

Policy Submission

Making a Decisive Impact on Poverty

**Submission on the
Irish National Action Plan Against Poverty and
Social Exclusion
(NAPincl)
2006-2008**

October 2005



Making a Decisive Impact on Poverty

**Submission on the Irish National Action Plan
Against Poverty and Social Exclusion 2006-08**

October 2005

1. Introduction

Combat Poverty welcomes the opportunity to make a submission on the Irish *National Action Plan against Poverty and Social Exclusion*, for the period 2006-2008. National action plans are being prepared by all member states as part of the *EU Social Inclusion Process*, which was initiated at the Lisbon Summit in 2000. The overall aim of the process is to make a decisive impact on poverty by the year 2010. This is the third national action plan prepared by Ireland under the process. The timescale for submitting the national action plan to the European Commission is September 2006. The Office for Social Inclusion is responsible for coordinating the preparation of the national action plan.

This submission is the first stage in the consultation on the national action plan. As the government advisory body on poverty, Combat Poverty will continue to play an active role in subsequent stages of the consultation. This includes regional seminars and national thematic seminars on issues such as disability, children and families, older people, minority ethnic groups and people excluded from the labour market. The latter events are being coordinated by Combat Poverty in conjunction with relevant bodies. Combat Poverty is also supporting a number of initiatives which are designed to give people in poverty a stronger voice in the consultation process.

More broadly, Combat Poverty will contribute to the preparation of the national action plan through the Social Inclusion Consultative Group, the social partnership advisory body on anti-poverty policy, and the Technical Advisory Group on data collection and research on poverty. In addition, Combat Poverty is a lead contributor in two sectoral initiatives on anti-poverty policy: the Local Government Anti-Poverty Learning Network and the National Anti-Poverty Strategy Health Working Group. These bodies will have important inputs to the national action plan. Another consultative event involving Combat Poverty will be the Social Inclusion Forum, to be convened by the National Economic and Social Forum. Finally, Combat Poverty is involved in a number of EU-funded transnational projects whose findings on anti-poverty policy will be a useful input. This includes a project on mainstreaming social inclusion, involving government bodies and NGOs from six member states along with the EAPN.

The submission begins with an overview of the policy context for tackling poverty and a review of recent poverty trends. It then sets out proposals for setting new poverty targets in the national action plan. The importance of mainstreaming social inclusion across all aspects of government policy is outlined in the next section, as a key institutional component in tackling poverty. The submission then addresses the framework for the national action plan: employment, access to services, risks of exclusion, vulnerable groups and mobilizing the social actors.

2. Tackling poverty and social exclusion: the policy context

Tackling poverty and social exclusion is one of the declared objectives of the EU. The strategic goal of the Union, as expressed at the Lisbon Summit in 2000, is to become the *most competitive and dynamic knowledge-based economy....with more and better jobs and greater social cohesion*. The

commitment on poverty and social exclusion was given concrete expression under the EU Social Inclusion Process. This process is advanced through an open method of coordination, which involves the planning, monitoring, examination, comparison and adjustment of national policies based on common EU objectives. The Social Inclusion Process also includes an agreed set of indicators for monitoring poverty and an inter-governmental peer review process for identifying best practice. It is now proposed that the Social Inclusion Process be combined with other social policy processes (pensions, healthcare and making work pay) and, in turn, that these processes are better linked with employment and economic strategies. The format for coordinating these policy strands is yet to be made clear.

A recent review of the EU Social Inclusion Process has identified a number of challenges if the process is to be enhanced.¹ The first is the greater use of targets at national and EU levels and the second is the mainstreaming (or embedding) of anti-poverty strategies and processes more firmly in national policymaking. Both these changes are required if the national action plan format is truly to be an 'action plan', and not just a periodic reporting exercise. In addition, the national action plan should contain a comprehensive diagnosis of the nature and causes of poverty together with an explicit analysis of how the proposed policy response will deliver outcomes in terms of poverty reduction. We discuss in more detail below each of these items – targets and mainstreaming – can be strengthened in the Irish national action plan 2006-2008.

The EU approach parallels the National Anti-Poverty Strategy (NAPS), the Irish Government policy to tackle poverty which has a ten-year timeframe to 2007. The objective of NAPS is to reduce substantially and ideally eliminate poverty and to build a socially inclusive society. This objective is captured in the overall target of reducing the rate of consistent poverty below 2 percent by 2007. The forthcoming national action plan takes on additional significance as it coincides with the formal end of the NAPS. Henceforth, the national action plan and the NAPS will be fused into the one strategy, serving national and EU purposes. In achieving this alignment, it is important that the strengths of the two approaches are retained and combined into a cohesive strategy.

The national action plan (and NAPS) is linked to other high profile government policy statements, notably the social partnership agreement and the national development plan, with the renewal of both being due for consideration in the next year. The national action plan is also linked with the annual Budget, which sets out the government expenditure and revenue plans for the year ahead and is especially relevant to a number of high profile policy commitments. Combat Poverty is preparing separate submissions on these important policy statements, which should be seen as complementary to this submission.²

¹ A.B. Atkinson et al (2005), *Taking forward the EU Social Inclusion Process, An independent report commissioned by the Luxembourg Presidency of the Council of the European Union.* www.ceps.lu/eu2005_lu/inclusion or www.fm.etat.lu.

² The first of these, Combat Poverty's submission on Budget 2006, is available at www.combatpoverty.ie

Combat Poverty identifies the following issues as being of key importance in developing an effective national action plan on poverty and social exclusion:

➤ *Sustainable economic growth*

Sustaining economic growth is crucial to our capacity to tackle poverty. It provides both jobs and resources which are required if poverty is to be tackled in the years ahead. To maintain economic and employment growth, policymakers need to ensure Ireland's competitiveness in a global economy and to continue public and private investment in public infrastructure and productive activity. The national action plan can contribute to this objective by targeting investment in human capital and local economic development which will deliver economic outcomes in the longer-term.

➤ *Redistributing resources and opportunities*

A key role of government is to redistribute resources and opportunities in a fair and equitable manner. Despite economic growth, not all social groups or areas have gained equally from the economic boom. Combat Poverty argues for a greater redistribution of resources and opportunities towards low-income groups in Irish society. The closing of unnecessary and inequitable tax incentives and expenditures would be an important step in this regard. Tax expenditures and reliefs act as a drain on revenue, with revenue forgone in tax expenditures accounting for approximately one-fifth of the current aggregate exchequer returns. Economic measures, which target groups and areas excluded from economic growth, are also important.

➤ *Social expenditure*

Relative to its EU counterparts, Ireland has among the lowest levels of social expenditure as a proportion of national income. Ireland needs to increase spending in several areas to correct the deficit which has occurred in Ireland's social protection infrastructure. Recent research by Combat Poverty identified public services as a key area that requires increased spending, along with mechanisms for linking benefit incomes to incomes from paid employment and increasing the incomes of low-income working families³. Greater efforts to integrate excluded groups from the labour market are also required. In addition, more investment in social transfers is required if their effectiveness in tackling poverty is to be boosted to match EU norms. However, it is not just a question of spending more on social provision. It is important that all social expenditure should be designed and monitored to provide value-for-money.

➤ *Targeted and developmental approach*

It is recognised that, because of the costs associated with universal approaches to social provision, a form of 'tailored universalism' may be more expedient in the short-to medium-term. This model, which is proposed in the NESC *Developmental Welfare State* report, recognises that mainstream service-providers should 'adjust their services to accommodate a more diverse public, including a public whose individual members have different requirements if they are to have an equal

³ Timonen, V. (2005). *Irish Social Expenditure in a Comparative International Context: Epilogue*, Combat Poverty Agency: Dublin.

opportunity to benefit from the service'.⁴ In addition, improving delivery of, as well as access to, public services is important and can be achieved at less cost. Finally, there should be an increased emphasis on activation and citizenship in service provision.

➤ *Strengthening social and community supports*

Families and communities can play an important role in tackling poverty and social exclusion. Families are central to the wellbeing of adults and children. There is an increasing diversity of family life in Ireland, both in terms of composition and cultural background. Families are also struggling to maintain work-life balance. Supporting families, especially those on low-incomes, is a crucial component in promoting social progress. At a wider level, local communities and communities of interest are both a provider of social services and mechanism to integrate people into social networks. From a poverty perspective, families and communities are central to tackling the cumulative and intergeneration dimensions of poverty. A proactive policy of supporting families and community development can contribute to this.

3. Monitoring poverty trends

EU Statistics on Income and Living Conditions provides a comparative framework for monitoring poverty trends, using an agreed set of indicators. These indicators are complemented in Ireland by the consistent poverty measure. Using these indicators, the following patterns can be highlighted:

- 23 percent of the population (900,000 people) experience relative income poverty (60% 'at-risk-of-poverty' threshold)
- The position of older people has deteriorated significantly in recent years, as their poverty rate increased by twice the average figure
- The rate of in-work poverty has doubled to 9 percent. With 157,000 people affected, this is the second largest labour market category (after home duties), and more than those in poverty who are unemployed and ill.
- 9 percent of the population (374,000 people) are in consistent poverty
- Groups at high risk of poverty include children (twice as likely to experience consistent poverty as adults) and adults and children in lone households (four times as likely to be consistently poor than is the norm)
- Cash transfers reduce income poverty by 40 percent; this is two-thirds of the poverty reduction effect achieved through social transfers in the EU
- The poorest fifth of the population receive less than one quarter of the income of the richest 20 percent, with cash transfers representing over 80 percent of gross household income for this group

While most emphasis is on consistent poverty, the Irish rate of income poverty is a matter of some concern. First, it is amongst the highest in the EU and is 30 percent higher than the European norm. Second, income poverty in Ireland is worsening, having risen by a quarter since 1997. Third, the cash adult

⁴ NESCC (2005). The Developmental Welfare State, NESCC: Dublin.

equivalent of the income poverty threshold in 2003 was €185.25 per week, almost 50 percent higher than the basic welfare rate at that time (€124.80 per week).

It is misleading from a national perspective to ignore these trends in income poverty for a number of reasons. In the first instance, consistent poverty includes an income component, which must be addressed if downward trends are to be maintained. There is evidence that the gap between those in consistent poverty and the rest of society is widening, suggesting further reductions will be much harder to achieve. Second, rising incomes translate into higher living standards and so indicators of deprivation will have to be recalculated in line with societal expectations. This issue has already been flagged in the poverty monitoring reports of the ESRI. More recently, the higher deprivation findings reported in the new poverty survey challenge any complacency about an inevitable downward trend in consistent poverty and highlighted the need to update the deprivation indicators to reflect rising living standards.

Third, there are changes in the nature and composition of income poverty which raise important policy concerns. The main feature of recent income poverty trends is the emergence of general welfare dependency as the key risk factor for poverty, replacing unemployment. Thus, one in every two households dependent on social welfare is now in poverty. This reflects a widening income gap between those at work and social welfare dependents. A further consideration is the significant proportion of those in poverty who are at work (17 percent), which highlights the emerging problem of the working poor. Fourth, there is the phenomenon of income poverty becoming more persistent in its duration, with recent findings indicating that almost three-quarters of those affected had experienced income poverty over the preceding years.

In order to improve the data and research infrastructure, Combat Poverty is undertaking a periodic monitoring report on poverty and social exclusion using a broad range of EU and national indicators and drawing on existing statistical data. It is expected that this will build on the work of the EU Social Protection Committee on indicators of poverty and social exclusion and the official Irish report *Developing Irish social and equality statistics to meet policy needs*.

Proposals:

- It is essential that the framework for poverty monitoring in Ireland accords with both EU and Irish requirements. In particular, we need to continue to measure trends in poverty in a comparative and longitudinal manner.
- The uniquely Irish measure of consistent poverty must be regularly revised to reflect broader social patterns. The deprivation indicators employed in a new consistent poverty measure should be updated to reflect current living standards and expectations.
- The EU SILC data do not capture the situation of minority groups, such as Travellers, the homeless, minority ethnic groups. It is therefore recommended that a programme of poverty monitoring for these groups is developed.

- A framework for monitoring a broader set of poverty and social exclusion indicators should be developed, based on the work of Combat Poverty and the Central Statistics Office.

4. Setting targets for reducing poverty

Setting targets for reducing poverty is an intrinsic feature of a national action plans on poverty. Ireland has led the way here with its target for consistent poverty. However, just as one measure of poverty is not an adequate basis for monitoring poverty trends, so one target figure does not reflect the wider challenge. Anti-poverty policy primarily focuses on trends in consistent poverty. There is no policy emphasis on reducing income poverty, though the government is committed to providing levels of income support sufficient to sustain dignity and avoid poverty. By contrast, income poverty is the dominant measure at EU level in monitoring progress towards the Lisbon goal of a decisive impact on poverty. Combat Poverty supports a three tier approach to the setting of poverty targets.

- At a minimum, Government should ensure that the real position of those in poverty improves over time, as measured by both income and deprivation.
- The rate of consistent poverty, adjusting both income and deprivation to reflect societal trends, should be reduced and ideally eliminated by 2010.
- The rate of relative income poverty should be reduced in line with the EU norm. This would mean a reduction of a quarter (or 5 percentage points) by 2010. A more ambitious target would be to match the situation in the more affluent EU member states, which would imply a 50 percent decrease in the rate of income poverty.

In addition to these overall targets, specific action must be taken to address the situation of groups who are more likely to be in poverty. Therefore, an additional target is proposed for key vulnerable groups as follows:

- The poverty rate differential for vulnerable groups (as compared to the average), is halved. This should apply in particular for children and lone parents, whose differential is currently very high.

It is also important to revise the existing targets in the sectoral areas of health, education, housing and employment. Targets should be outcome-focused and measurable over time. Ideally, there should be one primary target in each policy area, supported by a number of subsidiary targets.

5. Mainstreaming poverty and social inclusion

Central to a strategic approach to poverty is the mainstreaming of poverty and social inclusion in all aspects of government policy-making. Mainstreaming is now very much part of the European agenda for the eradication of poverty and social exclusion and is gaining support among the member states in the development of policies for the promotion of social inclusion.

The Combat Poverty-led EU project on mainstreaming social inclusion has adopted the following definition of mainstreaming:

Mainstreaming social inclusion is the integration of poverty and social inclusion objectives, including an equality perspective, into all areas and levels of policy-making and is promoted through the participation of public bodies, social partners, NGOs and other relevant actors.⁵

The effective use of mainstreaming as a policy process is dependent on a number of national factors, such as the involvement and participation of all relevant bodies and actors, the political and administrative structures, and the resources allocated to social inclusion considerations in national and local policies. These factors are inter-dependent and are essential for the successful mainstreaming of social inclusion. Mainstreaming is also important in the policy cycle as it provides greater opportunities for the involvement of people, leading to better use of resources and services and targeting of public funds.

The mainstreaming of social inclusion is a particularly challenging area of policy-making, requiring commitment across all the organs of State, as well as the involvement and co-operation of NGOs and representative organisations for vulnerable groups. The challenge is to find ways of incorporating mainstreaming, as a policy process, into the existing political and administrative structures and the need for ongoing commitment to social inclusion at all levels of government. Supporting mechanisms such as poverty and equality proofing, data collection and monitoring, policy evaluation and research are important here.

An important development in the formulation of public policies is the trend towards a more consultative approach to policy-making. Increasing the level of involvement of local communities in the development of national and EU-level policies is one of the key social objectives of the European Union. Involvement can take a number of forms, from the simple provision of information through consultation, participation and joint decision-making / co-determination, each form building on the previous one. Therefore, there cannot be consultation without information, there cannot be participation without consultation and there cannot be joint decision-making without participation.

A key part of the policy cycle is the monitoring and evaluation of policies. This part of the process is essential for establishing how effective policies have been and in identifying the need for changes to existing policies or the development of new policies. Undertaking an evaluation study also provides governments with the evidence on which to prioritise the allocation of resources across the range of policy areas. To undertake an effective evaluation study, it is necessary to have a number of targets and indicators incorporated at the design stage to provide benchmarks for the measurement of policy outcomes and effectiveness at the end of the policy cycle.

⁵ Combat Poverty (forthcoming), Mainstreaming social inclusion. Better policies, better outcomes.

Proposals

Mainstreaming social inclusion requires the following key elements:

- Political and executive leadership, to drive the process;
- Structures, including a centralised unit, to drive and co-ordinate social inclusion policies;
- Appropriate skills, knowledge and capacity, highlighting an important role for human resource functions;
- Community participation and engagement to ensure effective and relevant policies;
- Research and evaluation to monitor and inform progress, and undertake impact assessments;
- Awareness raising through an effective communications strategy; and
- Resources – financial and personnel.

6. Framework for national action plan on poverty and social exclusion

The remainder of the submission focuses on the key objectives for the national action plan, as set out under the EU Social Inclusion Strategy. These are:

- facilitating participation in employment;
- facilitating access to services;
- preventing the risks of exclusion;
- helping the most vulnerable groups;
- mobilizing the social actors.

6.1 Facilitating participation in employment

Employment rates in Ireland compare favourably with European figures. While employment is recognised as the best route out of poverty, a substantial number of households in employment are working in low-paid jobs which fail to lift people out of poverty. There remains groups whose access to increased employment opportunities are limited by low skills, lack of recent employment experience, childcare difficulties and inadequate financial supports. Groups with low levels of labour force participation need appropriate supports to enable them to gain employment or access training which will enhance their earning capacity. Low-income working households need to be supported financially in order to lift them out of poverty. Evidence suggests that the quality of many low-paid jobs is far from desirable, and this needs to be addressed.

Proposals:

- Continue to increase the minimum wage so that those in the lowest paid jobs are paid a decent wage that enables them to participate in society.
- Develop active labour market policies that encourage and facilitate women's return to work and further training, thereby increasing female labour market participation rates.
- Improve access to subsidised childcare facilities for those most disadvantaged to facilitate their return to employment or further training.

- Reform tax and welfare supports to ensure that work pays.

6.2 Facilitating access to resources

There is a need to greatly expand social provision in order to tackle poverty. This encompasses income support and social services. Combat Poverty believes that a rights-based approach should be incorporated into social provision. This would include principles such as adequacy, entitlement, redress and equality. Specific objectives for improving access to services should be:

- Enhance the resources of the welfare system to provide an adequate income for families and to reduce income poverty.
- Improve the provision of healthcare services for low-income groups, with a focus on primary healthcare services and preventative measures
- Provide a free pre-school place for all children aged 3-4 years from a low income background
- Improve the quality, affordability and output of social housing

Further details on Combat Poverty's proposals for the above will be outlined in our submission on a new social partnership programme.

6.3 Preventing the risks of exclusion

Poverty and social exclusion are dynamic issues which are constantly being shaped by developments in the broader economy and society. Combat Poverty identifies the following risks of exclusion based on recent research.

Food poverty

There is an emerging recognition of food poverty as a *bona fide* concept at policy-making level. Research undertaken by Combat Poverty, Crosscare and Society of St Vincent de Paul shows that low-income households eat less well, spend a relatively higher share of their income on food, have difficulties accessing a variety of good-quality, affordable food, and are restricted socially and culturally from healthy food options through financial and physical constraints.⁶ Food poverty is connected to the work of many government departments and agencies, although there may be a lack of awareness that their actions impact on food poverty. Concrete proposals are needed with regard to food and nutrition policy, retail planning guidelines and local food provision.

Proposals:

- A strategic policy framework needs to be developed which addresses food poverty as a policy issue.
- Adequate financial resources for a healthy diet are recommended, supplemented with direct food provision where appropriate.
- Provide appropriate incentives to improve the accessibility and affordability of good-quality nutritious food.
- Improve direct provision of food, where in an appropriate social and cultural setting (eg schools, hostels, food centres)

⁶ S Friel and C Conlon (2004), *Food poverty and policy*, Dublin: Combat Poverty Agency, Crosscare and Society of St Vincent de Paul

- Gaps in dietary knowledge need addressing through information and awareness campaigns.

Fuel Poverty

Low-income households spend a larger proportion of their income on heating their homes. They often have less efficient and more expensive heating systems and tend to live in less well-insulated dwellings. Although financial constraints are a major factor, many poorer households also demonstrate an information gap as regards the benefits of energy-efficiency measures in the home. The main demand measure for combating fuel poverty is the fuel allowance. The fuel allowance is not considered an efficient nor an effective mechanism to reduce fuel poverty, though evidence suggests it lessens the severity of experience.

The penetration of energy-efficiency measures across low-income households remains below-par. The key capital measure for addressing energy-efficiency deficiencies is the low-income housing programme funded by the National Development Plan and administered by Sustainable Energy Ireland. The level of funding currently available for energy-efficiency retrofits for low-income households is piecemeal and will not make a decisive impact on energy efficiency standards or fuel poverty in the short to medium term. Despite some *ad hoc* programmes aimed at improving the energy efficiency of the domestic stock in Ireland, there remains a real need to improve the thermal efficiency of Irish housing, especially vulnerable low-income homes.

Proposals:

- A review of the effectiveness of the fuel allowance should be undertaken.
- The introduction of a carbon tax should be considered, and monies raised should be earmarked for revenue recycling to fund energy-efficiency programmes among low-income households and to compensate vulnerable households from the inflationary price effects of a carbon tax.
- State-backed programmes of capital investment in the housing stock require additional funds in order to improve the thermal efficiency of Irish low-income housing and thereby increase the affordability of home heating for the fuel-poor.
- Information deficits as regards the benefits of energy-saving measures in the home require rectification. Information and awareness programmes should be continued and their funding increased as appropriate.

Financial Exclusion

Financial exclusion refers to the inability of low-income groups to access financial services and forms part of the wider concept of social exclusion. There is a growing recognition of the impact of financial services on the living conditions of those on low incomes. Combat Poverty and the Irish Financial Services Regulatory Authority are currently undertaking research on this issue, which will include possible remedies to improve access to financial services.

A related issue is the level of indebtedness which affects households in poverty. The issue of low-income families and indebtedness needs to be addressed and appropriate structures put in place to assist and, more importantly, prevent such households from entering chronic indebtedness.

Proposals:

- Barriers to access to financial services should be identified and removed.
- Preventative measures should be put in place to reduce the problem of over-indebtedness.

Poverty and conflict

Ireland is a country emerging from a recent conflict, which is evident throughout Ireland but most apparent in the Border Region of Ireland. There is a strong but complex relationship between poverty and conflict. In addressing poverty and conflict the rebuilding of physical infrastructure and economic regeneration are both important elements of reconstruction. In addition, there is a vital need to reconstruct civil society, education and health services, as well as relationships between communities and individuals. The EU funded Peace Programme in Northern Ireland and the Border Region of Ireland has made an enormous contribution to date in supporting such reconstruction.

The links between poverty and conflict need to be acknowledged in anti-poverty policies and programmes and support provided to promote inclusion, participation and peace-building. The EU-funded work needs to be supported by mainstream sustained national funding, as this is a long-term process. In the Border Region the needs of both rural communities and disadvantaged urban communities need further support.

Proposals:

- Support programmes which promote inclusion, participation and peace-building as part of anti-poverty policy.
- Develop an indicator on conflict reduction/peace-building as part of the national battery of poverty measurement indicators.
- Work collaboratively with the Northern Ireland administration, through their anti-poverty/targeting social need policy, in seeking to promote inclusion, participation and peace-building on a north/south basis.

6.4 Helping the most vulnerable groups

Combat Poverty acknowledges the situation of certain social groups with a high risk of poverty. These include children, lone parents, women, older people, people with disabilities and minority ethnic groups, including Travellers. Many of the issues facing these groups derive from common structural factors and will be addressed through the general measures outlined above. However, targeted interventions are also required for these groups, to meet specific obstacles and constraints.

Children

Ireland has amongst the highest level of child poverty in EU-15, while children are twice as likely to be in consistent poverty as are adults. Measures are required to boost the incomes of the poorest families, while at the same time not worsening the incentive to take-up employment. A restructured second-tier of child income support is advocated to address this requirement. In addition, improved services for children, especially pre-school education, are supported. More broadly, Combat Poverty proposes a mainstreaming of children's issues across all aspects of government policymaking on poverty, especially welfare-to-work initiatives which impact on parents and on families. This approach would be in keeping with a rights of the child perspective.

Lone parents

One-in-three people in lone parent households are in consistent poverty – the highest risk group. The number of lone parents has been increasing and there are an estimated 154,000 lone parent families, comprising one in six of all families, with 90% headed by women. About half of lone parent families rely on a social welfare payment. There is a number of issues to be addressed in tackling poverty rates among lone parent families. Key among these is facilitating lone parents to access employment, including education and training. Providing support which is neutral regarding family status is an important consideration.

Older people

Income poverty among older people has increased significantly in recent years and now affects over one-in-every three older people. A key challenge for older people is providing sufficient income upon retirement. Combat Poverty believes that the state pension should be adequate to provide sufficient income for pensioners to live in a manner compatible with human dignity and avoid poverty. An adequacy standard linked to average industrial earnings was recommended by the *Report of the National Pensions Policy Initiative* but this has not yet been adopted in Government policy. The state pension needs to be supplemented by a second-tier pension, which reflects people's living standards prior to retirement. Combat Poverty believes that the Personal Retirement Savings Accounts (PRSAs) should be made compulsory for all those in employment. Contributions would be paid using the PRSI system, including a mandatory employers' contribution. It is important that the introduction of mandatory PRSAs does not result in an increased burden on low-income workers, so mechanisms should be out in place to avoid such regressive impacts. An equivalent to PRSAs should be developed for those not in employment, so that this group is not excluded. As well as income, services for older people, especially which relate to their long-term care needs, need to be developed.

Women

While women have a similar rate of poverty to men, there are other aspects of poverty which have a clear gender dimension. First, women-headed households, such as lone parents and older people, face a particularly high risk of being in poverty. Second, the burden of poverty can often be greater for women, due to their role in managing scarce household finances. This can arise from the psychological effects of juggling bills and meeting basic household needs, along with self-denial of resources so that other household

members are less exposed to the effects of poverty. Third, women are often in a dependant situation because of the structure of the welfare system, their lower earning capacity in the labour market and their traditional role as carers. Finally, women can be excluded from decision-making procedures in society. It is important that these gender aspects of poverty are addressed.

People with disabilities

People with disabilities have a high poverty risk, arising from their low participation rate in employment and the additional costs associated with disabilities. The Quarterly National Household Survey in 2003 showed that about 40 percent of people who were ill or had a disability were in employment compared with 65 percent of the total population in the same age group.

Improvements in employment participation rates need to be achieved for people with disabilities. Training and activation policies will assist in this regard. Further improvements in access to public services among people with disabilities are required, while outstanding issues in relation to the Disability Bill remain to be addressed. Income supports for people with disabilities require re-structuring, as recommended by the Review of Income Support Schemes (2003).

Travellers and minority ethnic groups

Ireland is an increasingly multicultural society due to immigration. While immigrants are making a major contribution to our economic well-being, it is also the situation that some ethnic minorities face a high risk of poverty, especially those arriving here as asylum seekers and refugees. Our indigenous ethnic minority, the Traveller community, also has a high poverty risk. Again, many of the reasons for poverty among minority ethnic groups are common to the wider population. Additional factors such as racism and discrimination contribute to an increased poverty risk and exclusion for ethnic minorities. There is also the situation of those in receipt of direct provision which can reinforce social exclusion, especially the low weekly allowance, and needs to be addressed.

6.5 Mobilising all the actors

Tackling poverty is a societal issue and the contribution of all social actors is required. Combat Poverty highlights the contribution of three actors: people experiencing poverty, local government and the business sector.

People experiencing poverty

Combat Poverty considers that policies intended to tackle poverty and inequality are more likely to be effective if the target groups and communities are involved in their formulation, implementation and monitoring. Social exclusion separates people across a range of fundamental social areas from wider society. Policies which seek to counter social exclusion therefore need to be participative.

There is a growing level of awareness at both European and national level that people have a right to influence and participate in decisions that affect them. Much of the common parlance at these levels is of active citizenship, enhancing democracy and community participation. The announcement by

the Taoiseach of the establishment of a Task Force on Active Citizenship and the designation of 2005 as European Year of Citizenship recognises the importance of ongoing and dynamic relationships between citizens, communities and policy making at national and European levels.

Despite the increasing opportunities for groups and communities (both geographical and interest based) to participate in decision making arenas, there are still considerable difficulties in ensuring the participation of those experiencing poverty and social exclusion and their representative groups. This challenge is further compounded by cuts in resources in community development and anti-poverty infrastructure both locally and nationally.

Proposals

- Support for the National Anti-Poverty Networks Programme should be continued as a key resource for grass roots anti-poverty work, facilitating the involvement of those experiencing poverty and inequality in decision making processes and representing anti-poverty interests.
- The commitments in the White Paper on Voluntary Action should be met. An effective framework for the delivery of the actions and the principles set out in the White Paper should be put in place.
- The focus on anti-poverty and equality must continue to be a core focus within the Community Development Programme. In addressing social exclusion, resources should be targeted towards specific groups such as older people, Travellers, people with a disability and new emerging groups such as migrant workers and refugees and asylum-seekers. The targets set out should at a minimum be met and funding levels should be enhanced.

Local government

In recent years, the National Anti-Poverty Strategy has been rolled out to local level, particularly through the local government reform process. The vast majority of local authorities are now participating in the Local Government Anti-Poverty learning Network; a number of local authorities have social inclusion units, and some have local anti-poverty strategies; the City/County Development Boards have a social inclusion dimension in their strategies; and there is support for participation in community fora. This programme of work is now being mainstreamed, a Local Anti-Poverty Strategy Guide has been produced, and Ireland is participating in an EU funded transnational exchange project on peer review of social inclusion at local authority level.

A number of issues remain to be addressed. These include the development of inclusive local anti-poverty strategies, supporting anti-poverty community groups to participate in the design, implementation and evaluation of local anti-poverty strategies, the sharing of good practice and experience, and a mechanism to strengthen the links between local and national anti-poverty strategies.

Proposals:

- To mainstream local government social inclusion work through the relevant government departments and agencies.
- To assess the extent to which the Corporate Plans and the Annual Business Plans promote social inclusion and to strengthen the social inclusion dimension, where appropriate.
- To promote the use of the Local Government Anti-Poverty Guide and the development of local anti-poverty strategies.
- To support the inclusion of excluded communities in community fora and in the development of local anti-poverty strategies.
- To promote the sharing of good practice through the local government anti-poverty learning network.
- To host a seminar to ensure the local authorities contribute to the National Action Plan and subsequently put in place a mechanism to ensure ongoing linkages.

Business sector and corporate social responsibility

Combat Poverty sees an important role for employers and business in the fight against poverty. This is referred to as corporate social responsibility, whereby the social impact of business activities are incorporated into the mainstream of business practice. This approach is in keeping with the notion of mainstreaming social inclusion, outlined earlier in the submission. Corporate social responsibility has been adopted by a number of public and private sector companies. In addition, the organization Business in the Community has been established to promote corporate social responsibility.

Proposals

- Corporate social responsibility should be promoted as part of good business practice among all businesses and employers.
- Corporate social responsibility should be included as an explicit element of the regulatory framework for business in Ireland.

7. Conclusion

The national action plan for 2006-08 is an important step in the continuing EU social inclusion process and its aim to make a decisive impact on poverty by 2010. It has added significance as it coincides with the end of the ten year National Anti-Poverty Strategy. It is important that the national action plan sets out new benchmarks in the fight against poverty, which have not alone national significance, but also aspire to improve the Irish performance on poverty in line with best practice in the EU. Furthermore, the full integration of poverty and social exclusion issues into all public institutions and policies is required if the fight against poverty and social exclusion is to be successful.