



Third Periodic Report on the Work of the Forum

Forum Report No. 21

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Foreword by the
Taoiseach
Mr. Bertie Ahern T.D.



Foreword by the *Taoiseach* *Mr. Bertie Ahern T.D.*

This *Third Periodic Report* from the National Economic and Social Forum (NESF) marks an important stage in the Forum's development. Back in 1998, when the Forum was embarking on a new three-year term of office, I specifically asked that a new role in developing policies and programmes to tackle inequality and social exclusion be taken on.

This has given the Forum a unique role to play in evaluating the effectiveness of policies that are being implemented within the framework of National Social Partnership Agreements and related programmes such as the National Anti-Poverty Strategy. The addition of local government elected representatives and officials, representatives of key Government Departments at Secretary General level and a number of independent members has further enhanced the status and authority of the Forum's work.

Under these new arrangements the NESF has significantly developed its role and in this report provides valuable input to critical areas of policy development, along with a clear assessment of how we have performed to date in implementing key social programmes.

The report also comes at a pivotal point in terms of our economic and social development. As a country, we have just experienced our greatest ever period of growth which has seen unemployment fall to record lows and has significantly reduced levels of consistent poverty.

But I am pleased to say that while our prosperity has increased considerably so too has our awareness of poverty issues, largely due to the work that has been undertaken in the context of the National Anti-Poverty Strategy (NAPS). What is clear is that we must continue to build on the successes that we have had in tackling disadvantage. In

particular, as is recommended by the NESF in this report, the current review of the NAPS offers a great opportunity to broaden the scope of that programme and to set more ambitious targets for the reduction of poverty throughout society.

Now that we are facing into a period of uncertainty arising from the slow-down in the world economy and aggravated by the recent terrorist attacks in the US, we are being faced with more difficult choices. In arranging our public finances, it will be essential to strike the right balance between the need to further improve public services such as education, health and housing and the prudent management of the public finances.

Input and advice from the Social Partners and partnership institutions such as the Forum into the decision making process is extremely valuable and will continue to make a core contribution to the development of Government policy.

I would like to avail of this opportunity to convey the Government's fullest thanks to the Forum's Chairperson, Dr. Maureen Gaffney, to the Deputy Chairperson, the Forum Members themselves and the Secretariat for all their hard work and dedication to the work of the Forum over the last three years.



Bertie Ahern T.D.
Taoiseach

Executive Summary

Executive Summary

1. This is the latest in a series of Periodic Reports which the Forum prepares from time to time for the purposes of reviewing implementation and follow through, mainly by Government Departments and State Agencies, on its reports and opinions.
2. The present Report deals with the work published by the present Forum¹ since its Inaugural Plenary Session in November 1998. Its main conclusions are summarised beneath.

Section II: Local Development Issues

3. The Forum is encouraged by the generally positive actions already taken or planned by Departments (Tourism, Sport and Recreation, Environment and Local Government, Agriculture and Rural Development, and Social, Community and Family Affairs) in following-up on its recommendations.
4. It is also reassured to note that the Mid-Term Review of the National Development Plan will also focus, *inter alia*, on the progress made or otherwise in areas of direct concern to the Forum such as local development and social inclusion.
5. The Forum particularly welcomes the launch of the RAPID Programme along the lines that it had recommended. This Programme will involve a “*front-loading*” of investment under the National Development Plan in 25 of the most deprived communities in the country. An important dimension to this Programme, which the Forum strongly supports, is the active involvement of local communities in its implementation.
6. Particularly noteworthy in this regard will be the Area Implementation Teams, complemented with Monitoring Groups at City/County levels and a National Monitoring Committee reporting to Government. The latter will be chaired by Dr. Maureen Gaffney who is also the Chairperson of the Forum and this will provide useful links between the two bodies.

Section III: Enhancing the Effectiveness of the Local Employment Service

7. The positive responses by the Department of Enterprise, Trade and Employment

1. The Forum now operates on the basis of three-year cycles.

in accepting the Forum's recommendations have been notable in relation to the targeting of resources to those most in need, locating the LES networks as far as possible in areas of greatest disadvantage and in the involvement of the LES in the National Employment Action Plan.

8. However, a number of the Forum's other key recommendations have still to be acted on (namely those relating to developing an LES model for rural areas, extending the LES to other disadvantaged areas and introducing models of good practice for the LES on issues such as outreach, networking and more active liaison with employers). The Forum now asks the Department of Enterprise, Trade and Employment to arrange to have consideration of these issues expedited.
9. The dramatic fall in long-term unemployment means that those remaining on the Live Register have the most severe problems in finding a job. However, as noted in a recent ESRI report, their number is much smaller than might have been expected so that the resource demands in providing a one-to-one intensive service by the LES are correspondingly less.
10. This opportunity should also be availed of to give greater priority attention to other disadvantaged groups such as women, people with a disability, Travellers and others particularly distanced from work such as young people and women who are not on the Live Register.

Section IV: The National Anti-Poverty Strategy (NAPS)

11. The Forum is by and large happy with the action taken by Departments (Social, Community and Family Affairs and Environment and Local Government) on its recommendations. The steady progress being made by the Local Authorities in putting into effect their role on the NAPS is also to be welcomed.
12. The key issue at present is that of the review of the NAPS. The extensive programme of consultations with the social partner organisations represented on the Forum is commendable, although this has been very demanding on the limited resources available to these organisations.
13. In this regard, the Forum again emphasises the importance it attaches to its recommendations on *NAPS targets, data deficiencies and poverty-proofing* being considered and taken fully into account in this review. The Forum also highlights a number of its own earlier reports (such as those on the *Local Employment Service, Social Housing* and *Rural Renewal*) which are also particularly relevant to this review.

Section V: Social and Affordable Housing and Accommodation

14. The Department of the Environment and Local Government is making steady progress in implementing many of the Forum's recommendations and the Government's own policy initiatives are also beginning to show results in significantly boosting Local Authority housing completions.
15. But there is no evidence that the number on waiting lists is reducing, if anything these are still continuing to increase.
16. In the circumstances, the Forum considers that the Government should now review the situation with a view to taking more decisive action on the Forum's key outstanding recommendations in areas such as:
 - a National Housing Authority;
 - targets for the elimination of Local Authority waiting lists;
 - improvements in the management and delivery of public housing services; and
 - increasing the supply of building land through measures such as a windfall profits tax and price controls.
17. The slowing down in the economy and in the rate of increase in house prices, together with the emerging spare capacity in the construction industry, could now be availed of to bring forward the substantial increase in the social housing programme envisaged under the National Development Plan.
18. Finally, the recommendations in the now overdue Report on Rent Supplements under the SWA System should be assessed in the light of the analysis and conclusions set out in the Forum's own Report.

Section VI: Alleviating Labour Shortages

19. The current period of economic uncertainty and volatility should be availed of to the maximum extent possible, on both efficiency and equity grounds, to upgrading skills qualifications and to mobilising more effectively our still considerable domestic labour supply potential.
20. The underlying approach and the proposals contained in this Report are still valid in relation to:
 - *Welfare-to-work* (more comprehensive strategies, medical cards, income disregards, accessible and consumer-friendly information);

- *Tax Individualisation* (regressive effects of band individualisation and administrative individualisation of income tax for married couples);
 - *Women Returning to the Labour Market* (implementation of the Partnership 2000 Working Group Report on Access by Women to the Labour Market and more quality and affordable childcare facilities); and
 - *Immigration* (need for a positive approach by Ireland to implementing Title VI of the Amsterdam Treaty).
21. Lastly, some of the Forum’s recommendations which have yet to be acted on by a range of Government Departments (more notably, Enterprise, Trade and Employment, Finance, Justice, Equality and Law Reform) have also been recently endorsed by the EU Commission, especially those covering:
- Increasing further women’s labour force participation through removing tax barriers, increasing the number of affordable childcare places and reducing the gender pay gap; and
 - Developing in-company training and that of lifelong learning.

Section VII: Overall Conclusions

22. This concluding Section covers the following headings:
- ✓ The Forum’s Evolving Role;
 - ✓ The Forum’s Overall Policy Impact;
 - ✓ Project Teamwork Review;
 - ✓ Inequality and Social Exclusion Challenges;
 - ✓ Future Policy Priorities;
 - ✓ Policy Developments at EU Level;
 - ✓ Social Partnership and Governance Issues; and
 - ✓ Social Capital.
23. The main challenges and priorities, as seen by the Forum, in relation to inequality and social exclusion policy issues are listed in Box 1 on the following page.

Box 1

Inequality and Social Exclusion: Strategic Priorities

- The NAPS Review / Extended and more Ambitious Targets;
- Benchmarking and Indexation for those dependent on Social Welfare;
- Tax/Social Welfare System / Improving Redistributive Impacts;
- Quantified Targets for Equality Objectives;
- Fiscal Targets for key areas such as Exchequer balances, and
- distribution of the fiscal burden as between incomes, profits and other income sources;
- Implications of further overall tax reductions for financing public services; and
- Improvements in quality and delivery of public services, most notably health, housing, education disadvantage and public transport.

Acknowledgements

24. Lastly, the Forum wishes to record its appreciation to all those Departments who assisted in the preparation of this Report. A list of those involved, together with the abbreviations used in the text of the Report, is as follows:
- *D/ARD*: Department of Agriculture and Rural Development,
 - *D/ETE*: Department of Enterprise, Trade and Employment,
 - *D/ELG*: Department of the Environment and Local Government,
 - *D/FIN*: Department of Finance,
 - *D/HC*: Department of Health and Children,
 - *D/JELR*: Department of Justice, Equality and Law Reform,
 - *D/SCFA*: Department of Social, Community and Family Affairs, and
 - *D/TSR*: Department of Tourism, Sport and Recreation.

Section I

Introduction

Introduction

Aims of the Periodic Reports

- 1.1 As part of its working methods, the Forum publishes Periodic Reports from time to time so as to:
- Outline the work it has undertaken over a particular period of time;
 - Evaluate and comment on follow-up action taken by Government on its recommendations;
 - Amend and / or add to this initial set of recommendations, as may be appropriate in any case with the passage of time, in the light of the responses during the course of its follow-up discussions with Government Departments; and
 - Draw any conclusions from these discussions with a view, in particular, to enhancing its work methods and its policy input to the Government's decision-making processes.

Structure of the Periodic Report

- 1.2 The present Periodic Report deals with the published work to-date by the present Forum, which held its Inaugural Plenary Session in Dublin Castle on 12th November 1998. Each Section of this Report deals with an individual Forum Report or Opinion² in the following sequence:
- ✓ Outline of main features and recommendations;
 - ✓ Follow-up action taken by the Government on these recommendations; and
 - ✓ In the light of the above, the Forum's overall conclusions, including in some cases revised or further policy recommendations to Government.

Forum's Reconstitution

- 1.3 The Forum was originally established by the Government in 1993 for the

² The Forum's publications comprise two types of documents, namely Reports and Opinions. Compared to its Reports, Opinions are shorter documents and designed to provide more rapid policy responses to, for example, requests from Government such as the National Anti-Poverty Strategy.

purposes of contributing to the formation of a wider and more inclusive national consensus on major policy issues such as long-term unemployment, disadvantage and inequality in our society. A particular focus of its work was to develop initiatives to combat unemployment.

1.4 In December 1997, the Forum published an important Report³ as an input to the review that was underway at that stage by the Government on the social partnership institutions. That Report was centred on:

- Addressing a number of problems which had emerged over time in the social partnership process;
- Supporting the new identified roles for the Social Partners;
- Strengthening the social partnership process; and
- Assisting each organisation individually and all social partnership organisations collectively to address their common problems.

1.5 The Report's recommendations on a number of key institutional reforms, relating essentially to the NESC and the NESF, were fully accepted and on this basis the Government decided to:

- Revise the terms-of-reference for both bodies to ensure that their activities are more fully complementary;
- Change the membership of both bodies to reflect more fully the various strands of the social partnership process; and
- Place these bodies on a statutory basis⁴ and, in that context, to facilitate better co-operation and sharing of support services between both bodies.

1.6 The more immediate impact of these decisions as they relate to the Forum is outlined in the following paragraphs.

Forum's Current Mandate

1.7 The work of the Forum is now more closely focused on the detailed monitoring of initiatives taken in the context of national social partnership agreements, especially with regard to social exclusion and equality. This is particularly aimed

3 "A Framework for Partnership – Enriching Strategic Consensus through Participation", Forum Report No.16, December 1997.

4 It is understood that the Bill placing the NESC and the NESF on a statutory basis is at an advanced stage of preparation and is expected to be introduced later this year.

at ensuring that the views and experiences of all those affected by these measures are more effectively taken into account in the policy design and implementation stages⁵.

Forum's Membership

- 1.8 With the deepening and strengthening of the social partnership process, the Forum's membership has been widened further, with the addition of a Fourth Strand which includes representatives of a number of Government Departments, Local Government (General Council of County Councils, Association of Municipal Authorities and the Association of County and City Managers) and a number of Independent Members.
- 1.9 The upshot of these changes is that the Forum, which originally was set up by the Government in 1993 to give a voice to those groups outside the social partnership process (the unemployed, women, the disadvantaged, people with a disability, youth, older people and environmental interests), is still the largest and most representative of the social partnership institutions⁶. One of its continuing and distinctive features is that it includes elected Members of the Oireachtas (both Dáil and Seanad) across all the main Political Parties, including Government as well as Opposition Parties.

Forum's Structures and Working Arrangements

- 1.10 With its independent Chairperson and Secretariat, the Forum now works through the following structures:
- **Plenary Sessions** of the Forum's full 62 Members which debate, inter alia, the Work Programme and Reports / Opinions prepared by its Project Teams and / Ad Hoc Groups; these Sessions are normally held in Dublin Castle, with the media, outside experts, officials and invited guests in attendance; Ministers and Opposition Spokespersons may also be invited to attend and participate at these Sessions;
 - **A Management Committee** (which includes three representatives from each of the Forum's Four Strands) meets on a regular basis to ensure the Forum's overall effectiveness and functioning; its more specific functions include formal adoption of the Forum's Work Programme and of the Reports / Opinions in the light of previous debates at Plenary level as well as deciding on organisational and procedural issues;

5 The Forum's full terms-of-reference and constitution is given in Annex I to this Report.

6 A full list of the current Members of the Forum is given in Annex II to this Report.

- **Ad Hoc Working Groups** which may be established from time to time, either on the initiative of the full Forum meeting in Plenary Session or of its Management Committee, to consider specific issues; and
- **Project Teams** which are the main body involved in the preparation of Reports; their membership comprises balanced representation, usually not more than three, from each Strand, with particular account taken to ensure representation by the local and / or specialised elements of the national social partnership organisations.

1.11 Reflecting the above 1997 decisions taken by the Government to establish closer institutional relations between the NESF and the NESF, particularly with a view to getting each body to focus on distinct parts of the policy-loop (policy-making, implementation and monitoring), Project Teams represent the major reform introduced by the Forum since that date. In essence, the work of these Teams is specifically directed at:

- Evaluating the effectiveness of policies;
- Identifying corrective action and / or timely changes to ineffective policies; and
- Improving policy-making by better informing and influencing the reshaping of strategic policy analysis and formulation.

1.12 The work of the Teams is specifically geared to solving problems, addressing particular policy issues and bringing an “added value” dimension to bear on policy-making through identifying, where possible, new thinking and alternative options. The Teams also seek to ensure that their recommendations are specific and actionable (both in their content and to whom they are addressed), are supported by underlying analysis, are costed where this is feasible and are also prioritised.

1.13 The Teams may also be assisted by outside experts and may also appoint Project Leaders to provide impetus and direction in their work. Another novel feature of the Teams is that they may hold local consultations with various interests and focus groups throughout the country as well as invite written submissions from the public to assist them in their work.

1.14 Finally, the Forum’s Reports are submitted to Government, usually with a delay of about two-to-three weeks to allow time for their consideration and the issuing of a Press Statement which sets out the Government’s reactions to a Report’s policy findings and recommendations. Following on this, Reports are published and circulated to the Houses of the Oireachtas, Government Departments, and State Agencies as well as to other interest groups concerned in the private and community and voluntary sectors.

Forum's Work Programme

- 1.15 The main themes and indicative issues included in the Forum's current Work Programme are outlined in Box 2 below.
- 1.16 As regards *Lone Parents*, the Forum recently published a major Report on this topic and follow-up action by Government on this will be dealt with in the next Periodic Report. Project Team Reports are at present being prepared on *Health Issues*, *Re-Integration of Prisoners*, *Equality Issues* and *Early School Leavers* and it is hoped to have these ready for publication over the coming weeks. A planned Report on *Income Adequacy* was held over until such time as the Social Welfare Benchmarking and Indexation Group, established late last year under the provisions of the *Programme for Prosperity and Fairness*, had reported.

Box 2

The Forum's 1999/2001 Work Programme Main Priority Themes

Immediate Priorities

- Local Development Issues
- Local Employment Service
- Social Housing
- Labour Shortages
- Income Adequacy

Later Priorities

- National Anti-Poverty Strategy
- Lone Parents
- Health Issues
- Prisoners / Ex-Offenders
- Early School Leavers
- Care for the Elderly
- Training for Older Workers

1.17 An on-going concern by the Forum in implementing its Work Programme is to ensure that:

- A problem-solving approach is adopted and is targeted at responding to specific questions and/or addressed at resolving implementation difficulties in specific policy areas;
- Duplication is avoided with other bodies and an “*added value*” dimension is brought to bear in its work processes;
- The work is prioritised so as to link in with and influence the Government’s own decision-making timetable as well as, in some instances, inputting into the negotiations on national social partnership agreements; and
- All work topics and reports take into account major policy framework documents such as the National Anti-Poverty Strategy and commitments given on social inclusion and equality, including in the latter context the Forum’s own report on Equality Proofing⁷.

Forum’s Financing

1.18 The Forum is under the aegis of the Department of the Taoiseach and its activities are funded through an annual Grant-in-Aid from that Department. Its Annual Accounts are audited by the Comptroller and Auditor General.

⁷ “*Equality Proofing Issues*”, Forum Report No.10 (February, 1996).

Section II

Local Development Issues

FORUM OPINION NO. 7

on Local Development Issues

Introduction

- 2.1 This Opinion was prepared in the Autumn of 1999 as an input to the Government's preparation of the then *National Development Plan 2000-2006* as well as to the implementation of the local government reform process which was underway at that stage.
- 2.2 The Forum strongly supports the development of local initiatives to address disadvantage. Despite the dramatic improvements in our economic and social situation in recent years, the benefits have not been shared fairly and there remain significant problems in relation to inequality and social exclusion issues. These must be tackled more decisively. In the circumstances, the Forum argued forcibly not only for the Local Development Programme (LDP) to be continued but that it should also be further developed and strengthened.

Main Recommendations

- 2.3 The Forum considered it essential that the new National Plan should contain positive measures so that local communities who make a collective effort to tackling disadvantage in their own areas are supported to the maximum extent possible. All our people should share more fairly in the opportunities and the benefits of future prosperity. Of particular importance in this regard was the Forum's recommendation that the Plan should allocate £224 million as a minimum to support LDP measures, both in rural and urban areas.
- 2.4 Other key recommendations made were:
 - A major development programme was needed in severely disadvantaged urban areas where whole communities have been devastated by years of mass unemployment and poverty;
 - Within the framework of the on-going programme of reforms to our local government system, the partnership approach, involving local communities and all the Social Partners, should be used as the model in tackling disadvantage at local level; and
 - The setting of overall and specific objectives for the new LDP and the targeting of resources to named disadvantaged groups such as the long-term

unemployed, other social welfare dependants, lone parents and those on low pay.

Follow-up Action by Government Departments on Forum Opinion No. 7

2.5 The actions taken by Government Departments on the Report's main recommendations are outlined in Box 3 (beneath) under a number of key headings.

Box 3

(The number references are to corresponding paragraphs in the Report)

(i) General, Designated Areas and Local Development / Local Government	
Forum Recommendations	Action Taken by Government Departments
Rec. 2.29. The Local Development Programme should continue to be supported in the new National Development Plan (NDP) 2000-2006.	Each of the two Regional Operational Programmes contains a Local Development measure with total funding in excess of £300 million over the lifetime of the NDP. [D/TSR]
Rec. 3.41 The NDP should also include specific investment measures for severely disadvantaged urban areas.	<p>The Programme for Prosperity and Fairness (PPF) included a commitment to target the 25 urban areas with the greatest concentration of disadvantage for priority investment under the NDP. A programme called "RAPID" has been developed to deliver on this commitment, the framework for which is now in place. The Programme has set a target date of 31 December this year for the completion of local area plans and the frontloading of investment under the NDP will be undertaken in 2002 and 2003. [D/TSR]</p> <p>The Government has also decided that a second strand would be developed to focus on provincial towns. Towns with a population in excess of 4,000 are included for assessment in the programme. Area Development Management Limited (ADM) are managing the assessment process, using objective criteria, on behalf of the Department. [D/ELG]</p>

<p>Rec. 4.10 Specific anti-poverty objectives should be incorporated within County/City Strategies.</p>	<p>Strategic Policy Committees have now been established in all County and City Local Authorities. Their purpose is to facilitate Councillors to have a better input into policy-making as well as giving a voice to sectoral interests, including the Social Partners.</p> <p>The County/City Development Boards (CDBs) have now also been established. The Economic, Social and Cultural Strategies which all CDBs are required to have in place by early 2002 will encompass all services delivered locally, with an explicit focus on Social Inclusion. <i>[D/ELG]</i></p>
<p>Rec. 4.11 The Task Force proposal for common areas should be approached with flexibility and sensitivity over time.</p>	<p>A Working Group of senior officials reporting to the Task Force on the Integration of Local Government and Local Development is currently reviewing the planning and delivery mechanisms for Social Inclusion measures at local level. <i>[D/TSR]</i></p>
<p>Rec. 4.12 Some flexibility should be allowed in the implementation of Community and Voluntary Fora to take account of local conditions.</p>	<p>Community and Voluntary Fora are being given a real say in the development of CDB Statements of Strategy through their representation on the Boards of CDBs. The CDBs are committed to taking on board the insights that the Community and Voluntary Sector can bring to the delivery of services. <i>[D/TSR]</i></p>
<p>Rec. 4.22 The partnership approach is a model that should be incorporated in whatever approach is adopted to address disadvantage at a local level. Decisions about the way forward on these issues should be made following consultation with all the relevant interests involved, including all the Social Partners.</p>	<p>The partnership model will continue until the mid-term review of the NDP. The NDP provides that all programmes and their delivery mechanisms would be reviewed at that stage, having regard to the new CDB framework and the closer integration of the Local Government and Local Development Systems. That review will involve all relevant interests. <i>[D/TSR]</i></p> <p>The County Development Boards (established on foot of the Task Force's</p>

	<p>recommendations), on which the local development agencies are represented, will facilitate a co-ordinated and partnership approach by all concerned. Moreover, the Boards of LEADER Groups are broadly representative of the social partners, local elected representatives and State Agencies. [D/ARD]</p>
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(ii) Local Development measures in the National Plan

Forum Recommendations	Action Taken by Government Departments
<p>Rec. 6.5 The principal objective of the Local Development Measures in the new NDP should be <i>“to counter disadvantage through support for communities which make a collective effort based on partnership to maximise the development potential of their areas and to equitably target the opportunities and benefits of development to disadvantaged people within their areas”</i></p>	<p>This objective is reflected in the policy statement and objectives and activities of ADM and the Partnership Companies/Community Groups. [D/TSR]</p>
<p>Rec. 6.6 Resources in the Local Development Measures should be clearly targeted at specific named groups including: the long-term unemployed, those dependent on means-tested social welfare payments, lone parents, Travellers, children at risk of early school leaving, people with disabilities, small holders, people living in poverty as a result of low-pay, the homeless, ex-prisoners and those involved or at risk of becoming involved in drug abuse.</p>	<p>All of the groups named are targeted by Partnership Companies/Community Groups, the degree of intervention for specific groups varying from area to area. [D/TSR]</p>
<p>Rec. 6.7 New Local Development Measures should allocate resources to develop the capacity to participate of organisations representing the named target groups. Also, the involvement of all Partnership and Community Group Board Members should be developed and supported.</p>	<p>Capacity-building and the improvement of local communities is a key principle in the delivery of the Local Development Programme. [D/TSR]</p>

<p>Rec. 6.8 The central role of community development principles and actions should be restated in the new Local Development Measures.</p>	<p>The Local Development Measures of the Regional Operational Programmes specifically mentions Community Development as one of the three key action areas. <i>[D/TSR]</i></p>
<p>Rec. 6.9 The issue of gender equality should be addressed within the structures and programmes of the new Local Development Measures.</p>	<p>The promotion of equality, including gender, is central to the overall design of local development plans. <i>[D/TSR]</i></p>
<p>Rec. 6.10 The specific objectives of the Local Development Measures, should include assisting the target groups to access employment, helping early school leavers, promote lifelong learning for the target groups, improve community infrastructure and capacity and ease involvement of communities, and promote equality policies at a local level.</p>	<p>The objectives listed are fundamental to the work of Partnerships/Community Groups. <i>[D/TSR]</i></p>
<p>Rec. 6.13 The minimum financial allocation required for the Local Development Measures 2000-2006 is £224 million at 1999 prices.</p>	<p>The total allocation for the Local Development Measure (including the National Drugs Strategy) will be in the order of £370 million. <i>[D/TSR]</i></p>
<p>Rec. 6.14 Local Development Measures should have priority over other Measures, when it comes to the annual distribution of amounts available under the “deflator” adjustments.</p>	<p>This is a matter that can be raised at meetings of the Monitoring Committees for the Regional Operational Programmes. <i>[D/TSR]</i></p>
<p>Rec. 6.16 Appropriate transitional arrangements for the Local Development Programme should be put in place. This is a matter that must be urgently addressed.</p>	<p>Transitional funding arrangements were put in place by Area Development Management Ltd (ADM) that enabled Partnership Companies/Community Groups to continue their work pending the finalisation of the new Programme. <i>[D/TSR]</i></p>
<p>Rec. 6.18 ADM should deliver the Local Development Measures in both Regions, in co-operation with the respective Regional Assemblies. Also, ADM should specifically incorporate and operationalise the new regional situation in its own working arrangements.</p>	<p>ADM will continue to have overall responsibility for overseeing the implementation of the Local Development Measure in the Regions and it has adapted its working arrangements to reflect the new regional situation. <i>[D/TSR]</i></p>

Rec. 6.19 All the Social Partners should be represented in Monitoring Committees for each Operational Programme.	Agreed; this has been put into effect. <i>[D/TSR]</i>
Rec. 6.20 There should be a specific role for ADM in the monitoring arrangements.	ADM has responsibility for monitoring performance against agreed specific target indicators. <i>[D/TSR]</i>
Rec. 6.23 A limited number of key indicators should be agreed to track programme performance.	Yes, these are included in the Programme complements. <i>[D/TSR]</i>
Rec. 6.24 ADM should be specifically mandated to develop a system of benchmarking performance in the Local Development Measures.	Yes, this has been done. <i>[D/TSR]</i>
Rec. 6.26 Specific structures should be put in place to enhance the Local Development Measures contribution to policy development.	The success of the Local Development Measures during the first half of the Programme will contribute to the policy review of delivery mechanisms for social inclusion measures. <i>[D/TSR]</i>

(iii) Other Issues

Forum Recommendations	Action Taken by Government Departments
Rec. 7.5 The Community Development Programme should continue to be developed.	<p>Community Development is one of the three key action areas. <i>[D/TSR]</i></p> <p>The Community Development Programme aims particularly at mobilising the capacity of disadvantaged communities to participate in mainstream local development, training and education, as well as having a strong focus on influencing policy and working for change at regional and national level. <i>[D/SCFA]</i></p> <p>Some 130 projects/areas country-wide are currently in receipt of funding or have been approved for inclusion in the Programme (expanded from some 90 projects in 1998). The Department will also continue expansion of the Programme in line with PPF commitments,</p>

	<p>focusing particularly on rural areas. [D/SCFA]</p> <p>The Community Development Programme is now administered as part of the Social Inclusion programme of the National Development Plan. Funding of £12 million has been allocated to the Programme in 2001. [D/SCFA]</p>
<p>Rec. 7.6 Initiatives for cross-border local and rural development, targeting poverty and disadvantage, should be explored and developed.</p>	<p>Cross-Border initiatives are examined by Partnerships based in the border counties. The Peace II Programme is also relevant. [D/TSR]</p> <p>Within the framework of the Steering Committee on Cross-Border Rural Development, established by the North/South Ministerial Council, studies are currently in progress in relation to co-operation between cross-border communities, to identify the priority issues of concern to rural communities, and to recommend models for cross-border action and the extent, if any, to which such models could be supported by current official (including EU) programmes and initiatives; and a Joint Cross-Border Education, Training and Research Scoping Study, to identify providers, North and South, of rural development training and to make recommendations on targeting resources and models for training. [D/ARD]</p>

Forum's Conclusions on the above Action Taken by Government Departments on its Opinion No. 7

- 2.6 The Forum welcomes the above responses from the Departments concerned (Tourism, Sport and Recreation, Environment and Local Government, Social, Community and Family Affairs and Agriculture and Rural Development) and it is encouraged by the generally positive outline of the actions already taken or envisaged for the future by these Departments in following-up on its recommendations.

- 2.7 In this regard, of particular significance is the new RAPID Programme⁸ that will provide targeted assistance for the 25 most deprived areas in the country. This had been strongly advocated by the Forum in its Opinion. Another dimension to this Programme is the opportunity it will provide to focus on the integrated delivery of services at local levels, not only in relation to personal social services but also across all other policy areas such as income supports, education, training and labour market programmes, and housing.
- 2.8 Looking to the future, an important milestone and test of the above actions will be the Mid-Term Review next year of the National Development Plan and the related Operational Programmes and delivery mechanisms. This will include local development and social inclusion measures and programmes which, given its remit, are of particular interest and concern to the Forum. The Forum welcomes that this Review process will include consultations with the Social Partners and all other relevant interests.
- 2.9 Finally, there remains one of the key outstanding questions in this area, namely that of the National Spatial Strategy as provided for in the *Programme for Prosperity and Fairness*. This is to be finalised by the end of this year, following an extensive process of consultations and participation by regional and local interest groups, including the Social Partners. In this respect, the Forum wishes to recall that some of the recommendations that it made in one of its earlier reports⁹ are still relevant and asks that these be taken into account in this process.
- 2.10 The fundamental importance of such a Strategy in providing a framework in guiding infrastructural, industrial and rural development over the next 20 years is, of course, all the more important against the background of the CSO's recent population forecasts¹⁰.
- 2.11 One of the alarming features of these forecasts is that, on the basis of no policy changes, the proportion of the population living in Dublin is projected to continue on increasing from its 1996 level of 29% to 32 % in 2011 and to a staggering level of 36% by 2031. This would entail a population density of almost 4,000 people per square mile in Dublin by 2011 alone, compared to the rest of the country of only 100 people to the square mile.
- 2.12 Such an unbalanced pattern of development is unsustainable¹¹ and must be tackled vigorously with an all-out and radical programme of major policy initiatives and infrastructure investments in the regions.

8 The CLÁR Programme, which is the rural equivalent of RAPID, was recently launched by the Government to revitalise the problems of depopulation, decline and lack of services in 16 designated areas.

9 *"Rural Renewal – Combating Social Exclusion"*, Forum Report No.12, March 1997.

10 *"Regional Population Projections 2001 -2031"*, CSO (June 2001).

11 In a recent article in the *Irish Times*, Dr. Garret FitzGerald called for further study of these projections, given their discrepancy with recent population estimates as shown by the Quarterly National Household Survey.

Section III
Enhancing the
Effectiveness
of the Local
Employment
Service

FORUM REPORT NO. 17

on Enhancing the Effectiveness of the Local Employment Service

Introduction

- 3.1 The main thrust of this Report, which was published in March 2000, was to highlight the changes that were needed, if the Local Employment Service (LES) was to function more effectively and provide the type of targeted services, as had been advocated in the Forum's influential and original Report on Long-term Employment¹².
- 3.2 The Report was prepared against the background of the most marginalized groups in our society not benefiting fairly from the unprecedented growth in job opportunities that were opening up in our economy. This would only be achieved through the intensive one-to-one personal attention, counselling, progression paths and other supports that could be provided by an enhanced and more adequately-resourced LES to enable these groups to access education and training facilities.
- 3.3 The Forum also saw this Report as timely, in the context of seeking to ensure the successful integration of the LES with the then recently-established National Employment Service, the National Employment Action Plan (NEAP) for EU purposes and the commitments given in the Programme for Prosperity and Fairness to improving the opportunities for women and other disadvantaged groups to access the labour market.
- 3.4 The Report focused on a number of key themes such as:
- The continuing need and role for the LES, despite our dramatically improved economic and social situation;
 - Targeting strategy (80 % of LES resources should be allocated to those in greatest need);
 - LES extension to other areas of the country and the challenges that must be addressed if the role of the LES is to be enhanced;
 - LES outreach role and models of good practice with its clients;

12 *"Ending Long-term Unemployment"*, Forum Report No. 4, June 1994.

- LES role in the co-ordination of services for clients and the lead role that should be given to the LES under the NEAP;
- Liaison with employers; and
- Organisation and management of the LES at local level, with the need for a national framework to communicate learning and good practice for policy-makers and strengthening the national structures for the LES as well as the need for a more strategic vision.

Project Team Consultation Process

3.5 As part of the Forum’s open and inclusive working methods, the Project Team that prepared the Report undertook a wide programme of consultations with, for example, a one-day workshop in Athlone with LES Co-ordinators, LES Mediators and Employer Liaison Officers and LES Partnership Managers, a meeting in New Ross with Non-LES Partnership Managers, and an intensive series of consultations in another four selected areas (Clare, Dundalk, Mayo and Tallaght) with LES Management Committees, Government Departments, FÁS, VEC, ICTU and focus groups.

Follow-up Action by Government Departments on the Forum’s Report No 17

3.6 A summary of the follow-up action taken by Government Department is given in Box 4 beneath.

Box 4

(The number references are to corresponding paragraphs in the Report)

Forum Recommendations	Action Taken by Government Departments
<p>Recs. 2.50-2.53 The introduction and development of the LES to-date represents a significant achievement. However, there are a number of issues that need to be addressed, at both national and local level. For the future, the Project Team particularly recommends a re-focusing of resources on those who are most in need, including a concerted policy of effective outreach.</p>	<p>Such a re-focusing of resources on those most in need, including a policy of concerted outreach, is happening at local level. [D/E TE]</p> <p>The LES networks are locating in areas of greatest disadvantage and are working with those most in need. [D/E TE]</p>

<p>Rec. 3.12 The present economic environment represents a unique opportunity to effectively eliminate long-term unemployment. This can best be facilitated through the provision of intensive guidance and specific training, together with other supports and the continued improvement of the incentive structure in the welfare-tax system. The LES has a central role to play in this process.</p>	<p>The need for the provision of intensive guidance and specific training, together with other supports and the continued improvement of the incentive structure in the welfare-tax system is accepted. [D/ETE]</p> <p>The LES and Partnerships have attempted to play an important role in this process through their experience in working with clients. Examples include ADM's income maintenance group, papers on JI and the activation of the FIT programme. Some LES/Partnerships have submitted papers to the Department of Education and Science on the White Paper on Adult Education. [D/ETE]</p>
<p>Rec. 5.3 While recognising the achievements under the National Employment Action Plan (NEAP) thus far, the Project Team considers that the Plan does not give sufficient emphasis to the objective of re-employing the long-term unemployed. This objective should constitute a key Guideline under the Plan.</p>	<p>The Department does not share this interpretation. In fact, three quarters of the fall in unemployment has been in the category of long-term unemployment. Furthermore, the long-term unemployed as a proportion of unemployed on FÁS training courses increased from 11% in 1997 to 22% in 1999, but due to the dramatic fall in long-term unemployment, this proportion had fallen to 18% in year 2000. The Employment Action Plan 2001 should also be consulted. [D/ETE]</p>
<p>Rec. 5.13 The LES should engage fully in the administration of Guidelines 1 & 2 of the National Employment Action Plan. The involvement of the LES in this function should be arranged in such a way that its distinct ethos is actively maintained. With these aims in mind, the Project Team has drawn up a National Protocol for the involvement of the LES in the NEAP.</p>	<p>This is taking place and LES areas are adapting the proposed National Protocol into local plans. [D/ETE]</p>
<p>Rec. 5.18 It is important that the National Employment Action Plan be</p>	<p>This recommendation is being implemented primarily by FÁS, the</p>

<p>presented and perceived, both nationally and at the point of engagement with the client, as having as its central purpose the facilitation of unemployed people in progressing to training or job opportunities, or assisting them in identifying and overcoming barriers to progression.</p>	<p>DSCFA and the LES. [D/ETE]</p>
<p>Recs. 2.47 & 4.18 The Project Team welcomes the establishment of the dual-stranded National Employment Service. The Team has identified a number of challenges that will need to be met if the integration of the LES into the National Employment Service is to be successfully accomplished.</p>	<p>These comments have been noted and will inform the integration process. [D/ETE]</p>
<p>Recs. 6.23 and 6.29 Priority should be given to operating the LES in areas of particular disadvantage where the model can be successfully deployed. Within any given locality, the Team recommends that the activities of the LES be concentrated on those most in need. With this objective in mind, it recommends as a national guiding principle that 80% of new LES clients should come from the long-term unemployed and other particularly disadvantaged groups. Flexibility around this guiding principle would be required at local level to ensure that LESs can respond to identified, verified local needs.</p>	<p>These related recommendations suggest that priority be given to areas of particular disadvantage and that up to 80% of LES clients should come from the long-term unemployed and other particularly disadvantaged groups.</p> <p>This has effectively been implemented. Agreement has been reached between FÁS and the Partnerships in relation to target groups for LES activity. [D/ETE]</p>
<p>Rec. 7.5 One of the first tasks for the new Employment Service Advisory Committee should be the development of an appropriate model for the provision of an LES-type service in rural areas.</p>	<p>This is a matter for consideration by that Committee and this will be brought to its attention. [D/ETE]</p>
<p>Rec. 7.7 The LES-type service should, ultimately, be made available throughout the country. It recommends</p>	<p>This is clearly an issue to be considered by the Employment Service Advisory Committee and this will also be brought</p>

<p>that the LES be introduced into those disadvantaged areas where the existing model can operate successfully. In the case of those areas where the existing model manifestly cannot service the needs of local communities, the introduction of an LES-type service should occur once the appropriate model has been developed.</p>	<p>to that Committee’s attention. [D/ETE]</p>
<p>Recs. 8.9, 9.6, 10.7, & 11.10 The Project Team recommends a model of good practice for each of the following four aspects of LES activity:</p> <ul style="list-style-type: none"> ● outreach, ● networking, ● liaison with employers, and ● organization and management at local level. 	<p>These are issues which are within the operational competence of the LES Board/Management Committees which have a widely representative membership. [D/ETE]</p>

Forum’s Conclusions on the above Action Taken by Government Departments on its Report No. 17

- 3.7 Viewed in the overall, the Forum welcomes the positive responses from the Department of Enterprise, Trade and Employment and the concrete action it has taken in accepting and implementing many of its recommendations to-date.
- 3.8 Foremost among these has been that of:
- targeting resources on those most in need such as the long-term unemployed and other disadvantaged groups;
 - seeking to ensure that the LES networks are located more in areas of greatest disadvantage; and
 - the proposed National Protocol for the involvement of the LES in the National Employment Action Plan (NEAP) is being put into effect and that this is also taking place at local levels.
- 3.9 The fall in unemployment, and particularly in long-term unemployment - assisted by the unprecedentedly high growth rates and employment gains over the last few years, together with the LES and the activation measures under the

NEAP - has been dramatic with the result that long-term unemployment now accounts for only 1.2% of the labour force, as compared to nearly 9.0% when the Forum published its influential Report No. 4 on “*Ending Long-term Unemployment*” back in 1994.

3.10 However, in some cases the Forum would have expected more active responses and encouragement. For example, the Departmental responses to some of its recommendations are limited to stating that the issues are ones to be considered elsewhere such as the Employment Service Advisory Committee or the LES Board /Management Committees. It is over a year and a half since the Forum published its Report and at this stage it would ask the Department of Enterprise, Trade and Employment, given its responsibilities and influence in this area, to at least encourage these Committees to advance consideration of these issues. In this regard, the more important outstanding recommendations which need to be pursued are:

- Development of a model for an LES service in rural areas;
- Extending the LES to further disadvantaged areas; and
- Introducing models of good practice for the LES in relation to issues such as outreach, networking, liaison with employers and organisation and management matters.

3.11 Despite the success of innovative policy measures introduced over the last few years, it is important to guard against any complacency. The recent slowing down in our economy and worrying job losses should serve as a clear warning to us all of the fragility of our recent success. It is also important to realise that those remaining on the Live Register and unemployed are those with the most severe problems. Those involved will require more intensive one-to-one advice and assistance of a type which can best be provided by a more adequately-resourced LES.

3.12 As a recent ESRI report¹³ highlighted, the numbers involved here make up a much smaller proportion of the total than might have been expected, such that the additional costs involved in providing this intensive service would be less than might have been expected and can be well justified on economic and social grounds. This should also add impetus to more vigorous action on the Forum’s remaining recommendations in its Report No. 17, as well as giving greater priority attention now to other disadvantaged groups such as women, people with a disability, Travellers and others particularly distanced from work such as young people and women who are not on the Live Register.

13 “*Employability and the Live Register*”, Barrett, Whelan and Sexton (May 2001).

- 3.13 The above ESRI report also highlighted, apart from that of age and low levels of education, the importance of other factors, which the Forum has for long been advocating, such as lack of access to transport, lack of childcare and literacy difficulties, particularly among the long-term unemployed.
- 3.14 Lastly, the Forum was looking forward to the results of the evaluation study that the ESRI had intended to carry out of the referral process under the NEAP, against the background of the controversy which this process created on its introduction. The Forum hopes that the potential data collection problems in this area under the Data Protection Act can be quickly resolved so that this study can get underway as soon as possible.

Section IV

The National Anti-Poverty Strategy

FORUM OPINION NO. 8

on the National Anti-Poverty Strategy (NAPS)

Introduction

- 4.1 The Forum has been given a specific role by the Government to report on the progress made in implementing the NAPS. The NAPS is the Government's multi-annual strategy to tackle poverty in an integrated way across five key policy areas, namely: Income Adequacy, Unemployment, Educational Disadvantage, Rural Poverty and Disadvantaged Urban Areas.
- 4.2 This was the first in a series of Annual Opinions that the Forum had intended to prepare on the implementation and impact of the NAPS.

Opinion's Findings

- 4.3 The main findings were:
- The original targets for consistent poverty and unemployment were quickly achieved, reflecting the buoyant economy; and new targets have been set to be met by 2004;
 - However, little progress was made in relation to the NAPS educational targets, while no targets were included on literacy and other quality of life indicators such as healthcare and housing;
 - Moreover, there has been a further widening of the gap between the poor and the better off; for example, over the relatively short 1994/1997 period there has been a substantial redistribution of income in favour of the rich;
 - In comparative terms, Ireland's income distribution is among the most unequal in Europe; and
 - Despite the unprecedented levels of prosperity, over 20 per cent of our population are living below the 50 per cent poverty line; women are facing an increased risk of poverty, while Irish children have the highest rate of income poverty in the EU.

Impact of the NAPS

4.4 In the Forum's view, the most important impact of the NAPS has been:

- It represents a significant step towards a more integrated approach to policy-making in this country;
- Its role in raising awareness, with the result that poverty issues have now moved up the policy agenda;
- However, the Strategy has not been applied consistently by all Government Departments and it has yet to bed down as a key element in policy-making; for example, both Budget 2000 and the National Development Plan were not fully poverty-proofed; and
- The process of target setting is beneficial but assessing the precise impact of the NAPS is seriously limited by lack of up-to-date data.

Actions Needed to Enhance Impact of the NAPS

4.5 The Forum's conclusions fall under a number of key headings:

- **Updating the NAPS:** to cover new issues such as child poverty, women's poverty and older people;
- **Target Setting:** more ambitious and more measurable targets are needed and these should be extended to new policy issues and target groups; foremost among these, is that targets should now be established for *relative* poverty indicators; data deficiencies must also be given greater priority;
- **Implementation Process:** all Government Departments should prepare Annual Plans and Progress Reports on the NAPS;
- **Poverty-proofing:** more transparency and public access to the results are needed;
- **Broadening of the NAPS:** its proposed extension to the Local Authorities and Health Boards should now also be widened to cover other bodies such as County/City Development Boards and Area Partnership Companies; and
- **Stakeholder Involvement/Raising the Public Profile:** regular consultations and active participation by all interests (social partners, political representatives, NGOs) is a vital element in the success of the NAPS.

Forum's Recommendations

4.6 These covered the following headings:

- ***NAPS Strategy and Targets;***
- ***Poverty-proofing; and***
- ***Extending the NAPS to the Local Authorities and Other Agencies at Local Levels.***

4.7 A summary of these recommendations is given in Box 5 below.

Box 5

SUMMARY LIST OF THE FORUM'S MAIN RECOMMENDATIONS

(i) NAPS Strategy and Targets

- Reasons why the NAPS has not bedded down in some Government Departments should be examined and action taken, if necessary, by the Cabinet Committee on Social Inclusion;
- Future NAPS targets should be extended to new areas (such as the reduction of child poverty), while the targets themselves should now be more ambitious, more challenging and more specific;
- Consideration should be given to extending the global target to cover *relative* poverty indicators;
- Related performance indicators, against which targets can be assessed, should be developed; this should also include the setting of agreed output and outcome indicators for each target; and
- All Government Departments should publish strategic objectives under the NAPS and annual plans to realise these objectives.

(ii) Poverty-proofing

- Much greater transparency is needed and the results of poverty-proofing exercises should be made public;
- More specifically, there should be a commitment to poverty-proofing the Annual Budget and EU Operational Programmes;
- Poverty-proofing should be systematically applied across all Government Departments and not just those with a specific poverty remit;
- More adequate staff training and supports are needed to ensure that the poverty-proofing process is implemented as effectively as possible; and

- The process should be the subject of on-going reviews of its impact and effectiveness.
- (iii) Extending the NAPS to the Local Authorities and Other Agencies at Local Levels
- The planned extension of the NAPS should be underpinned in the new Local Government Bill;
 - The proposed social inclusion units should be established in a wide range of Local Authorities viz. Authorities of different sizes and in both urban and rural areas;
 - The NAPS should also be extended to the City/County Development Boards and other official bodies at regional and local levels;
 - All these bodies should develop, in consultation with local communities, anti-poverty policies, with related objectives and annual plans, and devote resources (including staff training and poverty-proofing mechanisms) to their effective implementation, monitoring and evaluation; and
 - Training, capacity-building supports and funding are also needed for the NGOs.

Follow-up Action by Government Departments¹⁴ on Forum Opinion No. 8

Forum's recommendations on the NAPS Review

4.8 Following the deliberations of the Inter-Departmental Policy Committee and the Cabinet Committee on Social Inclusion, a meeting was held with the Social Partners on 4th July 2000 to agree the review process. Consequently, issues to be examined as part of the review were considered initially by Working Groups under six themes i.e. Educational Disadvantage, Employment, Rural Poverty, Urban Disadvantage, Housing/Accommodation, Health and Income Adequacy. Child Poverty, Women's Poverty, the concerns of older people, and the concerns of minority ethnic groups were addressed by each Working Group as cross-cutting issues.

14 All the response material in this sub-Section, unless otherwise indicated, has been supplied by the Department of Social, Community and Family Affairs.

4.9 As regards the Forum's recommendation that this review should be based on more widespread and strengthened consultations with all the varied interests involved, Phase 1 of the NAPS review involved the following consultation process:

- each Working Group was representative of the Social Partners and relevant interests as appropriate; and
- each Working Group held a consultative seminar as part of their deliberations (the Rural Poverty Working Group held two seminars - one in the Border, Midlands and West Region and one in the South and East Region).

4.10 The Steering Committee, set up for Phase 2 of the review, again includes representation from the Social Partners and other relevant interests. A consultative seminar on the NAPS was held on 18th September last which gave a further opportunity for the varied interests involved to put forward their views. A report on the seminar will be submitted to the Steering Committee, in advance of the submission of a draft NAPS to Government for final decision on the make-up of the revised Strategy.

Forum's recommendation on data deficiencies

4.11 Data issues have been highlighted in the PPF as being critical in terms of policy development and analysis. In particular the PPF includes commitments to:

- provide relevant data and data collection systems for monitoring and evaluation of poverty, including systems of measuring poverty among groups not currently included in the Living in Ireland Survey (e.g. Travellers, the homeless and people living in institutions);
- adapt data systems to enable disaggregation of health access and outcomes across NAPS target groups; and
- develop a system for the collection and dissemination of disaggregated data for women and, in relation to health, education and training for Travellers.

4.12 Data collection, including the issue of the adoption of a formal Data Strategy, is being addressed as part of the current review of the NAPS. In the health area, the implementation of the National Health Information Strategy currently being developed and the implementation of the National Health Research Strategy will considerably improve the data base available in relation to needs, access and outcomes for groups at risk of social exclusion.

4.13 Under the National Action Plan Against Poverty and Social Exclusion

(NAPSincl) submitted to the EU in June last, more systematic methods of data collection across the nine grounds of current equality legislation will be developed and this will facilitate better understanding of the causes of poverty and exclusion and particularly the relationship of equality to exclusion.

Forum's recommendations on poverty-proofing

- 4.14 The Forum called, *inter alia*, for greater transparency in relation to how and in what contexts poverty-proofing is being implemented, with particular reference to a poverty-proof of the Annual Budget.
- 4.15 The Minister for Finance published on Budget Day 2001 an outline of how the income tax provisions in that Budget were poverty- proofed, having regard to the official guidelines on the matter that were circulated by the Department of Social, Community and Family Affairs (DSCFA). Documents outlining the proofing of the social welfare budget package are available, from Budget Day, to anyone who expresses an interest - as they were for the last Budget.
- 4.16 In addition, all Government Departments are subject to the Freedom of Information Act. This means that records held by Departments, including records in relation to poverty-proofing, are accessible to members of the public, subject only to certain specific exemptions placed within the Act by the Oireachtas. Poverty-proofing records are therefore fully accessible, subject only to these exemptions.
- 4.17 Responsibility for poverty-proofing the overall Budget rests with the Minister for Finance.
- 4.18 In relation to the Department of Social, Community and Family Affairs, key principles of the National Anti-Poverty Strategy are built into the development of the social welfare Budget package from the start and influence the development throughout. Documents outlining the proofing of the social welfare Budget package were available on Budget Day, and are available on the Department's website (<http://www.welfare.ie>).
- 4.19 Spending Departments are responsible for poverty-proofing expenditure measures.
- 4.20 All Memoranda for Government and key policy initiatives (e.g. the National Development Plan), where significant policy decisions have to be made, are required to be poverty-proofed by all Government Departments, and all staff working on the preparation of proposals for Government Memoranda, legislation etc. are aware of these requirements and Departments have put in place the necessary arrangements.

Forum's recommendations on clearer guidelines and better training for staff

- 4.21 To assist in the implementation of poverty-proofing, the National Anti-Poverty Strategy Unit, based in the Department of Social, Community and Family Affairs produced a set of guidelines on poverty-proofing and worked examples which were distributed to all Government Departments. The Unit has also met with the Strategy's Liaison Officers in all Government Departments and discussed poverty-proofing with them in order to assist with any difficulties.
- 4.22 As provided for in the *Programme for Prosperity and Fairness*, the poverty-proofing arrangements are currently being reviewed by the National Economic and Social Council. This review is examining issues such as how the poverty-proofing process might distinguish between large integrated programmes which consist of proposals from various Departments, and other more self-contained proposals. It is also assessing how the on-going implementation of the poverty-proofing process might be integrated with the broader policy proofing requirements, including equality proofing, rural proofing and eco-auditing.
- 4.23 It is expected that the review will be finalised shortly. Following this, the Department of Social, Community and Family Affairs will consider further measures for improving the process, including possibilities for incorporating appropriate training modules into general service training courses. Any resource implications will be considered at this time.

Forum's recommendations on extending the NAPS to Local Authorities and Other Agencies at Local Levels

- 4.24 In welcoming the extension of the NAPS to the Local Authorities, the Forum in its Opinion No. 8 considered that the NAPS should also inform the work of the CDBs and it also sought statutory recognition to be given for the NAPS in the Local Government Bill, 2000.
- 4.25 Under law, local authorities are already obliged to have regard to the policies and objectives of Government, insofar as they may affect or relate to their functions. In this context, recognition has now been given to the role of local government in social inclusion in the Local Government Act, 2001.
- 4.26 The Department of the Environment and Local Government pointed out that the NAPS was introduced to local authorities by way of regional seminar during the first half of 2000. As a follow on from this, the Local Authority Anti-Poverty Network was established in the latter part of that year by the Combat Poverty Agency in collaboration with the NAPS Unit in the Department of Social, Community and Family Affairs and the Department of the Environment and Local Government. The primary aim of the Network, whose core membership is local authority officials and elected members, is to promote and support the

development of a strong anti-poverty focus within a reformed system of local government. There are currently 27 local authorities in the Network.

- 4.27 The Department of the Environment and Local Government also mentioned that, in line with the commitment in the *Programme for Prosperity and Fairness*, pilot social inclusion units are being established in eight of the local authorities where the RAPID Programme has been selected. Dublin Corporation has already set up such a unit. The units will be supported over the next three years with funding provided by the Minister for the Environment and Local Government. The units will have a wide-ranging role in promoting social inclusion across the range of the local authorities' activities, including responsibility for advancing the NAPS in the local authority.
- 4.28 Social inclusion is also a particular focus for the work of the County/City Development Boards (CDBs) and their Strategies for Economic, Social and Cultural Development (due in early 2002). Each CDB has set up a Social Inclusion Measures Group to bring about a more co-ordinated approach to social inclusion activity at local level. These Groups are representative of public and local development agencies involved in social inclusion activity within the county or city.

Forum's Conclusions on the above Action Taken by Government Departments on its Opinion No. 8

- 4.29 The actions outlined above on the follow-up by Departments on the recommendations that the Forum had made in its Opinion are welcome. What is particularly notable is the steady progress being made by the Departments of the Environment and Local Government and Social, Community and Family Affairs, together with the Combat Poverty Agency, in providing supports and resources to assist the Local Authorities in their new role in relation to the NAPS.
- 4.30 Of particular importance will be the role of the Local Authorities in the areas of community development, staff training, research and evaluation and the new grant scheme to encourage Local Authorities to develop innovative projects to tackle poverty in partnership with local community groups. Another important dimension will be that of collaboration with community organisations in Northern Ireland.
- 4.31 As against this, however, it is noted that many of the Community and Voluntary Organisations within the Forum's Third Strand have been highly critical of the Government's recent *National Action Plan Against Poverty and Social Exclusion*. This was prepared in the context of the EU strategy against poverty and social exclusion that had been agreed to at the European Council meeting in Nice in December last.

- 4.32 Indeed, some of these Organisations went so far as to call for this *Plan* to be withdrawn on the grounds that it has no coherent strategy, has no new policy actions, initiatives and spending commitments, very few effective targets either in general terms or for key target groups, the lack of a gender focus and a rights perspective, and no new ways to deliver on outstanding commitments. This is seen as all the more disappointing, given the Government's lead role in having this issue included on the EU agenda and the influence of the NAPS in acting as an inspiration and model for the EU process.
- 4.33 On the other hand, the Government have argued with some justification that their EU Action Plan was "*very much a work-in-progress document. This was agreed with the Commission and all the Social Partners were aware of the position and the reasons for this approach*".
- 4.34 Looking to the future, the key focal point of concern will, of course, be that of the outcome of the current review of the NAPS. This is expected to be completed shortly. Many of the social partner organisations have made written submissions and were very actively involved in this review. While the process of consultations undertaken by the Department of Social, Community and Family Affairs was very extensive and commendable, at the same time it is understood that this placed considerable strain on the time and staff resources of many of these organisations, resulting in what is now referred to as "*institutional fatigue*".
- 4.35 In the circumstances, and in contrast to the situation back in 1996 when it submitted an Opinion at the time the NAPS process was initiated, the Forum considered on this occasion not to make a separate submission to the review process as nearly all of the Forum's constituent organisations were making their own submissions and it would be counterproductive to seek to duplicate this. Having said this, however, the Forum wishes to pinpoint again its following three recommendations and urges that these be considered and taken into account as fully as possible in the NAPS review¹⁵:
- *NAPS targets*: extending these to new policy areas, ensuring that these are more challenging and ambitious, establishing a *relative* poverty target and performance indicators;
 - *Data deficiencies*: the importance of addressing these for policy evaluation and development purposes; and
 - *Poverty-proofing*: the need for greater transparency, publishing the results of these exercises and carrying these out systematically across *all* Government Departments.

15 The Forum will also expect that some of its earlier Reports, most notably that on the Local Employment Service, Social Housing (see Sections III and V of this Report), Early School Leavers and Rural Renewal will be taken into account.

4.36 In passing, the Forum wishes to highlight the implications for policy purposes of the following findings, drawn from data in the ESRI's Living in Ireland Surveys, in a recent research study¹⁶:

- Confirmation yet again that income inequality has increased in this country during the 1990s and that Ireland is one of the most unequal societies in the EU;
- The rich are gaining more from the economic boom than the poor; this reflects the effects of recent rapid wage and employment growth but also that of the priority given in recent Budgets to income tax reductions over social welfare improvements; for example, richer households gained 4 times more than poorer households in Budget 2000;
- At the same time, earnings inequalities have also continued to increase;
- Almost one in four children here live on incomes below the 40 per cent poverty line; and
- Social welfare payments now have less of an impact in reducing income inequality reflecting, *inter alia*, the fact that the increase in the level of such payments in recent years has not kept pace with the increases in other incomes.

4.37 Before concluding, the Forum wishes to draw attention to the policy implications for poverty goals of the analysis¹⁷ undertaken by the Combat Poverty Agency of the 2001 Budget. This analysis, using the ESRI's SWITCH (tax/welfare) model, showed that this Budget marked a significant and welcome shift in terms of income distribution, as compared to previous Budgets. Although the average percentage gain is 4%, this was broadly achieved across all income groups; those on middle incomes did relatively less well, while the richest gained slightly more than the norm. The greatest percentage gains went to households with children, whether in or out of work, single or dual earner or single or two parents.

4.38 Lastly, in a recent publication¹⁸ the ESRI has proposed that the poverty-proofing of budgetary policy should now move away from the "*conventional opening budget*" as a benchmark to that of a "*distributionally neutral*" benchmark. This could have potential benefits in evaluating more accurately the impact of budgetary proposals on income distribution and poverty. Additionally, it could also assist policy decision-making in the difficult choices and trade-offs that have to be faced in this area between, on the one hand, deciding on the level of social welfare payments for example and, on the other hand, the rates that taxes have to be levied to pay for these.

16 "*The Distribution of Income in Ireland*" (Nolan, Maitre, O'Neill and Sweetman), 2000.

17 "*Poverty Today*" Supplement, March/April 2001 No. 50.

18 "*Budget Perspectives*", Proceedings of a Conference held on 9th October 2001, ESRI (Callan, McCoy et al.).

Section V

Social and Affordable Housing and Accommodation

FORUM REPORT NO. 18

on Social and Affordable Housing and Accommodation

Introduction

- 5.1 This Report was prepared in the context of the severity of the current housing situation, and its impact on social housing. For example, the number of households on Local Authority waiting lists had increased by more than 40% over the last three years. Housing is one of the most serious economic and social policy issues now facing our society. It affects all tenures (owner-occupier, rented, local authority, voluntary sector) and the associated unsustainable increase in prices has the potential to put at risk our new-found levels of prosperity, employment and social achievements over the last decade.
- 5.2 Government initiatives, although welcome, are not however on a scale sufficient enough to address the expected continuing increase in demand and must be further strengthened and co-ordinated more effectively across all tenure types, especially for the most vulnerable groups in our society.
- 5.3 The Report was based on a very extensive process of consultation including local hearings with a wide range of housing interest groups, at both national and local levels, and written submissions. In addition, research was undertaken by a team of housing experts drawn from the Northern Ireland Housing Executive, the Economic and Social Research Institute (ESRI) and the Department of Applied Social Studies at UCC.

Report's Main Recommendations

- 5.4 The Report's key recommendations were:
- targets should be set for the elimination of all Local Authority waiting lists, beginning with an immediate target that 70% of households should be provided with suitable accommodation within two years of their being on these lists;
 - a National Housing Authority should be established, as in the case for example of Forfás in relation to industrial development, to provide strategic policy advice and technical support to the Minister, Local Authorities and other housing providers;
 - the management and delivery of public housing services by the Local Authorities, should be radically reformed and modernised;

- barriers to the supply of affordable building land, including the unsustainable increase in land prices, must be tackled through possible further tax measures such as a windfall profits tax and measures to control prices;
- good quality, secure and affordable housing should be a social right and given statutory backing; and
- greater priority should be given to those in greatest need such as those with low incomes and those with specific housing needs, such as older people, people with disabilities, single people, the homeless, Travellers, some people in rural areas and those needing crisis accommodation.

Follow-up Action by Government Department(s) on the Forum’s Report No. 18

5.5 The responses by Government Departments, the Department of the Environment and Local Government in all cases, are summarised under the Report’s four main policy headings, in Box 6 beneath.

Box 6

(The number references are to corresponding paragraphs in the Report)

The Delivery of Housing as a Public Service	
Forum Recommendations	Action taken by Departments [D/ELG]
Recs. 3.15, 3.16, 2.16 A National Housing Authority should be established to provide strategic policy advice and support to the Minister, local authorities and other social housing providers.	Implications of and possible scope for a National Housing Authority are under consideration.
Rec. 3.53 Local authority housing management and maintenance systems should be radically reformed and modernised with a central emphasis on the delivery of a quality service, including performance indicators, information technology, data gathering, staff training and tenant participation mechanisms.	<p>The basic thrust of this recommendation is accepted. Progress in this regard includes guidelines for local authorities on repair and maintenance, rents and void management have been developed by the Housing Unit. Further guidelines on tenant involvement are being prepared.</p> <p>The guidelines contain recommended performance indicators to assist local authorities in monitoring performance and achieving high standards of service.</p> <p>A proposal for the development of an integrated computer system for local</p>

	<p>authority housing management is being discussed with the Department of Finance.</p> <p>Under local government reform, the Department has commenced the roll out of performance indicators across a range of functional areas, including housing. The Housing Unit has been given a role in relation to the identification of training needs for local authority staff and in developing responses to such needs. Preparations are in hand for the carrying out of a skills and competencies profile for housing staff, which will inform this process.</p>
<p>Rec. 2.26 Local authority housing needs assessment process should continue to be subject to periodic review</p>	<p>Accepted. A Working Group has been established to examine the format of the next assessment of needs (March 2002) and to produce guidelines for local authorities in relation to the conduct of the assessment.</p>
<p>Rec. 2.27 Reviews of housing need should include key issues such as disaggregation of data, severity of housing need, use of IT.</p>	<p>See 2.26.</p>
<p>Rec. 2.28 Housing Strategies should state clearly how they define, measure and prioritise housing need, based on a critical review of current procedures.</p>	<p>These matters are covered in the Model Housing Strategy and Step-by-Step Guide issued to local authorities to assist them in the preparation of their Housing Strategies.</p>

Increasing the Availability of Affordable Accommodation

<p>Forum Recommendations</p>	<p>Action taken by Departments [D/ELG]</p>
<p>Rec. 4.7 All major policy initiatives to increase the availability of affordable accommodation should be policy-proofed to assess their effects on the most disadvantaged and details of these exercises should be made publicly available.</p>	<p>Methodology under consideration.</p>

<p>Rec. 4.17 A package of measures should be introduced to increase the supply of affordable building land including;</p> <ul style="list-style-type: none"> a) resources to tackle delays in the planning system; and b) barriers to the supply of building land should be identified and addressed. 	<p>“Action on Housing” (the Government’s response to Bacon 3 Report, June 2000) included measures to</p> <ul style="list-style-type: none"> a) increase available resources in the planning system and improve the deployment of existing planning resources; b) remove infrastructure constraints (water/roads) and Project Offices to drive infrastructure development; and establishment of Strategic Development Zones (SDZs) to fast-track housing provision in key areas (first 3 SDZs designated (June 2001)).
<p>Rec. 4.26 The Department of the Environment and Local Government should:</p> <ul style="list-style-type: none"> a) promote more effectively the Shared Ownership and Affordable Housing Schemes; b) keep under review the income thresholds and eligibility criteria for these Schemes; and c) examine how the regional variation in house prices could be reflected in both Schemes. 	<p>Updated leaflets prepared by D/ELG and circulated to local authorities. Information also available on Department’s website.</p> <p>“Action on Housing” reviewed and substantially increased the income eligibility thresholds for these Schemes.</p> <p>Local authorities exercise judgement in relation to maximum house price limits in relation to local housing market conditions.</p>
<p>Rec. 4.27 The effect of the increased output of social housing on the waiting lists should be published and subject to periodic review. Every local authority should set as an immediate target, that 70% of households assessed as being in need of accommodation are provided with suitable and adequate accommodation within two years of their acceptance on to the waiting list; that this target be raised to 80% of households in the medium term; and a longer term target should be fixed for the elimination of all waiting lists, within a reasonable timeframe.</p>	<p>Results of the next assessment of need to be undertaken in March 2002 will be published.</p> <p>Existing programmes provide for:</p> <ul style="list-style-type: none"> – 25,000 local authority housing starts during the period 2000 – 2003; – the annual output of the Voluntary and Co-operative housing sectors to increase from 1,000 in 2000 to 4000 in 2006, yielding 15,000 dwellings over the period of the National Development Plan; and – 2,000 housing units to be provided annually through the Shared Ownership and Affordable Housing Schemes. <p>Local authorities will, in 2001, adopt housing strategies which will indicate,</p>

	<p>inter alia, the manner in which they propose to meet social and affordable housing needs over the period covered by these strategies – these strategies must be reviewed every 2 years. Having regard to these and the next local authority assessment of housing needs, the Department of Environment and Local Government will review at the end of 2002 all social housing programmes to ensure that their scale and pace are sufficient to meet the needs of the households on the waiting list.</p> <p>The Report of the NAPS Working Group on Housing and Accommodation (July 2001) recommended that the Government should set targets that:</p> <ul style="list-style-type: none">– by end - 2007, 70% of low income and disadvantaged households, assessed by local authorities as being in need of accommodation, will have available to them suitable and adequate accommodation, within two years of their acceptance on to the waiting list; and– by end - 2010, 90% of low income and disadvantage households assessed by local authorities as being in need of accommodation, will have available to them suitable and adequate accommodation, within 18 months of their acceptance on to the waiting list. <p>These recommendations will be considered by the Government in the context of the review of the NAPS.</p>
<p>Rec. 4.29 Local authorities should be more innovative in meeting social and affordable accommodation needs through partnership arrangements with trade unions, churches, pension funds, voluntary housing associations and private landlords and builders.</p>	<p>Local authorities are encouraged to adopt innovative methods to increase social and affordable housing output in their areas e.g. by entering into agreements with builders in relation to turnkey developments.</p> <p>Co-operation between voluntary housing organisations and local authorities is well developed. Pilot schemes whereby private landlords</p>

	would contract with local authorities to provide and manage social housing will be implemented as soon as possible.
Rec. 4.34 In the private rented sector, specific measures are needed in relation to security of tenure, affordable rents, quality control and protection against discrimination for vulnerable groups.	The recommendations of the Report of the Commission on the Private Residential Sector are being implemented. A Residential Tenancies Board will be set up on an ad-hoc basis in the Autumn pending legislation.
Rec. 4.35 Longer term accommodation needs (e.g. of pensioners and those on disability payment) would be better met by increasing the provision of public and voluntary housing, rather than through the private rented sector.	£7 billion in NDP for social and affordable housing to meet target needs such as those identified. Targeted measures in place include Task Force for the Elderly, Disabled Persons Grant, Essential Repairs Grant and Scheme of Improvement Works in Lieu of local authority housing.
Rec. 4.37 Voluntary housing providers and other stakeholders should: a) devise a strategic framework over the next twelve months; and b) develop training and maintenance assistance for the sector.	Output targets set for voluntary housing sector in the NDP. Development of the sector being considered by a Working Group including D/ELG, voluntary housing sector and local authorities.
Recognising the Social Aspects of Housing Provision	
Forum Recommendations	Action taken by Departments [D/ELG]
Rec. 5.11 Local authorities and other stakeholders should actively develop the concept of social partnership, including drawing on the successful estate management pilot initiatives under the EU Local Development Programme.	Accepted. Existing arrangements include the Housing Forum, Voluntary Housing Working Group, and representation by social partners on SPCs.
Rec. 5.16 Local authority tenants should be encouraged to become more involved in the running of their estates through a variety of approaches, such as learning from other successful estates, attending training courses, the production of newsletters and the development of consumer panels.	Guidelines on good practice on tenant involvement in housing estate management were published in October 2001. The guidelines provide in-depth guidance for local authorities on the steps that they should implement to achieve good practice in the area of tenant involvement. The guidelines will

	<p>be launched at a conference on tenant involvement in housing estate management being organised by the Housing Unit and which is aimed at local authority staff, other social housing providers and interested tenants and residents' groups.</p>
<p>Rec. 5.32 SPCs should actively promote participation and input from different housing stakeholders, including sharing of experiences and dissemination of best practice.</p>	<p>See 5.11.</p>
<p>Rec. 6.10 Social housing provision should promote social inclusion, including the special needs of particular groups.</p>	<p>Accepted.</p>
<p>Rec. 6.12 Cross-Departmental Team should be established to develop, implement and monitor integrated responses for special needs groups.</p>	<p>Cross-Departmental Team on Homelessness in existence.</p> <p>The Committee to Monitor and Coordinate the Implementation of the Task Force on the Travelling Community, including recommendations on Traveller accommodation, established in 1998, consists of members nominated by relevant Government Departments.</p> <p>Targets in the areas of homelessness and the provision of suitable accommodation for Travellers were identified by the NAPS Working Group on Housing and Accommodation and will be considered by the Government in the context of the NAPS review.</p>
<p>Rec. 6.26 Clear linkages between service providers and policy makers should be developed to tackle homelessness.</p>	<p>The Integrated Strategy on Homelessness provides for a Cross-Departmental Team on Homelessness, which provides a link between local homeless fora and central Government Departments and Agencies through the monitoring of homeless action plans.</p> <p>Homeless Fora have been established at local level, with representatives of local</p>

	authorities, health boards and voluntary bodies, to draw up Local Action Plans to tackle homelessness.
Rec. 6.36 Local authorities should, in their Housing Strategies, actively develop and focus on how the needs of those most at risk of social exclusion will be met, in consultation with these groups on a social partnership basis.	See 2.28.
Rec. 6.40 The front-loading of the social housing building programme should be monitored and kept under review; and housing waiting lists should be eliminated within a reasonable timeframe.	Accepted – progress will be published quarterly in the Housing Statistics Bulletin. See 4.27.
Rec. 6.46 The negative attitudes to public housing should be tackled by the Department and local authorities through a variety of means, e.g. innovation in design and layout, improvements to housing stock and management systems and enforcement of tenancy agreements.	<p>Social Housing Design Guidelines issued by the Department emphasise that successful design must give due weight to adequate space and services, sustainability, accessibility, security and safety, privacy, community interaction etc.</p> <p>Considerable investment is taking place in refurbishment under Remedial Works scheme and regeneration programmes (e.g. Ballymun).</p> <p>Guidelines on dealing with anti-social behaviour are being prepared by the Housing Unit in consultation with local authorities. A number of seminars on dealing with anti-social behaviour have been arranged by the Housing Unit for relevant local authority staff.</p> <p>The remit of the Housing Unit is to assist local authorities to better manage their housing estates through promotion of best practice, training, research etc.</p>
Other Issues	
Forum Recommendations	Action taken by Departments [D/ELG]
Rec. 5.18 A number of Departmental schemes (Housing Management Initia-	An evaluation of the Housing Management Initiative Grants Scheme has been

<p>atives Grants Scheme) should be evaluated taking care to incorporate the views of service users in these evaluations.</p>	<p>undertaken by an independent consultant and is nearing completion.</p>
<p>Rec. 2.47 The National Spatial Strategy should be designed with equality and social inclusion measures to the fore and include an in-built review mechanism in consultation with the social partners.</p>	<p>Social inclusion and more balanced development between and within regions will be core elements of the National Spatial Strategy currently being drawn up. Extensive consultation with the social partners is envisaged in drawing up a review mechanism.</p>
<p>Rec 2.51 The Housing Forum (established under the PPF) should include representatives of local authority officials.</p>	<p>The Housing Forum includes a County Manager nominated by the County and City Managers' Association and a housing official nominated by the Local Authority Housing Practitioners' National Network.</p>

Forum's Conclusions on the above Action by Government Department(s) on its Report No. 18

- 5.6 The Forum acknowledges, of course, that the Government has introduced a wide range of policy measures, some of which are already beginning to show results such as the more than doubling of Local Authority housing completions over the first 6 months of this year¹⁹ (while *total* housing completions were up nearly 5% over the first 7 months of the year). The scale of social housing development is, however, still far too small to reverse the steep rise in the number of households on waiting lists. The demand for social housing continues to be very strong, fuelled partly by those who have an expectation of buying a house but who now find that they cannot afford to do so.
- 5.7 In addition, house prices and private sector rent levels continue to rise ahead of inflation. These are reported and commented on at regular intervals in the media. However, other indicators get less coverage such as local authority waiting lists, overcrowding and homelessness and it is likely that these are continuing to have worsened since publication of our Report. For example, at least one local authority has gone public to declare in its newly-adopted Strategic Plan that the number of people on its waiting list can be expected to increase over the five years covered by its Plan.

¹⁹ As against this, however, house completions last year by this sector were below the levels of previous years.

- 5.8 In short, and by way of an overall comment, the housing situation which was already critical for those on low incomes has now deteriorated further over the last twelve months since the publication of our Report.
- 5.9 While the Department is making steady progress on many of our recommendations, more definitive responses are, however, still awaited on some of the more substantive policy proposals in our Report such as:
- The establishment of a National Housing Authority²⁰ to provide strategic policy advice and support to the Minister, Local Authorities and other housing providers;
 - Setting targets for the effective elimination of all Local Authority waiting lists i.e. that a given percentage of applicants for social housing would be made an appropriate offer within a specified timeframe;
 - Radical improvements to the management and delivery of public housing services; and
 - Removal of barriers to the supply of building land through further tax measures such as a tax on windfall profits and price control measures.
- 5.10 As already mentioned above, many of the initiatives undertaken in recent times by the Government are welcome but these are, however, still not adequate in scope or scale to the housing crisis, particularly in the social housing sector. In the circumstances, the Forum believes that these developments reinforce the validity of the above recommendations and it now asks the Government to give renewed consideration and priority consideration to these issues.
- 5.11 As highlighted in the ESRI's recent Medium-Term Review 2001-2007, the scale of the problem in housing is likely to continue over the next decade reflecting continuing population growth, particularly by those in their late 20s and early 30s. One of the policy measures it proposed (which is also what the Forum had recommended) was that of a tax to encourage the early release of land that would claw back some of the windfall profits. The resources from this could then be used to fund, for example, a higher level of infrastructural investments.
- 5.12 Although substantial resources have been committed under the National Development Plan to increasing the supply of social housing, the slow-down in the rate of increase in house prices, together with the spare capacity now coming available in the construction industry, should be availed of by the Government to front-load more of this investment.

²⁰ The Government recently announced its intention to introduce legislation, before the end of the year, to establish a new Water Authority to more effectively secure the provision and management of water supply services.

- 5.13 Over the years, housing policy has tended to focus primarily on managing resources rather than achieving any specified targets at the level of the individual household. To the extent that targets are set, they relate to processes, such as numbers of local authority starts, rather than outcomes, such as reducing the numbers of people on waiting lists, the numbers in inadequate accommodation or the length of time people spent on waiting lists. This has administrative advantages when the trend in these outcomes is negative, as it has been for some years, but it avoids consideration of the effectiveness or otherwise of policies in place.
- 5.14 In the Forum's view, access to affordable, adequate accommodation is a fundamental need and improvements in the overall housing situation are critical in tackling poverty. Inadequate accommodation is a primary determinant of poverty, not only because of the obvious immediate consequences but also because of the adverse impact such accommodation has on health, education, income and other factors, thereby reinforcing and sometimes causing poverty. Progress in reducing the incidence and risk of poverty in other areas is also negated by inadequate accommodation.
- 5.15 The Government's policy programme identified "*maximum co-ordination of housing policy under one Department*" as a key policy priority. This, ideally, should lead to a positive housing outcome for all those on low incomes who are living in inadequate accommodation, as the scope for meeting their needs from within their own resources is necessarily limited.
- 5.16 A large group whose housing situation is not currently addressed are people receiving Rent Supplements on a long-term basis under the Supplementary Welfare Allowance system, which is administered by the Health Boards. The Government decided in principle in July 1999 to establish a new scheme of rent assistance to be administered by the Local Authorities to meet their needs and directed the Department of the Environment and Local Government to submit detailed proposals within six months. That report is overdue but we understand it is now expected shortly. Its recommendations should, the Forum hopes, be assessed in due course in the light of the analysis and conclusions reached in its own Report No 18.
- 5.17 Finally, the Forum looks forward to receiving the report of the Planning Group, established by the Department of the Environment and Local Government, to examine the issue of future rental arrangements, against the background of the Government's decision in principle to develop a new local authority-based rental assistance scheme.

Section VI

Alleviating Labour Shortages

FORUM REPORT NO. 19

on Alleviating Labour Shortages

Introduction

- 6.1 Economic success has brought new labour market challenges as labour and skill shortages and associated recruitment difficulties have emerged across the economy. In this Report, the Forum examined this problem in a medium-term perspective and recommended specific policies to expand the labour force.
- 6.2 The Report compared two illustrative medium-term scenarios for labour supply. Scenario 1 was based on the ESRI Medium-Term Forecast of 5% growth per annum in the 2000 –2005 period. In this scenario, employment would increase by 176,000 and the overall participation rate would have to increase from 58.9% to-day to 61% by 2005 to match forecast employment expansion. Thus, relatively modest increases in participation rates would mean that no significant increase in immigration would be necessary to meet labour supply requirements.
- 6.3 Scenario 2 assumed higher growth averaging 6% per annum between 2000 and 2005. In this scenario, employment would grow by 268,000 and participation would have to increase to 63.8% in 2005 to match employment growth. Failing this, immigration would have to increase. However there was considerable uncertainty about the feasibility and even the desirability of such a higher growth scenario.
- 6.4 The Report then examined participation in the Irish labour market and showed that considerable potential remained for mobilising domestic labour supply. It argued that four key challenges must be addressed to ensure that effective opportunities for labour market participation are available to all. These were:
- The labour market situation of the least skilled;
 - Supporting older people in the labour market;
 - Addressing barriers to women’s employment; and
 - The right to work of people with disabilities.

Report’s Main Recommendations

- 6.5 The Report discussed four policy areas in depth: welfare-to-work strategy, tax individualisation, labour market supports for women returning to the labour market and immigration policy. Its main recommendations included:

- The Department of Social Community and Family Affairs should develop a comprehensive welfare-to-work strategy to ensure as far as possible that the social welfare system facilitates access to paid employment opportunities for all, regardless of social welfare category.
- The Report supported the principle of individualisation in taxation. However, it argued that the overall distributional effect of the present policy of widening and individualising the standard rate band is regressive. To limit these regressive effects, the Report recommended that the other elements of an overall personal tax reform package should comprise measures favouring those on lower incomes and/or all taxpayers equally.
- In order to maximise their considerable resource potential, a National Support Programme for Women Returners should be established. The core elements of such a Programme should include identifying women returners as a priority group within FÁS Employment Services and Training provision.
- The Government should consider allowing non-EEA nationals who have been working here in accordance with a work permit for an extended period (of perhaps two or three years) to then qualify for a more open working visa type arrangement. It should also consider issuing Work Authorisations/Visas for a longer duration of three years in the first instance.

Follow-up Action by Government Departments on the Forum's Report No. 19

- 6.6 A summary of the action taken by Government Departments on the Report's main recommendations is given in Box 7 beneath. At the outset, and as a general comment, Departments have stressed that the broad policy direction contained in the Report of encouraging all the non-employed, including groups such as women, lone parents, people with disabilities, to take up suitable employment opportunities, is fully supported by the Government. Considerable progress has been made in this area already through, for example, the introduction of income disregards for lone parents and the long-term unemployed, who have greater difficulties entering the labour market.
- 6.7 The Forum welcomes the fact that, shortly after its publication, the Report was considered by the Strategy Group on Employment and Unemployment. At this meeting, which was held at end-November last, the Strategy Group agreed that the Report provided a timely context for the further consideration of policies to increase labour supply, against the backdrop of some significant shortages in certain sectors and occupations. It was accepted that such capacity constraints would have to be overcome if the objectives in the *Programme for Prosperity and Fairness* and the economic and social investment programmes in the *National Development Plan 2000/2006* were to be realised.

Box 7

(The number references are to corresponding paragraphs in the Report)

Labour Market Assessment	
Forum Recommendations	Action Taken by Government Departments
<p>Rec. 2.13 Outreach to and technical assistance for small businesses developing recruitment and retention strategies should be a priority for the National Employment Service.</p> <p>Rec. 2.14 An efficient job placement service within the National Employment Service is essential.</p>	<p>The Employment Services function has been considerably strengthened in FÁS in recent years. There is now a strong inter-relationship between the Employment Service and the Welfare support administration, particularly as evidenced by the very successful implementation and outcomes from the preventive strategy implemented as a major new dimension to the delivery of labour market supports under our Employment Action Plan. [D/ETE]</p> <p>Following a major restructuring, FÁS has re-oriented their functions from those which included a large element devoted to the administration of work experience programmes to a renewed and strong emphasis on its guidance and placement services. In addition, organisational issues, relating in the first instance to the roles of the various strands of the Employment Service currently operating, (particularly the FÁS Employment Service and the Local Employment Service), are well defined and in place. A well-balanced and increasingly responsive placement service is meeting the needs of an expanding economy with increasing numbers of jobseekers registering with FÁS. [D/ETE]</p>
<p>Rec. 2.31 Updated medium-term forecasts for growth and participation are required.</p>	<p>The Department of Finance prepare macroeconomic, including labour market, data in their Stability Programme that is published at budget time and in their Mid-term Review and Outlook (ERO). The ERO for 2001 was published recently. In addition, the ESRI has now published its revised medium-</p>

	term forecasts, which includes an analysis of the risks and opportunities that the economy faces. <i>[D/ETE]</i>
The Participation Challenge	
Forum Recommendations	Action Taken by Government Departments
<p>Rec. 4.14 Every effort should be made to facilitate old and new Pre-Retirement Allowance (PRETA) claimants into paid employment. It would be useful, therefore, to review the operation of PRETA to ensure that adequate supports are put in place for the reintegration of the older long-term unemployed.</p>	<p>Consideration is being given to the potential for and implications of extending the EAP preventative process to the over 55-age group. <i>[D/ETE]</i></p> <p>PRETA customers now have access to the Back to Work (BTW) and Back to Education Allowance (BTEA) Schemes on a formalised basis. <i>[D/ETE]</i></p>
<p>Rec. 4.30 The PPF Working Group to review costs of disability should include in its terms of reference the real costs of people with disabilities returning to work and coping with the transition to work.</p>	<p>This is a matter for the PPF Working Group which is aware of this recommendation. <i>[D/ETE]</i></p>
A Comprehensive Welfare-to-work Strategy	
Forum Recommendations	Action Taken by Government Departments
<p>Rec. 5.8 The Department of Social, Community and Family Affairs (DSCFA) should develop a comprehensive welfare-to-work strategy to ensure that the social welfare system facilitates access to paid employment opportunities for all, regardless of social welfare category.</p>	<p>Welfare-to-work issues are dealt with as an integral part of all of the Department's relevant policy areas, rather than by a single isolated unit. In addition, the Employment Support Services (ESS) Unit has a particular role in developing a range of supports, which are regularly improved/updated for people moving from social welfare into work and/or suitable training. The ESS Unit co-ordinates the Department's welfare-to-work strategy across the range of relevant Social Welfare programmes. <i>[D/SCFA]</i></p>
<p>Rec. 5.9 The DSCFA should set up a welfare-to-work Policy Unit to review welfare-to-work provision across the</p>	<p>A wide range of welfare-to-work provisions are already in place across the Department's schemes and progress on</p>

<p>social welfare system and to develop a comprehensive strategy. A Cross-Departmental welfare-to-work Team should be established to address issues arising in this area. The Policy Unit and Cross-Departmental Team should be assisted by a welfare-to-work Advisory Group made up of representative groups of different claimant categories, representatives from the welfare-to-work information infrastructure and the Social Partners.</p>	<p>implementing new strategies in this area is ongoing. Innovations in 2001 include: the extension of the Back to Education programme to young people who have been out of the formal education system for two years or more; a new training allowance for long-term unemployed people or lone parents who attend certain (non-FÁS) training courses; a new fund to assist people taking up self-employment under the Back to Work Allowance (BTWA) with insurance costs; the extension of the BTWA to people on Disability Benefit for five years or more; making the BTWA available to people with disabilities when ceasing Community Employment. [D/SCFA]</p> <p>Furthermore, the Department has recently commenced welfare-to-work analysis of its various schemes. The primary purpose of this analysis is to identify barriers in relevant social welfare programmes which could be regarded as hindering or discouraging recipients or their dependants from returning to work or activities preparatory to work. [D/SCFA]</p>
<p>Rec. 5.12 We support the recommendation of the <i>Report of the P2000 Working Group on Women's Access to Labour Market Opportunities</i> that qualified adults in households where the claimant is eligible to participate in active labour market programmes should be eligible for Job Start and Workplace.</p>	<p>Spouses of the long-term unemployed (Qualified Adults) are now eligible to participate in CE and JI in their own right. [D/ETE]</p>
<p>Rec. 5.17 Information leaflets encouraging qualified adults to take up employment should be clear and realistic about the implications for both the claimant and the qualified adult.</p>	<p>The general thrust of the proposal is accepted and the Department will actively consider the publication of a leaflet targeted at customers and their dependants who might wish to return to the workforce. [D/SCFA]</p> <p>The Department is about to commence a review of its current range of information leaflets. It is hoped to</p>

	<p>invite people from outside the Department to participate in this project. e.g. a representative from the National Adult Literacy Agency (NALA) and some of the Department's customers. <i>[D/SCFA]</i></p>
<p>Rec. 5.18 The Forum supports administrative individualization as a first step towards a gender equitable social welfare system and it urges a speedy conclusion to the work of the PPF Working Group examining this issue. Welfare-to-work outcomes for qualified adults should be taken into account by this Group.</p>	<p>It is not the role of the PPF Working Group on Administrative Individualisation to take the welfare-to-work outcomes for qualified adults into account. However, over the years, the Department has made progress in easing the poverty trap associated with the withdrawal of the QAA (Qualified Adult Allowance) when the qualified adult takes up work. Any future developments will be considered in a budgetary context. <i>[D/SCFA]</i></p>
<p>Recs. 5.19-5.25 A more comprehensive welfare-to-work strategy will necessitate a wider overview of the interaction between secondary benefits and decisions to return to work.</p>	<p>The NAPS (National Anti-Poverty Strategy) Employment/Unemployment Working Group considered in some detail the question of the links between secondary benefits and work. The results of their deliberations, along with those of the other NAPS Working Groups, are now being considered in the context of framing the wider NAPS for 2002-2007. <i>[D/SCFA]</i></p>
<p>Recs. 5.21-5.23 The implementation of the tapering of rent allowance will require specific monitoring.</p>	<p>The Health Boards will be asked to monitor the impact of the improvements in the rent supplement tapering arrangements introduced in April 2000. <i>[D/SCFA]</i></p>
<p>Rec.5.24 Unemployed people and lone parents can retain the medical card for three years after going back to work. We strongly urge that Health Boards and other agencies publish accessible information on this provision and ensure that this policy is fully implemented.</p>	<p>The operation of the medical card scheme is currently being reviewed by the CEOs of the Health Boards, as part of a commitment under the PPF. The review is being conducted in consultation with the Social Partners. Particular emphasis is being placed on removing anomalies as well as on the needs of families with children and on</p>

	<p>barriers to take-up, including information deficits. It is expected to be completed shortly. <i>[D/HC]</i></p> <p>In addition, the whole issue of eligibility is being examined in the context of the new Health Strategy that is at present being finalised by the Department of Health and Children. <i>[D/HC]</i></p>
<p>Recs. 5.26-5.30 Earned income disregards have not been developed in any common framework and can appear inconsistent and confusing. Disregards should be as consistent, simple and transparent as possible across all social welfare payments. Net pay should be used in all instances including all Supplementary Welfare Allowance (SWA) and medical card means-tests. Indexation should happen annually and should ensure that at least the original value of the disregard is maintained. An additional systematic review of disregards should take place every five years. Future tapered disregards should follow a consistent formula to enable those with low numeracy levels to self calculate, for example based on “5” - 25%/50%/75% or 5/£10/£15/£20/£25/£30.</p>	<p>In relation to Earned Income Disregards, the Forum’s Report specifically mentions that a net figure should be used for assessment purposes in the One-Parent Family and Supplementary Welfare Allowance Schemes, as well as calling for indexation of disregards. While the details of this are being examined, it should be noted that the recent Review of the One-Parent Family Payment Scheme found that customers with earnings tended to be spread across all levels of income and not clustered around the level of the disregard, as might be expected if the amount of the disregard was proving an absolute barrier to entering the labour market. Overall it is considered that the level and structure of the disregard remains adequate to support the level of earnings being received by those taking up employment. These disregards will be kept under review. Issues such as access to affordable childcare would also be a factor in this. <i>[D/SCFA]</i></p> <p>The Supplementary Welfare Allowance Scheme is currently the subject of a comprehensive review and an extensive consultative process with interest people and bodies is underway. One objective of the current Scheme is to target resources equitably at those households with low gross incomes. It should be noted that the current arrangements regarding the phased withdrawal of SWA</p>

	<p>Rent Supplement were improved with effect from April 2000, following a P2000 commitment and extensive consultation with the Social Partners. <i>[D/SCFA]</i></p>
<p>Rec. 5.33 Measures to support decision-making and risk-taking should include a guarantee of a return to original payments if the attempt at returning to work does not succeed.</p>	<p>This is being implemented in the context of the Social Welfare payments which attract payment of the Back to Work allowance. For example, the Back to Work Allowance was recently made available to recipients of Invalidity Pension and Disability Benefit (over five years). Provision is being made in legislation to allow persons in receipt of these payments who opt for the Back to Work Allowance and whose attempt at returning to work fails to return to their original payments without pre-condition. This guarantee is seen as essential if people who are long-term welfare dependant are to be encouraged to return to work. <i>[D/SCFA]</i></p>
<p>Recs. 5.34-5.36 Access to quality and relevant information is a vital part of efforts to support the transition from social welfare into work. There is still a need for a blueprint or national strategy to develop a comprehensive and integrated information infrastructure.</p>	<p>The Department has an ongoing programme to improve the quality of its information to its customers such as the delivery of “Options and Opportunities” – a summary of training, education and employment opportunities while retaining benefit – to all one- parent family customers. The Department has also collaborated with others in providing targeted information, such as the “It Pays to Work” booklet with the INOU. Further creative strategies to deliver targeted, accessible information to those groups mentioned in the Forum Report will be pursued by the Department. <i>[D/SCFA]</i></p> <p>The Department’s information strategy is in hand and should be finalised shortly. This strategy should:</p> <ul style="list-style-type: none"> • develop an integrated information service based primarily on the network of local and branch offices,

	<p>with improved facilities, training and other supports;</p> <ul style="list-style-type: none"> ● set quality control and customer service standards; ● maximise the use of new technology; and ● develop closer working links with other information-giving organisations. <p>The establishment of Comhairle, which is funded by the Department, will have an impact on the issues raised. It has developed a life-events information database, OASIS, which serves to provide information on Government services to customers via the Internet. (also see material following regarding REACH). [D/SCFA]</p> <p>The Information Services Section of the Department supports and funds an information service in the INOU and ICTU and also in the Coolock Community Law Centre. [D/SCFA]</p>
<p>Rec. 5.38 The Welfare-to-Work Policy Unit should also be responsible for monitoring information technology developments in welfare-to-work information and advice, including the REACH initiative, developments in Comhairle and the mainstreaming of good practice initiatives from the Centers for the Unemployed.</p>	<p>REACH sponsored both the Comhairle managed project OASIS and the Department of Enterprise, Trade and Employment managed the BASIS project. Both the OASIS and BASIS websites are now live and can be accessed at http://www.oasis.gov.ie and http://www.basis.ie respectively.</p> <p>These projects adopt an integrated approach to information. OASIS and BASIS provide browser-based access via a single entry point to all Government information and services based around the ‘life events’ of a citizen or business. Within the context of a future welfare-to-work strategy, “life events” such as finding a job or employing staff are already prominent on both information systems. Services offered by OASIS and BASIS will eventually become a key component of the transaction-focused Public Services Broker (currently being</p>

	<p>developed under the aegis of REACH). <i>[D/SCFA]</i></p> <p>It should also be noted that the reliance on web-based technologies as the sole ‘information device’ or mode of delivery is envisaged as an intermediate step only. The Public Services Broker will offer multi-channel access to and seamless delivery of an integrated set of services through web-based and interactive media such as the Internet, digital TV, Kiosks and WAP. Mediated access points such as a call centre and multiple ‘one stop shops’ will be established, with front-line public sector staff or call-centre employees assisting customers via information systems such as OASIS or BASIS. <i>[D/SCFA]</i></p> <p>REACH is developing an initial proof of concept service which will allow customers register for their Personal Public Service (PPS) Number on the web and use the PPS Number and a password to electronically complete forms. The Proof of Concept service software was developed on schedule and delivered by end of August. Arrangements are in hand to integrate the service with both OASIS and BASIS and online forms and it is anticipated that the service will be available by end-November 2001. REACH is finalising a Request for Tender document to seek a strategic partner to assist in the development of a National Public Service Broker with a view to commencing development work in January 2002. <i>[D/SCFA]</i></p>
<p>Rec. 5.39 Welfare-to-work information services are heavily dependent on Community Employment. To avoid dilution of this infrastructure, these should be identified as ‘essential services’. The Standing Committee on the Labour Market should address this.</p>	<p>The Committee will be considering the essential services to be transferred to the Departments with functional responsibility in the various areas, having regard to changed economic and social realities. <i>[D/ETE]</i></p>

<p>Rec. 5.42 The <i>'Report of the P2000 Working Group on Women's Access to Labour Market Opportunities'</i> recommendations on the need for gender relevant information should be implemented as a priority.</p>	<p>See later comments. [D/ETE]</p>
<p>Individual or Joint Taxation?</p>	
<p>Forum Recommendations</p> <p>Rec. 6.11 We do not find the arguments for income splitting compelling in principle. Furthermore, there are strong arguments in terms of personal rights and respect for the autonomy of all individuals to favour individual taxation.</p>	<p>Action Taken by Government Departments</p> <p>Agreed. <i>The Programme for Prosperity and Fairness (PPF)</i> records that the Social Partners support the policy of establishing a single standard rate income tax band for all individual taxpayers. [D/FIN]</p>
<p>Recs. 6.20-6.21 The overall distributional effect of the present policy of band individualisation is regressive. This is of concern given the PPF commitment to <i>"develop the structure of the tax system to deliver benefits and focus resources in an equitable manner."</i> While we support individual taxation in principle, greater priority needs to be given to limiting these regressive effects through ensuring that the other elements of an overall personal tax reform package comprise measures favouring those on lower incomes and/or all taxpayers equally.</p>	<p>These comments appear not to take into account the following:</p> <ul style="list-style-type: none"> (a) the fact that in the lifetime of the present Government the threshold below which no income tax is payable has risen from £71 per week to £144 per week as a result of increases in Personal and PAYE credits; and (b) the agreement recorded in the PPF that, over time, those earning the minimum wage will be removed from the tax net and the indication by the Minister for Finance in Budget 2001 that further progress in this regard would be made in Budget 2002. [D/FIN]
<p>Rec. 6.27 We recommend that consideration be given to administrative <i>'individualisation'</i> of income tax for married couples. This would mean changing the current default option to separate assessment with the option of joint assessment on one spouse at the joint request of the couple.</p>	<p>The introduction of this measure would impose considerable administrative inconvenience on taxpayers and the Revenue Commissioners without any material gain for taxpayers. For example, there are over 374,000 single income married couples who, prima facie, would lose out and who then might have to contact tax offices to regain their full entitlements, depending</p>

<p>Recs. 6.30-6.31 The Home Carers Allowance (HCA) has introduced a new barrier to married women wishing to return to the paid labour force. The HCA should not be increased further. (Beyond this, however, there was a divergence of views on how the distortions brought about by the HCA should be addressed).</p>	<p>on how this default option is pursued. <i>[D/FIN]</i></p> <p>These paragraphs record the various elements of the debate. The issues are being considered and as evidenced in the Forum Report there is a divergence of views among the Members. In relation to the question of the costs of childcare, the Government have decided to address this issue over the next three years through Child Benefit. <i>[D/FIN]</i></p>
<p>Women Returning to the Labour Market²¹</p>	
<p>Forum Recommendations</p> <p>Recs. 7.11-7.15 To maximise their considerable resource potential, we recommend the setting up of a National Support Programme for Women Returners. The core elements of such a Programme should include the establishment of women returners as a priority group within FÁS Employment Services and Training provision. The structures required to implement this Programme should include the establishment of a National Advisory Committee including the Social Partners.</p>	<p>Action Taken by Government Departments</p> <p>A review of the Return to Work course is underway by FÁS which intends to begin the implementation of a new Programme later this year. The National Employment Action Plan 2001 envisages increasing the employment rate target for women to 57% in 2005 and to an average of more than 60% in 2010 – in pursuit of the target set by the Lisbon European Council. <i>[D/ETE]</i></p>
<p>Rec. 7.21 The recommendations of the <i>'Report of the P2000 Working Group on Access by Women to Labour Market Opportunities'</i> should be implemented without delay. This will involve co-ordination between the Departments of Social, Community and Family Affairs; Enterprise, Trade and Employment;</p>	<p>In addition to earlier comments relating to the P2000 Working Group, it should be noted that those previously in receipt of the Carers Allowance for the requisite period are now eligible for CE. This recommendation is intended to facilitate the re-integration of Carers into the workforce (mainly women) when their</p>

21 Since publication of the Forum Report, the Government have accepted the recommendations of the PPF Working Group on the Review and Improvement of Maternity Protective Legislation and these are now in the process of being implemented.

<p>Education and Science; and the Social Partners. A clear timetable for implementation should be established. The outcomes for women arising from these recommendations should be tracked and monitored in a transparent manner to assess their effectiveness in targeting women and increasing their access to education and training.</p>	<p>caring duties have ceased. The restructuring of CE during 1999 extended eligibility to CE to Widows and Widowers. [D/ETE]</p>
<p>Rec. 7.24 In its 'Action Programme on Long-term Unemployment', FÁS set a percentage target for participation of the long-term unemployed in mainstream training programmes. For the purposes of this target, the definition of long-term unemployed should include long-term qualified adults.</p>	<p>Qualified adults currently have equal access to mainstream training programmes. [D/ETE]</p>
<p>Rec.7.25 FÁS is committed to ensuring that "FÁS services reach key groups such as long-term unemployed women, women returners, women with disabilities, traveller women and early school leavers." Developing this approach will require specific participation targets, support measures and organizational initiatives in relation to each of these groups.</p>	<p>Implementation of the women's access report will largely address this issue. FÁS is putting in place systems to monitor the participation of women to ensure that priority categories can avail of FÁS programmes in appropriate numbers [D/ETE]</p>
<p>Rec. 7.26 A specific target should be set for provision of mainstream training programmes on a part-time basis.</p>	<p>This will receive further consideration. [D/ETE]</p>
<p>Immigration Policy</p>	
<p>Forum Recommendations</p> <p>Rec. 8.35 With the growing significance of economic immigration, it is important that Irish policy in this area is clearly defined. We therefore welcome the fact that the Government has moved to update the legislative basis for policy. We hope that publication of this draft</p>	<p>Action Taken by Government Departments</p> <p>Noted. [D/ETE]</p> <p>The NESF will be aware that D/JELR recently undertook a public consultation exercise in relation to immigration law, procedures and practices, as part of which that Department invited</p>

<p>legislation will provide the opportunity for a more considered and better informed public debate on immigration policy in general and economic immigration in particular.</p>	<p>submissions from organisations and individuals. <i>[D/ETE]</i></p>
<p>Rec. 8.37 Consideration should be given to allowing people who have been working in accordance with a work permit for an extended period (of perhaps two or three years) to then qualify for a more open working visa type arrangement.</p>	<p>This will be considered in the context of the current review of policy. In practice, there is considerable flexibility at present but the work permit system should not be confused with a 'green card' system, where there is considerable pre-entry vetting of skills, adaptability, character etc. <i>[D/ETE]</i></p>
<p>Rec. 8.40 Different provisions for accompaniment by family apply to Work Authorisations and Work Visas. This should be kept under review and returned to if it is seen to act as a barrier to attracting designated workers to Ireland.</p>	<p>Agreed. <i>[D/ETE]</i></p>
<p>Rec. 8.41 Consideration should be given to issuing Work Authorisations/Visas for a longer duration in the first instance. An initial duration of at least 3 years would seem to be in line with emerging practice in countries such as the UK, Germany and the US. In addition, the longer-term options open to authorisation/visa holders must be clarified to enable employers and the National Employment Service to positively promote a clear package to prospective workers.</p>	<p>A pragmatic approach is favoured. Will be considered further in light of experience. <i>[D/ETE]</i></p>
<p>Rec. 8.42 The Work Visa Scheme is applied to designated occupations. The specific categories designated should be kept under review to ensure that they continue to match identified needs.</p>	<p>Agreed. <i>[D/ETE]</i></p>
<p>Rec. 8.43 The marketing of the Work Visa/Work Authorisation Scheme requires attention.</p>	<p>Agreed. <i>[D/ETE]</i> Agreed. <i>[D/ETE]</i></p>

Rec. 8.44 Third country nationals legally resident in EU Member States, even those who have lived there for many years, are not accorded freedom of movement within the EU. This issue will be considered under Title VI of the Amsterdam Treaty and merits a positive approach from Ireland.

Freedom of movement in the case of EU nationals means that they do not require work permits and there are no obstacles in the area of social security. In addition to coverage for social insurance on taking up employment, EU nationals can also be eligible to receive non-contributory social assistance payments.
[D/SCFA]

Third country nationals in the EU do not have freedom of movement. If they go to another Member State, they must either have employment, based on work permits, and/or have independent means. Normally they are not eligible for social assistance, as their residence in the EU country is conditional on not becoming a burden on the State.
[D/SCFA]

If Ireland were to grant freedom of movement to third country nationals and the other Member States retained the above restrictions, this could result in the third country nationals, to a disproportionate extent, being attracted to Ireland because of the comparatively liberal eligibility rules for social assistance which would then apply. For these reasons, it is considered that any easing of restrictions on freedom of movement, especially in the area of social protection, should only be made as part of an EU-wide initiative.
[D/SCFA]

Forum's Conclusions on the above Action Taken by Government Departments on its Report No. 19

6.7 Since the publication of our Report in November last, the forecasted rate of economic growth²², which was already expected to be much more moderate this year (GNP to rise by 6%, compared to over 10% last year), has now been

22 "Economic Review and Outlook", Department of Finance, August 2001.

significantly scaled back further by both the ESRI²³ and the Central Bank²⁴. This reflects not only the marked slowdown in the world economy, and especially that of the US, but also the severe adverse economic fall-out from the terrorist attacks in the US.

- 6.8 The growing list of business closures and job losses are, of course, of serious concern. It is important, however, that we do not talk ourselves into a more serious crisis and in this regard it needs to be borne in mind that the extremely high growth rates in recent years were unsustainable in any case and a slowdown was bound to come.
- 6.9 Moreover, it should be borne in mind that both the ESRI and the Central Bank emphasise that the present marked slowdown may well be only temporary over the next two or three years and that, given its underlying strengths, the medium-term prospects for the economy remain good. As the ESRI has highlighted, one of the key factors that will determine the growth rate of the economy over the coming decade will be the potential supply of labour.
- 6.10 The upshot of all this, however, is that we are now facing a period of uncertainty and volatility ahead and need to review and adapt our strategies accordingly. A key element in this respect should be to focus on (i) upgrading skills qualifications to better gearing education and training programmes to market requirements; and (ii) to more effectively mobilise domestic labour supply to ease pressures and job shortages, as the economy begins to recover again, as well as the need to address the impact of future demographic trends, with the ageing of the population and the fall-off in young people entering the labour market²⁵.
- 6.11 A central question facing policy-makers will be how to expand the labour resources available to the economy. In this regard, the relative emphasis to be given to immigration or to increasing domestic labour supply (through encouraging higher employment participation for particular groups) was one of the central issues raised in the Forum's Report. On balance, we urged caution in relying on increased immigration, not least because of the dangers of exacerbating existing infrastructural deficiencies (notably that of housing) and in any case considerable scope existed for increasing the domestic labour supply. It is also interesting to note that this approach is now also supported by the Department of Finance²⁶ who considers this to be the "*optimum response*".
- 6.12 What all this means is that the approach and proposals contained in our Report

23 "Medium-Term Review 2001-2007", ESRI, September 2001.

24 "Quarterly Bulletin", Central Bank, Autumn 2001.

25 "Expert Group on Future Skills Needs", Third Report, Forfás, August 2001.

26 "Economic Review and Outlook" op. cit.

are still valid and in the final paragraphs beneath we make some concluding comments under our four policy themes, namely:

- Welfare-to-work;
- Tax Individualisation;
- Women Returning to the Labour Market; and
- Immigration.

6.13 The Forum acknowledges that FÁS, which was widely criticised in the past, has now undergone a major restructuring and its functions are more clearly defined and targeted. This is already beginning to show results in, for example, its success in directing over 85 % of those on the Live Register referred to it under the *National Employment Action Plan* to a job or to a training scheme.

6.14 Moreover, the Forum understands that this process is at present being carried a stage further with the preparation by FÁS of a *Strategic Plan* geared to the dynamic and volatile changes in the labour market, not least those facing disadvantaged groups who are of particular interest to the Forum. An important feature of this is the process of consultation that FÁS is having with the Social Partners.

6.15 The Forum would hope, as part of the above review, that FÁS will take into account its recommendation about the development of welfare-to-work modules as standard on all of its labour market programmes as well as on all CE Supervisors' training.

6.16 Another welcome development is that the National Employment Service will be informed by the work of the Standing Committee on the Labour Market whose remit now will also include that of providing a focal point for the overall appraisal of Active Labour Market Programmes, including programmes of particular interest to the Forum such as Community Employment and the Jobs Initiative.

6.17 In passing, the Forum is pleased to note that consideration is now also being given to its recommendations on PRETA.

Welfare-to-work

6.18 The Forum is pleased overall with the positive responses it has received from the Department of Social, Community and Family Affairs to its recommendations under this heading. It understands that a more comprehensive welfare-to-work strategy is now also being considered as part of the review of the NAPS and looks forward to the results which are expected to be published shortly.

- 6.19 It should also be mentioned in passing that the Forum’s recently-published Report on Lone Parents²⁷ recommends that, as a first step in the establishment of a Welfare-to-Work Unit, the Department of Social, Community and Family Affairs should convene a Welfare-to-Work Colloquium, in conjunction with the main players to consider policy issues relevant to taking up employment for welfare-dependent groups.
- 6.20 That Report highlighted again the importance of income disregards in decisions about taking up employment and that all such disregards “*should be consistent, simple and transparent, that net pay should be used and that they be reviewed regularly*”.
- 6.21 Other important reports awaited and which are directly related to the Forum’s recommendations are the review of the Medical Card Scheme by the CEOs of the Health Boards, a review of the whole issue of eligibility for this Scheme as part of the new Health Strategy and the review of the Supplementary Welfare Allowance.
- 6.22 The Forum also notes with approval the comprehensive IT work underway in relation to welfare-to-work information and advice and wishes to place on record the lead and exemplary role that the Department of Social, Community and Family Affairs has been playing in recent years in improving its information services and leaflets and which is very much along the lines the Forum had recommended in one of its earlier Reports²⁸.

Tax Individualisation

- 6.23 The Forum has noted the Department of Finance’s responses and naturally welcomes the areas of agreement. There are a number of areas of disagreement such as the regressive effects of the present policy of band individualisation and administrative individualisation of income tax for married couples. However, no useful purpose would be served by pursuing these issues further at this stage and, in any case, the Forum will be returning to taxation matters in its future work.

Women Returning to the Labour Market

- 6.24 The review by FÁS of the Return to Work Programme for Women is welcome but, given its importance and key role, it would be important to consult with the Social Partners (including the Forum) as part of this review process before final decisions are made.
- 6.25 While noting that some improvements have been made, arising from the Partnership 2000 Working Group on Access by Women to the Labour Market,

²⁷ “*Lone Parents*”, Forum Report No. 21 (July 2001).

²⁸ “*Quality Delivery of Social Services*”, Forum Report No.6 (February 1995).

the Forum is unhappy with the response to its recommendations on the implementation of this report (viz. timetable, tracking and monitoring mechanisms etc.) and asks FÁS to look into this as part of its current review of the Return to Work Course for Women.

6.26 One of the most severe barriers at this stage is the widespread lack of quality and affordable childcare facilities. This calls for greater priority attention action by the Government in addressing:

- Affordability;
- Long-term strategies, with the fixing of targets and monitoring arrangements;
- Exchequer resources to increase the number and quality of childcare facilities; and
- Non-monetary barriers such as physical planning (to ensure a more consistent approach throughout the country on planning applications) and health regulations.

Immigration

6.27 The Forum is pleased that many of its recommendations are accepted but in this, as in many other policy areas, the key test will be the priority and effectiveness given to their implementation.

6.28 Some of its recommendations are also relevant to the consultation process at present underway by the Department of Justice, Equality and Law Reform on immigration policies and the Forum has sent copies of its Report to that Department for consideration as part of that process.

6.29 As regards the Forum's recommendation that Ireland should adopt a positive approach when it comes to examining policy proposals in the immigration area at EU level under Title VI of the Amsterdam Treaty, the Department of Justice, Equality and Law Reform has pointed out that this country participates in measures in this area to the maximum extent compatible with the maintenance of the Common Travel Area with the United Kingdom. Subject to this proviso, that Department has stressed that we play a full role in EU work in this area, with a view to protecting and advancing our national and community interests.

6.31 Lastly, in relation to setting up the Refugees Advisory Board (as provided for under the *Programme for Prosperity and Fairness*), it is understood that arrangements are at present being made for the appointment of this Board. The Department of Justice, Equality and Law Reform has mentioned that this Board

will be an additional element in the structures the Government are putting in place. These are considered by the Department as among the most comprehensive that exist anywhere in the EU and will include also the independent Offices of the Refugee Applications Commissioner and the Refugee Appeals Tribunal to process asylum applications; and the Reception and Integration Agency to provide, *inter alia*, for the needs of asylum seekers and the integration of refugees.

Concluding Comments

6.31 In conclusion, the Forum wishes to highlight that some of its key outstanding recommendations have now also been supported by the EU Commission²⁹ which has called for action by this country in relation to:

- Increasing labour supply and employment rates by integrating further into the labour market economically inactive people, in particular women, by removing tax barriers, increasing the number of childcare places and action to reduce the gender pay gap (despite recent increases, the employment rate for women here has only just now reached the EU average of 54%); and
- Further efforts to upgrade skills in the workforce through more in-company training and further development of lifelong learning and the setting of overall targets.

²⁹ “Council Recommendation on the Implementation of Member States’ Employment Policies”, EU Commission Recommendation, September 2001.

Section VII

Overall
Conclusions

Overall Conclusions

Forum's Evolving Role

- 7.1 In its Report No. 16, the Forum recommended a number of important and innovative reforms to the workings of the main social partnership institutions. These were fully accepted by the Government at the time and came into effect in the Autumn of 1998. As a result, there has been a strengthening and development of these institutions through, *inter alia*:
- A wider and more representative membership for both the NESC and the NESF;
 - Greater clarity and complementarity between their respective roles and functioning so as to achieve a new balance in the different links in the policy process between policy-making on the one hand and that of policy implementation and monitoring on the other hand; and
 - The Secretariats of both bodies are now located side-by-side in the same building in Frederick House in Dublin and this in itself facilitates and achieves economies in the sharing of support services and office systems.
- 7.2 Throughout all these changes, the Forum has retained its distinction of being the most representative social partnership body and in its providing a direct link, through its Oireachtas Members (Strand One), between elected political representatives and the social partnership process. This link was further strengthened with the addition of local government representatives, officials from key Government Departments as well as a number of independent new Members since 1998.
- 7.3 With its revised structures and working arrangements and responding to the new challenges of its reconstituted role, the Forum now works mainly through small Project Teams, whose membership is drawn from its four different Strands. Here the emphasis is on a problem-solving approach and in identifying the barriers and blockages to successful policy implementation at the local level, especially key areas in people's lives, such as housing and health, which had not been looked at in detail by the Forum up to recently.
- 7.4 As part of this process, the Teams seek to consult and involve, not only representative organisations that are members of the Forum, but also the public service customers themselves at local levels. This direct local experience in turn is fed into the policy loop and strengthens the links with strategic policy-making at the national level.

7.5 In short, the Forum's role now is to establish a new dynamic balance in the policy design process through its reaching down to find people at the local level with the experience and knowledge of what works and does not work and the reasons why. This requires mobilising people in new ways, encouraging experimentation and different approaches, identifying successful pilot initiatives and establishing how best these can be accepted and mainstreamed at the national level.

Forum's Overall Policy Impact

7.6 Previous Periodic Reports have documented the Forum's positive impact in terms of:

- Providing a unique venue and a voice for the first time in the social partnership process for the Community and Voluntary Sector (which represents a very wide range of interests such as the unemployed, women, disadvantaged, youth, the elderly, people with disabilities and the environment);
- Encouraging debate, both in the Oireachtas and by the public at large, on a wider range of policy options and choices in relation to economic and social policy issues;
- Achieving a broader consensus and submitting practical recommendations to Government on a wide range of economic and social policy issues; and
- Reflecting the above solid achievements, formal recognition was given to the Community and Voluntary Sector as a new pillar under *Partnership 2000* and this has continued on under the present *Programme for Prosperity and Fairness*.

7.7 As evidenced by this present Report, the Forum believes that it has continued to positively influence Government policy decisions. This has been the case, notwithstanding changes in Government and irrespective of which Political Parties were in power at the time. This testifies to and is an acknowledgement in itself of the Forum's political impartiality and of the willingness of its Strand One Members (which comprises representatives of all the main Political Parties in the Oireachtas) to work together in the Forum as a group, irrespective of party affiliation by and large, and in the overall national interest.

7.8 It will be noted from the earlier Sections of this Report that while the responses from Government Departments have varied, nevertheless, the impact of the Forum's recommendations, when viewed in the overall, has been positive. Moreover, the Forum's influence in strengthening and widening the provisions

and commitments on social inclusion and equality in the recent social partnership agreements has also come to be more widely accepted and acknowledged.

Project Teamwork Review

- 7.9 The Forum, and more particularly its Management Committee, keeps its structures and working arrangements under regular review and makes whatever changes to both these areas that may be necessary in the light of experience.
- 7.10 The Committee recently initiated an evaluation project which will focus, *inter alia*, on the relevance still of the policy design process which had been one of the main recommendations made back in 1997 in the Forum's Report No. 16 entitled "*A Framework for Partnership – Enriching Strategic Consensus through Participation*".
- 7.11 Particular issues to be covered in this evaluation will be the effectiveness or otherwise of the innovations since introduced in the work process such as project teamwork, local hearings, written submissions from the public, the role of the Plenary Session in this and, more generally, how best to engage more fully with Forum Members who are not on Project Teams.
- 7.12 It is envisaged that this evaluation will be completed shortly.

Inequality and Social Exclusion Challenges

- 7.13 The dramatic turn-around in this country's economic situation in recent years and the pivotal role played in this by our social partnership arrangements is well documented and accepted. What is more slowly coming to be realised, however, is that our pattern of development has been more focused on economic issues but that this now needs to be further underpinned and reinforced by a more comprehensive and adequately-resourced social dimension. As highlighted recently by the EU Commission³⁰ the core concerns in the promotion of social cohesion, and ones which the Forum fully agrees with, are:
- The extent of inequalities in terms of income, health and the living conditions as it affects different groups, for example, older people, children, women, the long-term unemployed, people with disabilities, migrants, etc;
 - The effective reduction of these inequalities, through the formal systems for social protection, education, and health;

30 "*The Social Situation in the European Union*" (August 2001).

- Trends in social participation; i.e. developments in the extent to which citizens contribute more directly to the construction and consolidation of social cohesion through their participation in economic, political and social life;
- The impact on existing patterns of inequality of new macro-developments such as the introduction of new technologies or the process of globalisation; and
- The degree to which trends towards greater individualisation lead to social fragmentation or generate new opportunities for individuals to engage in activities adding to social cohesion.

7.14 Our widening prosperity gap is well documented in a number of studies and reports. For example, the most-recently published UN report³¹ on development issues confirms yet again that, as a proportion of our population, more people live in *relative* poverty in Ireland than in any other industrialised country outside the US.

7.15 Moreover, more recent Irish figures on trends in poverty³² showed that the percentage of people below half average income has continued to increase over the period 1994/1998. Single parent households and the elderly are most at risk of living in poverty.

7.16 The Forum readily acknowledges the notable achievements in recent years with, for example, the number of “*consistently poor*” households (defined as those living on below 60 per cent of average income and lacking certain basic necessities such as a warm overcoat, a second pair of shoes, or a substantial meal) fell from 15 per cent to 8 per cent between 1994 and 1998³³. The present target in the NAPS is to bring the latter figure to below 5 per cent by 2004. Moreover unemployment has now fallen to 3.7 per cent, while long-term unemployment has fallen to 1.2 per cent, compared to a level of 7 per cent in 1996. In addition, over 300,000 low-paid have been removed from the tax net, a minimum wage has been introduced, while Budget 2001, for example, allocated over £2 billion to a special social inclusion package.

7.17 Welcome and all as these achievements are, serious questions and challenges have to be addressed, however, about the overall purposes of increasing prosperity and over the policy choices that have to be made on quality of life issues such as the underlying costs to society and its sustainability (both in

31 “*Human Development Report 2001*” United Nations, New York, July 2001.

32 “*Monitoring Poverty Trends: Results from the 1998 Living in Ireland Survey*”, ESRI, October 2000.

33 “*Monitoring Poverty Trends and Exploring Poverty Dynamics in Ireland*”, ESRI (Layte, Maitre, Nolan, Watson, Whelan, Williams and Casey), July 2001.

human and environmental terms). Allowing the present situation to continue is damaging to social cohesion and further alienating large groups in our society.

- 7.18 As pinpointed consistently by the Forum in its own work as well as in international studies³⁴, social cohesion can mobilise the population to get things done, it can achieve a better balance between economic and social benefits and is also required if growth and prosperity are to be sustainable into the future.

Future Policy Priorities

- 7.19 The above challenges must be addressed not only by Government but also by all the other actors and interest groupings in our society, if the multi-dimensional and deep-rooted problems of social exclusion and inequality are to be more effectively tackled.
- 7.20 The Forum would be strongly opposed to any suggestion that the recent slowing-down on our economy's growth rate (and the associated significant fall-off in the rate of increase in Exchequer tax receipts and the likely halving this year of the Exchequer surplus) should be used to provide a pretext to curtail long-overdue improvements to public services. Equally, the process of tax reforms to benefit the low-paid and improve the rewards and incentives to work should continue uninterrupted. The experience of the 1980s, when the poor bore a disproportionate share of the fiscal adjustments, should not be repeated.
- 7.21 Major policy initiatives and policy frameworks such as the *Strategic Management Initiative*, the *Programme for Prosperity and Fairness*, the *National Anti-Poverty Strategy*, and the *National Development Plan 2000-2006* all have the potential to provide greater momentum and set down a more strategic direction and focus towards more resolute, integrated and targeted actions and results in this area, than was the case with other such programmes in the past.
- 7.22 But this will require on-going commitment, direction and focused attention through the social partnership process if it is to succeed and if the gap between rhetoric and concrete results on the ground is to be narrowed. The trade-off between efficiency and equity considerations needs to be reassessed, and greater emphasis and weight should now to be given to the latter.
- 7.23 In this regard, in the Forum's view the more immediate strategic priorities which need to be tackled should include:
- The current NAPS review and the setting of more ambitious targets and

34 "Where Did All the Growth Go? External Shocks, Social Conflict and Growth Collapses", NBER Working Paper No. 6350, D Rodrik and "Social Capital and Social Learning in a Full World" R.Dobell.

including disadvantaged groups not covered up to now such as women, older people and children;

- Income adequacy³⁵ for those dependant on social welfare payments, with particular reference to linking and benchmarking these to average incomes in the economy as a whole;
- Improving redistributive impacts through the tax /social welfare systems; studies have shown that our tax system, in the overall tends to be neutral, so that the redistribution of incomes has to be achieved largely through the social welfare system;
- Moving on from aspirational and over-generalised objectives, and now setting down more precise and quantified targets in relation to equality objectives, if the “*framework-type programmes*” contained in national partnership agreements are to be given real clout in achieving more worthwhile results;
- Setting of fiscal targets through the social partnership process (in relation to a number of key areas such as targets for Exchequer balances³⁶, and parameters for distributing the fiscal burden between incomes, profits and other income sources);
- The limits of income tax reductions and the implications of further overall reductions (as distinct from reductions for those on low pay) for financing public services; opinion polls have consistently shown that the public would now be prepared to forego such reductions in return for improvements to public services; and
- Long over-due improvements to the quality and delivery of public services most notably, the two-tier healthcare system³⁷, the growing waiting lists for public housing, education disadvantage³⁸ and the widening deficiencies in public transport facilities; in this respect, it would be essential to set down specific and measurable targets, with supporting strategies, timetables and monitoring mechanisms for their achievement.

35 While our welfare system is among the best targeted it is also one of the least generous in terms of payments in the EU, see Forster and Pellizzari “*Trends and Driving Factors in Income Distribution and Poverty in the OECD Area*”, OECD, 2000; Ireland spends less of its GDP on social protection than any other EU Member State (16.1% as compared to an EU average of 27.7%).

36 Current public expenditure here, as a % of GDP, is now at 30% (marginally above that of the US at 28%) and is one of the lowest in the industrialised world; this compares with 47% in France, 52% in Denmark and Sweden; a decade earlier, we were at the EU average of 45%.

37 The latest UN *Human Development Report* for 2001 shows that, in relation to priorities in public spending on education and health, Ireland ranks 18th among the industrialised group of countries; our expenditure on health (both public and private) relative to GDP, for example, is about the same as in the UK and Finland but only about one-third that of the US and is also significantly lower than that in the Benelux, France, Denmark and Germany.

38 Public expenditure on education in this country, relative to GDP, amounts to 4.8%, compared to an EU average of 5.1%; the highest ratios are in Denmark (8.0%) and Sweden (7.9%).

- 7.24 We are now better positioned than we ever were to tackle the above priorities in a more integrated and effective manner as we have, in relative terms, one of the most robust economies and public finances in Europe (despite the recent marked slowing-down). Moreover, we now also have a much better understanding of what will work and will not work in our economy as a result, for example, of the monitoring and evaluative structures in place such as those operating under the *Programme for Prosperity and Fairness*, the *Strategic Management Initiative* and other institutional innovations such as the Forum's role in the case of equality and social programmes.
- 7.25 But difficult choices will have to be made in this area in attempting to achieve the optimum balance between tax reductions on the one hand (we now have one of the lowest tax burdens³⁹ in Europe), further improve our public services such as education, housing, health and transport services while at the same time continuing to underpin competitiveness, enhance our productive capacity and comply with our EU obligations under the *Growth and Stability Pact*. Nobody with any sense of responsibility, and not least that of the Forum, is advocating a return to the profligate expenditure and tax policies of the late 1970s and early 1980s and which led to such disastrous economic and social consequences for the best part of a decade.

Policy Developments at EU Level

- 7.26 It is encouraging to note that the dualism and complementarity mentioned above between economic and social policies, which the Forum has long been campaigning for, has now also come to the fore at EU level where the European Council of Heads of State/or Government is playing the leading role in pushing this forward. In this regard, the Forum very much welcomes and supports the decisions and guidelines adopted at the most recent meeting in March last of that Council in Stockholm in relation to:
- modernising the European social model;
 - improving quality in work;
 - promoting social inclusion;
 - role of the social partners in managing change;

³⁹ In relative terms, we are a low tax economy: our overall tax burden is around 34 per cent, compared to an EU average of nearly 43 per cent; moreover, tax reductions over the last decade have benefited the rich most, have been far in excess of spending on welfare improvements while we now also have one of the lowest systems of capital taxes in Europe (see *Rich and Poor: Perspectives on tackling inequality in Ireland*”, Cantillon, Corrigan, Kirby and O’Flynn, 2001).

- corporate social responsibility; and
- adequacy of pension systems, health care and care of the elderly.

7.27 Of special and potential significance is the fact that the European Council now recognises that the fight against social exclusion is of the utmost importance for the EU. In this regard, what is of particular note is the undertaking by all the Member States at the Nice European Council in December last to prepare National Action Plans to combat poverty and social exclusion as well as acceptance of the need to agree a Social Action Programme for the EU by the end of the year. In this regard, see the concluding part of Section IV of this Report in relation to the Government's recent *National Action Plan against Poverty and Social Exclusion 2001/2003* for EU purposes.

Social Partnership and Governance Issues

7.28 As is generally agreed, social partnership has played a crucial role in the dramatic turn around in our economy's performance and our unprecedented success in the management of our economic and social affairs for well over a decade now. The process has gone through many changes in its role and functioning, and not least the widening in its membership in 1996 with the addition of the Voluntary and Community Platform.

7.29 Social partnership by its very nature has to be a dynamic process, subject to on-going review, ready to confront new challenges as well as open to and benefit from up- to- date thinking and developments at international level.

7.30 In this regard, and before concluding, the Forum wishes to highlight a number of developments at international level which could be of significance for the future direction of our own social partnership institutional arrangements, with particular reference to keeping under review our methods of governance, against the impact that the new knowledge and information technologies is having and will continue to have on all our daily lives. This challenge was well captured in the following extract from the opening remarks by Michel Demazure, President Cité des Sciences et de l'Industrie, at the OECD Forum meeting in Paris in May last:

“Our usual form of governance in democratic societies is becoming obsolete, particularly where scientific and technical questions or emotive issues are concerned. The role of the “experts” is being challenged. Areas of instability are appearing in the triangular relationship between decision-makers, the media and public opinion. Undoubtedly, the major challenge facing our societies, which claim to be technically advanced, open and democratic is to sacrifice neither progress nor democracy. And that means constructing a new form of governance for today's new society”.

(i) Work at OECD Level

7.31 The OECD has been undertaking work on government-citizen relations⁴⁰ in policy-making since the late 1990s and which, in turn, has been drawing on its earlier work in relation to responsive administration and better service delivery. The first stage of this work will be completed shortly when the main findings of two comparative studies and eight country case studies will be published as a Final Report. Among the issues to be addressed will be:

- What can be learned from cross-country work on how governments can give better opportunities to citizens to participate in decision-making and in the implementation of policies?
- How do such processes guard against “*special interest capture*” and ensure that decisions reflect the broad public interest?
- How can governments promote efficient and inclusive consultation without unduly slowing down or stalling policy-making processes?
- How can the issues of representativeness and accountability of interest groups in the decision-making process be better addressed?
- What lessons can be learned from the evaluation of common practices and innovative approaches in these areas?

7.32 The OECD has also recently begun to do some work with Parliamentary Assemblies on issues such as representative vis-à-vis participative democracy, with specific reference to the role of elected parliamentarians. This issue had already been flagged by the Forum in its Report No. 16 where the need to develop a model to link social partnership more effectively with the Oireachtas was strongly highlighted.

7.33 Finally, based on its on-going work in this area, the OECD has suggested ten guiding principles for more effectively engaging citizens in policy-making. These are reproduced for reference purposes in Annex IV to this Report. The Forum has a long-standing interest and attaches crucial importance to these issues.

(ii) Work at EU Level

7.34 Promoting new forms of governance, or participative democracy, is now also one of the strategic priorities of the European Commission. One of the underlying aims of the Commission’s *White Paper on European Governance*, which was published recently, following a wide-scale process of consultations, is to respond

40 Only a third of Europeans questioned stated that they trust the civil service, parliament or government in their own country (see Eurobarometer, 1999); the percentage of people satisfied with the way democracy works in their country was one of the highest in this country (70%, compared to an EU average of only 45%).

to citizen's disenchantment and scepticism of the political system. The intention is to develop more democratic forms of partnership and to radically re-think and devise new forms of governance in Europe for the new millennium.

7.35 Three of the Commission's proposals are of particular relevance in the present context, namely:

- ✓ ***Structure the relationship with civil society:*** a code of conduct for consultation will identify responsibilities and improve accountability of all partners;
- ✓ ***Make greater use of the skills and practical experience of regional and local actors:*** while this is an issue for national authorities, the Commission intends to have a more systematic dialogue with associations of regions and cities at an early stage in the policy process; and
- ✓ ***Build public confidence in the way policy makers use expert advice:*** the Commission will develop guidelines to open up the system for the use of experts to greater public scrutiny and debate.

7.36 Also, European NGOs are seeking to have established a structured civil dialogue between citizens and governments at EU level to complement existing political and social dialogues. In this regard, they are campaigning for a new Treaty Article, or at minimum a Council Regulation to provide the legal basis for such a structured dialogue.

7.37 Lastly, and with the establishment of the Northern Ireland Consultative Forum, under the provisions of the Good Friday Agreement, it is understood that consideration is now being given to establishing the parallel cross-border Forum. The latter Forum is to be appointed by the two Administrations and will be representative of civic society, comprising the social partners and other members with expertise in social, cultural, economic and other issues.

Social Partnership and Social Capital

7.38 Before concluding, the Forum wishes to make a brief reference to the role of social capital, one of whose underlying concepts is that social relationships as well as individual attributes play a critical role in economic activity and human well-being. This is now increasingly coming to the fore in research studies as well as policy debates at international level.

7.39 Our own success with the social partnership process provides a very good example of the role of social capital in building up alliances and in mobilising the energies and resources to confront on a concerted basis economic and social challenges in our society and, in the process, creating a better and more equitable quality of life for all our citizens.

7.40 A recent OECD report⁴¹ provides a useful introduction and summary of the conceptual and measurement framework for social capital, and examines its sources and impacts on a broad range of possible economic and social outcomes. It also includes a discussion of the implications for policy purposes. An important finding highlighted in this report, citing the results of the World Values Study, is the large differences in reported levels of trust and civic engagement across a selected number of OECD countries (see Table beneath).

Table: A measure of trust and civic engagement, 1995/1996
(% saying that most people can be trusted)⁴²

Norway	65.3	Ireland*	47.4	Belgium*	33.2
Sweden	59.7	Japan	46.0	Austria*	31.8
Denmark*	57.7	Germany	41.8	United Kingdom	31.0
Netherlands*	55.8	Australia	39.9	Spain	29.8
Canada*	52.4	United States	35.6	France*	22.8
Finland	47.6	Italy*	35.3	Portugal*	21.4

*1990-91 data

Source: *World Values Study and Knack and Keefer (1997) "Does Social Capital have an Economic Payoff? A Cross-Country Investigation"*, Quarterly Journal of Economics, Vol. 112(4).

7.41 The OECD report cited above mentions that the following sources and dimensions can be identified for the development of social capital: the family, schools, local communities, firms, civil society, public sector, gender and ethnicity. It noted that, while much attention had been given to the role of the voluntary and community sector associations, the key roles of families, schools, and firms had been relatively neglected up to now in the analyses of social capital.

7.42 The report also goes on to discuss issues such as civic disengagement in some countries, the declining trust in public institutions, shifts in inter-generation and value systems, the impact of TV and of the increasing instability in family life.

7.43 In terms of the policy implications, which is the main reason why the Forum has raised this topic, the report pinpoints a variety of benefits which accrue from social capital and social connectedness such as better health, greater happiness and less social isolation, improved child welfare and lower rates of child abuse, lower crime, better government and general improvements to overall well-being.

41 *"The Well-being of Nations – The Role of Human and Social Capital"*, OECD, 2001.

42 It should also be noted that Putman, in his US studies, shows that trust is also highly correlated with other measures of social capital such as civil engagement and social connectedness; again, this suggests that trust may be an acceptable proxy for social capital.

- 7.44 Indeed, and using a concept similar to that of social capital which they call “*social quality*”, Cantillon and O’Shea⁴³ propose that economic and social programmes should now also be assessed for their impact on social relations, people’s self-respect, capabilities and potential and on maximising economic and social participation.
- 7.45 Given its remit from Government in relation to equality and social inclusion issues, the findings of the OECD report are of particular interest to the Forum as regards the relationship between social capital and inequality, social fragmentation, educational development, increasing productivity in firms, and influencing the organisational culture of firms.
- 7.46 In conclusion, the Forum is of the view that the evidence cited by OECD is sufficiently impressive to warrant the relationship between social capital and policies for dealing with poverty and social exclusion to be explored and further evaluated for policy purposes and it may return to this topic again at a future date. In the meantime, the Government might take the necessary steps to support further work by the OECD in this area and, in this regard, it is encouraged by the Taoiseach’s initiative earlier this year in inviting and meeting here with Professor Robert Putnam, who is one of the world’s most authoritative and influential experts in this area.
- 7.47 At this meeting, which was held at end- March last, with an invited audience of the Social Partners, NGOs, Volunteer Groups, Department officials, academics etc. to mark the UN Year of the Volunteer, Professor Putnam warned that the dramatic levels of social disintegration in the US over the last 30 years could also come to face European countries, including Ireland, in the future and with all the attendant economic and social costs that this would entail.

43 “*Rich and Poor*” op.cit.

Terms of Reference and Constitution of the Forum

1. The main task of the Forum will be: -
 - to monitor and analyse the implementation of specific measures and programmes identified, especially those concerned with the achievement of equality and social inclusion;
 - to do so through consideration of reports prepared by teams comprising the social partners, with appropriate expertise and representatives of relevant Departments and Agencies and its own Secretariat;
 - with reports to be published by the Forum with such comments as may be considered appropriate; and
 - to ensure that the teams compiling such reports take account of the experience of implementing bodies and customers/clients, including regional variations in such experience.
2. The Forum may consider such policy issues on its own initiative or at the request of the Government.
3. Membership of the Forum will comprise representatives from the following four strands:
 - the Oireachtas;
 - employer, trade unions and farm organisations;
 - the voluntary and community sector; and
 - central government, local government and independents.
4. The terms of office of members will be for an initial period of at least two years during which alternates may be nominated. Casual vacancies will be filled by the nominating body or the Government as appropriate and members so appointed shall hold office until the expiry of the current term of office of all members. Retiring members will be eligible for re-appointment.
5. The Chairperson and Deputy Chairperson of the Forum will be appointed by the Government.

6. The Forum will decide on its own internal structures and working arrangements.
7. The Forum will be under the aegis of the Department of the Taoiseach and funded through a Grant-in-Aid which will be part of the overall Estimate for that Department. The Annual Accounts of the Forum will be submitted for audit to the Comptroller and Auditor General.
8. Finally, the staffing and conditions of employment of the Forum's Secretariat will be subject to the approval of the Department of the Taoiseach.

Annex II

Membership of the Forum

Independent Chairperson: Maureen Gaffney

Deputy Chairperson: Mary Doyle

(i) **Oireachtas**

Fianna Fáil:

Noel Ahern T.D.
Seán Haughey T.D.
Beverley Cooper-Flynn T.D.
Michael Kitt T.D.
Senator Margaret Cox
Senator Paschal Mooney

Fine Gael:

Gerry Reynolds T.D.
Paul McGrath T.D.
Bill Timmins T.D.
Senator Mary Jackman
Senator Therese Ridge

Labour:

Derek McDowell T.D.
Senator Joe Costello

Progressive Democrats:

Senator Jim Gibbons

Independents:

Michael Lowry T.D.

(ii) **Employer/Trade Unions/Farm Organisations**

(a) *Employer/Business Organisations:*

IBEC:

Jackie Harrison
Aileen O'Donoghue

Small Firms Association:

Lilian O'Carroll

Construction Industry Federation:

Mirette Corboy

*Chambers of Commerce/Tourist Industry/
Exporters Association:*

Carmel Mulroy

- (b) *Trade Unions:*
- Eamonn Devoy
Blair Horan
Jerry Shanahan
Manus O’Riordan
Joan Carmichael
- (c) *Agricultural/Farming Organisations:*
- Irish Farmers Association:* Betty Murphy
Irish Creamery Milk Suppliers Association: Pat O’Rourke
Irish Co-Operative Organisation Society: Seamus O’Donoghue
Macra na Feirme: Eileen Doyle
Irish Country Womens Association: Breda Raggett
- (iii) **Community and Voluntary Sector**
- Womens Organisations:* Gráinne Healy
Susan McNaughton
Joanna McMinn
- Unemployed:* Tony Monks
Joan Condon
Mary Murphy
- Disadvantaged:* Joe Gallagher
Frances Byrne
Janice Ransom
- Youth:* Cíairín de Buis
- Older People:* Paddy Donegan
- Disability:* John Dolan
- Environment:* Jeanne Meldon
- Others:* Fr. Seán Healy
Mary Murphy
- (iv) **Central Government, Local Government and Independents**
- (a) **Central Government**
- Secretary-General, Department of Finance*
Secretary-General, Department of Enterprise, Trade and Employment
Secretary-General, Department of Social, Community and Family Affairs
Secretary-General, Department of Tourism, Sport and Recreation
Secretary-General, Department of the Environment and Local Government

(b) **Local Government**

<i>General Council of County Councils:</i>	Councillor Constance Hanniffy Councillor Tom Kelleher Councillor Patsy Treanor
<i>Association of Municipal Authorities:</i>	Councillor Tadhg Curtis
<i>County and City Managers Association:</i>	Donal O'Donoghue

(c) **Independents**

Professor Gearóid Ó Tuathaigh, National University of Ireland, Galway
Ms. Marian Vickers, Northside Partnership
Ms. Helen Johnston, Surg Equipment Ltd.
Mr. Niall Fitzduff, Rural Communities Network
Ms. Noreen Kearney, Trinity College, Dublin

Secretariat

<i>Director:</i>	Seán Ó hÉigearthaigh
<i>Policy Analysts:</i>	David Silke Laurence Bond Sarah Craig
<i>Executive Secretary:</i>	Paula Hennelly

Annex III

Forum Publications

(ii) Forum Reports

<i>Report No.</i>	<i>Title</i>	<i>Date</i>
1.	<i>Negotiations on a Successor Agreement to the PESP</i>	November 1993
2.	<i>National Development Plan 1994-1999</i>	November 1993
3.	<i>Commission on Social Welfare - Outstanding Recommendations</i>	January 1994
4.	<i>Ending Long-term Unemployment</i>	June 1994
5.	<i>Income Maintenance Strategies</i>	July 1994
6.	<i>Quality Delivery of Social Services</i>	February 1995
7.	<i>Jobs Potential of Services Sector</i>	January 1996
8.	<i>First Periodic Report on the Work of the Forum</i>	June 1995
9.	<i>Jobs Potential of Work Sharing</i>	January 1996
10.	<i>Equality Proofing Issues</i>	February 1996
11.	<i>Early School Leavers and Youth Unemployment</i>	January 1997
12.	<i>Rural Renewal - Combating Social Exclusion</i>	March 1997
13.	<i>Unemployment Statistics</i>	May 1997
14.	<i>Self-Employment, Enterprise and Social Inclusion</i>	October 1997
15.	<i>Second Periodic Report on the Work of the Forum</i>	November 1997
16.	<i>A Framework for Partnership – Enriching Strategic Consensus through Participation</i>	December 1997
17.	<i>Enhancing the Effectiveness of the Local Employment Service</i>	March 2000
18.	<i>Social and Affordable Housing and Accommodation: Building the Future</i>	September 2000
19.	<i>Alleviating Labour Shortages</i>	November 2000
20.	<i>Lone Parents</i>	July 2001
21.	<i>Third Periodic Report on the Work of the Forum</i>	November 2001

(ii) Forum Opinions

<i>Opinion No.</i>	<i>Title</i>	<i>Date</i>
1.	<i>Interim Report of the Task Force on Long-term Unemployment</i>	March 1995
2.	<i>National Anti-Poverty Strategy</i>	January 1996
3.	<i>Long-term Unemployment Initiatives</i>	April 1996
4.	<i>Post PCW Negotiations – A New Deal?</i>	August 1996
5.	<i>Employment Equality Bill</i>	December 1996
6.	<i>Pensions Policy Issues</i>	October 1997
7.	<i>Local Development Issues</i>	October 1999
8.	<i>The National Anti-Poverty Strategy</i>	August 2000

(iii) Forum Opinions under the Monitoring Procedures of Partnership 2000

<i>Opinion No.</i>	<i>Title</i>	<i>Date</i>
1.	<i>Development of the Equality Provisions</i>	November 1997
2.	<i>Targeted Employment and Training Measures</i>	November 1997

Guiding Principles for Engaging Citizens in Policy-making

The OECD has suggested the following guiding principles for successful information, consultation and active participation in policy-making.

1. **Commitment**

Leadership and strong commitment to information, consultation and active participation in policy-making is needed at all levels – from politicians, senior managers and public officials.

2. **Rights**

Citizens' rights to access information, provide feedback, be consulted and actively participate in policy-making must be firmly grounded in law or policy. Government obligations to respond to citizens when exercising their rights must also be clearly stated. Independent institutions for oversight, or their equivalent, are essential to enforcing these rights.

3. **Clarity**

Objectives for, and limits to, information, consultation and active participation during policy-making should be well defined from the outset. The respective roles and responsibilities of citizens (in providing input) and government (in making decisions for which they are accountable) must be clear to all.

4. **Time**

Public consultation and active participation should be undertaken as early in the policy process as possible to allow a greater range of policy solutions to emerge and to raise the chances of successful implementation. Adequate time must be available for consultation and participation to be effective. Information is needed at all stages of the policy cycle.

5. **Objectivity**

Information provided by government during policy-making should be objective, complete and accessible. All citizens should have equal treatment when exercising their rights of access to information and participation.

6. **Resources**

Adequate financial, human and technical resources are needed if public information, consultation and active participation in policy-making are to be effective. Government officials must have access to appropriate skills, guidance and training as well as an organisational culture that supports their efforts.

7. **Co-ordination**

Initiatives to inform, request feedback from and consult citizens should be co-ordinated across government to enhance knowledge management, ensure policy coherence, avoid duplication and reduce the risk of ‘consultation fatigue’ among citizens and civil society organisations (CSOs). Co-ordination efforts should not reduce the capacity of government units to pursue innovation and ensure flexibility.

8. **Accountability**

Governments have an obligation to account for the use they make of citizens’ inputs received through feedback, public consultation and active participation. Measures to ensure that the policy-making process is open, transparent and amenable to external scrutiny and review are crucial to increasing government accountability overall.

9. **Evaluation**

Governments need the tools, information and capacity to evaluate their performance in providing information, conducting consultation and engaging citizens in order to adapt to new requirements and changing conditions for policy-making.

10. **Active citizenship**

Governments benefit from active citizens and a dynamic civil society and can take concrete actions to facilitate access to information and participation, raise awareness, strengthen citizens’ civic education and skills as well as to support capacity-building among civil society organisations.

Source: *Engaging Citizens in Policy-Making: Information, Consultation and Public Participation*. Copyright OECD, 2001.