environment and improving related services for refuse collection, the maintenance of parks, etc.;
- bringing the more frequently needed local services, public and commercial, into the neighbourhood;
- more effectively attending to local problems of lawlessness, vandalism and addiction, in close collaboration with local residents; and

- grasping opportunities furnished by initiatives of these kinds to offer jobs, relevant training and support for new enterprises which will benefit local unemployed people.

These conclusions may suggest that nearly every household in the excluded communities can support itself in the labour market if given better opportunities for doing so. But such neighbourhoods often contain large proportions of old people, people with handicaps and disabilities of various kinds, and lone parents - people temporarily or permanently unable to work. Thus it will be very important to furnish:

- improved advice and advocacy to enable people to secure welfare rights - helping local groups to provide their own services, wherever possible; and
- more accessible and "user-friendly" local offices of the services in question, working in closer collaboration with representatives of their users.

These are the main strategies required at the local level: they are elaborated more fully in Chapter Five. Already these recommendations lead beyond the excluded communities, making demands on public services and private sector investors operating on a larger scale. We have resisted the temptation this offers to explore the whole field of public policy because that would lead us well beyond our terms of reference. But we have, in Chapter Five, stressed the need for continuing effective corporate management of economic development by the government and its social partners, giving higher priority in future to programmes for bringing excluded people back into the mainstream of society. We also discussed, in Chapter Five, some of the more compelling implications of our argument for local government and civic leadership. The European and American cities which have coped most successfully with the economic changes of recent years and mobilised help for those excluded by the "new poverty" have

found ways of linking central, local and community-based sources of power, and the efforts of the public sector, the private sector and voluntary action. Although all levels and sectors have to play their parts, it is the elected leaders of local government who have generally taken a central role. Ireland lacks a tradition of lively, independent, local government. But fortunately this field is now again being reviewed and there may soon be new opportunities for strengthening civic leadership.

If those opportunities are seized, it will be important not to lose sight of the lessons learned from the European Community poverty programmes which have repeatedly stressed the need to give the excluded communities themselves a voice which cannot be neglected.

Irish Governments have always seen the force of these arguments when speaking as members of the European Community. There they have stressed that impoverished regions must be enabled to secure a fairer share of Europe's growing prosperity, and that the continued willingness of all nations to build a new Europe together depends on their conviction that they will all share in its benefits. Our Report only asks that the same principles apply in Ireland as well.

Bibliography

Abel-Smith, B., 1958, "Whose Welfare State?", in Mackenzie, N. Conviction. London: McGibbon and Kee, pages 68-69.

Alliance for Work Forum, 1989, Impact: A Research Report on the Impact of Urban Renewal on Communities in Dublin's North Inner City. Dublin: Alliance for Work Forum.

Baker, T., 1988, "Industrial Output and Wage Costs 1980-87", Quarterly Economic Commentary, October, pp.33-43.

Ball, C., 1987, Locally-Based Responses to Long-Term Unemployment: Consolidated Report, Dublin: European Foundation for the Improvement of Living and Working Conditions.

Ballymun Update, 1989, Dublin: Ballymun Task Force.

Barratt Brown, M., 1990, Europe 1992, European Labour Forum Pamphlet No. 3, Nottingham: Bertrand Russell House.

Barrett, S., 1989, "Measuring Poverty in Ireland: An Assessment of Recent Studies" The Economic and Social Review, Vol 20, No 4, July, pp.353-60.

Barry, F., 1990, Aggregate-Supply, Aggregate-Demand and Structural Factors in Recent Irish Unemployment, Policy Paper No. PP90/3, Dublin: Department of Political Economy, U.C.D.

Benington, J., 1987, United Kingdom: First Report of the Programme Evaluation Team, Birmingham: University of Birmingham, Institute of Local Government Studies.

Benington, J., 1989, "Poverty, Unemployment, and the European Community: Lessons from Experience", in Kenneth Dyson (Editor) Combating Long-Term Unemployment: Local / EC Relations, London: Routledge, Chapter 5.

Blackwell, J. and Nolan, B., 1990, "Low Pay - The Irish Experience", in Harvey, B., and Daly, M., (Editors), Low Pay - The Irish Experience: Papers from the National Conference on Low Pay, Dublin: Combat Poverty Agency and the Irish Congress of Trade Unions.

Blackwell, J., 1990, Some Interactions Between Changing Work Patterns and Social Protection. Research Symposium on the International Comparisons of Social Security Policies and Systems, Paris: OECD.

Callan, T., Hannan, D.F., Nolan, B., and Whelan, B.J., 1989, "Measuring Poverty in Ireland: a Reply" The Economic and Social Review, Vol 20, No 4, July, pp.361-68.

Callan, T., and others, 1989, Poverty, Income and Welfare in Ireland, Report Number 146, Dublin: The Economic and Social Research Institute.

Cecchini Report, 1988. See Emerson, et al., 1988.

Collins, T., 1988, Community Enterprise: Participation in Local Development. Ph.D. Thesis, Maynooth: St. Patrick's College, Maynooth.

Combat Poverty Agency, 1989, Towards a Funding Policy for Community Development. Dublin: Combat Poverty Agency.

Combat Poverty Agency, 1989, Pictures of Poverty. Twelve Accounts of Life on Low Income. Dublin: Combat Poverty Agency.

Combat Poverty Agency, 1990, "Submission on the Reform of Local Government", Letter to Thomas Barrington.

Commission of the European Communities, 1981, Final Report on the First Programme of Pilot Schemes and Studies to Combat Poverty. COM(81) 769, Brussels: Commission of the European Communities.

Commission of the European Communities, 1989, Community Charter of the Fundamental Social Rights of Workers. Luxembourg: Office for Official Publications of the European Communities.

Commission of the European Communities, 1989, Social Europe. The Fight Against Poverty. Supplement No. 2, Luxembourg: Office for Official Publications of the European Communities.

Commission of the European Communities, 1991, Final Report on the Second European Poverty Programme, 1985-1989. Luxembourg: Office for Official Publications of the European Communities.

Community Workers' Cooperative, 1990, Press Release, on Submission to Advisory Committee on Local Government Reform, 29 July, Dublin: Community Workers Cooperative.

Cullen, B., 1989, Poverty, Community and Development: A Report on the Issues of Social Policy that have arisen in the Work of the Nine Projects in the Second European Programme to Combat Poverty. Research Report Series No.4, Dublin: Combat Poverty Agency.

Donnison, D., 1988, "Defining and Measuring Poverty. A Reply to Stein Ringen", Journal of Social Policy, Vol 17, No 3, July pp.367-374.

Donnison, D., 1991, Radical Future. London: Rivers Oram Press, Chapter 2.

Emerson, M., et al., 1988, The Economics of 1992: An Assessment of the Potential Economic Effects of Completing the Internal Market of the European Community. Brussels: Commission of the European Communities.

Eurobarometer, 1990, Poverty 3: The Perception of Poverty in Europe in 1989. Industrial Relations and Social Affairs, March, Brussels: Commission of the European Communities.

European Foundation for the Improvement of Living and Working Conditions, 1988, Taking Action About Long-Term Unemployment in Europe: The Experience of 20 Locally-Based Projects. Luxembourg: Office for Official Publications of the European Community.

Eurostat, 1990, Poverty in Figures. Luxembourg: Eurostat.

Faughnan, P., 1989, From the Ground Up: A Study of Local Employment Initiatives in Dublin. Dublin: Social Science Research Centre, University College Dublin.

Faughnan, P., 1990, Towards a Model of Social and Economic Development: the Contribution of Community Business, Ph.D. Thesis, Dublin: University College, Dublin.

Greene, N., 1990, "Opening Remarks", in Community Work in Ireland: Trends in the '80s: Options for the '90s, Dublin: Combat Poverty Agency, pp 16-25.

Harvey, B., 1990, Resource Centres in Ireland, Dublin: Combat Poverty Agency.

Hayton, K., 1990, Getting People into Jobs, London: H.M.S.O.

Ireland: Government, 1991, Programme for Economic and Social Progress, Dublin: Stationery Office.

Irish Congress of Trade Unions and Dublin Council of Trade Unions, 1990, A Development Plan for Dublin, Dublin: Irish Congress of Trade Unions and Dublin Council of Trade Unions

Jackson, A. et al., 1987, Managing Workspaces, London: H.M.S.O.

Joseph, K. and Sumption, J., 1979, Equality, London: John Murray.

Kelleher, P., 1986, To Scheme or Not to Scheme: Community Groups and State Employment Schemes, Dublin: Independent Poverty Action Movement.

Kennedy, K.A. and Giblin, T., 1987, "Employment and Unemployment", in J.W. O'Hagan (Editor), The Economy of Ireland: Policy and Performance, Fifth Edition, Dublin: Irish Management Institute, Chapter Eight.

Layard, R., 1987, How to Beat Unemployment, Oxford: Oxford University Press.

Lewis, G.W. and Ulph, D.T. 1988, "Poverty, Inequality and Welfare", The Economic Journal, Vol 98, pages 117-131.

Mack, J. and Lansley, S., 1985, Poor Britain, London: Allen and Unwin.

Matthews, A., 1990, "Employment Strategies in the 1990s", in B. Reynolds, and Healy, S., J., (Editors), Work, Unemployment and Job Creation Policy, Dublin: Conference of Major Religious Superiors, pp 90 - 116.

McArthur, A. and McGregor, A., 1989, Banking on Local Communities, Community Business News. May/June.

McArthur, A. and McGregor, A., 1990, Community Action in the Local Economy, Paris: Les Annales de la Recherche Urbaine.

McGregor, A. and McArthur, A., 1988, An Evaluation of Community Businesses in Scotland, Edinburgh: Scottish Office.

McKeown, K., 1990, Evaluation Report on the Darndale Project: A Project on Long-Term Unemployment in the Second European Community Programme to Combat Poverty. 1985-1989, Dublin: Combat Poverty Agency.

McKeown, K., 1991a, The North Inner City of Dublin: An Overview, Dublin: Daughters of Charity of St. Vincent de Paul.

McKeown, K., 1991b, Saint Vincent's Trust 1976-1990: An Overview, Dublin: Daughters of Charity of St. Vincent de Paul.

McKeown, K., and Smyth, E., 1990, Education and Training for the Long-Term Unemployed in Ireland: An Analysis of Five Projects, Berlin: European Centre for the Development of Vocational Training.

Moore, M., 1987, "The Irish Consumption Function and Ricardian Equivalence", Economic and Social Review, Vol 19, No 1, October, pages 43-60.

Murphy, A., 1987, Taxation, Labour Supply, Employment and Unemployment, Dublin: Foundation for Fiscal Studies.

Murray, C., 1984, Losing Ground: American Social Policy 1950-1980, New York: Basic Books.

National Economic and Social Council, 1986, A Strategy for Development 1986-1990, Dublin: Stationery Office.

Nolan, B., 1990, "Socio-economic Mortality Differentials in Ireland, The Economic and Social Review, Vol. 21 No. 2, January, pp.193-208.

O'Cinnéide, S., 1985, "Community Response to Unemployment", Administration, Vol.33, No.2, pp.231-258.

O'Higgins, M., and Jenkins, S., 1990, "Poverty in the EC: Estimates for 1975, 1980, 1985", in Teekens, R., and Van Praag, B., (Editors), Analysing Poverty in the European Community, Luxembourg: Eurostat.

O'Malley, E., 1989, Industry and Economic Development: The Challenge for the Latecomer, Dublin: Gill and Macmillan.

O'Toole, F., 1991, "Irish Society in the 1990s", Paper Presented at the National Conference of the Simon Community, Dublin, Simon Community Newsletter, No. 169, March, pp.3-5.

OECD, 1988, ELISE, Nos.3 and 4. April, Paris: O.E.C.D.

OECD, 1988, Measures to Assist the Long-Term Unemployed, Paris: O.E.C.D.

Pahl, R.E., 1988, The Black Economy in Ireland, V/1776/88-EN, September, Brussels: Commission of the European Communities.

Porter, M.E., 1990, The Competitive Advantage of Nations, London: Macmillan.

Ronyane, T., Cullen, K., Wynne, R., Ryan, G. and Cullen, J., 1986, Living Conditions of the Long-Term Unemployed: Case Studies of Innovations - Ireland, Dublin: Irish Foundation for Human Development.

Ross, M., 1989, Urban Unemployment Initiatives: A Case Study of Dublin, Liverpool: University of Liverpool, Institute of Irish Studies.

Sen, A. and Others, 1987, The Standard of Living, Cambridge: Cambridge University Press.

Sinclair, P. 1987, Unemployment: Economic Theory and Evidence, Oxford: Basil Blackwell.

Smeeding, T., O'Higgins, M., and Rainwater, L. (Editors), 1990, Poverty, Inequality and Income Distribution in Comparative Perspective: Luxembourg Income Study (LIS), London: Harvester Wheatsheaf.

Smith A. and Jacobson, B. (Editors), 1988, The Nation's Health, London: King Edward's Hospital Fund for London.

South Inner City Community Development Association, 1989, Back to the People: An Integrated Development Plan for the Rejuvenation of Old Dublin, Dublin: South Inner City Community Development Association.

SUSS Centre, 1987, A Block of Facts: Ballymun Twenty one Years On, Dublin: SUSS Centre.

Tallaght Welfare Society, 1988, The Development of Community and Social Services in Tallaght, Dublin: Tallaght Welfare Society

Telesis Consultancy Group, 1982, A Review of Industrial Policy, Report No. 64 of the National Economic and Social Council, Dublin: National Economic and Social Council.

The William Temple Foundation, 1988, Poverty in Europe. Estimates of the Numbers in Poverty in 1975, 1980, 1985, Manchester: The William Temple Foundation.

Tobin, J., 1980, Stabilisation Policy Ten Years After, Brookings Papers on Economic Activity, 1.

Townsend, P. and Davidson, N., 1982, Inequalities in Health: The Black Report, Harmondsworth: Penguin Books.

Turok, I. and Wannop, U., 1990, Targeting Urban Employment Initiatives, London: H.M.S.O.

Veenhoven, R., 1984, Conditions of Happiness, Dordrecht: D. Reidel.

Walsh, B.M., 1987, Why is Unemployment So High? Perspectives on Economic Policy, 1, Dublin: University College Dublin, Department of Political Economy.

Ward, P., 1990, The Financial Consequences of Marital Breakdown, Dublin: Combat Poverty Agency.

Weaver, S., (Editor), 1988, The Second EC Programmes to Combat Poverty, Cologne: I.S.G. for European Community Commission.

West Tallaght Resource Centre, 1989, Communities in Action: Final Report of the West Tallaght Resource Centre Project, Dublin: West Tallaght Resource Centre.

Whelan, C.T., Hannan, D.F., and Creighton, S., 1991, Unemployment, Poverty and Psychological Distress, Report Number 150, Dublin: The Economic and Social Research Institute.

Wilkinson R., 1989, "Class Mortality Differentials, Income Distribution and Trends in Poverty 1921-1981", Journal of Social Policy, Vol 18, No 3, July, pp.307-337.

In Ireland, as in many other European countries, there is a growing tendency for poverty and unemployment to become concentrated in particular areas. Many of our cities and towns face decay in the inner-city and the growth of large housing estates experiencing multiple deprivation on the urban periphery. This report by a team of Irish and British experts examines this phenomenon.

It argues that, by itself, a rising economic tide will not bring excluded groups and communities back into the economic mainstream. Drawing on the experience of other European countries, the authors advocate a range of strategies bringing together the public sector, the private sector, voluntary and community groups in dynamic partnerships.

This major new Report will be of interest to all those concerned about urban poverty and the persistence of severe inequality in Irish society. Both policy makers and community activists will find it full of ideas about how to address this most urgent social problem.

a report prepared by

Policy and Practice

The Applied Research Division of the Centre for Housing Research
University of Glasgow
Scotland

for the

Combat Poverty Agency

8 Charlemont Street

Dublin 2

Ireland

Telephone

(01)783355

Fax.

(01)783731