

**Strategic Approach to Combating Poverty and Social Exclusion
Irish Experience**

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organised by Commissioner for Civil Rights Protection, Dr Janusz Kochanowski**

I very much appreciate the opportunity to be present today (17th October) at this Conference in Warsaw on the 21st UN International Day against poverty. Virtually as we speak a monument is being unveiled in Dublin to mark this day. It is near a memorial to Ireland's great famine which occurred in the 19th Century. It includes a quotation from Joseph Wresinski, descended from a Polish father, who founded the 4th World movement. The quotation reads:

*“ Wherever men and women are condemned
to live in poverty, human rights are violated.*

*To come together to ensure that these
rights are respected is our solemn duty”.*

The coming together of representatives of Government and society generally to ensure that these human rights are respected is in essence what the strategic approach to combating poverty and social exclusion tries to achieve.

I will be speaking about the Irish experience of this approach, which essentially involves a commitment to eradicate poverty and social exclusion through the progressive application of agreed, integrated strategies across Government and society within an EU context.

Ireland's experience

Ireland had been a relatively poor and underdeveloped country for much of its history, prior to, as well as since, the great famine. This led to much poverty and high levels of involuntary emigration, particularly to the UK, USA and Australia. Significant economic success finally came in the 1990s with high levels of economic growth, which enabled Ireland to rapidly catch up in terms of economic and social development with more developed countries. There has been major reductions in unemployment and long term unemployment, significant increases in female participation in the workforce (and thus more two income households), the virtual cessation of involuntary emigration, a major increase in return migration and immigration, and major improvements in living standards across the board. But poverty remained, although at a lower level and affecting fewer people.

Levels of Poverty – Poland and Ireland

In 2006 18% of the population in Ireland were classified by the EU as being ‘at risk of poverty’ i.e. below the income threshold of 60 per cent of median income. Although all groups in society benefited from economic growth and experienced a significant improvement in their standard of living, this group had difficulty in keeping pace with the rapidly rising living standards generally. A smaller proportion of between 5% and 7% were experiencing even greater levels of poverty, being deprived of what were deemed basic goods and services in an Irish context.

The proportion ‘at risk of poverty’ in Poland (19%) and in Ireland (18%) was broadly similar in 2006. The average for the EU25 that year was 16%. However, the ‘at risk of poverty’ income threshold in purchasing power parities per capita was higher in Ireland (9,536) than in Poland (3,055). This was due to Ireland’s current higher level of economic development. For similar reasons, expenditure on social protection in purchasing power parities per capita was higher in Ireland (5,857) than in Poland (2,236). Therefore, while income distribution in both countries was at similar levels, Ireland’s higher level of economic development meant that people classified as at risk of poverty there had higher standards of living than those so classified in Poland.

Multi-faceted nature of poverty

There is now in Ireland widespread acceptance and understanding of the multi faceted and deep seated nature of poverty. This has led to the recognition and acceptance that poverty cannot be reduced or eradicated, if State services and supports were to continue to operate in an uncoordinated way at both national and local levels. Therefore, a more coordinated “whole of government” approach is required. Poverty cannot be overcome either by the State alone. Therefore, a “whole of society” approach is needed which involves and mobilises other stakeholders including families, communities, the social partners, NGOs, and faith communities, and people experiencing poverty themselves.

National Anti- Poverty Strategy

Following countrywide consultation, a National Anti-Poverty Strategy was launched in 1997 designed to achieve more integrated Government services focused on the better understood causes and realities of poverty, and on the realisation that ongoing research and analysis is needed to understand these realities better. A broad consensus on this approach also emerged between Government and the social partners – employers, trade unions and farmers – within social partnership, which Ambassador O Donovan has so clearly described. It was particularly epitomised by bringing the “community and voluntary sector”, who directly work with those experiencing poverty and social exclusion, into the process, as a “fourth pillar”.

Vulnerable Groups – “working poor”

People experiencing poverty are not a homogenous group. In Ireland, as I have mentioned, employment participation has been relatively high for many years. But many, especially those classified as the “working poor”, still need significant support from the State, such as income support during disability and short term unemployment, education and employment training, childcare and pre-school education, a better transport

infrastructure in urban and rural areas, assistance with housing costs, access to broadband and so on.

Jobless households

A second broad group are those experiencing a major gap between their living standards and those of the rest of the community, who usually live in jobless households. These include many households with children, including lone parents, people with disabilities and older people. Other marginalised groups include the homeless, ethnic minorities, people subject to addictions and so on. These vulnerable groups need special additional targeted supports to that being provided for the majority.

Life cycle approach

To foster a more integrated approach to social inclusion among policy makers and service providers, our strategies are also now based on a life cycle approach - relating to children, working age, older people. Two specific groups have also been identified -people with disabilities, and communities, which includes groups such as immigrants and Travellers (like Roma).

Spatial Dimension

Social and economic disadvantage also have a strong spatial dimension. Disadvantage, as you know, is caused not only by lack of personal resources, but also by unsatisfactory community infrastructure such as poor housing stock, dilapidated schools, remotely sited post offices, shops and other service providers, poor public transport networks, plus an attitude of resignation to an unfulfilling and unpromising future. This poor local economic and social infrastructure tends to reinforce and perpetuate poverty.

Strategic Approach

This type of analytic understanding of the multifaceted nature of poverty is an essential basis for a strategic, “joined up” approach to combating poverty, which mainly began in Ireland in 1997, with the introduction of our first National Anti-Poverty Strategy. This was to apply for 10 years. A more ambitious revised plan was introduced 5 years later in 2002. The second ten year national plan was introduced last year(2007). We have also benefited greatly from participating in the Open Method of Coordination of the EU in relation to social inclusion.

One key outcome of this process is that the strategic approach to combating poverty is now fully accepted in Ireland and embedded in our governance structures. The main issues of contention surrounding the strategic approach relates to how it can be improved and, in particular, how there can be better consultation and transparency.

I don't propose in the time available to give a detailed overview of our national strategies and what has been achieved. You can obtain this information, if interested, on our website: www.socialinclusion.ie Instead I will provide a brief analysis of some of the key features of the process.

Goals

High level goals are set for each life cycle, which clarify the policy directions to be pursued. The overall poverty reduction goal in the current plan is to reduce basic poverty to between 2% and 4% by 2012, with the aim of eradicating poverty fully by 2016. There are, in addition, 12 specific goals across various policy areas designed to achieve the overall goal.

Targets

A series of targets (over 150 in this plan) are designed to ensure that clear objectives are achieved within a specific time scale. In my opinion these form the backbone of the plan. I have always argued that these targets must be realistic and realisable. If not, the credibility of the process will be undermined.

Monitoring progress and effectiveness

Another key element of the process involves monitoring progress in achieving the goals and targets. For that we use indicators to measure inputs, outputs and most importantly outcomes. Inputs, for example, may include the amount spent on employing persons to train the unemployed, and outputs on the number trained up to a set standard. However, the key outcome is how many of those trained subsequently get relatively good employment. If the outcomes are not satisfactory then the policies, level of resources used and approach need to be re-examined with a view to achieving better outcomes. In Ireland we use a range of indicators, across relevant economic and social policies, but we need more specific indicators to measure outcomes as a basis for analysing progress being made and the effectiveness of policies. The set of indicators developed and being developed by the EU are of great assistance with this process.

Need for good and comprehensive data

Indicators, together with many other aspects of the strategic approach, only work if there is sufficient and adequate data. Key sources of data in Ireland are the census every 5 years, the EU Survey on Income and Living Conditions (EU-SILC) and other relevant surveys and, perhaps, most importantly administrative data. There is much administrative data that needs to be harnessed. Each Government Department in Ireland is now required to implement a data strategy in relation to their own administrative data..

Good, detailed data can fill out some of the bare statistics. For example, up to last year unemployment in Ireland was about 4.6%, however the actual rate could vary from over 20% in some disadvantaged areas and among some vulnerable groups, to a rate of less than 1% in some affluent areas. Therefore, it is necessary to drill down below the surface statistics to get a more effective basis for effective, targeted policies.

Timing of Interventions

Data also greatly helps in deciding on the timing of interventions. For example, the extent and incidence of disadvantage can require an initial short and sharp intervention. This is occurring at present in a particularly deprived area of an Irish city. More long term interventions to support vulnerable areas and vulnerable groups is required to achieve sustainable change by delivering not just social and economic participation, but

also social engagement and social capital that contribute significantly to improvement in living conditions and quality of life generally. An integrated approach of this kind is being developed in Ireland in relation to lone parents and other parents in larger families. Then there are the even more long term preventative approaches. These are required particularly with regard to early childhood development that helps overcome intergenerational disadvantage. However, the results of these interventions are not fully seen in the short to medium term.

Institutional Structures

A core element of the process is ensuring effective implementation at national and local levels and between these levels to avoid, at a minimum, an “implementation gap”. The strategic process cannot operate on its own. It needs institutional structures to sustain and develop it. In Ireland a Cabinet Committee chaired by the Prime Minister monitors the process. This is supported by a Senior Officials Group who co-ordinate the process at a high official level and report to the Cabinet Committee. My own office, the Office for Social Inclusion, drives the process at Ministry level and with Local Authorities. Each relevant Ministry and most local authorities have social inclusion units to facilitate co-ordination for those institutions.

Ensuring effective implementation at regional and local level is of the essence and requires strong, well functioning structures. In fact consideration may be given to each local authority and regional authority having their own strategic plan, related to the national plan, and being accountable for its implementation. Indicators based on good quality data could be developed to measure progress. This would facilitate comparisons being made with the outcomes being achieved in other local and regional areas. This process should also identify good practices that could be copied more widely.

Consultation

Consultation is a key dimension. This takes place through social partnership. An annual Social Inclusion Forum involves representatives of the Community and Voluntary sector and people experiencing poverty in dialogue with senior officials from the various relevant Ministries. There are regular bilateral exchanges between these groups and Ministers and Ministry officials. A comprehensive consultation process is usually arranged when national action plans are being drawn up, and in the case of the national strategies for social protection and social inclusion for the EU. To ensure transparency reports on the proceedings of formal consultations are circulated.

Outcomes of process

I mentioned earlier the importance of measuring and evaluating outcomes. The strategic process has been operating in Ireland now for more than 10 years. So what is the outcome of the process? There were major social inclusion advances over that period. This is best exemplified in the sharp reduction in unemployment (5.2% in Q2 2008) and, particularly in long term unemployment (1.5% in Q2 2008), in the major increase in female participation in the workforce (Female employment rate: 60.5% in Q2 2008), the ending of involuntary emigration and a major increase in return migration, in the unprecedented increase in immigration, which included welcoming many excellent

workers from Poland. (Increase in net inflow of immigrants from 8,000 in 1996 to 70,000 in 2006.) Virtually, all of this was due to the unprecedented, for Ireland, levels of economic growth achieved.

Specific contribution of strategic process

The strategic process clearly identifies the vulnerable groups in society and the areas of disadvantage. Two indicators greatly help with this. A measure of deprivation that we call the *consistent poverty* measure identified those most deprived, which included relatively high proportions of children, lone parents and people with disabilities. Another measure, the EU *at risk of poverty* indicator, discussed above, identifies those falling behind rising living standards. This led to a recognition, which I mentioned earlier, of the need for a more integrated approach across various policy areas to achieving greater inclusion.

Employment participation

The main such area is in promoting increased employment participation for those most marginalised from the labour market, including lone parents, the second parent in a large family and people with disabilities. This is to be achieved by a combination of education, training, income support, access to services such as child care, transport, health and housing. Apart from the individuals themselves others to benefit will include, in particular, their children. Society as a whole will also benefit from increased productivity and less social protection expenditure.

Those outside workforce

The process has also facilitated a more integrated and cost effective approach in providing care for children, the elderly and those with disabilities. It has also achieved recognition of the special needs of minority groups such as Travellers and immigrants, the homeless, people subject to addictions and so on. The spatial dimension has led to recognition of the special needs of disadvantaged urban and rural areas and targeted programmes to address these needs.

EU Open-Method of Coordination

The Open Method of Coordination of the EU complements the national strategic process. The evaluation of the progress being achieved in an EU comparative context is invaluable despite our unhappiness at times with the results. The requirement to set priorities every two years also greatly assists in the ongoing development of the strategies. Much can be learned also from the exchanges of knowledge, experience and good practice with other countries.

Institutional Structures

On the institutional side the “whole of Government” approach, that facilitates greater integration, and the “whole of society” approach that involves inclusion of the stakeholders in policy development and monitoring progress have become firmly established.

Conclusions

If I had been giving this talk some months ago, I would now be concluding on a high note with an outline of our success both economically and socially. However, the situation I would have been describing has now significantly changed. The credit crunch and our own home grown economic difficulties have left much of our economic and social development on hold. But the strategic process is just as relevant now, if not more relevant, as it was in the more prosperous recent past. For example, a sign of the influence of the national plan was in the recent budget (14th October, 2008) to address our severe economic difficulties, in which priority was given to the protection of the position of the less well off, particularly in relation to income support.

The strategic process for combating poverty and social exclusion has now been mainstreamed in Ireland and firmly embedded in our governance system. I am confident that it will help steer us to more effective policies and their implementation and to setting realistic priorities in working to achieve the overall goal of eradicating basic poverty.

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