

Policy Submission

**Making a Decisive Impact on Poverty
Through Social Partnership**

**Submission on a new
National Partnership Agreement**

November 2005



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1. Summary of Key Messages

This Submission presents the Combat Poverty perspective on the future direction of anti-poverty policy under a future social partnership agreement, with a particular focus on social welfare and public services. The key points are:

- There must be a focus on making a decisive impact on poverty both through the Partnership Agreement and through the Irish National Action Plan against Poverty and Social Exclusion 2006-08.
- Ireland has very low levels of social expenditure by European standards, even after controlling for confounding variables. Ireland spends particularly small sums in areas such as old-age expenditure and family services. Social expenditure should be increased where appropriate over the coming years to rectify the current deficits.
- Policies that redistribute resources should be pursued as a policy goal. This requires that both regional and targeted approaches must be adopted to assist vulnerable groups and parts of Ireland that have not benefited from economic growth to the same extent as others.
- The new National Action Plan against Poverty and Social Exclusion should be integrated into the Partnership Agreement. The plan, with its associated targets, needs to be delivered through relevant policies and programmes across government. The Plan should set new poverty reduction targets and move towards mainstreaming social inclusion in all aspects of national and local policymaking. This will require “joined-up” government, as well as setting standards, informed by socio-economic rights, on what should be achieved.
- Combat Poverty argues that ‘tailored universalism’ can be an effective paradigm to pursue, particularly in areas such as service provision for people with disabilities and childcare. This model is founded on a needs-based approach, and requires that service-providers tailor their services to accommodate a more diverse public.
- While the policy of low direct taxation should be welcomed from a low-income perspective (as this makes work pay for those on low incomes), efforts to continue to broaden the tax base should be pursued as a policy goal to improve the equity of the taxation system. Indirect taxes, being regressive in nature, should not be increased.
- The Submission recommends improvements to current social welfare payments, paying particular attention to the area of child income support. Combat Poverty proposes a significant improvement in the levels of supports for second-tier (means-tested) child-income support with a recommended medium-term move towards an employment-neutral Child Benefit Supplement to replace Child-Dependent Allowances and Family Income Supplements.

- In the area of healthcare, Combat Poverty proposes an emphasis on primary care with a strong focus on equity of access to such services.
- The Submission recommends early childhood care and education for all 3- and 4- year-olds, with a focus on disadvantaged children first. In addition, a demand-side measure to assist low-income families meet the costs of early childhood care and education could be employed, in the short-term through an increase in the earnings' disregard for the Family Income Supplement, or through a direct subvention to low-income families. Alternatively, Child Benefit for the under-5s could be increased by €20 per month to assist with the costs of childcare.
- In housing, Combat Poverty argues for a more ambitious programme of social and affordable housing, continued monitoring and refining of the Residential Accommodation Scheme, and more use of integrated transport and land-use planning in the creation of new, high-quality sustainable housing developments.
- Combat Poverty supports a three-tier approach to the setting of poverty targets. 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 should be reduced and ideally eliminated by 2010. The rate of relative income poverty should be reduced in line with the EU norm. 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. The poverty-rate differential for vulnerable groups (compared to the average), should be halved. 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.
- A number of recommendations are made in the area of participation and community involvement. These include, *inter alia*, continued and support for the National Anti-Poverty Networks Programme and the Community Development Support Programme.
- Some recommendations are also provided in the area of institutional reform in the areas of leadership, rights and standards, poverty proofing, joined-up policy-making, resource allocation, and research and data requirements.
- The rationale for Combat Poverty's submission is to increase our efforts to promote social inclusion in Ireland in light of Ireland's impressive wealth creation over the past decade, and to work to achieve a poverty-free society so that no child in Ireland has to grow up poor.

2. Introduction

The Combat Poverty Agency is a state advisory agency developing and promoting evidence-based proposals and measures to combat poverty in Ireland. Combat Poverty supports the social partnership process and welcomes this opportunity to make a submission to the partnership discussions.

The context for the next partnership agreement is a healthy economy. Growth for 2005 is forecast at over 5%. Employment growth continues and unemployment remains low. Inflation remains relatively low, in the 2% range. The public finances are on a sound footing.¹

Economically, Ireland is now one of the wealthiest nations in the world. Yet, we still have many social deficits. Ireland experiences relatively high levels of poverty, particularly among some sub-sections of the population and in some areas of the country – larger families, lone parents, older people living alone, people with disabilities, some ethnic minorities, and in the border counties. This is a key challenge facing Ireland which should be addressed as a priority in the next partnership agreement.

This will require a revised model of social provision as set out in NESC's *Developmental Welfare State*, involving income supports, service provision and innovative measures which ensure greater participation². The substantial reduction of relative poverty and the elimination of consistent poverty must be a priority in the next national agreement.

The National Development Plan 2000-2006 has had social inclusion as one of its four objectives and social inclusion has been a “horizontal principle”, with the impact on social inclusion cutting right across the Plan. Preparations are in hand for the development of the next National Development Plan 2007-2013. The mainstreaming of social inclusion will require that the next National Development Plan identifies key actions to tackle social exclusion to reach the targets set out in the National Action Plan against Poverty and Social Exclusion, allocates resources to these actions and carries out poverty proofing across the plan (i.e. social inclusion continues to be a horizontal principle).

This submission puts forward recommendations for the partnership agreement on the basis of a developmental welfare state: income support; public services; and innovation. It also highlights areas for institutional reform to ensure implementation of the recommendations.

The rationale for Combat Poverty's submission is to increase our efforts to promote social inclusion in Ireland in light of Ireland's economic growth, and to work to achieve a poverty-free society in which no child grows up poor.

¹ Speech by Minister for Finance at *Sustaining Progress* Plenary Meeting, Dublin Castle, Thursday 14th July 2005.

² National Economic and Social Council (2005) *The Developmental Welfare State* Dublin: National Economic and Social Development Office.

3. Policy Vision

(i) Introduction

Ireland has achieved outstanding economic success over the past decade. However, not all of Irish society has gained equally from this economic buoyancy. This is mostly due to structural inequalities which act as barriers to sharing the benefits of a booming economy. Low educational attainment and low or outdated skills act as key barriers to employment which is a major route out of poverty. This section of the submission presents some broad policy visions which Combat Poverty argues would make a real difference to poverty levels in Ireland and would assist Irish society in becoming more equal.

(ii) Taxation

Ireland has become a 'low-tax' economy in the sense that direct taxation is now at a historically low level. However, indirect taxation now accounts for about 50% of all exchequer revenue, and is now a more dominant form of taxation. As indirect taxes are generally regressive, in that they tend not to take one's ability to pay into account, these taxes hit the poor the hardest. Tax expenditures and reliefs for high earners also act as a drain on revenue, with revenue forgone in tax expenditures accounting for approximately one-fifth of the current aggregate exchequer returns. Efforts to broaden the tax base need to be pursued so that social expenditure can be increased to adequate levels.

(iii) 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 are also required to integrate groups excluded from the labour force. Generous investment in both income and services for children (such as education and health) are key to meeting the targets set in the National Anti-Poverty Strategy and eliminating child poverty⁴.

(iv) 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.

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

⁴ Combat Poverty Agency (2005). *Ending Child Poverty Policy Statement*, Combat Poverty Agency: Dublin.

(v) 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. Greater efforts are needed to integrate groups excluded from the labour force. Economic measures which target groups and areas excluded from economic growth are also important. They can, in fact, yield returns to the economy in terms of fostering economic growth among certain less buoyant sectors.

(vi) Value for Money for Public Investment in Services and Infrastructure

Capital investment projects require more rigorous assessment and their feasibility (both financial and temporal) require more scientific appraisal so that projects do not run over either in cost or time to the same magnitude than is currently the case. The recent announcement by the Minister for Transport to encourage fixed-price contracts for major infrastructural projects is a welcome development.

(vii) 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 opportunity to benefit from the service'.⁵ Improving delivery of, as well as access to, public services is important and can be achieved at less cost than the adoption of full universalism. Furthermore, there should be an increased emphasis on activation and citizenship in service provision.

(viii) Supporting Families and Strengthening Communities

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 a mechanism to integrate people into social networks. From a poverty perspective, families and communities are central to tackling the cumulative and intergenerational dimensions of poverty. A pro-active policy of supporting families and community development can contribute to this.

⁵ NESC (2005). *The Developmental Welfare State*, NESC: Dublin.

4. Making a Decisive Impact on Poverty

(a) Poverty in Ireland

The EU Survey on Income and Living Conditions provides a comparative framework for monitoring poverty trends, using an agreed set of indicators⁶. These indicators are complemented in Ireland by the consistent poverty measure. Using these indicators, the following patterns can be highlighted:

- 23% 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 the second largest labour market category (after home duties), and more than those in poverty who are unemployed and ill.
- 9% 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-parent households (four times as likely to be consistently poor than is the norm).
- Cash transfers reduce income poverty by 40%. This is two-thirds of the poverty reduction affect 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%, with cash transfers representing over 80% of gross household income for this group

(b) Importance of the National Action Plan

The framework for promoting social inclusion is currently being updated in the form of the National Action Plan against Poverty and Social Exclusion 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 Plan to the European Commission is September 2006. The Office for Social Inclusion is responsible for coordinating its preparation. The new Plan, with its associated targets, needs to be delivered through relevant policies and programmes across government. Importantly, it should be a central focus of the new social partnership agreement, particularly through its support for new poverty reduction targets and for mainstreaming social inclusion in all aspects of national and local policymaking. This will require "joined-up" government, as well as setting standards, informed by socio-economic rights on what should be achieved.

The EU Social Inclusion Process 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

⁶ CSO (2005). *EU Survey on Income and Living Conditions: First Results*. CSO: Cork.

objective is captured in the overall target of reducing the rate of consistent poverty below 2% 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.

(c) Targets

Setting targets for reducing poverty is an intrinsic feature of public policy 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% 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.

(d) Mainstreaming Social Inclusion

Social inclusion must be ‘mainstreamed’ in the national agreement and public policy generally. Mainstreaming social inclusion is the integration of poverty and social-inclusion issues, 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.⁷

Mainstreaming social inclusion requires a number of key elements. These include:

- 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.

⁷ Mainstreaming Social Inclusion EU funded project, led by Combat Poverty.

5. Social Welfare and Targeted Supports

(i) Current Position

Some 904,000 people in Ireland are income-poor, i.e. they are living on incomes below 60% of the State median. Two-thirds of households who are income-poor are headed by a person who is dependent on social welfare as their main income source⁸. Pensioners, lone parents, the unemployed, and the long-term ill or disabled continue to demonstrate the highest incidences of income poverty, while the same pattern is broadly true for consistent poverty⁹. Lone parents have a very high risk of poverty – 42% risk of poverty at 60% median income (CSO, 2003) and 33% risk of consistent poverty. Nearly one-third of lone-parent households are unable to afford new clothes and/or have experienced debt problems arising from ordinary living expenses. Social welfare payments will continue to play a key role in mitigating poverty for at-risk groups like lone parents. Without such social transfers, the level of income poverty in Ireland would be 38% rather than 22.7%¹⁰.

(ii) Issues to be Addressed

With regard to lone parents it is clear that there is a need to Increase income support to prevent poverty among this group. Lone parents need to be further supported to enter the labour market, as employment is an important route out of poverty and lone parents in Ireland demonstrate the highest replacement rates and marginal rates of taxation in the EU¹¹. These supports should include childcare, education and training, flexible working arrangements, and an adequate return from employment to prevent poverty and provide an incentive to work. Lone parents should not be penalised in forming relationships – a gender and marital status neutral approach is required. In addition, lone parents should retain financial independence.

Pensioners remain a very conspicuous at-risk group in poverty statistics in Ireland, with 36.4% of the over-65s living in income poverty at the 60% threshold; the incidence is higher among female pensioners, with 40.7% in income poverty, against 30.6% of men over 65 years. Another important issue relates to the Qualified Adult Allowance (QAA). Recommendations on the QAA have not been implemented to date and should be done immediately. This would result in qualified adults receiving 70% of the full social welfare payment.

People with disabilities face the highest risk of income poverty. Indexing welfare payments for this group to average industrial earnings could halt the rise in those assessed as at risk of poverty, but some efforts to bridge the gulf

⁸ Using a 60% median income threshold. Nolan, B., Gannon, B., Layte, R., Watson, D., Whelan, C.T. and Williams, J. (2002). *Monitoring Poverty Trends in Ireland: Results from the 2000 Living in Ireland Survey*. ESRI: Dublin.

⁹ Although the latest data indicate that pensioners are not a high-risk group for consistent poverty (see CSO, 2005. EU Survey on Income and Living Conditions: 1st Results: 2003, CSO: Dublin).

¹⁰ Prunty, M. and Walsh, J. (2005). 'Poverty in Ireland: Analysis of Findings for 2003', *mimeo*, Combat Poverty Agency: Dublin.

¹¹ Combat Poverty Agency (2005). *Ending Child Poverty Policy Statement*, Combat Poverty Agency: Dublin.

that has widened between the earnings of people with disabilities and others is also called for. People with disabilities may also face regular additional costs of living arising from their disability (e.g. the extra costs of transport, medical treatment, medication, care support, disability aids, or extra heating bills)¹².

Recent work by the Combat Poverty Agency has indicated that more focus needs to be placed on the needs of families with children. Ireland continues to exhibit a stubbornly high level of child poverty – the fifth highest in the EU – and more resources need to be put in place, in particular, to reduce the 140,000 children in consistent poverty¹³.

Combat Poverty's submission sets out a strategy to make a decisive impact on poverty by 2009. In addition to a focus on child-support measures, changes to income support for welfare recipients are needed to ensure that their living standard does not fall to an unacceptable standard. Setting welfare adequacy standards is a good way to ensure that this does not happen.

(iii) Recommendations¹⁴

(a) Welfare Payments

(i) Basic Social Welfare Payment

In order to ensure that welfare recipients do not fall further behind those in employment, benefits need to be indexed against wage increases at the minimum. Combat Poverty recommends that progress is maintained on the commitment in NAPS to a minimum welfare payment of €150 per week by 2007 (in 2002 figures). In addition to meeting the NAPS target, Combat Poverty recommends a long-term strategy of setting welfare payments at adequacy standards that are benchmarked against gross average industrial earnings (GAIE). The target of €150 a week is equivalent to approximately 30% of GAIE in 2002. Such a level is compatible with achieving a basic but acceptable living standard and should be used as a benchmark for pegging welfare payments to general wage levels. The majority of the Social Welfare Benchmarking and Indexation Group considered that the target of 27% of GAIE (on a current-year basis) for the lowest social welfare payments was not an unreasonable policy objective in the short-term, with a longer-term goal of 30% GAIE suggested.¹⁵ A continuation of the 30% GAIE peg would mean a basic welfare payment of €173 in 2005. If we predict a modest wage growth of 4% per annum, basic welfare payments would need to increase to €180 in 2006, €187 in 2007 and €195 in 2008 under a 30% GAIE benchmark¹⁶.

¹² NDA (2004). *Disability and the Cost of Living*, NDA/Indecon: Dublin.

¹³ Using the EU-SILC data for 2003, the rate of consistent poverty among children aged 0-17 years is 13.4% (14.6% among those aged under 15 years).

¹⁴ For more specific, short-term recommendations, readers are asked to consult Combat Poverty's 2006 Pre-Budget Submission.

¹⁵ Department of Social and Family Affairs (2001). *Final Report of the Social Welfare Benchmarking and Indexation Group*, DSFA: Dublin.

¹⁶ Provisional data from the CSO indicate that growth in average industrial wages for 2005 will be somewhat lower than that for 2004 (4.7%) and certainly lower than 2003 (6.8%) and 2002 (6.6%).

- (ii) **Qualified Adult Allowance**
 Combat Poverty recommends increasing qualified adult allowances to an adequacy level equivalent to 70% of the personal rate, as has been widely recommended, with the long-term vision of modernising welfare structures towards full individualisation of welfare payments, i.e. increasing qualified adult allowances to 100% of the personal rate.
- (iii) **Lone Parent Supports**
 - *Reform the Income Support Payment*
 The basic payment should be adequate. Consideration should be given to a family/parental payment, which would not discriminate between different types of family. The payment should be flexible to allow lone parents to combine caring responsibilities and work. The payment could be related to the age of the child/ren.
 - *Introduce a Second-Tier Payment*
 Improve the level of payment for low-income families by introducing a child benefit supplement (see Child Support section of this Submission)
 - *Encourage and Support Return to Work*
 Encourage and support lone parents to return to work, particularly as their children get older. This should include engagement with lone parents at an early stage to inform them of the options available to them.
 - *Improve Provision of and Access to Childcare*
 See recommendations on childcare.
 - *Strengthen Education and Training Supports*
 Strengthen education and training supports for lone parents, to facilitate return to work. Many lone parents have relatively low levels of education and training.
 - *Strengthen Supports for Young Mothers*
 Strengthen supports for young mothers through Family Resource Centres and Community Development Projects, and the extension of initiatives such as Springboard.
 - *Co-ordinate Inter-Agency Approaches*
 Ensure the various state organisations with programmes and measures targeted at lone parents co-ordinate their supports, particularly at point of delivery.
- (iv) **Disabilities**
 People with disabilities face the highest risk of income poverty across all groups in Irish society. There are universal and targeted approaches to supporting those with disabilities. Research shows that universal approaches tend to produce better, more egalitarian outcomes. A tailored universalism model could be used effectively to meet the needs of those with disabilities. This concept entails that mainstream service-

providers 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 opportunity to benefit from the service, thus shifting the focus from an income-focused model to a needs-focused model.

Combat Poverty recognises that there is some complexity as regards the system of payments for people with disabilities, and also some archaic features. Efforts to streamline or simplify the system would be welcome. Indexing welfare payments for this group to average industrial earnings could halt the rise in those assessed as at risk of poverty, but some efforts to bridge the gulf that has widened between the earnings of people with disabilities and others is also called for. People with disabilities may also face regular additional costs of living arising from their disability (e.g. the extra costs of transport, medical treatment, medication, care support, disability aids, or extra heating bills)¹⁷. The Commission on the Status of People with Disabilities recommended an employment-neutral, sliding-scale Cost of Disability Payment. This reflects the findings of Gannon and Nolan's research on disability and social inclusion which indicated that a severely hampering disability was associated with a consistent poverty incidence between 6 and 13 percentage points higher than less severe disabilities, and five times that of people with no disability¹⁸. Combat Poverty recommends that those with an intellectual disability in institutional care should automatically receive their intellectual disability allowance. The rate of payment should be increased to a more reasonable level and should also be indexed in successive years.

(v) Pensioners

With regard to pensioners, Combat Poverty believes that the basic state pension should be adequate to provide sufficient income for pensioners to live in a manner compatible with human dignity and avoid poverty. In order to ensure that pensions do not fall significantly behind living standards, Combat Poverty argues that an adequacy target for pensions that is linked to average wages needs to be set and written into Government policy. 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. Second, tax relief on private pensions should be 'standard-rated' in an effort to reduce the strong inequities that currently exist. Third, Combat Poverty believes that Personal Retirement Savings Accounts should be made compulsory for all those in employment and paid for using a PRSI contribution together with a mandatory employers' contribution to the fund. It is important that the introduction of mandatory PRSAs does not result in an increased burden on low-income workers, so mechanisms should be put in place to avoid such regressive impacts.

¹⁷ NDA (2004). *Disability and the Cost of Living*, NDA/Indecon: Dublin.

¹⁸ Gannon, B. and Nolan, B. (2005). *Disability and Social Inclusion in Ireland*, The Equality Authority and the National Disability Authority: Dublin.

(vi) Asylum-Seekers

Under Direct Provision, each adult asylum-seeker currently receives a personal allowance of €19.10 per week and €9.60 for each child. Reform is required under the Direct Provision in a number of ways. First, Combat Poverty believes that the personal-allowance rates should be increased to a level that allows asylum-seekers to live in a manner compatible with human dignity, avoiding poverty and, ultimately, participating in society. Food provision policy for asylum-seekers should be both culturally sensitive and nutritionally balanced. Combat Poverty believes that Child Benefit entitlements should also be provided to asylum-seeker families with children and other non-nationals.

(b) *Child Support*¹⁹

(i) Child Benefit

In order to reduce the high risk of poverty for families with children, Child Benefit rates should be brought up to the index-linked target figure under NAPS which amounts to €161 per month (a €20 per-month increase). Once this is achieved, Child Benefit should be inflation-proofed in subsequent years (pegged against the Consumer Price Index) so that the levels keep pace with rising living standards. Child Benefit entitlements must be provided to asylum-seeker families and other non-nationals with children.

(ii) 2nd-Tier Payments

Payments for second-tier child-income support require urgent attention, as they provide important additional resources to the poorest families in society. The means-tested Child Dependent Allowance (CDA) – the main second-tier payment for welfare-dependent households – has been frozen since 1994 and has fallen in real terms by 34%.²⁰ This payment needs to be increased significantly in the short-term in order to assist the most vulnerable households with children. The Family Income Supplement (FIS) – the main second-tier payment for low-income working families – requires attention, as there are problems with take-up and withdrawal, with some estimates pointing to take-up as low as 30% of eligible households²¹. A re-modelled FIS, or a new instrument aimed at low-income working families, would be worthwhile considerations.

(iii) Child Benefit Supplement

In relation to reform of the second-tier income support system for families with children, Combat Poverty recommends that an employment-neutral Child Benefit Supplement be introduced which would be payable to all households with children below certain incomes regardless of income source. This proposal has a single objective: to

¹⁹ Some of these proposals are expanded upon in a recent Policy Statement on child poverty by Combat Poverty. See: Combat Poverty Agency (2005). *Ending Child Poverty Policy Statement*, Combat Poverty Agency: Dublin. However, this section contains an overview of the key recommendations contained therein.

²⁰ Combat Poverty Agency (2005). *Ending Child Poverty Policy Statement*, Combat Poverty Agency: Dublin.

²¹ *Ob cit.*

redistribute resources towards families with children on low incomes irrespective of whether they are welfare-dependent or in paid employment. A gently tapered payment mechanism should be employed to ensure a gradual withdrawal from the supplement occurs towards the middle-income range. At the minimum, the payment should be set at a rate that ensures that families currently in receipt of CDAs or FIS would be better off than the current situation. Despite earlier concerns, the Supplement need not be administratively burdensome²². Eligibility for the payment should be almost automatic and established using information gathered by both the Revenue Commissioners (on income tax) and the Department of Social and Family Affairs (on Child Benefit administration). However, the principal challenge is to link data from both sources in an efficient and speedy manner, particularly for parents who have chosen to be taxed individually and are sharing the responsibility of rearing children. The main benefit of the payment is that it would automatically reach a large number of low-income families currently not in receipt of CDAs and not drawing down FIS.

(iv) School Meals

The School Meals scheme should be promoted and funded as appropriate. Providing nutritious meals for children of school-going age is of huge benefit to children in households struggling to make ends meet. Resources are needed for the improved provision of facilities (e.g. school canteens) as well as meals themselves. Breakfasts could additionally be provided in all schools designated as disadvantaged.

(v) Clothing and Footwear Allowance

Improved assistance with school-related costs (both clothing and books) will also have positive impacts on child poverty rates. Combat Poverty recommends increasing the Clothing and Footwear Allowances in line with inflation. The School Books Scheme should have a targeted low-income entitlement. In addition, book rental schemes could be further promoted as a means to cutting the costs of school books. Combat Poverty also believes that standardised uniforms should be promoted as school policy, together with the abolition of expensive branded or labelled clothing or footwear. The Consumer Council in Northern Ireland has drawn up a set of guidelines on this matter; a similar set of guidelines in Ireland would be beneficial. Recent research by the Combat Poverty Agency highlighted the issue of expensive branded clothing and footwear and the problems that can arise from families' inability to afford to purchase such clothing for their children. This can result in peer pressure, bullying and low morale²³.

²² Government of Ireland (1996). *Integrating Tax and Social Welfare: Expert Working Group Report* (June 1996), Stationery Office: Dublin.

²³ See Daly, M. and Leonard, M. (2002). *Against All Odds: Family Life on a Low Income in Ireland*, Combat Poverty Agency/Institute of Public Administration: Dublin.

6. Public Services

(a) Health

(i) Current Position

The link between poverty and health status has been well established. All-cause mortality in the lowest occupational groups has been shown to be 100-200% higher than in the highest occupation groups²⁴. The links between income inequality and health are also clear. Research suggests that the most unhealthy societies are those where the gap between rich and poor is greatest. In addition, certain minority groups like Travellers, refugees and asylum-seekers, the homeless and prisoners experience particular health problems. Socio-economic factors, including poverty, are key in determining health status. Measures of health inequalities, including mortality rates, low birth rates and poor nutritional status, are linked to deprivation measures such as income poverty, unemployment, and inadequate housing and accommodation. Thus reducing health inequalities requires action to reduce poverty, deprivation and income inequality, in addition to specific health related measures.

(ii) Issues to Be Addressed

Combat Poverty supports the health targets set out in the National Action Plan against Poverty and Social Exclusion and in the National Health Strategy *Quality and Fairness: A Health System for You*. Implementation of these would make a significant contribution to reducing health inequalities in Ireland. It is recognised that the achievement of these targets requires integrated cross-departmental and cross-sectoral working, given the broader social determinants of health and the reality that health services on their own cannot address health inequalities. Progress on meeting the targets should be a key priority and should be accompanied by an implementation framework, designated responsibilities and budgetary provision to support implementation. Support is also required to build capacity within reformed health services to deliver on NAPS commitments.

Combat Poverty believes that people have a right to adequate, accessible and appropriate healthcare services when and where needed, regardless of ability to pay. This should be underpinned by universal access to a comprehensive and adequately resourced primary healthcare service and access to acute care, medical and paramedical treatments when required, on the basis of need.

(iii) Recommendations

1. Combat Poverty proposes concerted action to deliver on NAPS Health targets and the National Health Strategy, including:
 - A detailed implementation framework;
 - Designated budgets assigned to support implementation;

²⁴ Institute of Public Health in Ireland 2000 *Report on All-Ireland Mortality Data, 1989-1998*, IPH: Dublin.

- Designated responsibilities for delivering on targets;
 - Supports for building capacity within reformed health services to deliver social inclusion outcomes;
 - Mechanisms for cross-departmental and cross-sectoral working, including health impact assessments.
2. Combat Poverty believes that Ireland should work towards the development of a universal healthcare system based on equity of access to quality services. In the first instance clear eligibility criteria should be established for GMS, based on an official adequacy standard, with an annual up-rating mechanism which reflects changes in living standards. In the short term, thresholds for medical card eligibility should be increased in line with the commitment in the National Health Strategy to provide an additional 200,000 medical cards over a five-year period (from 2001). The Tánaiste and Minister for Health and Children increased medical card income limits by 20% on 13th October 2005. This will have a positive effect on the numbers eligible for medical cards. However, it is highly unlikely that it will create the 200,000 new medical cards promised in the National Health Strategy.
 3. Consideration should also be given to enhancing the provision of primary healthcare to all children, as was called for by the Chief Medical Officer in his 2001 Annual Report. This should be complemented by reform and restructuring of the GMS as a component of a comprehensive primary healthcare service. Such an approach is very much in keeping with NESC's model of tailored universalism, providing public services on the basis of need rather than income.
 4. Both the timeframe and resource allocation need to be established for the roll-out of the Primary Care Strategy beyond the initial ten demonstration projects, ensuring provision is made for involvement of disadvantaged communities and groups experiencing particular health inequalities.
 5. Sustained funding and support for community development approaches to health should be provided through dedicated resources for communities to formulate agendas, develop capacities in meaningful participation and feedback. This could take the shape of programmes such as those similar to Combat Poverty's Building Healthy Communities programme which aims to support disadvantaged communities, both geographical and sectoral, to tackle poverty and health inequalities.
 6. Combat Poverty would like to see the establishment and resourcing of a community development and health network as a mechanism for consultation, monitoring and supporting NAP/Inclusion.
 7. Finally, the Combat Poverty Agency supports the development of a food and nutrition policy. The provision of dedicated resources and support for community-based initiatives to address food poverty and

enhance networking of groups working on this issue would yield significant benefits²⁵.

(b) Early Childhood Care and Education

(i) Current Position

It is well documented that investment in early childhood care and education is crucial to address educational disadvantage. A large proportion of children, mainly those living in poverty, are failing to gain from the educational system. Factors influencing educational achievement impact before children have left primary school. The dynamics of this cycle can be broken with early intervention. It is being increasingly acknowledged that high-quality early childhood education has a positive impact on the future educational and social success of children born at risk of educational failure and/or social exclusion²⁶. Improving access to, and participation in, early childhood care and education is therefore cost-effective as compared to interventions when children are older. In order to overcome the widespread inequities that contribute to educational disadvantage, early-years programmes should offer a multi-dimensional approach to children and their families. The valuable contribution of community groups in implementing early childhood initiatives, such as the contribution of community playgroups in supporting children and families with very scarce resources, should be recognised²⁷.

While there have been welcome policy developments in early childhood care and education, and investment in the supply of childcare places through the Equal Opportunities Childcare Programme, accessibility and affordability are crucial issues for low-income families that have not been adequately addressed. Insufficient state intervention and financial support are evident, while a higher-than-average proportion of Ireland's children are living in poverty compared to their EU counterparts; Ireland has the fifth-highest rate of relative child poverty (15.7%) out of 24 OECD countries, and the second-highest rate of relative child poverty in EU-25²⁸.

Ireland's net contribution to child income support ranks below the EU average due to its low level of investment in services such as early childhood care and education²⁹. The majority of EU countries now provide free universal access to early childhood care and education services for children aged three to six. The UK, which has had a traditionally lower level of investment in early childhood care and education compared to other EU countries, has made such investment a central aspect of its strategy to tackle child poverty. Many EU countries provide child benefit payments to assist parents in meeting child-rearing responsibilities, in addition to the financial subsidies for early

²⁵ Friel, S. and Conlon, C. (2004). *Food Poverty and Policy*, Combat Poverty Agency, Crosscare and Society of St Vincent de Paul: Dublin.

²⁶ Centre for Early Childhood Development and Education (2003). *An Audit of Research on Early Childhood Education and Care in Ireland 1999-2003*, CECDE: Dublin.

²⁷ Katherine Howard Foundation (2005). *Valuing Community Playgroups: Lessons from Practice and Policy*, Katherine Howard Foundation and the Health Services Executive: Dublin.

²⁸ United Nations (2005). *Child Poverty in Rich Countries 2005*, Innocenti Report Card no. 6, United Nations Children's Fund: Florence.

²⁹ Combat Poverty Agency (2005). *Ending Child Poverty Policy Statement*, Combat Poverty Agency: Dublin.

childhood care and education. In contrast, child benefit is the only financial aid provided to Irish parents³⁰.

(ii) Issues to Be Addressed

A significant investment in early childhood care and education so as to ensure its accessibility and affordability is essential to reduce child poverty. Ireland has the second-lowest rate of enrolment of three to six-year-olds in early childhood services (56%) of the EU-15 included in the recent OECD Study³¹. A reason for this is likely to be the fact that net childcare costs (including pre-school education services) in Ireland are among the highest in Europe, with a typical monthly outlay of €570, due to lack of demand-side subventions and the lack of supply of childcare places in many areas throughout the country.

There is a need to recognise pre-primary education as a distinct stage of education in its own right. Currently there is universal provision of only primary and secondary education. Early childhood care and education needs to be on a similar footing with similar investment and quality standards. Universal provision avoids the stigma and segregation that can result from means-tested interventions. The specific needs of children and families on low incomes require addressing in the development of such provision. Recognition and learning from existing community initiatives and programmes such as *Early Start* should inform targeted supports within the frame of universal provision of early childhood care and education.

Accessible early childhood care and education is also a crucial factor in facilitating women's participation in education, training and the labour market. Accessing employment is a key route out of poverty for women and children. As families are diverse, early childhood care and education services should reflect that diversity. Lone parents have the highest level of consistent poverty in Ireland (32.6% in 2003) and they are the primary carer and provider in the family. Studies indicate that lone parents often cite lack of access to early childhood care and education as the main barrier to education, training and employment opportunities. This dual role needs to be further recognised in terms of the adequacy of benefits, the flexibility of education, training and employment options, as well as within early childhood care and education services available.

Combat Poverty believes that all young children should have access to, and participate in, a range of quality education and care services and supports of an internationally accepted standard through a plan implemented over the next ten years with the aim of achieving universal access for all children.

The positive impact of improved early childhood care and education services on women's participation in education, training and the labour force should contribute to a reduction in the level of both child poverty and poverty among women. However, what must be central in the development of early childhood care and education services are the needs of children, recognising that childhood is valuable in itself and that children have rights to express preferences about all aspects of the settings in which their daily life is

³⁰ NWCI (2005) *An Accessible Childcare Model*, Dublin:NWCI

³¹ OECD (2001). *Employment Outlook Report*, OECD: Brussels.

experienced. The quality and appropriateness of the services are crucial to breaking the cycle of educational disadvantage.

The key issues are, thus:

- The cost and lack of access to affordable early childhood care and education;
- The lack of universal early childhood care and education provision;
- The need for a holistic and child-centred approach in the development of early childhood care and education;
- The need to meet the needs of children and families in an integrated way;
- The need to regulate the cost of early childhood care and education services;
- The need to ensure early childhood care and education meets internationally established quality standards.

The Combat Poverty Agency's recommendations are informed by its recent 2005 Policy Statement *Ending Child Poverty*, the NESF report on *Early Childhood Care and Education*³², the National Children's Office recommendations, and the recently published National Women's Council of Ireland's proposal for *A Model of Accessible Childcare*³³.

(iii) Recommendations

1. At the moment, responsibility for different aspects of early childhood care and education policy and programme delivery are the responsibility of several government departments and agencies. There is need for a more integrated approach to delivering a universal programme of early childhood care and education. Combat Poverty sees the goal of provision of universal early childhood care and education as an extension of the current provision of education in Ireland and, therefore, it would see the Department of Education and Science as the natural home for such a programme. Nevertheless there is a need for inter-departmental and inter-agency input into the development of such a programme.
2. Combat Poverty believes that all low-income families should have access to affordable, quality early childhood care and education as a guiding principle. Combat Poverty proposes universal free early childhood care and education for all three- and four-year-olds with priority for households in poverty. Extended care³⁴ for three- to 14-year-olds in the short-term should also be considered.
3. Models of school-based delivery are optimal, but in the immediate term, a mix of delivery mechanisms may be required for logistical and practical reasons.

³² NESF (2005). *Early Childhood Care and Education*, National Economic and Social Forum Report No. 31, NESF: Dublin.

³³ National Women's Council of Ireland (2005). *A Model of Accessible Childcare*, National Women's Council of Ireland: Dublin.

³⁴ Extended Care refers to care provided outside of schooling and pre-schooling hours.

4. The State should be responsible for the regulation of quality and for ensuring consistency of standards nationally. This is because of the importance and sensitivity of early childhood care and education on the development of the young child.
5. The coverage of the Equal Opportunities Childcare Programme, operated through the Department of Justice, Equality and Law Reform, needs additional funding to improve coverage in all areas, with emphasis on those classified as disadvantaged. This programme has made a substantial contribution to increasing the supply of childcare places since its inception in 2000. Demographic patterns would suggest that the programme needs to be retained in order to continue to act as a supply-side instrument³⁵.
6. Combat Poverty recommends the introduction of a childcare support for low-income families, either through a specific childcare payment or through a Family Income Supplement earnings' disregard. Specifically, Combat Poverty recommends the provision of a vouched childcare disregard of €100 per week (for the first child) plus an additional €50 per week for each subsequent child. Consideration should be given to increasing Child Benefit for the under-5s should be increased by €20 per month to assist all families with the relatively high costs of childcare in Ireland.
7. The provision of a second-tier Child Benefit Supplement for low-income families would also assist the most vulnerable in meeting the very high costs of childcare in Ireland. Combat Poverty strongly supports the introduction of an employment-neutral Child Benefit Supplement as a replacement for existing second-tier structures (CDAs and FIS), once both CDA recipients and those drawing down FIS are both better off as a result of such a supplement.
8. Finally, early childhood care and education policy and approaches should be culturally appropriate to reflect the multi-cultural nature of our society. More specifically, the integration of provisions for Traveller children is vital. Early childhood care and education services should be accessible and appropriate, in terms of location and delivery for children and parents with disabilities.

³⁵ See: IBEC (2005). *Prosperity through Productivity: IBEC Budget Submission 2006*, IBEC: Dublin.

(c) Housing and Accommodation**(i) Current Position**

Rapid increases in house prices in the past decade have placed additional burdens on low-income householders trying to pay their housing costs, be they home-owners or in the rental sector. However, recent research commissioned by the Combat Poverty Agency has indicated that households in the private rental sector have been hit the worst in terms of affordability. Since the 1980s, the largest increases in household expenditures on housing have been in the private rental sector³⁶. Dublin is affected to a larger degree by affordability problems than the rest of the country. More than a quarter of private sector tenants in Dublin are spending in excess of 35% of their disposable income on rent compared with 1.2% of home-purchasers. Furthermore, recent ESRI research has indicated that house prices in Dublin have risen by 300% in the decade 1996-2005 and Dublin house prices are now 55% higher, on average, than those outside Dublin³⁷. These developments have resulted in a large gap opening up in housing cost burdens between mortgage-holders and tenants, and between those living in Dublin versus the rest of the country, both in absolute terms and as a share of household expenditures. Social housing now represents less than 10% of the total stock, from a high of over 37% in the 1970s. In addition, public-sector mortgages, provided by Local Authorities and the Housing Finance Agency as a means for low-income households to house purchase, have all but disappeared. These developments have resulted in a narrowing of housing options open to low-income households.

(ii) Issues to Be Addressed

The private rental sector needs to increase in size and diversity so as to make the sector a more attractive tenure option for low-income families. Regional disparities in house prices, particularly evident between Dublin and the rest of the country, need addressing through both planning and investment routes. Recent research by the ESRI demonstrates that the regional house-price gap is widening over time. This places additional pressures on those wishing to buy or rent property in Dublin.

Social housing units as a proportion of the entire dwelling stock have fallen to a historical low. The NAPS target for 41,500 social housing units between 2000 and 2006 is most unlikely to be met. This is disappointing. Despite significant increases in social housing output since 2000, a far more aggressive social housing strategy is needed to achieve the NAPS target on local authority units and to increase the proportion of the housing stock that is social housing above the historically low current level of 7.2%³⁸. Proposals to increase the stock of social housing require serious consideration, and a more challenging, meaningful target for the Affordable Housing Scheme should be

³⁶ For more on this, see: Fahey, T., Nolan, B. and Maitre, B. (2004). *Housing, Poverty and Wealth in Ireland*, Combat Poverty Agency: Dublin.

³⁷ See www.esri.ie

³⁸ Department of the Environment, Heritage and Local Government. *Housing Statistics Bulletins* (various), Department of the Environment, Heritage and Local Government: Dublin.

set in the next National Partnership Agreement than the one set under *Sustaining Progress*.

Combat Poverty previously endorsed the access targets of the NAPS Working Group on Housing and Accommodation. These aimed to ensure that 70% of low-income households identified by local authorities as being in need of accommodation would have suitable accommodation within two years of their acceptance onto the waiting list. The figure was set to 90% of households by 2010.

There are a number of key NAPS targets on housing and accommodation:

- To ensure that housing supply is brought more into line with demand;
- To deliver 41,500 local authority housing units by end-2006;
- To deliver an appropriate mix of social and affordable housing;
- To establish targets in relation to access to housing;
- All Travellers' families identified in the local authority five-year Traveller accommodation programme as being in need of accommodation will be appropriately accommodated by end-2004;
- To achieve sufficient and appropriate emergency accommodation available for rough-sleepers together with 'outreach' services by end-2004.

It is clear that some of the targets are very vague and need to be tightened up or reset. Combat Poverty is disappointed with the level of social housing provision over the past five years. 2003 saw the highest level of newly completed social housing units since 1986. In total, some 6,500 units were added to the total social housing stock. Statistics for 2002 and 2001 are slightly lower, while the average social housing output for 2000 was just 4,200 units. Clearly, there is some way to go before the NAPS target of 41,500 units is attained. Despite this, the construction industry has achieved record levels of housing output over these years and social housing is now at its lowest level as a proportion of the total dwelling stock, accounting for just 7.9% of all households.

Fuel poverty is caused by low income and poor levels of household energy efficiency. Recent research funded by the Combat Poverty Agency and the TCD Policy Institute indicated that tenants, especially local authority tenants, are up to five times more likely to be fuel-poor than owner-occupiers³⁹. In 2001 over a third (33.8%) of local authority tenants were experiencing some difficulties achieving affordable warmth in their homes, while a quarter (24.5%) of privately rented households were found to be fuel-poor⁴⁰. Healy demonstrated that 37.9% of those in receipt of the fuel allowance were suffering some level of fuel poverty, while 13.8% of those not in receipt of the allowance were fuel-poor⁴¹. The current NDP-backed Warmer Homes Scheme, administered by Sustainable Energy Ireland, allows for 18,000 private houses to be retrofitted with energy-saving measures. However,

³⁹ Healy, J.D. (2004). *Fuel Poverty and Policy in Ireland and the European Union*, 'Blue Paper', Studies in Public Policy No. 12, The Policy Institute, Trinity College Dublin.

⁴⁰ Healy, J.D. (2004). *Housing, Fuel Poverty and Health: A Pan-European Analysis*, Ashgate: Dublin.

⁴¹ Ob cit.

research indicates that the scale of the problem is much higher. The additional 13.8% of fuel-poor households not in receipt of the fuel allowance are likely to be found primarily in the non-local authority housing sectors in which the Warmer Homes Scheme operates.

The Combat Poverty Agency recommends the following:

(iii) Recommendations

Planning

1. Combat Poverty agrees with the recent NESC report on housing⁴² in its recommendation of the creation of high-quality, sustainable neighbourhoods through integrated land-use and transport planning. This represents a move away from traditional fiscal instruments and more towards planning instruments as a means to achieve the goal of high-quality, sustainable neighbourhoods of integrated private and social housing developments.
2. Combat Poverty argues that the targets for 'affordable housing schemes' (under Part V of the 2000 Planning and Development Act) should be achieved urgently and subsequent targets should be more ambitious than the 10,000 units set in the previous (*Sustaining Progress*) Agreement. Combat Poverty believes that the 2003 amendment to the Act in which rules for affordable housing schemes were relaxed somewhat for developers, was a highly regressive policy decision and has clearly contributed to the low level of affordable housing units sold heretofore. Combat Poverty recommends that the 20% levy on social and affordable housing in new housing developments should be re-stated, at a minimum, in the next Partnership Agreement.

Social Housing

3. Combat Poverty believes that the social housing mix should be improved to allow for better private-social integration. Combat Poverty also argues for an increased variety of house types, smaller-style housing estates with good play-area facilities for children and good public transport infrastructure. Estate designs with attractive, community-focused town centres or local shopping areas should be encouraged to ensure good access to local shopping (and other retail) outlets and to maximise the social capital potential. Consideration also needs to be given to accessing local schools. Combat Poverty believes it is unacceptable that schoolchildren must travel considerable distances (by various modes of transport) to access their nearest school.
4. Combat Poverty supports the recommendation of the NAPS Working Group on Housing and Accommodation to ensure that 70% of low-income households identified by local authorities as being in need of accommodation would have suitable accommodation within two years

⁴² NESC. (2004). *Housing in Ireland: Performance and Policy*. National Economic and Social Council: Dublin.

of their acceptance onto the waiting list. The figure was set to 90% of households by 2010.

5. Combat Poverty endorses the target of the NAPS Working Group on Housing and Accommodation in relation to the management of social housing estates which aims to ensure a high standard of housing/accommodation and estate management and maintenance. Ongoing monitoring by local authorities is required to ensure that this is being achieved.
6. There should be an increase in the earnings' disregard for differential rents assessment to offset the increasing housing cost burden in the social housing sector. Research indicates that, after private rental sector tenants, social housing tenants demonstrate the highest poverty risk in Ireland⁴³.

Private Rental Sector

7. Rent allowances under the Supplementary Welfare Allowances scheme provide an important short-term support to welfare-dependent tenants in the private rental sector. These must be kept under review and increased where necessary in an attempt to reduce the poverty risk in this sector, which is the highest of all tenures in Ireland. The new Rental Accommodation Scheme (RAS) is a positive step. The Scheme aims to provide good-quality accommodation for people receiving rent supplement as local authorities will be required to provide long-term housing for people who need it. RAS will give tenants of private rented accommodation long-term housing security while also giving them access to a range of housing supports. Going forward, Combat Poverty agrees with Threshold in recommending that monitoring the initial experiences with implementation should be shared so that learning and improvement can be maximised⁴⁴. Furthermore, RAS should not be seen as a long-term panacea or substitute for a vigorous social housing programme.
8. Recent data from Threshold indicate that an increasing number of landlords are failing to comply with minimum standards legislation on private rental housing. Threshold received 36% more calls in 2004 than in the previous year in relation to non-compliance with minimum standards. The number of calls received regarding illegal evictions also rose significantly during 2004 (by 41%). In addition, an increase of 44% in cases of deposit retention by landlords was reported by Threshold in 2004⁴⁵. Continued enforcement of legislation protecting tenants in the private rental sector is required.

⁴³ Fahey, T., Nolan, B. and Maitre, B. (2004). *Housing, Poverty and Wealth in Ireland*, Combat Poverty Agency: Dublin.

⁴⁴ Threshold (2004). *Submission to the Department of Environment, Heritage and Local Government and the Department of Social and Family Affairs on the Operation of Rental Accommodation Scheme*, Threshold: Dublin.

⁴⁵ Threshold National Housing Organisation (2005). *Annual Report 2004*, Threshold: Dublin.

Housing Quality

9. In relation to low-income and disadvantaged households, Combat Poverty recommends that the targets set by the NAPS Working Group on Housing and Accommodation⁴⁶ be realised so that, by end-2007, the number of low-income households forced to live in dwellings lacking basic facilities such as indoor toilets, bath/shower facilities, adequate heating facilities and demonstrating damp will be reduced by at least 50%. The recent *Irish National Survey on Housing Quality 2001-02* indicates that there is still some way to go on this target⁴⁷. Some 6% of households nationally report damp; this rises to 17% among local authority dwellings. Lack of sanitary facilities is a problem mainly confined to older (pre-1940) dwellings. Combat Poverty recommends that resources are made available to ensure that appropriate policy measures from local authorities, the Department of the Environment, Heritage and Local Government, and the Department of Social and Family Affairs are put in place to ameliorate poor housing conditions across all housing tenures.

Travellers

10. In order to provide appropriate housing and accommodation for Travellers, a target was set by the NAPS Working Group on Housing and Accommodation that all Traveller families, who had been assessed in the local authority five-year Traveller accommodation plan, as being in need of accommodation, would be appropriately accommodated by end-2004. Progress on this has been unacceptably slow. Progress towards meeting the target should be continually assessed and monitored by the Local Authority Census of Traveller Families and directly through Traveller-inclusive structures.

Homelessness

11. The NAPS Working Group on Housing and Accommodation agreed a number of targets in relation to homelessness. These included the provision of sufficient, appropriate emergency accommodation by end-2004; the elimination of homeless people being forced to remain in emergency accommodation for more than six months by end-2007; the provision of suitable transitional and long-term supported and permanent housing and accommodation for those assessed by local authorities as being in inappropriate institutional accommodation by end-2007; and that suitable accommodation and care will be available, where necessary, in relation to youth homelessness also by end-2007. These targets should be fully met. Ongoing monitoring by both local authorities and the Department of Environment, Heritage and Local Government is critical in order to evaluate the success, or otherwise, of the agreed strategy on homelessness.

⁴⁶ Department of the Environment and Local Government (2001). *Report of the NAPS Working Group on Housing and Accommodation*, Department of the Environment and Local Government (The Housing Unit): Dublin.

⁴⁷ Watson, D and Williams, J. (2003). *Irish National Survey of Housing Quality 2001-02*, ESRI: Dublin.

Fuel Poverty

12. The fuel allowance reduces the severity of experience of fuel poverty. Therefore, an ongoing review of the adequacy and effectiveness of the fuel allowance in mitigating fuel poverty is required.
13. The finding that over one-third of households who receive the fuel allowance remain fuel-poor indicates the need for improvements to the thermal efficiency of the local authority housing stock. This should be achieved through local authority remedial works. Budgets for such schemes should be monitored and increased if necessary.
14. Improved funding for the successor to the Warmer Homes Scheme would most likely make a serious reduction in the incidence of fuel poverty among non-local authority dwellings. The current funding envelope of €7.62m allows for improvements to be undertaken in 18,000 houses (an average investment cost of €423 per home). If 10% of all fuel-poor, energy inefficient housing (24,000 homes per annum) was retrofitted each year for a period of ten years, the total undiscounted cost would amount to €45m per annum⁴⁸. Combat Poverty recommends, at a minimum, a doubling of funding for a successor to the Warmer Homes scheme in an effort to roll out much wider improvements in the thermal-efficiency standards across all tenures.

⁴⁸ Healy, J.D. (2004). *Fuel Poverty and Policy in Ireland and the European Union*, 'Blue Paper', Studies in Public Policy No. 12, The Policy Institute, Trinity College Dublin..

7. Participation/Activation

(i) Current Position

The Combat Poverty Agency considers that policies intended to tackle poverty and inequality are more likely to be effective if the people and communities that they are targeted for are involved in their formulation, implementation and monitoring. Social exclusion is a problem resulting from poverty and marginalisation. It separates people, across a range of fundamental social areas, from their surrounding society. Measures to counter social exclusion therefore need to be pro-active, targeted, participative and outcome-focused.

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 discourse at these levels is of active citizenship, enhancing democracy and community participation. The announcement by the Taoiseach (14th April 2005) 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 and the state at national and European levels.

In recognising that community participation is facilitated and implemented through community and voluntary organisations and NGOs, the European Commission has highlighted the political importance of these organisations in promoting democracy:

Voluntary organisations and foundations foster a sense of solidarity and citizenship, and provide the essential underpinnings of our democracy...Indeed, the existence of a well-developed association and foundation sector is an indication that the democratic process has come of age. For many people participation in voluntary organisation may be their only experience of democratic process outside of the normal electoral framework.⁴⁹

A number of national initiatives and frameworks support this:-

The National Action Plan against Poverty and Social Exclusion 2003-2005 (NAP/Inclusion)

NAP/inclusion recognises that the engagement and participation of those with direct experience of poverty is crucial to a meaningful consultation process as a way of addressing complex policy issues. Two of its key objectives are to help the most vulnerable and to mobilise all relevant bodies, including people experiencing poverty.

⁴⁹ European Commission (1997). *Promoting the Role of Voluntary Organisations and Foundations in Europe*, European Commission: Brussels.

White Paper on Supporting Voluntary Activity 2000

The Government's White Paper is the framework governing the relationship between the state and the community and voluntary sector. It states that:

The Government recognises that the community and voluntary sector plays a crucial role in a mature democratic society, quite separate to and independent of the institutions of Government. It represents the engagement by individuals in their own development, in that of their communities and wider society... The sector has a specific role in ensuring that the experiences and interest of marginalised communities are articulated and heard when decisions that affect them are being made.

National Social Partnership

The Community and Voluntary Pillar was established in 1996 by the State and was involved in the negotiation of the national agreement *Partnership 2000*. Engagement has enabled the sector to bring an equality and social inclusion agenda to the negotiations of national agreements. The community sector has opportunities to influence national objectives and directions through other arenas including the NESC, NESF, a variety of working groups and the NDP monitoring committees.

Local Social Partnership

The development of local social partnership under the Operational Programme for Local Urban and Rural Development (the area-based partnerships) could be seen as a first step in opening up participation to historically excluded social groups such as Travellers, lone parents, people with a disability and the unemployed. The reorganisation of local government under the local government reform process and the subsequent establishment of SPCs, CDBs, SIMs Group etc has formalised the participation of the community sector in decision-making processes at a local level.

(ii) Issues to Be Addressed

Despite the developments and the seemingly 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 with cuts in resources to key community development and anti-poverty infrastructure both locally and nationally.

(iii) Recommendations

1. **National Anti-Poverty Networks Programme:** Continued support for the National Anti-Poverty Networks Programme who play a key role in resourcing grass-roots anti-poverty work, facilitating the involvement of those experiencing poverty and inequality in decision making processes and representing anti-poverty interests.
2. **White Paper on Supporting Voluntary Activity:** The commitments in the White Paper must be maintained and met. An effective framework for the

delivery of the actions and the principles set out in the White Paper should be put in place.

3. **Community Development Support Programme (CDSP):** The focus on anti-poverty and equality must continue to be a core focus within the programme. In addressing social exclusion the CDSP resources must 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.
4. **Local Development Social Inclusion Programme:** The local area-based partnerships in the LDSIP have helped to create the conditions conducive to community participation in local planning and decision making. The LDSIP should continue to play a pivotal role in building the capacity, supporting and engaging local disadvantaged communities and communities of interest in addressing poverty and social exclusion. Local area-based partnerships should not be just seen as local delivery agents for national programmes.
5. **Local Government:** Local authorities are recognised as one of the key players in supporting the implementation of the NAPS and the NAP/inclusion. As the key agents at a local level in the delivery of local anti-poverty strategies (LAPS) dedicated resources must be made available to build the capacity of local authorities in developing and implementing LAPS. The pilot Social Inclusion Units should be rolled out to all local authorities.
6. **Social Partnership:** At a local level specific resources are required to strengthen and sustain the participation of marginalised groups within the community fora structures and the independently established local community platforms. At a national level significant interests are lacking within the current Community and Voluntary Pillar structure, namely representation of many of the vulnerable groups named under the NAPS. Access to working groups, monitoring committees and a wide range of consultative structures (locally and nationally) is through social partnership. New ways of improving and increasing the participation of people experiencing poverty at local, regional and national levels need to be examined.
7. **PEACE:** The PEACE programme has significantly enhanced community development infrastructure in the border areas. Resources and mainstreaming strategies should be put in place to continue this work.
8. **NAP/inclusion:** The consultation process for the forthcoming NAP/inclusion 2006-08 should be inclusive with a particular emphasis on engaging vulnerable groups in the process. Revised targets and policies in the new NAP/inclusion should be set against agreed implementation and delivery mechanisms.

8. Institutional Reform

(i) Leadership

Social partnership, by its very nature, involves a coming together of the key players in Irish society. For the National Agreement to be fully implemented requires leadership and commitment from all of the partners at the table. To work towards the elimination of poverty in Ireland and a stronger welfare state requires political leadership, institutional leadership from the civil service and public authorities, as well as strong support from business, the trade unions, farmers and the community and voluntary sector. Partners must provide leadership in the implementation of the commitments made as well as in supporting the principles.

(ii) Rights and Standards

The Universal Declaration of Human Rights asserts that poverty is a human rights issue. Economic, social and cultural rights such as the right to health, the right to an adequate standard of living, the right to education, the right to housing, the right to work and the right to a sustainable environment are essential to uphold human dignity and are directly relevant to the eradication of poverty. The setting and monitoring of standards is a way of operationalising these rights. An approach which links rights with standards has the potential to be effective in achieving the goal of poverty elimination and enhancement of social inclusion. The setting of standards should be part of the implementation of the National Agreement.

(iii) Poverty Proofing/Poverty Impact Assessment

The National Agreement should be assessed for its impact on poverty, in line with government policy. The Combat Poverty Agency and the Office for Social Inclusion can provide advice and/or expertise in this regard.

(iv) Joined-Up Policy-Making

The implementation of policies to tackle poverty cuts across the remit of any one particular government department or agency. The challenge for the implementers of policy is to work in an integrated way. The needs to happen at a number of levels: across policy instruments e.g. the National Partnership Agreement, the National Action Plan against Poverty and Social Exclusion and the National Development Plan; across government departments and agencies; between national bodies and local authorities and local agencies; as well as between agencies delivering at a local level. This is a challenging agenda but attention to an integrated approach to the delivery of policies, programmes and services should lead to more efficient and effective outcomes.

(v) Resources

The allocation of adequate resources to ensure the implementation of policies and services is critical. Commitments in the National Agreement should be explicitly linked to budgetary resources and to resources allocated in the National Development Plan. Resources should be prioritised to strengthen Ireland's social provision, to support economic growth, and to work towards the elimination of poverty, in particular child poverty. Provision for early childhood education and care should be a clear priority.

(vi) Data, Research and Monitoring

The availability of good quality data and research is critical for evidence-based policy making, both to provide baselines and then to monitor progress. The National Agreement should ensure that mechanisms are in place to collect and analyse comprehensive data on a regular basis to monitor progress on the implementation of agreed commitments. The data strategy being developed under the National Action Plan against Poverty and Social Inclusion should support this.

9. Conclusion

This Submission has presented the Combat Poverty perspective on the desired future direction of anti-poverty policy under a future social partnership agreement, with a particular focus on social welfare and public services. Combat Poverty believes there must be a focus on making a decisive impact on poverty both through the next Partnership Agreement and through the Irish National Action Plan against Poverty and Social Exclusion 2006-08. Failure to do so will result in continuing trends of high income inequality, low levels of public-service provision, and a society increasingly blighted by structural inequities.