



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

Well-being Matters: A Social Report for Ireland

Volume I

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A Social Report for Ireland

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Abbreviations

BMI

Body Mass Index

CORI

Conference of Religious of Ireland

CSO

Central Statistics Office

DWS

Developmental Welfare State

EPA

Environmental Protection Agency

ESRI

Economic and Social Research Institute

EU

European Union

EU-SILC

EU Survey on Income and Living Conditions

GDP

Gross Domestic Product

GNP

Gross National Product

GNH

Gross National Happiness

GPI

Genuine Progress Indicator

HDI

Human Development Index

HSE

Health Services Executive

IOM

International Organisation for Migration

MAP

Measuring Australia's Progress

MDGs

Millennium Development Goals

MEA

Millennium Ecosystem Assessment

NDS

National Disability Survey

NEF

New Economics Foundation

NESC

National Economic and Social Council

NESF

National Economic and Social Forum

NCAOP

National Council on Ageing and Older People

OECD

Organisation for Economic Co-operation and Development

OFCE

Observatoire Français des Conjonctures Économiques

PLC

Post Leaving Certificate

QNHS

Quarterly National Household Survey

SDT

Self-Determination Theory

SESAME

System of Economic and Social Accounting Matrices and Extensions

SGSES

Steering Group on Social and Equality Statistics

SIDOs

Sports Inclusion Disability Officers

SLAN

Survey of Lifestyles, Attitudes and Nutrition

TILDA

The Irish Longitudinal Study of Ageing

UK

United Kingdom

UN

United Nations

US

United States

USA

United States of America

WFD

Water Framework Directive

Preface

The idea of a social report was first suggested by NESC in 1977. At that time it was envisaged that a social report could highlight social problems making possible more informed judgements about national priorities. By providing insights into the progress of different measures of national well-being a social report could assist in the evaluation of what state programmes are achieving. More recently, following a recommendation by the National Statistics Board, the government requested that NESC take a lead role in the preparation and production of an overall social report. This report seeks to fulfil that request, based on the original ideas.

Internationally, there is increasing interest in, and analysis of, human well-being and the economic, social, environmental and psychological factors that contribute to it. Current thinking suggests that to measure social progress and national well-being we need something more than GDP. This report explores some of the thinking on these matters and derives a well-being framework to measure social progress in Ireland.

The framework developed focuses on six 'domains' of life which seem to be important aspects of a person's overall well-being. Indicators to monitor progress are derived from these domains. The domains and indicators could be assembled in a number of different ways, but have been presented in this report in a way which reflects our understanding of well-being and corresponds with current Irish policy goals. This initial framework can be further developed and, with the availability of better data, can be linked more directly to policy outcomes.

When this work was initiated in late 2007 Ireland was still in a period of economic growth and a ten year policy framework had just been agreed (*Towards 2016*). The subsequent onset of the economic crisis provided a challenging context for the drafting of the report. This crisis has brought into sharp focus the risks to well-being. The report recognises this changing context and its impact on social outcomes, even though these impacts may not be fully captured in the data available so far.

Nevertheless, we believe that the well-being framework used is robust and that the concepts, analysis and implications of the work can inform public discussion and policy choices on individual and societal well-being.

Acknowledgements

The Council and Secretariat wish to acknowledge the assistance and contribution of a number of individuals and organisations in the preparation of this report.

From the outset the engagement of individual Council members has helped to design, steer and inform the document. In particular, the Secretariat would like to acknowledge the contribution of Council members who provided detailed comments, verbally and in writing, and who directed the Secretariat towards data sources and relevant research. The Secretariat would especially like to acknowledge the contribution of those who attended the workshop on the life cycle chapters.

Throughout the drafting of the report a wide range of organisations and individuals engaged with the work through discussion, making valuable suggestions and commenting on drafts. We are grateful for their contributions, while retaining full responsibility for how we have used and interpreted the material.

The Secretariat was assisted by Ms Caroline McKeown who worked as a research assistant for six months during the drafting of the report. Administrative staff, Sheila Clarke and Ruth McCarthy in particular, assisted in the acquisition of documents and in the production of the report. Libby Carton and colleagues in Carton LeVert are thanked for their work in designing and setting the text.

Introduction

The purpose of this report is to analyse and interpret key social trends to inform social policy and well-being in Ireland. The approach adopted reflects the public mood in seeking to know the societal outcomes of the economic boom years and how we should design our policies for the future. The report provides material for reflection and some pointers towards future policy directions.

The focus is on individuals and their capabilities, how they relate with those around them (families, communities) and on their role within the wider societal system (economic, social and cultural systems). The work acknowledges the diversity of the population and the challenge of a developmental approach to unlocking the potential of each individual. This focus is very much in line with the current policy framework *Towards 2016* which adopts a life cycle approach, placing the citizen at the centre of social policy.

Why Well-being?

The report adopts a well-being approach for a number of reasons:

- i. Something more than GDP is required to measure social progress;
- ii. Because of the central role of people in economic and social progress;
- iii. Because people care about their well-being and are increasingly reflecting on what contributes to it; and
- iv. To assist in monitoring the impact of policy actions on policy outcomes.

What is Well-being?

The definition of well-being used throughout the report is that a person's well-being relates to their physical, social and mental state. It requires that basic needs are met, that people have a sense of purpose, that they feel able to achieve important goals, to participate in society and to live the lives they value and have reason to value.

People's well-being is enhanced by conditions that include financial and personal security, meaningful and rewarding work, supportive personal relationships, strong and inclusive communities, good health, a healthy and attractive environment, and values of democracy and social justice. Public policy's role is to bring about these conditions by placing the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and ensuring the supports are available to address those risks at key stages in his/her life.

In applying this definition, we focus on six domains of well-being, on which a certain amount of data are available, as follows:

- ◆ Economic resources;
- ◆ Work and participation;
- ◆ Relationships and care;
- ◆ Community and environment;
- ◆ Health; and
- ◆ Democracy and values.

All of these domains of a person's life are important for their well-being and are interconnected. The emphasis given to each may depend on an individual's particular circumstances or the situation in which they find themselves. People's well-being is also affected by comparing themselves with those around them and by the values set in wider society. Throughout their life course the domains of well-being of an individual may change.

The relationship between individual and collective well-being is important but hard to define. This is so, in part, because the nature and context of each individual's well-being involves a unique combination of the six domains of well-being used in the report. An implication of this perspective is that individual and collective well-being are constructed and re-constructed in processes that include individual reflection and social interaction.

Well-being Trends

Key Demographic Trends

Population levels in Ireland have reached an all-time high and the population is more diverse than it has ever been. This diversity is most noticeable in relation to an increasing ethnic mix with some 11 per cent of the population in 2006 being non-Irish nationals deriving from 188 different countries. There is also diversity in relation to family status and employment status, with a wide range of family types and various working arrangements. Ireland has a relatively youthful population with just under one quarter of the population under 18 years of age. Eleven per cent of the population in 2006 was over 65 but this is set to increase in future, with a proportionate increase in the over 80s. Just under ten per cent of the population are classified as disabled, defined as having a long lasting condition or difficulty with certain activities.

Key Trends in Relation to Economic Resources

Incomes in the population have grown until very recently, both as a result of increased employment, higher wages and other earnings, and increases in social welfare rates. The level of income inequality remains comparatively high in Ireland, with a widening of incomes at the very top end of the income distribution. The risk of income poverty has remained relatively high, although levels of deprivation and subsequently consistent poverty have fallen. The economic crisis has led to

some people experiencing large and sudden drops in their incomes while others have seen a more gradual reduction. Some sub-groups of the population remained vulnerable to poverty throughout the nineties and early 2000s, including lone parents, people who were unemployed, and people with a long term illness or disability.

Key Trends in Relation to Work and Participation

Participation in meaningful activity contributes to human flourishing and well-being. Paid employment is one of the main expressions of participation and there was unprecedented employment growth in Ireland from the mid 1990s to 2007. Unemployment, however, is one of the most damaging influences on individual and societal well-being. Unemployment has been increasing at an alarming rate recently after falling to an all-time low. The scale of the increase in unemployment is placing challenges on social welfare, employment, training and education services, as well as being detrimental to well-being. In addition, modern demands have led to some conflicts of work-life balance, especially for women. Work in the home, voluntary work in the community, and in the provision of services, can also make an important contribution to individual and societal well-being.

Educationally, we are more qualified than ever before. Nevertheless, about ten per cent of young people still leave school early, with a related problem of low levels of literacy. Participation in life-long learning is relatively low. Ireland's early childhood care and development infrastructure is still comparatively underdeveloped and is one area of critical importance for the future of our children, our society and our economy.

Key Trends in Relation to Relationships and Care

Relationships are central to people's well-being. Relationship breakdown and bereavement can be especially detrimental to people's well-being, with conflictual relationships having a particularly devastating effect on children. Encouragingly, however, there is evidence of increasing stability in relationships with a growth in the numbers getting married, including second marriages, and an increase in cohabitation. Nevertheless, lone parents and older people living alone now make up substantial proportions of our households. These household types are more vulnerable to poverty, social isolation and loneliness.

An important relationship issue is the provision of care, for both the care giver and the care receiver. Much care in Ireland is provided by and to family members on an unpaid basis, with many carers, who are mostly women, combining caring roles with paid employment or unpaid responsibilities in the home. The importance of care, both unpaid and paid, and its impact on the well-being of individuals and society is now coming into sharper focus.

Key Trends in Relation to the Community and Environment

The community and environment within which people live have an important bearing on their well-being. The increase in privately owned houses (with large increases in house prices and large mortgages) were features of the boom years. So was the difficulty of access to affordable and social housing with many households in need of housing; the numbers on local authority housing waiting lists increased during the years of economic growth.

An important requirement of housing and community development is the provision of community facilities and civic space, particularly safe areas for children to meet and play. Throughout Ireland most people report that they can get help from a neighbour if they

need it, and volunteering and community participation does not seem to be in decline. In relation to the wider environment Ireland has a high level of greenhouse gas emissions and we generate a high level of waste per head. In addition, Ireland is one of the most car dependent countries in Europe, with a need to improve provision of public transport.

Key Trends in Relation to Health

The health of the population overall is improving, as reflected in increased longevity and the majority of people stating that they perceive their health to be good. Even so, there has been an increase in chronic illness and in mental ill health. People's health is affected by the socio-economic conditions in which they live and work and by their behaviours. Physical activity is seen as beneficial to health and it is encouraging that the level of physical activity in Ireland has increased. Nevertheless, one fifth of the population remain inactive. More than half of adults in Ireland are now recorded as being overweight or obese, putting their health at risk. Tobacco use is a risk to health, yet one third of adults smoke. Excess consumption of alcohol is also detrimental to the health and well-being of the individuals involved, their families and wider society, and in Ireland we have high rates of heavy drinking compared to EU averages.

Some sub-groups of the population are more at risk of poor health than others and have less access to treatments and services. These include people with lower educational levels, lower incomes and who are unskilled. The demands on our health service are likely to increase as budgetary reductions are sought and needs are likely to increase at a time of economic recession. These demands highlight the challenge of reforming how we deliver health care to make it fairer and more effective.

Key Trends in Relation to Democracy and Values

People's well-being is affected by the values they hold and the values of the society within which they live. Access to information and transparency is an important dimension of exercising democracy. In relation to accessing information, Ireland remains below European averages in access to the internet, especially for older people. Declining levels of trust in national and other institutions have been accentuated by the financial crisis, coinciding with a perceived lack of fairness in our society.

Trust is also damaged by crime and fear of crime, bullying, domestic violence, neglect and abuse. There has been an increase in recorded crime, with a majority of the population believing crime to be a very serious problem in Ireland. One quarter of young people in Ireland report that they have been bullied. There is an increasing awareness of the risk of poor treatment, neglect and abuse among vulnerable sections of the population.

The recognition of socio-economic rights, the promotion of equality and the accommodation of diversity are regarded as features of a democratic, pluralist and fair society. Ireland has developed a progressive rights and equality infrastructure, which is potentially in danger of being eroded. Women remain under-represented in national, regional and local decision-making structures, but have made some

progress in reducing the gender pay gap. With regard to the expression of cultural identity, people of a non-Irish, non-white ethnic background and members of the Traveller community experience higher levels of discrimination than the majority Irish population. This evidence suggests that we need to keep effective means of promoting rights, equality and interculturalism under review, with a view to its further development.

Relevance of these Social Trends for Individual and Collective Well-Being

This overview of well-being in Ireland displays positive trends for many people. Given the complex relation between individual and collective well-being we recognise that, by and large, this is an aggregate judgement. The continuation of serious social deficits qualifies any aggregate judgement to a significant degree.

So, even where the overall trends suggest that the well-being of Irish society increased there were risks to individuals' well-being. A substantial minority of the population continue to live on low incomes which put them at risk of poverty; the childcare and early education infrastructures remain underdeveloped and piecemeal, with implications for child, family, economic and social well-being; some people have difficulty accessing employment for a number of reasons; many people are living with chronic illness and/or mental illness, and there are difficulties accessing a poorly functioning health system. Many people with disabilities continue to experience disadvantages; and there is a growing awareness of the need to integrate immigrants into our communities, given our developing cultural diversity.

Additional risks associated with modern society are summarised as: the challenges of balancing paid employment and family/caring responsibilities; lacking the skills necessary to access a job or having skills and training which are now obsolete; having an inadequate or insecure income or pension; and unsatisfactory and unreliable service provision. It has been argued that modern society brings with it 'discontinuities' in family and working lives, which can entail insecurities and vulnerabilities. These 'discontinuities' require a different type of engagement with the institutions of the state than heretofore – greater flexibility, differentiated routes and pathways, activation on the part of the state and of citizens, and a shift towards a supportive state, with agreed standards and greater regulation.

Relevance of Well-being in a Recession

Recessionary Risks to Well-being

In addition to the risks which were evident even in Ireland's period of strong economic growth, further risks have become apparent as a result of the economic recession. For many, these recessionary risks include: sharp and unexpected reductions in income, depletion of savings, having to manage on a lower income, finding it difficult to pay the rent or mortgage, and dealing with debt; job loss, fear of job loss, a deterioration in working conditions, or if unemployed limited opportunities for employment, or having redundant skills; the worry of unemployment and/or financial stress impacting on relationships with partners, family and friends, and curtailments in service provision making care arrangements more precarious;

tensions emerging in communities with potential increases in crime and racism; the impact of these events on physical and mental health, along with a curtailment in some health and social services; a lack of confidence and trust in some national institutions, a perceived lack of fairness, and an erosion of the equality and rights infrastructure.

Impact of the Recession on Well-being

Well-being is affected by economic upturns and downturns. A shock to one domain of our well-being may have an impact on another domain. For example, loss of a job and income can affect our relationships and health. These impacts can affect people in different ways depending on their circumstances. Depending on how we, as individuals and as a society, deal with these adversities can make a major difference to our longer term well-being. Some of the factors identified which can make a difference include using our capabilities, having a sense of purpose, engagement in meaningful activity, the support of family and friends, having trust in our institutions and having a sense of hope. Public policy and institutions have a vital role in providing the conditions to support individual and collective well-being and in making available tailored supports to people experiencing particular risks and vulnerabilities. Resilience in individuals needs to be paralleled at societal level by resilience in institutions to enable them to be able to adapt to the changed and challenging circumstances, as they strive to deliver an adequate level and standard of service with reduced resources.

Ireland's Well-being at a Time of Change

A Developmental Approach

A developmental welfare state, denoted by three overlapping areas of welfare state activity – services, income supports and activist measures, is a 21st century public policy framework well suited to supporting individual well-being. The developmental welfare state recognises that people are citizens first and foremost, but are heterogeneous citizens with a changing mix of needs, capabilities and circumstances. In advocating ‘tailored universalism’ as an approach, the developmental welfare state implies that: a) services and supports, such as education and health, are available to everyone; but that b) for people with certain needs, and in certain circumstances, additional payments and entitlements to services are tailored to meet their needs. These tailored services address the specific barriers which prevent people from realising their potential.

Towards 2016 sets out 23 high level goals with associated actions, based on a developmental welfare state approach. These high level goals are in line with the well-being needs of the various life cycle groups and remain relevant in these recessionary times. While it is recognised that prioritisation will have to take place due to more limited resources, to discard any of these goals would be a retrograde step. Indeed, the infrastructure of social supports and social policy need to be maintained in the difficult years ahead, as they provide a foundation upon which existing and new social problems can be addressed. Abandonment of any of the goals could potentially damage the well-being of individuals who are in disadvantaged

or constrained circumstances and could lead to higher long term costs to the state and to society more generally. The prioritisation of the implementation of these goals has to take place in the context of the financial stabilisation measures being put in place by the Government.

This analysis leads us to question the model of development we have used in the past. While this model led to unprecedented economic growth it has left social deficits in its wake and seems limited in its capacity to address the challenges facing Ireland in the current recession or to shape our future society. Thus, the way we state some of our high level goals could be modified, for example:

- ◆ From growth of total GNP to GNP per head to *sustainable growth*;
- ◆ From income growth to *a more equal distribution of income*;
- ◆ From absolute job creation to overall employment rate to *participation rate*;
- ◆ From discrete and targeted programmes for disadvantaged groups to *responsive, flexible, person-centred, and tailored publicly funded services*;
- ◆ From an exclusive focus on income to *a balance between income and better provision of accessible, affordable quality services*;
- ◆ From developer-led developments to *planned and sustainable communities*;
- ◆ From housing completions to *occupancy rates*;
- ◆ From 'survival of the fittest' to *a more egalitarian society*.

Well-being Implications

There are a number of lessons which have emerged from the review of well-being, summarised as follows:

- ◆ At the most fundamental level having a level of income to meet basic needs matters. This level of income is contingent both on the standard of living in the society within which one is living, as well as the distribution of income, as people compare their income levels with those around them. It is also known that while loss of income can lead to a reduction in well-being in the short-term, people do readjust to their new financial circumstances.
- ◆ The fundamental elements which contribute to long-term well-being include participation in meaningful activity, along with affectionate and caring relationships, a secure, safe and attractive environment, good social relations, and good health.
- ◆ Context matters and the situations within which people find themselves can contribute to or detract from their well-being. These situations include their socio-economic circumstances and the values of the society within which they live. The operation of democracy, trustworthy institutions, standards of transparency and openness, acceptance and support for diversity, and principles of equality have been found to be conducive to well-being.

This knowledge of well-being provides us with some key pointers in responding to the economic recession. First, it would suggest that we should try to ensure that as many people as possible are meaningfully engaged. In the context of job losses and rapidly increasing unemployment this is a significant challenge.

Secondly, it is important to bear in mind people's basic need for an adequate income. Not only does this point to the need to ensure that people have an income which is adequate to prevent poverty, but now it also means recognising that some people have experienced large falls in their income and/or savings which will put them in situations of financial hardship.

Thirdly, it is relevant to reflect on the impact of social comparisons on well-being. A situation where everyone is experiencing a drop in income would seem to have a lesser effect on well-being, so long as basic needs are met, than a situation where only some people experience income reduction.

Fourthly, we should be able to learn from the past in planning for the future. For example, we may think differently about the desirability of fast economic growth, rather than deep or enduring prosperity. We may focus more on intensive rather than extensive growth and place a higher priority on sharing of gains and losses. We may take the view that future prosperity is best secured by moving away from a growth economy towards a more economically, socially and environmentally sustainable model of development. We may seek a more equal society based on the evidence that more equal societies tend to have lower levels of poverty and higher levels of social cohesion.

In this context, it is pertinent to raise certain questions. Three key questions are posed:

- ◆ How do we pursue both individual and collective well-being and make them mutually supportive?
- ◆ What is our vision of Ireland in ten years time?
- ◆ What is the appropriate institutional response?

Well-being Test

Well-being Criteria	Description
<i>Capability</i>	A focus on what an individual can do with a view to developing capabilities
<i>Agency</i>	Respect for the capacity of individuals to make decisions about their lives
<i>Purpose</i>	Recognising the importance of having a sense of purpose by encouraging and supporting people to engage in meaningful activity
<i>Social interaction</i>	The recognition that we operate in the context of a set of relationships – family, community and wider society
<i>Common good</i>	As individuals and as societies we do better in more equal and fairer societies
<i>Sustainability</i>	We live in a finite world and have to use our resources wisely now and for future generations

Well-being Test

In seeking to do things differently it is helpful to have underpinning principles or criteria driving the reforms. A ‘well-being test’ is suggested based on a developmental perspective.

- ◆ By focusing on **capability** we are paying attention to what an individual can do rather than what they cannot do. Thus, we would focus on the developmental potential of all people from an early age – pre-education, through the education system and into life-long learning.
- ◆ **Agency** is an important component of well-being. In empowering people and taking into account their views, appropriate and tailored services can be provided, with the individual also taking responsibility for their needs, in conjunction with service providers.
- ◆ Having a **purpose** in life is a motivating factor which acknowledges people’s contribution, whether this is in paid work, household work, care work or voluntary work.
- ◆ People are **social beings** characterised by their relationships and interactions with others – within families, within communities, and within institutions. While public policy recognises this dimension of people’s lives in many of its programmes and initiatives it is helpful to take this wider context into consideration in the nurturing of children, in the sharing of responsibilities and in finding optimal work-life balances.
- ◆ There is merit in putting a higher value on the **common good** through ensuring a more equal provision of services, a greater sharing of responsibilities and a greater sense of solidarity.
- ◆ A more **sustainable** approach recognises that we live in a world with finite resources that we need to use wisely now and for the future.

Policy Priorities

A number of policy priorities emerge from the review of well-being trends, and subsequently in the context of the economic recession.

Immediate priorities are:

- ◆ The need to address *unemployment* through diverse and intensive activation measures;
- ◆ The *provision of financial supports, including pension reform*; and
- ◆ The *transformation of institutions and improved accountability*.

As well as the immediate priorities outlined above, attention needs to remain focused on:

- ◆ Early childhood care and education;
- ◆ Life-long learning;
- ◆ Care supports to promote independent living;

- ◆ Supports to accommodate working and other activities, especially caring;
- ◆ Building sustainable integrated communities; and
- ◆ Promoting better health, including addressing adverse economic and social conditions.

Policy Implementation

There is a profound challenge to give traction to the developmental welfare state to deliver the policy priorities and the actions associated with the high level goals in *Towards 2016*. The recession is putting a strain on the public services with budget reductions, staffing restrictions and reductions in take home pay. Despite the more limited resources the challenge is to reorganise and restructure institutions to meet the new challenges of supporting people. Those working in the policy arena and in the delivery of programmes and services, the community and voluntary sector, and service users, hold the knowledge and expertise to meet these challenges. They must be enabled to deliver a reform agenda by having a clear vision of the type of society we are working towards as well as systems which support new ways of doing things.

Policy Monitoring

The linkage between policy development and policy monitoring emphasises the need to focus on outputs and outcomes and to align these better to high level societal goals. Social indicators can inform and support this process. Data availability is a fundamental building block for policy monitoring. Even though data improvements have been made shortcomings remain, especially in the areas of disability and equality.

Structure of the Report *Well-being Matters*

The report *Well-being Matters* comprises 4 parts in 2 volumes.

Volume I comprises 3 parts.

Part I, *Thinking about Well-being*, contains two chapters. Chapter 1 explains why well-being matters. Chapter 2 reviews the well-being literature to arrive at an understanding of well-being which is used throughout the report.

Part II, *Reporting Well-being*, also contains two chapters: Chapter 3 on expressing well-being through social reporting, and Chapter 4 which provides an overview of well-being trends in Ireland over the last ten to twenty years.

Part III, *Recasting Well-being in Ireland*, contains one chapter which recaps on the approach to well-being used throughout the report, summarises the key well-being trends, sets out the well-being implications and suggests a number of policy directions.

The recession has clearly impacted on economic and social progress and on people's well-being in the last year. The impact of the recession is considered where data have become available, and is dealt with more specifically in Chapters 1 and 5.

Volume II comprises 1 part.

Part IV, *Charting Well-being in the Policy Framework* contains four chapters, each relating to a life cycle stage as set out in the policy framework document *Towards 2016: children, people of working age, older people and people with disabilities*. Each of the four chapters explores meanings of well-being in relation to the particular population group, documents key well-being trends, relates these to the policy framework and comments on policy directions, data and indicator gaps.

At the start of each of the four parts of the report a short synopsis of what is contained in that part is provided. The last section of Chapter 1 also contains an overview summary of what is contained in the overall report.

PART I

Thinking about
Well-being

Part I contains two chapters. The first chapter explains *Why Well-being Matters*. The first section describes what well-being is, with its relevance to the Ireland of today explored in the second section. Section 3 identifies some of the risks to our well-being, followed by section 4 which discusses the role of public policy in supporting well-being. An overview of the content of the report is provided in section 5.

Chapter 2, *Understanding Well-being*, reviews the well-being literature to arrive at an understanding of well-being which is employed throughout the report, including six domains of well-being with associated indicators. Following an introduction, section 2 explains why we need a measure of social progress beyond GDP. Section 3 discusses some of the approaches to understanding and measuring social progress, before section 4 sets out the arguments for adopting a well-being approach in this report, reviewing the main lines of thought on the subject. Section 5 explains the concept of well-being used in the report, section 6 explores the measurement of well-being and the role of social indicators, while section 7 presents a framework of six domains and associated indicators for assessing well-being in Ireland. A final section, section 8, sets out the link to public policy.

1

Why Well-being Matters

This social report for Ireland is situated within a well-being framework. Its purpose is to analyse and interpret key social trends to inform social policy and well-being in Ireland. The well-being approach adopted reflects the current public mood in seeking to know what we achieved in the boom years and how we should design our economic, social and environmental policies for the future. The report provides material for reflection and provides some pointers towards future policy directions.

1.1 Well-being – What is it?

Much has been written about well-being in recent years. What is it and what can it bring to our understanding of social progress? When asked about their well-being people cite things like their family relationships, their financial situation, work, their community and friends, good health, and personal and political freedoms.¹ In relation to the well-being of society and social progress, while people believe economic growth is important, other factors like democracy, equality and social justice, the quality of public services, low poverty levels and work-life balance also rank highly.²

People are central to economic and social progress. This is recognised by NESC (2005a: xxiii) that ‘in a globalised world, the strength of Ireland’s economy and of its society will rest on the same foundation – the human qualities of the people who participate in them’. In its recent report on an integrated response to the economic crisis one of the most important factors identified is the need to ‘engage the ability and energy of the Irish people’ (NESC, 2009:ix). Hence the wisdom of focussing on the well-being of our people.

Well-being in this report is understood as a positive physical, social and mental state. It requires that basic needs are met, that individuals have a sense of purpose, that they feel able to achieve important goals, to participate in society and to live lives they value and have reason to value. Well-being is enhanced by conditions that include financial and personal security, meaningful and rewarding work, supportive personal relationships, strong and inclusive communities, good health, a healthy and attractive environment, and values of democracy and social justice.

1. From the U.S. Social Survey cited in Layard, (2005a: 63).

2. For example see Irish TASC Behaviour and Attitudes Survey, June 2008.

An important role of public policy is to bring about these conditions by placing the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and ensuring the supports are available to him/her to address those risks, at key stages in his/her life.

The understanding of well-being used in this report is underpinned by a diverse literature on the subject (reviewed in Chapter 2). This literature has two related components. The first is that based on conceptual understandings of ‘human flourishing’ which incorporates the idea that well-being is about having a sense of purpose in life, participation in civic life, having friends, loving and being loved.

The second component is derived from empirical social science and is based on the premise that we need something more than GDP as an indicator of progress. There are two particular limitations of GDP as a measure of social progress or social well-being: first, it is clearly a one-dimensional indicator that ignores many dimensions that have long been recognised as essential; second, it is an additive measure (national GDP is the sum of different incomes) and, therefore, ignores the many complexities in the relation between individual well-being and collective well-being. A wide range of social indicators and associated approaches have been suggested as alternatives to GDP (see Chapter 3 of this report).

The limitations of GDP/GNP as a measure of social progress have been aptly captured by the words of Robert Kennedy in 1968:

The Gross National Product counts air pollution and cigarette advertising, and ... the destruction of the redwood and the loss of our natural wonder in chaotic sprawl ... Yet [it] does not allow for the health of our children, the quality of their education, or the joy of their play ... the beauty of our poetry or the strength of our marriages ... it measures everything, in short, except that which makes life worthwhile (cited in NEF, 2009: 2).

A review of the literature and evidence reveals a number of fundamental elements to an individual’s well-being. For practical purposes we have to focus on aspects of well-being we have data on. These can be summarised as: economic resources, work/ participation, relationships/care, community/environment, health, and democracy/ values. These are referred to as the six domains of well-being throughout the report. They are briefly explained here, with a more detailed justification and description in Chapter 2. While these domains strongly reflect key insights in thinking on well-being, we recognise they do not capture certain aspects of that body of wisdom. In particular, they do not fully reflect aesthetic and spiritual dimensions of well-being.

Domains of well-being

- ◆ Economic resources
- ◆ Work / participation
- ◆ Relationships / care
- ◆ Community / environment
- ◆ Health
- ◆ Democracy / values

A certain level of income is required to meet people's basic needs. Income and material goods are also important elements of social comparison, where income is associated with status, power and worth, so that its distribution and its value in society impact on an individual's well-being. Conversely, poverty, financial stress and financial insecurity have negative effects on well-being. The distribution of income also impacts on well-being, with high levels of income inequality associated with higher levels of poverty, illiteracy, divorce, crime, obesity and ill-health.

A fundamental component of well-being which enables individuals to flourish is the development and utilisation of capabilities through participation in work and education. Unemployment at an individual level and at a societal level has a damaging impact on well-being. At an individual level unemployment does not only mean a loss of, or low, income. It also undermines self-respect and social relationships. Loss of a job has a particularly devastating effect. A high unemployment rate in an area can lead to an overall sense of worthlessness. Employment and being engaged in meaningful activity has the opposite effect, not only providing income but contributing to a sense of purpose, providing social interaction and the status associated with having a job. Participation in education can lead to fulfilment in and of itself, but also builds human capability by giving people more opportunities in life.

We are essentially social beings so that the quality and stability of relationships are a central element of people's well-being. Loving, secure and consensual relationships have a positive effect on well-being. Conversely, the loss of a partner through separation, divorce or widowhood has a detrimental effect. Conflictual relationships have a destructive impact on well-being, with particularly devastating effects on children. An aspect of relationships is the provision and receipt of care. The quality of the care and supports available can have an important bearing on well-being, for both the care giver and the care receiver.

Accommodation is one of the basic needs for human well-being. In a modern society appropriate accommodation in a sustainable and integrated community and a safe, secure and attractive environment play an important part in people's overall well-being. The environment is increasingly recognised as an aspect in the quality of social and individual life. We depend on the environment to provide basic needs such as safe water, clean air, fresh food and a habitable climate, and to absorb the pollution and waste resulting from human activity. We look for high quality neighbourhoods and access to the diversity of nature for our enjoyment and as a positive influence on health. Community development and participation, social networks and volunteering have a positive impact on well-being.

Health is a major element of well-being. While overall health status has improved, chronic ill health and mental illness continue to undermine people's well-being. The evidence shows that many people demonstrate a capacity to adapt to physical limitations and impairments, especially if there is a focus on capabilities and supportive environments. People's behaviours, such as smoking, drinking alcohol, diet and exercise, which are conditioned by their socio-economic circumstances, affect their health and well-being.

Holding personal beliefs, whether through religion or otherwise, contributes to individual well-being. The quality of government and public institutions, people's involvement in a democratic society and peace are significant features of both individual and societal well-being. Crime, and fear of crime, undermine community connections. At societal level, a belief in a 'common good' has been shown to contribute to the overall well-being of society, requiring trust in institutions, recognition of rights and responsibilities, empathy with others and values of citizenship.

Longstanding and recent evidence would suggest that all of these domains of a person's life are important for their well-being. The emphasis given to each may depend on an individual's particular circumstances or the situation in which they find themselves. Most individuals live in a family (or have family connections), in a community which is part of the wider society, environment and economy. These elements of a person's life are interconnected. People's well-being is also affected by comparing themselves with those around them and by the values set in wider society.

The relationship between individual and collective well-being has always been seen as important, but the nature of the relationship has been hard to characterise. Throughout history successive efforts to characterise the connections between individual and collective well-being have turned out to be contestable and in need of revision. Indeed, in Western thought many believe that the search for an invariant or universally compelling account of individual and societal well-being is difficult to achieve. This is so, in part, because the nature and context of each individual's well-being involves a unique combination of the six domains of well-being discussed above. An implication of this perspective is that individual and collective well-being are constructed and re-constructed in processes that include individual reflection and social interaction. The analysis and pursuit of well-being in this context of individual difference and value pluralism has important implications for the way in which we think about the role of public policy. Specifically, it implies that public policy should aim to secure and provide three kinds of 'goods': sufficient freedom for each individual to pursue their idea of the good life; a degree of order and uniformity, to protect both the individual and the common good; and a range of public and private goods tailored to individual needs.

There is also a temporal dimension to well-being. Throughout their life course the domains of well-being of an individual may change as well as the interaction between them. This dimension of well-being is alluded to in the report through the use of a life cycle approach, although longitudinal data are required to chart this temporal dimension. As conditions and context change over time these will also influence the six domains of well-being and their balance within any individual.

This introductory chapter sets out the relevance of the well-being debate for Ireland today. It considers the various elements of well-being in the boom years of the 1990s and early 2000s, followed by the current recession. The chapter outlines some of the risks to our well-being and indicates how these might be addressed, including the role of public policy.

1.2 The Relevance of Well-being in Ireland Today

Ireland experienced unprecedented economic growth from the mid-1990s to 2007, albeit with a period of slower growth in the early 2000s. This resulted in a growth in jobs, growth in income and wealth, as well as a new-found confidence at both individual and societal level. Despite these mainly positive developments, social deficits remain with a significant minority of our population experiencing poverty and other disadvantages.

The situation in 2009 is one of shock at the speed of the economic downturn. NESC has identified the main reasons for the downturn as the ending of the Irish housing and construction boom, the ending of a period of strong growth in which Ireland lost competitiveness, and as a result of an international recession (NESC, 2009). The consequence is an economic recession in Ireland with loss of jobs, reductions in income, and a loss of confidence. The loss of individual and collective confidence is fuelled by fear of losing one's job and /or one's house, having redundant skills or expertise and doubts about fairness in our society.

These trends bring into sharp focus the interactions between individual and societal well-being. Aggregate trends can cloud the heterogeneity of individual or collective experiences which impact on well-being. The complex relations between individual and collective well-being become even more relevant and more obvious in a recession context, as discussed below and throughout the report.

The empirical evidence suggests that the effects of recession on well-being are complex. Taking one example, American sociologists Tausig and Fenwick (1999) analysed the effects of economic recession on the aggregate well-being of workers who experienced the 1974/75 recession in the USA. They found increased levels of distress and dissatisfaction, driven by changes in job characteristics – increased job demands, increasingly inadequate pay and experiences of unemployment.

In relation to the current recession, the American Gallup-Healthways Well-being Index tracks health and well-being in the USA. It classifies people as 'thriving', 'struggling' or 'suffering'.³ The percentage of Americans saying they were 'suffering' increased from 3.3 per cent in February 2008 to 4.7 per cent in February 2009. The percentage 'thriving' declined from 51 to 42 per cent and the percentage 'struggling' increased from 46 to 53 per cent over the same time period. Business owners and those in management, followed by those in clerical positions, sales and professional jobs saw the largest shifts from 'thriving' to 'struggling'. However, it was those in the lowest income groups whose well-being declined the most, reflected in a substantive increase in 'suffering' for this group.

3. The Life Evaluation Index, which is a component of the Gallup-Healthways Well-being Index, asks at least 1,000 Americans each day to evaluate their current lives as well as their expectations of where they will be in five years using a 'ladder' scale with steps numbering from 0 to 10, where '0' indicates the worst possible life and '10' the best possible life. Americans in the 'thriving' group say they presently stand on step 7 or higher of the ladder and expect to stand on step 8 or higher five years from now. Americans in the 'suffering' group, on the other hand, say they presently stand on steps 0 to 4 of the ladder and expect to stand on steps 0 to 4 five years from now. Those who are neither thriving nor suffering are considered to be 'struggling'.

Commentary on the trends in the US notes that while the lowest income groups have been hardest hit by the contraction of the economy the well-being of the affluent, as well as the poor, has deteriorated greatly in the current economic downturn. The commentary concludes that having a job will continue to be one of the most important well-being determinants in 2009, but that ‘leaders may have more impact on the well-being of citizens than in any year in recent history. Our research has found that two of the qualities that people look for in leaders are hope and stability. Leaders with the capacity to engage their people in the long-term future of their organisation will have the highest probability of having a resilient workforce that holds its own during the down times’ (Harter, 2009).

We know from the well-being literature that resilience is a component of our make-up which can be harnessed, given supportive conditions. This understanding derives from the notion of human flourishing which embodies autonomy, self-determination, interest and engagement, aspiration and motivation, and whether people have a sense of meaning, direction or purpose in life. Resilience can be advanced through the acknowledgement and development of people’s capabilities. These capabilities can be enhanced by public policy, at the same time as public policy can be informed by participatory democracy. This two-way relationship is central (Sen, 1999: 18). People live and operate in a world of institutions (the market, the democratic system, the public distribution system, civil society, the media), so that people’s opportunities and well-being depend not only on what institutions exist, but on how they function, which in turn is influenced by the prevailing values in society. As well as individuals showing resilience, institutions need to demonstrate resilience in the changed and challenging circumstances, and to be able to adapt to be ‘fit for purpose’.

In order to harness the positive aspects of well-being it is necessary to identify and address the risks.

1.3 Risks to Well-being

In a review of well-being in Ireland over the last two decades (Chapter 4), the domains of well-being displayed positive trends for many people—in relation to improved income, increased work opportunities, higher educational qualifications, stronger relationships, participation in communities, improved health outcomes, and stronger equality and rights frameworks. A similar conclusion was reached by ESRI researchers in their book *Best of Times? The Social Impact of the Celtic Tiger* (Fahey *et al.*, 2007). Given the complex relation between individual and collective well-being we recognise that, by and large, this is an aggregate judgement. A strong upward trend in a wide range of indicators allows us to gloss over the many difficulties in making inferences about collective well-being from the (mostly) individual data of the sort used in this report. Even in that context, the continuation of serious **social deficits** qualifies any aggregate judgement to a significant degree.

So, even where the overall trends suggest that the well-being of Irish society increased there can be risks to individual well-being. For example, a substantial minority of the population continue to live on low incomes which put them at

risk of poverty; childcare and early education infrastructures are still relatively underdeveloped and piecemeal, with implications for child, family, social and economic well-being; some people have found it difficult to access employment for a number of reasons, in particular lone parents, people with a long standing illness or disability, and people who are long-term unemployed; there are many people who are living with chronic illnesses or mental illness, and who have difficulties accessing a poorly functioning health system. Many people with disabilities continue to experience disadvantages and there is a growing awareness of the need to integrate immigrants into our communities, given our developing cultural diversity. Indicators of social disadvantage such as low income, low education, and being unemployed are all associated with poorer mental health (Barry *et al.*, 2009). Higher levels of income inequality have been found to be linked to a higher prevalence of mental illness, violence, drugs, obesity and lack of community life (Wilkinson and Pickett, 2009).

In addition to these social deficits, social risks have been identified as a result of economic and social changes associated with the transition to what some social scientists call ‘a post-industrial society’. Four processes demonstrate this transition (Taylor-Gooby, 2004):

- i. A move by large numbers of women into paid work, at the same time as a fall in the proportion of men who are economically active;
- ii. An increase in the absolute and relative numbers of older people, which has implications for welfare state pensions, social care and the health services;
- iii. Labour market changes which have strengthened the link between education and employment; and
- iv. An expansion of private services.

These ‘**post-industrial social risks**’ tend to affect particular sub-groups of the population. These vulnerable groups are likely to experience needs in three areas:

- a) In relation to family and gender roles (balancing paid work and family responsibilities, especially childcare, and being called on to care for a frail elderly relative or becoming frail themselves and lacking family support);
- b) In relation to labour market changes (lacking the skills necessary to gain access to an adequately paid and secure job, or having skills and training which have become obsolete and being unable to upgrade them through life-long learning); and
- c) In relation to welfare state changes (because of private provision that supplies an insecure or inadequate pension or unsatisfactory services).

It has been argued that post-industrial society brings with it ‘discontinuities’ in family and working lives, which can entail insecurities and vulnerabilities. These ‘discontinuities’ require a different type of engagement with the institutions of the state than heretofore—greater flexibility, differentiated routes and pathways, activation on the part of the state and of citizens, and a shift towards an ‘enabling state’, with agreed standards and greater regulation (Leisering, 2003).

In addition to the social deficits which were evident even in a period of economic growth, and the social risks which have emerged in the move to a post-industrial society, further risks have become apparent as a result of the economic recession. For many, these **recessionary risks** include: sharp and unexpected reductions in income, depletions in savings, having to manage on a lower income, finding it difficult to pay the rent or mortgage, and dealing with debt; job loss, fear of job loss, a deterioration in working conditions, or if unemployed limited opportunities for employment, and/or having redundant skills; the worry of unemployment and/or financial stress impacting on relationships with partners, family and friends, curtailments in service provision making care arrangements more precarious; tensions emerging in communities with potential increases in crime and racism; the impact of these events on physical and mental health, along with a curtailment in some health and social services; a lack of confidence and trust in some national institutions, a perceived lack of fairness, and an erosion of the equality and rights infrastructure.

Environmental constraints are emerging as serious risks to future well-being. These include the threat of dangerous climate change from greenhouse gas emissions, and energy dependence on finite fossil fuels. The Millenium Ecosystem Assessment (MEA) found that sixty per cent of the ecosystem services we depend on for our well-being are being degraded or used unsustainably, largely to meet rapidly growing demands for food, fresh water, timber, fibre and fuel. While this degradation has contributed to substantial net gains in human well-being and economic development over the last fifty years, the MEA has concluded that it has exacerbated poverty for some groups of people and unless addressed will substantially diminish the benefits that future generations obtain from ecosystems (MEA, 2005: 1). Meanwhile, the Irish Environmental Protection Agency has identified mounting challenges for Ireland in the areas of water quality, car dependency, waste generation, biodiversity and greenhouse gas emissions that, unless overcome, will pose increasing risks to individual and collective well-being (EPA, 2008).

1.4 The Role of Public Policy in Supporting Well-being

As stated earlier, public policy's role is in providing positive conditions for individual well-being by placing the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and ensuring the supports are available to him/her to address those risks at key stages in his/her life. Our understanding of well-being in a context of individual difference and value pluralism implies that public policy should aim to secure sufficient freedom for each individual to define and pursue their idea of the good life, provide a degree of order and uniformity to protect both the individual and the common good, and ensure a range of public and private goods tailored to individual needs. A developmental welfare state approach meets these requirements.

The developmental welfare state (proposed by NESC in 2005, and subsequently re-articulated, in part, in *Towards 2016*) sets out a vision of how public policy could be reformed to provide adequate social services to people and to support people at risk. A developmental welfare state supports a ‘tailored universalism’ approach where mainstream service providers adjust their services to accommodate the diversity of users. A developmental welfare state proposes the integration of services, income supports and activist measures underpinned by co-ordinated government actions and adherence to explicit and agreed standards. A developmental welfare state envisages flexibility of approach, treating individuals with dignity, utilising individuals’ and communities’ talents and creativity, and providing a vision of society based on social solidarity. It recognises the complementarity of economic and social policy where a well functioning society can stimulate the economy and a well functioning economy supports a successful society.

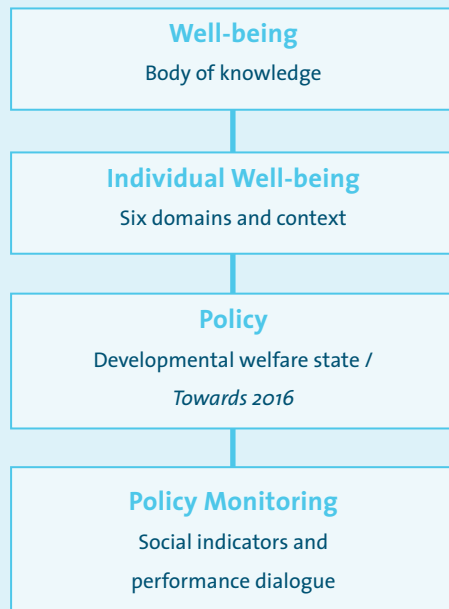
Implementation of policy through a developmental welfare state approach provides an ongoing challenge. People live and work in an institutional environment and it is primarily institutions that connect individual well-being to collective well-being or fail to do so. Public service institutions play a central role in the provision of services, and recent reports on public sector reform (OECD, 2008; Government of Ireland 2008a and 2008b) set out proposals for transforming the public service with a focus on being citizen-centred and performance-focused. These proposals sit well with the implementation of the developmental welfare state. Thus, institutions share a responsibility for addressing social deficits and the risks to individual and collective well-being imposed by the recession. This shared responsibility will require resilience, adaptability and new ways of working together for the common good.

Policy monitoring, as part of the performance focus, is strongly recommended in current proposals for public service reform and is also very much a dimension of social reporting. Understandings of well-being can inform the policy process, both in terms of the indicators used for measurement and in the policy goals and outcomes sought. Social indicators (diagnostic, baseline, performance and systemic) can inform strategy, inputs, outputs and outcomes.⁴ The input of users of services and practitioners working at local level, in conjunction with collation of information by institutions at the centre, is also central in informing us of the outcomes of policy and how they can be improved. Policy monitoring issues are dealt with in more detail in Chapter 3 in Part II of this report.

The thrust of these ideas can be summarised in Figure 1.1. In summary, the body of knowledge on well-being refers to the literature on well-being which is reviewed in Chapter 2 of this report. It leads us to the conceptual understanding of well-being employed in the report and to the development of a well-being framework.

4. These terms are more fully explained and illustrated in future chapters.

Figure 1.1 Well-being, Public Policy and Monitoring



The individual well-being box in Figure 1.1 represents the application of the six domains of well-being employed throughout this report. The nature and context of each individual's well-being involves a unique combination of the six domains. While elements of well-being are innate within each individual these are influenced by the context within which individuals exist and the opportunities they have to develop and utilise their capabilities. The institutional environment, including the prevailing values and norms, is part of this context.

Public policy has a role by placing the individual at the centre of policy development and delivery and addressing the risks faced by the individual. The developmental welfare state promotes such an approach to social policy, and elements of this approach are re-articulated, in part, in the *Towards 2016* policy framework.

Policy monitoring implies the use of social indicators to document well-being trends and to assess the outputs and outcomes of policy interventions.

1.5 The Contribution and Structure of this Report

The purpose of this report is to explore and document well-being in Ireland. The report provides a new lens through which to observe domains of individual and collective well-being, the risks to well-being and policy responses across the life cycle. The next chapter rehearses some of the discourses on well-being and presents a well-being framework, which is subsequently employed throughout the remainder of the report.

Part II provides an overview of well-being in Ireland in the recent past. Chapter 3 explains why the Council has engaged in this work, the various approaches that have been used elsewhere and the policy context in which this work is being presented. Chapter 4 uses the well-being framework developed in Chapter 2 to present key trends for Ireland over the last ten to twenty years in the areas of: economic resources; work/participation; relationships/care; community/environment; health; and democracy/values.

Part III provides a summary of the key well-being trends across the six domains of well-being used in this report. The impact of the recession is considered, along with well-being implications and policy directions, including a 'well-being test'. Preliminary consideration is also given to the development of improved systems of policy monitoring.

Part IV (in Volume II) sets the well-being and associated policy monitoring debate within the life cycle framework developed by the Council and now employed in current policy frameworks, for example, *Towards 2016*. Chapters 6, 7, 8 and 9 present information on the well-being of children, people of working age, older people and people with disabilities, respectively. Each chapter follows a common structure with an analysis of well-being using the framework developed in Chapter 2. The analysis charts key trends, and then assesses these against the current policy context, with a focus on *Towards 2016*. Conclusions are drawn on policy and information gaps, with a view to informing improved monitoring and policy outcomes.

2

Understanding Well-being

2.1 Introduction

This chapter reviews well-being literature with a view to understanding the characteristics of the well-being of individuals, elements of a well functioning society and the potential influence of public policy. This understanding provides the basis for suggesting a framework of indicators for analysing well-being in Ireland.

There is a broad literature on well-being and the related term, 'quality of life'.⁵ The material contains critical ideas about what is important to individuals and, in some cases, to society as a whole. In seeking to improve the lives of individuals and our society it is necessary for us to be aware of this work. The focus in this report is on individuals and their capabilities, how they relate with those around them (families, communities) and on their role within the wider societal system (economic, political and cultural systems). This focus is very much in line with the current policy framework *Towards 2016*, which adopts a life cycle approach that 'places the individual at the centre of policy development and delivery, by assessing the risks facing him/her, the ensuring the supports available to him/her to address those risks, at key stages in his/her life' (Government of Ireland, 2006b: 6).

The next section of this chapter explores the link between GDP per head and happiness⁶ and sets out the structure of the chapter. Section 3 provides a brief overview of the literature on quality of life and quality of society. The fourth section explains why a well-being approach is adopted in this report and reviews its theoretical underpinnings. Section 5 sets out the concept of well-being to be used in the remainder of the report, while section 6 explores the use of social indicators in measuring well-being. Section 7 proposes a framework for assessing well-being throughout the report. The concluding section 8 sets out the link to public policy.

5. In some literatures 'well-being' and 'quality of life' are used interchangeably. In other literatures distinctions are made between the two terms. Both terms are discussed in this chapter with the emphasis within the social report being on well-being.

6. Happiness is one commonly used measure of well-being. The theoretical roots of this measure and other approaches are reviewed in section 3 of the chapter.

2.2 Beyond GDP

The progress of countries has traditionally been measured using GDP – a measure of the value of goods and services produced by a country. Most people would accept that while this is a good economic indicator, it is not an adequate overall measure of the well-being of a society or of individuals within a society. Much has been written about social progress, quality of life, quality of society and well-being. These discourses assert that progress is about more than money and markets. It is also about our sense of well-being, the strength of our relationships, our health, our culture and our values – how we value ourselves and our society. Income is an important component of well-being, enabling us to meet our basic needs, and providing opportunities for people. However, research has found that as income increases, happiness and satisfaction with life does not necessarily increase in line with personal or national income, (Easterlin, 1974; Layard, 2005b), see Figures 2.1 and 2.2.

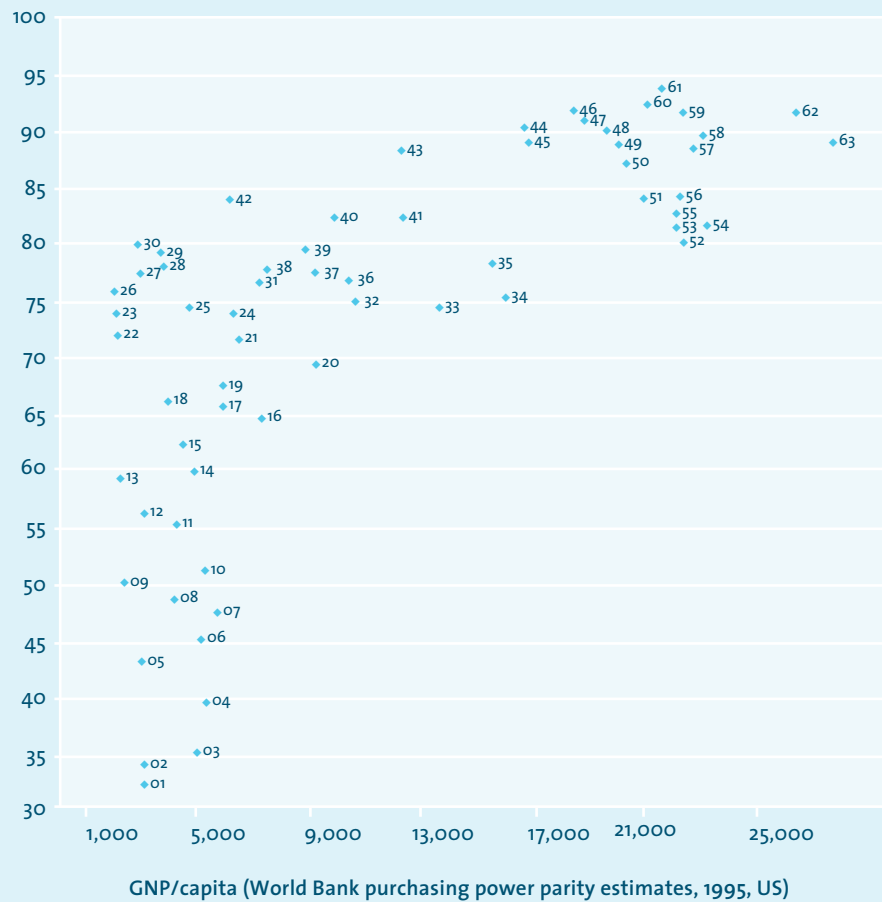
Figure 2.1 shows that in poorer countries, income has a large effect on the proportion of the population who report being satisfied with their life as a whole. However, in the richer countries increases in income have less of an effect on happiness. In other words, people need a basic level of income to meet their essential needs; above this level of income other factors become more important in their levels of happiness. Layard (2005b: 149) has suggested that the income threshold is around \$15,000 per head:

If we compare countries, there is no evidence that richer countries are happier than poorer ones – so long as we confine ourselves to countries with incomes above \$15,000 per head... At income levels below \$15,000 per head things are different, since people are nearer the absolute breadline. At these income levels richer countries *are* happier than poorer ones. And in countries like India, Mexico, and the Philippines, where we have time series data, happiness has grown as income levels have risen. Moreover, within each poor country the happiness gap between rich and poor people is greater than it is in more prosperous parts of the world. So economic growth is indeed more important for poor than for rich countries – as the diminishing marginal utility of income would lead us to expect.

Income is important at one level to meet basic needs, but it also provides individuals with opportunities for a better and more meaningful life. For example, as poor people get more money they are better able to improve their education, health and housing, and to avail of opportunities and make choices.

Figure 2.1 Income and Happiness

Mean of percent Happy and percent Satisfied with life as a whole

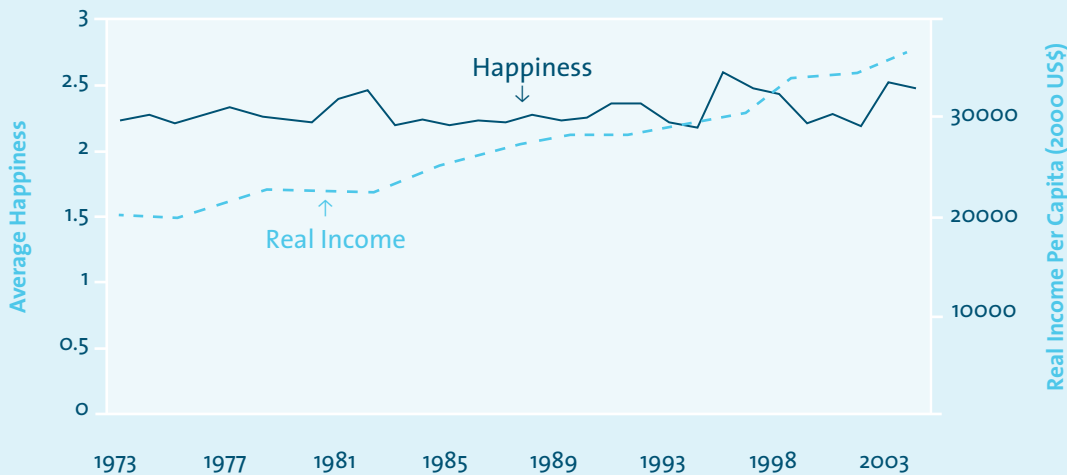


- | | | | |
|----------------|------------------------|----------------------|------------------|
| 1. MOLDOVA | 17. CROATIA | 33. PORTUGAL | 49. AUSTRALIA |
| 2. UKRAINE | 18. SLOVAKIA | 34. EAST GERMANY | 50. BRITAIN |
| 3. BELARUS | 19. SOUTH AFRICA | 35. SPAIN | 51. ITALY |
| 4. RUSSIA | 20. SLOVENIA | 36. CHILE | 52. AUSTRIA |
| 5. ARMENIA | 21. TURKEY | 37. ARGENTINA | 53. JAPAN |
| 6. BULGARIA | 22. INDIA | 38. MEXICO | 54. WEST GERMANY |
| 7. ROMANIA | 23. BANGLADESH | 39. VENEZUELA | 55. FRANCE |
| 8. LITHUANIA | 24. POLAND | 40. TAIWAN | 56. CANADA |
| 9. GEORGIA | 25. PAKISTAN | 41. SOUTH KOREA | 57. BELGIUM |
| 10. ESTONIA | 26. NIGERIA | 42. COLOMBIA | 58. NORWAY |
| 11. LATVIA | 27. GHANA | 43. PUERTO RICO | 59. DENMARK |
| 12. AZERBAIJAN | 28. CHINA | 44. IRELAND | 60. NETHERLANDS |
| 13. MACEDONIA | 29. BRAZIL | 45. NEW ZEALAND | 61. ICELAND |
| 14. PERU | 30. PHILIPPINES | 46. NORTHERN IRELAND | 62. SWITZERLAND |
| 15. YUGOSLAVIA | 31. DOMINICAN REPUBLIC | 47. FINLAND | 63. USA |
| 16. HUNGARY | 32. CZECH REPUBLIC | 48. SWEDEN | |

Source: Inglehart and Klingemann (2000), Figure 7.2 and Table 7.1.

Figure 2.2 shows that in rich societies such as the USA, that as real income per capita has increased, reported levels of happiness have remained the same. This phenomenon is sometimes referred to as the ‘Easterlin paradox’, after Richard A. Easterlin, who described the ‘paradox’ of substantial income growth in Western countries over the last fifty years without any corresponding rise in reported happiness levels (Easterlin, 1974 and 1995).

Figure 2.2 Happiness and Real Income per Capita in the United States, 1973-2004^{7,8}



Source: Clarke *et al.* (2008) Figure 1.

Easterlin summarises his findings thus, ‘In all societies, more money for the individual typically means more individual happiness. However, raising the incomes of all does not raise the happiness of all... what is true for the individual is not true for the society as a whole’ (Easterlin, 1973: 4). He argues that this is because individuals assess their material well-being relative to others in society rather than to the absolute amount of goods they have. This argument is supported by Layard who states that ‘a basic finding of happiness surveys is that, though richer societies are not happier than poorer ones, within any society happiness and riches go together’ (Layard, 1980: 737).

Recent research by Stevenson and Wolfers (2008) has questioned the Easterlin paradox. Analysing a number of datasets they establish a positive link between average levels of subjective well-being and GDP across countries, and argue for a role for absolute income as well as relative income in determining happiness.

In summary, the research evidence indicates that social progress and people’s well-being is complex and that while income plays a role, there are other factors at play. The remainder of this chapter will explore these issues in more detail, including theories of well-being, well-being measurement, and the link between well-being and public policy.

7. It is noted that there has been little increase in real median household income in the USA in recent years, and that a disproportionate share of the total increase in income has accrued to the very top of the income distribution.

8. Data from the World Database of Happiness and Penn World Tables. Happiness is the reply to the following question: ‘Taken all together, how would you say things are these days? Would you say that you are ...?’ The responses are coded as (3) Very Happy (2) Pretty Happy, and (1) Not too Happy. Happiness Data are drawn from the US General Social Survey.

2.3 Understanding Social Progress

Various theorists and philosophers have put forward their views on what factors underpin individual and societal well-being. Many of these ideas are captured in social discourses on quality of life, social quality, well-being and happiness.

Fahey, Nolan and Whelan (2003) have recognised the need to go beyond income and wealth in measuring well-being in their work on monitoring the quality of life in Europe. They note that the meanings ‘attributed to the concepts of living conditions and quality of life ... vary across different authors and studies’ (Fahey, Nolan and Whelan, 2003: 12). They refer to ‘living conditions’ as the ‘circumstances of people’s everyday lives’ whereas the ‘quality of life in a society can be defined as the overall well-being of those living there’. There have been studies on the quality of life throughout the twentieth century, initially mainly in the United States. Recently, researchers (Berger-Schmitt and Noll) at the Mannheim Centre for Survey Research and Methodology (ZUMA) in Germany have informed much of the thinking on quality of life concepts and indicators. The ZUMA model is based on the concepts of quality of life, social cohesion and sustainability. This approach has been employed by the European Foundation for the Improvement of Living and Working Conditions in its work on monitoring the quality of life in Europe, (Fahey, Nolan and Whelan, 2003).

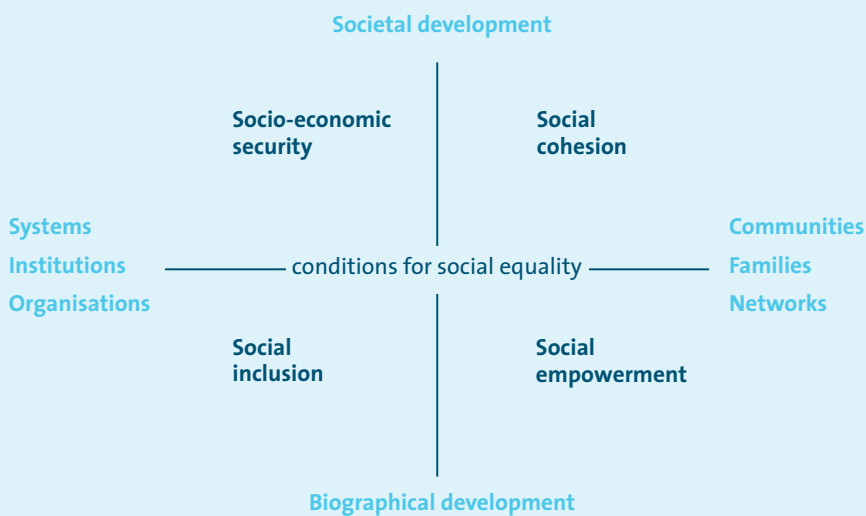
Fahey, Nolan and Whelan (2003) have identified the following elements as central to quality of life concerns:

- ◆ Quality of life understandings seek to move beyond a single dimension of quality of life to a multi-dimensional view and the employment of a wide range of indicators;
- ◆ Measurement of quality of life includes both ‘objective indicators’ (living conditions) and ‘subjective indicators’ (how people feel about their lives);
- ◆ Monitoring quality of life entails focusing on ‘outcomes’ (the choices people make), subjective assessments (reflecting adaptation) and resources (the factors that condition, facilitate and constrain their choices);
- ◆ Public provision plays a key role in affecting the quality of life in that access to, and the quality of, education, health care, housing and social services influence the quality of life experienced by citizens of any country; and
- ◆ Quality of life measurements also seek to capture the ‘interconnectedness of people with others in the community and the broader society’ (Fahey, Nolan and Whelan, 2003: 16) by focusing on social cohesion, social integration and social capital.

The European quality of life reports (European Foundation for the Improvement of Living and Working Conditions, 2004 and 2009) present information on a range of indicators comparing the quality of life across European countries. The quality of life survey focuses on the domains of employment, economic resources, family life, community life, health, and housing and local environment. Many other social reports follow approaches similar to this.

One of the criticisms of the quality of life approach is that its theoretical framework is weak and individualistic (Walker and van der Maesen, 2003). While this is contested by advocates of the quality of life approach, Walker and van der Maesen put forward the concept of 'social quality' which, they argue, focuses on the 'quality of society'. According to the theory of social quality, 'the social world is realised in the interactions (and interdependencies) between the self realisation of individual people as social beings and the formation of collective identities which occurs in the context of (two) basic tensions' (van der Maesen and Walker, 2005: 11). These tensions are between (i) biographical and societal development (agency and social structure) and (ii) between the world of organisations and informal relationships (institutions and relationships/networks). These ideas are illustrated in the 'social quality quadrangle', see Figure 2.3.

Figure 2.3 Social Quality Concepts



Source van der Maesen and Walker, 2005: 12.

Four basic processes or social relations determine the conditions for social quality:

- i. *Social empowerment*: people have the power to interact, eg. political empowerment, social mobility;
- ii. *Social inclusion*: the institutional context is accessible to people, eg. rights, access to services;
- iii. *Socio-economic security*: people have access to the necessary resources that facilitate interaction, eg. income, education, employment; and
- iv. *Social cohesion*: social relations are based on shared values, eg. trust, identity, solidarity, networks.

While conceptually the ‘integrative’ notion of social quality is attractive in that it captures many of the elements of current thinking on social progress, there has been some questioning on the clarity and usefulness of this fourfold approach (Berger-Schmitt and Noll, 2000). It has been argued that the social quality approach has not yet been sufficiently well developed especially in relation to the development of a coherent set of indicators.⁹ In 2001 the Network of Indicators of Social Quality started the process of creating social quality indicators, with consensus on the indicators being reached in 2003. Ninety-five indicators have been agreed, across 50 sub-domains, covering 18 domains across the four key conditions of security, cohesion, inclusion and empowerment.¹⁰ While the explicit rationale of the social quality approach is to integrate the four conditions for social quality, the development of indicators fails to do this adequately – being presented as discrete domains. As concluded by Fahey, Nolan and Whelan (2003: 22) ‘what is clear... is that social quality is coming centre stage in terms of the policy agenda and European discourse’ but that it is ‘in need of conceptual and empirical development’.

Despite these shortcomings the conceptual framework is helpful in situating the individual within the broad context of societal development while recognising the role of communities, families and networks on one hand and the role of systems, institutions and organisations on the other hand. Even though the social quality framework is insufficiently developed at this stage to be employed in this report, its further development will be kept under review for future work of this nature, as it offers the potential for connecting individual and societal indicators in the context of delivering integrated policies and programmes.

2.4 Adopting a Well-being Approach

An alternative approach, which captures many of the ideas of quality of life and social quality, is that of well-being. While there is no agreed definition of well-being, ‘a single understanding of well-being has not emerged’ (Hanafin and Brooks, 2005: 14-15), there is, nevertheless, an extensive literature of various understandings and aspects of well-being across a range of disciplines (eg. philosophy, psychology, economics, sociology and neuroeconomics).

The development of the systematic measurement of well-being has been driven by the social indicators movement, which has focused on objective measurement (King, 2007: 11). Objective well-being is seen as tangible and therefore possible to measure using social indicators. The measurement is usually based on addressing ‘standard needs’ common to most people as determined by ‘experts’, for example, physical well-being, material well-being, social well-being, and psychological well-being (Felce and Perry, 1995; Prince and Prince, 2001). Objective well-being is about indicators of income, employment, health, education, and housing, and provides the structure for many social reports. The information is useful at population level and is complementary to a quality of life approach.

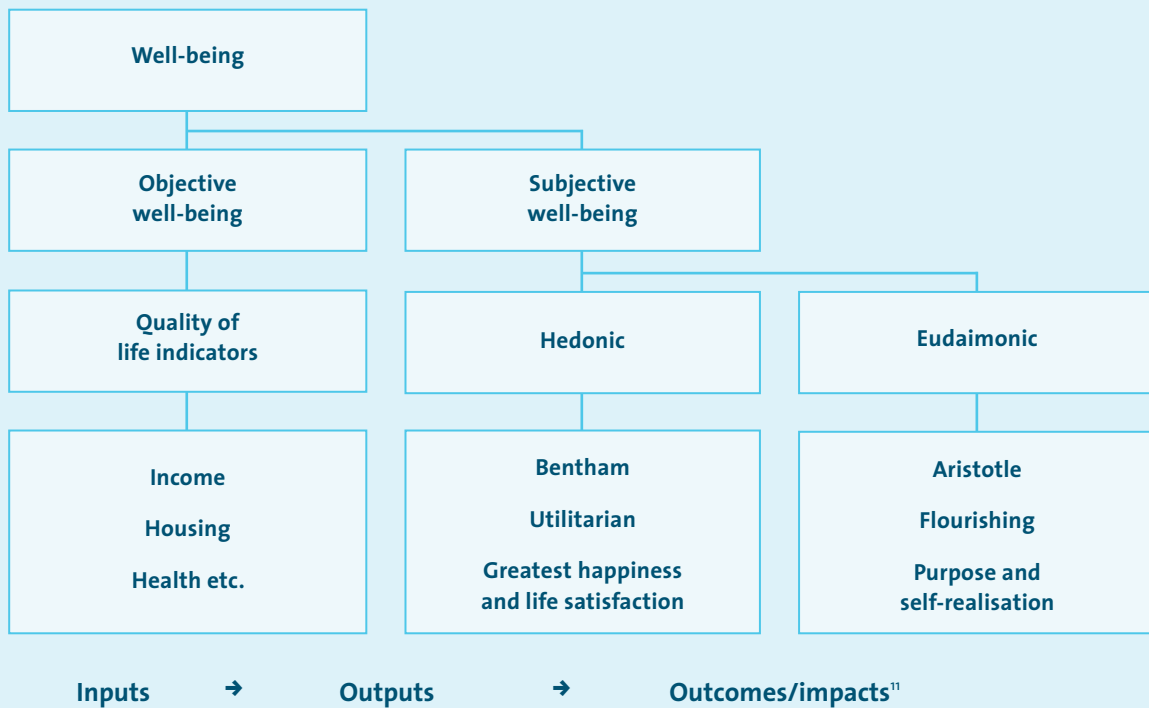
9. The European Foundation on Social Quality was established during the Dutch Presidency of the European Union in June 1997.

10. Ireland was part of this Network, producing a report on ‘Social Quality: The Irish National Report’ by Seamus O’Cinneide, Jean Cushen and Fearghas O’Gabhan, February 2005.

However, there is increasing attention being given to subjective dimensions of well-being which capture an individual's assessment of their own circumstances (Newton, 2007). There are two main conceptual approaches to the understanding of subjective well-being, 'the first being Benthamite-subjective-hedonic-individualistic, and the second Aristotelian-objective-eudaimonic-relational', (Bruni and Porta, 2005: 20). These approaches to well-being are schematically presented in Figure 2.4.

The New Economics Foundation (2004: 10) has commented that objective quality of life indicators measure inputs and outputs, whereas subjective well-being indicators assess the outcomes and impacts of policies, that is, the 'felt experience of people's lives'.

Figure 2.4 Schematic Representation of Well-being



The remainder of this section discusses subjective well-being theories to get a better understanding of what impacts on people's well-being. Firstly, hedonic well-being is reviewed from both an economics and psychology perspective. Various viewpoints are presented concluding with Easterlin's arguments for developing a 'better theory of well-being'. Following on the threads of Easterlin's arguments, a second approach, eudaimonic well-being is presented, drawing particularly on Amartya Sen's work on capabilities and agency. Again the key arguments are presented from an economics and psychological viewpoint.

11. Inputs, outputs, outcomes and impacts model derived from NEF (New Economics Foundation) (Marks, N. 2004). *The Power and Potential of Well-being Indicators: Measuring Young People's Well-being in Nottingham*. A pilot project by NEF and Nottingham City Council. www.neweconomics.org

The hedonic well-being perspective is underpinned by the work of English philosopher, Jeremy Bentham (1748-1832). Bentham has been attributed with the ‘greatest happiness principle’ believing in ‘the greatest happiness for the greatest number’, where happiness is determined by the presence of pleasure and the absence of pain. ‘Utilitarian economists’ and ‘subjective psychologists’ apply this approach. Bentham’s understanding of utility was one of a commodity with the capacity to induce feelings of pleasure or pain for its consumers.¹² Modern understandings of utilitarianism place more emphasis on fulfilling desires through making choices. Utility is therefore known as a function of ‘revealing preferences’ for one ‘bundle of goods’ over another.¹³ Nobel Prize winning economist Amartya Sen (1999) has argued that ‘in modern use of “utility” in contemporary choice theory, its identification with pleasure or desire fulfilment has been abandoned in favour of seeing utility simply as the numerical representation of a person’s choice’ (Sen, 1999: 67). He challenges this understanding of utility as ‘there is no way of determining whether a choice function is consistent or not *without* referring to something external to choice behaviour (such as objectives, values, or norms)’, (Sen, 2002: 121-2), hence his oft quoted expression of ‘rational fools’.

Hedonic psychological research uses an assessment called ‘subjective well-being’ (SWB) consisting of three components: life satisfaction, presence of positive mood, and the absence of negative mood (Diener & Lucas, 1999; Diener, 1984). These three components are often referred to collectively as ‘happiness’ (Newton, 2007: 6). This hedonic approach promotes the position that it is up to each individual to define their own happiness. This information is collected by asking two types of questions. The first is the response to the question ‘In general, how happy would you say that you are – very happy, fairly happy or not very happy?’ (Easterlin, 1974: 91). The second is based on a scale derived by Cantril (referred to as the Cantril scale) where people are asked to classify their satisfaction on a scale from 0 to 10 (Bruni and Porta, 2005: 3). Empirical studies using both types of data on the subjective self-evaluation of happiness have been carried out by Easterlin and found to be robust within countries at a given moment in time. He has commented that ‘a substantial methodological literature has developed on the reliability, validity, and comparability of the answers to such questions’, citing Frey and Stutzer, (2002a, 2002b) and Veenhoven (1993), (Easterlin, 2005: 29).

Earlier in this chapter we noted the ‘Easterlin paradox’ which claims that income growth has not led to a corresponding increase in reported happiness. Psychological research has attempted to explain this phenomenon. Research on happiness (Lykken, 1999; Lyubomirsky, *et al.*, 2005; Lyubomirsky, 2007; Marks and Shah, 2005) suggests that there are three main influences to being happy: genetics, life circumstances and intentional activities. For example, Marks and Shah (2005: 506) argue that genetics has the greatest influence on our happiness level, while life circumstances, such as income, material possessions, and neighbourhood, have been found to have a relatively small influence on happiness. According to Marks and Shah (2005: 506) intentional activities make up the third influence on happiness. Intentional activities include things like setting and achieving goals, meaningful work, exercising, socialising and appreciation of life. This is the area where we can have most influence over our lives and well-being.

12. This is the understanding of utility employed by classic economists.

13. This is the understanding of utility employed by neo-classic economists.

It is claimed that because of the strong influence of genetics¹⁴ the various situations which confront us during our lifetime affect our happiness only temporarily. The psychological explanation for this is based on the concept of ‘hedonic adaptation’ or ‘set point theory’ (Bruni and Porta, 2005). This theory, also referred to as the ‘hedonic treadmill’ (Brickman and Campbell, 1971), captures the notion that ‘you are running to keep still’. Therefore, during an individual’s life various things may happen (such as a salary increase, marriage, or a serious illness) which will affect their level of happiness, but within a short time the individual will *adapt* to the new situation and their happiness level will return to their set point. Kahneman (1999: 14) notes that ‘individuals exposed to life-altering events ultimately return to a level of well-being that is characteristic of their personality, sometimes by generating good or bad outcomes that restore this characteristic level’. Following this theory through, it is argued that there is little an individual or public policy can do to improve well-being, leading to a ‘nihilistic view of economic and social policy’ (Bruni and Porta, 2005: 30).

In his theory, Kahneman (1999) makes a distinction between two types of treadmill affect: the hedonic treadmill and the satisfaction treadmill. As outlined above, while the hedonic treadmill is related to adaptation, the satisfaction treadmill depends on *aspiration*. The satisfaction treadmill (sometimes referred to as the social treadmill) depends on relations with other people and is associated with social comparisons. This phenomenon is summarised by Bruni and Porta (2005: 13) as ‘the utility of a person’s level of consumption depends also on the relative level and not only on the absolute level’ (Bruni and Porta, 2005).

There has been a growing body of research which is now questioning the ‘set point’ theory. Much of this research is based on data from the German Socio-Economic Panel survey (see Wagner, Frick and Schupp, 2007). The strength of this research is that it is based on a nationally representative longitudinal data set which has been running for over 20 years.¹⁵ Using evidence from this survey Headley (2007) has found that there are long-term changes in the set-points of substantial sections of the population. For example, he cites evidence that suggests the pursuit of family and altruistic goals leads to higher levels of well-being than pursuit of the goals of career advancement and material gains (Headley, 2007: 3).

The American Richard Easterlin, using survey data, has also accumulated similar evidence. Easterlin (2005), in setting out what he claims to be a ‘better theory of well-being’ (‘better than the prevailing theories of well-being in psychology and economics’ (2005: 29), argues that ‘neither the prevailing psychological nor economic theories are consistent with accumulating evidence on well-being’ (2005: 30). Easterlin has developed his ‘better theory’ on a ‘life-cycle’ approach analysing several cohorts in the USA’s General Social Survey (GSS) over a 28 year time frame between 1972 and 2000. Using evidence from his analysis Easterlin argues that while there is some adaptation to life events this adaptation is ‘less than complete’. He also makes a distinction between the different areas (‘domains’) of people’s lives, saying that levels of adaptation vary across domains. For example, he finds that there is a high level of

14. Some studies estimate that genetics can influence up to eighty per cent of our subjective well-being (Lykken and Tellegen, 1996).

15. Many of the psychological studies on which ‘set point’ theory is based have been carried out with specific population sub-groups, eg. twins, lottery winners, people who have experienced traumatic accidents.

adaptation in relation to income ‘over the life cycle, however, as income increases and then levels off, happiness remains unchanged’ (Easterlin, 2005: 42), but adaptation is less in other areas such as health and family, leading him to conclude that ‘while there may be (fairly) complete hedonic adaptation with regard to income, this does not mean that there is complete hedonic adaptation with regard to all sources of happiness. As has been seen, the evidence on health and family conditions suggests that adaptation in these areas is less than complete, and that changes in these circumstances have a lasting effect on well-being’ (Easterlin, 2005: 42).

Easterlin explains these differences in relation to people’s aspirations and that these are different in the different areas (domains) of people’s lives. Through survey research he found that what he labels ‘complete adaptation’ occurs when aspirations change to the same extent as one’s circumstances. For example, he found that income levels can change but well-being remains unchanged. ‘Less than complete’ adaptation occurs when aspirations change less than one’s circumstances. If things change for the better, there is ‘greater goal-fulfilment’ and well-being increases; if things change for the worse, there is a shortfall in attaining one’s goals and well-being declines. He has found that this is what happens in relation to health and marriage (Easterlin, 2005: 45).

Based on this evidence Easterlin concludes that ‘happiness would be increased by greater attention to family life and health rather than economic gain, and within the economic sphere, to non positional¹⁶ and cultural goods. With regard to economic policy, reducing unemployment and inflation increases happiness, but the pursuit of rapid economic growth as a policy objective is questionable’ (Easterlin, 2005: 54). He develops this argument to say that time spent trying to increase wealth to improve family circumstances and health (eg. through expensive gym memberships) would be better spent with the family and in pursuit of leisure and healthy activities.

A related point is the extent to which we are aware of the impact of these choices on our well-being. For example, Easterlin notes that ‘this failure to anticipate the change in aspirations assures that the allocation of time to the pecuniary domain will be excessive and that the more rewarding domains of family and health will consequently receive insufficient attention. In family life, the result is a substitution of goods for time spent with one’s spouse and children’ (Easterlin, 2005: 55). Based on Easterlin’s analysis it is clear that while the material is important, the non-material is not immaterial; it is central to people’s well-being and can be informed and influenced through public policy, and deserving of greater attention than heretofore.

Although originating in the camp of hedonic/utilitarian theory researchers (with his Easterlin paradox conclusions), in his more recent work Easterlin has ‘crossed the line’ to locate himself in the eudaimonic/flourishing camp, with references to the importance of goal fulfilment and questioning the limitations of the utility function. Other criticisms of the hedonic understanding of happiness are that: it

16. ‘Non positional goods’ is a term coined by Robert Frank (1985) to describe goods which are not dependent on what others have, eg. health, freedom, leisure, savings. ‘Positional goods’ are those where people compare their acquisition with what others have, eg. income, car, house.

encourages short-term pleasure-seeking activity; it does not distinguish between different degrees of happiness; and that it sees happiness as an individual pursuit, not taking into account the importance of social relationships. An alternative exposition is the Aristotelian-objective-eudaimonic-relational concept of happiness (Bruni and Porta, 2005: 20).

Eudaimonic theorists distinguish well-being as separate from happiness by arguing that not all desires and pleasures contribute to well-being and some may even cause harm. Drawing on the work of Aristotle (384-22 BC) the eudaimonic understanding of well-being captures the concept of ‘human flourishing’ which relates to the idea of realising your true potential or ‘daimon’ (Newton, 2007: 6).¹⁷ It incorporates the idea that well-being is about having a sense of purpose in life. It is about ‘participation in civic life, having friends, loving and being loved’ (Bruni and Porta, 2005: 8). According to Aristotle ‘the happy man needs friends’, and friendship is more important than wealth because friendship is ‘an end in itself, while wealth is only a means to that end’ (Bruni and Porta, 2005: 8). In practice, eudaimonic well-being is measured by asking questions about autonomy, self-determination, interest and engagement, aspirations and motivation, and whether people have a sense of meaning, direction or purpose in life.

In his recent book on meaning in a material world, Flanagan (2007) asserts that we all want to live in a meaningful way, to live a life that really matters, to flourish, to achieve eudaimonia – to be a ‘happy spirit’. He argues that to flourish basic needs must first be met, and that as ‘fitness is achieved ... humans begin to strive for meaning and happiness ... to discover what is good, true and beautiful’, suggesting that in order to flourish each person must ‘interpenetrate the spaces of the good, the true and the beautiful’ (Flanagan, 2007: 40 & 56).

The capabilities approach advocated by Amartya Sen is informed by the eudaimonic concept of well-being. Sen’s basic proposition is that we should evaluate development and progress as ‘the expansion of the “capabilities” of people to lead the kind of lives they value – and have reason to value’ (Sen, 1999: 18). Sen also draws on Adam Smith’s analysis of ‘necessities’ and ‘conditions of living’, emphasising in particular the ability to ‘appear in public without shame’ in relation to the society within which one is living (Sen, 1999: 73).

Sen acknowledges that while income and wealth are important, ‘leading the kinds of lives we have reason to value’ requires much more, and focuses on the development and expansion of the ‘capabilities’ of people: ‘without ignoring the importance of economic growth, we must look beyond it ... attention is thus paid to the expansion of ‘capabilities’ ... these capabilities can be enhanced by public policy, but also, on the other side, the direction of public policy can be influenced by the effective use of participatory capabilities by the public. The *two-way relationship* is central’, (Sen, 1999: 18, italics in original).

This sense of ‘agency’ is important as ‘someone who acts and brings about change, and whose achievements can be judged in terms of her own values and objectives’ (Sen, 1999: 19). Sen refers to the importance of these interrelationships in the realisation of personal capabilities through:

17. Newton draws on work by Ryff, 1995; Ryff & Keyes, 1995; Waterman, 1993; and Keyes, Schmotkin & Ryff, 2002.

- ◆ Direct relevance to personal well-being;
- ◆ The indirect role of individuals in influencing social change; and
- ◆ The indirect role of individuals in influencing economic production (human capital), (Sen, 1999: 296-297).

Sen also gives attention to the role of public institutions and the importance of ‘rights’ and ‘values’. ‘Individuals live and operate in a world of institutions.¹⁸ Our opportunities and prospects depend crucially on what institutions exist and how they function’ (Sen, 1999: 142). In this context one of the central tenets of democracy is its ‘constructive role in the creation of values and norms’ (Sen, 1999: 157). In addition, ‘public debates and discussions, permitted by political freedoms and civil rights, can also play a major part on the formation of values’, so that ‘the achievement of social justice depends not only on institutional forms (including democratic rules and regulations), but also on effective practice’ (Sen, 1999: 157-158).

Sen recognises that freedom is important for a ‘good society’, referring to ‘equality of freedom’ where ‘the freedom that is guaranteed for one must be guaranteed for all’ (Sen, 1999: 233). This thinking echoes the UN Declaration of Human Rights (1948) which declares in Article 1 that ‘all human beings are born free and equal in dignity and rights’. Enablers include ‘equality of tolerance’ and ‘recognition of diversity’ (Sen, 1999: 233 & 247).

In summary, Sen argues that ‘while economic prosperity helps people to have wider options and to lead more fulfilling lives, so do more education, better health care, and other factors that casually influence the effective freedoms that people actually enjoy. These “social developments” must directly count as “developmental”, since they help us to lead longer, freer and more fruitful lives, *in addition* to the role they have in promoting productivity or economic growth or individual incomes’ (Sen, 1999: 295, italics in original).

Sen’s capabilities approach has been influential in the construction of the UN’s Human Development Index (HDI). This measures three elements of human development – income (to afford a decent standard of living), health (life expectancy) and knowledge (adult literacy and participation in education). In their human development reports the UN also include indices of human poverty (for developing and developed countries), gender-related development and gender empowerment. The gender empowerment measure captures political participation, economic participation and power over economic resources (United Nations, 2003: 340). According to Sen (1999) the HDI represents an important example of the influence of his ‘capabilities approach’.

¹⁸. Examples of institutions are given as the market, the democratic system, the media and the public distribution system.

Sen himself has not been prescriptive in stipulating a list of capabilities but has ‘maintained the flexibility of his framework by refusing to specify or endorse a list of capabilities as objectively correct’ (Clark and Gough, 2005: 51). This flexibility is a ‘valuable feature of his work because it allows the approach to be adapted and applied in diverse social and cultural contexts’ (Evans, 2002: 16). Based on Sen’s work, the political philosopher Martha Nussbaum (2005) has developed a list of ten central human capabilities that she argues are fundamental, universal entitlements to secure social justice. These are: life; bodily health; bodily integrity; senses, imagination and thought; emotions; practical reason; affiliation; other species; play; and control over one’s environment. In particular, she pays attention to the importance of women’s lives and capabilities, as ‘in most parts of the world women do not have the same opportunities as men’ (Nussbaum and Sen, 1993: 5). While this list of capabilities is attractive conceptually they have been criticised for not taking into account cultural norms and they have proved difficult to measure in practice (King, 2007).

To complete this section, understandings of eudaimonia in psychological well-being research are briefly reviewed. Psychological well-being relates to positive mental health and concepts like self-esteem, resilience and coping (Hird, 2003: 2). Ryff (1989) suggests a model of psychological well-being with six dimensions: self-acceptance (feeling good about yourself while aware of your limitations), positive relations with others, environmental mastery (shaping the environment so as to meet personal needs and desires), autonomy (self determination and personal authority), purpose in life, and personal growth (making the best of talents and capacities). These dimensions overlap with some of the ten capabilities proposed by Nussbaum, outlined above. Fulfilling these needs is presented as the natural aim of human life which influences many of the meanings and purposes behind human action (Newton, 2007: 6). Ryan and Deci’s theory of self determination (SDT) shares similarities with the work of Ryff. They argue that eudaimonic well-being is fulfilled through the satisfaction of three psychological needs: autonomy (having a sense of control over one’s life), competence (a sense that one is functioning effectively) and relatedness (having positive interactions with others) (Ryan and Deci, 2001, cited in Newton, 2007: 6). Other approaches that have been shown to be important for psychological well-being include feeling fully engaged in one’s activities (sometimes referred to as ‘flow’, see Csikszentmihalyi, 1997) and having a sense of curiosity or willingness to learn new things (Kasdan *et al.*, 2004, cited in Newton, 2007: 6).

Having reviewed some of the literature informing the conceptual understandings of well-being, we now move on to propose the concept of well-being to be employed in this report.

2.5 The Concept of Well-Being used in this Report

As stated earlier there is no single agreed definition of well-being and, as outlined above, it is interpreted in a number of different ways by different disciplines but with significant overlap. In summary, however, the literature suggests that ‘well-being is a multidimensional phenomenon that captures a mixture of people’s life circumstances, how they feel and how they function’ (Newton, 2007: 6).

The Finnish sociologist Erik Allardt (1993) has expressed well-being as *having, loving and being* (Allardt, 1993: 88). ‘Having’ relates to the material conditions which are necessary for human survival and the avoidance of misery. ‘Loving’ stands for the need to relate to other people and to form social identities. ‘Being’ refers to the need for integration into society and to live in harmony with nature. Using this conceptual understanding to inform his work Allardt argues for using both objective and subjective indicators: ‘objective refers to the reports of factual conditions and overt behaviour whereas subjective stands for the measurement of attitudes’ (Allardt, 1993: 92).

Eudaimonic Well-Being

- ◆ Human flourishing
 - ◆ Discovering the good, the true, the beautiful
 - ◆ Sense of purpose
 - ◆ Realising true potential
 - ◆ Lives we have reason to value
-

On the basis of the literature reviewed a multidimensional understanding of well-being will be employed in this social report, with the eudaimonic line of thought at its core, where well-being is based on having a sense of purpose and meaning in life. Easterlin’s evidence, in particular, informs the report where he has argued for the need to give greater attention to health, relationships and education as these are the areas of people’s lives which have the greatest long-term impact on their well-being. Attention is also given to Sen’s ‘capabilities approach’ which focuses on the things which people value and have reason to value. In particular, he focuses on the importance of participation and agency, on rights and values, which enable people to realise their full potential. So while material goods are important, especially to provide for basic needs, the influences on people’s well-being are much broader than this. In addition, the pursuit of individual wealth or economic growth to the exclusion of other facets of life tends to lead to unfulfilled and unbalanced lives. This approach alludes to the functioning of society as well as individuals, which is seen as important and an area for future development.

Based on this multidimensional understanding of well-being the conceptual definition of well-being employed in this report is as follows:¹⁹

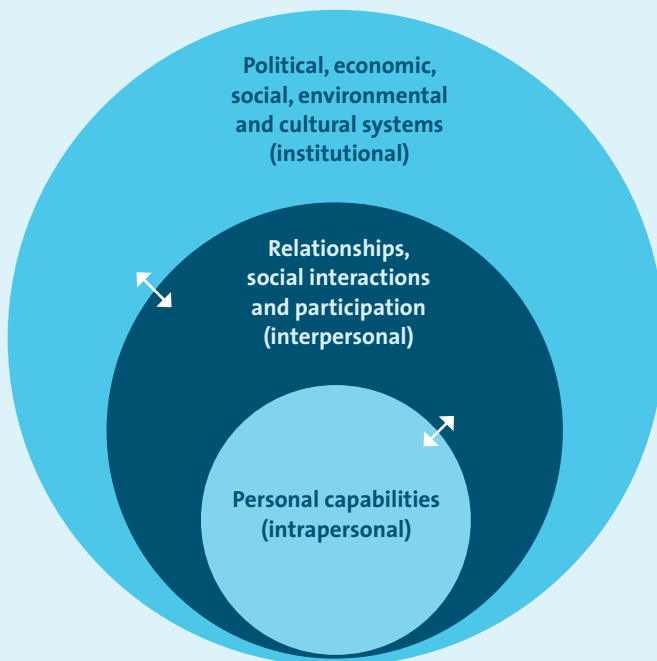
Well-being is a positive physical, social and mental state. It requires that basic needs are met, that individuals have a sense of purpose, that they feel able to achieve important goals, to participate in society and to live the lives they value and have reason to value.

It is enhanced by conditions that include supportive personal relationships, strong and inclusive communities, good health, financial and personal security, meaningful and rewarding work, a healthy and attractive environment and values of democracy and social justice.

Public policy's role is to place the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and ensuring the supports are available to him/her to address those risks at key stages in his/her life.

This definition is illustrated in Figure 2.5.

Figure 2.5 Conceptual Understanding of Well-being



¹⁹ This definition is adapted from the UK definition, see Newton, 2007 and <http://www.sustainable-development.gov.uk>. It includes reference to public policy's role from *Towards 2016*.

Figure 2.5 illustrates the centrality of people’s capabilities for their well-being. This requires that, as well as having basic needs met, people have the opportunity to set and achieve goals and to contribute to society. Social interaction is important for people’s well-being whether this is through intimate and family relationships or wider community and societal relationships. At a broader level the society within which people live, the institutional arrangements, the cultural values and the environmental quality also impact on people’s well-being. The framework can be summarised as focusing on three levels: the intra-personal, the interpersonal and the institutional, (see Futures Ireland work, NESDO, 2009 and at www.futuresireland.ie).

Based on this definition and conceptual illustration of well-being some of the key influences from international evidence are as follows:²⁰

- i. *Economic Resources*: A certain level of income is required to meet people’s basic needs. Poverty, financial stress and financial insecurity have negative effects on well-being. Sen talks of poverty as being a ‘deprivation of basic capabilities, rather than merely as low income’ (Sen, 1999: 20).
- ii. *Work / Participation*: Participation in work and education are important for well-being. Unemployment at an individual level and at a societal level has a damaging impact on well-being. At an individual level unemployment does not only mean a loss of, or low, income. It also undermines self-respect and social relationships. Loss of a job has a particularly devastating effect. A high unemployment rate in an area can lead to an overall sense of worthlessness. These impacts are stronger than being out of the labour force or retiring. Employment and being engaged in meaningful activity has the opposite effect, not only providing income but contributing to a sense of purpose and providing social interaction. Well-being issues related to work include job security, work-life balance and a ‘fulfilling job’, ie. having some say in what you do. Participation in education can lead to fulfilment in and of itself, but also builds human capital and human capability giving people more opportunities in life.
- iii. *Relationships / Care*: The quality and stability of relationships has been found to be more important than their form. Separation, divorce and widowhood have detrimental effects on people’s well-being. Poor relationships have a particularly devastating effect on children. On the positive side a good and stable family life has been found to have lasting benefits on well-being. The level of care available and/or provided also affects people’s well-being. The quality of care and supports available can have an important bearing on well-being, both for the care giver and the care receiver.
- iv. *Community / Environment*: Shelter/accommodation is one of the basic needs for human well-being. In a modern society, accommodation and the wider environment within which people live both play an important part in people’s overall well-being. Social networks and volunteering, trust and friendships are important elements of well-being. These aspects are sometimes referred to as social capital. Broader environmental concerns play an increasingly important role in people’s well-being; a safe and attractive environment enhances well-being (Haidt, 2006).

20. This list of influences is based on ‘the seven big factors affecting happiness’ drawn from the US General Social Survey and summarised in Layard, (2005a: 63), supplemented by information from Easterlin (2005) and Sen (1999).

- v. *Health*: Health is a major element of well-being. The focus of public policy has been on increasing longevity. In modern societies, however, chronic ill health and mental illness are the health concerns affecting many people's well-being. People's behaviours, such as smoking, diet and exercise affect their health and are receiving increasing attention in modern societies.
- vi. *Democracy / Values*: The quality of government, people's involvement in a democratic society and peace are significant features of individual and societal well-being (Sen, 1999). Crime and fear of crime undermine community connections. Holding personal beliefs, through religion or otherwise, contributes to individual well-being (Haidt, 2006). So too, does the freedom to express oneself, politically and creatively. At societal level, a belief in a 'common good' has been shown to contribute to the overall well-being of society. This requires a level of recognition of rights and responsibilities, empathy with others and values of citizenship.

In future work on well-being it would be useful to have specific information on the key influences on well-being for people living in Ireland and how this compares with the international evidence. The next section addresses the measurement of well-being and the role of social indicators.

2.6 Measuring Well-being and the Role of Social Indicators

The previous section set out the conceptual understanding of well-being to be employed in this report and some of the key influences on well-being. The next step is to present indicators to measure the main elements of well-being. Before doing so, some work undertaken by the OECD is briefly reviewed which assesses a number of methodological approaches to measuring well-being for the regular social indicator publication *Society at a Glance*.

In its work the OECD has analysed and summarised work undertaken by many other organisations and researchers who have sought to capture well-being through the use of a broad range of social indicators, (OECD, 2007a; Matthews, 2006; Boarini *et al.*, 2006b). As noted by the OECD (and based on the review of well-being literature undertaken in this report) 'social indicators aim to provide information on well-being beyond that conveyed by conventional economic measures' (GDP) (OECD, 2007a: 20). The OECD reviews four approaches to measuring well-being: social indicators, money income, money income adjusted for different non-market factors, and subjective measurements.

Based on its analysis of well-being the OECD uses social indicators to measure *self sufficiency* (employment rate, joblessness, years of schooling and school performance), *equity* (income inequality, poverty rates and gender wage gap), *health status* (life expectancy at birth, healthy life expectancy at birth, infant mortality rates and potential years lost as a result of accidents or preventable disease) and *social cohesion* (volunteering, crime, victimisation, suicide). These indicators measure both positive and negative manifestations of well-being and are the indicators presented in the cross-country analysis *Society at a Glance*. There is clearly quite a lot of commonality between the social indicators employed by the OECD and the key elements of well-being proposed in this report (see previous section).

The OECD considers alternative approaches including income measures other than GDP per capita. These comprise gross national income, net national income and the economic resources of households. The OECD concludes that ‘money doesn’t buy happiness’ and that when societies move beyond the point where the basics of food, shelter and clothing are provided other non-market factors become more important (OECD, 2007a: 27-28). This conclusion leads OECD researchers to consider non-market activities such as leisure time, the effect of household size, the equality of the distribution of income and environmental degradation to which they attach monetary values, based on replacement or opportunity costs. They conclude that it is difficult to ascribe a satisfactory monetary value to these activities even though they are important to well-being. Other activities are also important, such as production in the home, which have not been assigned a value.

OECD researchers also review subjective measures of well-being. They conclude that while cross-country comparisons of subjective well-being measures remain controversial, evidence at the level of individuals is much stronger, and that ‘people’s happiness depends to a large extent on the circumstances of the broader community they are part of and their relationship to it’ (OECD, 2007a: 34).

At country level a specific example of the use of a well-being framework is the presentation of social trends by the Australian Bureau of Statistics (2001 and 2007). The Australian Bureau notes that measuring well-being involves ‘mapping the whole of life, and considering each life event or social context that has the potential to affect the quality of individual lives, or the cohesion of society’ (Australian Bureau of Statistics, 2001: 6). Within this broad approach they argue that the process of measuring well-being involves making ‘value judgements’ about what aspects of life are important to well-being and what social issues are ‘most pressing’. This involves making ‘pragmatic decisions’ as there is ‘no single measure that satisfies all parties’. They conclude that well-being has individual and social dimensions and is influenced via *transactions* (between an individual and societal institutions); by life events (*transitions*); and other factors that can be grouped as *areas of concern* (income, work, relationships, community, etc.) (Australian Bureau of Statistics, 2001: 22, italics added).

At European level, Fahey and Smyth have explored the link between subjective well-being and objective conditions in European societies (Fahey and Smyth, 2004). Two of their conclusions are relevant here:

- ◆ Subjective indicators of well-being may be more robust in revealing social inequalities than previously thought and may uncover issues not identified through ‘objective’ indicators; and
- ◆ Relativities *between* countries do matter for social inequality as subjectively perceived and experienced by individuals (Fahey and Smyth, 2004: 79).

Relatively recently, (February 2008), the French government established an international *Commission on the Measurement of Economic Performance and Social Progress*. The aim of the Commission is to identify the limits to GDP as an indicator of economic performance and social progress and to suggest feasible alternative measures. The Commission is chaired by Professor Stiglitz and the chair adviser is Professor Sen²¹. The Commission produced a draft summary report in June 2009 covering three main areas: classical GDP issues, quality of life indicators, and sustainable development and environmental issues. The work of the Commission has recently been reported (September 2009, see <http://www.stiglitz-sen-fitoussi.fr>.)

2.7 A Framework for Assessing Well-being in Ireland

In presenting a framework for assessing well-being in Ireland the following have been taken into account:

- i. The theories of well-being reviewed earlier in this chapter, drawing particularly on the eudaimonic understanding of well-being and the work of Easterlin and Sen;
- ii. The subsequent definition and conceptual understanding of well-being adopted in this report;
- iii. The key influences identified as having a bearing on an individual's well-being; and
- iv. The work carried out on social indicators, some of which is briefly summarised in the previous section.

Taking these factors into account the following considerations have informed the domains and indicators selected:

- ◆ The need to have a multidimensional understanding of well-being, including both objective and subjective indicators;
- ◆ That, as far as possible, the indicators should have the ability to make inter and intra country comparisons as well as tracking change over time;
- ◆ That they should be able to inform public policy and be linked to policy frameworks, *Towards 2016*, in particular;
- ◆ The indicators should be relevant to the Irish context (which is reviewed in Chapter 4) and should build on existing social and statistical reports;
- ◆ A relatively small number of areas (domains) and key indicators should be selected; and
- ◆ Data resources should be readily available and lend themselves to aggregation and disaggregation, as far as possible.

Taking these factors into consideration the following framework is proposed.

21. Professor Stiglitz is an American economist and professor at Columbia University. He has won the Nobel Prize in Economics and was a chief economist at the World Bank. Professor Sen is also a Nobel Prize winning Economist who is currently professor of economics and philosophy at Harvard University, and also a fellow of Cambridge University. The Co-ordinator of the Commission is Professor Jean-Paul Fitoussi, Institut d'Etudes Politiques de Paris and President of the Observatoire Français des Conjonctures Economiques (OFCE). Members of the Commission are renowned experts from universities, governmental and intergovernmental organisations, in several countries (USA, France, UK, India). The secretariat is provided by the French national statistical institute, OFCE and the OECD.

Table 2.1 Framework for the Assessment of Well-being

Domains	Examples of Indicators
Economic resources	Income Poverty
Work and Participation	Employment Work-life balance Unemployment Education
Relationships and Care	Divorce / separation / widowhood Living alone / parenting alone Care
Community and Environment	Accommodation Community Environment
Health	Health status Health assessment Mental health Behaviours
Democracy and Values	Exercising democracy Threats / crime Equality / rights / cultural identity

There are two important points to note in understanding this framework:

- a) Well-being is a holistic notion so that the separation of aspects of well-being into six separate domains may give a false sense of discrete characteristics. In well-being the ‘whole is greater than sum of the parts’, so that it is the inter-relatedness and the balance between the different dimensions of well-being which contributes to overall well-being. However, the relation between the domains will vary for each individual, and will change with circumstances and over time. No attempt is made to measure the correlations between the various domains in this report.
- b) The terminology used can only capture the essence of the various domains of well-being. Therefore, for example, while ‘participation’ is the term used to describe participation in work and education, participation in one’s community

and in decision-making is also important to well-being. These dimensions of participation are captured in the 'Community and Environment' and 'Democracy and Values' domains even though the term 'participation' is not explicitly used. Likewise, paid employment is the main reference in the 'Work and Participation' domain. However, it is acknowledged that work also relates to the (often unpaid) contributions made in the home, in caring and in the community. These elements are addressed through indicators on 'work-life balance' as well as in relation to care and community participation. It is recognised that there are negative as well as positive aspects to unpaid work for people's well-being, which is in the main carried out by women.

An additional point to note is that the domains and indicators in this well-being framework could be assembled in a number of different ways. They have been put together in this way to reflect our understanding of well-being, current policy goals, and in line with the criteria listed above. They represent the main areas of concern which will be addressed throughout this report. They seek to capture the well-being of individuals, situated within a societal context (see Figure 2.5).

In relation to economic resources, income and poverty will be examined. The distribution of income, particularly with regard to income inequalities will be given consideration, bearing in mind the importance of comparative incomes for well-being. Low income has an adverse impact on well-being and so information will be provided on poverty, deprivation and financial stress.

The second domain captures the extent of participation through work and education. The opportunity to engage in worthwhile and meaningful activity as well as being in a position to make choices about one's life has an important bearing on well-being. Indicators considered will include employment, work-life balance and unemployment. It is acknowledged that work also relates to the (often unpaid) contributions made in the home, in caring and in the community. Participation in education will be examined through participation rates, early school leaving trends and achievement levels.

The third domain presents information on relationships which the evidence suggests have a long lasting impact on people's well-being. Information is provided on separation, divorce and widowhood which are known to have detrimental effects on well-being. Information is also presented on people living alone and people parenting alone. The receipt and provision of care, whether paid or unpaid, is an important dimension of people's relationships. There are many emotional aspects to giving and receiving care, which can have positive and negative impacts on well-being. Where information is available on care it is provided.

Wider community and environmental influences are examined in domain four. Information is provided on accommodation, which is a basic need, and the communities and environments within which people live. Friendships, community participation, and volunteering, sometimes referred to as social capital, are known to be important aspects of well-being and information is presented on these. The environment within which people live also impacts on their well-being, and indicators are presented on the quality of the environment, its accessibility and on transport.

Domain five presents information on health which is known to be central to people's well-being. Indicators on health status are provided as well as people's own perceptions of their health and access to health services. Chronic illness and mental illness have particularly debilitating effects on people's well-being so information is presented on these aspects of their lives. People's behaviours, influenced by their socio-economic conditions, can impact on their health and well-being, and so indicators are provided on smoking, drinking, exercise, nutrition and obesity.

The sixth domain is democracy and values. The operation of democracy and trust in institutions is central to people's well-being and has been shown to be something that 'people value and have reason to value'. The methods by which people participate in the democratic process are changing with the advance of technology, and this will be noted where information is available. A peaceful society and safe environment have also been shown to be important for well-being. Crime and perceptions of crime undermine well-being by threatening people's security and trust. Finally, a society underpinned by equality and rights is vital for individuals' well-being and that of wider society. Recognition and accommodation of cultural diversity and identity are an important expression of strong democratic values.

In presenting information on indicators of well-being comparisons will be made with other countries, as well as examining trends over time. The focus, however, will be on the well-being of people living in Ireland. Attention will be paid to variations in well-being within Ireland, particularly in relation to gender, social class, family status, ethnicity and in some cases geography. A central theme of the work is the heterogeneity of the population and the diversity of factors influencing well-being. Thus, while the six domains will remain the same throughout the report, some of the indicators may vary depending on the life cycle stage being examined, the policy emphasis and the availability of data. The next section discusses the link with the public policy framework.

2.8 The Link to Public Policy

The most extreme example of the link between well-being and policy is Bhutan, the small Buddhist country in the Himalayas, who has as its national progress measure an indicator of gross national happiness (GNH).²² However, in most countries government policy has a more limited capacity to directly affect our well-being but has a central role in influencing the society within which we live, and thus our overall well-being. For example, government can provide a democratic and secure state, opportunities for development and gainful activity, and sustainable communities. There are benefits to individuals, families, the community, the economy and overall society of high levels of individual and collective well-being. The well-being of a country's citizens is a good thing in and of itself. In addition, people who are satisfied with their lives and have choices and opportunities are more likely to be creative, productive and healthy, and bring benefits to the overall well-being of society.

22. The value of the Gross National Happiness index has seen a deterioration since the advent of television – with a rise in family break-up, crime, violence and drug taking.

There are essentially two aspects to the role of public policy in promoting well-being: the first is that citizens who have high levels of well-being are likely to make a positive contribution to society; and the second is that the state has a shared responsibility in supporting the well-being of its citizens.

Taking the first aspect—citizens who are well contribute to societal well-being—it is clear that people who are in paid and other useful and rewarding work, who are healthy, who are in secure relationships, who participate in their communities and who display high levels of trust in each other and in Government are productive citizens who contribute to the well-being of each other, to the economy and to the well-being of society as a whole. This is good for the people living in the society, but also for the state. The Government and other public institutions, therefore, have a vested interest in promoting well-being, as in such a society there will be less ill health, unemployment, crime, pollution and waste.

The second aspect—supporting the well-being of citizens—relates to the state's shared responsibility in promoting the public good, in determining the values and standards of our society and in the provision of services and supports. In its report *The Developmental Welfare State*, the NESC emphasises the role of services, such as education, health, childcare, eldercare, housing, transport and employment services in maintaining social cohesion and combating social exclusion. NESC states that:

The first public policy challenge is to ensure that every member of Irish society has access to the level and quality of service he or she needs, with quality and equity being assured. Government's primary role, then, is to act as the regulator and guarantor of diversified, high quality and equitable regimes for each type of service. This requires that it harness the characteristic contributions of non-profit organisations and the commercial sector. A subordinate challenge is to identify the appropriate scale and nature of direct public service provision (NESC, 2005a: xix).

Along with access to high quality services, the provision of income supports (progressive child income supports, working age transfers for participation, a minimum pension guarantee and capped tax expenditures), and activist measures (community and voluntary sector projects) are key components of a developmental welfare state to support the well-being of individuals. An important element of this provision of services and supports is the responsibility of the state to support its citizens at times of transition (eg. childhood, retirement) and when they are vulnerable (eg. sick, unemployed, homeless).

In Chapter 1 risks associated with transitions and vulnerabilities were identified as 'post-industrial social risks' attributed to the transition to a post-industrial society and 'recessionary risks' emerging as a result of the current recession. The post-industrial risks can be summarised as: balancing paid work and caring roles; having relevant skills for the labour market; and the adequacy of income support and service provision. Newer risks, as a result of the recession, are seen as: the risk of unemployment; financial stress due to loss of income, debt, lack of credit and poverty; low morale; and overall distress.

These risks can be associated with ‘discontinuities’ in family and working lives, leading to insecurities and vulnerabilities. These ‘discontinuities’ require a different type of engagement with the institutions of the state than heretofore – greater flexibility, differentiated routes and pathways, activation on the part of the state and of citizens, and a shift towards a more supportive and enabling state. The developmental welfare state provides such an approach, which is, in part, articulated in the current policy framework of *Towards 2016*.

Towards 2016 sets out a vision for Ireland as a ‘dynamic, internationalised and participatory society and economy with a strong commitment to social justice, where economic development is environmentally sustainable and is internationally competitive’ (Government of Ireland, 2006b: 10). It is envisaged that this vision be realised through ‘nurturing the complementary relationship between social policy and economic prosperity’ and by ‘reinventing and repositioning Ireland’s social policies’ among other things (Government of Ireland, 2006b: 10).

A life cycle approach is adopted which promotes the perspective of the citizen as the ‘centrepiece of building a new social policy approach’ (Government of Ireland, 2006b: 11). This is very much in line with the definition and understanding of well-being employed in this social report. *Towards 2016* sets out twenty-three high level goals (see Appendix A) with accompanying priority actions for the provision of services, income supports and activation measures for the life cycle phases of children, people of working age, older people and also for people with disabilities. This approach reflects the desire to promote the well-being of citizens across the life course, with a particular focus on co-ordinated policy formulation, and ‘leveraging the public service modernisation programme to ensure integration at service delivery level’.

The extent to which policy commitments are achieving desired outcomes will be considered in each of the life cycle chapters in Part IV of this report, (Volume II). The next part, Part II, sets out the case for expressing well-being through social reporting in Chapter 3, and then provides, in Chapter 4, an overview picture of Ireland using the well-being framework constructed in this chapter.



PART II

Reporting
Well-being
in Ireland

Part II *Reporting Well-being in Ireland* contains two chapters. The first chapter (Chapter 3, *Expressing Well-being through Social Reporting*) sets out how well-being can be expressed through a social report. Following a short introduction section 2 briefly summarises some of the international experience of social reporting. Various aspects of social reporting are discussed in section 3. Section 4 sets out the proposals for a social report in Ireland, with section 5 presenting the aim and direction for a NESC social report on well-being. The final section examines the links between well-being, policy and monitoring, including a discussion on the role of social indicators in the policy cycle.

The second chapter in Part II (Chapter 4 of the report, *An Overview Picture of Well-being in Ireland*) provides an overview of well-being trends in Ireland over the last ten to twenty years using the well-being framework developed in Chapter 2. An initial section presents demographic trends, followed by sections on economic resources, work/participation, relationships/care, community/environment, health, and democracy/values. A concluding section provides a summary overview. It should be noted that data are not yet available to fully reflect the impact of the recession on well-being trends.

3

Expressing Well-being through Social Reporting

3.1 Introduction

Many countries and organisations have expressed their understandings of well-being through social reports. There has been limited documentation of well-being in Ireland but consideration has been given to social reporting and a number of publications of a social reporting nature have been produced. On a number of occasions the Council has referred to the importance of producing a social report and this report seeks to fulfil that requirement.

Section two of this chapter provides a brief overview of the experience of social reporting in other organisations and countries. On the basis of this overview section three summarises some of the key aspects of social reporting. The fourth section briefly examines social reporting in Ireland. Section five sets out the aim and direction for this report, while the sixth section describes the current policy context and suggests ways that social indicators could enhance policy monitoring.

3.2 International Experience of Social Reporting

Many international organisations and countries produce social reports. The reports vary from compendiums of social statistics to more analytical reports capturing the key trends and elements of well-being within a society. They can stand alone or complement other reports. The following section provides a brief overview of social reporting at supra-national and national levels. Some aspects of these reports are discussed in more detail in other chapters of this report.

3.2.1 The United Nations

The UN produces a regular Human Development Report. The Human Development Report is best known for its Human Development Index which incorporates life expectancy at birth, knowledge (adult literacy and education enrolment), and GDP per capita.²³ While the focus of the UN report is mainly on developing countries and development issues, it has provided an impetus for monitoring progress on the Millennium Goals²⁴ and providing a wealth of comparative information on

23. The UN also publishes a number other indices – the Human Poverty Index for Developing Countries, the Human Poverty Index for OECD countries, a Gender-Related Development Index, and a Gender Empowerment Measure.

24. The Millennium Development Goals (MDGs) are eight goals to be achieved by 2015 that respond to the world's main development challenges. The MDGs are based on the actions and targets contained in the Millennium Declaration that was adopted by the 189 nations and signed by 147 heads of state and governments during the Un Millennium Summit in September 2000. The eight MDGs break down into twenty-one quantifiable targets that are measured by sixty indicators. The eight goals are: 1. Eradicate extreme poverty and hunger 2. Achieve universal primary education 3. Promote gender equality and empower women 4. Reduce child mortality 5. Improve maternal health 6. Combat HIV/AIDS, malaria and other diseases 7. Ensure environmental sustainability 8. Develop a global partnership for development.

economic, social and environmental issues. The report provides analysis and commentary as well as detailed tables of information. Short articles, examples and viewpoints by experts are also included.

3.2.2 The OECD

The Organisation for Economic Co-operation and Development (OECD) is one of the leading international organisations in terms of social reporting. Its work is based on a framework of social indicators, regularly (2001, 2003, 2005, 2006 and 2009) reported in its publication 'Society at a Glance: OECD Social Indicators'. Indicators are grouped into three areas: social context, social status and societal response. They are further presented in four broad policy areas: self sufficiency, equity, health status and social cohesion. The reports are mainly descriptive, drawing out trends across countries and over time.

As part of the OECD World Forum, the OECD has led initiatives in measuring well-being. This work has included a study on 'Alternative Measures of Well-being' (Boarini, *et al.*, 2006b). Boarini *et al.* explore extending GDP as a measure of progress and conclude that measures of economic resources such as GDP should be complemented by measures of other dimensions of well-being, for example, the distribution of wealth in a country, sharing of income within households and leisure time. There is further elaboration of these 'alternative measures of well-being' in Chapter 2.

3.2.3 The European Union

The European Commission has a number of mechanisms for reporting social progress. These include reports on social indicators for the European Union, specific social reports from Eurostat, social inclusion monitoring using the 'Common Agreed Indicators',²⁵ Social Portraits, Quality of Life in Europe reports and a Social Reality Report.

The EU work makes useful distinctions between descriptive and analytical monitoring. The work has also addressed quality of life measurement. Some of the reports provide tables with descriptive text while others focus on analysis of some of the key European social trends, for example, the social reality report (Liddle and Lerais, 2007).

3.2.4 National Level Reports

Many countries have been producing social reports for years. Some of the most well known are the UK's Social Trends, Dutch and German Social Accounts, Swedish Level of Living survey, the Canadian Index of Well-Being, Australia's MAP (Measuring Australia's Progress) and New Zealand's Social Report.

25. The 'Common Agreed' Indicators, sometimes referred to as the 18 Laeken Indicators, are: 1. Income poverty 2. Inequality of income distribution (S80/20) 3. Persistent poverty by gender (60% median) 4. Poverty gap 5. Regional cohesion 6. Long-term unemployment 7. Jobless households 8. Early school leavers 9. Life expectancy at birth 10. Health status by income level 11. Dispersion around income poverty threshold 12. Income poverty anchored at a moment in time 13. Income poverty before social transfers by gender 14. Gini coefficient 15. Persistent poverty by gender (50% median) 16. Long term unemployment share 17. Very long term unemployment rate 18. Persons with low educational attainment.

There are different types of reports for different purposes. Many are descriptive, seeking to monitor trends over time and provide comparative analysis. Some examine overall measures of progress, not just social issues. Canada and Australia, in particular, have given detailed consideration to well-being. Fewer of the reports attempt to identify causality or to link social progress to policy – clearly this is more difficult to do.

3.3 Aspects of Social Reporting

Drawing on the international experience this section presents a number of aspects of social reporting. Some of these points have also been raised in Chapter 2, with reference to dimensions of well-being. This section rehearses some of these points with a specific focus on how well-being and social progress can be measured.

3.3.1 Social Progress and Well-being is More Than GDP

A commonly used measure of economic activity is Gross Domestic Product (GDP), which has been referred to as ‘the barometer of progress’ (Matthews, 2006). In using GDP, ‘an entire range of economic information is summarised in this one number and it can be decomposed to guide specific policies’, (Haggart, 2000). However, GDP is simply the gross total of the market value of goods and services produced within a country within a given period of time. It does not take account of ‘destructive activities’,²⁶ the sustainability of growth, the distribution of national income, nor non-market factors such as household production, and unpaid care of children, older people, and ill and disabled people (Matthews, 2006). In short, GDP does not fully reflect the overall well-being of individuals or communities or of the society as a whole. Boarini *et al.* (2006b) recommends that in any consideration of societal progress economic indicators are complemented by ‘measures of other dimensions of well-being’.

3.3.2 Is There a Similar Social Index?

Is there an index to measure social progress similar to the GDP index in measuring economic progress? There are a number of different indices to measure social progress (sometimes referred to as the ‘one number approach’) (Matthews, 2006), but the jury is still out about the merits of these. Examples of indices to measure social progress include the Human Development Index and the Genuine Progress Indicator (GPI).^{27, 28} At country level, Canada is currently developing the *Canadian Index of Well-being (CIW)*. When it is fully developed it will combine the eight domains of: living standards, healthy population, time use, ecosystem health, educated populace, community vitality, civic engagement, and arts, culture, recreation into one index.²⁹

26. Destructive activities include items such as higher crime rates, increased pollution and the destruction of national resources (Matthews, 2006: 4).

27. Included in the GPI is the value of time spent on household work, parenting and volunteer work, plus the value of services of consumer durables, plus services of roads and streets minus ‘defensive expenditures’ (to guard against crime, accidents and pollution), minus social costs (divorce, loss of leisure time), minus depreciation of environmental assets.

28. There are a number of other indices of this nature, for example, the Happy Planet Index, Gross National Happiness Index, Economic Well-being Index, Life Satisfaction Index, Quality of Life Index.

29. The composite indicator is scheduled for release in 2010. Information is available from the Canadian Institute of Well-being at www.ciw.ca.

Indices are useful to enable comparisons over time and with other countries. However, a number of shortcomings have been identified, including making judgements on the selection of components for the index, identifying measurement units, weighting and combining the various components, and subsequently ‘unpacking’ the index to understand the ‘drivers’ of change. For those working to create indices of well-being, the ambition is to address these limitations and to better understand how the various domains of well-being are interconnected.

3.3.3 Can an Accounting Approach be Used?

Some countries have adopted an accounting approach to monitor social change. This approach takes the form of ‘satellite accounts’ where ‘non market’ accounts augment national accounts. Satellite accounts can include health factors, environmental assets, education and skill capital, activities of the non-governmental sector and household production. The advantage of this approach is that a more comprehensive picture of progress is available than reference to national economic accounts alone. These satellite accounts complement the national accounts without ‘overburdening or disrupting the system’ (Matthews, 2006). However, there can be difficulty in assigning monetary values to non-monetary activities, and their construction and interpretation can be complex.

The Netherlands uses an integrated system of accounts for the measurement of well-being, instead of using ‘a set of footloose indicators or one single indicator’ (Matthews, 2006: 40), in their System of Economic and Social Accounting Matrices and Extensions (SESAME). SESAME combines the central national accounting framework with social, environmental and other modules as appropriate. This framework emphasises the multidimensional aspects of well-being and ‘does not support capturing well-being in one single indicator’ (van de Ven *et al.*, 2000).

In Ireland there is a commitment in the social partnership agreement *Towards 2016* to examine the feasibility of the application of satellite accounts in the area of environmental sustainability. With respect to health, an initiative is underway to construct a system of health accounts which will report expenditure on health in line with OECD developments.

3.3.4 Or a ‘Suite of Social Indicators’?

The ‘suite of indicators’ approach is the most commonly used method of monitoring social progress and measuring well-being. This approach sets out key measures of well-being side by side, discussing the merits and direction of each one and actual or potential links between them. The advantage of this approach is that various elements of well-being and social progress can be readily assessed and compared; difficulties include making judgements on the selection of appropriate indicators, the identification of ‘drivers’ of change and the interrelationships between indicators.

The ‘suite of indicators’ approach is used in a number of countries, including Australia (*Measures of Australia’s Progress (MAP)*), the U.S. (*Key National Indicators Initiative*), the UK (*Social Trends*), France (*Francoscopie*) and New Zealand (*Social Report*), as well as Ireland (*Measuring Ireland’s Progress*). International organisations also employ this approach, for example the OECD (*OECD Factbook; Society at a Glance*) and Eurostat (*Europe in Figures*).

3.3.5 What About sSubjective Indicators?

As well as measures of social progress such as health, education, housing, poverty and so on, there is increasing interest in indicators which tell us how people feel about their lives, referred to as ‘subjective’ indicators. These measures, which reflect the feelings, ambitions, attitudes and values of individuals or of the nation, are increasingly used as a complement to ‘objective measures’. Examples include the world values survey, the world happiness survey, the European social survey, the European quality of life survey, the Eurobarometer, and in Ireland the SLÁN survey. Recently, the New Economics Foundation in the UK has produced a set of ‘National Accounts of Well-being’ which provide a cross-country comparison of how people feel and experience their lives through measures of personal and social well-being (NEF, 2009). Chapter 2 of this report has explored, in some detail, the theoretical underpinnings of ‘subjective’ well-being.

3.3.6 From Social Indicators to Social Reporting

Social indicators have been defined as ‘statistics that seek to capture developments in areas of significant social concern’ (SGSES, 2003: 16). A social report, however, implies a publication that is more than a collection and presentation of social indicators. As well as describing the social situation it seeks to interpret and analyse social trends, with reference to the policy context. According to Noll (2007) social reporting is by far the most important and successful application of social indicators. Social reporting aims at providing ‘information on social structures and processes and on preconditions and consequences of social policy, regularly, in time, systematically, and autonomously’ (Zapf, 1977: 11).

Fahey, Nolan and Whelan (2003) make a distinction between descriptive and analytical monitoring, which reflects some of the critical differences between collections of social indicators and social reporting. They present descriptive monitoring as the description of trends as revealed by tabulations of indicators, descriptive commentary on the significance of the indicators and highlighting the main points of comparative interest. Analytical monitoring goes further in seeking to inquire into the relationships between indicators, the causal processes at work and the underlying structural factors driving the trends.

Ideally, therefore, the ambition would be for a social report to start to develop an analytical monitoring approach in order to provide a more in-depth assessment of individual well-being and the overall quality of life of a society. It would seek to provide a framework within which to present the information and then, in analysing the key trends, to set these within the policy context, to ‘tell the story’ of how the overall society, and individuals within it, are progressing, and to make recommendations. Where appropriate, this would include changes over time, changes in comparison with other countries and changes within the country.

New Zealand is an example of a country which is moving in this direction. At the descriptive level the New Zealand social report presents the current level of well-being in New Zealand, shows how it has changed over time and demonstrates how different population groups are faring. But, importantly, it helps to ‘identify adverse trends in social outcomes at an early stage’ and ‘while the report cannot always illuminate what is driving these trends, it can point to the need for further research to understand what is happening and what actions need to be taken to address them’ (Ministry of Social Development, 2006: 3).

3.3.7 The Link Between Social Reporting and Policy

One of the key challenges is to set social trends in the policy context and to assess the extent to which policies should and do influence social outcomes. As stated by the OECD (2005: 8):

It is relatively straightforward to examine indicators of those aspects of social development that are targets of policy (unemployment, for example), and to see how they have changed over time. It is more difficult to assess the extent to which changes in these outcomes have been the result of government policy. Moreover, it is also necessary to take into account the resources that have been devoted to achieving those targets, and to question whether the results justify the costs involved.

Again, New Zealand has attempted to link indicators to desired policy outcomes. For example, their social report contains the 'desired outcome statement' that 'everybody has the knowledge and skills needed to participate fully in society'. Measures to capture this include education participation and achievement indicators. The link is made explicit across ten 'desired outcome' domains with an associated forty-two indicators (Ministry of Social Development, 2006: 8).

3.4 Social Reporting in Ireland

The idea of a 'Social Report' in Ireland was first suggested by NESC in 1977 when it published 'Towards a Social Report' (NESC, 1977). At that time the lack of social statistics was noted, along with the need for a document which would 'chart social change'. It was envisaged that a social report would improve public policy in two ways:

First, it could highlight social problems, and make possible more informed judgements about national priorities. Second, by providing insight into how different measures of national well-being are changing it might ultimately make possible a better evaluation of what State-sponsored (and financed) programmes are accomplishing (NESC, 1977: 6-7).

Much has changed in the interim but these fundamental grounds still prevail. In 2002 NESC published a report on 'national progress indicators for sustainable economic, social and environmental development' (NESC, 2002a). The report suggested a framework based on a 'widely accepted vision for Ireland as a successful society' (NESC, 2002a: 23). It set out a proposed set of indicators as a first step in this exercise and suggested that the Central Statistics Office would be an appropriate agency to assume central responsibility for future development and co-ordination of the work.

Much progress has been made since by the National Statistics Board, the Steering Group on Social and Equality Statistics and the Central Statistics Office. One of the recommendations of the National Statistics Board was that:

In line with other countries, consideration should be given to the publication of a social report, prepared or commissioned by, say, the NESC. In it, progress, as measured by key social indicators, would be related to the objectives of social and equality policy, and be linked directly to similar measures for other countries (National Statistics Board, 2003a: 43).

In 2003, the government requested NESC ‘to take the lead role in the preparation and dissemination of a periodic overall Social Report,’ (National Statistics Board, 2003a). As stated in the National Statistics Board recommendation this requires the social report to be set within the policy framework, which is currently *Towards 2016* and associated strategies.

In recent years a number of organisations have produced reports of a social nature, the Central Statistics Office (CSO), in particular, producing reports which illustrate Ireland’s social progress. The most relevant of these is the ‘Measuring Ireland’s Progress’ series. This series is being complemented by subject-specific reports, for example, ‘Women and Men in Ireland’, ‘Ageing in Ireland’, ‘Equality in Ireland’, ‘Regional Quality of Life in Ireland’, ‘Non-Irish Nationals Living in Ireland’ and ‘Children and Young People in Ireland’. Other examples are the ‘State of the Nations Children’ reports, ‘EU Survey on Income and Living Conditions (EU-SILC)’ releases, as well as publications by the ESRI, CORI and others.

This NESC social report on well-being seeks to build on all of this work. The aim and direction of the report is set out in the next section.

3.5 Aim and Direction for a NESC Social Report on Well-being

Drawing on what has been learned from the well-being literature, on social indicators and social reporting in Ireland, the experience of other countries and international reports on social progress, the aim of the Social Report is to analyse and interpret key social trends to inform social policy and well-being.

This aim has a number of dimensions.

- ◆ To develop a conceptual framework of well-being for Ireland:
 - By reviewing the well-being literature;
 - By providing a rationale for the use of a well-being framework; and
 - By identifying appropriate indicators.

- ◆ To interpret existing statistical and other relevant reports:
 - In the context of Irish social trends;
 - In comparison with other countries; and
 - To monitor changes over time.
- ◆ To set the trends in the context of relevant government policies and to outline future policy directions:
 - By identifying key outcomes sought;
 - By correlating actions with trends, where possible;
 - By identifying information gaps; and
 - By highlighting policy issues.
- ◆ To explore a systematic means of improving policy monitoring:
 - Through examining the linkages between policy and monitoring cycles;
 - Through identification of different types of indicators; and
 - Through suggesting fruitful areas for further research.

In light of this aim the Irish Social Report should:

- a) Be informed by a conceptual framework of well-being;
- b) Assess the relevance of the current policy framework; and
- c) Seek to strengthen the linkage between policy development, policy implementation and policy monitoring.

3.6 Well-being, Policy and Monitoring

3.6.1 A Conceptual Framework of Well-being

Part I of this report has set out why well-being matters in the current context and reviews the literature on well-being. On the basis of the literature review a definition of well-being to be employed in this report is presented along with a diagrammatic expression of the different elements of well-being and how they interact. A framework for the assessment of well-being is put forward with suggested indicators.

The next chapter, Chapter 4, uses the framework for the assessment of well-being to provide an overview picture of well-being in Ireland. As well as providing a demographic profile the chapter presents key trends on economic resources, work/participation, relationships/care, community/environment, health, and democracy/values. The chapter uses information provided by the CSO, Eurostat, OECD and the UN, as well as research by research organisations, government departments and agencies, the social partners and academia. Published statistics and other information publicly available are used.

The report employs a ‘suite of indicators’ approach. Information is presented on a wide range of indicators to chart progress over time, within Ireland and to make international comparisons. In the future, in line with international advancements, consideration could be given to: a) the development of a set of satellite *social accounts*, building on the health accounts currently under preparation; and/or b) the development of an index of social progress and/or well-being.

Parts III and IV of this report set well-being in Ireland in the context of the current policy framework and examine the potential for the development of policy monitoring. These issues are elaborated on further in the next section.

3.6.2 The Current Policy Framework

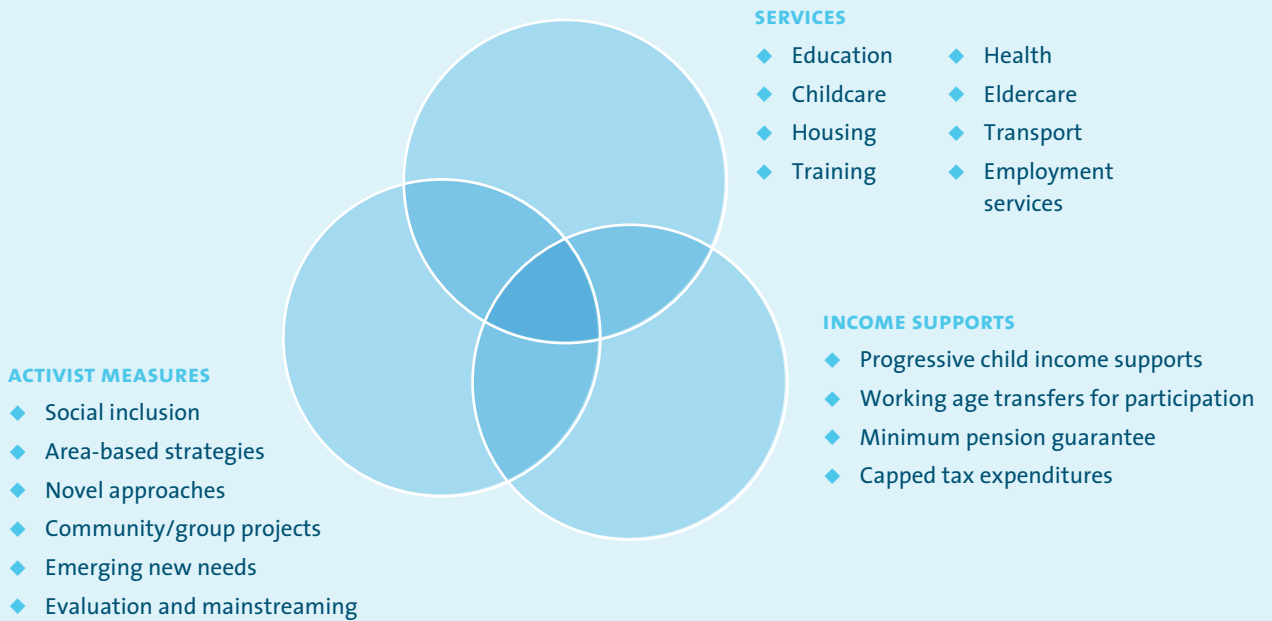
As stated in Chapter 2, the main current policy framework is the ten year partnership agreement *Towards 2016* which sets out a vision of Ireland for the future as a ‘dynamic, internationalised and participatory society and economy with a strong commitment to social justice, where economic development is environmentally sustainable and is internationally competitive’ (Government of Ireland, 2006b: 10). The shared goal to realise this vision is to:

- ◆ Nurture the complementary relationship between social policy and economic prosperity;
- ◆ Develop a vibrant, knowledge-based economy and stimulate enterprise and productivity;
- ◆ Re-invent and reposition Ireland’s social policies;
- ◆ Integrate an island-of-Ireland economy; and
- ◆ Deepen capabilities, achieve higher social and economic participation rates and more successfully handle diversity, including immigration.

This report will focus on the social policy aspects of this goal, having regard to the complementary relationships between social, economic and environmental policies. Where social and economic policies overlap issues of work, income distribution, poverty and work-life balance come into focus. Social and environmental concerns include the physical environment, housing, transport and aspects of health policy. All of these elements (social, economic and environmental) interact and impact on both individuals’ and societal well-being.

The policy framework of *Towards 2016*, particularly its social policy aspects, is based on a ‘developmental welfare state’ as proposed by NES. This approach consists of three overlapping areas of welfare state activity: services, income supports and activist or innovative measures (NES, 2005a), see Figure 3.1.

Figure 3.1 The Developmental Welfare State



The Developmental Welfare State (DWS) puts forward the development of services as an important feature of improving social protection. In realising this goal the first step is to ensure that every member of Irish society has equitable access to the level and quality of service they need. A model of ‘tailored universalism’ is proposed where service providers would adopt or ‘tailor’ their services to accommodate the needs of a ‘more diverse public’, particularly those who are socially and economically disadvantaged (NESC, 2005a: xix).

On income supports, distinctions are made for people at different stages in the life cycle. Children are a priority because of the importance of a good start in life which contributes towards their well-being, both as children and future adults. Thus, the focus is on ‘progressive universalism’, where all children would be supported, but those with particular needs would be supported more than others. ‘Tailored progression pathways’ would be available to welfare recipients of working age – payment *rates* raising all people to a minimum adequate level of income, with payment *arrangements* facilitating people’s participation in employment or social activities (NESC, 2005a: xx). For older people a minimum pension guarantee is required to ensure that they are not at risk of poverty.

Innovative, proactive measures represent the research and development (R&D) element of the DWS. This element of the DWS provides opportunities for central and local government, for community and voluntary sector organisations, and for the private sector, individually or in partnerships, networks and other alliances to meet the needs of local and disadvantaged communities through tailored, innovative and creative initiatives. Governance and accountability arrangements commensurate with these structures and initiatives are required.

This social well-being report seeks to identify how best a developmental welfare state could respond to the trends identified in the analysis in the context of the existing policy framework. The DWS and *Towards 2016* both follow a 'life cycle' approach. This approach implies that long-term goals and priority actions are identified for children (0-17), people of working age (18-64), older people (65+) and people with disabilities. This report also follows this structure, analysing trends in turn for children (Chapter 6), people of working age (Chapter 7), older people (Chapter 8) and people with disabilities (Chapter 9) in Part IV, (Volume II).

3.6.3 Policy Monitoring

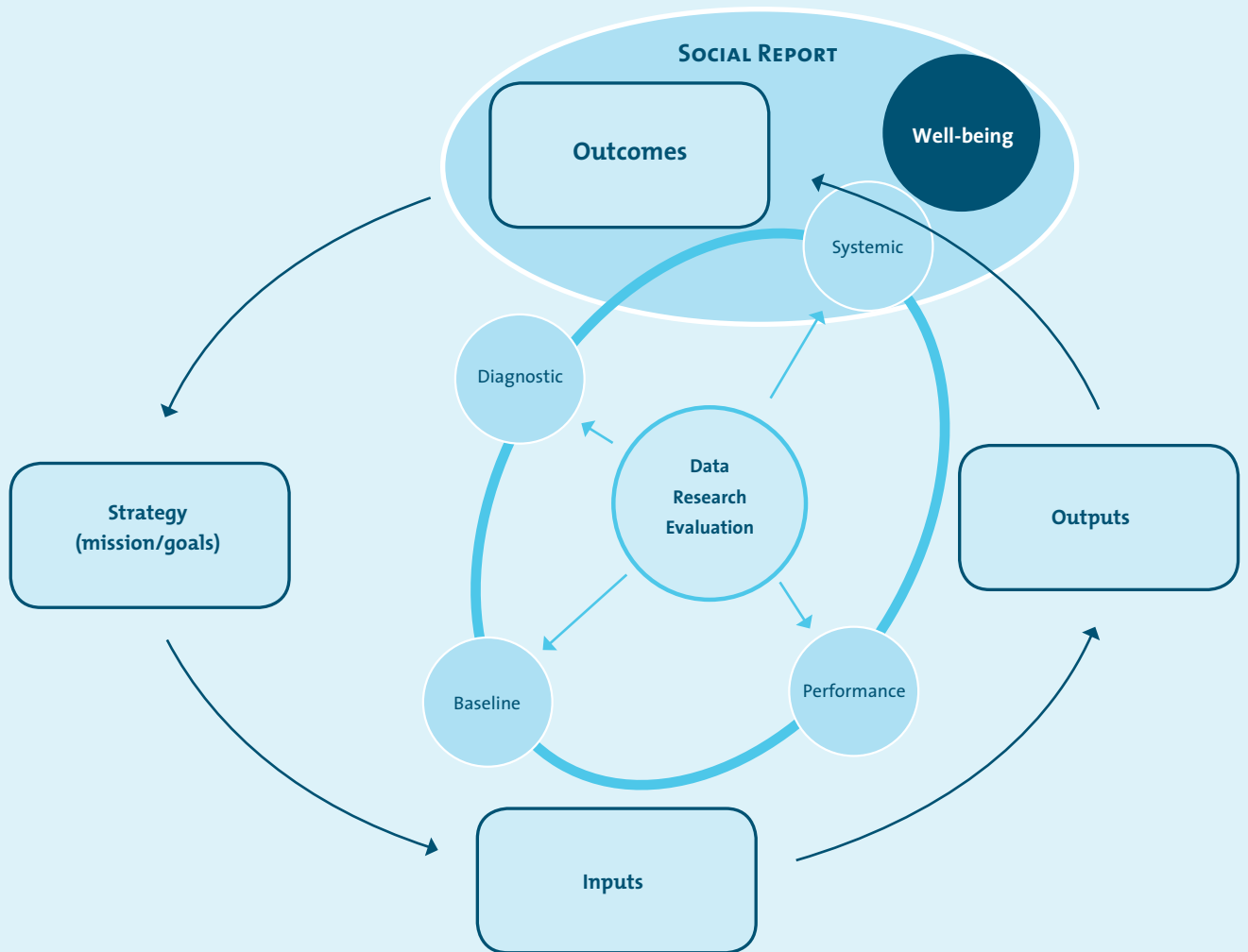
In implementing policy it is important to assess the extent to which long-term goals are being met and desirable outcomes achieved. Just as important is the need to identify where goals are not being achieved, or where unintended consequences are becoming evident, with possible reasons for these effects. This requires a robust monitoring and evaluation framework which is linked to the policy cycle.

The OECD review of the Irish public service (OECD, 2008a) highlighted the importance of linking policy and information processes to focus on outputs and outcomes:

Instead of focusing on inputs and processes, more information needs to be gathered on outputs and outcomes and what has actually been achieved, so that this can better feed back into measuring how the Public Service is meeting overarching targets and objectives. Realistic expectations of performance need to be developed within organisations that cascade from the top to the individual, and additional managerial discretion is needed to achieve these goals. ... But performance measures and initiatives need to be better aligned with overarching outcomes and high-level societal goals in order for the general public to understand the benefits of the Public Service (OECD, 2008a: 13).

One way in which social indicators might better inform the policy system, is illustrated in Figure 3.2.

Figure 3.2 Social Indicators in the Policy Cycle



In relation to the policy cycle (rectangular boxes), all government departments and public agencies are required to develop an overall strategy statement, usually comprising a mission and high level goals. This strategy is generally informed by external factors, internal capacity and assumptions. The detail of the strategy is provided for divisions and sections in Business Plans and for individuals in Performance and Development Plans. These plans inform the 'inputs' consisting of budget, staff and other resources. Through actions and implementation outputs are produced, leading to intermediate and ultimate outcomes. The outcomes, with external factors and assumptions, inform subsequent strategies, and so on.

Social indicators (small circles) can inform and support this policy cycle. Information, in the form of data, research and evaluation findings, provides the basis for the indicators. Different types of indicators are proposed, and these different types of indicators have distinct roles in informing policy development, implementation and review. 'Diagnostic' indicators (who, why, where, what, how) can inform the strategy. These are important so that policies, programmes and actions can

be quantified and targeted at those who need them, contributing to both the efficiency of programmes and their effectiveness. Also, in asking ‘why’ certain things are happening or not happening, causal reasons for success or failure in policy approaches and programme delivery methods can be uncovered.

Once the strategy has been set ‘baseline’ indicators can be established, based on diagnostic monitoring, so that progress from this position, as far as possible resulting from the strategy, can be assessed. These indicators should provide baseline positions in relation to a range of dimensions, according to the issues identified or the particular intervention. For example, baseline indicators might include things like socio-economic status, equality grounds, area/spatial dimension, or institutional status. These indicators can be based on a ‘performance dialogue’ between the users and service providers ‘at the coal face’ and those ‘at the centre’ who are responsible for oversight of the policy or programme.

Subsequently, the performance of the strategy as measured through actions, implementation and outputs can be assessed. ‘Performance’ measures involve measurements against the baseline, and could include performance indicators, quantitative and qualitative evaluations, case studies and other methodological instruments, as appropriate. Performance measures may sometimes include the use of ‘controls’ who have not been subject to an intervention – comparisons can then be made with those who have been subject to the intervention.

Ultimate outcomes can be assessed through the use of systemic indicators. These measure high level outcomes, often at national level, according to agreed or commonly used indicators of well-being. They can assess how Ireland is faring in an international context and can measure change over time. They should relate to the high level goals.

This report will mainly focus on systemic indicators as they relate to the national picture. It will try to link a conceptual understanding of well-being, selected social indicators and the policy framework as far as is possible. In each of the life cycle chapters examples are used to illustrate how indicators can inform policy throughout the policy cycle. The indicative approach employed in each of the life cycle chapters can contribute to the ‘performance dialogue’ proposed by the OECD in their review of public services and the Government’s subsequent response. Key elements of such ‘performance dialogue’ are envisaged as: sharing a common language and understanding of performance by the bodies involved; a focus on delivering agreed societal goals; shared agreement on appropriate performance targets, performance indicators and metrics, which are informed by users and providers of services; and the capacity for continuous improvement through feedback loops.

In summary, theories or understandings of well-being (dark blue circle in Figure 3.2) help us to envisage the type of society we want. The extent to which we are achieving this vision of society can be measured, at least to some degree, using social indicators (blue circular process). The measures can be compared to desirable policy goals and policy outcomes (black rectangles). Many factors come into play in designing and delivering policy, but as illustrated in Figure 3.2, there is potential for understandings of well-being to inform the policy process – both in the indicators

used for measurement and in the policy goals and outcomes sought (the blue oval shaded area, which is the concern of this report). There is a need to share this information across departmental and agency boundaries.

Elements of this approach already exist in the Irish public service, for example, in the cross-departmental Office of the Minister for Children. This office produces the State of the Nation's Children report and is sponsoring the National Longitudinal Survey of Children – both of which are helpful tools in monitoring outcomes for children. An operational example is the development of a system of integrated performance monitoring being used by the Health Services Executive.

In conclusion, many countries and organisations have expressed their understandings of well-being through social reports. There has been limited documentation of well-being in Ireland but consideration has been given to social reporting and a number of publications of a social reporting nature have been produced. This chapter has provided a brief overview of the experience of social reporting in other organisations and countries, as well as a brief description of social reporting in Ireland. Some of the key aspects of social reporting are identified and this information is used to suggest an aim and direction for this report. Attention is given to: (a) the conceptual framework of well-being informing the report; and (b) the linkage between policy development, policy implementation and monitoring frameworks. The next chapter presents an overview of well-being in Ireland.

4

An Overview Picture of Well-being in Ireland

4.1 Introduction

An important well-being context for Ireland is the changing profile of Irish society. Over the last ten to twenty years Ireland has seen major social changes. Ireland had been a relatively poor rural country with a conflict in the north of the island. Prior to the 1990s the population was largely homogeneous, comprised mainly of Irish people, many of whom emigrated to find work. Until the recent economic recession, modern Ireland had become a prosperous, peaceful, diverse and largely urbanised country. As such, the previous twenty years until 2008 were marked by unprecedented economic and social progress in Ireland.

Ireland's considerable change over the last ten to twenty years has already been well documented, (see for example Fahey *et al.*, 2007; Douthwaite and Jopling, (2004); Coutler and Coleman, 2003; Nolan *et al.*, 2000; Kirby, 2002; McWilliams, 2006; CORI, 2008; and others, as well as previous NESC reports). This chapter draws on this work, as well as published CSO statistics and other material, to describe the overall picture of well-being in Ireland, particularly in relation to changing trends. The information is presented using the framework for the assessment of well-being developed in Chapter 2. The main demographic changes are also presented to place the elements of well-being in context. The chapter has the following structure:

- ◆ Demographic changes
- ◆ Economic resources
- ◆ Work and participation³⁰
- ◆ Relationships and care
- ◆ Community and environment
- ◆ Health
- ◆ Democracy and values.

Key indicators are presented, using the well-being framework developed in Chapter 2, see Table 4.1.

30. As noted in Chapter 2, while the term 'participation' is used here to describe participation in work and education, participation in one's community and in decision-making is also important to well-being. It is also acknowledged that work relates to the (often unpaid) contributions made in the home, in caring and in the community.

Table 4.1 Framework of Well-being Indicators

Domains	Components	Indicators	
Economic Resources	<i>Income</i>	Household income	
		Income inequality	
	<i>Poverty</i>	Income poverty	
		Consistent poverty	
		Debt	
Work and participation	<i>Work</i>	Unemployment	
		Employment	
		Job satisfaction	
	<i>Education</i>	Achievement	
		Early school leaving	
		Life-long learning	
	<i>Work-life balance</i>	Time use	
Relationships and care	<i>Marital breakdown</i>	Marital status	
	<i>Family structure</i>	Household composition	
		Lone parent families 65+ living alone	
	<i>Social Interaction</i>	Loneliness	
	<i>Care</i>	Carers	
Community and environment	<i>Accommodation</i>	Dwelling unit completion	
		House prices	
		Housing need	
	<i>Social capital</i>	Community involvement	
	<i>Environment</i>	Greenhouse gas emissions	
		Commuting Municipal waste	
Health	<i>Life expectancy</i>	Life expectancy	
		Healthy life years	
	<i>Health assessment</i>	Perceptions of good health	
		Access to health services	
		Chronic illness	
	<i>Mental health</i>	Mental illness	
		Suicide	
	<i>Behaviours</i>	Smoking cigarettes	
Alcohol consumption			
Physical exercise			
Healthy eating			
Overweight / obese			
Democracy and values	<i>Exercising democracy</i>	Trust in political institutions	
		Corruption	
		Voting	
		ICT	
		Beliefs	
		Sense of fulfilment	
		<i>Threats</i>	Impact of the NI conflict
			Crime incidents
	Perceptions of safety Domestic violence		
	<i>Equality / rights / cultural identity</i>	Gender wage gap	
		Women in decision making	
		Discrimination among ethnic minorities	

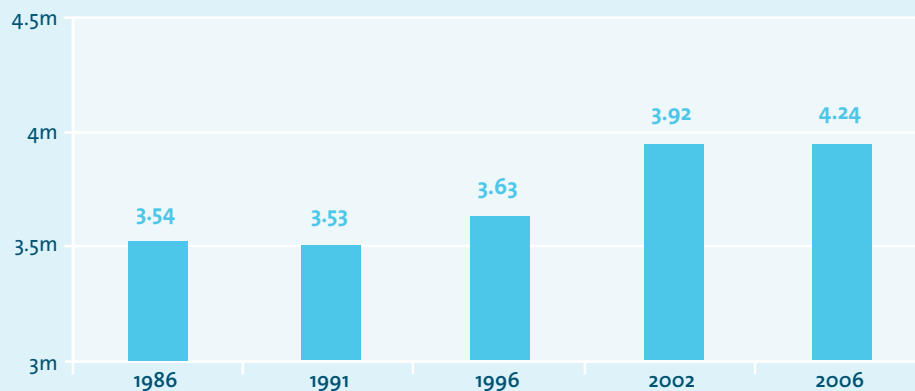
The chapter focuses on charting trends over time in Ireland, with less emphasis on international comparisons or sub-group analysis. The chapters in Volume II explore the well-being of children, people of working age, older people and people with disabilities, and provide more in-depth analysis of international trends and differences within the population as well as linking these trends to the policy framework. This chapter pays more attention to the overriding trends to provide an overview of the current state of Irish society and to provide a context for subsequent chapters.

4.2 Demographic Changes

Population Levels

In 2006 (date of the last Census), population levels were at their highest since 1861. There was a 19.7 per cent increase in the overall population between 1986 and 2006, from 3.54 million to 4.24 million persons, see Figure 4.1. Most of the increase took place between 1996 and 2006, with an increase of more than 600,000 over this period.

Figure 4.1 Population Change 1986-2006

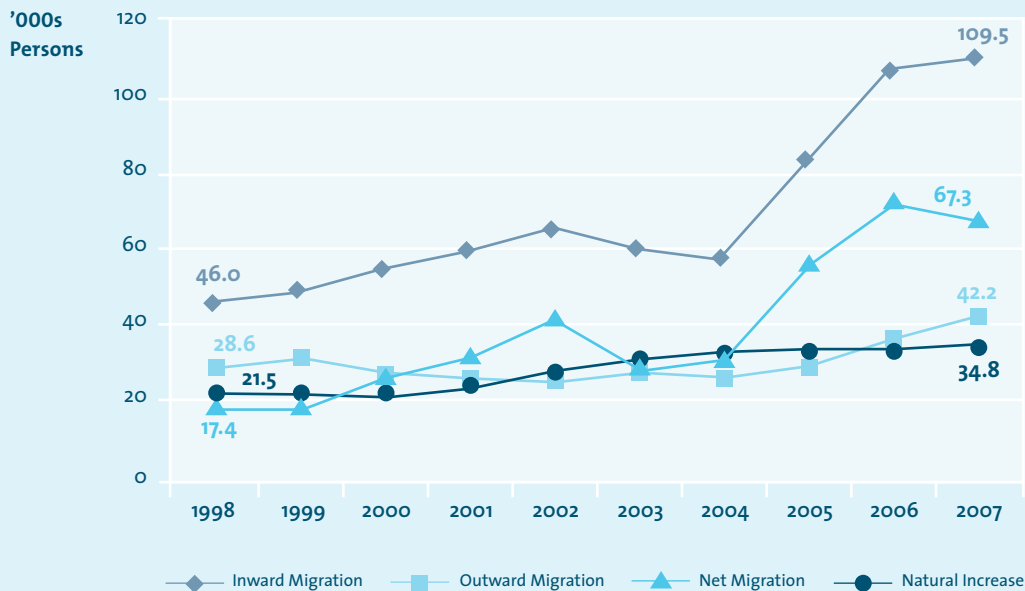


Source: CSO Census.

Births continued to exceed deaths with a natural population increase of 21,200 in 1999; continuing to increase each year since, with a natural increase of 34,800 in 2007. The rate of natural increase in Ireland was 8.7 per 1,000 population in 2006 compared to an average of 1.1 per 1,000 in the EU 27. Ireland's fertility rate³¹ (the projected number of children a woman will have) has remained relatively stable, in the range 1.88 to 1.98 over the period 1997 to 2006 (CSO, 2008a: 58). Ireland has the second highest fertility rate in the EU, only France being higher³².

31. The total fertility rate refers to the total period fertility which is derived from the age specific fertility rates in the current year. It represents the total number of children a woman would have if she experienced current age-specific fertility rates while progressing from age 15-49 years. A value of 2.1 is generally considered to be the level at which the population would replace itself in the long run, ignoring migration (CSO, 2008a: 90).

32. In their population projections the CSO (CSO, 2008f: 11) project that the very slight upward trend in fertility in Ireland is unlikely to be maintained beyond the next few years and that the long-term decline can be expected to resume, albeit at a more moderate rate.

Figure 4.2 Migration and Natural Increase³³, 1998-2007

Source: CSO, 2008a: 56.

Migration

However, it was migration that led to major increases in the population. Inward migration exceeded outward migration every year since 1998 with substantial inward migration of 108,000 and 109,000 respectively in 2006 and 2007. The level of net migration increased from 17,400 in 1998 to a high of 71,800 in 2006, falling slightly to 67,300 in 2007. Annual gross outward migration also increased over this period from 28,600 persons in 1998 to 42,200 in 2007³⁴, see Figure 4.2. These trends, especially the high rate of in-migration, are expected to reduce considerably in light of the economic recession. The ESRI has estimated that there will be net outward migration of 50,000 in 2009 (Barrett *et al.*, 2008) and 40,000 in 2010, partly as a result of a sharp increase in unemployment among non-Irish nationals (Barrett *et al.*, 2009b: 1).³⁵

The main reasons for the substantial increases in net inward migration in the late 1990s and 2000s up to 2008 are twofold. First, Ireland's economy was growing rapidly with a resulting high demand for labour. This made Ireland an attractive place to migrate to. Secondly, EU enlargement, along with less restrictive legislation since 2004, enabled EU nationals, particularly from the newer member states, to migrate to Ireland (NESC, 2006a).

33. Natural increase is births minus deaths.

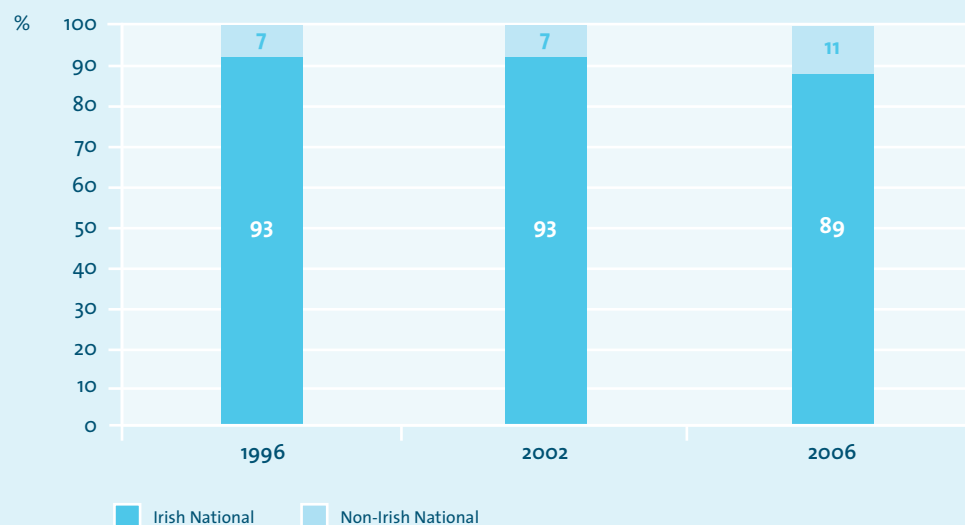
34. This is compared to about 70,000 in 1989 (NESC, 2006b: 13).

35. In their estimates, which were published in April 2008 (agreed by an Expert Group in October 2007), the CSO projected that net annual migration would be between plus 50,000 and plus 60,000 for the period 2006 to 2011 (CSO, 2008f: 18).

Non-Irish Nationals

These migration patterns have led to greater population and cultural diversity in Ireland. They also present challenges of integration of peoples with a range of cultures, skills and needs into Irish society. As recorded in the Census, up to 2002 less than 7 per cent of the population had been born outside Ireland or were non-Irish nationals, see Figure 4.3. In 2006, there were 420,000 non-Irish nationals (11 per cent of the population) from 188 different countries living in Ireland. The largest group was UK nationals (112,000). They have been resident here longer than the other groups (since the 1970s and 1980s), although the majority came to live in Ireland in the 1990s. They live all over Ireland with just over half of them living in rural areas. The characteristics of the UK population are similar to the Irish population.

Figure 4.3 Irish and Non-Irish Nationals, 1996, 2002, 2006³⁶



Source: Census: 1996, 2002, 2006.

In 2006, the next biggest grouping was Central and Eastern Europeans. The largest groups were Poles (63,276), Lithuanians (24,628), and Latvians (13,319). Most of these arrived after 2004, following their accession to membership of the EU. They too were spread throughout the country with a slight concentration of Lithuanians in the north-east of the country and Latvians in the north Dublin area. The Eastern Europeans tended to be relatively young (in their twenties and thirties) and single. Many of those who were married were living separately from their spouses, who were still living in Eastern Europe. At the time of the Census (2006) over 80 per cent of Eastern Europeans in Ireland were working: the men mainly in construction and manufacturing and the women in shops, hotels and restaurants. Ninety per cent of them were living in rented accommodation.

36. Note that for 1996 classification is by 'country of birth', whereas for 2002 and 2006 it is by 'nationality'.

There were 16,300 Nigerians living in Ireland (CSO, 2008b). The Nigerians were urbanised, living mainly in cities and in the towns of the north east. Over half of the Nigerians living in Ireland were married and many had children – their age profile was adults in their thirties and forties together with children under 15. Eighty per cent were living in rented accommodation. Almost one-third of Nigerians were unemployed with 16 per cent in education and one-tenth looking after the home and family.³⁷ Of the thirty-eight per cent at work the main areas of work were health and social work, business services and wholesale and retail.

Americans (US state nationals) made up 3 per cent (12,475) of the non-Irish nationals living in Ireland in 2006. US nationals were living throughout Ireland, with a distribution similar to the total population. They tended to be married with children, with nearly two-thirds living in owner occupied houses. Half of them were working, many as managers or professionals in business services, manufacturing, and health and social work. One-quarter of the women were homemakers and 10 per cent of Americans living in Ireland were retired.

Other significant population groups in Ireland were the Chinese (11,161), Germans (10,289) and Filipinos (9,548). Two-thirds of the Chinese lived in Dublin, with up to four-fifths living in rented flats and apartments. The majority (70 per cent) were young single people in their twenties, most of whom were studying or working, mainly in hotels and restaurants. Germans in Ireland lived mainly in Dublin or the western seaboard. There were more women than men (55:45 per cent), with Germans in Ireland having an average age of 35.7 years. Seven out of ten Germans aged 15 and over were in work, many as managers and professionals in business services and manufacturing. Filipinos in Ireland were working mainly in health and social work – more than 90 per cent were working with more than 60 per cent of those in work in health and social services, mainly as nurses, midwives, and care assistants. Some 59 per cent of Filipinos in Ireland were women, mainly in their thirties, with the number of children (0-16) also significant at 16 per cent. Sixty per cent lived in the Dublin area.

Irish Traveller Community

The 2006 Census recorded 22,435 Travellers in Ireland, which is 0.5 per cent of the overall population. Irish Travellers have a young age profile with 2 out of every 5 Travellers aged less than 15 years old, compared with 1 in 5 of the population as a whole. The Traveller population has a mean age of 18 compared to a national figure of 33. Nearly half of Travellers are in either the Dublin region or the West, with Tuam being the town with the highest proportion of Irish Travellers.

37. Some Nigerians may not have been working because they were waiting for their asylum applications to be processed. While they are waiting for this process to take place they are prohibited from working. In addition, there is evidence that some Nigerians may find it more difficult to find employment relevant to their qualifications and experience (Immigrant Council of Ireland, 2008).

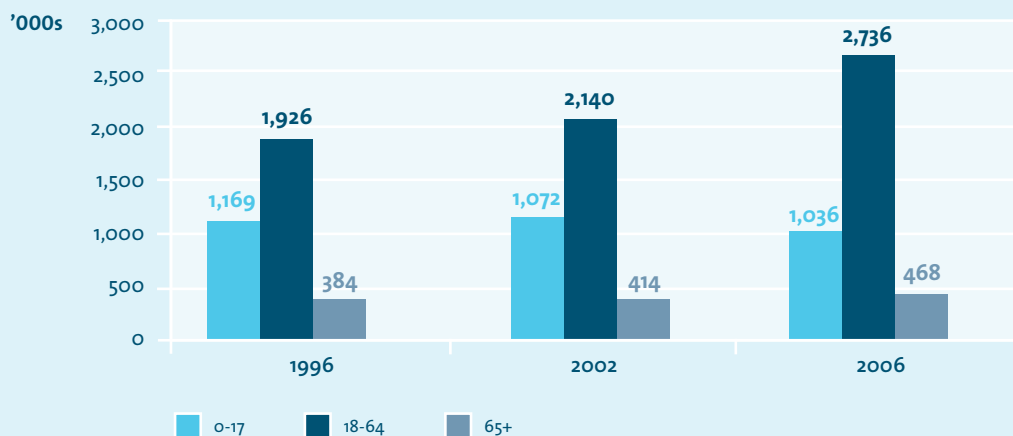
Interculturalism

These population groups, and many others, have brought diversity to the Irish population on a wide range of dimensions – employment, culture, education, marital status, and religion. To date the experience of in-migration has been mainly positive, in that it has increased economic activity, enhanced skills and widened the range of services available (NESC, 2006b). However, evidence from other countries with a history of immigration suggests that good intercultural approaches to public policy are required to make immigration successful in the long term. This issue takes on a more critical perspective as Ireland is now in an economic recession. The experience of other countries indicates that a recession after a period of strong immigration was a factor in tipping them towards problems between the native and migrant populations and the long run failure of immigration (see NESC, 2006a; NESC, 2006b).

Age Structure of the Population

In-migration has had an important impact on our age structure and age dependency ratio. From 1986 to 2006 the proportion of people of working age (18-64) in the population increased (from 59 per cent to 64 per cent) while the percentage of children (0-17) decreased (from 29.5 per cent to 24 per cent). The proportion of older people (65 and over) remained much the same at 11 per cent of the population, although the absolute numbers increased as the overall size of the population grew, see Figure 4.4.

Figure 4.4 Age Structure of the Population: 1996, 2002, 2006



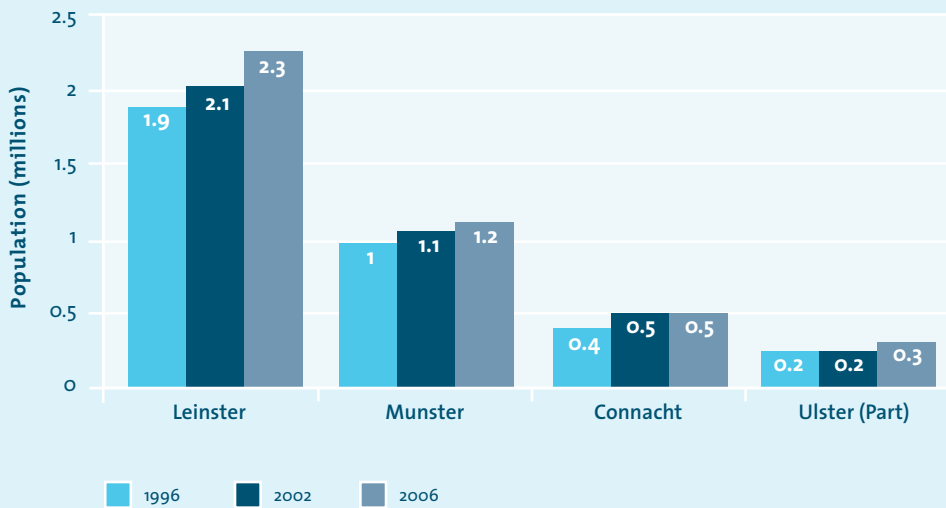
Source CSO 2008d.

This age profile means that Ireland has a ‘good’ age dependency ratio³⁸ – 45.8 per cent in 2007, below the EU 27 average of 48.6 per cent. Expressed as a percentage of those aged 15-64, in 2007 Ireland had the highest proportion of persons aged under 15 in the EU 27 and the lowest proportion of persons aged 65 and over (CSO, 2008a: 57). This was a very positive demographic profile, with a large working age sector and a strong youthful population.³⁹

Regional Distribution

Population changes have not taken place evenly throughout the country, see Figures 4.5 and 4.6. In the ten-year period 1996 to 2006, surges in population growth took place in both Leinster and Munster. Connacht and Ulster saw slower growth increases. In 2002, the population rose above two million in Leinster and one million in Munster. In 2006, almost seventy-five per cent of the population was living in the Southern and Eastern NUTS2 region⁴⁰ (Government of Ireland, 2008c: 18).

Figure 4.5 Population Change by Province, 1996-2006



Source CSO, 2003, 2007a (Census 2002, 2006).

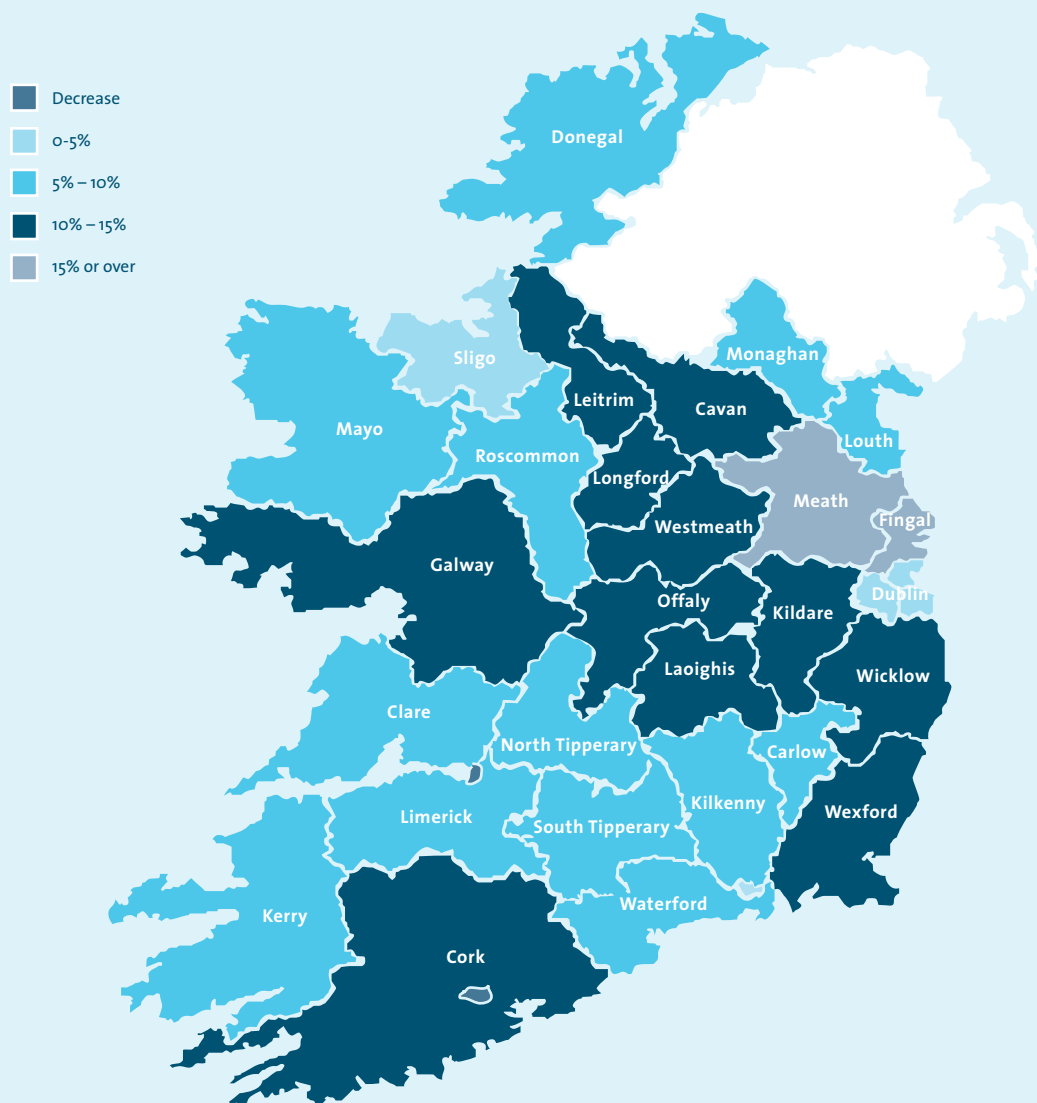
38. The total age dependency ratio is the sum of persons aged 0-14 and 65 and over divided by the number of persons aged 15-64.

39. The positive demographic profile has the capacity to support a future ageing population in the short to medium term. However, this will prove more of a challenge in the longer term. More information is provided on population ageing in Chapter 8.

40. The Nomenclature of Territorial Units for Statistics (NUTS) was established in order to provide a breakdown of territorial units across Europe for the production of regional statistics. NUTS2 refers to a threshold for the average size of the region.

Figure 4.6 shows the main population changes at county level between 2002 and 2006. Overall, the population increased by a remarkable 8.2 per cent between 2002 and 2006. Fingal and Meath both had significant increases of over 20 per cent, at 22.2 and 21.5 per cent, respectively. Cork City (minus 3 per cent) and Limerick City (minus 2.7 per cent) showed small declines in population (CSO, 2008c: 22).⁴¹

Figure 4.6 Population Change by County in Ireland, 2002-2006



Source CSO, 2008c: 23.

41. These declines reflect the constraints of the existing city boundaries, with population increases taking place in the adjacent county areas. In both cases there are proposals to extend the city council areas.

Counties Kildare (26.4 per cent) and Meath (23.4 per cent) had the highest proportions of population aged 0-14, while the cities of Dublin (15 per cent) and Cork (15.2 per cent) had the lowest. The areas with the highest proportion of the population aged 65 and over were Counties Roscommon (14.8 per cent), Leitrim (14.5 per cent), Mayo (14.4 per cent) and Cork City (14.1 per cent) (CSO, 2008c: 24). In relation to the new communities in Ireland, Galway City (17.4 per cent), Dublin City (17.2 per cent) and Fingal (15.6 per cent) had the highest proportions of non-Irish nationals (CSO, 1998c: 26).

Implications of Population Changes

These population changes have implications for the planning and provision of services. An example is the demand for, and provision of, primary schools. This can be illustrated using the pupil-to-school ratio. The average number of primary pupils per school was 144.1 in 2006. Six counties had a pupil-to-school ratio of less than 100 – Roscommon (69.1), Mayo (76), Leitrim (76.8), Galway County (85.6), Sligo (95.2) and Longford (96.5). Two counties had a ratio above 300 – Fingal (320.1) and South Dublin (302.9), with Waterford City (295.1), Galway City (271.9), Dun Laoghaire-Rathdown (265.7) and Cork City (257.1) also having high pupil/school ratios (CSO, 2008c: 56).

Another example is commuting patterns, particularly for people living on the outskirts of cities, especially Dublin, and commuting to work in the cities. For instance, 30 per cent of commuters in the mid-east region reported travelling 25 or more kilometres to work, compared to a national average of 16 per cent, (see also Section 4.6 of this chapter). This statistic was also reflected in the time people left to go to work, with 11 per cent of commuters in the mid-east region leaving their homes before 6.30am, and a further 29 per cent leaving their homes before 7.30am, compared to national averages of 6 per cent and 23 per cent, respectively (CSO, 2008c: 44-45).

While the population has grown overall, especially in some areas of the country as highlighted above, other areas have experienced low growth or declining populations. The West has the lowest population density at 30 persons per square kilometre, followed by the Border (39) and Midland (39) regions. Vacant houses can indicate population decline, as well as prevalence of holiday homes and excess housing. In 2006, 15 per cent of all housing stock was vacant.⁴² The Border (21.4 per cent) and West (20.5 per cent) regions had the highest vacancy rates.⁴³ The West (23 per cent) and the Border (22.8 per cent) regions had the highest proportion of single person households, with some 32 per cent and 30 per cent of over 65 year olds living alone in counties Leitrim and Cavan, respectively, compared to a national average of 26 per cent. Low population densities and population decline can lead to rural isolation. For example, a recent survey in County Monaghan found that loneliness, fear, and lack of access to services such as public transport were very real problems for many people living in isolated rural areas.⁴⁴

42. The 15 per cent of housing stock which was vacant comprised 174,000 vacant houses, 41,600 vacant apartments/flats, and 50,000 holiday homes – a total of 266,500 in 2006, up from 104,000 in 2002. The number of vacant properties is likely to have increased since 2006 with the collapse of the housing market in 2008/9.

43. Although the numbers of vacant properties were highest in urban areas, for example in 2006 there were 11,000 vacant housing units in Fingal and 10,000 empty housing units in Dublin City.

44. The findings of the research was presented at a conference held in Monaghan in September 2008 entitled 'Rural Isolation in County Monaghan – Problems and Solutions'.

Summary of Demographic Trends

Overall, these population trends can be summarised as population growth in the east, and around the major cities in particular, with implications for schools, commuting patterns and integration of new communities. Conversely, there has been population decline in some of the inner cities and in some parts of the counties of the north and west. In the rural areas, this has led to sparse communities with an ageing population, lack of access to basic services, and an increase in the number of holiday homes and vacant properties. Both these scenarios pose challenges for the provision of public and private services, in very different ways. The changes emphasise the need for a good basic level of service, whether that be childcare, education, health, transport, jobs, shops, post offices, Garda stations, or recreational and leisure facilities, tailored to the needs of particular communities. These challenges have been accentuated by the economic recession.

Happiness and Life Satisfaction

This section has provided an overview of the main demographic changes in Ireland between 1986 and 2006. Before going on to review each of the main well-being domains we report on the overall ‘satisfaction’ and ‘happiness’ levels of the Irish population. Traditionally Ireland has reported high levels of ‘satisfaction’, with 85.4 per cent of respondents being satisfied with their life as a whole in 1999-2002, (up from 79.9 per cent in 1990-91) and 96.3 per cent saying they were ‘quite’ or ‘very’ happy in 1999-2002 (up from 93.5 per cent in 1990-91). Ireland was one of the most ‘satisfied’ countries at the start of the 21st century, along with the Netherlands, Iceland, Denmark and Switzerland⁴⁵. The least ‘satisfied’ countries were Hungary and Turkey with less than 40 per cent of their respondents being ‘satisfied’ with their lives, (OECD, 2005: 81).

More recent data from the European Quality of Life Survey (2007) shows similar results with Ireland ranking highly on both reported ‘happiness’ and ‘life satisfaction’, along with Denmark, Finland, Netherlands, Sweden and Luxembourg. The report of the initial findings noted that ‘happiness’ is more emotionally driven and less affected by the level of living standards, while the ‘satisfaction’ indicator is more influenced by socioeconomic circumstances. Differences in ‘life satisfaction’ are found consistently between social and economic groups within countries (European Foundation for the Improvement of Living and Working Conditions, 2008).

Recent data from the OECD (OECD, 2009: 120), based on the Gallup World Poll 2006, reported that ‘life satisfaction’ is higher in richer OECD countries, but the relationship is non-linear, in that increments in income add less to ‘life satisfaction’ as countries become richer. They also report that countries which achieve high ‘satisfaction’ also share income more equally across their population. On this measure Ireland has a comparatively lower level of ‘satisfaction’.

45. Data are not yet available for 2008 – so that the impact of the economic recession is not reflected in people’s satisfaction and happiness levels.

The review of the literature on well-being in Chapter 2 concluded that ‘happiness’ and ‘life satisfaction’ were only part of the overall composition of individual well-being. Having a sense of purpose and living lives we have reason to value were seen as important. Also, different aspects of people’s lives—material goods, relationships, health, purpose and participation—impact on overall well-being. These aspects will be explored in the following sections.

4.3 Economic Resources

Adequate economic resources are a fundamental component of people’s well-being. This means having enough to live on, having some certainty about a regular income and, as incomes increase in the country as a whole, sensing that you are doing as well as your peers – family, friends and neighbours.

Income

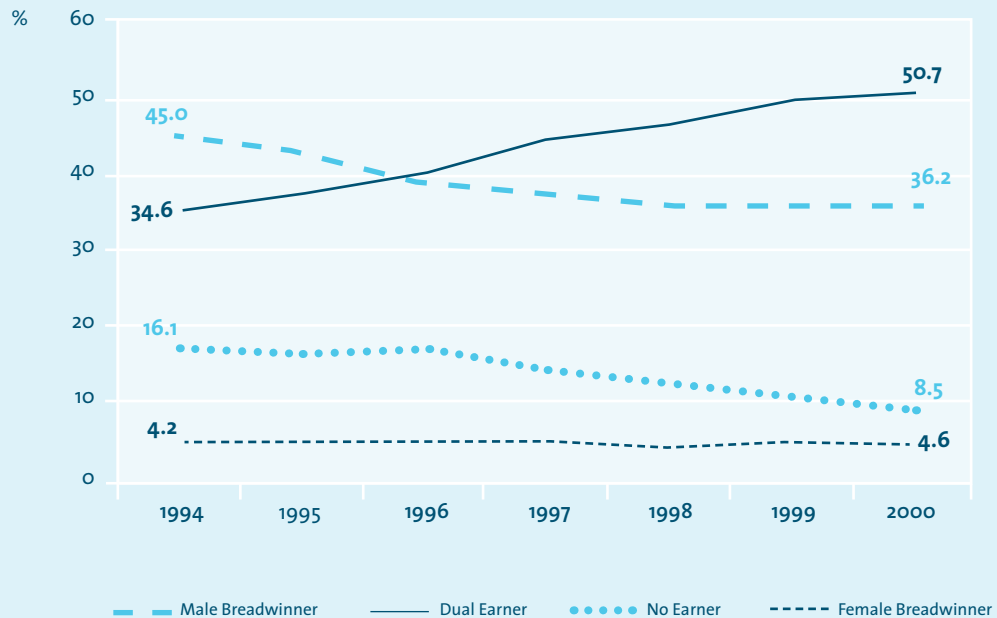
Ireland saw huge income growth between 1996 and 2006. Over the course of the 1990s GDP per capita in Ireland increased from 60 per cent of the EU15 average to over 120 per cent of the average (Nolan and Maître, 2007: 28). From 1997 to 2006, Irish GNI⁴⁶ per capita grew at just over 4 per cent per annum so that by 2006 Ireland’s GNI per capita was 25.2 per cent above the EU 27 average.⁴⁷ At the household level (earnings, social welfare and investment income) median equivalised household disposable (after tax) income grew by an annual average of just over 2 per cent in real terms between 2000 and 2006, following on from the exceptionally strong growth of the Celtic Tiger years when median household income increased by 8 per cent annually in real terms between 1994 and 2000 (NESC, 2008: 24).

This exceptionally high growth in household income was brought about by an increase in the number of people in employment, reductions in tax and the rise of two-earner households, see Figure 4.7. In 2000, dual earner couples made up half of couples under 65 at 50.7 per cent, having increased from 34.6 per cent in 1994. Over the same period male breadwinner couples as a percentage of all couples under 65 declined from 45 per cent to 36.2 per cent and couple households with no earners halved from 16.1 per cent to 8.5 per cent. Female breadwinner couples remained about the same at 4.5 per cent. As well as increasing household income, the growth in dual earner couples has other implications for social policy in relation to employment, household formation, housing, childcare and leisure time.

46. Gross National Income (GNI) is GDP minus net primary incomes from abroad and minus EU taxes plus EU subsidies. In 2006, the GNI figure for Ireland was 86.1 per cent of the GDP figure.

47. As noted elsewhere in this report there are limitations in using GDP/GNI as a measure of well-being.

Figure 4.7 Couples under 65, Changes in Employment Status, 1994-2000



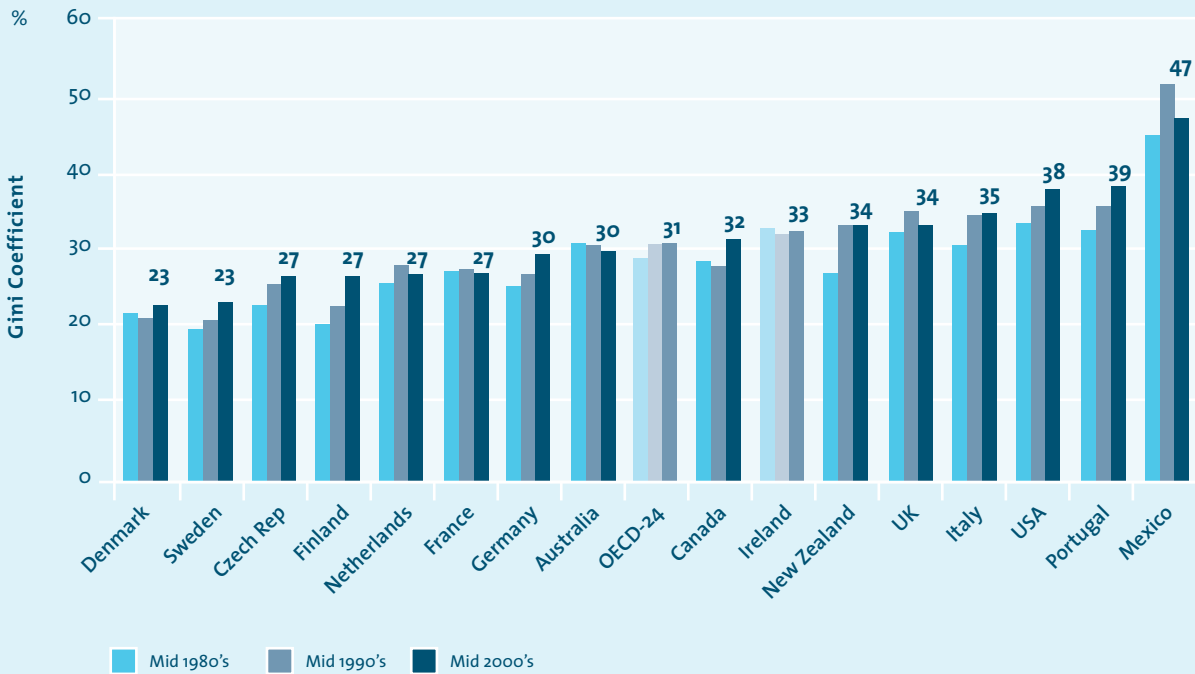
Source: Russell *et al.*, (2004), Table 5.11 presented in McGinnity *et al.*, 2007, Table 12.1.

Income Inequality

One of the concerns about the rapid growth in income in Ireland has been the extent to which this growth has been shared evenly across the population. While there is a number of measurement issues in relation to income, and income inequalities in particular (see Nolan and Maître, 2007), Figure 4.8, based on OECD analysis for selected countries, shows that income inequality in Ireland in the mid 2000s (as measured by the Gini co-efficient⁴⁸) was just above the OECD average (32.8 vis-a-vis 31.3). The extent of income equality in Ireland improved marginally between the mid 1980s (when the Gini co-efficient was 33.1) and mid 2000s, compared to most other countries where income equality remained much the same or dis-improved over this time period. The most recent information for Ireland from the EU Survey on Income and Living Conditions (EU-SILC) 2007 showed a Gini coefficient of 31.7 per cent, a slight decline from 32.4 in 2005 and 2006.⁴⁹

48. The Gini co-efficient is the relationship between cumulative shares of the population arranged according to the level of disposable income and the cumulative share of disposable income received by them. For example, 20 per cent of the population should ideally have 20 per cent of total income. If there was perfect equality, the Gini coefficient would be 0. A Gini co-efficient of 100 per cent would imply that there was total inequality and one person would have the entire national income.

49. It is noted that as the SSIA (Special Savings Investment Accounts) matured in 2007, SSIA income accounted for 3.2 per cent of equivalised income. Average annual equivalised income excluding SSIA income was €22,867 compared to €23,610 when SSIA income was included. The Gini co-efficient is calculated including SSIA income.

Figure 4.8 Income Inequality, OECD Comparisons⁵⁰

Source: OECD statlink <http://dx.doi.org/10.1787/420515624534>.

Note: Figures shown in the graphic are for mid 2000s.

The data cited here are based on survey information of household income, and the evidence suggests that incomes at the upper end of the income distribution may be under-reported. Nolan and Maître used tax information and found that the share of the top 10 per cent of the income distribution increased substantially during the 1990s from 33 per cent in 1989 to 38 per cent in 2000. This growth was concentrated in the top 1 per cent of the income distribution so that by the end of the 1990s the share of the top 1 per cent was more than twice the level prevailing through the 1970s and 1980s. In fact, most of the growth was concentrated in the top 0.5 per cent (Nolan and Maître, 2007: 34).

The OECD recently published a comprehensive comparative analysis of income distribution (OECD, 2008b). Some of the relevant findings are as follows:

- ◆ The income of the richest 10 per cent of people was, on average across OECD countries, nine times that of the poorest – the gap in Ireland was just less than this;

50. The graph shows the Gini coefficient of inequality in the distribution of equalised household disposable income.

- ◆ Reasons for the growing inequalities (taking place in most OECD countries) included changing demography, labour market developments and redistribution issues. In many countries the demographic changes affecting inequality were more older people, fewer people of working age and more lone parents. Demographic factors were less evident in Ireland than in many other OECD countries, but may have a stronger influence in the future. Developments in the labour market were given as the main reason for changes in income distributions – largely driven by growing disparities between low paid and highly paid workers. Information was not complete for Ireland but these factors have undoubtedly had an impact. Redistribution takes place through taxes and benefits. The picture here was complex for Ireland – in general, benefits had increased, but taxes on income had reduced.
- ◆ The benefits of public services such as education, health and housing provision were distributed more equally than cash incomes.⁵¹
- ◆ Other drivers of inequality included indirect taxes such as VAT and excise duties (which have a greater impact on low income households) and wealth (financial assets such as savings, stocks and shares, pensions; and non financial assets such as property, businesses, vehicles, and collectables). As there is not a comprehensive analysis of wealth in Ireland, Ireland was not included in the OECD's wealth analysis, but for the OECD countries where data were available the distribution of wealth was much wider than the distribution of income.
- ◆ The OECD also examined equality of opportunity (as well as the equality of outcomes such as income and wealth) through analysing how well children did relative to their parents, ie. social mobility, (based on a comparison between the earnings of fathers and sons). Again, Ireland was not included, but the overall conclusion was that more unequal countries were prone to developing an 'underclass' who were poor for long periods and so were their children.
- ◆ The OECD put forward a number of reasons as to why income inequalities matter. Firstly, people make comparisons with others so that relative income matters for people's well-being (this issue was discussed in Chapter 2). Secondly, people care about income inequalities as evidenced in surveys asking people about income inequality. People worry about falling into poverty and want to live in societies which they believe to be 'fair'. Thirdly, large income inequalities, in general, are related to high levels of poverty, unemployment and low paid jobs which are bad for individuals' well-being and societal well-being. Fourthly, more equal societies tend to have higher levels of social cohesion.
- ◆ In terms of what can be done the OECD observed that some of the demographic and social changes driving greater inequality and poverty were largely inevitable and that public policy can only have limited influence on these changes. However, they did suggest that as much of the growing inequality is labour market based that public policy can play a greater role in education and training, in providing in-work benefits and in the provision of good public services.

51. This conclusion is drawn based on analysis using a range of inequality measures and using cross-country comparisons.

In their recent book, Wilkinson and Pickett (2009: 174) present evidence to show that ‘inequality seems to make countries socially dysfunctional across a wide range of outcomes’ in that ‘rich’ countries with a highly unequal income distribution are more likely to have lower levels of trust, higher levels of mental illness (including drug and alcohol addiction), lower life expectancy and higher infant mortality, higher levels of obesity, poorer educational performance, more teenage births, more homicides, higher imprisonment rates and more limited social mobility.

Income Poverty

At the bottom end of the income distribution people are at risk of poverty. Using the conventional relative income poverty threshold of 60 per cent of median equivalised income figures on poverty in Ireland are presented in Figure 4.9. This graphic shows that the proportion of the population in income poverty increased during the Celtic Tiger years of the late 1990s to 21.9 per cent of the population in 2001, but has reduced slightly since then. In 2007 some 16.5 per cent of the population was at risk of poverty, that is, living below €228.65 per week (€11,890 per annum) for a single adult.⁵²

The greatest risk of poverty in 2007 was for people who were unemployed (39 per cent risk of being in poverty), lone parents (38 per cent risk) and people who were not at work due to an illness or disability (37 per cent risk).⁵³ While the risk of poverty was relatively low for people who were employed, at 6.7 per cent, because people at work make up a substantial proportion of the adult population, they comprised 23 per cent of the total number of people who were below the 60 per cent poverty line, sometimes referred to as the ‘working poor’. This proportion was higher for heads of household – heads of household who were at work comprised 31.3 per cent of the total number of heads of household who were below the poverty line. While having a job contributes to a person’s well-being for a number of reasons⁵⁴ unless it is adequately paid, or supplemented, it will not necessarily lift people out of poverty.

52. This 16.5 per cent is calculated including SSIA income. If SSIA income is excluded some 15.8 per cent of the population was living below the poverty threshold which is recalculated as €221.25 per week (€11,505 per annum). The impact of SSIA income on poverty rates varies across different household types. The impact was greatest for older people living alone as their income did not increase much as a result of SSIA so that when the poverty threshold is lowered by excluding SSIA income their risk of poverty falls from 24.3 per cent to 17.6 per cent.

53. The comparative figures when SSIA income is excluded is that the greatest risk of poverty was for lone parents (37 per cent), people who were unemployed (36 per cent) and people who were not at work due to an illness or a disability (34 per cent).

54. For further information on the impact of employment see Chapter 2 and the next section of this chapter.

Figure 4.9 Poverty in Ireland, 1998-2007⁵⁵



Source ESRI *Monitoring Poverty Trends in Ireland* and CSO EU-SILC publications.

Consistent Poverty

In addition to income poverty, Ireland uses a consistent poverty measure which combines deprivation⁵⁶ with low income. Consistent poverty in Ireland declined over the 13 year period from 1994 to 2007.⁵⁷ Some 5.1 per cent of the total population was in consistent poverty in 2007, and again some population groups were much more likely to experience low income and deprivation than others – lone parents, people who were unemployed and people who were sick or disabled.⁵⁸

55. The data for years 1994 to 2001 are from the Living in Ireland survey undertaken by the ESRI and data for the years 2003 to 2006 are from the EU-SILC survey undertaken by the CSO. The consistent poverty data from the two surveys are not directly comparable because of methodological differences.

56. The deprivation index contains the following eleven basic deprivation indicators:

- i. Without heating at some stage in the past year due to lack of money
- ii. Unable to keep the house adequately warm
- iii. Unable to afford a roast or its equivalent once a week
- iv. Unable to afford a meal with meat, chicken or fish (or vegetarian equivalent) every second day
- v. Unable to afford new (not second hand) clothes
- vi. Unable to afford a warm waterproof coat
- vii. Unable to afford two pairs of strong shoes
- viii. Unable to replace worn out furniture
- ix. Unable to buy presents for family or friends at least once a year
- x. Unable to have family or friends for a drink or meal once a month
- xi. Unable to have a morning, afternoon or evening out in the last fortnight for entertainment.

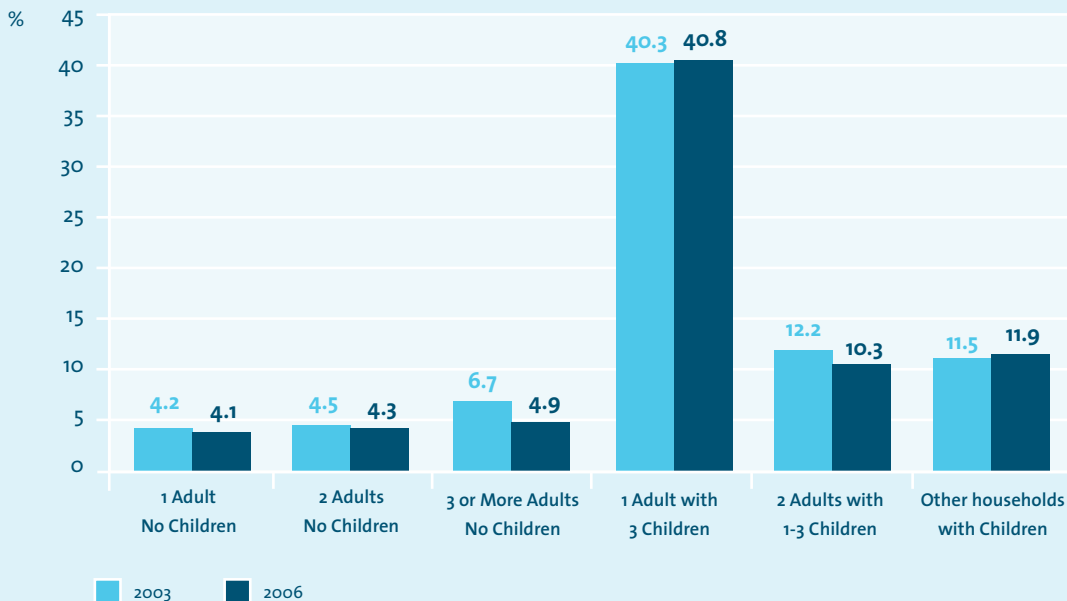
57. This true for both survey periods – from 1994 to 2001 in the Living in Ireland Survey undertaken by the ESRI and from 2003 to 2007 in the EU-SILC undertaken by the CSO. The two surveys are not directly comparable.

58. When SSIA income is excluded 5.0 per cent of the population was in consistent poverty. The inclusion or exclusion of SSIA income makes less of a difference in consistent poverty rates because of the influence of the deprivation indicators.

Debt

In 2006, almost nine per cent of the population experienced debt problems arising from ordinary living expenses. This was most common for households with children; 41 per cent of members of lone parent households reported deprivation on this indicator. While there was relatively little change over the three-year period illustrated in the graphic, (see Figure 4.10), with the economic downturn there has been an increase in debt levels and associated financial stress. It will be important to monitor these trends, even though debt is no longer included in the deprivation index.

Figure 4.10 Persons who Experienced Debt Problems arising from Ordinary Living Expenses by Household Composition, 2003 and 2006



Source EU SILC 2003, 2006.

The relatively high number of people in income poverty reflects the fact that even though welfare payments increased ahead of inflation they were substantially less than the 'rapid rise in incomes from work and property' (Nolan and Maître, 2007: 38). Therefore, even though substantial numbers moved from unemployment into work the majority of those who remained dependent on social welfare payments fell below the conventional poverty line. For example, those in households with less than half of their income coming from social welfare had median incomes about twice those with half or more of their income coming from social welfare, and this gap widened in the late 1990s (Nolan and Maître, 2007: 39).

To date, Ireland has had one of the lowest percentages of national income going on social transfers in the EU. A number of reasons have been advanced to explain this: a lower proportion of the population are of pension age and a low unemployment rate. The ‘welfare regime’ adopted by Ireland also has an influence. This has been classified by Esping-Anderson (1990) as ‘liberal’ and subsequently described by NESF (2005b) as ‘hybrid’.⁵⁹ With the economic downturn, an increasing number of people are becoming reliant on social welfare benefits, particularly Jobseekers Benefit and Jobseekers Allowance.

Summary

Incomes in Ireland grew substantially from the mid 1980s to the mid 2000s. Income inequality in Ireland, which was just above the OECD average in the mid 2000s, remained fairly stable during the period of rapid growth in incomes, although incomes at the very top of the income distribution seem to have increased substantially. Numbers in income poverty remained high as poverty thresholds rose with income growth, and while the situation of those on social welfare improved, this was not at the same rate as those in employment. There was a reduction in the numbers in consistent poverty, driven by falls in deprivation. However, it is worth noting that some population groups had relatively high levels of consistent poverty – lone parents, the unemployed and people who were ill or disabled. Associated issues were the number of people who were in work who were at risk of poverty (the ‘working poor’) and the high levels of debt among some groups in the population, especially households with children and lone parents in particular. The economic downturn may accentuate these problems.

4.4 Work and Participation

Unemployment

Participation in work and education are important for well-being. One of the most damaging influences on individual and societal well-being is unemployment. Figure 4.11 shows the sharp decline in unemployment in Ireland from 1988 to 2007. In the late 1980s high unemployment pervaded Ireland with unemployment rates over 15 per cent, and many people unemployed for a year or more. The 1990s saw a massive decline in unemployment and long-term unemployment, with Ireland having one of the lowest unemployment rates in Europe at just under 4 per cent and long term unemployment at 1.2 per cent in the early 2000s. With the recent sharp downturn in the economy, these rates are now starting to rise with an unemployment rate of 6.4 per cent for 2008, the highest rate since 1998.⁶⁰ The latest available estimates show unemployment at 10.2 per cent in Q1 2009 (CSO, 2009e), with the ESRI forecasting an overall rate of 12.6 per cent for the year, rising to 16.1 per cent in 2010 (Barrett *et al.*, 2009b).

59. Hybrid can be taken to mean Ireland’s mix of means-tested, insurance-based and universalist income support and service arrangements. It can also be used to describe Ireland’s broad range of organisations (state, private and community/voluntary) who provide Ireland’s social services. This has been described as a ‘mongrel’ welfare system of mixed parentage (NESF, 2005b: 35).

60. The seasonally adjusted rate was 7.7 per cent in Q4 2008, up from 6.4 per cent in Q3 (QNHS results Q4 2008, published on 27th February 2009).

Figure 4.11 Unemployment in Ireland, 1988-2008



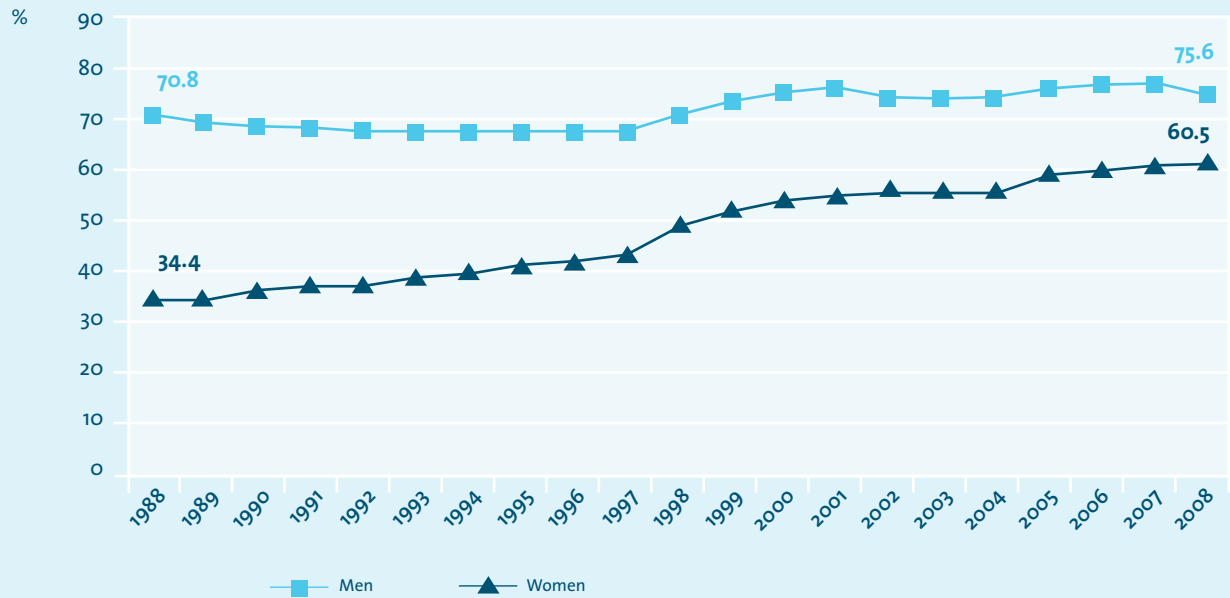
Source: CSO, various tables.

Throughout the country all regions have seen increases in unemployment with an unemployment rate of 10 per cent in the Midlands and 8.9 per cent in the West, compared to a national rate of 7.7 per cent (for the period September – November, 2008 CSO, 2008e). Unemployment rates have increased for both men and women standing at 9.2 per cent for men and 5.4 per cent for women in Quarter 4, 2008. Non-Irish nationals had a higher unemployment rate than Irish nationals: 9.5 per cent compared to 7.3 per cent (for Q4, 2008).

Employment

The decline in unemployment from the mid 1980s to the mid 2000s was mirrored by an increase in employment. The percentage of 15-64 year olds in employment grew from 52.3 per cent in 1988 to 69 per cent in 2007. The increase was particularly marked for women whose participation rate almost doubled over the period, increasing from 34.4 per cent in 1988 to 60.5 per cent in 2008, see Figure 4.12. In the last quarter of 2008 the employment rate for all 15-64 year olds fell to 65.8 per cent, bringing the employment level back to a rate comparable to 2004. The employment rate for men fell to 72.6 per cent in the last quarter of 2008 (down from 77.1 per cent in 2007) and fell to 59.0 per cent for women (CSO, 2009a).

Figure 4.12 Employment in Ireland for Persons Aged 15-64, 1988-2008



Source CSO, various tables.

Over the 1990s and early 2000s there was evidence of occupational upgrading with 'expansion of professional, technical and managerial occupations and increased importance of education and skills' (O'Connell and Russell, 2007: 64). There was also growth in lower grade occupations, in particular, an 'increase in personal service, sales and unskilled manual occupations, providing some support for a polarisation process' (O'Connell and Russell, 2007: 64). These occupational changes were accompanied by an increase in part-time working, with the majority of part-time workers being women, mainly in lower skilled occupations. Some of these changes were reflected in wage rates. Information from the National Employment Survey 2007 showed that nearly two-thirds of all employees earned less than €20.08 per hour,⁶¹ with 13.6 per cent earning less than €10 per hour.⁶² In the hotel and restaurants sector 91 per cent of workers earned less than €20 per hour (CSO, 2009c).

61. Mean hourly earnings.

62. The median hourly earnings figure was €16.29.

The recession has seen a decline in employment across occupational groups. Hardest hit has been the construction sector where there was a decline of 16.5 per cent over 2008. Annual decreases in employment were also recorded in the wholesale and retail trade, other production industries, financial and other business services, hotels and restaurants, and agriculture, forestry and fishing services (CSO, 2009a). Some sectors saw small increases in employment over 2008, including education, health and other services. The declines in employment across most sectors have led to job losses across occupational groups. As stated earlier, job losses have negative impacts on well-being.

Job Satisfaction

These trends raise issues about the quality of employment and the impact of working conditions on job satisfaction and well-being. A report by the European Foundation for the Improvement of Living and Working Conditions (2007) found that the most important element was to have a job in the first place, as life satisfaction is lowest among unemployed people. In the poorer Member States of the European Union the key issues were levels of pay and job security. In the more affluent Member States (including Ireland) intrinsic rewards such as interesting work, autonomy and career prospects were important for job and subsequently life satisfaction. The OECD has recently reported that across OECD countries job security is the attribute most valued by workers (OECD, 2009: 123).⁶³ They found this to be the case for Ireland, with 94 per cent of respondents citing job security as an important job attribute. Other job attributes valued by Irish respondents were opportunities for advancement (88 per cent), high income (79 per cent) and working time flexibility (58 per cent).

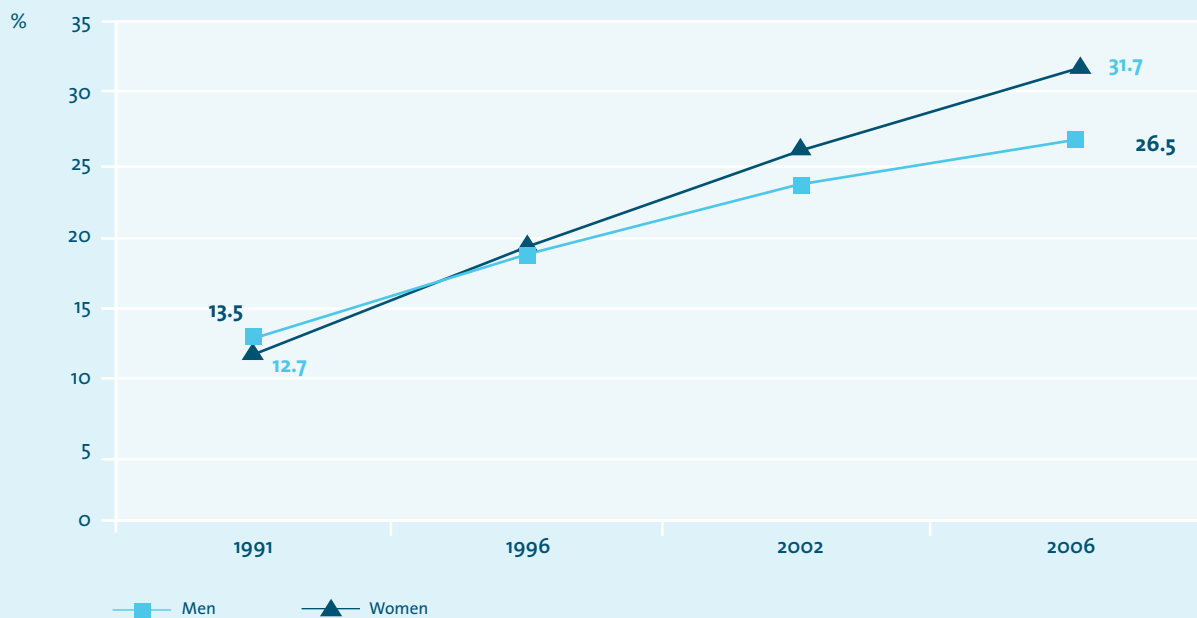
O'Connell and Russell (2007) examined evidence on the quality of employment in Ireland. Not surprisingly they found variation across occupational groups. Those in professional and technical occupations had relatively high levels of autonomy and job satisfaction even though they experienced some increased work pressure. In lower occupational grades, such as personal and protective services and sales, there were lower levels of job satisfaction, but this was accompanied by lower levels of work pressure. Part-time employment, in general, was characterised by low levels of work pressure and high levels of job satisfaction, especially where part-time work was voluntary. Overall, 'there was little evidence of a deterioration in job quality in recent years or indeed of a significant improvement over time' (O'Connell and Russell, 2007: 66).

63. Based on International Social Science Programme Work Orientation, Wave III (2005). The survey is addressed to people aged 16 and over working either as an employee or self-employed.

Educational Achievement

As well as participation in work, participation in education is important to well-being, with the two being inextricably linked. Education is also important in its own right, contributing to human flourishing through the acquisition of knowledge, development of capabilities and boosting confidence. Educational qualifications lead to a greater chance of being employed, with higher qualifications and skills resulting in higher quality jobs. One of the most striking changes in educational achievement in Ireland from 1991 to 2006 was the increase in third level qualifications, see Figure 4.13. In 1991, 13 per cent of the population had third level qualifications; this had more than doubled to 29 per cent in 2006. The increase for women was particularly remarkable, rising from 13 per cent to 32 per cent: almost one-third of women having a third level qualification in 2006. Men lagged somewhat behind with 26 per cent having a third level qualification in 2006.

Figure 4.13 Percentage of the Population aged 15 and over whose Full-time Education has Ceased Holding Third Level Qualifications in Ireland, 1991-2006⁶⁴



Source: CSO, various census tables.

64. People with third level qualifications (non degree, degree and higher qualifications) and whose education has ceased.

There was a shift in the educational profile of persons in employment over the period 2002-2008, see Figure 4.14. The proportion of men and women with primary education or lower declined while the proportion with third level qualifications increased. There was a small decline in those holding PLC⁶⁵ qualifications. Over 40 per cent of women in employment in 2008 held a third level qualification; men fared less favourably with just under a third having a third level qualification, but nevertheless showing an increase over the period 2002-2008. A contributory factor to the decline in the proportion of people with a primary level education or less is the changing structure of the working population: older persons have a lower educational profile and have been retiring from employment over the period 2002 – 2008.⁶⁶

Figure 4.14 Men and Women Aged 15-64 in Employment Classified by Highest Level of Education Attained, 2002 and 2008



Source: CSO, QNHS.

65. Post Leaving Certificate qualifications

66. Information from QNHS.

Early School Leaving

Despite the increase in the level of educational qualifications held by people in Ireland generally in 2007, 11.5 per cent of young people had left school early.^{67,68} This proportion has declined from 18.9 per cent in 1997. The rate of early school leavers is higher for men than for women; in 2007, 14.2 per cent of young men left school early, compared to 8.7 per cent of young women. Low levels of literacy are a related problem with research showing that in some disadvantaged primary schools up to 30 per cent of pupils have serious reading difficulties (Eivers *et al.*, 2005).

Life-long Learning

People are now being encouraged to engage in 'life-long learning'. Despite policy commitments (see, for example, *Towards 2016*) the percentage of the population aged 25 to 64 engaged in life-long learning has remained relatively low: 6.2 per cent in 2007 compared to 5.2 per cent in 1997.⁶⁹ The percentage of women participating in life-long learning was slightly higher than for men: 9.0 per cent compared to 6.2 per cent in 2007. The majority of people who engaged in life-long learning (73 per cent) were in employment.⁷⁰

Work-Life Balance – Time Use

The increase in female participation rates and dual earner households has led to increased attention being given to 'work-life balance' – the ability to balance work and family/personal life. McGinnity, Russell and Smyth (2007: 205) report that the international evidence shows that a rise in female labour participation has not been associated with a change in the domestic division of labour in that women still do more housework regardless of how much paid work they do outside the home.

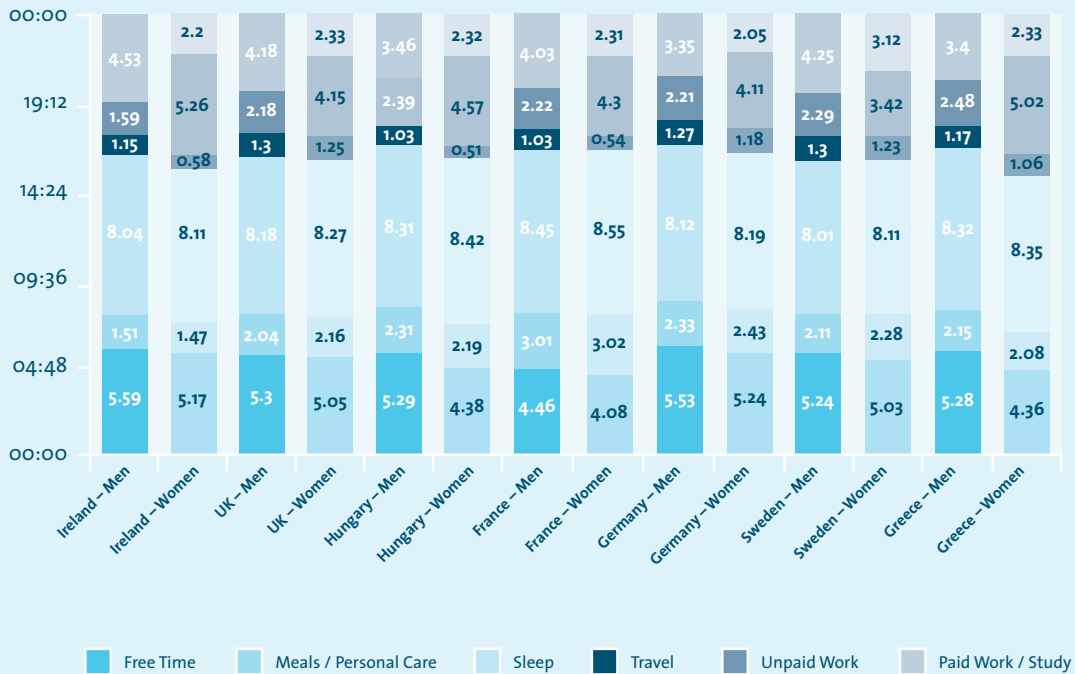
67. Early school leavers are defined as persons aged 18 to 24 whose highest level of educational attainment is lower secondary or below and who are not in further education or training.

68. Data from Eurostat, Labour Force Survey at <http://epp.eurostat.ec.europa.eu> Accessed on 4/2/09.

69. Data from Eurostat, Labour Force Survey at <http://epp.eurostat.ec.europa.eu> Accessed on 4/2/09. It should be noted that due to definitional changes the two figures are not directly comparable.

70. Information from QNHS Special Module on Educational Attainment 2002-2005.

Figure 4.15 Time Use Structure of Women and Men Aged 20-74, Selected European Countries⁷¹



Source Time Use Surveys, various, reported in McGinnity and Russell, 2007 and Eurostat, 2005.

Figure 4.15 illustrates time use over the average day for men and women aged 20-74 years in selected European countries. A number of points are evident from this graph. First, over an average 24-hour day the biggest time slot (on average 8 hours plus) is spent sleeping. This is followed by free time of about 5 hours (4 hours for women in France to 6 hours for men in Ireland). Thereafter there is a major divergence between men and women – men spending about 4 hours on paid work/study, compared to women spending about 4 hours on unpaid work (house work, shopping and caring for others). Men spend 2 to 3 hours on unpaid work and a similar amount of time on meals and personal care. Women spend 2 to 3 hours on paid work and a similar amount of time on meals and personal care.

Ireland is distinctive in its time use patterns in a number of ways.⁷² Women in Ireland have the highest level of unpaid work at 5 hours 26 minutes for the countries examined, and Irish men have the lowest at 1 hour 59 minutes. Irish men also have the highest level of free time at 5 hours 59 minutes. Irish women have the highest level of ‘committed time’ (paid and unpaid work and travel) at 8 hours 44 minutes (compared to 8 hours and 7 minutes for Irish men and 7 hours 34 minutes for German women).

71. Irish data from the Irish National Time Use Survey, 2005; other European countries various years from 1998 to 2001, reported by Eurostat in February 2005.

72. France is also distinctive in the amount of time spent sleeping (8 hours 45 minutes for men and 8 hours 55 minutes for women) and on meals and personal care (3 hours).

On further exploration McGinnity and Russell (2007: 349) found that ‘committed’ time is particularly high among the self-employed, employees, parents of young children and those caring for adults. High levels of committed time lead to subjective feelings of ‘time pressure’. However, there is also evidence that ‘being busy’ is associated with higher education and incomes (McGinnity and Russell, 2007: 349). What seems to be a critical factor is how much control you have over how you spend your time – if you feel in control, it is beneficial to well-being to be ‘busy’; however, if the commitments are controlling how you spend your time, this leads to stress and a deterioration in well-being.

In relation to the impact of increased female participation in the labour force on the well-being of Irish adults, research indicates that women and men in paid employment have lower levels of psychological distress than people who are unemployed, working full-time in the home or are otherwise outside the paid labour force. In fact, dual earner households are the most satisfied with their main activity. However, there are some ‘stress points’ with people who have high volumes of paid and unpaid work ‘feeling rushed and stressed’, and higher workloads being related to lower life satisfaction (McGinnity, Russell and Smyth, 2007: 215). So while increasing work participation has generally been positive for well-being, there is a need to acknowledge the tensions for those with high work and family commitments in maintaining a satisfactory work-life balance.

In their research on the links between work-life balance and job and life satisfaction, the European Foundation found that ‘work-life balance did not appear to have much of a direct or indirect influence on life satisfaction’ and that ‘strong variations in work-life balance exist across Europe’ reflecting ‘the different cultures of labour market participation and of work and care which are evident across Europe’. The Foundation concluded that ‘perhaps the most important policy consideration is introducing greater flexibility alongside increased job security in order to improve productivity and growth. This would involve creating a range of different job and working time options, while simultaneously ensuring that temporary and part-time workers do not have to endure worse working conditions than those in full-time and permanent jobs’ (European Foundation for the Improvement of Living and Working Conditions, 2007: 62).

Summary

From the late 1980s to the mid 2000s Ireland experienced massive increases in employment opportunities and subsequent declines in unemployment. Because of the strong negative impact of unemployment on individual, family and community well-being the economic recession and rising unemployment levels are of immediate concern.

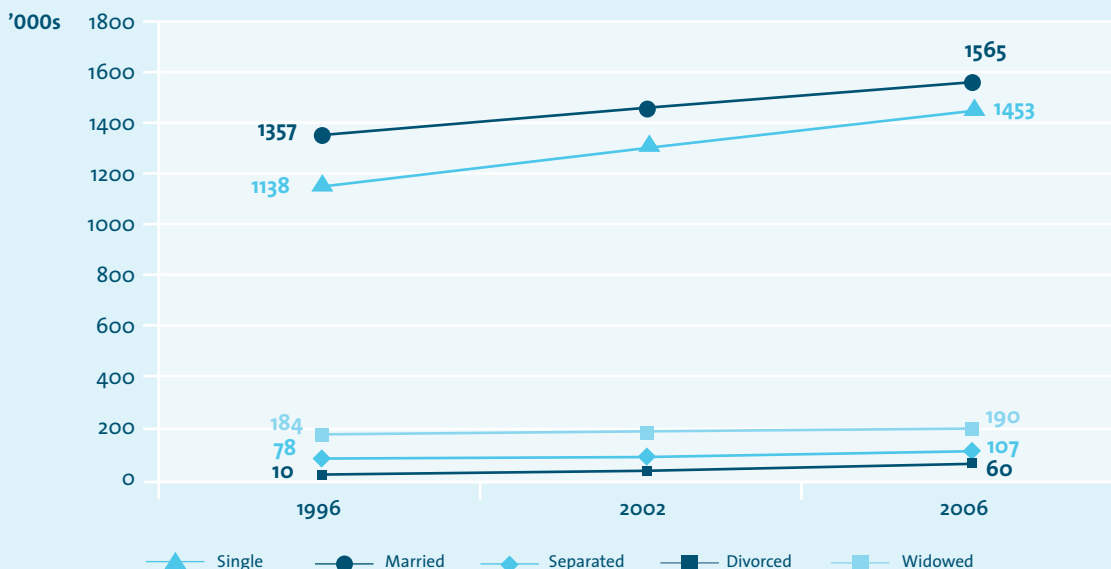
Women's participation in employment increased substantially since the mid 1990s, which also saw a growth in (voluntary) part-time work. The growth in women's participation and dual earner couples has raised issues of work-life balance as people have sought to balance employment with family life. In general, people showed a high level of satisfaction with their jobs, but there were indications of higher stress levels where people have high levels of 'committed time' in their work and family lives. Participation in education increased from the early 1990s to mid 2000s, illustrated by the growth of third level qualifications, particularly for women. Participation in education has been shown to be beneficial for individual well-being and for the economy. Nevertheless, more than 10 per cent of young people still leave school early, with a related problem of low levels of literacy. Participation in life-long learning has remained low, with less than 10 per cent of people aged 25 to 64 having engaged in life-long learning, the majority of whom were in employment.

4.5 Relationships and Care

Marital Status

The quality and stability of family relationships has been found to have an important bearing on individual well-being. Separation, divorce and widowhood have been shown to be detrimental to well-being. Divorce was legalised in Ireland in 1997 and as a reflection of this the 'divorced category' was the fastest growing marital status category since 1996, albeit from a very low base. The number of people recorded as divorced in the census increased from 9,800 in 1996 to 35,000 in 2002 and to 59,000 in the most recent census (2006). The number of people recorded as separated increased by 3.2 per cent on an annual average basis between 1996 and 2006, see Figure 4.16.

Figure 4.16 Marital Status in Ireland, 1996-2006



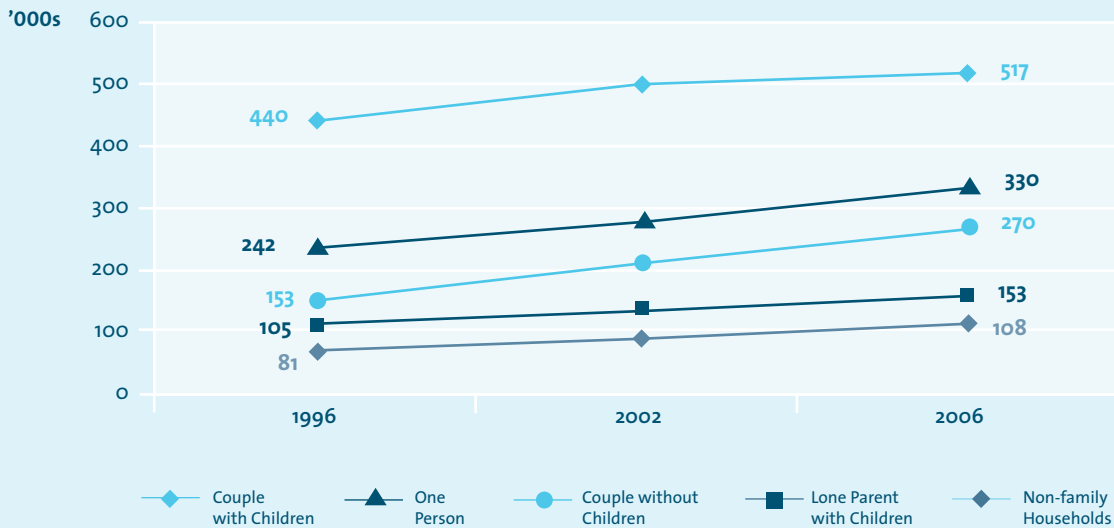
The overall growth of the population over the ten-year period from 1996 to 2006 was also reflected in the growing number of single people, from 1.1 million in 1996 to 1.5 million in 2006 and married people from 1.4 million to 1.6 million over the same period, percentage changes of 27.7 per cent and 15.4 per cent, respectively. Even though it was from much lower levels (see Figure 4.16) by comparison, separated people increased by 37.6 per cent and divorced people increased by 507 per cent between 1996 and 2006, with most of the change taking place between 1996 and 2002.

The substantive change in reported marital breakdown can be put in context by expressing the number of separated and divorced people as a percentage of the total number of ever-married people. In 2006 this proportion was 8.7 per cent, which had increased from 7.5 per cent in 2002 (CSO, 2007a: 18). Using this measure Limerick City had the highest rate of marital breakdown in the country followed by Dublin City.

The number of widows/widowers increased only slightly over the ten-year period (1996-2006) from 184,000 to 190,000, an increase of 3.3 percentage points. Over three-quarters of widows/widowers (78 per cent) were women. The loss of an intimate partner, whether through bereavement or marital breakdown, can have a profound impact on an individual's well-being. Marital and relationship breakdown and bereavement have implications for social policy, both in terms of supports for individuals and families, but also in relation to the diversity of family and household types. In particular, transitional supports may be required to help people through difficult periods in their lives, including recognition of the potential impact of marital breakdown and bereavement on children.

Household Composition

Figure 4.17 shows trends in household composition from 1996 to 2006. The predominant household type, which accounted for 38 per cent of all households in 2006, was couples with children. One-person households and couples without children combined accounted for 44 per cent, while 11 per cent were lone parents and their children. Of these four categories the fastest growing category was couples without children which increased by 77 per cent between 1996 and 2006. The average size of households fell from 3.14 in 1996 to 2.81 in 2006, continuing a long-term decline in household size.

Figure 4.17 Household Composition in Ireland, 1996-2006⁷³

Source: CSO, (2007a) *Census 2006, Principal Demographic Results*, Table E, page 19.

As well as a decline in household size there was a fall in family size.⁷⁴ The average number of children per family fell from 2.1 in 1986 to 1.4 in 2006. While the fastest growing family category was couples (whether married or not) without children, there was also a large growth in families with one or two children. In contrast, the number of families with four or more children more than halved over the twenty-year period 1986 to 2006 (CSO, 2007a: 20).

While relationship breakdown and bereavement have been shown to have a detrimental impact on well-being, marriage and stable relationships have been shown to have positive effects (Easterlin, 2005; Layard, 2005a). In Ireland, the number of marriages declined during the 1980s to the mid 1990s but since then there has been an increase in marriage. There were 32 per cent more marriages per year in 2004 than there were in 1995 (Fahey and Layte, 2007: 168). Fahey and Layte suggest that as the rise in marriage rates 'followed hard on the heels of the economic boom' that the growing economy was a major factor in the increase in marriage rates by providing economic opportunities for people. Other factors included an increase in the size of the marriage age cohort, a rise in the age at which people were getting married, and second marriages following divorce, which was legalised in Ireland in 1997.

73. 'Couples' include both married and cohabiting couples.

74. A (private) household comprises either one person living alone or a group of people (not necessarily related) living at the same address with common housekeeping arrangements. A family unit comprises: (i) a husband and wife or cohabiting couple; or (ii) a husband and wife or cohabiting couple together with one or more usually resident never-married children of any age; or (iii) one parent together with one or more usually resident never-married children of any age.

Along with an increase in marriage there was a continuing trend of an increase in cohabitation. In 2006 there were 121,800 family units consisting of cohabiting couples, up from 31,300 ten years earlier. Cohabiting couples accounted for 11.6 per cent of all family units in 2006 compared with 3.9 per cent in 1996 (CSO, 2007a: 21). The number of same-sex cohabiting couples recorded in the 2006 Census was 2,090 compared with only 150 recorded in 1996. The recognition of relationships has been shown to be important from a well-being perspective, along with relevant legal protections.

Lone Parent Families

In 2006 there were 189,240 lone parent families in Ireland, a 47 per cent increase from 1996 when the census recorded 129,116 lone parents. Lone mothers, where all of the children were under 15, showed the biggest increase. Women headed nearly 86 per cent of lone parent families. Single parents accounted for 36 per cent of all lone parent families in 2006 compared to just 15 per cent in 1996. Separated/divorced lone parents accounted for 30 per cent of lone parent families in 2006 and widowed lone parents 29 per cent. Lone parents have a high risk of poverty: 20 per cent of lone parents were living in consistent poverty in 2007 (the highest risk group). Poverty has a negative impact on them and their children's well-being.

The Government has published a Green Paper on proposals for supporting lone parents (Government of Ireland, 2006a). These proposals recommend a new payment which would provide lone parents with supports regarding their employment and more choice in their living arrangements. In particular, the formation of relationships would no longer be penalised while in receipt of a proposed Parental Allowance. The thrust of the proposals are progressive, although issues remain to be addressed in relation to childcare and after school provision, the provision of supports and how the needs of the most vulnerable lone parents might be met.

Older People Living Alone

Social interaction with family and friends is important for well-being. Increasing numbers of people, especially older people, live alone which can lead to lack of social contact and isolation. One-person households increased from 241,800 in 1996 to 329,500 in 2006, a 36 per cent increase. Persons aged 65 and over living alone comprised 36.8 per cent of all persons living alone in 2006. There were over twice as many women aged 65 and over living alone as there were men. Almost one-third of people aged 65 and over were living alone in 2007 with this proportion remaining fairly stable since the late 1990s, see Figure 4.18.

Figure 4.18 Numbers of People Aged 65 and over Living Alone, 1998-2007



Source CSO, (2008a) *Measuring Ireland's Progress, 2007*, page 60.

Loneliness

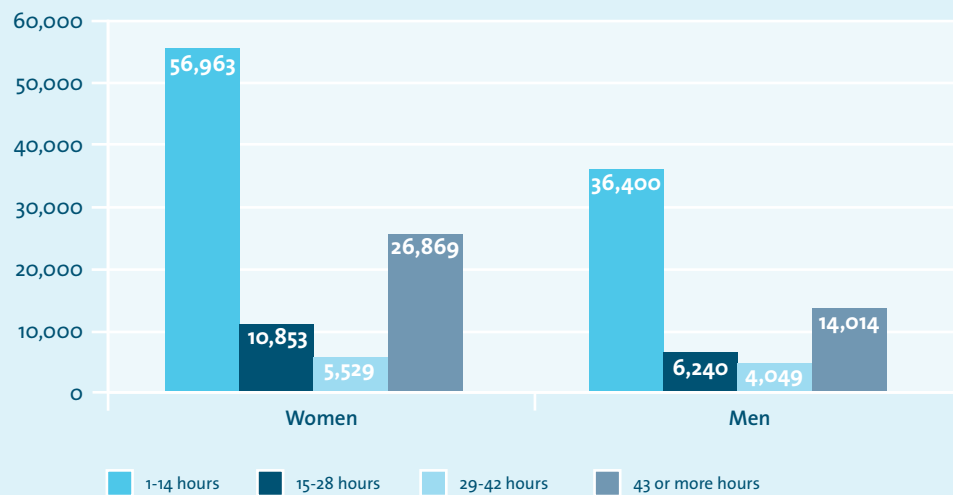
As stated in previous chapters social interaction is important for well-being. Lack of social interaction and loneliness can impact negatively on mental health and well-being. The SLÁN 2007 survey found that 14 per cent of respondents to the survey reported being often lonely in the past four weeks, with women, older people and people in lower social class groups reporting higher levels of loneliness (Barry *et al.*, 2009: 5). Their study identified being widowed and not being in paid employment as the strongest predictors of loneliness. For example, respondents who were widowed were about five times more likely to feel lonely than those who were married or cohabiting. Nearly one-fifth (17 per cent) of respondents aged 65 and over reported being often lonely. Further information on loneliness among people aged 65 and over is provided in Chapter 8 in Volume II of this report.

Carers

Many older persons who have become frail in later life or those with illnesses or severe disabilities require care arrangements to support their daily routines. Care services come in many different forms, but often the family plays a central role in the provision of care. Providing care can affect the physical, emotional and psychological capabilities of the carer. Caring responsibilities can affect people throughout the life course: children helping to care for parents or siblings; parents looking after sick or disabled children; adults caring for their parents in later life (or vice versa); and older persons caring for each other at a time when they may have care needs of their own.

The 2006 Census showed that there were 160,917 carers in Ireland. Over 60 per cent of carers providing regular unpaid help were married, and almost 70 per cent of all carers were aged 35-64. Some 90,544 carers (56 per cent) were in employment and 34,062 carers (21 per cent) were looking after their home/family whilst providing regular unpaid help, highlighting that many carers are combining family commitments and/or paid employment with additional caring responsibilities. Female carers accounted for 62 per cent of all carers, of whom over a quarter provided 43 or more hours a week of unpaid help, see Figure 4.19.

Figure 4.19 Carers by Number of Hours per Week of Unpaid Help Provided, 2006



Source CSO, 2007d: 135-136.

While married women aged between 35 and 64 may be the main carer profile, there is great diversity among carers, in line with the overall population. Research by the Equality Authority (2005) found that supports were required for carers – both financial supports and services. Many carers felt isolated and undervalued, as well as being emotionally stressed by the caring responsibility. These findings are reinforced in work by O’Sullivan, who assessed the health and well-being of family carers in Ireland who were in receipt of the Carer’s Allowance (O’Sullivan, 2008). O’Sullivan found that carers reported comparatively high levels of depression, back pain and anxiety, and that negative aspects associated with family caring included exposure to stress, emotional strain and social isolation. The Government has prepared a Carers Strategy, focusing on informal and family carers in the community, but has deferred its publication at the time of the compilation of this social report.

While more is now known about those providing care, very little is known about the caring needs and preferences of those requiring care. The National Council on Ageing and Older People's report 'Health and Social Services for Older People' in 2001 highlighted the level and type of help with daily activities that older people needed, as evaluated by older people themselves. The report found that 12 per cent of older people residing in the community usually required help with one or more tasks of daily living. A considerable number of people (37 per cent) that were 'severely impaired' in carrying out tasks in their everyday routine had not received any home services in the past year. The National Council found that there were many people not in receipt of a service who required some help with daily activities and would like to receive some support (NCAOP, 2001).

Further information on care needs, and the well-being of both unpaid and paid carers, is provided in the chapters on the life cycle groups, in Volume II of this report.

Summary

Intimate, stable and supportive relationships are central to an individual's well-being, while the disruption of relationships, through marital or relationship breakdown or bereavement, is detrimental for the well-being of individuals and for children. Over the last ten to twenty years there has been an increase in stable relationships as evidenced by a growth in marriage, including second marriages, and in cohabitation. However, there was also an increase in relationship breakdown with an increase in separation and divorce. The prevalence of widowhood remained fairly stable. There was a continuing increase in the number of lone parents and in people living alone: these are vulnerable groups at high risk of poverty and social isolation, especially if there is limited family, community or state supports available. These increases should be seen in the context of a rising population. Overall, the trend is increasing diversity in the nature and complexity of relationships.

An important relationship issue is the provision of care for both the care giver and care receiver. Much care in Ireland is provided on an unpaid basis by family members to other family members, relatives or friends who require care because of disability, old age or long-term illness. The research evidence shows that people being cared for believe they need more care services and that carers need more support, both financially and through service provision. The importance of care, and its impact on the well-being of both individuals and wider society, needs to be more widely recognised and valued.

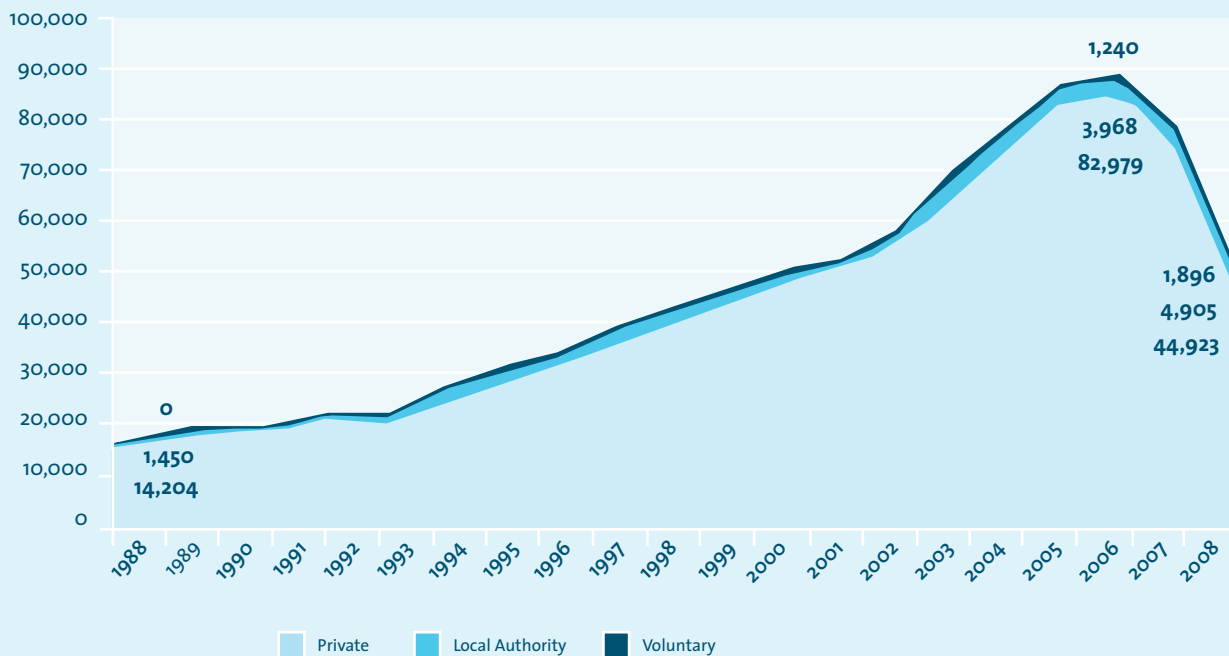
4.6 Community and Environment

The community and environment within which people live have an important bearing on an individual's well-being. In this section we examine a number of aspects of a person's community and environment – the availability and affordability of accommodation, community engagement and wider environmental factors.

Accommodation – Dwelling Unit Completions

The official objective of Irish housing policy is 'to enable every household to have available an affordable dwelling of good quality, suited to its needs, in a good environment, and as far as possible, at the tenure of its choice' (Department of Environment at www.environ.ie). Private housing development has been one of the most striking changes in Ireland over the last twenty years. Figure 4.20 shows dwelling unit completions from 1988 to 2008. These increased from a low of 15,654 in 1988 to a peak of almost 90,000 in 2006. The number of completions fell by over 10,000 in 2007, and more than 25,000 in 2008. The main change has been in private dwelling completions – which increased fivefold from 1988 to 2006 and have subsequently nearly halved, falling from 82,979 in 2006 to 44,923 in 2008. In 2008 local authority houses made up 9 per cent of housing completions, voluntary housing 4 per cent and private dwellings 87 per cent (Department of Environment, Heritage and Local Government, Housing Statistics). Government policy has traditionally promoted and supported home ownership.

Figure 4.20 Dwelling Unit Completions in Ireland, 1988-2008

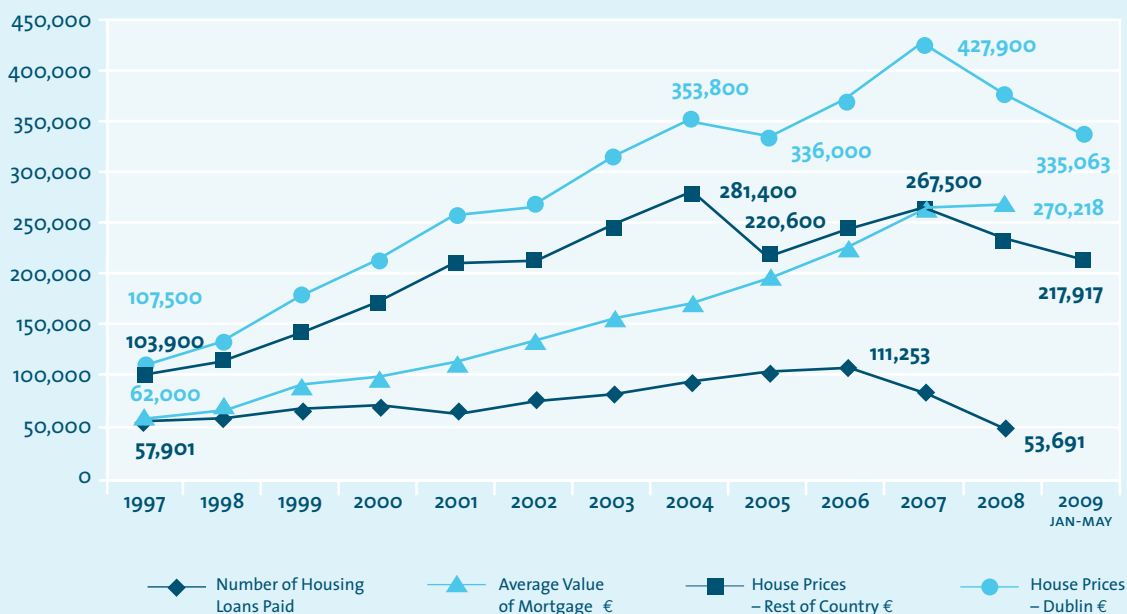


Source: Department of Environment, Heritage and Local Government Housing Statistics.

House Prices

As well as a large increase in the number of dwelling units available there was a large increase in their price, particularly in Dublin, up to 2007. Since then there has been a sharp decline in house prices (see Figure 4.21). There has been a large fall in the number of housing loans paid, falling from 111,253 in 2006 to 53,691 in 2008. The average value of a mortgage continued to rise until 2008, increasing from €62,000 in 1997 to €270,218 in 2008. Mortgage rates halved in this period.

Figure 4.21 House Price Index, Number of Housing Loans Paid and Average Value of Mortgages in Ireland, 1997-2009



Source: House Prices – Permanent TSB / ESRI. Housing loans and value of mortgages: CSO, 2008a, page 61 based on Department of Environment, Heritage and Local Government Housing Statistics, at www.environ.ie.

Many people benefited from the housing boom – landowners, developers, builders, mortgage lenders, housing related services and house purchasers. The availability of housing also widened access. As concluded by Fahey and Duffy (2007: 138) ‘Young adults in the early years of this century were more likely to form independent households than ever before despite the cost of housing’.

In the economic recession the situation of many people with large house loans may have changed and they may be experiencing greater economic stress, a situation which will require monitoring on an ongoing basis. Some accommodations (from the financial institutions or the state) will be required to assist people in financial difficulties with mortgage repayments, over the short-term at least.

Housing Need

It was non-home owners, however, who had most difficulty accessing or affording housing during the Celtic Tiger years, both public and private renters. Despite strong economic growth and a construction boom the number of households on local authority waiting lists more than doubled from 27,427 in 1996 to 56,249 in 2008 (Department of Environment and Local Government Housing Statistics).

Figure 4.22 shows the composition of households in need of housing for 2002, 2005 and 2008. There has been a substantial increase in the numbers of households saying they could not reasonably meet the cost of their accommodation – 53 per cent of households in need of housing in 2008. There has also been an increase in the number of households requiring housing for medical or compassionate reasons and the numbers sharing involuntarily. While there has been a decline in the numbers living in overcrowded accommodation these households still make up 9 per cent of those in need of housing. Although the numbers are comparatively small there has been a significant increase in the numbers of people leaving institutional care who are in need of housing, up from 82 in 2002 to 715 in 2008.

Figure 4.22 Housing Need in Ireland, 2002, 2005, 2008



Source: Department of the Environment, Local Authority Assessment of Social Housing Need.

Private tenants spend a relatively large proportion of their income on housing costs (Fahey and Duffy, 2007: 133). Problems regarding the affordability of housing have been most severe in the private rented sector with private renters having a high risk of poverty (Fahey, Nolan and Maître, 2004). The quality of some private rented housing is also inadequate (Threshold, 2008).

The availability of adequate accommodation is fundamental to well-being. In its report on housing, NESC recommended the creation of an expanded and more flexible stock of social housing and the achievement of high quality, sustainable development (NESC, 2004). In particular, NESC recommended an additional 73,000 permanent social housing units. A more active land management strategy was recommended with a view to building more sustainable neighbourhoods. The Department of Environment has responded to some of the shortcomings identified in its 2007 policy statement *Delivering Homes, Sustaining Communities*. New measures are being pursued to improve standards in the rented accommodation sector and rent levels have moderated.

However, given the current level of housing need, along with an anticipated increase as a consequence of the economic recession, the provision of social and affordable accommodation remains to be addressed. An opportunity exists to redeploy construction workers to the construction and regeneration of social housing. In addition, in some locations, there is the opportunity for vacant private properties to be sourced through the Rental Accommodation Scheme, and in other innovative ways, to meet housing need.

Attention also needs to be paid to the building of sustainable communities. Such an approach requires the provision of social and cultural facilities, along with houses, as set out in the Department of Environment, Heritage and Local Government's statutory planning guidelines on Sustainable Residential Development in Urban Areas. The integration of native and migrant populations should be central to the construction of sustainable communities, as earlier experience from other European countries at times of recession after a period of strong immigration, has shown us that failure to pursue an integration policy has led to long-term social and cultural problems (NESC, 2006a; NESC, 2006b).

Social Capital

Much of the housing development in the last ten years in Ireland has been 'development-led'. This is particularly evident in the suburban hinterlands of Dublin and has led to concerns about deficits of social capital in these expanding suburbs and commuter towns. Corcoran, Gray and Peillon (2007) carried out research in four of the expanding Dublin 'commuter suburbs'.⁷⁵ They found that the people they interviewed felt attached to their communities and that, in general, they were good places to bring up children. They had close relations with others at similar stages of family formation and participated in social and civic events at a modest level. In other words there was evidence of community interaction and social capital (Corcoran, Gray and Peillon, 2007: 196).

75. Leixlip, Lucan, Ratoath and Mullingar.

These findings were not without qualification. There were concerns about the ‘unregulated nature of development’, the lack of a range of basic amenities, a limited number of school places and traffic congestion. Underpinning a frustration in getting these issues addressed was a lack of local government institutions at neighbourhood level, referred to by Corcoran *et al.*, as an ‘institutional void’ (Corcoran, Gray and Peillon, 2007: 197). The Government’s Green Paper, *Local Government, Stronger Local Democracy – Options for Change* (2008d) attempts to address some of these issues, particularly in relation to civic participation.

The SLÁN survey asked respondents throughout Ireland about the ease of getting practical help from neighbours, if needed (Barry *et al.*, 2009). Nearly three-quarters of respondents (74 per cent) reported that they found it ‘easy’ or ‘very easy’ to get practical help from neighbours when they needed it. People living in rural areas were more likely to report help from neighbours (84 per cent) than people living in urban areas (68 per cent).

Community Involvement

The extent of community participation can be gauged through levels of volunteering and community involvement, sometimes referred to as ‘social capital’.⁷⁶ Perceptions are that levels of volunteering have been in decline over the last fifteen years, but this has not been borne out by the evidence. As reported by the Taskforce on Active Citizenship (2007a: 3) ‘no clear trend (upwards or downwards) emerged from an analysis of civic behaviour and attitudes in the 1990s’.

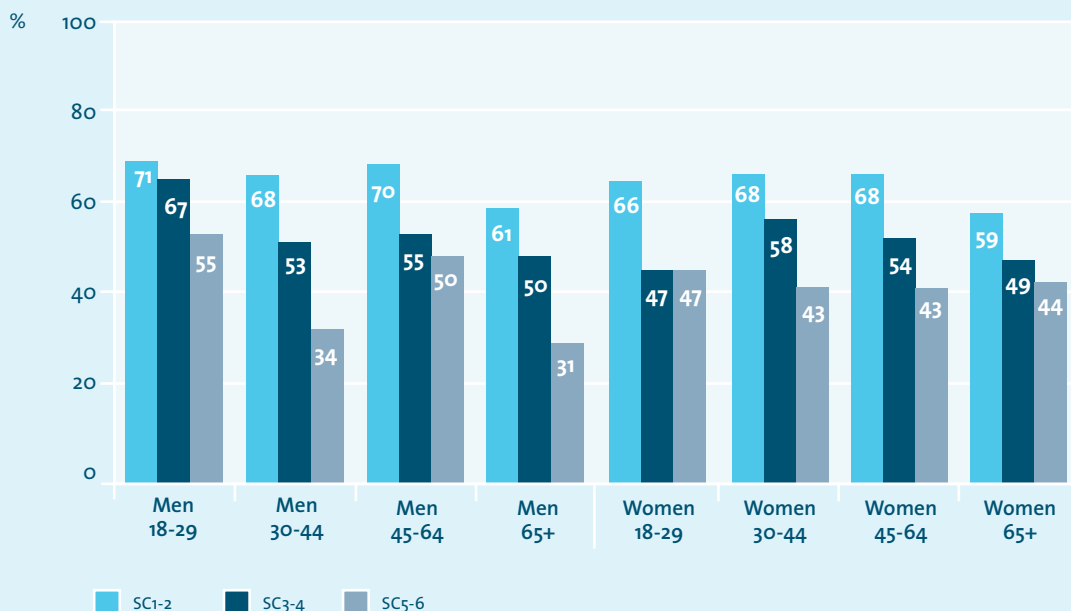
A survey undertaken by the ESRI in 2006 for the Taskforce on Active Citizenship showed an upward trend between 2002 and 2006 in levels of engagement and volunteering. Volunteering increased from 17.1 per cent of the population in 2002 to 23.1 per cent in 2006, while active community involvement went up from 21.7 per cent to 29 per cent over the same period (Taskforce on Active Citizenship, 2007a: 4). Census 2006 included a new question on voluntary activities. The results of this question showed that 16.4 per cent of the population aged 15 and over were involved in voluntary activities. The 45-54 age group had the highest participation rate in voluntary activities; social or charitable work was the most common with sporting activities next.

The 2007 SLÁN survey (Morgan *et al.*, 2008: 6) found that attendance at least one community activity on a regular basis in the last year was reported by 55 per cent of respondents,⁷⁷ showing a decline from 59 per cent in 2002, when a similar survey was carried out. Figure 4.23 shows attendance at community activities by gender, age and social class from the SLÁN survey (Barry *et al.*, 2009: 61). Involvement in community activities is more common in higher social classes, with there being little difference between men and women. The focus here has been on individuals, but it should be noted that the organisations in which they participate make a valuable contribution to the social capital of local areas and community well-being.

76. Social capital has been defined as ‘networks together with shared norms, values and understandings that facilitate co-operation within or among groups’ (OECD, 2001; NESF, 2003). ‘Active citizenship’ has been defined by the Taskforce on Active Citizenship (2007b) as ‘the voluntary capacity of citizens and communities working directly together, or through elected representatives, to exercise economic, social and political power in pursuit of shared goals’.

77. Much of the variation in levels of community involvement/voluntary activity reported may reflect the nature of the questions asked. The SLÁN question asks about attendance, rather than participation.

Figure 4.23 Percentage of Respondents Reporting Regularly Attending one or more Community Activities, by Gender, Age and Social Class, 2007



Source Barry *et al.*, 2009: 61.

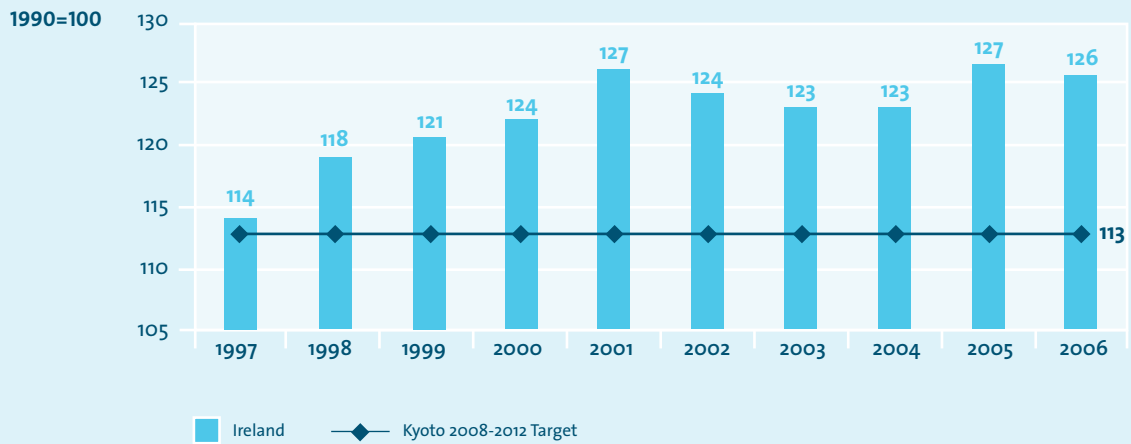
Environment

At a broader level, the quality of our environment impacts on our well-being and in recent times much more attention has been given to environmental issues than heretofore. The Environmental Protection Agency's (EPA) report, *Ireland's Environment 2008*, highlights Ireland's four environmental challenges: limiting and adapting to climate change; mainstreaming environmental considerations; reversing environmental degradation; and complying with environmental legislation and agreements.

Greenhouse Gas Emissions

The most significant and challenging environmental issue facing Ireland is climate change and greenhouse gas emissions. Currently Ireland has one of the highest levels of per capita greenhouse gas emissions in the EU, and our emissions profile has changed dramatically since 1990, with the contribution from transport more than doubled and a reduction in the share from agriculture. Ireland is in a unique position as the EU country with the highest proportion of agricultural emissions combined with further projected growth in transport emissions (EPA, 2008: 27). Under the Kyoto protocol, EU countries have agreed to reduce total greenhouse gas emissions in the EU to 8 per cent below 1990 levels for the period 2008-2012. Ireland's Kyoto burden-sharing target is to ensure that average levels in the 2008-2012 period are no more than 13 per cent above the 1990 emissions (CSO, 2008a: 65). Ireland has exceeded the Kyoto target of 113 for greenhouse gas emissions over the last ten years reaching 127.1 per cent of the 1990 level in 2001, see Figure 4.24. There was an improvement between 2002 and 2004, but the level has been relatively high in recent years.

Figure 4.24 Greenhouse Gas Emissions in Ireland, 1997-2006



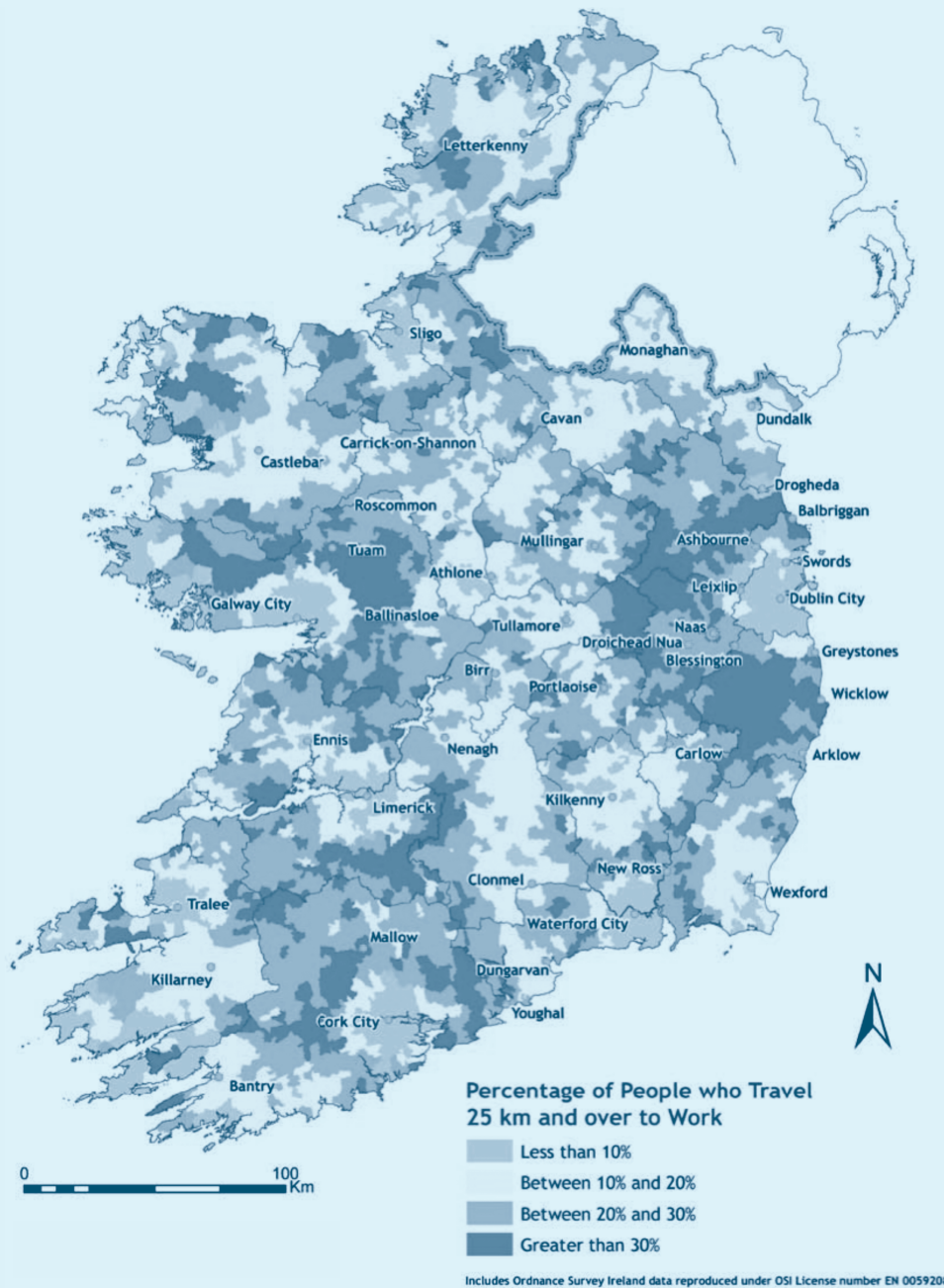
Source CSO, 2008a: 65.

It has been predicted by the Environmental Protection Agency (EPA) that Ireland will exceed the proposed reduction target for 2020 by seven million tonnes. This will require action to place Ireland on a lower carbon trajectory.

Commuting

Emissions from transport account for twenty-one per cent of Ireland's emissions, of which ninety-seven per cent comes from road transport (EPA, 2008). This reflects the increasing numbers of vehicles on the roads, both for private cars and for road freight transport. Figure 4.25 highlights the percentage of people who were commuting long distances to work each day. Commuters were concentrated around the main towns and cities across Ireland, most noticeably surrounding Dublin city, Galway city, Cork city and Limerick city.

Figure 4.25 Percentage of People who Travel 25km and over to Work, 2006



Source: Environmental Protection Agency, 2008: 16.

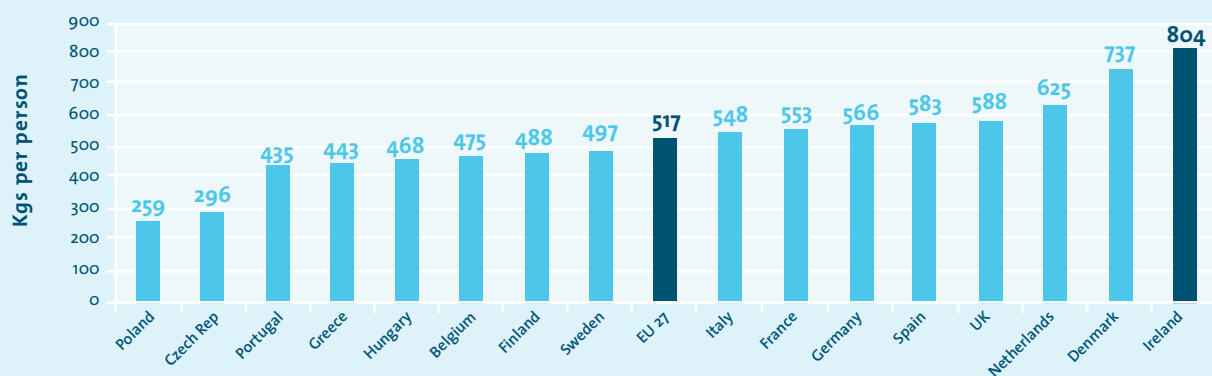
Public Transport

The availability and quality of public transport is important to quality of life and subsequently well-being, especially for people without the use of a car. Public transport is also more environmentally friendly and sustainable than car use. The European Quality of Life Survey (European Foundation, 2008) asked respondents to rate their perception of public transport services. Respondents in Ireland gave public transport a rating of 5.7 out of 10 – this compared to an EU 27 average of 6.3 out of 10. Across EU countries perceptions differed between rural and urban areas. The public transport system tends to be perceived more favourably by those living in urban areas.

Municipal Waste

Municipal waste⁷⁸ generation is closely linked to economic growth, and with the growth in the Irish economy until recently, municipal waste has increased (European Environment Agency, 2007). Household waste accounted for almost 60 per cent of all municipal waste in 2006 (EPA, 2008a: 4). Figure 4.26 shows the amount of municipal waste generated in kilograms per person across selected EU countries. Although the figures can only be treated as indicative because of varying definitions of municipal waste generation across countries, it is clear that Ireland is at the upper end of waste generation and well above the EU 27 average.

Figure 4.26 Municipal Waste Generated, Selected European Comparisons, 2006⁷⁹



Source CSO, 2008a: 70.

Water

Clean, safe fresh water is a basic need for drinking, cooking and washing, but is also fundamental to our enjoyment of many amenities as well as having a key economic role in areas such as tourism. Water quality in Ireland has improved in recent years (EPA, 2008b), with a reversal of the trend of a decline in surface waters in the late twentieth century. However, the EPA asserts that these improvements are not sufficient to meet the Water Framework Directive (WFD) that all waters should have reached 'good' status by 2015. The suspected cause of poor water quality is eutrophication⁸⁰ of waters by municipal waste treatment plants and agricultural run-off. Significant steps will need to be made in the coming years to meet the WFD target within the agreed timeframe.

Biodiversity

Land use practices directly influence our quality of life, particularly in relation to where we live, the surrounding environment, and the associated infrastructure and services we require. How we use the land resource available to us impacts on biodiversity, which contributes to our aesthetic well-being. While there is an increasing body of national policy and legislation on biodiversity, significant work remains in ensuring protection of Ireland's habitats and species (EPA, 2008a: 210).

78. Municipal waste consists of household waste, commercial waste and street cleansing waste.

79. These figures are Eurostat estimated values and are therefore subject to revision, particularly in the light of more comparable data that are expected to become available. In many countries data are based on household waste and often exclude recycled wastes. For example, in Ireland in 2004, 40 per cent of municipal waste generation was comprised of commercial waste and 34 per cent was comprised of recycled waste. Many countries do not define municipal waste generation as broadly as Ireland.

80. Nutrient/chemical enrichment.

Summary

The community and environment within which people live have an important bearing on an individual's well-being. Central to this is for people to have affordable accommodation of good quality in a sustainable community and good environment. The mid 1980s to mid 2000s saw dramatic increases in the availability of private houses, and in their prices. That situation is now changing with the sharp reduction in construction and more limited availability of loan facilities. The situation, however, was more difficult for those in the public and private rental markets, with limited availability of local authority housing to meet needs and high rents, with in some cases poor quality accommodation, in the private sector. Priorities in the immediate future are the provision of social and affordable housing to meet housing need, and the construction of sustainable integrated communities.

Research undertaken in four Dublin commuter suburbs, which expanded rapidly during the Celtic Tiger years, showed modest levels of civic participation, and a lack of local institutions. Throughout Ireland most people (three-quarters of respondents to a national survey) reported that they can get help from neighbours if they need it, more so in rural than urban areas. Volunteering and community participation does not seem to be in decline, with one in six of the adult population taking part in voluntary activities. A higher proportion (more than half of respondents to a national survey) reported attending community activities.

Environmental issues have gained a higher profile recently, both internationally and in Ireland, amid increased concerns of global warming and climate change. Ireland still has some way to go to meet agreed Kyoto targets on greenhouse gas emissions, and needs to give further attention to the management of waste. Increased car use, especially in the commuting belts around the main cities and towns in Ireland, has contributed to increased emissions as well as longer journey times and congestion. Greater availability of and access to public transport contributes to people's quality of life and is more environmentally sustainable.

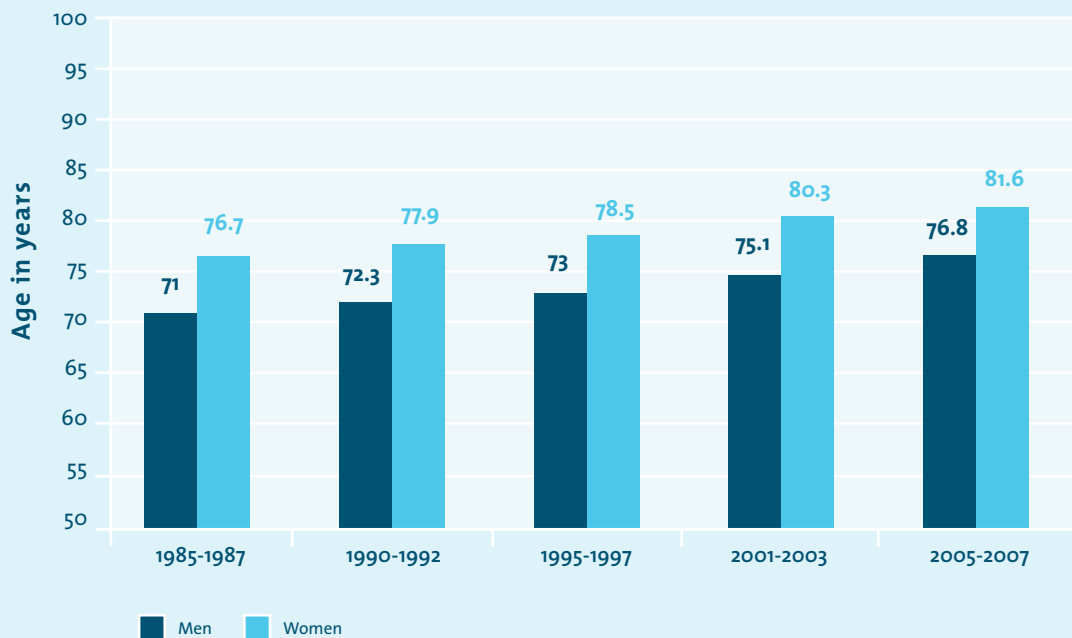
4.7 Health

Health is a major element of well-being. Advances in medical care have contributed to people living longer, with chronic illness and mental ill health becoming the key concerns affecting many people's health and well-being in modern societies. People's health is influenced by the social conditions within which they live. Poverty, social exclusion, discrimination, poor housing, unsafe places, a polluted environment, lack of community support networks and stress are some of the factors contributing to poor health, compounded by limited access to health services and damaging health behaviours (World Health Organisation, 2004; Farrell *et al.*, 2008).

Life Expectancy

Figure 4.27 shows that life expectancy at birth increased in the years 1985-87 to 2005-07 from 71 to 76.8 for men and from 76.7 to 81.6 for women. However, there is great variation in life expectancy across the population. For example, Traveller women live on average 12 years less, and Traveller men 10 years less, than women and men in the general population (Department of Health and Children, 2002: 24).⁸¹ The overall increase in life expectancy is the continuation of a trend which started much earlier than the economic boom. While research shows that average life expectancy increases with the average wealth of a country the relationship between the two is complex (Layte, Nolan and Nolan, 2007: 105). As little as 10 per cent of the improvement in life expectancy across countries since 1970 may be directly attributable to increasing incomes, with other structural changes accounting for the remaining 90 per cent. For example, improvements in health knowledge, in living conditions and in access to specialist medical expertise have contributed to people living longer lives. However, improved medical technology means that illnesses which were once life-threatening, such as heart disease, can now be managed effectively. People are now living longer, but with chronic illnesses, so that they may not consider themselves healthy (Layte, Nolan and Nolan, 2007: 106). Thus, longer life expectancy is associated with higher levels of chronic illness.

Figure 4.27 Life Expectancy at Birth, 1985-2007



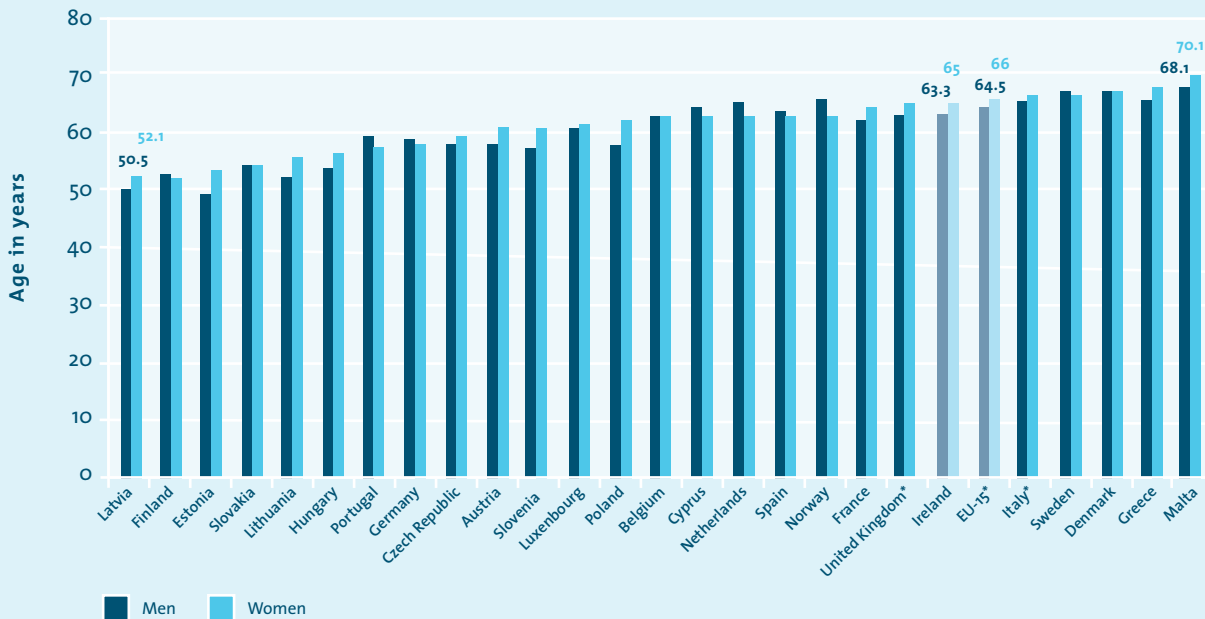
Source CSO, 2009d: Irish Life Tables, No. 15, 2005-2007.

81. This figure is based on a 1987 survey carried out by the Health Research Board. An All-Ireland Traveller Health Study 'Our Geels' was initiated in autumn 2008.

Healthy Life Years

Healthy life years, or disability-free life expectancy, is an indicator that takes into account the number of years a person is expected to live in a healthy condition. It combines information on mortality and morbidity, and is defined by the absence of limitations to a person's functioning. In 2006, healthy life years stood at 65 for Irish women and 63.3 for Irish men. In 2003,⁸² the average across the EU15 was estimated at 66 years for women and 64.5 for men. Countries such as Italy, Sweden, Denmark, Greece and Malta had figures at the top end with averages for women between 67 and 69, and averages for men between 66 and 68, see Figure 4.28.

Figure 4.28 Healthy Life Years at Birth by Gender, European Countries, 2006



Source Eurostat.

* EU15 figures for 2003; Italy and UK figures for 2005.

Note: Figures are shown for men and women in Latvia, Ireland, EU-15 and Malta.

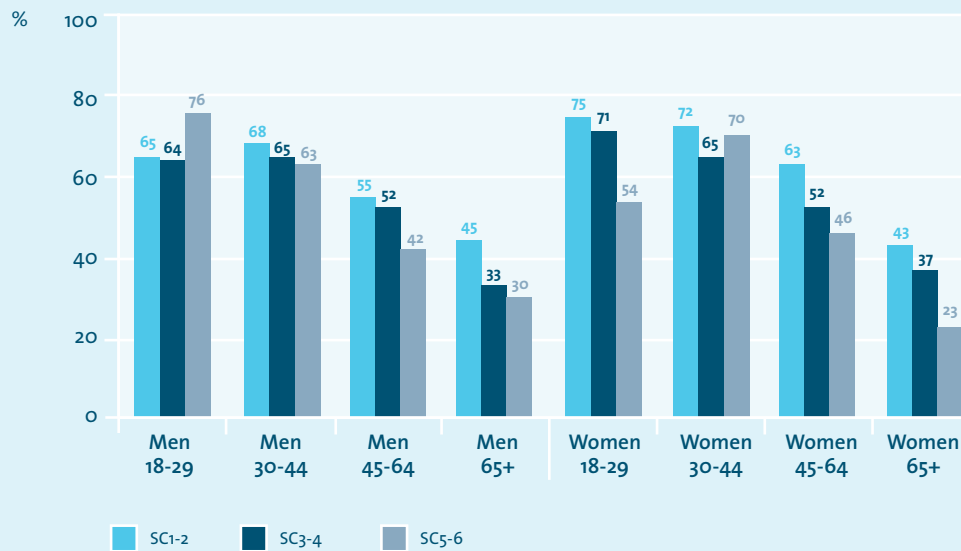
Mackenbach and Bakker (2006) noted that people with lower education, lower income and from lower occupational classes tend to die at younger ages and within their shorter lives to have a higher prevalence of health problems.

Perceptions of Health

People have a perception of their health being good in Ireland with 91 per cent of Irish men and 89 per cent of Irish women believing they were in good health (Eurostat, 2004). This was higher than for any other nation. The Irish SLÁN survey 2007 reported that over half of the sample (58 per cent) self-rated their health as 'excellent' or 'very good', see Figure 4.29. This had increased from 45 per cent in 1998 and 50 per cent in 2002.

82. The most up to date available for EU15.

Figure 4.29 Percentage of Respondents Rating their Health as ‘Excellent’ or ‘Very Good’, by Age, Gender and Social Class, 2007



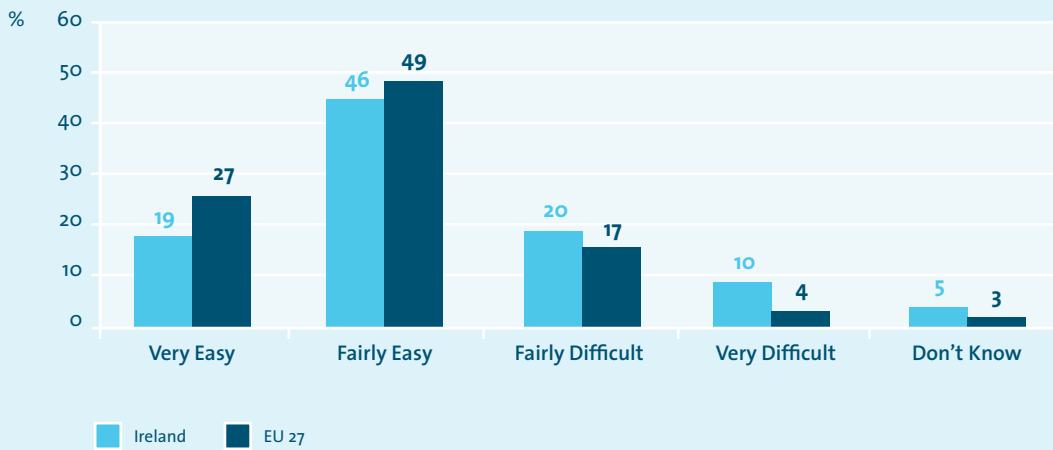
Source Morgan *et al.*, 2008: 34.

There were differences by age and social class in how people rated their health, but no discernable differences by gender in the SLÁN survey. As might be expected younger respondents and those in the higher social classes were more likely to rate their health as ‘Very Good’ or ‘Excellent’. While few respondents rated their health as ‘Poor’, those most likely to do so were 65 years and over and/or in the lowest social class category.

Access to Health Services

People’s experience of access to healthcare services in Ireland is below the European average. Some 76 per cent of citizens in the EU 27 reported that it was easy to access hospital services in their country compared to 65 per cent of respondents in Ireland, see Figure 4.30. This placed Ireland joint seventh lowest in the EU 27 on access to hospital care. Access to medical or surgical specialists was also well below the EU 27 average, with 49 per cent of Irish respondents reporting easy access compared to 62 per cent of respondents across the EU 27. In relation to access to family doctors or general practitioners, Ireland fared better with 92 per cent of respondents reporting easy access, above the EU 27 average of 88 per cent.

Figure 4.30 Percentage of Persons on How Easy or Difficult it is to Reach and Gain Access to Hospitals in Ireland and the EU 27, 2007



Source: Special Eurobarometer 283, 2007.

Chronic Illness⁸³

Chronic illness is one of the major health challenges today. Chronic disease generally affects older people in society, but can occur at any stage throughout the life course. Chronic illnesses can place a significant burden on the patient, their families and their carers. Some 86 per cent of deaths and 77 per cent of disease burden is attributable to chronic disease. The death rate due to chronic illness in Ireland has declined in recent years. The Department of Health and Children has estimated that if major risk factors were eliminated and effective interventions applied, 80 per cent of cardiovascular disease and type 2 diabetes, and 40 per cent of cancer, could be avoided. Approximately 30 per cent of individuals with cancer, cardiovascular disease or diabetes had major depression as a co-morbidity.⁸⁴

Mental Illness

Mental illness has been identified as having a particularly debilitating effect on well-being (Layard, 2005a). SLÁN 2007 reported on levels of mental illness in Ireland. The prevalence of major depression was 6 per cent, while 3 per cent had anxiety disorders. In general, men, younger people and those in higher social class groups reported lower levels of mental health problems (Morgan *et al.*, 2008: 3). The authors of the SLÁN 2007 report noted that mental health problems were seen to be stigmatising. Two-thirds of the SLÁN respondents said they would not want people to know if they were having mental health problems.

83. A chronic illness is an illness which is long-lasting or recurrent.

84. Information from Department of Health and Children.

In their publication on mental health and social well-being the authors of the SLÁN survey analysis report that there is a strong association between mental disorder and risk factors for chronic diseases such as smoking, reduced activity, poor diet, obesity and hypertension. Conversely, their findings show that positive mental health, which they term ‘flourishing’, is associated with having access to a job, an adequate income, a good education and having close supportive relationships (Barry, *et al.*, 2009: 6). The authors of the report call for implementation of *A Vision for Change*,⁸⁵ placing emphasis on models of mental health promotion, through strengthening individuals, strengthening communities and removing structural barriers to mental health through initiatives to reduce poverty and social inequalities. They stress the importance of community-based services, especially for those in more socially disadvantaged and low income positions.

Taking a more historical perspective, Layte *et al.* (2007: 112) argue that psychological stress has declined substantially in Ireland since 1987. Economic uncertainty and deprivation are key influences on this indicator of stress and, as we showed earlier, these declined during the economic boom when employment and incomes rose and unemployment fell. This situation has now changed with potential implications for mental health outcomes, as noted above.

NESF (2007) reviewed the available evidence on the incidence of mental illness. They reported that one in four Irish adults is likely to experience mental ill-health at some point in their lives, but that ‘this burden falls disproportionately on certain sections of the population’ (NESF, 2007: xi). NESF reported that there are higher levels of common mental disorders and higher rates of admissions to psychiatric hospitals for low income and unskilled occupational groups than for other groups. International and national evidence shows the increased social exclusion of those experiencing mental ill-health, through loss of income, employment and social contact as well as the wider negative effects on society as a whole (NESF, 2007: ix).

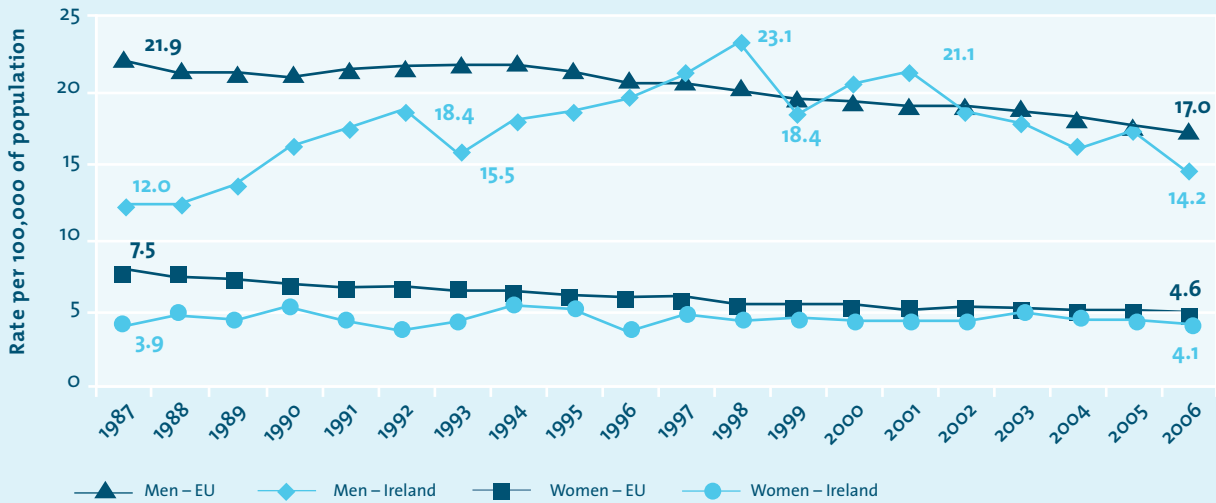
Suicide

An extreme outcome of poor well-being and mental ill-health is suicide. In 2007, there were 460 deaths from suicide in Ireland (Health Service Executive, 2009: 73).⁸⁶ Men have a higher risk of suicide than women; four out of every five suicides are men. People under 50 account for 70 per cent of suicide deaths. Figure 4.31 shows deaths from suicide in Ireland and the EU 27 from 1987 to 2006. There was a continuous rise in suicides reported in Ireland between 1987 and 1998. Between 1998 and 2006 suicide numbers fell by 20 per cent, with the rate for males decreasing from 23.1 to 14.2 per 100,000 population. Male rates, which exceeded EU 27 rates from 1997 to 2001, are now below EU 27 rates. Irish female suicide rates have remained relatively unchanged from 1987 to 2006, remaining just below EU 27 rates. The Irish Association of Suicidology has reported that in times of recession suicide rates increase, (see www.ias.ie/news.htm).

85. *A Vision for Change* is the report of the Expert Group on Mental Health Policy published by the Department of Health and Children, see Government of Ireland 2006c.

86. Under-counting of suicides is likely for a number of reasons: deaths may be recorded as ‘natural’ or ‘accidental’; information recorded may be insufficient to determine a classification; people who have died of suicide may not be recorded if they are ‘missing’ or have gone abroad (HSE, 2009: 76).

Figure 4.31 Suicides by Gender, Ireland and EU 27, 1987-2006



Source: European Health for all Database (July 2009), WHO Regional Office for Europe.

Suicide is higher in the lower socio-economic groups, with suicide and intentional self-harm being in excess of 170 per cent higher in the lowest occupational class compared to the highest, with a clear occupational class gradient (HSE, 2009: 74). A greater proportion of suicides in Ireland have occurred in the younger age groups (15-29 years). Deliberate self-harm⁸⁷ is often associated with mental ill-health and risk of suicide. Most studies of self-harm have been undertaken with teenage populations. For example, in a survey of 3,830 Irish adolescents aged 15-17 the researchers found a lifetime history of deliberate self-harm reported by 12.2 per cent of the teenagers surveyed. Girls were three times more likely to harm themselves than boys (Sullivan *et al.*, 2004: 17).

Health Behaviours

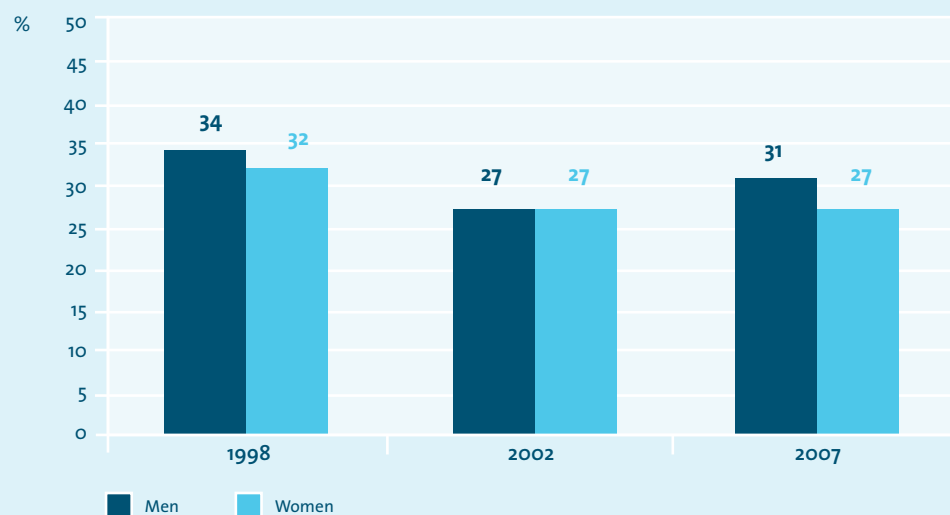
Health promotion seeks to inform people about risks to their health and provides information to encourage people to live healthy lives. As stated earlier, the choices people have, and consequently their behaviours, are influenced by their socio-economic conditions. It is in this context that information is presented on a number of health behaviours: on smoking, which has a detrimental effect on health; on alcohol which, in excess can also have a detrimental effect on health; on exercise, and on nutrition, which have beneficial effects; and on obesity which is an increasing problem in the western world, including Ireland. Major influences on weight and obesity are diet and activity.

87. Deliberate self-harm refers to actions like taking an overdose and self-cutting.

Smoking Cigarettes

The 2007 SLÁN survey reported that 29 per cent of the population were current smokers (31 per cent men and 27 per cent women) (Morgan *et al.*, 2008: 5). Young people and people in lower social class groups were more likely to smoke. Rates of smoking decreased since 1998 for both men and women and for all ages and social class groups, see Figure 4.32. The decrease occurred mainly from 1998 to 2002, with no reduction in smoking between 2002 and 2007, despite the introduction of the smoking ban in 2004.⁸⁸

Figure 4.32 Smoking in Ireland, 1998, 2002, 2007



Source Morgan *et al.*, 2008: 76 based on SLÁN 2007

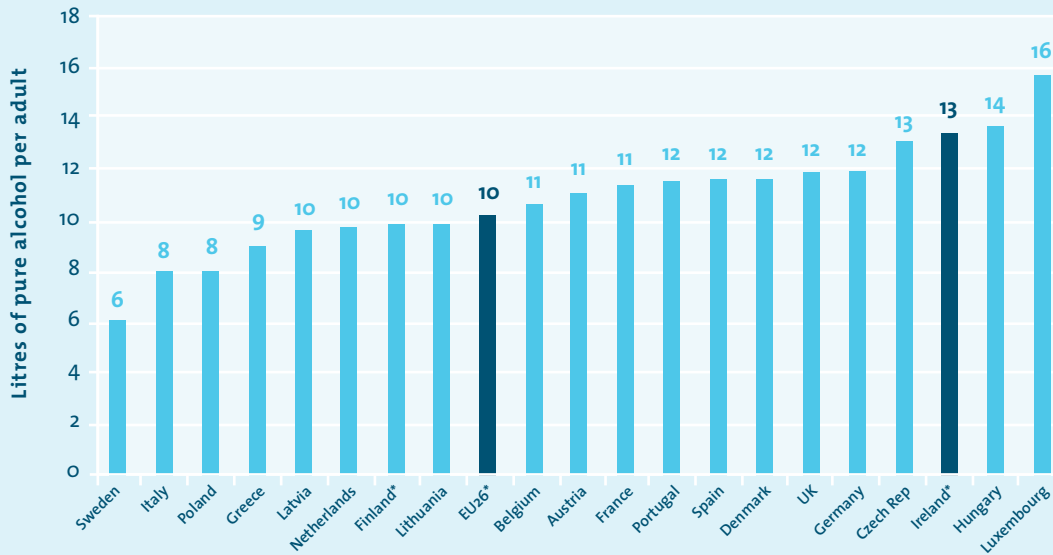
Alcohol Consumption

Excessive alcohol consumption can have a detrimental effect on the health and well-being of those individuals consuming alcohol, as well as having negative impacts on their families, communities and wider society. While alcohol consumption in Ireland has decreased from a peak of 14.3 litres of pure alcohol per adult in 2001 to 13.3 in 2006, Ireland continues to be among one of the highest consumers of alcohol in Europe (Hope, 2007: 5), Figure 4.33. The Eurobarometer survey (2007) reported that 34 per cent of Irish drinkers consumed at least five drinks per occasion (heavy drinking),⁸⁹ compared to just 10 per cent of the EU population. In addition, more than half (54 per cent) of respondents in Ireland stated they drank an excess of five drinks at least once a week, compared to 28 per cent of Europeans (HSE, 2009: 54).

88. It should be noted that different survey methods were used in different years – self-report in 1998 and 2002, and personal interview in 2007. These different survey methods may account for some of the differences in the prevalence rates over time.

89. Binge drinking is a term used to describe a single occasion of excessive drinking, defined by the WHO as six or more standard drinks (60 grams of pure alcohol). A standard drink is equal to a half pint of beer or a single measure of spirits or one glass of wine (Department of Health and Children, 2004: 8).

Figure 4.33 Alcohol Consumption in the EU, Selected Countries, 2003



Source: Hope, A. (2007) *Alcohol Consumption in Ireland 1986-2006*: 5.

* Figures for Ireland 2006, Finland 2004, all others 2003, no data for Cyprus

Physical Exercise

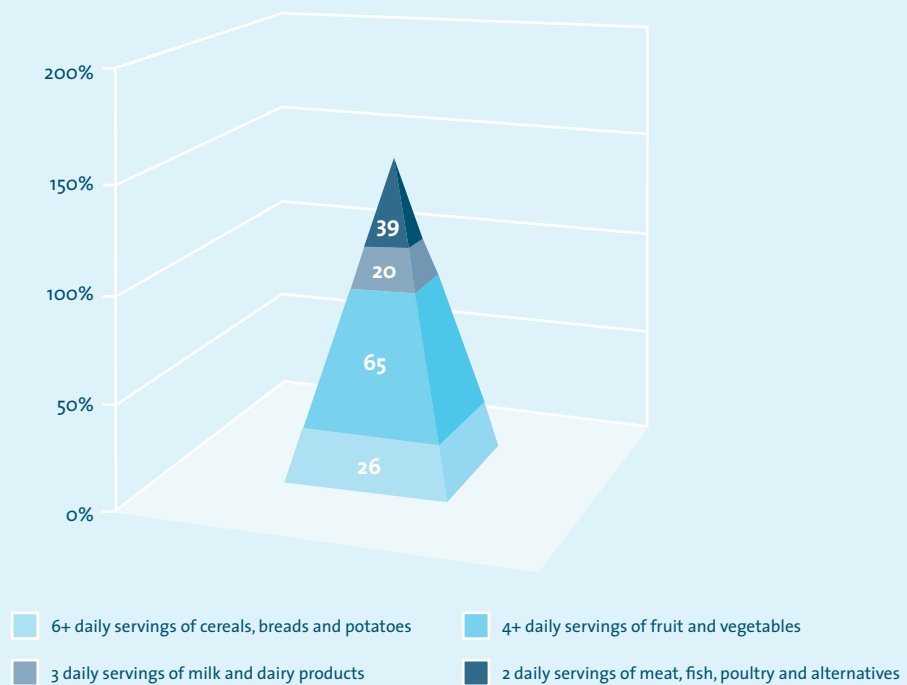
Physical exercise has a positive effect on well-being, as people who participate in sport generally experience better physical and mental health. SLÁN 2007 reported that 55 per cent of respondents to the survey were physically active. Almost one-quarter (24 per cent) reported some activity and just over one-fifth (22 per cent) were physically inactive. There was few gender or social class differences identified in activity/inactivity. There was little evidence of a change in levels of physical activity from earlier SLÁN surveys undertaken in 1998 and 2002 (Morgan *et al.*, 2008: 3).

Recent research by the ESRI for the Irish Sports Council (Lunn and Layte, 2008) found that the number of people engaged in sport and exercise in Ireland had increased dramatically, particularly in the last twenty years. Young adults played much more sport than their parent's generation and were therefore more likely to participate as older adults. In contrast to the SLÁN survey, the ESRI research, which took a longer-term perspective, found gender and socio-economic differences. While adult women were as likely to take up sport as adult men, the gap arose from the different experiences of sport as children. The different treatment of young girls opened up a sporting gender gap, which did not close. There were also socio-economic differences with higher income and educational groups less likely to drop out of sport in young adulthood and more likely to take up a new sport. Unlike gender, socio-economic differences in participation in sport endured and strengthened across a person's life course (Lunn and Layte, 2008: x).

Healthy Eating

Good nutrition contributes to a healthy life style and thus to well-being. Healthy eating guidelines produced by the Department of Health (www.healthpromotion.ie) encourage people to eat a variety of foods based on the Food Pyramid. Figure 4.34 presents information on the consumption of recommended daily servings of particular foods from the food pyramid by adults in Ireland in 2007 (Morgan et al., 2008: 58). While two-thirds of respondents to the survey were consuming the recommended servings of fruit and vegetables, only two in five were eating the recommended servings of meat and its alternatives, one-quarter the recommended servings of cereals, breads and potatoes and one in five the recommended levels of dairy products. Since 2002, there has been a decrease in the percentage of people consuming the recommended servings of cereals, breads and potatoes, and milk and dairy products. Conversely, however, there has been an increase in the consumption of fruit and vegetables. The consumption of meat, fish and poultry has remained much the same between 2002 and 2007.

Figure 4.34 Percentage of Respondents Consuming the Recommended Number of Daily Servings from each Shelf of the Food Pyramid, 2007



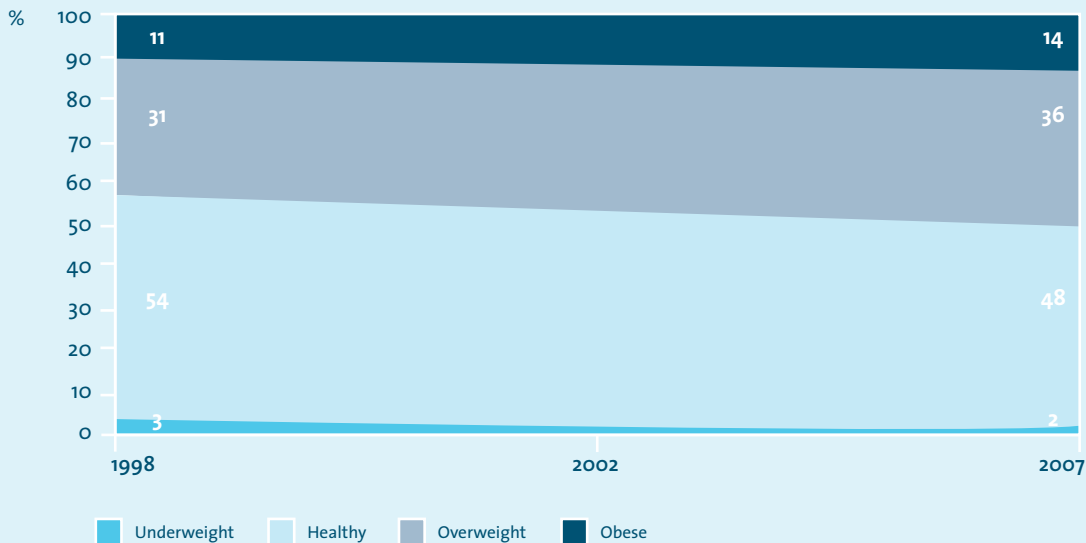
Source Morgan et al., 2007: 58 based on SLÁN 2007.

Of concern is the fact that the majority (86 per cent) of respondents to the SLÁN survey consumed more than 3 daily servings of foods high in fat, sugar, and salt (HSE, 2009: 45). Overall, 10 per cent reported not eating breakfast. At the time of the survey (2007), the majority of respondents reported being able to afford to buy enough food for their household.

Body Weight / Obesity

Being overweight or obese can contribute to health problems. The proportion of the population who are overweight or obese is increasing, so that by 2007 half of the population reported being overweight or obese, see Figure 4.35.

Figure 4.35 Proportion of the Population Reporting Themselves as Overweight or Obese in Ireland, 1998, 2002, 2007



Source: Morgan *et al.*, 2008: 129 based on SLÁN 2007.

The SLÁN 2007 survey reported that more than one-third (36 per cent) of respondents reported themselves as being overweight and 14 per cent reported being obese. Men were more likely to report being overweight or obese than women (Morgan *et al.*, 2008: 6). When height and weight data were independently collected to derive overweight and obesity measurements (BMI), higher levels of being overweight and obese, especially among older respondents, were recorded. These independent measurements showed that 39 per cent of the respondents were overweight and 25 per cent were obese. Both men and women in Ireland have a high prevalence of being overweight and obese compared to most countries in the EU (HSE, 2009: 46).

Summary

Health is important for individual and societal well-being. In line with western societies generally, longevity has been increasing in Ireland with men now expected to live to 76.7 and women to 81.5. However, longer life expectancy is associated with higher levels of chronic illness. Nevertheless, the majority of the population in Ireland rated their health as 'excellent' or 'very good'. People's perception or experience of access to healthcare services in Ireland, however, was on the whole below the European average.

In recent years mental illness has been identified as having a particularly debilitating effect on well-being. Evidence from the ESRI suggested that levels of psychological stress declined during the economic boom period. There may be a greater risk of mental ill-health in the face of economic uncertainty and increasing unemployment. International evidence suggests that one in four Irish adults is likely to experience mental ill-health at some stage in their lives. The SLÁN 2007 survey reported that 6 per cent of the population suffered from major depression and 3 per cent had anxiety disorders. There is a strong association between mental disorder and risk factors for chronic diseases such as smoking, reduced activity, poor diet, obesity and hypertension. Conversely, positive mental health ('flourishing') is associated with having access to a job, an adequate income, a good education, and having close supportive relationships.

People's behaviours can affect their health. Just under a third of the population smoke, with a slight reduction having taken place over the last nine years. Smoking has a detrimental effect on health and well-being. So too does excessive alcohol consumption. Ireland is one of the highest consumers of alcohol in Europe, with high rates of heavy drinking compared to EU averages. Physical exercise and good diet have positive effects on health and well-being. Levels of physical activity increased significantly over the last twenty years, especially among the adult population. In relation to diet, even though two-thirds of people are eating the recommended amounts of fruit and vegetables, many people (86 per cent) are consuming more than the recommended servings of fat, sugar and salt. The proportion of the population who are overweight or obese is increasing. Between one-half to two-thirds of the population can be classified as overweight or obese. Being overweight or obese can contribute to health problems.

There are important differences across social classes. People with lower levels of education, low income and in unskilled occupations are more likely to have poorer levels of health, less access to treatments and services and to have higher risk factors in relation to their health and well-being. It should be borne in mind that health behaviours are influenced by a wide range of factors such as peer networks, income and other resources, access to facilities and amenities, working and living conditions, food production and promotion as well as cultural factors and stress.

4.8 Democracy and Values

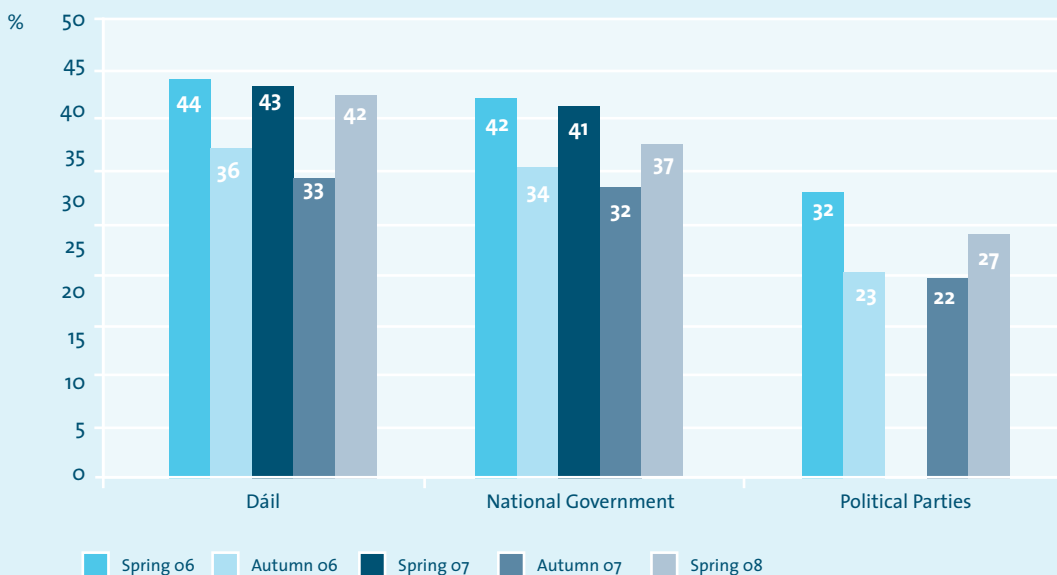
The quality of government, and people's involvement in a democratic, peaceful and safe society are significant features of individual and societal well-being. The holding of personal beliefs, through religion or otherwise, contributes to individual well-being. At societal level, a belief in a 'common good' has been shown to contribute to the overall well-being of society. This requires a level of recognition of rights and responsibilities, empathy with others and values of citizenship.

In this section we examine levels of trust in national institutions, individual beliefs and exercise of democratic rights. A democratic society is a peaceful one and we look at the impact of the peace process in Northern Ireland, as well as crime and domestic violence in Ireland. The exercise of rights, promotion of equality and recognition of cultural diversity are important aspects of a good society. These are examined through gender wage gaps, participation of women in decision-making, and experience of discrimination by ethnic minorities.

Trust in National Political Institutions

Levels of trust in national institutions have been measured by the Eurobarometer survey. The results of this survey vary depending on when the survey was conducted. Surveys undertaken in springtime show higher levels of trust in the Dáil, national government and political parties than surveys undertaken in the autumn. Figure 4.36 illustrates trust in national political institutions in Ireland over the period 2006–2008. There has been a downward trend in recent years within all three institutions, particularly in national government and political parties. The OECD has noted that 'trust in political institutions is crucial for the functioning of democracy in each country; it also shapes people's willingness to co-operate in achieving collective goals and financing of public goods' (OECD, 2007a: 112).

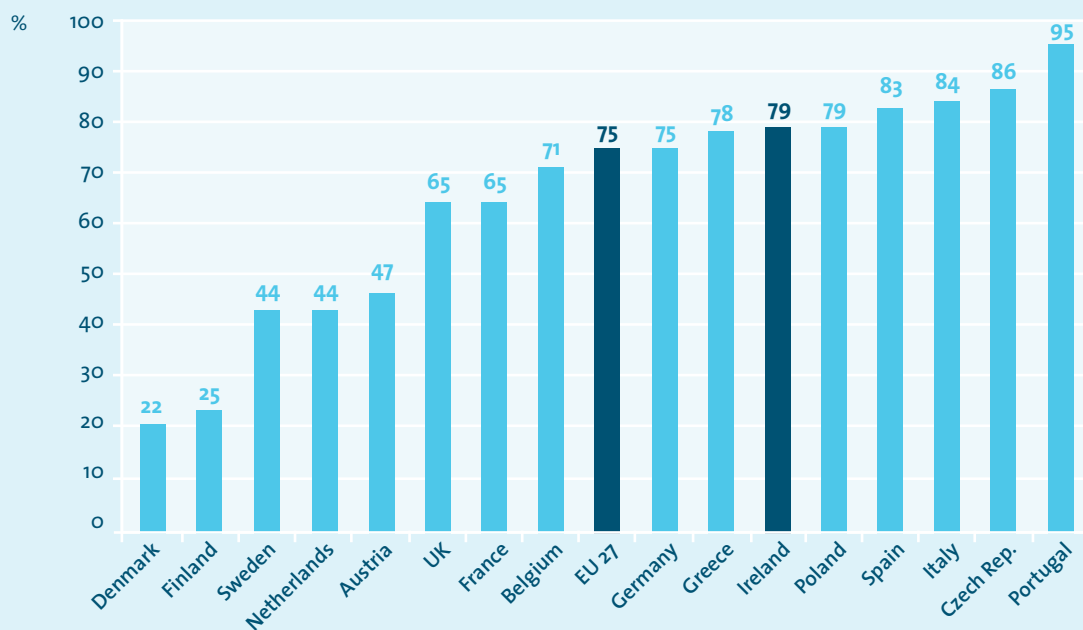
Figure 4.36 Trust in National Political Institutions, 2006–2008



Corruption

Corruption can undermine trust in national institutions. A special Eurobarometer survey carried out in late 2007 asked respondents about corruption in their country.⁹⁰ Figure 4.37 shows that 79 per cent of Irish respondents agreed that corruption was a major problem in Ireland, above the EU 27 mean of 75 per cent. Less than a quarter of respondents in Denmark and Finland agreed that corruption was a problem in their countries.

Figure 4.37 Percentage Agreeing that Corruption is a Major Problem in their Country, European Comparisons, Selected Countries, 2007



Source: Special Eurobarometer, 291, 2008.

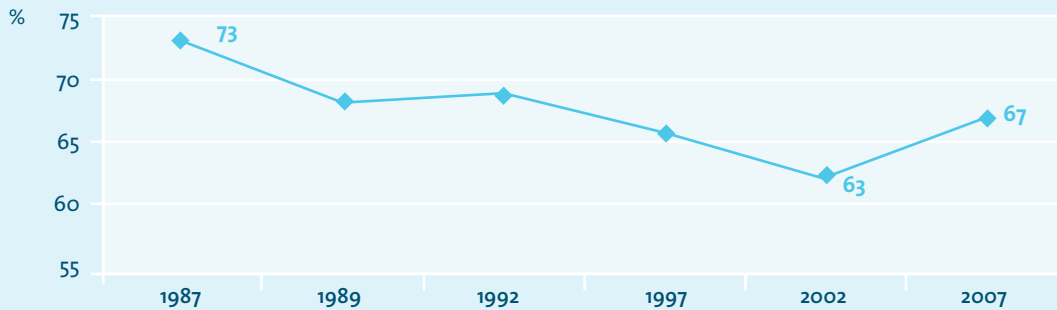
Voting

The most transparent way of exercising political rights is through voting in democratic elections. A high voter turn-out is a sign that a country's political system has a high degree of legitimacy (OECD, 2007a: 102). Figure 4.38 shows that voter turn-out has been declining in Ireland, from 73 per cent in 1987 to 63 per cent in 2002. It has shown a slight increase in 2007 to 67 per cent. The overall decline was in line with falls in voter turn-out across Europe. However, the turn-out in Ireland was lower than in most other European countries, falling below the EU average for the 2002-2007 period, with a 67 per cent turn-out, compared to an EU 27 average of 70 per cent.⁹¹

90. It is noted that this was before the economic crisis.

91. It should be noted that voting is compulsory by law in Belgium, Cyprus, Greece, Italy, Luxembourg, the Netherlands and parts of Austria and Switzerland and for the French Senate.

Figure 4.38 Percentage Voter Turn Out in Dáil Elections, 1987-2007



Source: CSO, 2008a: Table 4.10.

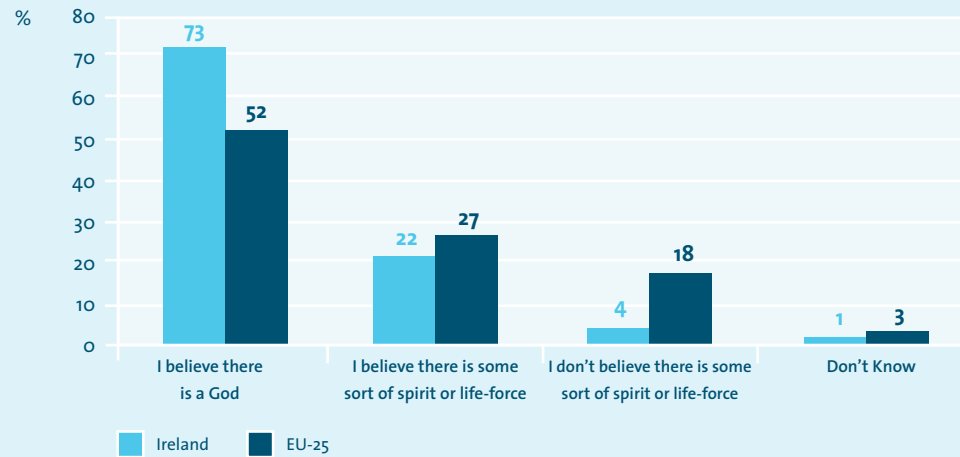
ICT

Having a good information base is an important part of being able to exercise one's democratic rights (Sen, 1999). Information comes in many forms, but in today's world access to the internet is a vital source of information for conducting private and commercial business. In 2008, 62 per cent of households in Ireland with at least one person aged 16-74 were connected to the internet, and 43 per cent had a broadband connection (CSO, 2008e). Despite households with a broadband connection having increased from 7 per cent in 2005, Ireland still lagged behind many European countries such as Netherlands and Denmark where three-quarters of all households had a broadband connection.

Beliefs

A key element of individual well-being is having a sense of purpose or belief. The Eurobarometer asks people about their beliefs and the results for Ireland and the EU25 are presented in Figure 4.39. The results of the survey showed that people in Ireland had a high level of spirituality or religiosity; over 70 per cent of respondents in Ireland in 2005 believed there is a God, while a further 20 per cent believed there is some sort of spirit or life force. Just over 50 per cent of respondents across the EU25 believed there is a God.

Figure 4.39 'Which of these Statements comes closest to your Beliefs?', Ireland and the EU, 2005

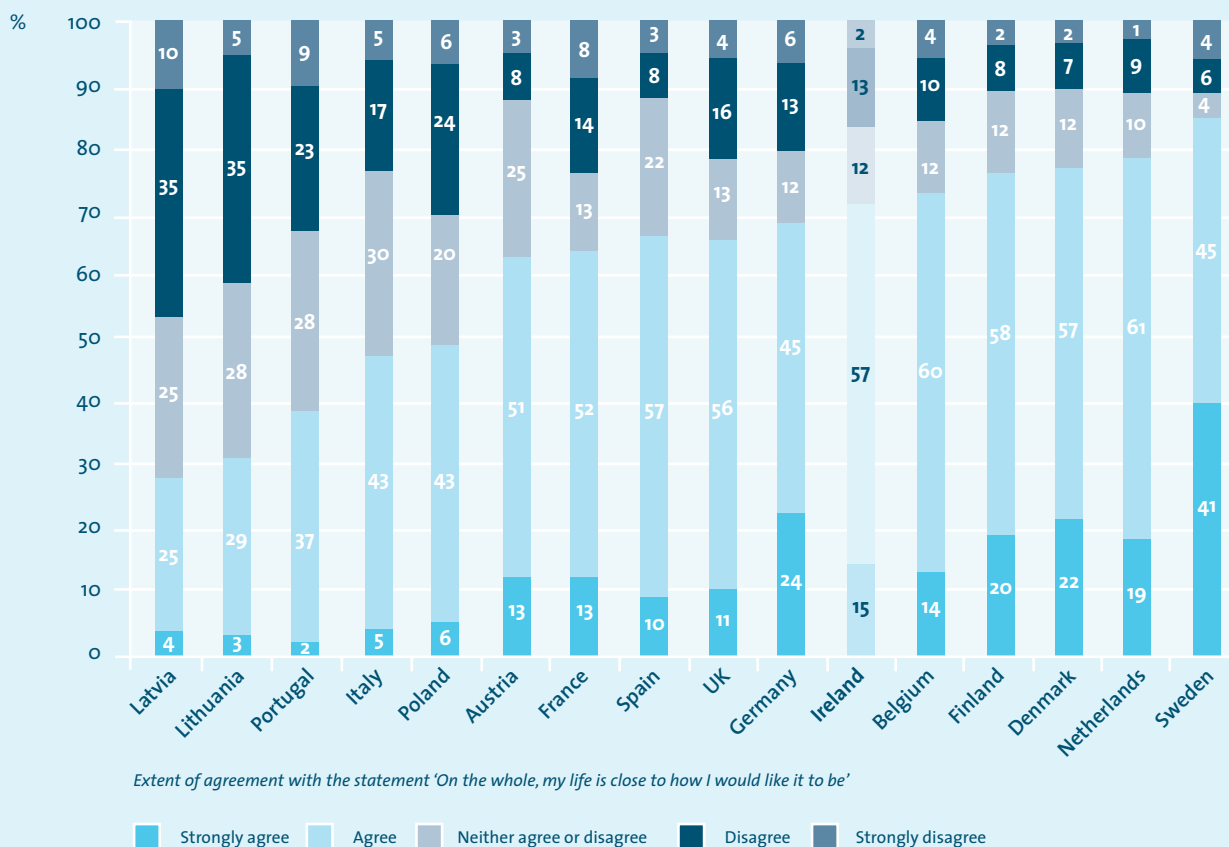


Source: Special Eurobarometer 225, 2005: 9.

Sense of Fulfilment

A central part of well-being is a sense of purpose and fulfilment. The European Quality of Life Survey (2007) tries to capture the sense of fulfilment in life by asking respondents to what extent they agree with the following statement: 'On the whole, my life is close now to how I would like it to be', with a choice of five responses – 'strongly agree' to 'strongly disagree', see Figure 4.40. There is large variation between countries, but Ireland is towards the upper end, with more than 70 per cent of respondents reporting that they have life as they want it to be. The European Foundation (2009: 19), who reported the findings of the survey, found that poor health, unemployment, low income, and not having a partner, especially for lone parents, diminished the likelihood of having a life close to the ideal. The circumstances of some people in Ireland will have changed in this direction, since the survey was carried out in 2007.

Figure 4.40 Sense of Fulfilment, European Comparisons, 2007



Source: European Foundation for the Improvement of Living and Working Conditions, 2009:19 based on European Quality of Life Survey, 2007.

Impact of the NI Conflict on the Island of Ireland

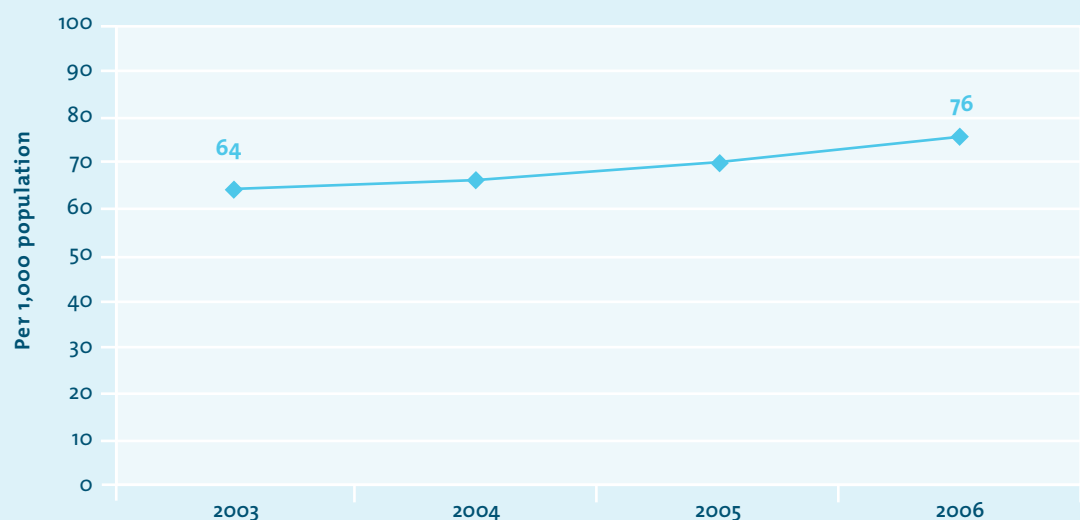
A peaceful society is central to individual well-being and a good society. For more than a quarter of a century, from the early 1970s to the mid 1990s, there was a conflict on the island of Ireland, mainly but not exclusively in Northern Ireland. In the order of 3,600 people died and 45,000 were injured as a result of the conflict (Hillyard *et al.*, 2005: 6). However, the impact of the conflict impacted much more widely on the well-being of individuals, families and communities. In Northern Ireland an estimated 88,000 households were affected by the loss of a close relative and 50,000 households contained someone injured in the conflict. Around 28,000 people were forced to leave work because of intimidation, threats or harassment, and 54,000 households were forced to move house for similar reasons (Hillyard *et al.*, 2005: 6). Levels of domestic violence remain relatively high, as does the level of suicides among young males.

Research on conflict societies (summarised in Hillyard *et al.*, 2005) shows that societies that are more equal tend to be more stable and more socially cohesive. High levels of inequality are more likely to lead to unrest and increased levels of violence, and provide a context for grievances to become politicised. Experience from other conflict societies has shown that in reconstructing society after conflict there is a need to focus on social issues, reconciliation and civic participation as well as physical and economic reconstruction in order to build lasting peace and reconciliation. Peace agreements are an important framework for reconstruction. Following twenty-five years of conflict, the ceasefires of 1994, the Good Friday Agreement of 1998 and the St Andrews Agreement of 2006 have brought peaceful stability to the island of Ireland. The operation of these Agreements has signalled a new era of co-operation between Ireland and Northern Ireland to the benefit of both parts of the island. While elements related to the legacy of the conflict remain to be addressed, particularly in the Irish counties bordering Northern Ireland, much progress has been made. However, to ensure a strengthening of the peace process and the promotion of well-being will require continual policy vigilance.

Crime Incidents

The ongoing prevalence of crime in our communities can affect individual and community well-being. In Ireland there has been an increase in recorded crime incidents over the period 2003-2006, see Figure 4.41 The number of recorded incidents increased from 64.2 per 1,000 population in 2003 to 75.6 per 1,000 population in 2006⁹² (CSO, 2008a: 63).

Figure 4.41 Recorded Incidents per 1,000 Population, 2003-2006

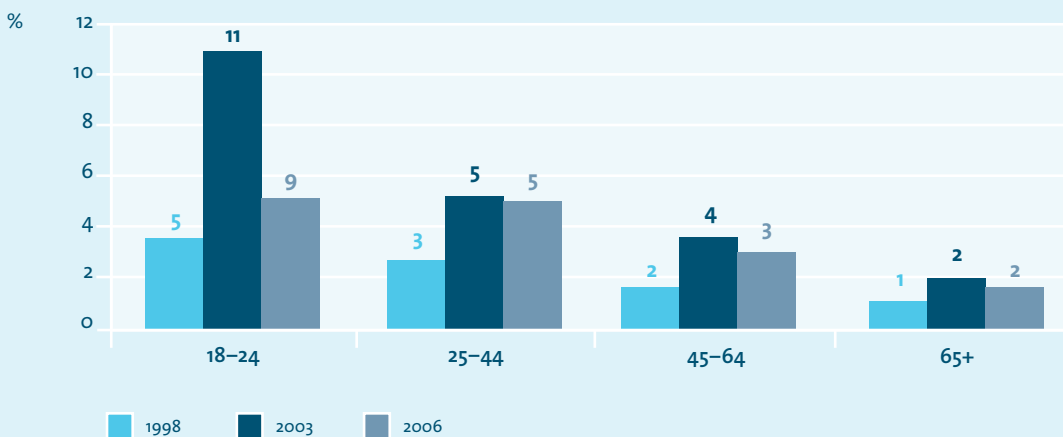


Source CSO, (2008: 63), *Measuring Ireland's Progress*, 2007.

92. Overall increases can be due in part to increases in reporting of crime as well as increases in incidences of crime.

The crime and victimisation module in the Quarterly National Household Survey (2006) provides information on respondents' experiences and opinions on crime in the previous twelve months. The statistics differ from official Gardaí statistics, as they include both reported and unreported crime, respondent's perceptions and opinions and the demographic characteristics of victims.⁹³ Between 1998 and 2006, crime victimisation was highest for those aged 18-24, with incidence decreasing throughout the life course. Crime victimisation rose for all age groups in 2003, and subsequently decreased across the board in 2006, see Figure 4.42.

Figure 4.42 Victims of Crime by Age Group, 1998-2006



Source: CSO 2007c, based on Crime and Victimisation, QNHS Survey 2006.

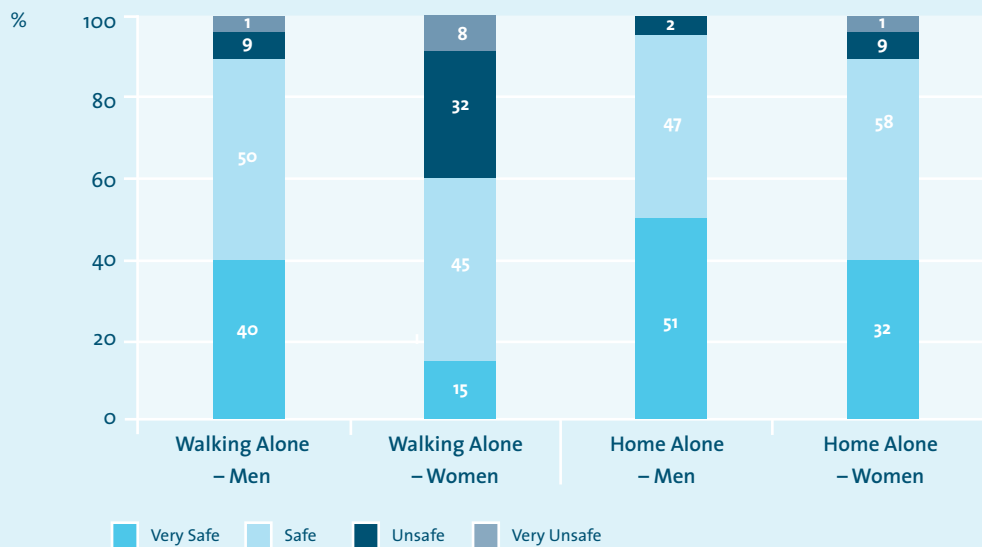
Theft without violence was the most common type of crime recorded in the QNHS survey, followed by theft with violence and physical assault. Crime victimisation was more likely to take place in an urban location than in rural areas in 2006.

Perceptions of Safety

People's perception of safety in their own homes or neighbourhood remained stable over the period 1998-2006, even though the risk of being a victim of crime in Irish society almost doubled. Nearly 95 per cent of people felt safe in their own homes after dark and almost 75 per cent felt safe walking alone in their neighbourhood after dark, see Figure 4.43. Just over half (51 per cent) of those surveyed rated the Gardaí in their local area as 'good' or 'very good', declining from 63 per cent in 1998. People who had been victims of crime showed a higher level of dissatisfaction with the Gardaí than those who were not victims of crime.

93. The collection, interpretation and presentation of crime statistics is complex. Crime statistics can be provided from administrative sources, eg. Gardaí statistics or from surveys. Gardaí statistics can only reflect crimes which become known to them or are reported to them, but they are generally the most up to date. Crime statistics can also be collected through crime and victimisation surveys. The results presented here are from the CSO Crime and Victimisation Survey carried out as a QNHS module in 2006. The CSO survey asks people aged 18 and over about crime. It does not include questions on domestic violence or sexual assault. The EU International Crime Survey asks people aged 16 and over and includes domestic violence and sexual assault. Crime rates are slightly higher from this source as it is likely that those in their late teens can be more vulnerable than average to some crime types. The CSO is likely to include those 16 and over in future Crime and Victimisation surveys and will also ask about sexual and domestic assault (including the offer of specific supports, if required).

Figure 4.43 Men and Women Aged 18 and Over by How Safe they Feel, 2006



Source: CSO 2007c, based on Crime and Victimization, QNHS Survey 2006.

Domestic Violence

Domestic violence is a particularly insidious crime as it is often hidden and undermines individual and family well-being. Domestic violence refers to the use of physical or emotional force or threat of physical force, including sexual violence, in close family relationships. This includes violence perpetrated by a spouse, partner, son or daughter or any other person who has a close relationship with the victim. The overwhelming burden of partner violence is experienced by women. It occurs in all social classes and is equally prevalent in both rural and urban Ireland (Office of the Tánaiste, *Report of the Taskforce on Violence Against Women, 1997*).

Research by Women's Aid (Kelleher P & M O'Connor, 1995) found that 18 per cent of women had been abused at some stage of their lives. Domestic violence has severe and persistent effects on physical and mental health and can lead to premature death and disability. Domestic violence affects children, especially where children are present when violence is taking place. Responses to domestic violence require a continuous process of support and assistance tailored to particular needs. Services for women and children need to offer immediate safety from violent attack, practical advice and support to live free from violence and harassment, together with aftercare support and counselling (*Taskforce on Violence Against Women, Office of the Tánaiste, 1997: 11*). There is a need to compile regular and up-to-date statistics on the nature and extent of the problem.

Equality and Rights

The final part of this section specifically addresses the issue of equality and rights. In the past, the Council has identified the importance of citizenship rights and acknowledged that citizen rights encompass not only the core civil and political rights, but also social, economic and cultural rights. These rights and obligations are embedded in political culture and underpin equality of opportunity and policies on access to education, employment, health, housing and social services (NESC, 1999 and 2002). Ireland is a signatory to the UN Declaration of Human Rights and has put in place an important human rights and equality infrastructure, including the establishment of the Human Rights Commission and the Equality Authority.

A CSO survey on equality (2005) found that 12.5 per cent of the population aged 18 and over had experienced discrimination in the previous two years on the nine grounds covered by the equality legislation.⁹⁴ In 2007 under the Employment Equality Acts, the highest areas of Equality Authority casefiles were on the grounds of age, followed by race, gender and disability. Under the Equal Status Acts (access to services), disability was the highest area of casefiles, followed by membership of the Traveller community, age, race and gender. A recent report by the EU Fundamental Rights Agency on homophobia and discrimination on the grounds of sexual orientation and gender identity in the EU member states (2009: 6), reported the results of a July 2008 Eurobarometer Discrimination Survey which showed that, on average, over half of EU citizens consider that discrimination on grounds of sexual orientation is widespread in their country.

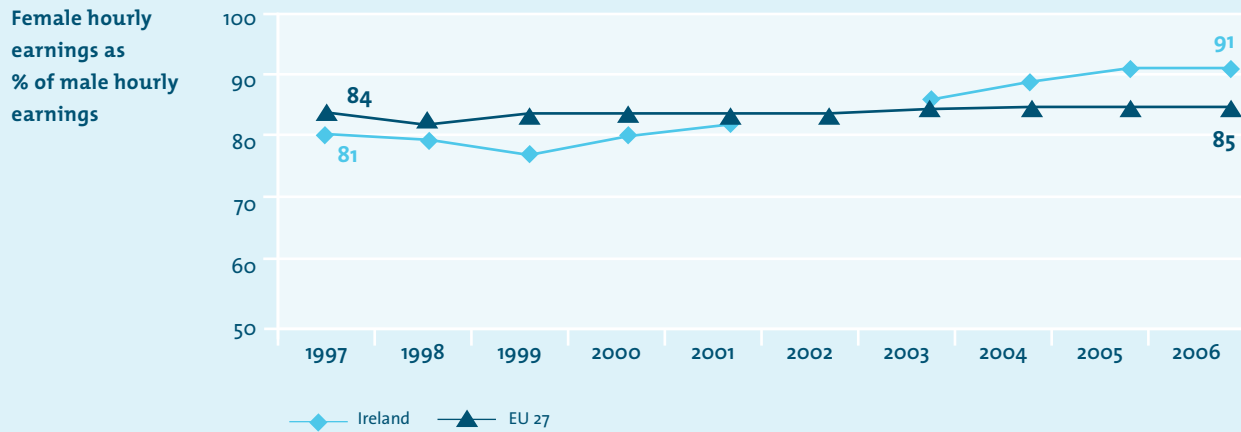
Gender Wage Gap

In this chapter three indicators of equality are presented: the gender wage gap, women in decision-making and experience of discrimination by ethnic minorities. Gender differences in wages provide an indicator of the degree to which men and women do or do not receive equal incomes from paid work. The gender wage gap is particularly important in the light of women's increasing participation in the paid labour market and to achieve equal opportunities. Figure 4.44 shows the gender pay gap in Ireland compared to the EU 27 between 1997 and 2006. In 1997, women's hourly earnings were 81 per cent of men's gross hourly earnings in Ireland compared to 84 per cent in the EU as a whole. By 2006 this proportion had increased to 91 per cent in Ireland compared to an EU average of 85 per cent.⁹⁵ Ireland had the fifth lowest gender pay gap of those EU 27 countries who provided data for 2006.

94. The nine grounds covered by the equality legislation are: gender, age, disability, race, membership of the Traveller community, religion, family status, sexual orientation and marital status.

95. Persons working less than fifteen hours per week are excluded from this indicator. These persons are more likely to be female and on lower incomes. It should be noted that the calculation of the gender pay gap is under review at EU level.

Figure 4.44 Gender Pay Gap, Ireland and the EU, 1997-2006⁹⁶



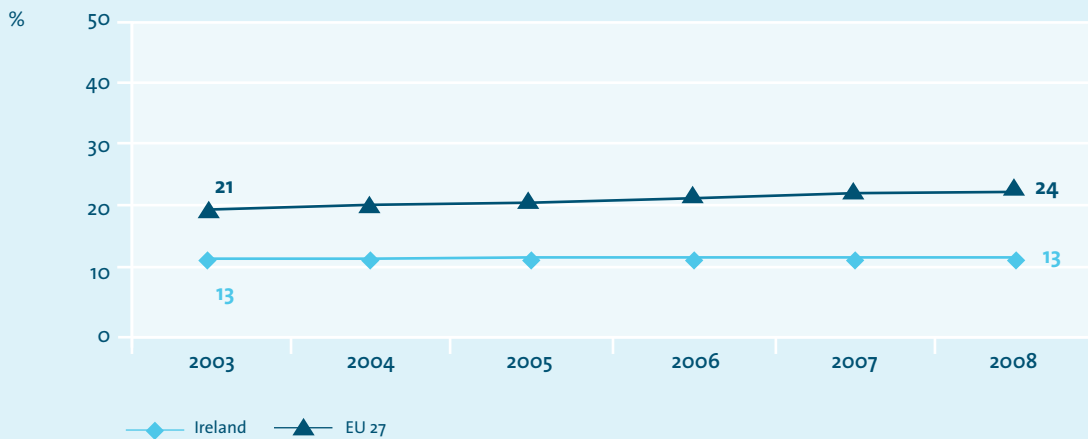
Source CSO, (2008a: 44) *Measuring Ireland's Progress, 2007*.

Women in Decision-making

Participation in decision-making is an important exercise of rights and can reflect inclusion and equality in society. Figure 4.45 shows Irish female representation in the national parliament over the period 2003 to 2007, compared to the EU 27. In the 2007 general election in Ireland, only 13 per cent of TDs elected to the Dáil were women. This placed Ireland 23rd out of 27 member states in the EU in relation to the proportion of women elected to parliament. The Nordic countries had the highest participation of women in their national parliaments with rates of over 47 per cent in Sweden and 42 per cent in Finland in 2007. Women were also under-represented in regional and local decision-making structures in Ireland in 2008, with men accounting for 85 per cent of representatives of regional authorities and 83 per cent of representatives of local authorities (CSO, 2009b: 21).

96. EU 27 figures are Eurostat estimates. 2004 and 2005 data for Ireland are provisional. There is a break in the series for Ireland in 2003.

Figure 4.45 Percentage of Female Representatives in National Parliaments, 2003-2007



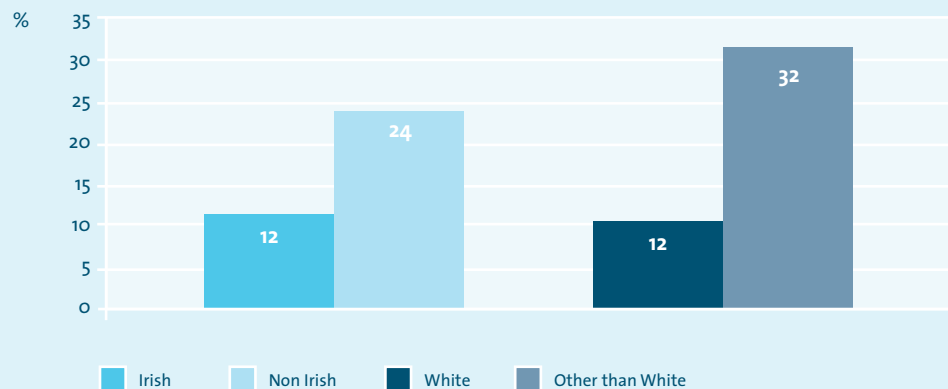
Source CSO, (2008a: 44) *Measuring Ireland's Progress, 2007* and CSO (2009b:21) *Women and Men in Ireland, 2008*.

Equal participation and representation of men and women in decision-making is one of the five objectives of an EU Council Decision adopted in 2000 for a Community Framework Strategy on Gender Equality. In future, it would be useful to also present representation in national parliaments of other 'equality' grounds, such as people of different ethnic backgrounds and people with a disability. Well-being arguments as articulated by Sen (1999) suggest that democracies which represent the whole population promote individual and societal well-being.

Discrimination on the Grounds of Cultural Identity

The ability to express one's cultural identity is an important feature of individual and collective well-being. Discrimination and racism undermines the ability to freely express that cultural identity. Figure 4.46 shows that people of non-Irish nationality, and those from non-white ethnic backgrounds, both reported considerably higher levels of discrimination than Irish people and people of a white ethnic background, respectively, with 31.5 per cent of those with an ethnic background other than white reporting some form of discrimination in the previous two years. The data does not specifically identify members of the Traveller Community as an Irish ethnic group, but other evidence has documented high levels of discrimination against members of the Traveller Community. Where the perceived grounds for the discrimination were race, skin colour, ethnic background or nationality, discrimination was mentioned most often in the areas of transport, shops, pubs and restaurants, looking for work and accommodation (Nolan & Maître, 2008: 49).

Figure 4.46 Discrimination among Ethnic Minorities, 2004



Source CSO (2005) *Quarterly National Household Survey, Q4 2004: Equality*.

Summary

The quality of government, involvement in a democratic and peaceful society, and the exercise of rights and equality safeguards are important elements of individual and societal well-being. Trust in political institutions is critical for the functioning of democracy: surveys have found a declining level of trust in national institutions. Voting is a demonstrable exercise of one's democratic right. Voter turn-out has been declining in Ireland, in line with other European countries. Access to information is an important part of exercising democracy, with electronic information playing an increasing role in modern societies. Just over half of Irish households had access to the internet in 2008. A key element of well-being is having a sense of purpose or belief. Irish people have a high level of spirituality and religiosity, and a relatively high sense of fulfilment in life. Poor health, unemployment, low income, and not having a partner diminishes the likelihood of having a fulfilled life.

A peaceful society is central to individual well-being and a good society. One of the most significant political developments in the last fifteen years has been the achievement of peace on the island of Ireland, the signing of the Good Friday Agreement and stronger productive and co-operative relationships between Ireland and Northern Ireland. However, the ongoing prevalence of crime can affect individual and community well-being. There has been an increase in recorded crime in recent years. Despite this, the majority of the population felt safe in their own homes and walking alone in their neighbourhood after dark. Confidence in the Gardaí has declined. Domestic violence continued to be a hidden and insidious crime undermining individual and family well-being.

Finally, it is important that good societies are underpinned by citizenship rights. Ireland has had a progressive rights and equality infrastructure. On two selected indicators of equality, women have remained under-represented in national, regional and local decision-making structures, but have made progress in reducing the gender pay gap. In relation to the expression of cultural identity, people of non-Irish origin and from an ethnic background other than white experienced higher levels of discrimination than the native Irish and white population in Ireland.

4.9 Summary Overview

Ireland has experienced profound demographic, economic, social, and environmental changes over the last twenty years which have impacted on the well-being of its citizens and society as a whole. Despite mainly overall positive trends, social deficits have remained for a significant minority of people. The key trends are summarised as follows.

Demographically Ireland has become a much more diverse country. Population levels were at their highest in 2006 since 1861. In 2006, births continued to exceed deaths, but it was in relation to immigration where there were the largest changes. Some 11 per cent of the population in 2006 were non-Irish nationals deriving from 188 different countries. The majority of immigrants came to Ireland to work. They were spread throughout the country with concentrations in the larger cities, especially Dublin and its hinterlands. Population growth in the state was not evenly spread so that some parts of the east were experiencing congestion in relation to services while some inner city and rural areas were losing population.

In relation to **economic resources** incomes in Ireland grew substantially from the mid 1980s to the mid 2000s. Incomes rose with the availability of jobs and dual earner households. Social welfare incomes also increased. Income inequality remained relatively high with some evidence of a widening gap at the very top end. The proportion of people experiencing low income and deprivation fell, but levels of income poverty remained relatively high. Some population groups had high levels of consistent poverty – lone parents, the unemployed and people who were ill or disabled. Associated issues were the number of people who were in paid employment who were at risk of poverty (the ‘working poor’) and the high level of debt among some groups in the population, especially households with children, and lone parents in particular. The economic recession is likely to accentuate these problems.

Participation in work and education is important for well-being, with unemployment being one of the most damaging influences on individual and societal well-being. Unemployment plummeted to an all-time low in 2001 and employment grew, largely driven by an increase in women’s participation, and then through immigration. Because of the strong negative impact of unemployment on individual, family and community well-being, the economic recession and the large numbers of people who have recently become unemployed are of immediate concern. The increasing participation of women in the work force and congestion in certain parts of the country raised concerns about work/life balance. While, on the whole, a high level of work satisfaction was reported, there was some evidence

of stress points, especially for women who had high levels of ‘committed time’ in their work and family lives. The most stressful situation however, was loss of a job. Educationally, Ireland became much more qualified with 29 per cent of the population (15-64) holding a third level qualification in 2008. Despite this progress, more than 10 per cent of our young people still left school early, with low literacy levels remaining an issue among sections of the population.

Intimate and stable *relationships* are central to an individual’s well-being, while the disruption of relationships through marital or relationship breakdown, or bereavement, is detrimental for the well-being of individuals and for children. Household and family structures in Ireland have become much more diverse and complex. There was evidence of stability in relationships with a growth in marriage, including second marriages, and in cohabitation. There was a reduction in the number of children per household as families became smaller. Separation and divorce increased, albeit from a relatively low base. Lone parents and older people living alone make up substantial proportions of our households. These household types are vulnerable to poverty, social isolation and loneliness. Being widowed and not being in paid employment are strong predictors of loneliness, which can impact negatively on mental health and well-being. An important relationship issue is the provision of *care* for both care giver and care receiver. Much care in Ireland is provided on an unpaid basis by family members to other family members, relatives or friends who require care because of disability, old age or long-term illness. The importance of care and its impact on the well-being of both individuals and wider society needs to be more widely recognised and valued.

The *community and environment* within which people live have an important bearing on an individual’s well-being. Central to this is for people to have affordable accommodation of good quality in a sustainable community and good environment – ‘a place they can call home’. The economic boom years saw dramatic increases in the availability of private houses, and in their prices. That situation is now changing with a sharp reduction in construction. The situation was more difficult for those in the public and private rental markets. The limited availability of local authority housing failed to meet needs and local authority waiting lists grew during the economic boom years. The private rental market was particularly affected by high rents, which impacted on people’s access to private rented property, in many cases making private renters dependent on state supports. An immediate priority is the provision of social and affordable housing in sustainable and integrated communities to meet current and anticipated housing needs. Throughout Ireland most people report that they can get help from their neighbours if they need it. Volunteering and community participation does not seem to be in decline, with one in six of the adult population taking part in voluntary activities. Environmental issues have gained a higher profile recently amid increased concerns of global warming and climate change. Ireland still has some way to go to meet agreed Kyoto targets on greenhouse gas emissions. Increasing car use has contributed to our increasing emissions as well as increased journey times and congestion.

Health is important for individual and societal well-being. In line with western societies generally, longevity is increasing in Ireland with men now living, on average, beyond their mid 70s and women into their early 80s. However, longer life expectancy is associated with higher levels of chronic illness. Nevertheless, the majority of people perceived their health to be good, although people's perception of, and experience of, access to healthcare services in Ireland was on the whole below the European average. Levels of psychological stress declined during the Celtic Tiger years, but may see an increase in a period of economic recession. Positive mental health ('flourishing') is associated with having access to a job, an adequate income, a good education, and having close supportive relationships. However, there is a strong association between mental disorder and risk factors for chronic diseases such as smoking, reduced activity and poor diet. Physical activity levels increased over the last twenty years, having a beneficial effect on our health and well-being. In relation to diet, we have increased our intake of fruit and vegetables, but consume high levels of fat, sugar and salt. Between one-half to two-thirds of Irish adults can now be classified as overweight or obese, with potential health problems associated with being overweight. Nearly one-third of us continued to smoke, and we have high rates of alcohol consumption compared to EU averages. Differences were observed across population groupings: people with lower levels of education, low income and in unskilled occupations were more likely to have poorer levels of health, less access to treatments and services and to report higher risk factors in relation to health and well-being. Health behaviours are influenced by a wide range of socio-economic and cultural factors.

The operation of **democracy and values** of citizenship are central to people's well-being. This domain of well-being encompasses the quality of government, involvement in democratic society, the absence of violence, the exercise of rights and equality safeguards, and the expression of cultural identity. Surveys showed a declining level of trust in national institutions and a decline in voter turn-out. A key element of well-being is having a sense of purpose or belief. Irish people report a relatively high sense of fulfilment in life; but poor health, unemployment, low income, and not having a partner diminishes the likelihood of having a fulfilled life. At an all-island level one of the most significant developments in the last fifteen years has been the achievement of peace and stronger relationships between Ireland and Northern Ireland. However, at national level there was an increase in recorded crime. In relation to the realisation of citizen's rights, despite Ireland having had a progressive rights and equality infrastructure, women remained under-represented in national, regional and local decision-making structures, but made some progress in reducing the gender pay gap. With regard to the expression of cultural identity, people of non-Irish, non-white ethnic background experienced higher levels of discrimination than the native Irish population.

In *conclusion*, Ireland became a much better place from the mid 1980s to the mid 2000s across a range of well-being indicators. Despite these positive developments for the majority of the population, social deficits remained for a substantial minority. Many of the positive aspects are now changing as Ireland feels the impact of downturns in both the national and global economies. In the aftermath of a period of strong economic growth and social progress, weaknesses and vulnerabilities remain to be addressed. These will be explored further in relation to the well-being of children, people of working age, older people and people with disabilities in Part IV, Volume II of this report. In these more difficult times we need to minimise, as far as possible, substantial deterioration in people's current situation by ensuring the social infrastructure built up on the last number of years is not dismantled.



PART III

Recasting
Well-being
in Ireland

Part III, *Recasting Well-being in Ireland*, contains one chapter on well-being in Ireland at a time of change. The initial sections of the chapter summarise why we are concerned with well-being, restate what we understand well-being to be and how it has been applied in this report. Section 4 summarises the key well-being trends for each of the six well-being domains, while section 5 discusses the relevance of well-being in a recession.

Sections 6, 7, 8 and 9 set out the main conclusions and recommendations of the report. Section 6 presents the well-being implications of the report's findings in the current Irish context. The next section discusses the main policy directions emerging, suggests a well-being test and sets out some policy priorities. Section 8 looks at policy implementation and highlights some of the challenges in implementing a developmental welfare state approach. Section 9 draws some preliminary conclusions on policy monitoring. Section 10 presents suggestions for future social reporting and the final section provides an overview of the main conclusions.

It should be noted that well-being trends in the policy context across the life cycle for children, people of working age, older people, and people with disabilities are contained in Volume II of the report. Some of the conclusions in this chapter are drawn from material presented in Volume II.

5

Ireland's Well-being at a Time of Change

5.1 Why a Concern with Well-being?

This report has been concerned with people's well-being for a number of reasons:

- i. We need something more than GDP to measure progress;
- ii. Because of the central role of people in economic and social progress;
- iii. Because people care about their well-being and are increasingly reflecting on what contributes to it; and
- iv. To assist in monitoring the impact of policy actions on policy outcomes.

Firstly, GDP is a measure of economic activity and production in a country. Most people would accept that it is not a good measure of the well-being of an overall society or of the well-being of individuals within a society. There are two particular limitations of GDP as a measure of social welfare or social well-being. First, it is clearly a one-dimensional indicator, that ignores many dimensions that have long been recognised as essential, for example, children's education, health, affective relationships; and some that have more recently been recognised, for example, clean, safe and aesthetic environments. Second, it is an additive measure (national GDP is the sum of different incomes) and therefore ignores the many complexities in the relation between individual well-being and collective well-being. Hence, we require other measures of well-being. This report has documented some of these.

Secondly, as highlighted throughout this report, it is the qualities of its people which are central to the progress of the Irish economy and to the development of its society. In its report on the economic crisis (NESC, 2009) NESC argued that the capacity to engage the ability and energy of the Irish people is pivotal in tackling the crisis. It is for these reasons—the development of our society and the progress of our economy—that we should be concerned about people's well-being.

Thirdly, people care about their own well-being, and the well-being of their families, their communities and wider society. This has become more obvious in the current economic context as people are increasingly reflecting on what contributes to their well-being. People's well-being is a combination of their own innate and developed capabilities and the context within which they function.

Fourthly, there is a concern about improving social policy outcomes. By documenting key social trends and aligning these to policy goals and actions, a report on social well-being can make a contribution towards assessing social policy outcomes.

At a time of economic recession we hope that this report can provide an opportunity to reflect on the well-being of individuals and of society. While acknowledging the economic reality in terms of the affordability of specific programmes, the report is more concerned with how we might look at, and do, things differently in the future.

5.2 Well-being – What is it?

A person's well-being relates to their physical, social and mental state. It requires that basic needs are met, that people have a sense of purpose, that they feel able to achieve important goals, to participate in society and to live the lives they value and have reason to value.

People's well-being is enhanced by conditions that include financial and personal security, meaningful and rewarding work, supportive personal relationships, strong and inclusive communities, good health, a healthy and attractive environment, and values of democracy and social justice. Public policy's role is to bring about these conditions by placing the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and ensuring the supports are available to address those risks at key stages in his/her life.

The understanding of well-being used in this report is underpinned by a diverse literature on the subject (reviewed in Chapter 2). This literature has two related components. The first is that based on the centuries-old conceptual understandings of 'human flourishing' which incorporate the idea that well-being is about having a sense of purpose in life, participation in civic life, having friends, loving and being loved.

The second component is that derived from an emerging body of empirical social science which begins from the premise that we need something more than GDP as an indicator of progress. A wide range of social indicators and associated approaches have been developed as alternatives to GDP (see Chapter 3 of this report).

A review of the literature and evidence has led us to the conclusion that there are a number of fundamental elements to an individual's well-being. In applying the body of wisdom and research on well-being, we have to focus on aspects of well-being for which data are available. Hence, as explained in Chapter 2, we focus on six domains of well-being, on which a certain amount of data are available, as follows:

- ◆ Economic resources;
- ◆ Work and participation;
- ◆ Relationships and care;
- ◆ Community and environment;
- ◆ Health; and
- ◆ Democracy and values.

While these domains strongly reflect key insights in thinking on well-being, we recognise that they do not capture certain aspects of that body of wisdom. In particular, they make only limited references to the aesthetic and spiritual dimensions of well-being.

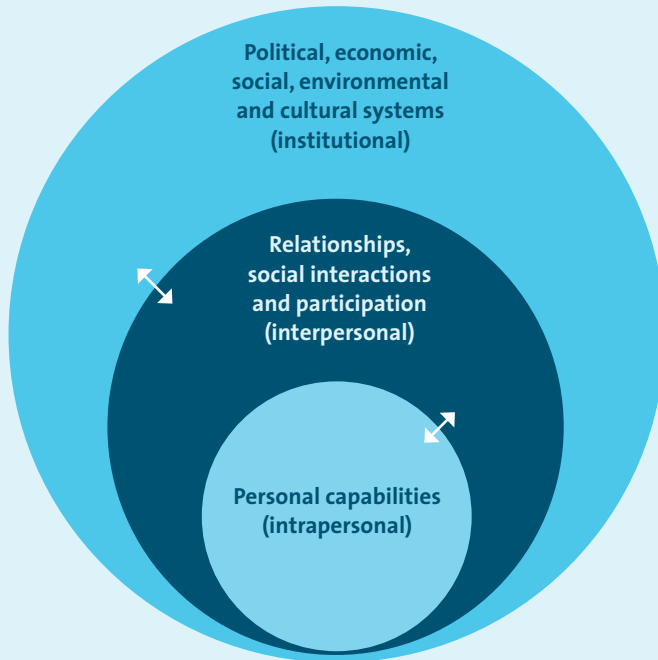
Longstanding and recent evidence would suggest that all of these domains of a person's life are important for their well-being. The emphasis given to each may depend on an individual's particular circumstances or the situation in which they find themselves. Most individuals live in a family (or have family connections), in a community which is part of the wider society, environment and economy. These elements of a person's life are interconnected. People's well-being is also affected by comparing themselves with those around them and by the values set in wider society.

The relationship between individual and collective well-being has always been seen as important, but the nature of the relationship has been hard to characterise. Throughout history successive efforts to characterise the connections between individual and collective well-being have turned out to be contestable and in need of revision. Indeed, in western thought many believe that the search for an invariant or universally compelling account of individual and societal well-being is difficult to achieve. This is so, in part, because the nature and context of each individual's well-being involves a unique combination of the six domains of well-being discussed above. An implication of this perspective is that individual and collective well-being are constructed and re-constructed in processes that include individual reflection and social interaction.

The analysis and pursuit of well-being in this context of individual difference and value pluralism has important implications for the way in which we think about the role of public policy. Specifically, it implies that public policy should aim to secure and provide three kinds of 'goods': sufficient freedom for each individual to define and pursue their idea of the good life; a degree of order and uniformity, to protect both the individual and the common good; and a range of public and private goods, tailored to individual needs. Individuals have a responsibility to the collective, but at the same time, institutions have a shared responsibility to promote individual and collective well-being.

The thrust of these ideas can be expressed diagrammatically in Figure 5.1. The figure illustrates the interaction between people's capabilities at a personal level, relations and social interactions with family, friends, and communities, and the wider institutional environment within which they exist.

Figure 5.1 Conceptual Understanding of Well-being



In line with Sen (1999) it is argued here that people's capabilities can be enhanced by public policy, but also that public policies can be influenced by participatory democracy. People live and operate in a world of institutions (the market, the democratic system, the public distribution system, civil society, the media), so that people's opportunities and well-being depend not only on what institutions exist, but on how they function. Democratic institutions are not just 'mechanical devices for development' but they are 'conditioned by our values and priorities, and by the use we make of the available opportunities of articulation and participation' (Sen, 1999: 158). In the changed and challenging economic circumstances institutions need to show resilience and to adapt to be 'fit for purpose' in the new environment.

5.3 Application of Well-being in this Report

Figure 5.2 summarises the structure of the main ideas in the report.

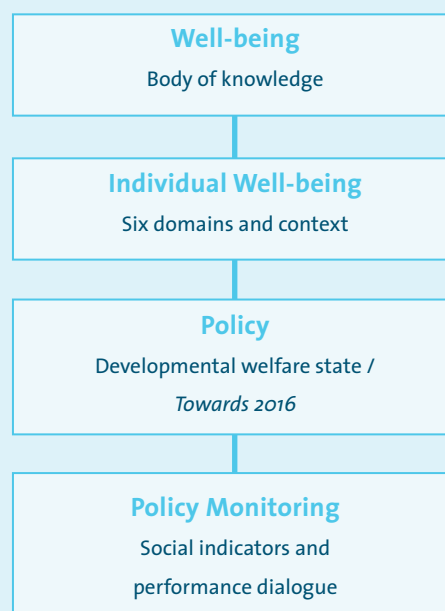
The body of knowledge refers to the literature on well-being which is reviewed in Chapter 2. It leads us to the conceptual understanding of well-being employed in this report and to the development of a well-being framework.

The individual well-being box in Figure 5.2 represents the application of the six domains of well-being. As noted elsewhere, the nature and context of each individual's well-being involves a unique combination of the six domains. While elements of well-being are innate within each individual, a key facet of well-being is social relations and interaction with the collective. Thus, the context within which individuals exist and

the opportunities they have to develop and utilise their capabilities influence their well-being. The institutional environment, including the prevailing values, is part of this context.

This context of individual difference and value pluralism implies that public policy should aim to ensure sufficient freedom for each individual to define and pursue their idea of the good life, to offer a degree of order and uniformity to protect both the individual and the common good, and to provide a range of public and private goods tailored to individual needs. The developmental welfare state promotes such an approach to social policy. Elements of this approach are re-articulated in *Towards 2016*. In Volume II of this report trends in the various domains of well-being have been documented for the life cycle stages of: children, people of working age, older people, and people with disabilities. The report seeks to link the key trends identified with policy commitments, commenting on areas where policy review and/or changes may be required and areas requiring improved policy monitoring.

FIGURE 5.2 Well-being, Public Policy and Monitoring



Policy monitoring implies the use of social indicators to inform the policy cycle by assessing the outputs and outcomes of policy interventions. Indicator and data gaps are identified, as well as some initial observations made on how a more structured dialogue on policy monitoring could be developed. The Office for Social Inclusion, through the Technical Advisory Group, is tasked with developing the type of data required for monitoring progress on the life cycle approach. In this report, analysing and commenting on key well-being trends and related policy outcomes facilitates a wider discussion of individual and societal well-being, thereby contributing to a wider democratic dialogue.

The next section of this chapter summarises the key trends emerging from the full report across the well-being domains. The following sections discuss the relevance of well-being in a recession and set out the implications for well-being, policy directions, and issues relating to policy implementation and policy monitoring.

5.4 Summary of Key Well-being Trends

The key trends for each of the six domains of well-being employed in this report (economic resources; work/participation; relationships/care; community/environment; health; and democracy/values) are summarised below. These trends are derived from a wide range of data, mostly collected and produced by the CSO (from the Census, EU Survey of Income and Living Conditions (EU-SILC), the Quarterly National Household Survey (QNHS), and the National Disability Survey (NDS), also from the Survey of Lifestyle, Attitudes and Nutrition in Ireland (SLÁN), the European Quality of Life Survey (European Foundation), as well as statistics from Eurostat, the OECD and others. It is noted that these trends provide an aggregate overview across the main domains of well-being. There is, however, much heterogeneity within each domain. Attention is drawn, in some instances, to characteristics of diversity, difference and disadvantage. First though, a summary of key demographic trends is provided. The data available to identify key trends do not yet fully capture the impact of the economic crisis.

5.4.1 Key Demographic Trends

Population levels in Ireland reached an all-time high (at the time of the 2006 population census) and the population is more diverse than it has ever been. This diversity is most noticeable in relation to an increasing ethnic mix with some 11 per cent of the population in 2006 being non-Irish nationals deriving from 188 different countries. There is also diversity in relation to family status and employment status, with a wide range of family types and various working arrangements. Ireland has a relatively youthful population with just under one-quarter of the population under 18 years of age. Despite a comparatively high fertility rate, our reproduction rate remains below replacement level. This has implications for the future if, as expected, net migration is outwards rather than inwards for the foreseeable future. Just 11 per cent of our population in 2006 was over 65, but this is set to increase in future, with a proportionate increase in the over 80s. By 2050 it is forecast that 'age dependency', as currently defined, (65s and over as a proportion of the working age population) will have increased to 45 per cent (from 17 per cent in 2005).

Just under 10 per cent of the population are classified as disabled, defined as having a long lasting condition or difficulty with certain activities. Disability increases with age, with mobility and dexterity problems being the most frequently reported disability type.

The population as a whole is not evenly spread throughout the country with some rural areas and inner city areas losing population and the east, particularly the hinterlands of Dublin, experiencing high population growth, at least until recently. Despite becoming more urbanised, approximately 40 per cent of the population in Ireland live in rural areas: the perceived advantages of rural living are negated for some by limited employment opportunities and/or lack of access to services.

5.4.2 Economic Resources – Key Trends

Incomes in the population have grown until very recently, both as a result of increased employment, higher wages and other earnings, and increases in social welfare rates. The level of income inequality remains comparatively high in Ireland, with a widening of incomes at the very top end of the income distribution. The risk of poverty has remained relatively high, but levels of deprivation and subsequently consistent poverty have fallen. The economic crisis and current recession has led to some people experiencing large and sudden drops in their incomes while others have seen a more gradual reduction. The data are not yet available to capture the extent and nature of these trends or their impacts. Nevertheless, levels of debt are becoming an increasing concern for many people.

Some sub-groups of the population remained vulnerable to poverty throughout the nineties and early 2000s, including lone parents, people who were unemployed, and people with a long-term illness or disability. People with disabilities can have additional costs associated with their disability. Children in Ireland have a relatively high risk of poverty which is related to their parent's educational level, and whether or not there are any adults working in the household. A job is not a guarantee of lifting people out of poverty as about 7 per cent of people who are working are at risk of poverty, and just under a third (31 per cent) of all households at risk of poverty are headed by a person in employment. Women's incomes remain below men's and older women living alone are particularly vulnerable to poverty. Pension coverage is comparatively low in Ireland with many people reliant on state pensions, which can place them at risk of poverty.

5.4.3 Work and Participation – Key Trends

Participation in meaningful activity contributes to human flourishing and well-being. Paid employment is one of the main expressions of participation and there was unprecedented employment growth in Ireland from the mid 1990s to 2007. Up to 2008 employment had been growing, reflected in an increase in both the participation of women and immigrants. However, employment rates for people with disabilities and members of the Traveller community remained low.

Unemployment is one of the most damaging influences on individual and societal well-being. Unemployment has been increasing at an alarming rate recently after falling to an all-time low. There has been a large increase in the numbers on the live register for men and women of all ages, but especially those aged 25-44, and non-Irish nationals, with some overlap between these two groups. In the context of the economic recession concerns have been expressed about a growth in long-term unemployment, in the 'black economy', and in undocumented workers and their families. These concerns place challenges on the social welfare, employment and training services, as well as being detrimental to well-being.

Modern demands have led to some 'conflicts of work-life balance', especially for women, although the evidence suggests that the most stressful work-related issue is unemployment or fear of unemployment. Nevertheless, for some households there are challenges in balancing work and life, with women in particular having high levels of 'committed time'.

The quality of work has been found to be linked to individual well-being with intrinsic rewards such as interesting work, security, autonomy and career prospects important for life satisfaction. Unpaid work in the home, voluntary work in the community, and in the provision of services, also makes an important contribution to individual and societal well-being. The contributions made by unpaid work in the home, in caring and in the community are not currently reliably quantified and recorded. However, they are recognised as important and are discussed here and in the other well-being domains of this report.

Educationally, we are more qualified than ever before. Nevertheless, about 10 per cent of young people still leave school early, with a related problem of low levels of literacy. Participation in life-long learning is relatively low. Ireland's early childhood care and development infrastructure is still comparatively poor and is one area of critical importance for the future of our children, our society and our economy.

5.4.4 Relationships and Care – Key Trends

Relationships are central to people's well-being. Developing bonds of love, care and solidarity between people through emotional and social relations gives people a sense of value and belonging, and of being appreciated, loved and cared for in our personal, community and societal lives. Although the quality of relationships is hard to measure, and mainly in the realm of people's private lives and social interactions, public policy does have an influence on this aspect of our well-being. Relationship breakdown and bereavement can be especially detrimental to people's well-being, with conflictual relationships having a particularly devastating effect on children. There is an increasing diversity and complexity of relationships in Ireland, and public policy can support stability, especially where children are involved, through the formal recognition of diverse relationships.

There has been evidence of increasing stability in relationships with the growth of marriage, including second marriages, and an increase in cohabitation. For example, there were 32 per cent more marriages per year in 2004 than there were in 1995; cohabiting couples accounted for 12 per cent of all family units in 2006 compared with 4 per cent in 1996; and the number of same-sex cohabiting couples recorded in 2006 was 2,090 compared to only 150 recorded in 1996 (see Chapter 4). A recession, which gives rise to financial worries, however, can put extra stress on relationships.

Lone parents and older people living alone now make up substantial proportions of our households. These household types are vulnerable to poverty, social isolation and loneliness. For example, nearly one-fifth of the over 65s feel lonely, with women and people in lower social class groups more likely to be lonely. Being widowed and not being in paid employment are strong predictors of loneliness, which can impact negatively on mental health and well-being.

An important relationship issue is the provision of care for both the care giver and the care receiver. Much care in Ireland is provided by and to family members on an unpaid basis, with many carers, who are mostly women, combining caring roles with paid employment or unpaid responsibilities in the home. Carers provide an invaluable service to those they care for, but it is a demanding and emotional responsibility. The importance of care, both unpaid and paid, and its impact on

the well-being of individuals and society is now coming into sharper focus. In this context there is merit in understanding care needs better: in recognising the contribution that women's unpaid caring work makes to our economic, social, political and emotional well-being as a society; in ensuring adequate terms and conditions for those who are paid to provide care; and in setting and applying standards to ensure the agency and protection of the person being cared for. One implication of a better understanding of care is the need to re-balance the unequal distribution of caring between women and men, and to more widely recognise and value the role of carers. In their recent publication on *Affective Equality: Love, Care and Injustice* Lynch *et al.*, (2009) argue for a greater understanding of the significance of care and relationships to well-being.

5.4.5 Community and Environment – Key Trends

The community and environment within which people live have an important bearing on their well-being. Central to this is affordable accommodation of sound quality in a sustainable community and a clean, safe and aesthetically pleasing environment – a place they can call home. The increase in privately owned houses (with large increases in house prices and large mortgages) were features of the boom years. So was the difficulty of access to affordable and social housing with many households in need of housing; the numbers on local authority housing waiting lists increased during the years of economic growth, with an estimated 56,000 households now in need of housing. The focus on well-being suggests that attention in the immediate future should be paid to the provision of social and affordable housing in sustainable communities, for those currently in need of housing and for those who will require it in future because of the impact of the recession. Substantial housing need has been identified for households with children. Other particularly vulnerable groups include Travellers, people leaving institutional care and people who are homeless or at risk of becoming homeless.

An important requirement of housing and community development is the provision of community facilities and civic space, particularly safe areas for children to meet and play. Throughout Ireland most people report that they can get help from a neighbour if they need it, and volunteering and community participation does not seem to be in decline. Social interaction is a central element of well-being, suggesting that community participation and voluntary activities should be further encouraged and supported.

The environmental dimension of well-being is widely recognised, with Ireland having to work hard to meet its internationally-agreed environmental commitments. For example, Ireland's greenhouse gas emissions per capita are the second highest in the EU, we generate a high level of waste per head, we need to improve our water quality, and to prevent further degradation of our biodiversity.

Ireland is one of the most car-dependent countries in Europe. Problems associated with car dependency calls our attention to the provision of public transport. The development of public transport provision has well-being benefits, especially for people with limited access to a car and in the interests of environmental sustainability. For example, better public transport provision, especially in rural areas, would bring a number of social, economic and environmental benefits,

such as social inclusion, rural development opportunities, and reduced greenhouse gas emissions (where public transport replaces car use).

5.4.6 Health – Key Trends

The health of the population overall is improving, as reflected in increased longevity and the majority of people stating that they perceive their health to be good. While most people report good health there has been an increase in chronic illness and in mental ill-health. One in four of us can expect to experience mental ill-health at some stage in our lives. Positive mental health ('flourishing') is associated with having access to a job, an adequate income, a good education, and having close supportive relationships. However, there is a strong association between mental disorder and risk factors for chronic diseases such as smoking, reduced activity and poor diet.

In our two-tiered health system, access to health care remains a serious issue, especially among some sub-groups of the population. In particular, the numbers of children on waiting lists remain high; and people with disabilities require a comprehensive range of supports. The demands on our health service are likely to increase as large budgetary reductions are sought and needs are likely to increase at a time of economic recession. These demands highlight the challenge of reforming how we deliver health care to make it fairer and more effective. In particular, the importance of recognising that most older people and people with disabilities who require support, wish to receive those supports in their own home, as far as is possible, to enable them to live independently.

People's health is affected by the socio-economic conditions in which they live and work and by their behaviours. Physical activity is seen as beneficial to health and, with increased awareness, it is encouraging that the level of physical activity in Ireland has increased. Nevertheless, one-fifth of the population remain inactive, the main reason proffered being time. Along with diet, nutrition and other factors, the level of physical activity influences our weight. More than half of adults in Ireland are now recorded as being overweight or obese, putting their health at risk. Tobacco use is a risk to health, yet one-third of adults (and just under 10 per cent of 9-17 year olds) smoke. Excess consumption of alcohol is also detrimental to the health and well-being of the individuals involved, their families and wider society, and in Ireland we have high rates of heavy drinking compared to EU averages.

Some sub-groups of the population are more at risk of poor health than others and have less access to treatments and services. These include people with lower educational levels, lower incomes and who are unskilled. It is relevant to note that health behaviours are influenced by a wide range of socio-economic and cultural factors.

5.4.7 Democracy and Values – Key Trends

People's well-being is affected by the values they hold and the values of the society within which they live. Features of society which influence individual and collective well-being include the quality of government, the ability of individuals to participate in decision-making, absence of violence and feeling safe, the exercise of rights, equality safeguards, and recognition of cultural identity. Access to information and transparency is an important dimension of exercising these rights. Availability of the internet is one measure of access to information and, on this measure, Ireland remains below

European averages, especially for older people. Declining levels of trust in national and other institutions have been observed, coinciding with a perceived lack of fairness in our society.

Trust is also damaged by crime and fear of crime, bullying, domestic violence, neglect and abuse. At an all-island level one of the most significant developments has been the achievement of peace and stronger relationships between the Republic of Ireland and Northern Ireland. However, at national level there has been an increase in recorded crime, with a majority of the population (and 90 per cent of the over 65s) believing crime to be a very serious problem in Ireland. One-quarter of young people in Ireland report that they have been bullied. Some children, and adults, are subject to domestic violence. There is an increasing awareness of the risk of poor treatment, neglect and abuse among sections of the population, in particular, children, older people and people with disabilities.

The recognition of socio-economic rights, the promotion of equality and the accommodation of diversity are regarded as features of a democratic, pluralist and fair society. Ireland has developed a progressive rights and equality infrastructure, which is potentially in danger of being eroded. Women remain under-represented in national, regional and local decision-making structures, but have made some progress in reducing the gender pay gap. With regard to the expression of cultural identity, people of a non-Irish, non-white ethnic background and members of the Traveller community experience higher levels of discrimination than the majority Irish population. One-third of the population in Ireland think there is a lot of tension between different racial and ethnic groups (lower than the EU average). This evidence suggests that we need to keep effective means of promoting rights, equality and interculturalism under review, with a view to its further development.

5.4.8 Overall Levels of Well-being

Pre-recession, people in Ireland reported high levels of satisfaction with their lives, with 90 per cent of respondents stating that their quality of life was 'good' or 'very good' (Barry *et al.*, 2009). Younger people, people in higher social classes, higher income groups, people with higher education levels, rural residents, non-medical card holders and those in paid employment all reported high levels of satisfaction with their lives.⁹⁷ Lower levels of quality of life were reported by those in the 45-64 age group, those in the lowest income quintile and those who were not in paid employment. Mental ill-health impacts on well-being, with psychological distress, depression and anxiety all predicting a lower quality of life (Barry, *et al.*, 2009: 83). A key element of well-being is having a sense of purpose or belief. Irish people report a relatively high sense of fulfilment in life, but poor health, unemployment, low income, and not having a partner diminish the likelihood of having a fulfilled life.

97. There is considerable overlap between these groups.

5.4.9 Relevance of these Social Trends for Individual and Collective Well-being

The overview of social trends in Ireland over the last two decades across the domains of well-being (Chapter 4), summarised above, displayed positive trends for many people – in relation to improved income, increased employment opportunities, higher educational qualifications, stronger relationships, participation in communities, improved health outcomes and a stronger equality and rights framework. A similar conclusion was reached by ESRI researchers in their book *Best of Times? The Social Impact of the Celtic Tiger* (Fahey *et al.*, 2007). Given the complex relation between individual and collective well-being we recognise that, by and large, this is an aggregate judgement. A strong upward trend in a wide range of indicators allows us to gloss over the many difficulties in making inferences about collective well-being from the (mostly) individual data of the sort we have used. Even in that context, the continuation of serious social deficits qualifies any aggregate judgement to a significant degree. As we discuss below, the complex relations between individual and collective well-being become more relevant and more obvious in a recession. Indeed, the relation between individual and collective well-being itself tends to become the focus of discussion in the kind of crisis we are now experiencing.

So, even where the overall trends suggest that the well-being of Irish society increased, there were risks to individual's well-being. We have documented that a substantial minority of the population continue to live on low incomes which put them at risk of poverty; the childcare and early education infrastructures remain underdeveloped and piecemeal, with implications for child, family, economic and social well-being; some people have difficulty accessing employment for a number of reasons; many people are living with chronic illness and/or mental illness, and there are difficulties accessing a poorly functioning health system. Many people with disabilities continue to experience disadvantages and there is a growing awareness of the need to integrate immigrants into our communities, given our developing cultural diversity. Indicators of social disadvantage such as low income, low education, being unemployed and holding a medical card are all associated with poorer mental health (Barry *et al.*, 2009). Higher levels of income inequality have been found to be linked to a higher prevalence of mental illness, violence, drugs, obesity and lack of community life (Wilkinson and Pickett, 2009).

In the move to what some social scientists call a 'post-industrial society' well-being risks have also been identified (see Chapter 1). The 'post-industrial risks' are summarised as follows: the challenges of balancing paid employment and family/caring responsibilities; lacking the skills necessary to access a job or having skills and training which are now obsolete; having an inadequate or insecure income or pension; and unsatisfactory and unreliable service provision. It has been argued that post-industrial society brings with it 'discontinuities' in family and working lives, which can entail insecurities and vulnerabilities. These 'discontinuities' require a different type of engagement with the institutions of the state than heretofore – greater flexibility, differentiated routes and pathways, activation on the part of the state and of citizens, and a shift towards an 'enabling state', with agreed standards and greater regulation (Leisering, 2003).

5.5 Relevance of Well-being in a Recession

In addition to the risks which were evident even in Ireland's period of strong economic growth, along with the risks which have emerged in the move to a post-industrial society, further risks have become apparent as a result of the economic recession. For many, these recessionary risks include: sharp and unexpected reductions in income, depletion of savings, having to manage on a lower income, finding it difficult to pay the rent or mortgage, and dealing with debt; job loss, fear of job loss, a deterioration in working conditions, or if unemployed limited opportunities for employment, or having redundant skills; the worry of unemployment and/or financial stress impacting on relationships with partners, family and friends, and curtailments in service provision making care arrangements more precarious; tensions emerging in communities with potential increases in crime and racism; the impact of these events on physical and mental health, along with a curtailment in some health and social services; a lack of confidence and trust in some national institutions, a perceived lack of fairness, and an erosion of the equality and rights infrastructure.

While these risks will impact on individual and societal well-being, we know from the well-being literature that resilience is a component of our make-up which can be harnessed, given supportive conditions. This understanding derives from the notion of human flourishing which embodies autonomy, self-determination, interest and engagement, aspiration and motivation, and whether people have a sense of meaning, direction or purpose in life. Resilience can be advanced through the acknowledgement and development of people's capabilities.

Well-being is undoubtedly affected by economic upturns and downturns. A shock to one domain of our well-being may have an impact on another domain. For example, loss of a job and income can affect our relationships and health. These impacts can affect people in different ways depending on their circumstances and the context within which they find themselves. Depending on how we, as individuals and as a society, deal with these adversities can make a major difference to our longer term well-being. Some of the factors identified which can make a difference include utilisation of our capabilities, having a sense of purpose, engagement in meaningful activity, the support of family and friends, having trust in our institutions and having a sense of hope. Public policy and institutions have a vital role in providing the conditions to support individual and collective well-being and in making available tailored supports to people experiencing particular risks and vulnerabilities. Resilience in individuals needs to be paralleled at societal level by resilience in institutions to enable them to be able to adapt to the changed and challenging circumstances, as they strive to deliver an adequate level and standard of service with reduced resources.

5.6 Well-being Implications

There are a number of lessons which have emerged from the review of well-being. These are rehearsed as follows:

- ◆ Well-being comprises a number of domains. Six have been identified and employed in this report: economic resources; work/participation; relationships/care; community/environment; health; democracy/values. An individual's overall well-being depends on the interaction and balance between the various domains of well-being and is unique for each individual.
- ◆ At the most fundamental level having a level of income to meet basic needs matters. This level of income is contingent both on the standard of living in the society within which one is living, as well as the distribution of income, as people compare their income levels with those around them. It is also known that while loss of income can lead to a reduction in well-being in the short-term, people do readjust to their new financial circumstances. In other words, once basic needs are met, levels of income do not necessarily have long-lasting impacts on well-being, especially if others are in similar circumstances.
- ◆ While income and material goods contribute to well-being the evidence suggests that the fundamental elements which contribute to long-term well-being include participation in meaningful activity, along with affectionate and caring relationships, a secure, safe and attractive environment, good social relations, and good health.
- ◆ Participation in meaningful activity enables individuals to flourish. Participation in work, in community and voluntary activities, and in decision-making have all been found to contribute to human flourishing and well-being.
- ◆ Context matters and the situations within which people find themselves can contribute to or detract from their well-being. These situations include their socio-economic circumstances, especially in comparison to others and the values of the society within which they live. The operation of democracy, trustworthy institutions, standards of transparency and openness, acceptance and support for diversity, and principles of equality have been found to be conducive to well-being.

This knowledge of well-being provides us with some key pointers in responding to the economic recession. First, it would suggest that we should try to ensure that as many people as possible are meaningfully engaged. In the context of job losses and rapidly increasing unemployment this is a significant challenge. However, the well-being analysis strongly suggests the benefits of providing people with opportunities to engage in meaningful activity, whether that is paid work, voluntary work, education/training initiatives or incentives to employ their skills in other ways, for example, through self-employment. The alternative is a risk of undermining the capacities of people who are unemployed, with potential longer term costs to themselves, their families and to society.

Secondly, it is important to bear in mind people's basic need for an adequate income.⁹⁸ Not only does this point to the need to ensure that people have an income which is adequate to prevent poverty, but now it also means recognising that some people have experienced large falls in their income and/or savings which will put them in situations of financial hardship. This experience will affect their well-being, and their family's well-being, at least in the short term.

Thirdly, it is relevant to reflect on the impact of social comparisons on well-being. A situation where everyone is experiencing a drop in income would seem to have a lesser effect on well-being, so long as basic needs are met, than a situation where only some people experience income reduction.

Fourthly, we should be able to learn from the past in planning for the future. The Celtic Tiger years brought unprecedented growth to Ireland and, as documented, general improvements in well-being across the well-being domains. Despite substantial economic and social progress, many social deficits remained, and new risks to well-being emerged, some from environmental resource constraints. Consequently, in building the foundations for future prosperity it would be wise to reflect on how a more comprehensive and sustainable approach could be taken to support human flourishing and well-being. For example, we may think differently about the desirability of fast economic growth, rather than deep or enduring prosperity. We may focus more on intensive rather than extensive growth and place a higher priority on sharing of gains and losses (see NESC, 2005b). We may take the view that infinite growth on a finite planet is not possible and that future prosperity is best secured by moving away from a growth economy towards a more economically, socially and environmentally sustainable model of development. We may seek a more equal society based on the evidence that more equal societies tend to have lower levels of poverty and higher levels of social cohesion (OECD, 2008b). This argument is supported by Wilkinson and Pickett (2009) who claim that more equal societies 'almost always do better' in terms of educational attainment, social mobility, life expectancy and higher levels of trust.

We noted earlier that the relation between individual and collective well-being is both highly important and highly complex. While a long period of growth allowed us to make an aggregate judgement that social well-being had improved, the complexity of the issue becomes salient in the current context of recession. In other words, we are now in one of those periods in which the nature of individual well-being, and the relation between individual well-being and collective well-being are, very clearly, being constructed and re-constructed in processes that include individual reflection and social interaction. The processes have implications for the roles and responsibilities of both individuals and institutions.

Some approach this reflection and re-evaluation by suggesting firm new definitions of individual well-being (with a different balance between income and other dimensions) and/or advancing strong collective norms that would define social well-being and tidy up its relation with individual well-being. While we recognise

98. A minimum 'adequate income' is determined in relation to the prevailing conditions of the society in question and should be 'adequate' to prevent poverty. A benchmark of €150 per week was set in 2002, to be updated accordingly. An alternative expression of this target is 30 per cent of Gross Average Industrial Earnings (GAIE). These benchmarks were proposed by the 2001 Social Welfare Benchmarking and Indexation Working Group and are reflected in the National Action Plan for Social Inclusion 2007-2016 ('to maintain the relative value of the lowest social welfare rate at least at €185.80, in 2007 terms, over the course of the Plan, subject to available resources') and the Ten Year Framework Social Partnership Agreement 2006-2015 Towards 2016.

the urge to take these approaches, it is not appropriate for the National Economic and Social Council to do likewise. Neither approach takes sufficient account of some core elements of our thinking about well-being in Ireland in the early 21st century – particularly its pursuit in a context of individual difference and value pluralism. This does not render discussion of individual or social values irrelevant. But it does suggest that a body like NESC approach this discussion in a way that does not preach individual values and does not premise our policy observations on any one comprehensive doctrine on the relation of individual and social well-being. Indeed, the membership of the Council reflects the diversity of interests and organisations in Irish society. The challenge, in society, is to re-evaluate our approach to well-being, and our collective efforts to advance it, in a context of such diversity.

Consequently, our approach to the re-consideration of the relation of individual to collective well-being is to focus on the fact that institutions—both formal and informal—are key mechanisms through which the two levels of well-being are related. It is, in large measure, institutions that connect individual well-being to social well-being, or fail to do so. The range of institutions that do so is very wide – ranging from high-level governance of statutory bodies, through the duty of care and accountability of service providers, to the commitment of the local football club to excellence and belonging. In the Council’s work (as opposed to that of cultural or moral observers), the inevitable re-evaluation of well-being—both the dimensions of individual well-being and the relation between individual and collective well-being—can best be undertaken through a focus on institutions. It is for this reason that, when we focus on the policy implications of the well-being approach, we identify not only two urgent recession-induced policy challenges (deriving from job loss and pensions problems), but also the critical issue of institutions and accountability.

As noted earlier, people’s well-being is affected by the values they hold and the values of the society within which they live. The analysis of well-being in this report, in conjunction with the recession, raises a number of fundamental questions in relation to the values we hold as individuals and as a society. People live and operate in an institutional environment which is influenced by prevailing societal values. These are determined by interactions between the various institutions, and the participation of individuals within them.

In this context, it is pertinent to raise certain questions. Three key questions are posed, with subsidiary issues. Of course, there are many other questions which could be raised, but the Council has identified these three questions as a starting point for the consideration of our future society, our social well-being and the form of our institutional and policy landscape. The three questions are as follows:

- ◆ How do we pursue both individual and collective well-being and make them mutually supportive?
 - What weight do we place on well-being vis-à-vis GDP growth?
 - How do we value private gain against the common good?
 - How do we engage the capabilities and energy of the Irish people?

- ◆ What is our vision of Ireland in ten years' time?
 - What values do we want to guide us?
 - What does an economically, socially and environmentally sustainable future look like?
- ◆ What is the appropriate institutional response?
 - What would effective and accountable institutions look like?
 - What do we mean by greater accountability and how do we achieve it?
 - How can we do things differently?
 - How can the contribution of the community and voluntary sector be maximised?

5.7 Policy Directions

This report takes a 'life cycle' approach which is a feature of the developmental welfare state, proposed by NESC (2005a). The structure of a developmental welfare state, denoted by three overlapping areas of welfare state activity – services, income supports and activist measures – has, in part, been re-articulated in *Towards 2016*. In *Towards 2016* long-term goals and actions are identified for children, people of working age, older people and people with disabilities, but it remains an enormous challenge to take forward the various dimensions of the developmental welfare state for their full implementation.

A developmental welfare state proposes the integration of services, income supports and activist measures, underpinned by co-ordinated government and adherence to explicit and agreed standards. A developmental welfare state envisages flexibility of approach, with services and supports tailored to meet individual needs, treating individuals in a dignified way, utilising individuals' and communities' talents and creativity, and providing a vision of society based on social solidarity. It recognises the interdependence of economic and social policy where a well functioning society can stimulate the economy and a well functioning economy supports a successful society.

A developmental welfare state is a 21st Century public policy framework well-suited to supporting individual well-being. As mentioned earlier, and demonstrated throughout this report, the nature and context of each individual's well-being involves a unique combination of the six domains of well-being adopted. This approach implies that public policy should aim to secure and provide three kinds of 'goods': sufficient freedom for each individual to define and pursue their idea of the good life; a degree of order and uniformity to protect both the individual and the common good; and a range of public and private goods tailored to individual needs. The developmental welfare state recognises that people are citizens first and foremost, but are heterogeneous citizens with a changing mix of needs, capabilities and circumstances (NESC, 2005a: 171, 219). In advocating 'tailored universalism' as an approach, the developmental welfare state implies that: a) services and supports, such as education and health, are available to everyone; but that b) for people with

certain needs, and in certain circumstances, additional payments and entitlements to services are tailored to meet their needs. These tailored services address the specific barriers which prevent people from realising their potential.

The developmental welfare state is also well-suited to meeting the needs of a post-industrial society (whose requirements it was in part designed to meet) and to meet the additional needs becoming apparent in the current recession. It is likely that with increased unemployment, falls in income, financial stress and associated distress more people will have recourse to the provisions of the state. As people pay more tax they will expect efficient and effective public services and income supports in return. This is a real challenge to the resilience of the public service – to implement the proposed reforms with limited resources in order to provide a quality public service which can meet current needs.

Towards 2016 sets out twenty-three high level goals with associated actions, based on a developmental welfare state approach, see Appendix A for a listing of the goals. The analysis in this report shows that these high level goals match well the well-being needs of the various life cycle groups and remain relevant in these recessionary times. While it is recognised that prioritisation will have to take place due to limited resources, to discard any of these goals would be a retrograde step. Indeed, the infrastructure of social supports and social policy need to be maintained in the difficult years ahead, as they provide a foundation upon which existing and new social problems can be addressed. Abandonment of any of the goals could potentially damage the well-being of individuals who are in disadvantaged or constrained circumstances and could lead to higher long-term costs to the state and to society more generally. The prioritisation of the implementation of these goals has to take place in the context of the financial stabilisation measures being put in place by the Government.

An example of an initiative which contributes to longer-term well-being, with a potential reduction in longer-term costs, is the work of the Local Sports Partnership Network for People with Disabilities, see the box below.

Local Sports Partnership Network for People with Disabilities

Through the Local Sports Partnership Network, supported by a range of relevant bodies, sports social inclusion officers (SIDOs) have been employed to support and increase opportunities for people with disabilities to participate in sport and physical activity, with a view to improving their physical and mental health and well-being, and quality of life.

In little over a year the SIDOs have managed to demonstrably and significantly increase levels of participation by people with disabilities. The programme has transformed the quality of life of its participants with numerous testimonies to this effect. One of the critical factors behind the programme is its underpinning and support by the partnerships. However, the programme now faces a major challenge as the Dormant Accounts funding is due to run out in early 2010.

Given the clear evidence of the benefits of this programme for a large number of people with disabilities in relation to their participation in meaningful activity, along with benefits to their health and quality of life, this work should be continued, paying attention to the most efficient use of resources. The work requires relatively low levels of ongoing state investment, but is important as it contributes to key public policy health and social policy goals as well as contributing to the well-being of the individuals involved, and wider society.

The analysis of social progress using a well-being framework, the relevance of the developmental welfare state approach and the *Towards 2016* high level goals, and the context of the recession, lead us to question the model of development we have used in the past. While this model led to unprecedented economic growth it has left social deficits in its wake and seems limited in its capacity to address the challenges facing Ireland in the current recession or to shape our future society. That is not to say that we should ‘throw the baby out with the bath water’ but that we need to recognise and address the weaknesses in our current model as ‘there is a real sense in which aspects of our social reality and environmental quality now sets limits to Ireland’s economic possibilities’ (NESC, 2005b: 115).

In this context it is useful to acknowledge that there are two types of relationships between social, economic and environmental progress: trade-offs and reinforcements (Australian Bureau of Statistics, 2008: 2). Trade-offs occur when progress in one area improves at the expense of another, either as a result of a deliberate choice or as an unforeseen consequence. For example, increased economic activity can lead to an increase in house prices which can result in a greater demand for social housing from those who are unable to purchase houses at the increased prices. Reinforcements occur when one aspect of progress improves and strengthens another, such as investment in education and training which leads to improved educational achievements, in turn contributing to economic productivity as well as improving an individual’s standard of living, self-esteem and mental health.

Adopting a ‘reinforcement’ approach modifies the indicators we use to measure progress, towards a more all-encompassing and developmental approach. For example, the Council’s 2006 strategy report *People, Productivity and Purpose* suggested a number of changes in how we state our high level goals (NESC, 2005b: 116). The well-being analysis undertaken in this report suggests that some of these goals could be modified further:

- ◆ From growth of total GNP to GNP per head to *sustainable growth*;
- ◆ From income growth to *a more equal distribution of income*;
- ◆ From absolute job creation to overall employment rate to *participation rate*;
- ◆ From discrete and targeted programmes for disadvantaged groups to *responsive, flexible, person-centred, and tailored publicly funded services*;

- ◆ From an exclusive focus on income to a balance between income and *better provision of accessible, affordable quality services*;
- ◆ From developer-led developments to *planned and sustainable communities*;
- ◆ From housing completions to *occupancy rates*;
- ◆ From ‘survival of the fittest’ to *a more egalitarian society*.

A ‘reinforcing’ approach suggests a greater focus on early intervention and prevention rather than a ‘laissez-faire’ and remedial approach, and a greater focus on quality than quantity. The current context of resource curtailment and limitation can drive reform and transformation, as observed by Julian Le Grand,⁹⁹ who commented that ‘A flood of money... made reforms move at a slower pace than they might otherwise have done. It has been easier to do things the old way, and just do more of them... I used to believe reform was easier when you had more money to oil the wheels. But a period of relative austerity may actually encourage a further development of reforms rather than a rolling back’ (*Financial Times*, 15th April 2009).

Of course, it depends on the principles or criteria driving those reforms. Drawing on the analysis contained in this report, a ‘well-being test’ is suggested based on a developmental perspective. The key elements of this ‘well-being test’ are set out in Table 5.1.

Table 5.1 Well-being Test

Well-being Criteria	Description
<i>Capability</i>	A focus on what an individual can do with a view to developing capabilities
<i>Agency</i>	Respect for the capacity of individuals to make decisions about their lives
<i>Purpose</i>	Recognising the importance of having a sense of purpose by encouraging and supporting people to engage in meaningful activity
<i>Social interaction</i>	The recognition that we operate in the context of a set of relationships – family, community and wider society
<i>Common good</i>	As individuals and as societies we do better in more equal and fairer societies
<i>Sustainability</i>	We live in a finite world and have to use our resources wisely now and for future generations

99. Julian Le Grand is Richard Titmuss Professor of Social Policy at the London School of Economics.

Each of the criteria set out in Table 5.1, from the literature and the analysis in this report, are shown to be important to well-being. By focusing on *capability* we are paying attention to what an individual can do rather than what they cannot do. Using this criterion we would focus on the developmental potential of all people from an early age – pre-education, through the education system and into life-long learning. Some of the implications of this approach would be the adoption of person-centred approaches which would involve state services and others working collaboratively, rather than classifying people into long-term schemes. For example, people with disabilities would be encouraged and supported to participate in education, training and employment according to their ability and claim income support, as necessary, to ensure an adequate income. Such an approach would also lead to the consideration of more flexible retirement options.

Agency is an important component of well-being where respect is given to the capacity of people to make decisions about their lives. In empowering people and taking into account their views, particularly in relation to the development and provision of services, appropriate and tailored services can be provided, with the individual also taking responsibility for their needs, in conjunction with service providers. Such an approach affords individuals some choice about aspects of their lives. As stated earlier, an adequate income is required to enable people to exercise their agency.

A related element of well-being is a sense of *purpose* which contributes to human flourishing. Having a purpose in life is a motivating factor which acknowledges people's contribution, whether this is in paid work, household work, care work or voluntary work. A well-being perspective would acknowledge and value the contribution that different types of work make to individual and collective well-being.

One of the most enduring aspects of people's well-being is affectionate and supportive relationships. People are *social beings* characterised by their relationships and interactions with others – within families, within communities, and within institutions. While public policy recognises this dimension of people's lives in many of its programmes and initiatives, it is helpful to take this wider context into consideration in the nurturing of children, in the sharing of responsibilities and in finding optimal work-life balances.

Even though it is difficult to precisely define the relation between individual and collective well-being, as discussed earlier, there is strong evidence to suggest that more equal societies contribute to individual and collective well-being through better health, better educational performance, less crime and greater levels of trust. The implication of this evidence is to put a higher value on the *common good* through ensuring a more equal provision of services, a greater sharing of responsibilities and a greater sense of solidarity.

Well-being and *sustainability* go hand in hand with a longer-term view of what is important in our lives. This view recognises that we live in a finite world with finite resources that we need to use wisely now and for the future. Such an approach gives greater weight to the use of renewable energy sources, environmentally sustainable practices, and the creation of sustainable communities.

The well-being test could be applied in devising or reviewing policies and programmes, by asking to what extent these criteria are being met or how the policy might be adjusted to take them into account. It is helpful to bear in mind that the concept of well-being is a holistic one, where the various domains of well-being combine in different ways for different people – hence the need for tailored and flexible approaches. Some guiding yardsticks in applying the ‘well-being test’ are as follows:

- ◆ The significance of not making changes to income support schemes without also taking into consideration the relevant provision of services;
- ◆ In making policy and programme changes to consider how best to incorporate innovation, new ways of thinking, and experimental approaches;
- ◆ To consider which institutions, and what combination of institutions, are best placed to provide supports and services – the state, the community and voluntary sector, the private sector, the family and/or individuals themselves, and clarity regarding the roles and responsibilities of each;
- ◆ To put in place agreed mechanisms for the measurement and review of outcomes with a view to seeking continuous improvements.

A number of policy priorities emerge from the review of well-being trends across the life cycle. In the context of the economic recession, the urgent and demanding problems which require immediate attention are jobs, income and the accountability of institutions. The proposed ‘well-being test’ can be developed and applied to these areas.

Immediate priorities are as follows:

◆ Addressing unemployment

There are a number of facets to this in the context of the recession: job retention, job creation and addressing unemployment, including poverty prevention. The large increase in unemployment as a result of the recession is a huge challenge both for the individuals involved and for the income support and education and training systems, as people with a diverse range of educational levels and skills will require access to programmes suited to their particular situation. This will require new programmes and new ways of doing things.¹⁰⁰ A recent OECD study on activation policies in Ireland (Grubb *et al.*, 2009)¹⁰¹ has argued for the need for more intensive and diverse activation programmes, including more face-to-face contacts between trained employment counsellors and people who are unemployed. In accessing education, training and employment, some people may face structural and institutional barriers which need to be addressed.

100. Examples of approaches which might be considered are contained in the NESC Reports *The Irish Economy in the Early 21st Century* (2008), *Ireland's Five-Part Crisis: An Integrated National Response* (2009) and the OECD's recent report on *Activation Policies in Ireland* (2009) by Grubb, D., Singh, S. & P. Tergeist.

101. Grubb, Singh and Tergeist undertook a study of activation policies in Ireland in 2007/8. Their findings are published in OECD Social, Employment and Migration Working Papers No. 75 at www.oecd.org/country/0,3377,en_33873108_33873500_1_1_1_1_1,00.html. They noted that ‘a critical issue for Ireland's economic and social future is whether the labour market enjoys a full cyclical recovery or returns to the persistently depressed conditions of the 1980s and early 1990s’. In this context they state that ‘it is clear that the intensification of activation measures would require a refocusing of existing resources and possibly an increase in them.’ While they observe that ‘lone parents, adult dependents of benefit recipients, and people with disabilities who have remaining work capacity receive benefits without a formal requirement to be available for work’ they point to institutional shortcomings, stating that there is a ‘tendency for the implementation of administrative reforms within DSFA to be slow’ but at the same time have ‘doubts about whether other institutions are able to adequately support these additional client groups into employment’.

It is timely to consider further the development of an Irish system of flexicurity, as outlined in the NESC report on the Irish economy in the 21st Century (NESC, 2008: 212).¹⁰² Throughout this social well-being report, attention has been drawn to the merits of both greater flexibility (on the part of individuals and institutions) along with a sense of security or certainty (provided by institutions) to enable individuals to be flexible and to adapt to change.

Institutional changes are seen as urgent and necessary to adapt to the new situation, including identification of the appropriate role for the community and voluntary sector in promoting innovative approaches in an efficient and effective way, especially in the context of potential curtailments in services.

◆ **Providing financial supports, including pension reform**

Some people have experienced substantial income loss, while many people have experienced at least some loss of income as a result of the recession. A range of responses are required, including an adequate level of income support for those dependent on benefits to prevent poverty, the provision of appropriate accommodations for those experiencing debt and financial stress, and pension reform.

The reform of pension policy is an immediate priority with a move towards a more sustainable and equitable system proposed. Three overriding goals are paramount – poverty prevention, income replacement and sustainability. New ideas and hybrid solutions (collaboration between the state and the private sector) are required.

For people dependent on benefits further reform of the social welfare system may be necessary to enable and support people to transition more easily between social welfare, employment, education and training and other activities, such as working in the home and caring.

Further consideration should be given to the links between service provision and income. Maintaining an adequate level of service has the benefit of lessening anxiety and stress for potential service users in financially straightened times.

◆ **Transforming institutions and improving accountability**

There are a number of reasons in relation to well-being which point to the transformation of institutions and their accountability as a central and urgent priority. Firstly, institutions and their accountability are critical in ensuring the most obvious dimensions of well-being, such as income and participation/work. Secondly, the operation of democracy and trust in institutions is central to people's well-being. With the banking crisis and the fall-out of the recession, people's trust in some of the institutions of the state has been dented. For

102. The labour market model of flexicurity proposed by NESC combines three core elements: freedom under employment legislation for enterprises to adjust their staffing needs as they see fit, but for enterprises that have the technological, marketing and management capabilities capable of complementing this freedom to successfully capture new markets; high levels of income replacement for a sufficient period of time for workers who become unemployed, which enables them to search for employment effectively and not be forced to take new jobs below their capabilities; active labour market programmes, in which employers, training and educational institutions participate, that genuinely enhances participants' skills and which people who wish to continue claiming compensation for their unemployment after the exhaustion of their entitlement to unemployment benefit are obliged to participate. As noted in previous NESC reports 'the flexicurity model does not come cheap' but it is argued that its components and the relationships between them are particularly well-suited to Ireland's labour market in the 21st Century.

future societal well-being it would seem to be important to work to restore our national institutions as trustworthy.

Thirdly, our institutions need to be resilient to adapt to the new and changed environment so that they are ‘fit for purpose’. As well as changes within institutions, greater collaboration between institutions is required, including sharing of budgets, greater use of working in ‘project teams’ across disciplines or sectors, and more devolution to the local level. Fourthly, as stated elsewhere in this report, it is important to protect the existing social infrastructure.

As well as the immediate priorities outlined above, attention needs to remain focused on the following:

- ◆ **Early childhood care and education.** The provision of a more comprehensive system of early childhood care and education should remain a priority as it impacts on the well-being of children and their families and communities in both the short-term and the long-term. It is also a good long-term investment for the state and a sound basis for the move towards a knowledge-based economy. In this regard the announcement of one year of free pre-school education is welcome, although there is a need to ensure that the focus is on child development, and attention will have to be paid to the capacity of the system to deliver it.
- ◆ **Life-long learning.** The opportunity for people to engage in education and training throughout their lives enhances their capabilities and sense of purpose as well as the augmentation of skills of value to the economy. Levels of life-long learning are low in Ireland, especially among people with low levels of skill and education. Many barriers exist which discourage or prevent people from participating in life-long learning including time, cost, employers’ support, awareness, and providers’ rules. Consideration should be given to as to how these barriers can be reduced and what incentives can be provided to encourage engagement in life-long learning opportunities. Some of the activation proposals outlined above, and implementation of the national skills strategy, have the capacity to promote life-long learning.
- ◆ **Care supports to promote independent living.** The well-being evidence reviewed in this report and the policy commitments in key policy documents clearly point to the need to provide care supports to promote independent living, as far as is possible. With an ageing population care needs are likely to increase in future so that flexible support systems put in place at an early stage are likely to have long-run benefits.
- ◆ **Supports to accommodate working and other activities, especially caring.** A recurring theme throughout the report is the on-going challenge of ‘work-life’ balance, especially for women trying to balance working and caring for children, parents or other relatives. The evidence suggests that there is merit in a collaborative approach with various combinations of family, community and state supports, depending on the needs of the family and the person being cared for. Various models are being tried and tested in other countries of balancing work, care and other activities for both men and women over the life course, and it is timely to develop and/or apply appropriate models in Ireland.

- ◆ **Building sustainable integrated communities.** Given the current level of housing need, growing waiting lists for social housing, along with an anticipated increase as a consequence of the economic recession, the provision of social and affordable accommodation is now urgent. An opportunity exists to redeploy construction workers to the construction and regeneration of social housing. In some locations there may also be the opportunity for vacant private properties to be sourced through the Rental Accommodation Scheme to meet housing need. The experience, expertise and knowledge of the community and voluntary sector are also an important resource, especially in contributing to building social capital. In the provision of accommodation and redevelopment of communities, attention must be given to the appropriate integration of migrant populations and the provision of social and cultural facilities. In a period of recession integration policies assume greater importance. The experience of other countries indicates that a recession after a period of strong immigration was a factor in tipping them towards problems between the native and migrant populations and the long run failure of integration (see NESC, 2006a: NESC, 2006b). In this context education and awareness, along with appropriate supports, are required.
- ◆ **Promoting better health, including addressing adverse economic and social conditions.** Health is a fundamental component of well-being. While advances have been made in improving the health status of the population a number of challenges remain. These include access to health services, the prevalence of chronic illness and mental ill-health, and health conditions associated with our behaviours including increasing levels of obesity. Many of these challenges are related to the socio-economic determinants of health and how we organise our health service provision. The role of primary care and primary care health teams is central to the promotion of better health and access to health services, including the provision of community mental health teams and community intervention teams. Attention given to these challenges now will pay dividends in the long-run in terms of individual and societal well-being.

5.8 Policy Implementation

There is a profound challenge to give traction to the developmental welfare state to deliver the policy priorities and the actions associated with the high level goals in *Towards 2016*. The recession is putting a strain on the public services with budget reductions, staffing restrictions and reductions in take-home pay. Despite the more limited resources, the challenge is to reorganise and restructure institutions to meet the new challenges of supporting people.¹⁰³ The economic crisis is an opportunity to 'put flesh on the bones' of the developmental welfare state as a new, progressive, supportive and productive way of providing services, income supports and activist measures. Those working in the policy arena and in the delivery of programmes and services, along with service users, hold the knowledge and expertise to meet these challenges. They must be enabled to deliver a reform agenda by having a clear vision of the type of society we are working towards as well as systems which support new ways of doing things. The community and voluntary sector has a role to play in supporting the design and delivery of services, in supporting innovative and flexible approaches to support disadvantaged communities and in advocating the needs of disadvantaged people.

103. The Commission on Taxation's proposals on broadening the tax base offer potential for future tax revenue to support improved service provision.

Integrated, cross-cutting offices at central level have been established,¹⁰⁴ but challenges of delivering a person-centred approach to the service user remain. Many of these challenges were identified in the developmental welfare state report (NESC, 2005a) and have been part of the detailed study by the OECD on moving towards an integrated public service (OECD, 2008a). The subsequent task force report and associated government statement (*Transforming Public Services: Citizen Centred-performance Focused. Task Force Report on the Public Service, 2008; Government Statement on Transforming Public Services, 2008*) have set out proposals for moving towards a 'citizen-centred' and 'performance-focused' public service.

Implementation of many of the task force's proposals would be an indispensable step towards the implementation of policy actions identified in this social well-being report. For example, there is a recognition that the citizen rather than the provider must be at the heart of the planning and delivery of public services. Operationalisation of this commitment will require deeper engagement with the citizen as a service user if services are to be appropriately targeted. This sentiment is very much in line with understanding and supporting individual well-being and with a 'tailored' approach to service delivery.

While the developmental welfare state does not prescribe how such an approach should be implemented (as this is dependent on the circumstances, expertise and knowledge of those who are receiving and delivering services) it does set out a broad framework and principles (see NESC, 2005a). This framework and principles are complemented by the 'well-being test' proposed above. Part of this work will require the establishment of agreed standards for services and income supports delivered to all citizens with additional supports 'tailored' to reflect individuals' needs. The 'tailored universalism' approach, central to the developmental welfare state, is in line with the well-being findings of this report where individuals are identified as having unique combinations across the six well-being domains, leading to diverse and particular needs according to their circumstances. 'Tailored universalism' means that mainstream providers, as far as possible, adjust their services to accommodate a more diverse public, including a public whose individual members have different requirements if they are to have an equal opportunity to benefit from the service (NESC, 2005a: 203).

Examples of a tailored approach include individual needs' assessments for people with disabilities, home care packages for older people and an active case management approach to people of working age in receipt of social welfare benefits. While some progress has been made in each of these areas many challenges remain in agreeing and supporting integrated citizen-focused packages with the capacity and resources to improve the quality of life and capabilities of the individuals involved.

¹⁰⁴ For example, the Office of the Minister for Children and Youth Affairs, the Office for Older People, the Office for Disability and Mental Health, and the Office of the Minister for Integration.

There are aspects of service provision which point to the need to strike a better balance between national rationality and local autonomy. For instance, a curtailment of funding in one area may have unforeseen consequences in another area. In the present financial circumstances some 'across the board' reductions in budget lines are inevitable. But there is something to be said for devolving some aspects of these decisions to the local level. Even within a broader national framework, when decisions are informed and influenced at a local level, there is a greater sense of control and ownership. This approach also allows for an element of local experimentation and innovation, facilitating the possibility of new approaches to addressing current crises. These ideas are very much in line with the recommendations of the OECD report on moving towards an integrated public service.

5.9 Policy Monitoring

This social report has also been concerned with policy monitoring. Chapter 3 outlined the linkage between policy development and policy monitoring, emphasising the need to focus on outputs and outcomes and to align these better to high level societal goals. Social indicators can inform and support this process and in each of the policy framework chapters – on the well-being of children, people of working age, older people and people with disabilities – examples were provided as to how diagnostic, baseline, performance and systemic indicators can inform strategy, inputs, outputs and outcomes.

An observation from this work is that theories and understandings of well-being can help us to understand the importance of context and circumstances on people's well-being. The extent to which we can assess this context and these circumstances can be measured, at least to some extent, using social indicators. These measures can be compared to desirable policy goals and policy outcomes. Although many factors come into play in designing and delivering policy, understandings of well-being can inform the policy process, both in terms of the indicators used for measurement and in the policy goals and outcomes sought. The input of users of services and practitioners working at local level is vital in informing us of the outcomes of policy and how they can be improved. Institutions at the centre can collate the information and provide feedback to the local actors through periodically revised performance measures. This approach can contribute to the 'performance dialogue' proposed by the OECD with a view to increasing transparency and accountability whilst at the same time working towards the achievement of improved outcomes. Key elements of such 'performance dialogue' are envisaged as: sharing a common language and understanding of performance by the bodies involved; a focus on delivering agreed societal goals; shared agreement on appropriate performance targets, performance indicators and metrics, which are informed by users and providers of services; and the capacity for continuous improvement through feedback loops.

Data availability is a fundamental building block for policy monitoring. Many improvements have been made, particularly by the CSO, in recent years. In addition, the National Longitudinal Survey of Children (Growing Up in Ireland) and the Irish Longitudinal Study of Ageing (TILDA), both currently underway, will provide important longitudinal data which will allow us, in time, to chart aspects of people's well-being across part of the life course. Even though improvements have been made data shortcomings remain, especially in the areas of disability and equality. How data are used to improve policy performance is important and further work is required in this area. The Office for Social Inclusion, through the Technical Advisory Group, are tasked with developing the type of data required for monitoring progress on the life cycle approach.

Finally, a number of disaggregations of data should be provided as standard. Ideally, it should be possible to disaggregate data by age, gender, nationality/ethnicity, socio-economic status, marital status, family status, disability, membership of the Traveller community, sexual orientation, geographical area (urban/rural), religion, educational level, and whether or not a person has a medical card, although it is accepted that data in some of these areas are difficult to collect and analyse. However, many of these variables are now available in CSO datasets, and the SLÁN data provide very useful breakdowns.

5.10 Looking to the Future

In giving some thought to the future of social reporting in Ireland there are a number of areas suggested for development. First, it would be useful to undertake a survey of well-being to get a view of what is important to people living in Ireland. Such surveys have been undertaken in other countries, and in Ireland for children, and would be helpful in trying to understand key components of Irish life and well-being and in informing the policy system. The survey could be a stand-alone exercise or attached as a module to another regular survey instrument.

Secondly, the links between the trends, the policy framework and the policy outcomes could be refined, particularly through the development of policy monitoring, performance dialogue and the use of the different types of indicators – systemic, diagnostic, baseline and performance.

Thirdly, the indicators used in this report could be developed in a number of ways. The longitudinal surveys of children and older people will be particularly helpful in this regard. Other developments could include developing values for non-market activities such as leisure time, production in the home, social capital, and recycling. In the longer term the development of a well-being index would be a useful addition to current progress measures.¹⁰⁵ It would also be useful to link data sources into the social report, through the use of weblinks, so that the indicators could be updated.

¹⁰⁵ Canada has developed a Canadian Index of Well-being (CIW).

5.11 Overview of Ireland's Well-being at a Time of Change

In conclusion, this social report has put forward reasons as to why social trends should be assessed in terms of well-being. It has provided a well-being framework and has assessed well-being in the context of the current policy framework for children, people of working age, older people and people with disabilities. A number of key points have emerged from this work.

First, this report has been concerned with well-being for a number of reasons. Well-being provides something more than GDP as a measure of progress, people and their well-being play a central role in our economic and social progress, and because people care about their well-being.

Second, a person's well-being relates to their physical, social and mental state. It requires basic needs to be met, that people have a sense of purpose, that they feel able to achieve important goals, to participate in society and to live lives they value and have reason to value. People's well-being is enhanced by conditions that include financial and personal security, meaningful and rewarding work, supportive personal relationships, strong and inclusive communities, good health, a healthy and attractive environment, and values of democracy and social justice. Public policy's role is to bring about these conditions by placing the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and ensuring the supports are available to address those risks at key stages in his/her life.

Third, for practical purposes, six domains of well-being have been identified and applied throughout this report. These domains are: economic resources; work/participation; relationships/care; community/environment; health; and democracy/values. A person's overall well-being is determined by their well-being in each of the domains and the balance between them, influenced by processes that include individual reflection and social interaction as well as the prevailing conditions and context. The analysis and pursuit of well-being in this context of individual difference and value pluralism has important implications for the way we think about public policy. Specifically it implies that public policy should aim to secure sufficient freedom for each individual to define and pursue their idea of the good life, provide a degree of order and uniformity to protect both the individual and the common good, and ensure a range of public and private goods tailored to individual needs.

Fourth, well-being remains relevant in a recession, especially in identifying the risks to people's well-being. These risks include social deficits remaining following a period of strong economic growth, risks relating to the move to a post industrial society as well as the risks emerging from the economic recession. Indeed, the complex relation between individual and social well-being becomes more relevant and more obvious in a recession, as reflection and re-evaluation takes place.

Fifth, resilience is a component of our make-up which can be harnessed given supportive conditions. Resilience can be advanced through the acknowledgement and advancement of people's capabilities. These capabilities can be enhanced by public policy, at the same time as public policy can be informed by participatory democracy. People live and operate in an institutional environment which is influenced by the prevailing values, and it is primarily institutions that connect individual well-being to social well-being or fail to do so. Resilience in individuals needs to be paralleled at societal level by resilience in institutions to enable them to adapt to the changed and challenging circumstances, as they strive to deliver an adequate level and standard of service with reduced resources.

Sixth, the implications for people's well-being, in the context of the recession, include the following:

- ◆ The need to keep as many people as possible purposefully engaged;
- ◆ People's basic need for an adequate income;
- ◆ The importance of social comparisons in relation to well-being and the need for readjustments to be fair; and
- ◆ Learning the lessons of the past in building a more comprehensive, equal and sustainable approach to future growth.

Seventh, the analysis also raises a number of pertinent questions for our future well-being, including the following:

- ◆ How do we pursue both individual and collective well-being and make them mutually supportive?
- ◆ What is our vision of Ireland in ten years' time?
- ◆ What is the appropriate institutional response?

Eighth, there is an imperative to retain a focus on working towards the twenty-three high level goals and associated actions set out in *Towards 2016* for the well-being of individuals, families, communities, the economy and wider society. To discard any of these goals or reduce efforts in working towards them would be a retrograde step. It could potentially damage the well-being of individuals who are in disadvantaged or constrained circumstances and could lead to higher long-term costs to the state and society more generally.

Ninth, the analysis of social progress using a well-being approach leads us to question the model of development we have used in the past. While this model led to unprecedented economic growth it has left social deficits in its wake and seems limited in its capacity to address the challenges facing Ireland in the current recession or to shape our future society. Based on the well-being analysis and the thrust of the developmental welfare state approach a 'well-being test' is proposed based on a developmental capabilities perspective. The well-being criteria are as follows:

- ◆ **Capability** – a focus on what an individual can do with a view to developing capabilities;
- ◆ **Agency** – respect for the capacity of individuals to make decisions about their lives;
- ◆ **Purpose** – recognising the importance of having a sense of purpose by encouraging and supporting engagement in meaningful activity;
- ◆ **Social interaction** – the recognition that we operate in the context of a set of relationships – family, community and wider society;
- ◆ **Common good** – as individuals and as a society we do better in more equal and fairer societies; and
- ◆ **Sustainability** – we live in a finite world and have to use our resources wisely now and for future generations.

Tenth, in the context of the economic recession the urgent and demanding problems which require immediate attention are as follows:

- ◆ The need to address unemployment through diverse and intensive activation measures;
- ◆ The provision of financial supports, including pension reform; and
- ◆ The transformation of institutions and improved accountability.

Ongoing priorities include the following:

- Early childhood care and education;
- Life-long learning;
- Care supports to promote independent living;
- Supports to accommodate working and other activities, especially caring;
- Building sustainable integrated communities; and
- Promoting better health.

Eleventh, in relation to policy implementation there is a profound challenge to begin building the developmental welfare state to deliver these policy priorities and the actions associated with the high level goals in *Towards 2016*. Despite the more limited resources the challenge is to reorganise and restructure institutions to meet the new challenges of supporting people. The crisis is an opportunity to 'put flesh on the bones' of the developmental welfare state as a new, progressive, supportive and productive way of providing services, income supports and activist measures.

Twelfth, monitoring the extent to which we are achieving desired outcomes is important. Understandings of well-being can inform the policy process, both in terms of indicators used for measurement and in the policy goals and outcomes sought. The input of service users and local practitioners, in conjunction with collation of information and feedback by institutions at the centre, can contribute to a 'performance dialogue'.

Finally, the conclusions and policy implications emerging from this report are arrived at from a holistic well-being perspective, suggesting approaches and priorities in the changed economic context. These findings raise questions about the type of society we want in the longer term.

A

Appendix A The 23 High Level Goals from *Towards 2016*

Children

1. Every child should grow up in a family with access to sufficient resources, supports and services, to nurture and care for the child, and to foster the child's development and full and equal participation in society.
2. Every family should be able to access childcare services which are appropriate to the circumstances and needs of their children.
3. Every child should leave primary school literate and numerate.
4. Every student should complete a senior cycle or equivalent programme, (including ICT) appropriate to their capacity and interests.
5. Every child should have access to world-class health, personal social services and suitable accommodation.
6. Every child should have access to quality play, sport, recreation and cultural activities to enrich their experience of childhood.
7. Every child and young person will have access to appropriate participation in local and national decision-making.

People of Working Age

8. Every person of working age should be encouraged and supported to participate fully in social, civic and economic life.
9. Every person of working age would have access to life-long learning, a sense of personal security in a changing work environment and an opportunity to balance work and family commitments consistent with business needs.
10. Every person of working age would have an income level to sustain an acceptable standard of living and to enable them to provide for an adequate income in retirement.
11. Every person of working age on welfare will have access to supports towards progression and inclusion, access to quality work and learning opportunities, encouraging a greater degree of self-reliance and self-sufficiency.

12. Every person, irrespective of background or gender, would enjoy equality of opportunity and freedom from discrimination.
13. Every family would have access to health and social care, affordable accommodation appropriate to their needs and a well-functioning public transport system.
14. Every person with caring responsibilities would have access to appropriate supports to enable them to meet these responsibilities alongside employment and other commitments.

Older People

15. Every older person would be encouraged and supported to participate to the greatest extent possible in social and civic life.
16. Every older person would have access to an income which is sufficient to sustain an acceptable standard of living.
17. Every older person would have adequate support to enable them to remain living independently in their own homes for as long as possible. This will involve access to good quality services in the community, including: health, education, transport, housing and security.
18. Every older person would, in conformity with their needs and conscious of the high level of disability and disabling conditions amongst this group, have access to a spectrum of care services stretching from support for self-care through support for family and informal carers to formal care in the home, community or in residential settings. Such care services should ensure the person has opportunities for civic and social engagement at community level.

People with Disabilities

19. Every person with a disability would have access to an income which is sufficient to sustain an acceptable standard of living.
20. Every person with a disability would, in conformity with their needs and abilities, have access to appropriate care, health, education, employment and training and social services.
21. Every person with a disability would have access to public spaces, buildings, transport, information, advocacy and other public services and appropriate housing.
22. Every person with a disability would be supported to enable them, as far as possible, to lead full and independent lives, to participate in work and in society and to maximise their potential.
23. Carers would be acknowledged and supported in their caring role.

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