

Making Social Rights A Reality



Combat Poverty Agency

**Submission to the Minister for Social Welfare
on the 1992 Budget**

IMMEDIATE PRIORITIES

- Co-ordinate and intensify efforts to tackle poverty. Require all Government Departments and Agencies to include the targeting of social need as a strategic goal.
- The Task Force on Employment or a National Forum on Unemployment should review existing job-creation strategies and targets in a co-ordinated and comprehensive manner in order to identify alternatives.
- Bring all social welfare rates currently below £56 up to that level immediately. This would cost £25 million approximately in 1992.
- Re-affirm the importance of Child Benefit by increasing it by £1 per month per child. This would cost £7 million in 1992. Also introduce an age supplement of £6 per month from age 12, costing £11 million in 1992.
- Abolish the income ceiling on PRSI contributions and use the income thus raised to improve the lowest social welfare payments. It is estimated that abolishing the income ceiling would generate £70- £80 million in a full year.
- Introduce a 'Charter of Claimants Rights' to protect the rights of users of social welfare services.
- Introduce tax reform measures which give priority to reducing the tax burden of those on the lowest incomes,
- Increase provision of basic and second chance educational opportunities for adults in disadvantaged areas.
- Provide £1 million in additional funding for the Civil Legal Aid Scheme.
- Increase funding of the Community Development Programme to £4 million per annum to ensure adequate funding for existing community development resource centres and to develop new centres in disadvantaged areas.
- Increase funding for the 'Grants Scheme for Local Women's Groups' to £600,000 in 1992. Put this scheme on a permanent footing and use it to provide once off grants for particular work programmes and to fund the core costs of women's centres on an ongoing basis.
- Increase the Combat Poverty Agency's core budget from £1.1 million to £2 million to enable the Agency to fully carry out its statutory functions.

PREFACE

The context for the 1992 Budget is very specific and more pre-determined than other years: it is shaped largely by the strategy embodied in the Programme for Economic and Social Progress (PESP). This Programme, agreed between the government and the main social partners, not only sets out a medium-term economic and social plan for the years 1991 to 1994 but also embodies a framework of change for the decade. In this pre-budget submission, the Combat Poverty Agency considers how the potential of the Programme can be realised to the benefit of all, and especially those experiencing poverty.

The Programme contains a broad-ranging set of proposals for regulating and improving economic and social conditions in the medium term. Chief among its concerns are macro-economic stability and what it terms 'a programme of fundamental structural reforms', within which the fight against long-term unemployment and a restructuring of social services are key elements. The Programme specifically commits the government to 'the development of greater social rights within our health, education, social welfare and housing services'. Such a commitment to social rights, in the Agency's view, has enormous potential for improving the nature and structure of public service provision in Ireland. The citizenship principle, involving civil, political and social rights, is a cornerstone in building a fairer and more united society. However, in the context of the Programme's stated commitment in this regard, social rights need to be made more concrete. Accordingly, the development and application of a social rights framework to specific services forms the core of this submission.

In preparing this submission the Agency has been guided by three main considerations. These are: first, to base its recommendations on information available to the Agency arising from its research and project work; secondly, to develop a coherent policy direction which provides the context for making specific and immediate policy recommendations; and thirdly, to take account of the existing economic climate in making specific policy recommendations. The submission is thus in three related parts. The first, by way of introduction, summarises the Agency's policy position on poverty and inequality and describes the economic and social background to the 1992 Budget. In the second part, the concept of social rights is explained and its background outlined. Three basic principles that are at the heart of a social rights approach – entitlement, adequacy and access as consumers – are outlined. The third and final part considers the main forms of existing social provision in the light of a social rights approach and the changes proposed in the Programme. Specific recommendations follow based on the three principles outlined in the previous section.

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1. Introduction

1.1 THE AGENCY'S APPROACH TO POVERTY

Poverty, in the Agency's view, is best understood as exclusion from the general standard of living and way of life prevailing in society. While the Agency has adapted the focus and content of its pre-budget submissions to reflect emerging facts about poverty, a consistent emphasis has been placed on the following principles:

- the reduction of poverty and the fight against the severe inequality which causes it must proceed simultaneously if real change is to be brought about;
- community development, involving the empowerment and participation of local people and a more localised basis to service provision, is central to an effective anti-poverty strategy;
- a holistic multi-dimensional approach which recognises the need to address the social, cultural and political dimensions of poverty, as well as the economic, is essential if exclusion and inequality are to be tackled
- addressing the high levels of unemployment has to be an urgent priority. A comprehensive approach requires targeted job creation measures and a programme of social security and other services to meet the needs of those temporarily and permanently out of employment;
- while there is a need to improve the situation of all poor people, there should also be, as appropriate, a targeted approach for groups in special need. Among these groups are the long-term unemployed, women, children, large families, the ill and disabled, people in low-paid employment or low-paid self-employment, Travellers and the homeless;
- while acknowledging constrained national economic circumstances, those on the lowest incomes should not have to bear the burden of financial adjustment.

These principles have emerged from the Agency's carefully-planned and broad-ranging programme of research, local project funding and consultation with people across the country. All of the discussion that follows in parts 2 and 3 is set within this fundamental understanding.

1.2 ECONOMIC AND SOCIAL BACKGROUND

This will be the fifth year, since its establishment in 1986, in which the Agency presents a submission to government on the forthcoming budget. Since 1986 the situation has changed. The last years of the 1980s witnessed a turnaround in the Irish economy compared with the earlier part of the decade: GNP growth exceeded both expectations and the rate achieved by many of our European neighbours (averaging 3.6% per annum between 1987 and 1989); the national debt/GNP ratio was stabilised and then reduced; inflation fell significantly below the EC average and the balance of payments moved into surplus. However, in 1991,

expectations for growth have changed although other economic indicators, such as inflation and interest rates, remain favourable. Official estimates for growth for the year have been revised downwards so that this year's GDP growth is likely to reach only a third of the performance of each of the last two years.¹ A key element of the scenario we face today is persistently high unemployment. In August 1991 it reached 265,300, its highest level ever. Although perhaps limiting the range of policy options, the current economic situation makes it all the more important that appropriate policy responses are made.

'High levels of poverty, inequality and unemployment represent a major challenge to Irish society'

The reality of poverty in Ireland has been placed on the national agenda over the course of the last five years. High levels of poverty, inequality and unemployment represent a major challenge to Irish society. In recent years some improvements have occurred in general living standards and these have been mirrored among welfare recipients, and especially among the long-term unemployed and larger families who were singled out for additional increases. However, while the goal of narrowing the wide variation in social welfare levels has been furthered, the gaps between those on social welfare and earners remain largely unaltered. Average figures show that the single contributory pensioner in 1990 had only 35% of the average male worker's disposable income (down from a peak of 39% in 1982 and 38.5% in 1987).² The comparison is even less favourable for some of the unemployed: in 1990 the income of a single unemployed person in receipt of Unemployment Benefit was equivalent to only 27.1% of that of the average worker whereas in 1987 it was 29.6%. The position of married people on Unemployment Benefit compares more favourably: in 1990 an unemployed person with two children received 52% of average earnings but, again, the gap here has been widening in the last number of years the proportion being 59% in 1982 and 54.5% in 1987.

The Programme for Economic and Social Progress attempts to address issues of structural reform by conferring greater social rights and transforming 'Irish society in this decade so that we increase significantly our prosperity and distribute that prosperity more equitably and fairly'. The Agency welcomes this approach. However, we also recognise the seriousness

¹ *Economic Review and Outlook 1991*, Dublin: Stationery Office.

² *A Strategy for the Nineties: Economic Stability and Structural Change*, Dublin: National Economic and Social Council, 1990, p200.

of the present financial constraints and the need to adhere to budgetary targets. In the short-term, therefore, difficult choices have to be made and it is possible that some of the targets of the Programme may have to be

‘... priority must be given to alleviating poverty and the structural factors that cause it’

more gradually achieved than originally envisaged. However, in regard to the difficult choices that face the government, the Agency emphasises that priority must be given to alleviating poverty and the structural factors that cause it and that no delay in measures to address these areas can be justified.

The disimprovements in the economy in the short term in no way lessen the need for the fundamental structural and other changes contained in the

2. Social Rights – A Fresh Approach to Wellbeing

In raising rights as an issue relevant to the provision of public services, the Programme for Economic and Social Progress is in line with debate in other countries where considerable thought has been given to national citizenship rights and rights in relation to the European Community.³ The European Community's 1989 Charter of Fundamental Social Rights for Workers is an example of how high an importance is attributed by the Community to enshrining social rights as part of the framework for social and economic development.⁴ Although it is not legally binding, the Charter declares a set of rights for workers including freedom of movement, fair remuneration, adequate social protection (in which those outside the labour market are also included), freedom of association and collective bargaining, equal treatment for men and women, access to vocational training, protection for the elderly, children and disabled. In the Agency's view, an emphasis on social rights represents a major advance. However, the task of making social rights more concrete in relation to particular services is a formidable one since this approach has received relatively little attention up to now in Ireland. The Programme for Economic and Social Progress has begun the task of spelling out the detail of a social rights approach to public services. In relation to the health services, for example, it sets out a Patients' Charter. The Agency believes that the most helpful contribution at this stage is to first set out the background to and explore the potential and basic elements of a rights approach.⁵

2.1 BACKGROUND TO SOCIAL RIGHTS

2.1.1 Citizenship

Social rights derive from our shared citizenship which in turn is closely related to the idea of the common good: that there are common values over and above

Programme and do not justify a premature departure from the Programme's goals. What the present constrained economic situation demands is that proposals which involve additional expenditure be carefully assessed and costed and that existing expenditure, across a broad range of provision, be reviewed for revenue generating potential and savings. Financial constraints should not mean that all existing expenditure is accepted as unchangeable. Rather, in the Agency's view, there are many options where extra revenues can be raised, in the taxation system for example, and where savings can be realised.

In the discussion in section 3 the focus is placed on the poverty related aspects of the Programme – the domain of competence and statutory responsibility of the Agency. It is, therefore, necessarily selective in the issues considered but at all times the recommendations have been carefully evaluated on the basis of the likely costs involved and their implications for other provision.

individual interests and backgrounds. The concept of citizenship brings into focus the entire society. As citizens, each of us is entitled to claim whatever privileges spring from being a member of our society and, in return, we are required to undertake certain duties. At its essence, the concept of citizenship suggests not that everyone should be the same but that

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there is some common floor or package of rights to which people are entitled and with respect to which they are equal because they are members of the same society. All democratic societies, through their political and legal frameworks, have made decisions about which rights are conferred on citizens. While there is no universal set of principles ordaining which rights and duties should comprise citizenship, two underlying principles would appear to be widely shared: justice and equality or fairness.

³ In Britain this has been the subject of considerable debate over the last number of years. See R. Lister, *The Exclusive Society: Citizenship and the Poor*, London: Child Poverty Action Group, 1990; R. Plant, *Citizenship, Rights and Socialism*, London: Fabian Society Pamphlet 531, 1988. Some critical issues for citizenship and community development raised by the expansion of the European Community are discussed in C. McConnell (ed), *A Citizens' Europe: Community Development in Europe Towards 1992*, London: Community Development Foundation, 1990.

⁴ Ratified by all member states except the United Kingdom.

⁵ In this we may at times run the risk of over-simplifying the rather complex issues involved. These include the reconciliation of individual freedom with collective wellbeing, the balance between rights and obligations, the relationship of social rights to needs. These issues merit greater discussion than is possible in the context of this submission.

A long-standing core of citizenship theory differentiates between civil, political and social rights.⁶ Civil rights are those rights considered necessary for individual freedom. They include, for example, liberty of the person, freedom of speech, thought and faith, the right to own property, the right to justice. The courts are the institutions most directly associated with civil rights, making access to the courts an issue of civil liberty. Political rights centre on participation in the exercise of political power; they are most commonly represented by a person's rights to vote and to stand for election. The relevant institutions here are parliament and local government bodies. Today, the political right to participate in decisions is recognised increasingly as extending beyond formal political institutions into wider areas of public service provision. The third type of rights, social rights, are less concrete, and less developed, than either civil or political rights. They generally include the right to a minimum of economic welfare and security, the right to a share in the full social heritage of one's society, the right to live a civilised life according to the standards prevailing in the society. The institutions most commonly connected with provision for social rights are the education, health and social welfare systems.

‘The welfare state and a progressive taxation system are, perhaps, the greatest embodiments of the incorporation of social rights into citizenship’

Social rights, then, are a means of providing for social and economic needs in a collective way in which we all share the cost. They have been compared to a set of entry tickets to participation in society.⁷ The welfare state and a progressive taxation system are, perhaps, the greatest embodiments of the incorporation of social rights into citizenship. They rest on the conception that social provision is integral to justice. To the extent that citizenship has a social component, it is linked to some set of normal or common standards that are determined in a relative way. In other words, severe inequality is the enemy of full citizenship and social rights are conferred so as to reduce that inequality. Clearly, high costs are involved in granting rights but, if the rights are fundamental to a society, such costs should be the first to be borne. The argument that social rights have to wait until they can be afforded is a very weak one when society itself is premised on the basis of certain universal rights.

2.2 HOW POVERTY IMPERILS CITIZENS' RIGHTS

Poverty has been described as a form of conditional or second class citizenship.⁸ Far from being limited to inadequate income, poverty usually involves a host of other disadvantages – poor living conditions, lower than average education, lack of confidence, difficulty in participating in one's community, among others. Poverty impedes citizenship in a number of ways. It interferes with the exercise of civil and political rights. If civil rights are to be guaranteed by access to the courts, lack of money impedes such rights since court

proceedings are very costly. In turn, the right to freedom of speech is diminished if one has no means of making oneself heard. Equally, the vote requires a permanent address – homelessness and insecure living conditions thereby can cause a person to be disenfranchised. Also there is evidence to show that people living in low income areas are less likely than others to vote⁹ while

‘... poverty undermines people's ability to avail of the rights and fulfil the obligations and responsibilities of their citizenship’

standing for election themselves may be almost inconceivable. Furthermore, the full exercise of voting rights requires knowledge and information: about the implications of one's selection, the policies of candidates and parties and so on. What is clear, therefore, is that a certain level of social and economic resources is necessary for the exercise of civil and political rights. More generally such resources are necessary to enable people to participate actively in the broader life of society. In effect, the three types of rights are interdependent and poverty undermines people's ability to avail of the rights and fulfil the obligations and responsibilities of their citizenship.

Marginalisation, known to accompany poverty in many cases, is arguably one of the greatest barriers to citizenship. Donnison and partners describe some of the effects: “To a degree that others find hard to credit, the people who live in the most deprived communities often lack not only the skills and the money but also the confidence required to enter the wider economy. Many of them do not leave their neighbourhoods for months at a time.”¹⁰ Marginalisation engenders feelings of powerlessness which distance people from the political process, sapping their hope that their participation can lead to a real change. It is difficult to speak of a shared citizenship when such marginalisation exists.

2.3 THE POTENTIAL OF A RIGHTS-BASED APPROACH

A rights approach frames the needs of the individual within the context of general economic and social conditions in the society as a whole (and between societies in the case of the European Community). Applying such a framework directs focus to the following three fundamental issues:

- the needs to be served by state provision;
- the means whereby needs are to be met;
- the rights of the claimant in regard to the development and delivery of public services.

⁶ T. H. Marshall, *Citizenship and Social Class*, Cambridge: Cambridge University Press, 1950, pp10-74.

⁷ F. Bennett, *Poverty*, 72, Spring, 1989.

⁸ R. Lister, *The Exclusive Society*, pvii.

⁹ M. Marsh, ‘How the poor vote’, *Poverty Today*, Vol 3, No 1, July 1989, p7.

¹⁰ D. Donnison et al, *Urban Poverty, the Economy and Public Policy*, Dublin: Combat Poverty Agency, 1991, p38.

These fundamental issues are elaborated further here, mainly in the context of social welfare provision. However it is important to emphasise that the principles discussed are relevant to all areas of public service provision.

'... how can one evaluate a system whose policy objectives and goals are not clearly specified?'

2.3.1 Needs to be served by state provision

The difficult question of which needs should be met by state provision has never been answered officially in Ireland. True, the existence of social welfare and public services is testimony of the state's willingness to support people who cannot earn a sufficient income through the market. But the rationale underlying the specifics of provision has never been worked out clearly. Thus, for example, in relation to social welfare the Commission on Social Welfare found no evidence that payment levels were ever explicitly linked to a standard of adequacy.¹¹ Rather, they were shaped in the early years by ad hoc decisions and, subsequently, by piecemeal changes depending mainly on the level of resources available. The lack of clear policy targets, which is true of other areas of public service provision as well, creates a number of difficulties but, above all, it frustrates evaluation of the effectiveness of public service provision – how can one evaluate a system whose policy objectives and goals are not clearly specified?

Popular consensus would seem to be that the welfare system should meet basic needs at least but this in turn runs into the difficulty of specifying which needs are basic. In the absence of agreement on which needs should be met by welfare, there is a tendency for adequacy to be evaluated in terms of a poverty standard. Relying on a poverty standard leads to other problems. The only real source of variation taken into account by poverty standards is that arising from the size of household or family (through the use of equivalence scales) even though it is not improbable that the costs associated with different contingencies (e.g. single parenthood as against unemployment) may vary. A second problem with poverty standards is that they traditionally relate to the family and therefore fudge the issue of social responsibility for those without wages, e.g. through the breadwinner concept so ingrained in social welfare.

The meeting of need, then, should be the reference point for evaluating the adequacy of social welfare and other public services. This has not been done in Ireland to date. Although the issues involved are complex, the Agency is of the view that a clearly worked out conception of need satisfaction must be to the fore when the adequacy of public provision is under review.

2.3.2 How needs should be met

Citizenship implies not just that certain needs will be met by the state but that the best way of guaranteeing this is by providing citizens with social rights: to

participate in citizenship one requires a certain level of resources; the best way of ensuring access to scarce resources is by conferring social rights. The degree to which societies have conferred social rights varies widely. Perhaps, the European country with the most developed social rights framework is Sweden. Here, full employment is one of the first priorities of government and citizens who cannot participate in the labour market receive high benefit levels. Equally, participation in employment is often a condition for receiving the many social services provided by the state, e.g. childcare. Rights are balanced with responsibilities, for both the government (which is committed to providing either employment or a high replacement income) and for able-bodied citizens (who are obliged to work should suitable work be available). While the latter obligation also applies in Ireland, the contrast here is that it operates in the absence of a policy commitment to full employment.

No country grants a universal unqualified right to payment, although a suggestion for doing so – the basic income – has gained currency.¹² In Ireland only one universal payment exists – Child Benefit. Welfare provision here is a mixture of insurance (which confers a right to payment on those who satisfy certain conditions) and means-tested payments. In essence, the rights basis to services here is quite limited and is being eroded continuously by economic and social changes which generate a greater dependence on means-tested provision. In the Agency's view, any consideration of possible structural changes in welfare and other public service provision, such as the NESC proposal that social welfare payments be regarded as taxable income, should be set within a broader context where all the options are carefully considered and social rights are high on the agenda.

2.3.3 Rights of claimants with regard to development and delivery of services

This is a critical issue from the perspective of social rights because it focuses on how people are treated by and experience state provision. A rights approach moves us away from the notion that public service providers have a general duty to provide a service without that conferring rights on the service user.

What could be termed the 'entitlement relationship' is critical. Within this, the interpersonal relationships involved in providing and receiving state services, i.e. between staff and service users, have a high priority.

¹¹ *Report of the Commission on Social Welfare*. Dublin: Stationery Office, 1986, p128.

¹² Basic income involves a payment by the state to each citizen independent of income, family or employment status. While different forms of basic income have been proposed, the payment is unconditional in the sense that it is not dependent on a means test. Paid to everybody including children, the basic income is combined with other forms of income which are then taxed. See H. Parker, *Instead of the Dole*, London: Routledge, 1989. A second universalist system is proposed by P. Esam et al (*Who's to Benefit?*, London: Verso, 1985, pp20-21, 23-39). In this proposal, the existing system of means-tested and insurance benefits would be replaced by two categories of benefit. The first, 'positional benefits', are paid to everybody experiencing a particular contingency (e.g., unemployment, caring) while the second, 'cost-related benefits', provide for people incurring additional costs, e.g., high rents, illness. Both types of payments would be taxable but there would be no means tests.

Interactions between officials and service users are rarely conceptualised as relationships, especially in social welfare. Welfare recipients, as the term implies, have never really been granted the status of service users or consumers. Why is this? Because the majority do not have an unconditional right to payment.

Accountability and democracy of public services are also relevant issues in a social rights approach. There is very little public accountability in parts of the present public service system – the reporting structure is largely internal, few consultative bodies are in place, and clients or their representatives can only question a decision on appeal. In social welfare this has given rise to a host of claimant representative organisations to intervene between the claimant and the bureaucracy. If a rights-based approach were adopted, entitlement would be clear, official decisions would be much more open and users would be given some collective say in the development and delivery of the service. This would allow organisations representative of users of services to concentrate on policy and service development and move away from individual intervention.

2.4 TOWARDS SOCIAL RIGHTS

At the core of citizenship in the Agency's view is the right to full and adequately supported membership of the

community. The exercise of civil and political rights, and therefore democracy itself, requires a certain level of social and economic resources. Poverty often excludes people, endangering their access to rights enshrined in the Constitution. Exactly how greater social rights are to be realised in practice needs to be further worked out and requires far greater investigation than has been

'At the core of citizenship is the right to full and adequately supported membership of the community'

possible here. However, it is possible to identify in a preliminary way three basic principles – entitlement, adequacy and access as consumers – and corresponding policy objectives which would underlie a rights-based approach. These are set out in Table 1 below.

Current provision reflects some of these principles but it lacks an integrated focus on social rights. The discussion that follows will consider how social welfare and other public services can be moved towards conferring greater social rights in the light of the proposals of the Programme for Economic and Social Progress.

Table 1: *Basic Principles and Policy Objectives*

PRINCIPLES	POLICY OBJECTIVES
ENTITLEMENT	1. The social welfare system and other public services should enshrine clear rights to services and benefits. To this end, reliance on means tests to determine eligibility should, as far as possible, be phased out.
ADEQUACY	2. The wages, social security and tax systems should, together, ensure that all members of society have sufficient income to enable them to meet their public and private obligations as citizens and to exercise effectively their legal, political and social rights as citizens.
ACCESS AS CONSUMERS	3. Everyone should have the right to avail of public services with privacy, dignity and confidentiality, without fear of harassment and with an adequate right of redress. Income maintenance and other public services should be further democratised, increasing accountability and developing more participative decision making.

3. Making Social Rights a Reality

From a social rights perspective, three principles emerge as critical in public service provision: entitlement, adequacy and access to services. They are useful criteria for both evaluating existing provision and improving it. Social welfare, public services and the rights of the unemployed will be discussed in turn. The contribution of community development for effecting the social rights of people experiencing poverty will also be considered. Throughout, the objective is to develop further the underlying commitments of the Programme for Economic and Social Progress in relation to concrete issues of provision. Therefore, the recommendations made, relating closely to the Programme, may not comprise the full set of Agency policies on specific areas.¹³

3.1 SOCIAL WELFARE AND SOCIAL RIGHTS

With regard to entitlement, adequacy and access of consumers to social welfare services, the following four policy objectives are identified as leading towards greater social rights:

- an extension of the rights basis to welfare;
- a reduction in the numbers depending on means-tested payments;
- adequate provision for individuals in their personal capacity and within the context of their family and household situation;
- changing the status of recipients towards consumers or users of services.

Each of these will be discussed in turn.

3.1.1 Entitlement: An extension of the right to welfare

Current social welfare provision is based on a mixed set of rights. At the universal or full rights side of the continuum, there is just one scheme: Child Benefit. The fact that it is available universally for all children irrespective of their parents' income makes it exceptional within the current system. Oriented to horizontal equity (that is, as a transfer from one type of household to another at any given level of income), Child Benefit is intended to provide an income floor for families with children. Child Benefit apart, social welfare in Ireland is a binary system made up of social insurance and social assistance. The principal distinction within the welfare system is, therefore, between contributory benefits and payments based on a means test.

Social insurance confers a right to payment on those who have participated in employment and paid contributions while doing so. The advantages of social insurance are many. First, it confers the right to a payment in clearly established circumstances, e.g. loss of a job, illness. In this sense social insurance is a targeted benefit. Secondly, social insurance provision accords greater emphasis to other rights of the individual, such as privacy and autonomy, in that there is no means test. Thirdly, social insurance is effective in

that it puts few obstacles in the way of take-up. Fourthly, social insurance does not have high disincentive effects because it does not impose a rigid ceiling on the person's income and earning capacity. Above all, social insurance reinforces solidarity and the sharing of a common risk.

Because social insurance is founded on labour market status and ability to earn, excluded from it totally or from

'In the medium term, the best way of increasing social rights in the welfare system is to extend social insurance coverage and reduce the numbers depending on means-tested payments'

full coverage are the many who cannot meet the conditions: those outside the labour market (such as women working in the home); those whose employment does not allow them to satisfy the conditions (intermittent workers, those working in family businesses and, up to this year, part-time workers); those excluded by reasons of official policy (e.g. civil servants and public servants who are partial contributors). For those excluded from social insurance, the right to income maintenance is dependent on undergoing and satisfying a means test. Little sense of entitlement to these payments exists and to qualify the claimant has to undergo detailed investigation of her/his personal circumstances. When originally introduced, means-tested schemes were attributed a far lesser importance than they have assumed today when more than half of social welfare recipients are dependent on them.

In the medium term, the best way of increasing social rights in the welfare system is to extend social insurance coverage and reduce the numbers depending on means-tested payments. This has wide approval, endorsed by both the Commission on Social Welfare and the Agency, and has a number of advantages:

- it increases overall social equity by conferring greater rights on social welfare recipients as a whole and spreading the risk;
- it modernises welfare provision to take account of contemporary labour market conditions in which the volume of vulnerable forms of employment, such as temporary, fixed-term contract and part-time work, is increasing;
- it would significantly improve the income security of existing and potentially vulnerable workers;
- it would increase efficiency because social insurance leads to greater take-up than means-tested schemes.

¹³ For these, relevant research and policy publications and earlier pre-budget submissions should be consulted.

Extending social insurance is not a simple matter – it involves a range of policy changes to the current welfare system which have ramifications that extend beyond it to affect both the taxation system and work incentives. The Agency recognises the complexity of the changes involved and recognises the need to strike a balance between changes in social security and their economic and social spin-offs. We are also conscious of the issue of cost. In the current economic climate measures requiring large additional public expenditures are unlikely to be approved. But the extension of social insurance does not necessarily involve large extra costs. This is so for two reasons: first, extending social insurance has the potential to generate additional revenue, especially in the short term and, second, since some insurance benefits now pay the same rate as assistance schemes (and are actually lower in some cases) large additional costs are not involved in moving people to or retaining people on social insurance benefits. However, additional costs would arise in respect of extended coverage for those persons who would otherwise be excluded from receiving assistance payments because they do not satisfy the means test requirements.

Mindful of the larger issues involved, the Agency now puts forward a programme of change, in the form of a number of steps or stages, for significantly augmenting a general right to social security. At the end of this section when recommendations are made, the likely costs will be estimated as closely as possible on the basis of existing data and the priority measures which could be taken in the forthcoming budget will be indicated.

1. *Extend social insurance to those individuals/occupations not currently covered:* At present, a small number of occupational groups are either totally or partially outside social insurance. These include relatives assisting in family enterprises, public office holders, some doctors and dentists and some ministers of religion. It makes little or no sense to continue to exclude these from social insurance especially since most of the self-employed are now included. The more complex issue of social insurance coverage for women working full-time in the home also needs to be considered.
2. *Change the contribution classes to increase the numbers on full cover:* At present around 66% of the insured population are fully covered, paying a 7.75% contribution themselves while their employers pay a 12.2% contribution on their behalf. Excluding the self-employed and others whose situation is different (such as those paying a health contribution only), 18% of the insured population do not make a full PRSI contribution. These mainly comprise, civil servants, commissioned officers in the army, some public servants, those whose employment is subsidiary and those on training schemes, including the Social Employment Scheme (SES). Their personal contribution is considerably lower, at least 4.6%, than full contributors while that of their employers is 10.19% lower. Given the changing and increasingly insecure nature of employment in the

public sector and the need for all to share in the risk, it is difficult to argue against the inclusion of civil and public servants as full social insurance contributors. Certainly, the partial contributor status of some public servants, such as teachers and nurses, is difficult to justify when many others in the public service are full contributors. As a priority, therefore, the Agency is in favour of extending full social insurance cover to all public servants, while recognising that compensatory measures will be required to protect the incomes of low-paid workers. With regard to the remaining partial contributors, they should also be made full contributors over the next few years, perhaps on a graduated basis.

The situation of Social Employment Scheme workers merits special attention. At present, insured only for occupational injuries benefit, their status as workers is equivocal. Yet they do work, for 40 hours a fortnight usually. In the Agency's view, they should be eligible for full social insurance, on a pro-rata basis, as are part-time workers from this year. Again, in implementing this proposal, compensatory measures to protect the incomes of SES workers will be necessary.

3. *Abolish the income ceilings on PRSI contributions:* Currently, PRSI is payable on earned income up to an annual ceiling of £19,300. The reason for an income ceiling is unclear, its existence dates from 1978 when the contribution was converted from a flat-rate to a percentage basis. There is a strong equity rationale for abolishing the income ceilings as they favour higher income earners. Also, their abolition would generate considerable extra resources (estimated at £70-£80 million a year once the system is in full operation) without increasing outgoings, thus releasing resources towards improving the lowest rates of payment.
4. *Change the contribution conditions:* People are having greater difficulty nowadays in establishing the contribution record necessary to qualify for benefit in these times of high unemployment and increasing insecurity of employment. As a response to changing labour market conditions, the required contribution conditions could be modified, for example, by a further reduction in the number of contributions necessary to qualify or more selective targeting on those groups in the labour force facing the greatest difficulties in qualifying initially. A precedent for such provision already exists in the special arrangement whereby school-leavers receive credited contributions on entering the labour market.
5. *Extend the duration of entitlement:* The limited duration (a maximum of fifteen months) of Unemployment Benefit has assumed critical importance in restricting the rights basis of the claim of the unemployed to income support. Due to the growth of long-term unemployment, more and more recipients exhaust their Benefit and have to rely long term on the Assistance payment. The dominance now assumed by Unemployment Assistance proves that unemployment insurance is not structured to

cater for the level and kind of unemployment which this country has experienced for the last decade. Extending the period for which Unemployment Benefit is paid would have two main beneficial effects: it would reduce reliance on means-tested payments and would extend entitlement for those who, having exhausted Benefit, do not move on to

‘... means testing and discretion may be more efficient in excluding those not entitled to a payment than in targeting resources at those actually in need of assistance’

Assistance because, for example, they cannot satisfy a means test. As noted above the extension of social insurance does not necessarily involve large extra costs. Also some administrative savings may be yielded by removing people from the means-tested population. Perhaps, as a first step, the duration of Unemployment Benefit for unemployed people in the middle and older age groups could be extended from 15 months to two years. The rationale is that such workers, once unemployed, face a high risk of long-term unemployment.

6. *Introduce new contingencies for social insurance:* Another important step is to consider whether additional contingencies could be covered by social insurance provision. Some recent developments have been in the opposite direction. Schemes introduced over the last number of years, albeit with the intent of greater targeting, have been confined almost exclusively to means-tested provision. For example, a Lone Parent's Allowance was introduced in 1990 to provide social assistance for lone parents irrespective of their sex or effective marital status, while the social insurance scheme covers only two contingencies: widowhood and desertion by a husband. Further examples of the extension of social assistance as against insurance are the recent Pre-retirement and Carer's Allowances which have no social insurance equivalents. It could be argued that these contingencies should be covered by a comprehensive social insurance system and, certainly, that current provision is anomalous in that desertion by a husband is the only contingency in relation to lone parenthood that is covered for social insurance purposes. The possibility of increasing the contingencies covered by social insurance should be given serious consideration.

These six measures together comprise a comprehensive programme of reform for the social security system. Specific costed recommendations will be made in the concluding part of this section.

3.1.2 A reduction in the numbers on means-tested payments

The now high reliance on means-tested schemes was never envisaged when the welfare system was introduced in Ireland. Rather, means-tested and discretionary payments were designed to be residual within a social

insurance-based system. The underlying goal of recent changes has been to increase efficiency through selectivity. But a more efficient welfare system does not necessarily imply greater reliance on means testing. For one, means-tested schemes are associated with significant take-up problems. Secondly, a number of factors undermine the administrative efficiency of means-tested provision as currently organised, e.g. high administrative outlay to ‘prove’ eligibility. Thirdly, the sharp cut-off points between entitlement and non-entitlement may decrease incentive on the part of claimants.

In effect, means testing and discretion may be more efficient in excluding those not entitled to a payment than in targeting resources at those actually in need of assistance. While efforts have been made to improve take-up rates, especially for the Family Income Supplement and the new clothing and footwear scheme and further efforts are to be encouraged, inefficiency will remain an inherent defect as long as the system continues to rely largely on this approach to welfare provision. Widespread use of means testing could be argued to be the result of an inefficient tax system.¹⁴ The option of tax reform, including perhaps making welfare income eligible for taxation, may be a more efficient alternative to means testing and merits further study. In fact, a system of taxing benefits as an alternative to means testing, might be fairer and give greater incentive to earn.

In the medium term, increasing the scope and coverage of social insurance would automatically bring about a reduction in the numbers depending on means-tested payments. As a further step, a simplification and reduction in the number of means tests would improve efficiency. Such administrative streamlining could be achieved by allowing qualification under one test to determine entitlement to other schemes, such as medical card, back-to-school clothing and footwear scheme, free school books and transport, higher education grants, and so on.

‘Adequacy is a very important issue from a social rights perspective because a certain level of economic resources is essential for the exercise of rights’

3.1.3 Adequacy: Provision for individuals in their own right and as members of households/families

Adequacy is a very important issue from a social rights perspective because a certain level of economic resources is essential for the exercise of rights. As pointed out earlier, the current welfare payment structure is not founded on any test of adequacy, primarily because no official criteria have ever been laid down for this purpose. Consequently, figures recommended by the Commission on Social Welfare provide the only available guideline for defining a minimum welfare payment: in 1991 values, the equivalent of between £61.50 and £72.60 per week for an individual recipient. Adequacy will be considered here under three headings:

- (i) Adequacy for individual recipients;
- (ii) Adequacy for adult dependants;
- (iii) Child income support.

i) *Adequacy for individual recipients*

Undoubtedly, the most positive aspect of the Programme for Economic and Social Progress from a social welfare perspective is its acceptance of the

‘Adult dependency status means that one does not have a right to a payment as an individual but can secure payment only through the person on whom one is deemed dependent’

Commission's recommendations on rates of payment. These will be implemented in two steps: the ‘priority’ rates of £55 a week at 1991 values (envisaged by the Commission in 1986 as a ‘significant immediate step’ to relieve the worst forms of inadequacy) by 1993 and the full rates ‘as the resources of the economy grow’. These measures are very welcome and will be of benefit to many social welfare recipients. At present, six social welfare schemes (with about a quarter of all individual recipients) remain £5 below the priority rates receiving £50 weekly. As Table A.1 in the Appendix shows, it is mainly the unemployed and people on a disability payment who will benefit from the move to the priority rates. With regard to the remainder of payments, a further nine schemes (with almost 60% of the total) are at or slightly above the ‘priority’ rate set by the Commission, but remain up to £5 below the recommended ‘minimally adequate’ rates – £61.50-£72.60 a week. The payments for the remaining schemes – primarily the old age and retirement pensions – have been maintained over time and exceed the rates recommended as minimally adequate by the Commission.

In the Agency's view, implementing the priority rates of the Commission is urgent. While the Programme for Economic and Social Progress commits itself to this over a three-year period, the Agency believes that so urgent is the situation – both in terms of adequacy and anomalies in the payment structure – that all payments should be raised to the priority rates in the next Budget. To bridge a gap of £5 a week for a total of 171,479 recipients would cost in the region of £45-£55 million in a full year.

ii) *Adequacy for adult dependants*

The welfare system as it is currently organised operates on the basis of a family payment whereby the main claimant receives ‘additions’ for his/her adult and child dependants. Adult dependency status means that one does not have a right to a payment as an individual but can secure payment only through the person on whom one is deemed dependent. It is mainly associated with women. Following the passing of the EC equality directive on social security in 1979, married women secured equal entitlement to employment-related social welfare payments. However, the legal provisions implementing the directive here provided that a married

couple – and, following the Hyland case, cohabiting couples – could not receive more than the combined rate for a recipient and an adult dependant. This effectively maintains the concept of adult dependency within our social welfare code with the effective result that many women in welfare-reliant families do not receive a social welfare payment in their own right.

Providing for households and taking account of sharing of resources between members raises complex issues. Some of these have been considered in the recent Report of the Review Group on the Treatment of Households in the Social Welfare Code. Although many principles were discussed in relation to provision, it appears from reading the Report that the over-riding concern was consistency, specifically to avoid any future Constitutional challenges on the treatment of married as against other types of households. With this aim, quite far-reaching changes were considered, although significantly, no agreement was reached on the general direction in which reform should proceed.

While the Agency will respond to the report in detail at a later stage, we wish here to note a number of reservations. The Report assumes that households achieve economies of scale without any evidence for Ireland on how such economies are achieved or their likely extent. Furthermore, it accepts without question that the existing rates and ratios of payment to married or cohabiting households are appropriate and suggests a ratio to apply to other shared households. In the Agency's view the Report is problematic: it suggests changes that will fundamentally affect the level of well-being of many welfare recipients, without a comprehensive review of welfare provision and on the basis of quite sketchy evidence. The Agency is firmly of the belief that any changes with regard to households should be carefully considered, not only in terms of consistency but also with equity and adequacy as core principles. In the interim, the Agency recommends that the existing variations in the amounts paid for adult dependants, which range from .46 to .72, be addressed. In particular, there is one scheme wherein the payment for adult dependants remains far below the recommended priority rates of the Commission: Old Age (Non-Contributory) Pension. This involves over 8,950 adult dependants in respect of whom only £27.50 a week is paid. To raise it to the Commission's recommended priority levels of £33 a week would cost in the region of £2.5 million in a full year.

‘Over time, the position of families with children relative to those without them has deteriorated substantially.’

iii) *Child income support*

Over time, the position of families with children relative to those without them has deteriorated substantially.¹⁵ Such a trend underlines the need for a review of our system of income support for families with children as promised in the Programme for Economic and

¹⁴ P. Esam et al, *Who's to Benefit?*, p30.

¹⁵ B. Nolan and B. Farrell, *Child Poverty in Ireland*, Dublin: Combat Poverty Agency, 1990.

Social Progress. The specific commitment in the Programme is for increased expenditure on families (over a ten-year period and at a total additional investment of £69 million in 1990 values), the nature of this expenditure to be worked out in the light of up-to-date information. More specifically, the Programme promises to expand the Family Income Supplement. Exactly how the additional monies should be spent raises issues of policy which we now consider.

There are two steps involved in identifying the measures which best support families and tackle child poverty:

- calculate what an adequate social welfare child payment would be
- decide the appropriate mix of policy instruments that should comprise an effective child income support policy.

First, with regard to the calculation of an adequate social welfare payment for children, up to now no official estimate has been made.¹⁶ The current weekly Child Dependant Allowances of £12 to £15.60 are an outcome of annual percentage increases over time, determined largely by available resources and the wish to target specific groups. While the number of rates has been rationalised from 36 to 3 in recent years and the lowest payments significantly improved, there is no guarantee that current provision is adequate for the costs of rearing children. A weekly difference of £3.60 exists

‘... the Agency agrees with the thrust of the Commission on Social Welfare’s recommendations that Child Benefit should become the central plank of child income support policy...’

between the lowest and highest child dependant rates and the ratio of the child to main adult payment has fallen in recent years.

The task of devising an adequate payment structure requires clear official guidelines as to what may be considered the minimum costs of bringing up a child. Some reference work exists in Ireland which can help in this. Research on families in a Dublin suburb, for instance, estimates that a minimum of £12.75-£17.08 per week (in 1991 values) is required to feed a child aged 11 to 18 years.¹⁷ Clearly, nutrition is only the first criterion that must be taken into account. Other factors include general childrearing expenses; school-related costs; and particular stages in a child’s development when additional support is required, such as providing for a newborn child, adolescence and maintaining young people aged 16 or over in school.

The absence of age-related child payments is one of the main weaknesses of current provision. A failure to adjust payments by age is difficult to justify in the face of the known variation in costs over the child’s life course (nutritional, clothing, educational, and so on). What the size of this differentiation might be requires further research. However, in line with the Commission on Social Welfare’s recommendation, the Agency

suggests 12 years (around the start of second-level school) as a possible cut-off point. In addition, the costs associated with maintaining 16 year olds and older children in school must be taken into account. The recent extension of the age cut-off for school-going dependants of long-term welfare recipients to 21 years is a welcome move.

Secondly, in considering the appropriate mix of policy instruments, the main issue is whether child income support should be confined to specific poverty-related contingencies, such as unemployment, lone parenthood and low pay, with some limited relief for taxpaying families, or be extended to support children in all families. Each instrument has its own advantages in terms of coverage and costs and our current system is a mixture of universal, selective and discretionary benefits.

In the first half of the 1980s the emphasis in child income support was on a universalist approach – the introduction of Child Benefit (which replaced child tax allowances and Children’s Allowances), its extension to the first child and substantial increases in payment levels. In recent years, the trend in policy has been to concentrate improvements on the (largely means-tested) social welfare payments and to improve tax exemptions for those on lower incomes. Relevant policy changes have included the rationalisation of Child Dependant Allowances, the new measures directed towards the low paid (FIS and child tax exemptions) and the introduction of a Back-to-School Clothing and Footwear scheme under Supplementary Welfare Allowance. Not all policy measures have fitted this pattern: the 1990 Budget granted a 5% increase in Child Benefit (the first since 1986). At the same time it re-introduced child tax allowances under residential property tax – a measure confined to families with an income over £27,000 per year.

The general trend towards selectivity reflects a desire to target resources towards the alleviation of child poverty, i.e. vertical equity, and away from the objective of supporting children in general, i.e. horizontal equity. This, however, has given rise to difficulties in terms of take-up rates and the creation of unemployment and poverty traps. In the Agency’s view, income support confined to specific contingencies such as unemployment or lone parenthood is not an adequate response to child poverty. Rather, a longer-term and more wide-ranging strategy is required which takes account of the fact that all households in the family stage of the life-cycle experience a significant drop in living standards, resulting in an increased risk of poverty. This throws the focus back on Child Benefit for its capacity to both tackle child poverty and share the costs of childrearing.

In contrast to other, more selective and discretionary, strategies, Child Benefit has many distinct advantages as a child income support measure:

- there are no problems regarding take-up of entitlement (it is easy to prove entitlement, there is no stigma attached to receipt of benefit, payments are easy to administer);

¹⁶ The Agency has recently commissioned research on the financial costs of maintaining children.

¹⁷ P. Lee and M. Gibney, *Patterns of Food and Nutrient Intake in a Suburb of Dublin with Chronically High Unemployment*, Dublin: Combat Poverty Agency, 1989.

- poverty and unemployment traps are avoided (both those on welfare and in work receive the payment, there are no means tests, marginal tax rates are not affected);
- it is more likely to be used for child-related expenditure (it is a distinct cash payment, it is separate from other welfare benefits);
- it makes mothers more independent (it is a welfare payment made specifically to mothers, it guarantees them a regular income and partially compensates mothers for loss of earnings);
- it promotes horizontal equity without the disadvantages of child tax allowances (it compensates taxpaying families as compared to other taxpaying non-child households, there is no bias towards higher paid families).

The biggest objection to Child Benefit is its cost. This becomes less significant if the expenditure on Child Benefit is treated as tax revenue foregone, as it was partially originally intended. Within that perspective, Child Benefit is a more targeted form of income support than many tax allowances or more general tax reductions. These fail both to differentiate between taxpayers with children and those without and to give any help to low income families. A number of options present themselves for redistributing tax reliefs in order to improve the position of families with children through a higher Child Benefit payment. First, discretionary tax reliefs could be eliminated or be made payable at the standard rate of tax. Secondly, the transfer of personal allowances between husband and wife could be limited or the doubling of tax bands eliminated. Under either of these options, the amount raised would be sufficient to allow the payment of a substantially increased Child Benefit.

In summary, the Agency agrees with the thrust of the Commission on Social Welfare’s recommendations that Child Benefit should become the central plank of child income support policy and that it should be age-graded. It is important in the Agency’s view that, pending a more thorough investigation of the redistributive issues involved, the 1992 budget take some steps towards re-affirming the centrality of Child Benefit. A series of policy measures will be recommended to this end.

3.1.4 Recipients’ rights as consumers

Moving social welfare in this direction requires action in four areas:

- (i) the right of redress;
- (ii) the right to dignified treatment;
- (iii) the right to full, comprehensible information;
- (iv) the right to an input into decision making.

Recent years have seen significant progress in each of these areas but some factors still inhibit their full realisation.

i) Right of redress

Integral to a right of redress is an independent decision making and appeals process. The current appeal process, although much improved of late, is fragmented in that there are three methods of appeal: a new central office

for mainline social welfare schemes; individual officers within Health Boards for appeals in relation to Supplementary Welfare Allowance; an informal review process for claimants of disabled person’s and infectious diseases maintenance allowances. The establishment of the new appeals office for the main social welfare schemes was a very welcome development. Among its advantages may be counted a likely improvement in public perception of the independence of appeals, a likely reduction of delays and greater public accountability through the publication of an annual report. However, some further improvements could be made. First, the appeals procedure for Supplementary Welfare provision and Disabled Person’s Maintenance Allowance remains outside the remit of the new appeals office of the Department of Social Welfare. Secondly, the right to oral hearings in cases of dispute is not automatic. Thirdly, the role of an appeals office in leading to reform of deciding officers’ practice remains underdeveloped.

‘Welfare recipients as consumers of state services deserve the highest quality of service.’

ii) The right to be treated with dignity

Welfare recipients as consumers of state services deserve the highest quality of service. Over the years the Agency has noted with approval the changes being made in regard to the delivery of welfare services. The movement towards ‘one stop shops’ is particularly welcome as is the policy of upgrading public offices. Information on and publicity about social welfare schemes continues to improve. In particular, the annually published statistics on social welfare provision are very valuable and continue to improve over time.

Now, more than ever, the rights of recipients as consumers deserve further attention. Among the main barriers to improving the treatment of users are the nature of the process involved in qualifying for discretionary and means-tested schemes and the conditions under which services are delivered. Discretionary schemes involve quite a high degree of intrusion into living arrangements and conditions. As long as schemes are based on a means test, a certain amount of intrusion is inevitable. However, the discomfort of applicants could be significantly reduced were staff to be provided with and, through training and other support measures, enabled to adhere to a modern code of ethics which emphasises professionalism and the rights of users and recognises the sensitivities and vulnerability of the claimant’s position.

Secondly, improvements in the conditions under which staff offer and clients receive their service would enhance both staff and consumer welfare. This is an area which has been a high priority for the current Minister for Social Welfare. Yet, many offices remain over-crowded, badly furnished and without the benefits of technology. Last year, the Agency drew attention to the poor situation of many local branch offices for which no clear physical or service delivery standards appear to exist. The Agency

again urges that the Department of Social Welfare's programme of improvements to employment exchanges be implemented as soon as possible along with a procedure for enlisting and dealing with users' complaints. To raise the status of recipients to consumers would require a Users' Charter such as that proposed in the Programme for Economic and Social Progress for the health services.

ii) *The right to full, comprehensible information*

There has been considerable progress in improving social welfare information services in recent years. Among the changes have been the provision of leaflets, media advertising of schemes such as the Back-to-School Clothing and Footwear scheme – a first for a Supplementary Welfare Allowance-administered scheme – and a free-phone facility. However, the social welfare system, exceedingly complex as it is, requires continuous experimentation with different means of information dissemination. Along with this, if the system remains in its current form there will be a continuing and perhaps increasing need for consumer advice services. At present, many voluntary bodies are involved in organising and advising claimants, owing their origins largely to the perceived need to intervene between claimants and the system of provision. In this regard, the Agency welcomes the stated commitment of the Programme for Economic and Social Progress to developing closer links with voluntary organisations and, especially, the promise of a charter for voluntary social services and the commitment to preparing a White Paper outlining the government's proposals in this area. The special grants scheme for locally-based women's groups and the community

development programme introduced by the Department of Social Welfare in recent years have been of help to bodies working on behalf of claimants. Two measures would further improve the situation: greater state support for such organisations and moves towards simplifying the welfare system. Both are to be recommended.

iv) *Claimants' right to a say in decision making*

At present, there is no formal structure whereby claimants can make an input into the social welfare system. The Minister for Social Welfare has attempted to compensate for this by holding informal discussions with a number of welfare groups, mainly around the time of the Budget. However, a more structured process is essential if the ideal of claimant participation is to be taken seriously. Also, it must be acknowledged that, at present, the social welfare system has few elements of external democratic control and accountability. The setting up of a consultative body, as recommended by the Commission on Social Welfare, would help to effect such a democratic basis. It would also contribute to the Programme's stated commitment to developing closer links with voluntary bodies. Moreover, a precedent for this exists in the Programme in its recognition of the representative role of the National Parents' Council. Two elements are essential for democratic participation in social welfare: due recognition of the role of the consultative body by the Department of Social Welfare; assistance for representatives of claimants to consult with their membership, where necessary through the provision of financial assistance for meetings, office staff, and so on.

RECOMMENDATIONS

It is the Agency's belief that, despite disimprovements in the economy over the last number of months, significant steps can be taken in the next Budget towards implementing the Programme for Economic and Social Progress. Accordingly, we have developed these recommendations with a keen eye to estimated costs.¹⁸ We wish to emphasise that existing provisions represent certain choices which are not unalterable and that other choices can be made while adhering to budgetary targets. Among the immediate measures favoured by the Agency is one which will generate significant additional revenue: removing the income ceilings for social insurance. The Agency is strongly of the view that these additional revenues should be used to fund improvements in social welfare in the next Budget.

These recommendations comprise immediate proposals for improving the rights basis of welfare. Throughout, it is assumed that the guarantee in the Programme for Economic and Social Progress of inflation-proofing all payments will be honoured. Also these proposals for immediate action must be viewed in the context of the Agency's medium-term recommendations discussed above.

Two medium term recommendations, in particular, must be emphasised. First, social welfare payments should be adequate to meet basic needs as set down by the Commission on Social Welfare. This would mean raising the lowest personal payments to a minimum of £61 per week, with appropriate increases for adult and child dependants. In addition, payments should be consistent across the various levels and categories of entitlement. Also, detailed research needs to be undertaken on the costs associated with different contingencies, household types and the raising of children to help identify the levels of payment needed to ensure that those dependent on social welfare can attain at least a minimally adequate standard of living.

Secondly, social insurance coverage should be extended to constitute the key element of the social welfare system with assistance schemes playing a residual role in catering for those outside the main framework of entitlement. Further measures, in addition to the inclusion of part-time workers, should be taken to ensure the comprehensiveness of insurance

¹⁸ The costings throughout are based on recipient numbers in 1990. They may, therefore, slightly underestimate or overestimate the actual cost for 1992.

coverage for the entire employed population. Cover should be extended to all labour market participants and, as a priority, public servants should be made full contributors. No new means-tested schemes should be introduced.

Finally, a programme of more far-reaching change, over the medium-term, will necessitate fundamental taxation and other financial reform. As we have argued in previous submissions, many possibilities exist for raising additional revenue, for example, through new areas of taxation such as a comprehensive property tax or reducing the current range of tax exemptions which favour those who are better-off.

Extending Entitlement to Social Insurance

"the promotion of greater social rights..." PESP

1. The income ceilings for social insurance purposes should be abolished. Revenue generated: £70-80 million in a full operating year.
2. Participants on the Social Employment Scheme should be eligible for full social insurance cover on a pro-rata basis with part-time workers. In implementing this recommendation, compensatory measures to protect the incomes of SES workers will be required.
3. The following immediate reforms in entitlement to Unemployment Benefit would help to shift the balance in the system in favour of social insurance:
 - Reducing the number of contributions needed to qualify for benefit to 26 paid contributions and 26 paid or credited contributions in the governing tax year, conferring entitlement to the full rate of Benefit. Estimated cost in 1992: £0.5 million
 - Extending the duration of benefit. In the first instance, an extension from fifteen months to two years could be applied in regard to older workers.

An Adequate and Consistent Payment Structure

"to increase social welfare rates further and progressively" PESP

4. All payments currently below the priority levels of the Commission on Social Welfare should be raised to reach that level. Estimated cost in 1992: £23-26 million approximately.
5. The adult dependant payments for Old Age (non-contributory) Pension should be raised to the priority rates as recommended by the Commission on Social Welfare. Estimated cost in 1992: £1.4 million approximately.

"Resources on a scale necessary...will be devoted to child income support over a ten-year period" PESP

6. In line with the Commission's proposals, the Government should make a commitment to re-affirming the importance of Child Benefit by raising it by £1 per month per child. Estimated cost in 1992: £7 million approximately.

7. In addition, an age supplement of £6 a month to Child Benefit should be introduced from age 12. Estimated cost in 1992: £11 million approximately.
8. With regard to Child Dependant Allowances, the recommendation of the Commission on Social Welfare for an additional quarterly payment for each child in families reliant on welfare on a long-term basis should be implemented. Estimated cost in 1992: £5 million

Access and Rights of Claimants

"an integrated and wide-ranging service to social welfare clients will be provided..." PESP

9. A charter of claimants' rights should be introduced to protect the rights of consumers of social welfare services. Key elements in the proposed charter would be the independent arbitration of all appeals and a clear statement of the right of welfare consumers to be treated with dignity, courtesy, privacy and confidentiality.
10. A consultative body should be set up to oversee the operation of social welfare and especially to enable users of the service and their representatives to make an input. It is essential in the Agency's view, therefore, that such a body should have a high claimant representation.
11. Adequate resources and support for claimants' organisations should also be provided. Independent and NSSB welfare advice centres should be properly funded and innovative take-up schemes should be undertaken in consultation with local welfare rights groups.
12. Take-up of social welfare entitlements should be improved through standardisation and simplification of means tests, curtailment of discretion and better information services. The advice of claimants themselves, welfare advice services and that of literacy experts should be sought in the drafting of information leaflets and application forms.
13. A Code of Ethics for all staff would lead to a higher standard of service for recipients. The conditions of social welfare offices, especially employment exchanges, should also be improved.
14. The Department should set targets for and monitor the length of time taken to process all claims. Information on this should be presented regularly in the Department's statistical report.
15. Up to date information on poverty rates relative to income levels among the rest of the population is vital. Annual information would be especially useful. This could best be achieved by setting up a nationally representative panel whereby people would be re-interviewed on a regular basis to ascertain the changes in their situation over time. The Combat Poverty Agency should be given additional funding to initiate and oversee such research.

3.2 PUBLIC SERVICES AND SOCIAL RIGHTS

Good quality and accessible health, education, housing, legal, artistic and cultural services, among other public services, are vital social rights. Indeed, the fact that they are provided publicly is in some part due to a recognition of how essential they are. The Programme for Economic and Social Progress covers each of the main public services, albeit some in more detail than others. It is in relation to health that the Programme moves closest to a

'Good quality and accessible health, education, housing, legal, artistic and cultural services are vital social rights'

social rights approach. Here a set of principles, service objectives and users' rights are clearly stated. Reviewing public services for entitlement, adequacy and access of consumers raises a number of important issues which we discuss below. For the purposes of this submission, our discussion is necessarily selective.

3.2.1 Entitlement to public services

Entitlement, questioning the nature of the rights basis to service provision, brings into focus how and whether people on low incomes can avail of their right to public services. While public services are founded on the basis of a right of entitlement and are technically available to all, the effective achievement of such a right is imperilled by social and economic disadvantages which not only restrict access but crucially determine the type and quality of the service received. Cutbacks, insofar as they widen class-based differences in services and introduce new costs and charges, are a major impediment to the right to public services. While attempts have been made to protect low income consumers, in effect general public expenditure cutbacks imperil services to this sector of the population. The entitlements of low income consumers may also be infringed by a growing reliance on private provision and private sources of funding. Developments in the education, health and housing services provide examples of how this can happen.

As regards education, research by the National Parents' Council on the costs associated with primary education in the 1988/89 school year found that 35% of school funds were derived from parental and parish contributions.¹⁹ In 12% of the schools studied parents contributed more than 50% of the funding, a pattern especially typical of Dublin. Since schools receive the same capitation grants, greater voluntary funding means better equipment and facilities, thereby worsening the schooling differences between low and high income children. In health also, private provision is becoming increasingly important and, indeed, there is a danger that the Programme for Economic and Social Progress will entrench a division between public and private provision. In this regard, it is important to note the conclusion of the NESO on recent developments in health: "... it is far from clear that the principle of protecting the disadvantaged was generally achieved in the period 1986-90".²⁰ As regards housing, the major emphasis of Irish housing policy towards home ownership results in two classes of housing: public and private. In the light of the proposals

in the Programme, the Agency is concerned about the falling proportion of housing stock in public ownership and that an effect of the new grant to subsidise private purchase by local authority tenants may be to further decrease the resources of some local areas, especially those that are poor. While some provisions exist to assist people on low incomes to meet the costs associated with basic services, they are not without problems. As regards school expenses, for example, the payments under the, now means-tested, Back to School Clothing and Footwear scheme – £25 for primary school children and £40 for those in second-level education – are not adequate to meet the costs incurred. The recent research by the National Parents' Council referred to above found that the average cost of books in 1988/89 was £16.72 for a pupil in first class in primary school and £26.96 for a sixth-class pupil. There may also be take-up problems with the scheme since it is administered on a discretionary basis under the Supplementary Welfare Allowance. The various other discretionary schemes (school meals, school books, exemptions from transport and examination fees) remain unreformed and of limited application. The value of these diverse benefits would be considerably improved if they were increased and incorporated into a unified back-to-school payment for all children of welfare recipients.

'For lower income groups, the present system of assistance with housing costs is fragmented and inefficient'

Housing is another area where problems exist with the nature of the assistance provided. For lower income groups, the present system of assistance with housing costs is fragmented (Differential Rents Scheme of local authorities, rent and mortgage supplements through the Supplementary Welfare Allowance scheme) and inefficient. This is a complex area which should be reviewed within the context of the massive subsidies given for private housing through mortgage interest relief and other aids and grants. Among the proposals that should be considered is that of the Commission on Social Welfare for a more integrated form of housing subsidy for those on low incomes.

Overall, the Agency wishes to make it clear that low income families cannot afford to pay anything extra for essential public services. The quality of services for this sector of the population, therefore, should be a central concern for planning and policy and cannot be allowed to deteriorate.

3.2.2 Adequacy of public service provision

Focusing on adequacy raises the question of whether services are sufficient to meet needs. The Programme for Economic and Social Progress manifests a concern with this and has allocated additional expenditure to improve adequacy of public service provision. However, the Agency is concerned about both the scale and the gradual nature of the proposed investment.

¹⁹ *The Cost of Free Education*, Dublin: National Parents Council – Primary, nd.

²⁰ *A Strategy for the Nineties*, p5.

In housing, for example, while the capital investment in public house building has been increased over the last two years, the 1991 level still provides for no more than the completion of 1,300 houses and the commencement of another 1,500 this year. Yet, the assessment of housing needs carried out in 1988 under the, then new, *Housing Act* enumerated a waiting list of 19,400 households. For an update on this, we have to await the results of the most recent assessment, carried out in March of this year, but waiting lists are likely to have increased substantially. High waiting lists and very low provision in the face of them are a source of great concern to the Agency especially since the voluntary and co-operative sectors are expected to yield provision for no more than 5,000 households a year when they reach their full potential. A large need for continued public provision will remain, therefore, requiring a level of investment higher than the current level.

Nowhere is the need for additional housing provision more obvious than with regard to homeless persons and Travellers. The fact that these together comprised nearly 10% of the 19,400 households on the waiting list in 1988 represents a major failing of Irish housing policy. Certain progress has been made in recent years though for both groups. The capacity of the voluntary organisations to provide accommodation for the homeless has been improved and there is now greater recognition that housing policy and public housing providers should take account of the needs and wishes of homeless persons and consult with organisations working on their behalf. However, although the 1988 *Housing Act* defined homelessness for the first time, it was a source of disappointment to those working on behalf of the homeless in that it did not set out a clear public obligation to house the homeless. In addition, some local authorities have been slow to implement those aspects of the official guidelines requiring co-operation and liaison with voluntary organisations in making accommodation available for homeless persons. While the Programme and the *Plan for Social Housing*²¹ attempt to remedy this, the adequacy of provision remains in doubt. As with other domains of policy, there is no substitute for a co-ordinated response between central and local levels and a full recognition of the knowledge and expertise that exists in the voluntary sector. The local dimension necessary for effective re-settlement cannot be over-emphasised. More action to address the accommodation needs of Travellers is especially needed in view of the fact that in November 1990 1,136 Traveller families lived on the road-side. Again the highest priority must be given to consultation with Travellers and their organisations to ensure that their concerns regarding the cultural appropriateness of accommodation provision are met.

The adequacy of educational provision is also an issue. To address known inadequacies, the Programme for Economic and Social Progress plans a number of initiatives for targeting 'disadvantaged areas'. First, teacher allocation at both primary and second levels is to be increased. Secondly, an additional £6 million over the course of the Programme is to be allocated to enhance educational provision in disadvantaged areas. Among the priorities for this expenditure are the development of home/school links, the enhancement of the Free Books Scheme, literacy programmes and measures to raise the

retention rates in the education system. Thirdly, an increase in access to third-level education by people from lower income backgrounds, mature students especially, will be brought about by improving certain conditions of the higher education grants scheme. These are all very welcome measures but their effectiveness in remedying inadequacies and imbalances must be carefully monitored. In the Agency's view, good quality basic educational provision is an essential element in the social development of disadvantaged areas and must receive the highest priority. Also, the emphasis in the PESP on the role of community-led partnerships in developing policies for disadvantaged areas, underlines again the importance of adequate provision of basic and second chance educational opportunities for adults in such areas.

'Access to creative activity is an essential need and right if people are to lead full lives'

The Agency wishes to draw especial attention to the availability of legal services. If one is poor, access to one's rights as a citizen crucially hinges on state-provided or funded legal services – the Civil Legal Aid Scheme. However, the continued underfunding of this scheme has resulted in large backlogs and limited availability of the service. This situation especially affects women who are the major users of the Scheme. The Programme for Economic and Social Progress will make little impact on the inadequacy of legal services: adding funding of £350,000 in 1991 to make a total allocation of £2.5 million. To place this in context, the Free Legal Advice Centres (FLAC) have estimated that annual funding of £4.5 million is the absolute minimum amount of money necessary to bring about a significant development in legal aid services.²² Apart from under-resourcing, there is also a need for legal aid services to place particular emphasis on social welfare, education and community involvement along the lines of the model provided by the Coolock Community Law Centre.

Access to creative activity is an essential need and right if people are to lead full lives. People living in disadvantaged communities currently have very inadequate access to the arts and very limited opportunities to participate in creative activity. Yet there are an increasing number of examples of arts programmes in disadvantaged communities which highlight the very significant contribution they can make to personal and community development. In spite of this the Arts Council's commitment to arts activities in disadvantaged communities remains minimal, as evidenced by its very peripheral interest in community arts. The pioneering work done by organisations like Creative Activity for Everyone (CAFE) and Wet Paint Arts and the initiatives in this area taken by Dublin County Council and the Irish Museum of Modern Art should be developed and built on. The Arts Council should now commit itself to supporting a comprehensive arts programme for disadvantaged communities.

²¹ *A Plan for Social Housing*, Dublin: Department of the Environment, 1991.

²² Free Legal Advice Centres, submission to the Government and Social Partners on a New Programme for Economic and Social Development, 1990.

3.2.3 Access as consumers to public services

The rights of service users as consumers cannot be over-emphasised. User involvement, which is far more than just consulting people or giving them information as users of existing services, is key. It essentially entails a re-orientation of services to meet the needs that are emerging and involving people in both defining their needs and identifying the desired means of meeting them. The proposals in the Programme for the health services are exemplary in this respect. A key element here is the development of a charter of rights for health service consumers. This guarantees such rights as

'User involvement, which is far more than just consulting people or giving them information as users of existing services, is key'

access to services according to need, the right to considerate and respectful care, privacy, information, confidentiality and the right to make a complaint.

Some examples of good partnership between service

providers and users on a local basis now exist. As the *Plan for Social Housing* acknowledges, the Ballymun Task Force is a fine example of the real progress that can be achieved by local/statutory partnership. While initiated on a pilot basis, the effectiveness of this type of approach now can be taken as proven. In some areas, the Programme for Economic and Social Progress is committed to the development of such partnership. In housing for example, the traditional role of local authorities, as almost sole providers and controllers of housing for the lower income groups, is to give way gradually to partnership between them and other housing providers in the first instance, and, secondly, to greater co-operation with tenants and residents regarding the management of estates. Similarly, the setting up of local area-based companies as a response to unemployment places faith both in the degree of local knowledge and expertise available in communities and the capacity of voluntary and statutory interests to work together. The Agency fully supports these trends and will make appropriate recommendations for their development in the final two sections of this submission.

RECOMMENDATIONS

Educational Provision

"The overall strategy for education is...to provide the opportunity for all to develop their educational potential to the full" PESP

1. The various school-related and largely discretionary payments for child dependants of welfare recipients should be amalgamated into a single back-to-school payment. A proper costing of clothing, footwear and book needs should be undertaken. The unified payment would be paid automatically to all families on welfare.
2. A report on the feasibility and cost of a school meals scheme to all primary schools should be commissioned.
3. High quality basic educational provision is an essential element in the social development of disadvantaged areas and must receive the highest priority.
4. Also, the emphasis in the PESP on the role of community led partnerships in developing policies for disadvantaged areas, underlines again the importance of adequate provision of basic and second chance educational opportunities for adults in such areas.
5. There is now considerable evidence that the availability of high quality early childhood education is a major determinant of the long-term educational achievements of young people from disadvantaged backgrounds. An extensive state system of early childhood education for children in disadvantaged areas should be established as a priority.

Health Services

"...a comprehensive, equitable and efficient healthcare system" PESP

6. Access to health services must not be impeded by the patient's financial status.
7. Priority should be given to reducing the waiting lists for public patients.
8. The 'Patients Charter' promised in the PESP should be completed and published. The Department of Health should develop specific consultative and reporting mechanisms for monitoring adherence to the provisions of the Charter.
9. The Department of Health should bring forward a programme of action to ensure the full implementation of the Child Care Act 1991 as a priority.

Social Housing

"the Government are committed to.... ensuring that every household has a dwelling suitable to its needs, located in an acceptable environment, at a price or rent they can afford" PESP

10. If housing policy is to effect the social right to housing it must be more strongly oriented to providing and maintaining an adequate supply of public housing. This will require greater capital investment than the present level and a policy to retain more than a minimum proportion of the national housing stock in public ownership.
11. The social right to housing also requires a policy which guarantees adequate housing to all regardless of income level. Given this, greater provision for homeless persons has to be made within an integrated framework which accords full recognition to the knowledge and expertise that exists in the voluntary sector and which emphasises the local dimension necessary for effective re-settlement.
12. Urgent action to address the accommodation needs of travellers should be a priority. This will require consultation with travellers and their organisations to ensure that their concerns regarding the cultural appropriateness of accommodation provision are met.
13. A review of the different methods of subsidising both public and private housing should be undertaken as a matter of urgency. Such a review should investigate as a priority a more integrated form of housing subsidy for those on low incomes.
14. State funding of social housing schemes should take into account not only the capital costs but also the ongoing management costs involved.

Legal Services

15. Funding for the Civil Legal Aid Scheme must be further increased by at least £1 million in the forthcoming budget.
16. Greater emphasis in the public aid scheme must be placed on public education, community involvement and other aspects of law, apart from family law.

The Arts

17. As a first step in developing a comprehensive arts programme for disadvantaged communities, the Arts Council should devote ten per cent of its budget to supporting community arts activity.

3.3 UNEMPLOYMENT AND EMPLOYMENT

In our Pre-Budget submission last year, the Agency carried out a detailed analysis of unemployment and produced a wide-ranging set of recommendations for change.²³ The last year has seen increased attention from policy makers to long-term unemployment, especially with the setting up of the local area initiatives. Also a Task Force on Unemployment, as recommended by the Agency, has been established. However, optimistic

'The need for a comprehensive and all-out attack on unemployment is even more urgent now'

forecasts that unemployment had stabilised have had to be revised in the face of recent increases. The need for a comprehensive and all-out attack on unemployment is even more urgent now. The Agency reiterates its call for intensified measures to create jobs, to help the long-term unemployed to return to work, to improve the standards of living of the unemployed and to protect vulnerable workers already in the labour market.

In the Programme for Economic and Social Progress, employment creation and the reduction of unemployment and involuntary emigration are set out as the primary objective of government. The employment proposals mainly consist of annual new job targets and the provision of support for and alteration of existing incentives towards job creation. In essence, the Programme relies on income restraint and a rather indirect strategy of wealth creation and improved international competitiveness to yield new employment at an annual target of 20,000. Where their locus is specifically identified, the most important sectors for new job creation are manufacturing, internationally traded services and tourism. In responding to these proposals, the Agency reiterates the view of the NESC that structural reforms in the area of industrial policy, taxation, the pattern of public expenditure and public intervention generally are necessary for a comprehensive approach to job creation.²⁴ In any case, there is the problem that the targets, even if reached, are insufficient to meet the need for jobs that exists: an estimated 32,000 jobs per year are needed to bring unemployment below 100,000 by the end of the decade, without relying on emigration.

The Programme also, however, contains quite detailed measures for long-term unemployment. It accepts the argument of the Agency, the NESC and others that the long-term unemployed are unlikely to automatically benefit from a general improvement in employment. Its main strategy for long-term unemployment is to set up a pilot initiative of area-based companies with a heavy community involvement. These initiatives, twelve of which are now underway, have a two-fold purpose: to produce an integrated response in terms of education, training and work creation schemes and to promote labour market involvement through incentives for enterprise and for employment creation/expansion for firms.

The Agency very much welcomes this development which is in line with our long-standing belief in the

importance of community development and integration of services at local area level. The particular advantages of the area-based initiatives include: they are targeted they imply a progression through the various education and work incentive schemes; they directly involve the social partners; they involve the local community and hopefully, will build on the existing strengths of and generate new resources in communities. Further bringing providers together with service users can lead to rationalisation in provision and orient services more closely to meeting identified local needs. The initiatives therefore, have clear advantages from a service provision perspective. In practice, they will facilitate job finding and democratic involvement.

However, while we recognise the benefits of bringing together the maximum knowledge about the local economy in one easily accessible place, the Agency has three concerns about the local initiatives. First, there is a big question mark over their capacity for job creation. The Agency is doubtful whether job creation on the scale required within what are, after all, artificial geographical boundaries is possible. While local initiatives can make a contribution, job creation is essentially a function of integrated policies at national level which can be devolved to local level only to a limited extent. Secondly the local initiatives, it must be emphasised, are an experiment. As such, they cannot constitute the total response to either unemployment or long-term

'While local initiatives can make a contribution, job creation is essentially a function of integrated policies at national level'

unemployment. Industrial policy, manpower and labour policy, education policy and taxation and social welfare policies are all central to a co-ordinated approach to job creation. From this view, the suggested Forum or Unemployment²⁵ has advantages: it places a focus on the broad-ranging nature of unemployment; it can review the range of policies that affect unemployment; it can involve wider sections of the population in its discussions, especially the unemployed themselves or their representatives. Thirdly, the Agency emphasises: that certain conditions must be met if the initiatives are to reach their full potential. For a start, significant resources and energy must be committed to getting local people involved in the first instance and secondly to enabling them to 'be the primary movers'. This is especially the case in those communities that could be termed 'disadvantaged'. Our history in Ireland is of very

²³ *Tackling Poverty in the Nineties: Policies for the Unemployed, Children Women and Disadvantaged Communities*, Dublin: Combat Poverty Agency, 1990.

²⁴ *A Strategy for the Nineties*, p72.

²⁵ A National Forum on Unemployment was first proposed at a conference on unemployment in 1986 by Mr. Anto Kerins of the Dublin Institute of Technology (see *The Challenge of Unemployment*, special issue of *Administration*, 35/3, 1987). The forum idea has been promoted by the Irish National Organisation of the Unemployed (INOU) the Irish Congress of Trade Unions (ICTU) and a number of political parties.

centralised decision making and service provision; greater localisation cannot be achieved overnight. So the initiatives have to be resourced and sufficient time allowed for development in order to ensure that they are truly 'bottom up'.

'... current mechanisms for countering low pay, principally the Joint Labour Committees, are limited in coverage and lack effective enforcement machinery'

A further relevant point on job creation is that attention must be paid to the conditions of the jobs that are being created and to improving those of existing jobs. Low pay we now know to be a major problem: 17% of all workers had a gross wage of less than £100 a week in 1987 while 29% had weekly gross wages below £130.²⁶ Women and young workers are the main victims. While the minimum £5 weekly wage increase in the Programme for low paid workers is welcome, it confers a significant benefit only on workers earning £120 or less a week. In addition, it has to be pointed out that the average wage increase granted in the Programme for someone earning £250 is twice the absolute amount received by a low-paid worker. The Programme notes that the question of a statutory minimum wage will be considered by the Employer-Labour Conference and a report prepared. The Agency views with concern the fact that the current mechanisms for countering low pay, principally the Joint Labour Committees, are limited in coverage and lack effective enforcement machinery. The pattern of low pay in employment is not unrelated to the trend towards increasing casualisation of the labour market which leads to more part-time work, more fixed-term contracts and more temporary employment. These kinds of development require to be controlled by strong statutory regulation. The current gaps in employment and social welfare legislation mean that some part-time and other vulnerable workers are open to exploitation.

The Programme also contains training measures. The Vocational Training Opportunities Scheme for the long-term unemployed will be further developed and expanded as will the Youthreach scheme for early school leavers and other literacy and community programmes. It is also promised that such provision will be more 'pro-active' by publicising and seeking out potential participants and monitoring and linking with other training and educational provision. Progress in this regard will be monitored by the Central Review Committee in the context of the area-based strategy.

In responding to these measures, the Agency cannot over-emphasise the importance of opportunities for high-quality training and development in combating poverty. At present, temporary employment initiatives predominate over training in programmes targeted on the long-term unemployed. To reverse this, we recommend the expansion of training provision and the adoption of a target of half of all training places to be filled by the long-term unemployed. We also recommend an expansion of the Alternance training programme for the long-term unemployed. The Agency believes education

and training for the unemployed is an area where much may be learned by drawing on the considerable experience of voluntary organisations working in the field and of unemployed people themselves. The value of partnership between statutory and voluntary organisations has been recognised in the area-based initiatives on long-term unemployment established under the Programme for Economic and Social Progress. The Agency recommends that FAS should incorporate the partnership principle at a regional level by establishing advisory committees to advise on and monitor developments in education and training for the unemployed. Such committees should include representatives of unemployed organisations and community and voluntary groups. The last two years have seen significant progress in allowing unemployed people access to education. Particularly positive was the expansion of the Vocational Training Opportunities Scheme even beyond the level announced in the 1990 budget and now the further expansion of provision to the Agency's recommended target of 1,000 places in 1991.

Above all, it must be recognised that we cannot rely on job creation and training alone to break the close links between unemployment and poverty. An adequate income support system, along with a comprehensive educational and training programme, are also required to sustain the unemployed in their search for work. Given its concern with social rights, the Programme provides the opportunity to think in terms of what rights should be guaranteed to the unemployed. The European Network of the Unemployed has set out a clear programme of such rights in its recent *Charter of Rights for the Unemployed*.²⁷ Fundamental to a rights programme, in the European Network's view, is a strengthening of governmental commitment to pursue policies for equilibrium and confidence while taking care to ensure a high level of employment. Recognising that traditional patterns of work are changing, a fundamental right sought by the Network is that all members of society who wish to work should have equal right to employment, under the terms and remuneration which are the norm. Access is a key concept here. At present it could be argued that the right of some people to access to work is infringed by inadequate or inappropriate state provision for the unemployed, in, for example, training, education and income maintenance. Among the rights sought by the European Network are the right of access to high-quality training/retraining for employed and unemployed workers with adequate reimbursements, a living income for all, a political and economic commitment to full employment, a just distribution of work and leisure, and resources for organisations working with the unemployed.

The recommendations made earlier in this submission for extending the social insurance base and orienting education and training more towards the needs of the unemployed should, if implemented, go some way

²⁶ J. Blackwell and B. Nolan, 'Low pay - the Irish experience', in B. Harvey and M. Daly (eds), *Low Pay - the Irish Experience*, Dublin: Combat Poverty Agency/Irish Congress of Trades Unions, 1990.

²⁷ *Charter of Rights for the Unemployed*, Dublin: Irish National Organisation of the Unemployed and National Unemployed Centres Combine (Britain), 1991.

towards extending the rights of the unemployed. However, other action is also needed. It is the Agency's view that further improvement in income support for the unemployed is an essential component of policy to combat poverty. As outlined earlier, the unemployed are the largest group among those whose welfare payments remain below the priority level recommended by the Commission on Social Welfare. A key part of the strategy of the Programme for Economic and Social Progress is to enable unemployed people to return to work. In the Agency's view, the fact that no earnings disregard applies when calculating entitlement to

Unemployment Assistance hinders the achievement of this objective. At present, Unemployment Assistance is exceptional among means-tested payments in that it is reduced for every pound earned. The Agency recommends that existing earnings disregards should be increased and be applied in a similar fashion to all welfare payments.

In summary, job creation, income maintenance and other measures to help the long-term unemployed and protection of those in the labour market are all elements that must comprise a co-ordinated strategy to combat unemployment.

RECOMMENDATIONS

Job Creation

"The creation of employment and the consequent reduction of unemployment and involuntary emigration is the primary policy objective of Government" PESP

1. The Agency emphasises the need for a broad-ranging response to unemployment and an official recognition that it requires urgent action. The long-term goal of economic and social policy should be the achievement of full employment. Existing job creation strategies and targets must be reviewed again in a co-ordinated and comprehensive manner in order to identify alternatives. This could be carried out by the Task Force on Unemployment or perhaps, more comprehensively by a Forum on Unemployment if such were to materialise.

Income Maintenance

2. All unemployment payments below the priority levels of the Commission on Social Welfare should be raised to reach that level.
3. Payments to SES workers should be increased by at least the same amount as Unemployment Assistance, and payments in respect of adult dependants and child dependants should at least match the equivalent payments in the Unemployment Assistance scheme. Also the anomalies which exist in the treatment of persons on the SES must be reviewed.
4. An increased earnings disregard should be applied equally to all assistance payments including Unemployment Assistance.

Protection of Those in the Labour Market

5. To tackle low-pay, effective mechanisms should be established to ensure equitable wages in all sectors.
6. Future pay increases for the low paid should continue to be calculated as absolute amounts.
7. Any reform of income tax should give priority to reducing the tax burden of those on the lowest incomes.

8. The principle of equality of treatment between part-time and full-time workers should be enshrined in legislation.

9. Family Income Supplement should be calculated on a net income basis.

Education and Training

"... a major assault on long-term unemployment" PESP

10. Given the innovative nature of the partnership approach that has been adopted in the area-based response to long-term unemployment, adequate resources should be devoted to its ongoing evaluation in order to draw out the lessons for all the partners. In extending the programme as envisaged in the PESP, the lessons emerging from the initial twelve projects should be taken on board and the programme adjusted accordingly.
11. A target of half of all training places to be filled by the long-term unemployed should be adopted. The number of Alternance Programme places should be doubled in the coming year. More flexible approaches to training need to be developed which allow more careful tailoring of training to the needs of unemployed individuals.
12. FAS should incorporate the partnership principle at a regional level by establishing advisory committees to advise on and monitor developments in education and training for the unemployed. Such committees should include representatives of unemployed organisations and community and voluntary groups.
13. The Vocational Training Opportunities Scheme should be expanded to provide 1,500 places in 1992.
14. Eligibility conditions for all training and employment programmes should be modified to enable participation by adult dependants of unemployed recipients.

3.4 EMPOWERMENT THROUGH COMMUNITY DEVELOPMENT

The development of social rights and the importance of a local level approach to disadvantage are two central themes in the Programme for Economic and Social Progress. Community development is the process whereby these two objectives come together. From a social rights perspective local people need to be empowered and resourced to become involved: in the political process, in the development of their own localities and in influencing and contributing to public

'From a social rights perspective local people need to be empowered and resourced to become involved'

service provision so that it becomes more democratic and more effective. In this sense, community development is a vital part of an anti-poverty strategy. It takes time and resources to enable people who are poor to participate. Secondly, community development makes concrete the links between the local and national levels and is essential if local service delivery is to be effective. Valuable resources exist in communities but if they are to flourish new commitments are needed and existing commitments need to be built on.

Community development work has been going on in poor communities in Ireland for many years and a corps of experience and skill has been accumulated in this area.²⁸ This experience tells us that a 'top down' approach to addressing needs in disadvantaged communities is not appropriate. Community development has a significant role to play in ensuring that services and policies meet local needs. Recent research carried out for the Agency provides guidelines on what the key inputs of a community development strategy should be: nurturing growth from within a community; facilitating local ownership of the process so that the problems addressed stem from the community which sets the criteria and objectives for any development; enhancing local leadership, learning and the transfer of skills.²⁹ In the absence of such an approach, local communities become dependent on outsiders and their community projects' chances of survival are diminished.

The Programme for Economic and Social Progress makes a number of commitments to a local approach. First, there are the pilot local area initiatives for the long-term unemployed. These projects represent an important new commitment to the role of local community involvement in developing and monitoring public services. The importance of the community dimension is embodied in the commitment to a partnership model for these area-based companies and in the recognition that the projects should be community-led. Given the innovative nature of this approach, ongoing evaluation to draw out the lessons of the area-based initiatives for all of the partners is essential.

Second, the Programme officially endorses the emerging role of the Department of Social Welfare in funding community initiatives and voluntary social

services. This undoubtedly will greatly strengthen the ability of the Department to extend support for local women's groups, community resource centres and other activities to combat poverty. Furthermore, the promise of a Charter for voluntary social services and a White Paper on the relationship between the statutory, voluntary and community sectors provides an opportunity for a more formal recognition of the enormous contribution made by the voluntary sector and for it to be resourced appropriately.

The Community Development Programme (CDP) is proving to be a vital lifeline for community resource centres. Set up in 1990, the fund now supports some 15 community development projects, soon to be increased to 21. This funding, guaranteed for three years, enables worthwhile and necessary services to be provided at local level as well as affording a valuable opportunity to learn lessons and try out new approaches. The Community Development Programme, by moving beyond pilot provision, represents a significant advance in official commitment to the community development process in Ireland. Among the identified contributions of the centres in the Programme are raising local morale and confidence, providing information about welfare rights and improving the take-up of social benefits, increasing collaboration between public service providers and local people, creating opportunities for education and training and supporting developmental activity in their areas.³⁰

On the basis of its experience of working closely with these and other community projects, the Agency believes that a level of funding in the region of £50,000 a year is necessary for these projects to achieve their objectives. At present the resource centres mainly receive annual funding in the region of £40,000. It is vital that the projects be adequately resourced to implement their work programmes, pay staff at a reasonable level and meet their overheads without hardship. These should not be impoverished projects. In addition, resource centres are needed in other areas. In this regard the Agency welcomes the expansion of the Fund in last year's Budget and the inclusion of six extra projects. This idea of gradual expansion is a good one, as it allows careful planning and preparation. In particular, the areas chosen need to be selected with care, bearing in mind a number of key criteria such as levels of disadvantage, levels of community activity and geographical spread. It is the Agency's view that funding for new projects entering the programmes should be at a level not lower than that made available to existing projects.

Bearing all of these factors in mind the Agency recommends that overall funding of the Community Development Programme be raised with a view to

²⁸ See, for example, B. Cullen, *Poverty, Community and Development*, Dublin: Combat Poverty Agency, 1989; B. Harvey, 'Resource Centres in Ireland, report to the Combat Poverty Agency, 1990.

²⁹ D. Donnison et al, *Urban Poverty, the Economy and Public Policy*, op cit, pp76-81.

³⁰ B. Harvey, *Resource Centres in Ireland* report to the Combat Poverty Agency.

increasing the amount of money to each locality to at least £50,000 per annum and to funding additional groups from the scheme. In line with the Agency's submission to government, *Towards a Funding Policy for Community Development*, we recommend that this

'... all government departments, state agencies, local authorities and other public bodies should be encouraged to look at how they can become more responsive to the needs of community and voluntary groups concerned with disadvantage...'

fund for community development be increased to £4 million per annum. Money for this work and for other community development activity should come from mainstream government funding and not from the National Lottery. Given that the Agency is the body with statutory responsibility for promoting community development it is also recommended that this fund be administered by the Combat Poverty Agency in

consultation with the Minister for Social Welfare.

It is the view of the Agency that all government departments, state agencies, local authorities and other public bodies should be encouraged to look at how they can become more responsive to the needs of community and voluntary groups concerned with disadvantage and the needs identified by them. All public bodies should be encouraged to consider how they can complement and support an overall community development approach. Where possible all such agencies should be encouraged to develop particular focused sources of funding aimed at the needs of the most disadvantaged communities.

In addition to increasing statutory funding, there is also a need to encourage greater private and business support for community development. The provision in the 1990 Finance Act allowing companies to treat donations made to the Trust for Community Initiatives as a tax deductible trading expense or an expense of management deductible in computing the total profits of the company is welcome. This should be continued and should, where possible and with the necessary regulatory safeguards, be extended to donations made to all community development and anti-poverty work as well as to the newly established Enterprise Trust.

RECOMMENDATIONS

Funding for Community Projects

"...local communities as the primary movers" PESP

1. Funding of the Community Development Programme should be increased to £4 million per annum and should be administered by the Combat Poverty Agency in consultation with the Minister for Social Welfare. This funding should be used to ensure that the existing network of community development resource centres are adequately funded and to develop further community resource centres in disadvantaged communities, and especially in all areas where the government has initiated or plans to establish an area-based response to long-term unemployment.
2. All government departments, state agencies, local authorities and other public bodies should be encouraged to look at how they can become more responsive to the needs of community and voluntary groups concerned with disadvantage and how they can complement and support an overall community development approach. Where possible all such agencies should be encouraged to develop particular focused sources of funding aimed at the needs of the most disadvantaged communities.

3. Increased private sector support for local community development activity should be further encouraged by continuing the tax relief on donations to the Trust for Community Initiatives and extending it to the Enterprise Trust. Where possible and with appropriate regulatory safeguards, tax relief on covenants and capital donations should be extended to cover all community development and anti-poverty work.

Support for Women's Groups

4. The Department of Social Welfare's Grant Scheme for Local Women's Groups should be continued. Funding of the scheme should be increased to £600,000 in 1992. This should be used in part to support specific small grants for particular programmes of work and in part to support the core costs of a number of women's centres on an ongoing basis.

Partnership and Consultation

5. The Charter for voluntary social services and forthcoming White Paper which the Programme promises should specify the right of voluntary and community groups to be consulted by and be brought into partnership with government departments, local authorities and state agencies.

3.5 IMPLEMENTATION AND MONITORING

In order to build on the progress that has been made and to take full advantage of the new opportunities that have been created by the Programme for Economic and Social Progress, the Agency now recommends that the government puts in place mechanisms to coordinate and intensify efforts to tackle poverty. This could be best achieved by requiring all government departments and agencies to include the targeting of social need as one of their strategic goals. Their success in this regard could be monitored by a central unit in the Department of the Taoiseach which would report regularly to the Central Review Committee of the government and social partners. Such a mechanism already exists to implement and monitor the new area-based response to long-term unemployment agreed in the PESP. Interestingly a similar initiative has recently been launched in Northern

Ireland and targeting social need has been declared a strategic priority for the government there and all its departments and agencies.

Also, it is vital that the Combat Poverty Agency be resourced adequately to fulfil its four statutory obligations: advising the government on all aspects of economic and social planning in relation to poverty in the State, initiating pilot projects, coordinating and interpreting research and educating the public on the nature and extent of poverty and the measures necessary to tackle it as well as acting as a national resource and support centre for community development and other anti-poverty projects. Due to limited resources, the Agency's contribution is unnecessarily circumscribed, and its fulfilment of its obligations seriously impeded. As an immediate priority the Agency's core budget should be increased to £2 million.

RECOMMENDATIONS

Targeting Social Need

1. Mechanisms to coordinate and intensify efforts to tackle poverty should be put in place. This could be best achieved by requiring all Government Departments and Agencies to include the targeting of social need as one of their strategic goals. Their success in this regard could be monitored by a central unit in the Department of the Taoiseach which would report regularly to the Central Review Committee of the Government and social partners.

Resourcing the Combat Poverty Agency

2. The Combat Poverty Agency should be adequately resourced to undertake its statutory functions. This will include sufficient resources to provide management and development support and training to community development resource centres, women's projects and unemployed centres and to fully implement its Strategic Plan. This will mean increasing the Agency's core budget from £1.1 to £2 million, as was originally envisaged when the Agency was first established.

APPENDIX

Table A.1 *Weekly Rates (classified in relation to the Commission on Social Welfare's recommendations) and Numbers of Recipients of Social Welfare as of Mid-1991.*

<i>Payment Level</i>	<i>Scheme</i>	<i>Recipients</i>
'minimally adequate' (Over £60)	Old Age Pension (c)	74,470
	Retirement Pension	48,475
	Disablement Benefit	7,241
	Injury Benefit	577
	(130,763 – 18%)	
'priority levels' (£55 – £60)	Widow's Pension (c)	84,011
	Widow's Pension (nc)	17,877
	Deserted Wife's Benefit	10,462
	Invalidity Pension	34,068
	Unempl Ass (long-term)	126,000*
	Lone Parent's Allowance 25,231	
	Old Age Pension (nc)	118,223
	Single Woman's Allowance 2,187	
	Pre-retirement Allowance 6,104	
	(424,163 – 58%)	
'lowest payments' (£50)	Unempl Ass (short-term)	31,500*
	SWA	18,200*
	Carer's Allowance 1,240	
	Unempl Benefit	63,118
	Disability Benefit	52,765
	Maternity Benefit	4,656
	(171,479 – 24%)	

*estimated (c) = contributory
(nc) = non-contributory



Combat Poverty Agency

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