

# **Ireland and the Europe 2020 Strategy**

## **Unemployment, Education and Poverty**

A review of the social inclusion aspects of Ireland's National Reform Programme and the Europe 2020 Strategy and how these have been implemented to date in Ireland

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# Overview

The following report was compiled by *Social Justice Ireland* in the context of the Europe 2020 Strategy and of Ireland's National Reform Programme which sets out Ireland's contribution to achieving the overarching targets of the Europe 2020 Strategy.

The report covers three of the five headline targets established in the Irish National Reform Programme, namely, education, employment and 'poverty and social exclusion'. On each of these areas it identifies the Europe 2020 target and Ireland's NRP headline target.

In each of these three areas this report

- Analyses the current context;
- Assesses progress (or otherwise) to date in achieving the headline target;
- Reviews recent policy decisions and assesses their contribution (or otherwise) to Ireland achieving its targets;
- Identifies a number of relevant issues that need to be addressed if the targets are to be reached; and
- Makes proposals, where relevant, on adjusting the targets Government has set in particular areas.

Attention is also given to the issue of governance. In the review of governance some deficits in regard to the consultation process in relation to the framing and development of the Irish National Reform Programme are highlighted and suggestions are made on how that process may be improved.

This report builds on the work carried out by Caritas Europa in conjunction with *Social Justice Ireland*. Caritas Europa has produced a 'Shadow Report' on the Europe 2020 Strategy which drew heavily on the experience and analysis provided by organisations in the Caritas network across the EU.

One particular finding in the Caritas report which is very pertinent in the Irish context is the worrying development that the austerity measures which are being pursued in many countries will result in the erosion of social services and will lead to the further exclusion of people who already find themselves on the margins of society. This is in direct contradiction to the inclusive growth focus of the Europe 2020 Strategy.

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## Introduction

On the 17<sup>th</sup> June 2010 the European Council adopted the final targets of the Europe 2020 Strategy. This strategy has for the first time seen agreement in regard to targets aimed at fighting poverty and social exclusion across the EU. It is not without its critics, and many argue that it does not address the social inequalities and disparities currently at the heart of Europe. Nonetheless the setting of a headline target in regard to fighting poverty and social exclusion is welcome.

## The Europe 2020 Strategy

The Europe 2020 Strategy is a reform agenda which was adopted in 2010 by the EU.

Europe 2020 puts forward what are viewed as three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation;
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy;
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

Underlying these priorities are five headline targets which should guide member states actions, in areas relating to employment, research and development, meeting climate change objectives, improving education outcomes as well as reducing poverty in a bid to promote social inclusion.

### Headline Targets

The Commission proposed the following EU headline targets:

***75 % of the population aged 20-64 should be employed;***

***3% of the EU's GDP should be invested in R&D;***

***The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right);***

***The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree;***

***20 million less people should be 'at risk of poverty'.***

(European Commission, 2010, pg. 5)

## **Integrated Guidelines**

The Europe 2020 Strategy is also underpinned by ten integrated guidelines:

*The integrated guidelines are as follows:*

- 1. ensuring the quality and the sustainability of public finances;*
- 2. addressing macroeconomic imbalances;*
- 3. reducing imbalances in the euro area;*
- 4. optimising support for research, development and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy;*
- 5. improving resource efficiency and reducing greenhouse gases;*
- 6. improving the business and consumer environment and modernising the industrial base in order to ensure the full functioning of the internal market;*
- 7. increasing labour market participation and reducing structural unemployment;*
- 8. developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning;*
- 9. improving the performance of education and training systems at all levels and increasing participation in tertiary education;*
- 10. promoting social inclusion and combating poverty.*

Further to this the European Commission has designed seven “Flagship Initiatives” which support the implementation of policies designed to meet the overarching goals of the Europe 2020 Strategy. See figure 1 below.

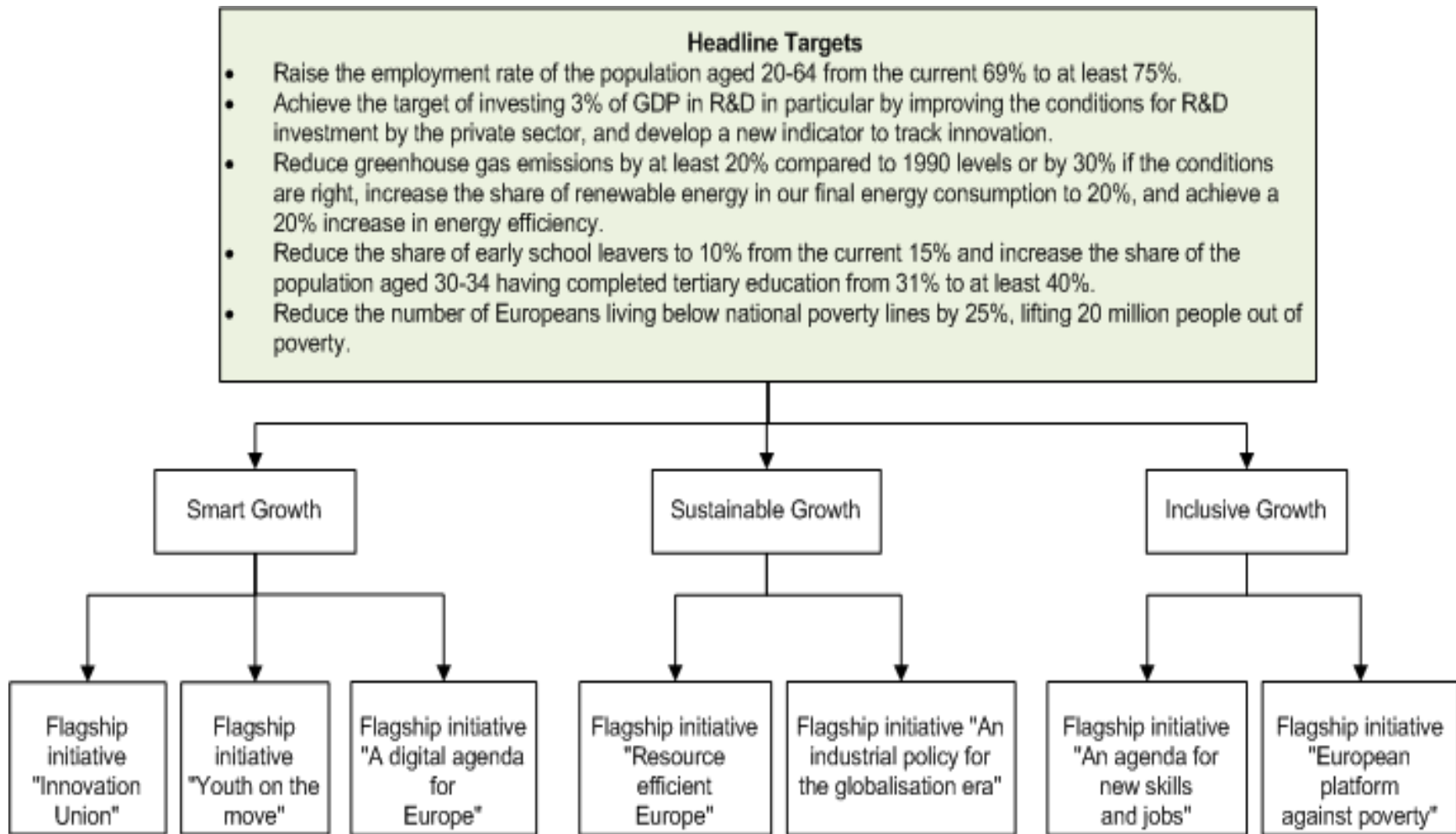


FIGURE 1 EUROPE 2020 STRATEGY



## Monitoring the Europe 2020 Strategy and the European Semester

The monitoring of the 2020 Strategy occurs over the course of the “European Semester” which is the annual cycle of economic and fiscal policy coordination.

The ‘European Semester’ is a six month cycle beginning in January with the European Commission presenting the Annual Growth Survey. Based on this survey the European Council spring meeting takes cognisance of the overall macro-economic situation, progress towards the five headline targets and also progress made under the flagship initiatives. It then provides policy orientations which cover economic, macroeconomic restructuring and areas for growth development.

Member States then present:

- **Stability and Convergence Programmes** setting out medium term budgetary strategies.
- **National Reform Programmes** setting out the actions to be taken in areas such as employment, innovation and social inclusion.

Both of these documents go to the commission for assessment in April. Following the assessment country specific guidance is issued to member states in June/July.

### Irish National Reform Programme

The targets laid out in the Irish National Reform Programme are as follows:

- *To raise to 69-71% the employment rate for women and men aged 20-64, including through the greater participation of young people, older workers and low-skilled workers, and the better integration of legal migrants, and to review the target level of ambition in 2014, in the context of a proposed mid-term review of the Europe 2020 Strategy.*
- *Improving the conditions for research and development, in particular with the aim of raising combined public and private investment levels in this sector to 2.5% of GNP (approximately equivalent to 2.0% of GDP).*
- *Reduce greenhouse gas emissions in the non-traded sector by 20% compared to 2005 levels; increase the share of renewables in final energy consumption to 16% by 2020; to move towards a 20% increase in energy efficiency.*

- *To reduce the percentage of 18-24 year olds with at most lower secondary education and not in further education and training to 8%; to increase the share of 30-34 year olds who have completed tertiary or equivalent education to at least 60%.*
- *To reduce the number experiencing consistent poverty to between 2-4% by 2012, with the aim of eliminating consistent poverty by 2016, which will lift at least 186,000 people out of the risk of poverty and exclusion.*

(Government of Ireland, 2010)]

While *Social Justice Ireland* recognises the interdependence of economic, environmental and social sustainability it is not within the scope of this report to address all components of the Irish National Reform Programme.

The analysis which is provided in this report relates to the following areas:

- **Employment**
- **Education**
- **Poverty and Social Exclusion**
- **Governance**

# Employment

**EU Headline Target:** The employment rate of the population aged 20-64 should increase from the current 69% to at least 75%, including through the greater involvement of women, older workers and the better integration of migrants in the work force (European Commission, 2010, pg 10).

**Ireland Headline Target:** To raise to 69-71% the employment rate for women and men aged 20-64, including through the greater participation of young people, older workers and low-skilled workers, and the better integration of legal migrants, and to review the target level of ambition in 2014, in the context of a proposed mid-term review of the Europe 2020 Strategy.

## Context

Within the Europe 2020 Strategy there is a large focus on employment, it is seen as a means to address many of the social exclusion and poverty issues currently experienced in Europe. There are many contributing factors in regard to employment and its potential role in eradicating poverty, such as the quality of employment and the opportunities employment offers for development and lifelong learning (Frazer & Marlier, 2008). With this in mind the focus in the Europe 2020 Strategy on inclusive growth, continued educational development and lifelong learning opportunities for employees are of essential importance. *Social Justice Ireland* believes that while it is important to recognise that employment offers a route out of poverty for many people, it is also necessary to realise that employment is not a panacea. This is evidenced by the numbers of employed people who currently experience poverty in Ireland (the working poor).

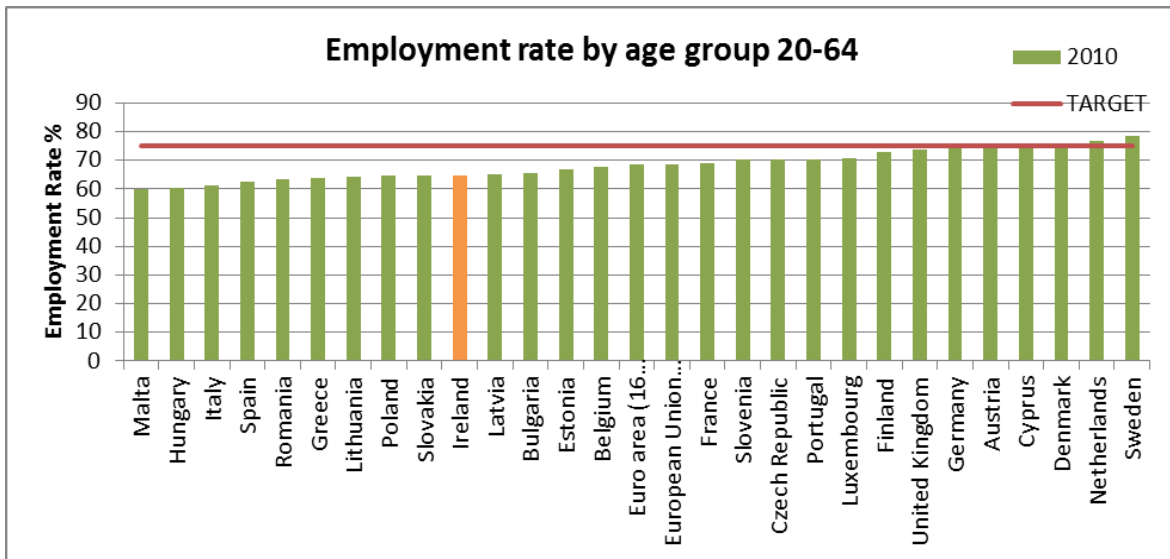


FIGURE 2 EMPLOYMENT RATE ACROSS EUROPE OF AGE GROUP 20-64 YEAR 2010 SOURCE: EUROSTSAT

### Current situation

Figure 2 outlines the current situation in regard to the employment rate across the EU. The Europe 2020 Strategy target is highlighted at 75%. Four countries (Denmark, Cyprus, Netherlands and Sweden) exceeded the 75% target. The lowest rate occurs in Malta at 59.9%.

At present the employment rate across the EU 27 on average is at 68.6%<sup>1</sup>. In Ireland the employment rate for people 20-64 stood at 64.9% in 2010. This is over 10% lower than the target rate identified within the 2020 Strategy and between 4.1% to 6.1% below the target set in the Irish NRP. It is also below the current EU 27 average.

Figure 3 shows the employment rate of 20-64 year olds in Ireland for the years from 1992 to 2010. It illustrates that, after many years of an increasing employment rate, from 2007 onwards there has been a steady decline bringing us to the current rate of 64.9%.

It is not envisaged that this situation will improve anytime soon with Ireland experiencing a dramatic increase in the unemployment rate over the past number of years.



FIGURE 3 EMPLOYMENT RATE OF AGE GROUP 20-64 IN IRELAND FOR YEARS 1992-2010 SOURCE: EUROSTAT

<sup>1</sup> “THE EMPLOYMENT RATE IS CALCULATED BY DIVIDING THE NUMBER OF PERSONS AGED 20 TO 64 IN EMPLOYMENT BY THE TOTAL POPULATION OF THE SAME AGE GROUP. THE INDICATOR IS BASED ON THE EU LABOUR FORCE SURVEY. THE SURVEY COVERS THE ENTIRE POPULATION LIVING IN PRIVATE HOUSEHOLDS AND EXCLUDES THOSE IN COLLECTIVE HOUSEHOLDS SUCH AS BOARDING HOUSES, HALLS OF RESIDENCE AND HOSPITALS. EMPLOYED POPULATION CONSISTS OF THOSE PERSONS WHO DURING THE REFERENCE WEEK DID ANY WORK FOR PAY OR PROFIT FOR AT LEAST ONE HOUR, OR WERE NOT WORKING BUT HAD JOBS FROM WHICH THEY WERE TEMPORARILY ABSENT” (EUROSTAT, 2011B)

## Unemployment

Unemployment in Ireland presents a serious challenge. The increase in unemployment over recent years has been substantial. There are two indicators used to identify the unemployed in the Irish context: the Central Statistics Office's (CSO) Quarterly National Household Survey (QNHS) and the Live Register figures.

The Live Register was not designed to be a measure of unemployment. It includes some of those working part-time as well as people who are signing on for credits. However, while it is principally an administrative count and not an explicit measure of unemployment, one of its main uses/purposes is as a short term trend indicator of unemployment. The QNHS is considered the more accurate indicator of unemployment and it uses the standard International Labour Organisation (ILO) methodology in calculating unemployment levels.

It is instructive to look at both as the data from the live register highlights the pace of change in employment and unemployment. Increases in the live register *“suggests a combination of more people unemployed, more people at reduced working weeks and consequently reductions in the availability of work hours to the labour force”* (Healy et.al. 2011, pg. 127).

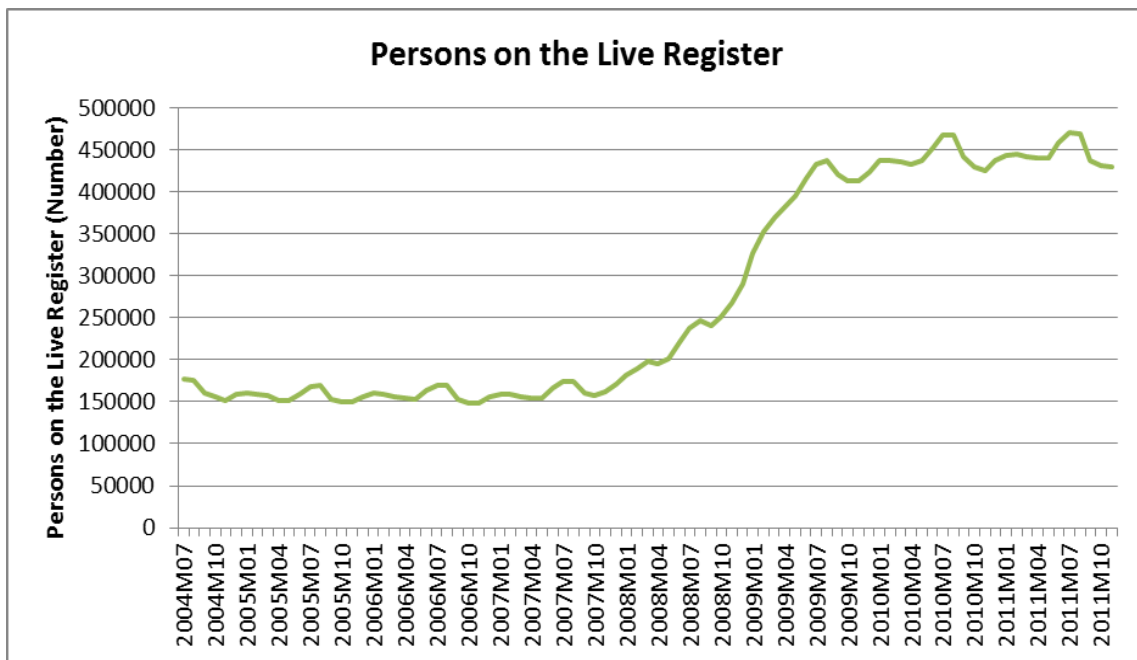
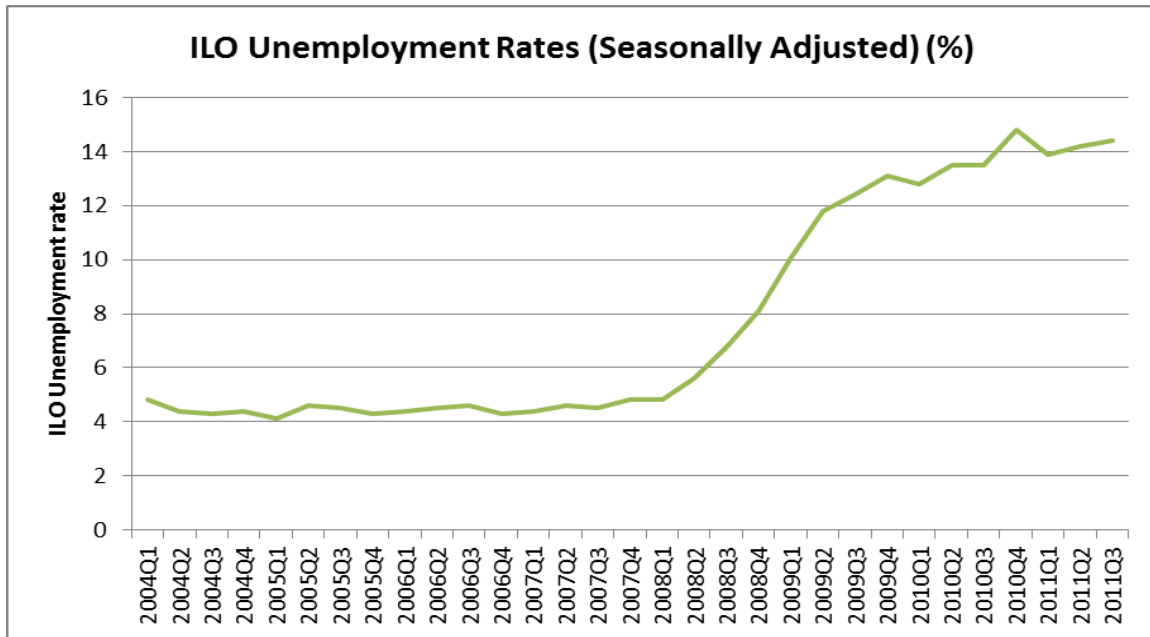


FIGURE 4 LIVE REGISTER UNADJUSTED FIGURES IN IRELAND SOURCE: CSO



**FIGURE 5 ILO UNEMPLOYMENT RATES IN IRELAND. SOURCE: CSO**

Figures 4 and 5 highlight the considerable increase in unemployment which has occurred in Ireland over the period from 2008 to the present. Unemployment was reasonably stable between 2005 and 2008. However, since 2008 there has been a massive increase in unemployment. This is an issue which requires immediate and substantial action.

According to the Quarterly National Household Survey unemployment increased by 15,700 or +5.3% in the year to Q3 2011. This brings the total number of persons unemployed to 314,700, with male unemployment at 206,200 and female unemployment increasing by 11,100 to 108,600 (CSO, 2011c).

This increase in unemployment highlights another extremely worrying development in Ireland: the increase in the proportion of people who find themselves in long-term unemployment.

## Long-term Unemployment

People who are away from employment for long periods and the difficulties they will encounter in relation to reconnecting with the labour market are a particular concern at policy level (European Commission, 2010).

From an Irish perspective there has been a massive increase in the numbers of people experiencing long-term unemployment. The length of time people spend unemployed is directly correlated with their likelihood of re-entering paid employment. With the likelihood of re-employment decreasing the longer people are away from paid employment, the risk that they will experience poverty and social exclusion increases.

*The long-term unemployment rate increased from 6.5% to 8.4% over the year to Q3 2011. Long-term unemployment accounted for 56.3% of total unemployment in Q3 2011 compared with 47.0% a year earlier and 25.5% in the third quarter of 2009 (CSO,2011c)*

**Social Justice Ireland** believes that this issue requires immediate and appropriate action. We strongly urge that a specific sub-target on reducing long-term unemployment be included in the National Reform Programme to ensure this issue receives the priority it demands. We propose the following sub-target be added to the current headline target:

- **To reduce the level of long-term unemployment to 1.3% of the labour force. In this report *Social Justice Ireland* has outlined a jobs proposal which is of a sufficient scale to have a real impact on reducing the number of people experiencing long-term unemployment.**

## **The Working Poor**

One issue that is often ignored and has no target attached to it in the National Reform Programme is the issue of the working poor. The growth in jobs over the period since the mid-1990s was dramatic. Some of this growth has been eroded since the melt-down of recent years. However, it is important to realise that having a job is not, of itself, a guarantee that one lives in a poverty-free household.

5.5 per cent of those who are employed are living 'at risk of poverty'. Translating this into numbers of people suggests that among Ireland's workers in 2009 at least 90,000 were 'at risk of poverty'. This has increased with the most recent statistics showing that 7.8% people employed in 2010 were 'at risk of poverty'.

This is a remarkable statistic and it is important that policy begin to address this problem. Policies which protect the value of the minimum wage are relevant in this area. Similarly, attempts to increase awareness among low income working families of their entitlement to the Family Income Supplement (FIS) are also welcome; evidence, however, suggests that FIS is experiencing dramatically low take-up and as such has questionable long-term potential.

One of the most effective mechanisms available within the present system to address the problem of the working poor would be to make tax credits refundable.

*Social Justice Ireland* has published research on these issues. Its 2010 study, entitled *Building a Fairer Taxation System: The Working Poor and the Cost of Refundable Tax Credits*, showed that making tax credits refundable is fiscally do-able for relatively small cost. Such a move would have a very positive impact on those who are the working poor.

*Social Justice Ireland* is currently finalising research on the issue of Family Income Supplement and hope to publish the results soon.

We strongly urge that a specific sub-target should be developed to address the issue of the working poor. We propose the following sub-target be added to the current headline target:

- **To reduce in-work poverty by making tax credits refundable. (Please refer to *Social Justice Ireland's* study *Building a Fairer Taxation System: The Working Poor and the Cost of Refundable Tax Credits*).**

## Youth unemployment<sup>2</sup>

The recent crisis has had a major impact upon the employment of young people, resulting in an unemployment rate of more than double the overall unemployment rate across Europe. At a rate of 20.9% in 2010 for the euro area more than one out of every five young persons in the labour force was not employed (Eurostat, 2011a). In Ireland youth unemployment is at 27.8% this is almost 7% per cent higher than the rate of youth unemployment in the EU 27 which stands at 21.1 %. This is a very worrying trend and again one which deserves specific action; especially given that the National Reform Programme specifically indicates that the employment target will be achieved through the greater participation in the labour market of young people among other groups.

## Bottlenecks to Employment

Within the National Reform Programme the Irish Government identified several bottlenecks to employment. These are:

- *Weak labour market demand;*
- *Long- term and structural elements of unemployment;*
- *Access to opportunities for upskilling and reskilling;*
- *Challenges in the current economic climate to target cost effective activation programmes to people most at risk of becoming long -term unemployed and particular groups with low participation rates;*

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<sup>2</sup> "YOUTH UNEMPLOYMENT IS THE PERCENTAGE OF THE UNEMPLOYED IN THE AGE GROUP 15 TO 24 YEARS OLD COMPARED TO THE TOTAL LABOUR FORCE (BOTH EMPLOYED AND UNEMPLOYED) IN THAT AGE GROUP. HOWEVER, IT SHOULD BE REMEMBERED THAT A LARGE SHARE OF PEOPLE BETWEEN THESE AGES ARE OUTSIDE THE LABOUR MARKET (SINCE MANY YOUTHS ARE STUDYING FULL TIME AND THUS ARE NOT AVAILABLE FOR WORK), WHICH EXPLAINS WHY YOUTH UNEMPLOYMENT RATES ARE GENERALLY HIGHER THAN OVERALL UNEMPLOYMENT RATES, OR THOSE OF OTHER AGE GROUPS" (EUROSTAT, 2011A)



- *Developing an effective response to meeting the needs of the unemployed and removing disincentives to employment, education and training.*

(Government of Ireland, 2011)

In an attempt to address issues in regard to people drifting into long-term unemployment and becoming detached from the labour market the Irish Government indicates that it is prioritising the following groups:

- *People with low skills or education levels, i.e. unemployed people who do not have a Leaving Certificate qualification or equivalent;*
- *People who are on the Live Register (i.e. registered claimants) for long periods (over one year);*
- *People who are under 35 years of age;*
- *People who were previously employed in sectors that have been most affected by restructuring.*

(Government of Ireland, 2011, pg 10)

While these groups are outlined in the National Reform Programme the Irish Government fails to identify how the position of these people will be addressed in any detailed way. Assertions are vague and programmes to date lack sufficient scale to alleviate the extent of unemployment across the cohort of the population being impacted.

The Irish Government aims to address issues relating to employment through the following key measures outlined in the NRP:

- *Improved Job Search Supports;*
- *Training and Education Measures;*
- *Higher Education Places;*
- *New programme for Government and proposed Jobs Initiative.*

The Jobs Initiative which was outlined in May 2011 and forms a central pillar of the government's programme towards increasing employment and reducing unemployment, indicated an additional 20,900 places would be created in a variety of internship, Post-Leaving Certificate (PLC), back to education and third level courses.

In support of its job creation targets (to create 100,000 extra jobs by 2015 and to have two million people 'back at work' by 2020) the government has also set out a plan to make €100m available in a Micro Finance Loan Fund to benefit 5,000 businesses over a ten year period. It also introduced a Temporary Partial Credit Guarantee Scheme, and a further €60m was announced in innovation funding. *Social Justice Ireland* believes that this plan is neither adequate nor credible in terms of job creation and fails to recognise the extent of the unemployment crisis in Ireland today.

In January 2012 the government has promised to publish its first annual Action Plan for Jobs, which will contain a series of measures across all government departments to be implemented during 2012. There will also be quarterly targets to be achieved.

The Action Plan for Jobs will address seven principal areas:

1. Improving competitiveness and intensifying competition in sheltered sectors
2. Supporting indigenous start-ups
3. Assisting indigenous business to grow
4. Attracting inward entrepreneurial start-ups
5. Developing and deepening the impact of Foreign Direct Investment (FDI)
6. Developing employment initiatives within the community
7. Exploiting sectoral opportunities, including: Health/Life Sciences, Silver Tech, Green Economy, ICT, Cloud computing, Digital gaming, Agri-Food, Tourism and Sport, Financial Services

*Social Justice Ireland* tentatively welcomes this cross cutting approach to dealing with the current unemployment crisis and hopes that it is of a scale and sufficiently resourced to provide the substantial response which is required to deal with the numbers of people experiencing unemployment.

However, with the government indicating in its Medium Term Fiscal Statement that there will be a fall in employment in 2012 and a very modest decline in unemployment to 11.6% by 2015 (refer to table 1 below) this is unlikely.

***While it is expected that around 65,000 jobs will be created over the period 2013-2015, the number of people out of work will remain at a relatively high level – even though a gradual decline in the unemployment rate is projected over the medium-term, it is still expected to average 11.6% in 2015 (Government of Ireland, 2011b, pg 25).***

**TABLE 1 LABOUR FORCE PROJECTIONS GOVERNMENT OF IRELAND MEDIUM TERM FISCAL STATEMENT**

Labour Force					
Years	2011	2012	2013	2014	2015
Employment	-1.8	-0.2	0.8	1.2	1.6
Unemployment (% of labour force)	14.2	14.0	13.4	12.8	11.6

(Source: Government of Ireland, 2011b, pg 22)

The government continuously indicates that job creation and employment is its priority, however, the reality is that unemployment is at a very high level with long-term unemployment accounting for over half of the people experiencing unemployment in Ireland.

*Social Justice Ireland* believes that radical action is required. It is important to focus on job creation and on preparing people to be in a position to avail of an economic upturn as soon as it begins to create jobs. However, it is also important to recognise that Ireland is facing high levels of long-term unemployment for many years to come. It appears highly unlikely that sufficient market-based jobs will emerge in the short to medium term to provide the necessary positions that would substantially reduce unemployment in Ireland. Consequently, an intervention of scale is required that would dramatically reduce the numbers long-term unemployed.

Recent developments in relation to government policy in regard to their jobs strategy while welcome are limited by the lack of scale of these initiatives.

**The following is a proposal by *Social Justice Ireland*, which aims to reduce the numbers on the live register by 100,000. This part time jobs proposal is about ensuring that people are provided with the opportunities to maintain their already existing skills and stay connected to the labour market.**

## ***Social Justice Ireland's Part Time Jobs Proposal***

Proposal to reduce the numbers on the live register by 100,000 through creating real part-time jobs.

### **Background**

This proposal is based on a programme piloted by the current Directors of *Social Justice Ireland*, Seán Healy and Brigid Reynolds from 1994-1998. That programme created 1,000 part-time jobs paying the 'going hourly rate' for the job. The jobs were open to a number of categories of people who were unemployed. They worked the number of hours necessary to earn their social welfare payment. After that they were free to seek further employment and, of course, pay tax on the money they earned in the normal way. The programme was taken on by 162 organisations and was extremely successful. 500 of the original 1,000 employees left during the course of the programme – almost all of these took up full-time employment. These were all replaced by others who fitted the criteria for participants. The programme was piloted in six very different pilot areas i.e. County Laois, Waterford city, Finglas, North Kerry, four towns in South Tipperary and the islands off the coast. There was huge demand for the programme and there was always a waiting list of eligible candidates.

### **Proposal**

*Social Justice Ireland* proposes that Government create 100,000 part-time jobs in the public sector and in the community and voluntary sector following the model piloted in the 1994-98 period.

### **Outline of the programme**

This programme would enable unemployed people to be employed on a part time basis:

- In the public sector (e.g. local authorities, Government departments, the healthcare and educational authorities etc.) and the community and voluntary sector
- Voluntarily
- Doing work of public or social value which is not being done or is only partly being done at present
- At the hourly 'going rate for the job'
- For as many hours as would give them a net income equivalent to what they were receiving from jobseekers allowance plus an additional €20 a week. (They would work for a minimum of 8 hours and a maximum of 19.5 hours.)
- The person taking up the new position would lose none of his/her other social welfare entitlements
- Once the required number of hours had been worked, the person would be free to do whatever she/he wished for the remainder of the week
- The money paid to the person filling the new position would be reallocated to the

employing organisation by the Department for Social Protection

- The employer would be encouraged to give extra hours to the worker who would be taxed accordingly
- If the person received further income from another job, this income would be assessed for tax purposes in the normal way
- To protect against a 'deadweight effect' no position could be created if a person had been employed to do this particular work at any point during the previous two years

## **Eligibility**

The Programme would be available to:

- All recipients of jobseekers allowance
- All recipients of jobseekers benefit after 6 months

## **Voluntary nature of the programme**

The voluntary nature of the programme is considered very important from the point of view of the worker and the employer. It must not have any of the characteristics of 'workfare'.

- From the viewpoint of the worker, he/she must freely choose to come on the programme, and must be free to leave if he/she chooses, subject only to normal requirements with regard to notice to the employer
- From the point of view of the employer, there must be free choice in selecting workers from among those eligible for the programme. The employer should also be free to select the number of workers required. This ensures that the work offered is real. The pilot programme showed that there would be more demand for these jobs than there were positions to accommodate them

To protect the voluntary nature of the programme and to ensure that the work is real the following would be expected:

- Positions should be advertised publicly by the employing body, through local media, or any other method used in the local area.
- A job description would be provided.
- Workers should be interviewed for the positions.
- Written job contracts should be provided.
- Employers would not be pressurised to take more workers than they need.
- Leaving a particular job would not prejudice a worker seeking to participate in another project or training programme.

- Employers could replace workers immediately they left the programme.

### **'Going rate for the job'**

The 'going rate for the job' is an important concept in valuing the work done. It is the value which is placed on work in the market economy.

In the pilot programme the programme's manager liaised with trade unions, professional organisations, employment agencies and personnel departments in an effort to arrive at a reasonable hourly rate for the various jobs created. In order to reflect incremental scales in many areas of employment, most rates were set at two levels, a lower and a higher level, within which employers were free to negotiate the actual rate.

### **Scale**

*Social Justice Ireland* estimates 100,000 positions can be created using this approach – 10,000 places in the Community and Voluntary sector and 90,000 in the public sector

**Cost:** The total net additional cost of 100,000 places would be €150m - €90m for the 90,000 places in the public sector and €60m for the 10,000 places in the CV sector

## Education

***EU Headline Target : A target on educational attainment which tackles the problem of early school leavers by reducing the dropout rate to 10% from the current 15%, whilst increasing the share of the population aged 30-34 having completed tertiary education from 31% to at least 40% in 2020 (European Commission, 2010, pg 11).***

***Ireland Headline Target: To reduce the percentage of 18-24 year olds with at most lower secondary education and not in further education and training to 8%; to increase the share of 30-34 year olds who have completed tertiary or equivalent education to at least 60%.***

The targets identified by Ireland are underpinned by the pre-existing targets in the National Skills Strategy:

- ***the proportion of 20-24 year olds with at least upper secondary education (Levels 4/5 in our National Framework of Qualifications (NFQ)) to increase from 86% in 2005 to 94% by 2020;***
- ***the progression rate to tertiary education (Levels 6-10 in our NFQ) to increase from approximately 55% in 2005 to 72% by 2020;***
- ***48% of the labour force (i.e. those in the population in the age range 25-64 inclusive) to have tertiary attainment (i.e. qualifications at NFQ Levels 6-10) by 2020.***

(Government of Ireland 2011)

## Context

References within the Europe 2020 Strategy regarding education occur under several of the flagship initiatives further underscoring the connected nature of all the targets established. There are two aspects to the headline target within the education section of the Europe 2020 Strategy, one focusing on early leavers from education and training and the other focusing on tertiary education. Under the 'Youth on the Move' flagship initiative member states should ensure sufficient investment in education and training at all levels.

Overall, Ireland performs relatively well in terms of the two targets relating to education established under the Europe 2020 Strategy. In particular our share of 30-34 year olds who have completed tertiary or equivalent education is the highest in Europe and the Irish Government has established an ambitious target in regard to this in the National Reform Programme (Eurostat, 2011).

The following section looks at the issue of early leavers from education and training from an Irish perspective. It also highlights some of the decisions made in the Irish budget 2012 which may see progress in the area of education undermined.

Two other very pertinent issues in regard to the Irish education system are also discussed here; these are (i) aspects of lifelong learning and (ii) adult literacy. While these are not headline targets in either the Europe 2020 Strategy or Ireland's National Reform Programme they can be viewed as central supporting aspects to achieving equity and opportunity within the education system.

## Early School Leaving

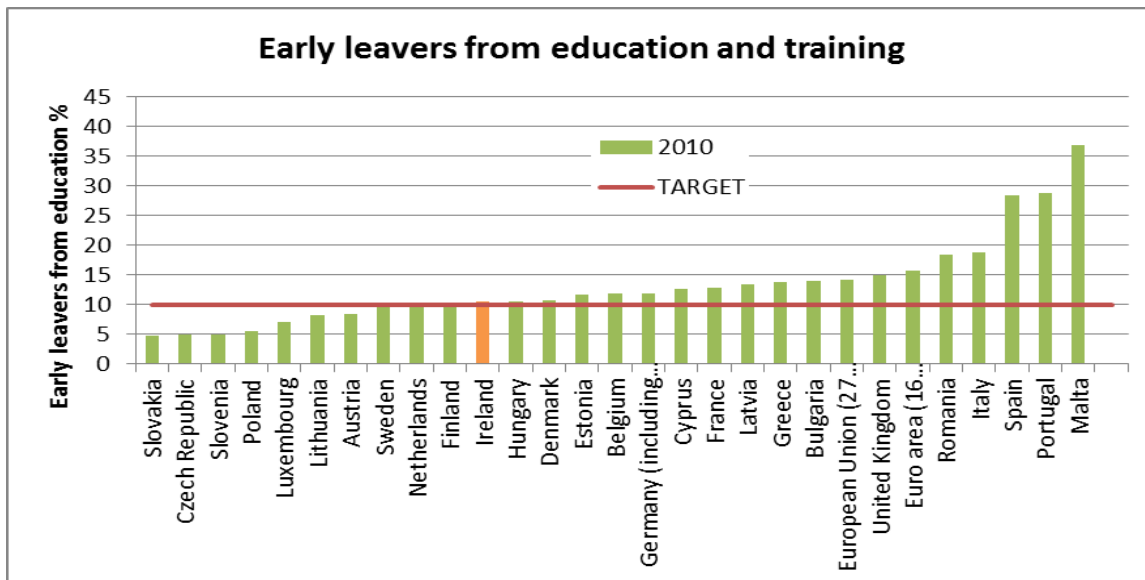
Early school leaving does not only present problems for the young people but it also has economic and social consequences for society. Education is the most efficient means by which to safeguard against unemployment. The risk of unemployment increases considerably the lower the level of education. This was a pattern identified in almost every Member State in 2010, as the average unemployment rate in the EU-27 for those having attained at most a lower secondary education was 14.2 %, far in excess of the rate of unemployment for those that had obtained a tertiary education qualification which was 4.9% (Eurostat, 2011a). According to the flagship initiative 'Youth on The Move' Member States should;

***“improve educational outcomes, addressing each segment (pre-school, primary, secondary, vocational and tertiary) within an integrated approach, encompassing key competences and aiming at reducing early school leaving” (European Commission, 2010, pg 13).***

Early school leavers are:

1. At higher risk of poverty and social exclusion;
2. Confronted with limited opportunities to develop, culturally, personally and socially;
3. Furthermore, there is a cyclical effect associated with early school leaving, resulting in the children of early school leavers experiencing reduced success in education (European Commission, 2011b).



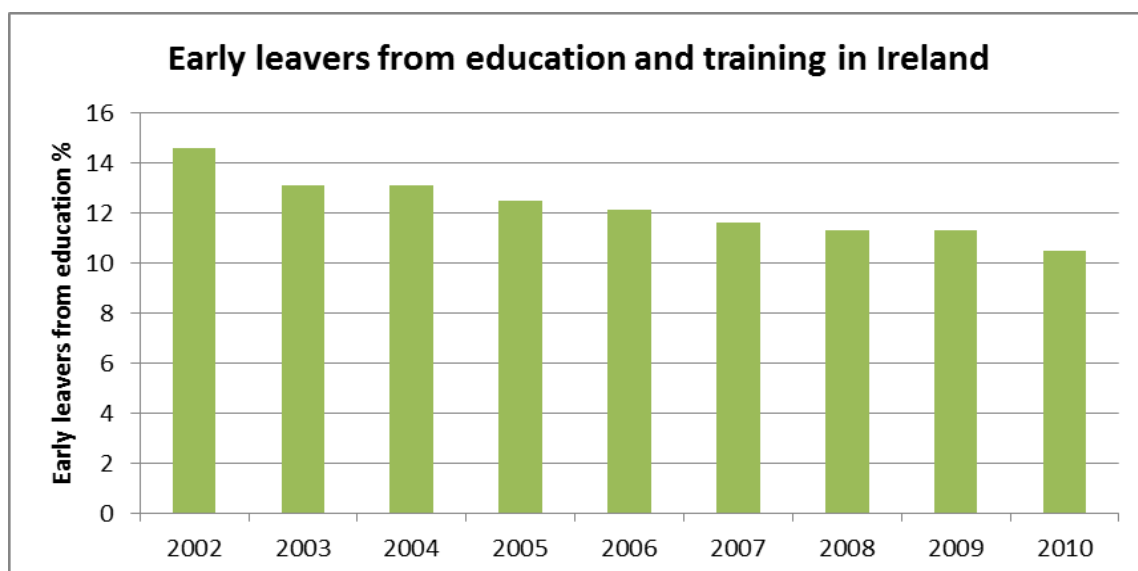


**FIGURE 6 EARLY LEAVERS FORM EDUCATION AND TRAINING ACROSS EUROPE YEAR 2010 SOURCE: EUROSTAT**

Early school leaving is a major issue in the EU as figure 6 illustrates. Within the EU 27 the share of early school leavers stands at 14.1%. At national level the share of early school leavers varies from 4.9% to 36.9%. Several countries are well below that target (Sweden, Slovakia, Slovenia, Poland, Austria, Luxembourg, Lithuania and the Czech Republic)<sup>3</sup>.

In Ireland in 2010 the rate of early leavers from education and training stands at 10.5%. This rate has been decreasing steadily over the period from 2002 to 2010, as figure 7 illustrates. In 2002 the rate of early school leavers was at 14.6% reducing to 10.5% in 2010. While this is a very positive trend, in the Irish context early school leaving remains a serious issue, the Irish Government in its NRP has committed to reducing this to 8%.

<sup>3</sup> "THIS INDICATOR IS BASED ON ANNUAL AVERAGES OF QUARTERLY DATA INSTEAD OF ONE UNIQUE REFERENCE QUARTER IN SPRING. EARLY LEAVERS FROM EDUCATION AND TRAINING REFERS TO PERSONS AGED 18 TO 24 FULFILLING THE FOLLOWING TWO CONDITIONS: FIRST, THE HIGHEST LEVEL OF EDUCATION OR TRAINING ATTAINED IS ISCED ( THE INTERNATIONAL STANDARD CLASSIFICATION OF EDUCATION (ISCED) PROVIDES THE CLASSIFICATION BASIS FOR COLLECTING DATA ON EDUCATION. ISCED-97, THE CURRENT VERSION OF THE CLASSIFICATION INTRODUCED IN 1997, IS BUILT TO CLASSIFY EACH EDUCATIONAL PROGRAMME BY FIELD OF EDUCATION AND BY LEVEL) 0, 1, 2 OR 3C SHORT, SECOND, RESPONDENTS DECLARED NOT HAVING RECEIVED ANY EDUCATION OR TRAINING IN THE FOUR WEEKS PRECEDING THE SURVEY (NUMERATOR). THE DENOMINATOR CONSISTS OF THE TOTAL POPULATION OF THE SAME AGE GROUP, EXCLUDING NO ANSWERS TO THE QUESTIONS "HIGHEST LEVEL OF EDUCATION OR TRAINING ATTAINED" AND "PARTICIPATION TO EDUCATION AND TRAINING" (EUROSTAT, 2011B)



**FIGURE 7 EARLY LEAVERS FROM EDUCATION AND TRAINING IN IRELAND, YEARS 2002-2010. SOURCE: EUROSTAT**

## Ireland's Budget 2012 and the Europe 2020 Education Targets

The decisions made in Ireland's budget 2012 in regard to education do not support the development of a system which promotes equality. They also run the risk of undermining the work done to date in regard to ensuring that Ireland's rate of early leaving from education and training continues on a downward trend. While the European Union has given priority to two specific education targets within the Europe 2020 Strategy, they recognise that the realisation of these targets will be achieved through improvements across the education system in general. Quality early childhood, primary, post primary and tertiary educational opportunities are of equal importance.

Within its National Reform Programme the Irish Government identifies DEIS (Delivering Equality of Opportunities in Schools) as a key measure in supporting the achievement of the national target in regard to early school leaving. This programme focuses on the needs of 3 to 18 year olds from disadvantaged communities and adopts an integrated approach with a central focus on early intervention. The government has highlighted that a review and evaluation of DEIS is to occur in order to assess its impact and inform the direction of future policy.

However, it must be noted that decisions within the recent budget will certainly impact upon the most vulnerable communities and the most marginalised students.

- The phased withdrawal of 428 legacy posts which pre-date the DEIS scheme and removing 200 posts overall in the 2012 will impact very significantly on the most disadvantaged communities.
- 500 language support posts will be removed from the system by 2015, seeing a reduction from 1400 down to 900, this is a regressive development given the gap in

achievement which exists in Ireland for students who speak English at home and those who do not. This will undermine Ireland's aim to provide "inclusive, high quality education for all students" (Taguma et al 2009, pg 9).

- Funding to the School Completion Programme will be reduced by €2 million, or 6.5% in 2012; pending review, which is intended to enhance efficiency and effectiveness.
- The two existing allowances paid to 16 and 17 year olds participating on Youthreach, Community Training Centres and FÁS courses are being merged and reduced to one standard rate of €40, from the previous rates of €76.65 and €95.75. The reduction in these payments will serve only to weaken alternative routes of education for people for whom the traditional education system is not a viable option. The payments acted as a support and incentive for young people who had difficulty engaging in mainstream education.
- Reduction in capitation grants across a range of further and adult education courses (e.g. Post Leaving Certificate, Vocational Training Opportunities Scheme, Youthreach, Back to Education Initiative, Adult Literacy) by 2% in both 2012 and 2013 and a further 1% in both 2014 and 2015.

These decisions seem to be in direct contradiction to the Europe 2020 Strategy which aims to encourage and ensure alternative and flexible pathways within the education system. It is also likely that the reduction in support for the education system in general will undermine the downward trajectory in early leavers from education and training which has been achieved to date.

## **The ET 2020**

The ET 2020, the Strategic Framework for European Union cooperation in Education and Training (ET 2020) identifies 4 strategic objectives;

- 1. Making lifelong learning and mobility a reality;***
- 2. Improving the quality and efficiency of education and training;***
- 3. Promoting equity, social cohesion and active citizenship;***
- 4. Enhancing creativity and innovation, including entrepreneurship, at all levels of education and training.***

The 'ET 2020' framework and its four strategic objectives represent a concrete base for European cooperation in the field of education and training, and are considered to be a strategy which can make a significant contribution towards achieving the 'Europe 2020' objectives.

## The Life Long learning<sup>4</sup> Component

The importance of lifelong learning is acknowledged and highlighted by both the EU and Ireland's Education Authorities as can be seen from these quotations.

*The challenges posed by demographic change and the regular need to update and develop skills in line with changing economic and social circumstances call for a lifelong approach to learning and for education and training systems which are more responsive to change and more open to the wider world. While new initiatives in the field of lifelong learning may be developed to reflect future challenges, further progress with on-going initiatives is still required, especially in implementing coherent and comprehensive lifelong learning strategies (Council of the European Union, 2009, pg 3).*

The issue of lifelong learning is a central aspect of the ET 2020 and is one of the benchmark indicators. While it is not a headline target in the Europe 2020 Strategy; it is viewed as a key component in achieving the goals of the strategy. Furthermore, lifelong learning is an important aspect of the European flagship 'An Agenda for New Skills and Jobs'.

*Given the growing importance of education in supporting and sustaining economic and social development, all developed countries are actively pursuing strategies to improve the education and skills profile of their populations. In pursuit of these general upskilling objectives, there is widespread appreciation of the importance of lifelong learning and of the fact that continuing expansion of higher education will rely on success in achieving greater equality of opportunity (Higher Education Authority, 2008, pg 68)*

In the *National Plan for Equity of Access to Higher Education 2008-2013*, the Irish government set a target that Ireland would reach EU average levels for lifelong learning by 2010 and would move towards the top quartile of EU countries by 2013. The mid-term review of this plan while outlining many of the policy initiatives aimed at improving Ireland's performance in this regard acknowledges that no improvement has been recorded on participation in lifelong learning among 25-to 64-year-olds as defined by Eurostat. In fact the rate has declined over the period from 2006 to 2010 as can be seen from table 2.

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<sup>4</sup> LIFE-LONG LEARNING REFERS TO PERSONS AGED 25 TO 64 WHO STATED THAT THEY RECEIVED EDUCATION OR TRAINING IN THE FOUR WEEKS PRECEDING THE SURVEY (NUMERATOR). THE DENOMINATOR CONSISTS OF THE TOTAL POPULATION OF THE SAME AGE GROUP, EXCLUDING THOSE WHO DID NOT ANSWER TO THE QUESTION 'PARTICIPATION TO EDUCATION AND TRAINING'. BOTH THE NUMERATOR AND THE DENOMINATOR COME FROM THE EU LABOUR FORCE SURVEY. THE INFORMATION COLLECTED RELATES TO ALL EDUCATION OR TRAINING WHETHER OR NOT RELEVANT TO THE RESPONDENT'S CURRENT OR POSSIBLE FUTURE JOB.

	2006	2010	2013
Lifelong learning levels in Ireland as defined by Eurostat	7.3%	6.7%	
The lifelong learning target under the <i>National Plan for Equity of Access to Higher Education 2008-2013</i> ,		12.5%	17%

Table 2 Lifelong learning rates in Ireland

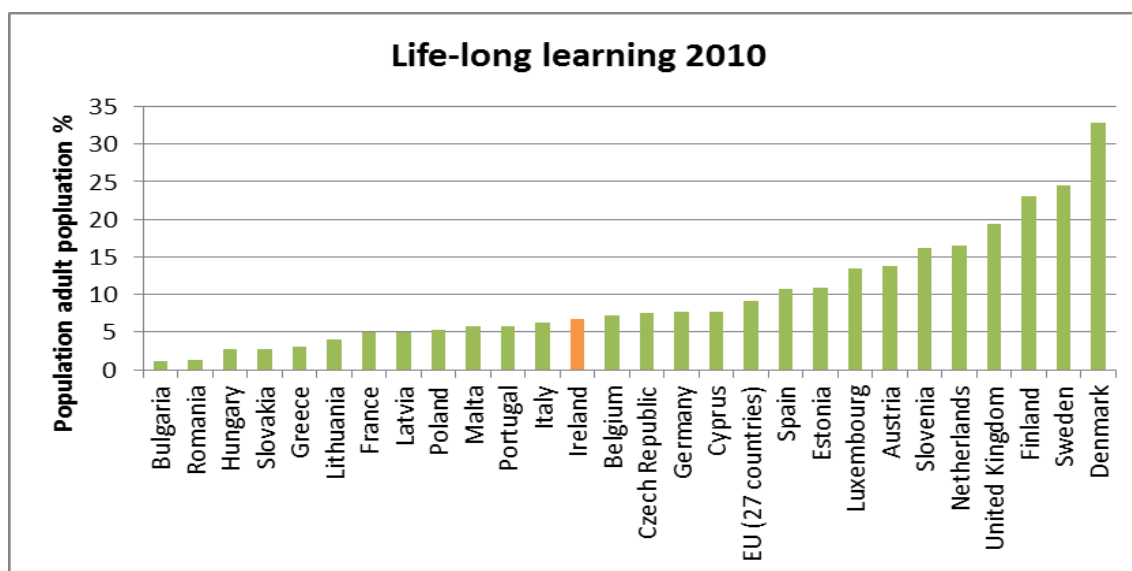


FIGURE 8 LIFELONG LEARNING ACROSS EUROPE YEAR 2010 SOURCE: EUROSTAT

Source: Eurostat and the National Plan for Equity of Access to Higher Education 2008-2013

The government needs to take action to address this in a real way; the current rate is well below the European average as illustrated in figure 8.

This report does not seek to review Ireland’s overall performance on life-long learning. However, there are aspects of the current situation that need questioning. Of particular concern is the almost total focus on activation measures for jobs. Labour market activation cannot be the sole factor defining education and training curricula for adults. It is very important that the new state agency SOLAS have accurate information to ensure that it is funding courses that are increasingly relevant, effective and that meet individual needs and national targets. In order to achieve this it needs to build on the report by the Council of Europe and the European Parliament (2006) entitled “*Key Competences for Lifelong Learning*”. The key competences listed in that report are:

- 1) Communication in the mother tongue (reading, writing, etc.);
- 2) Communication in foreign languages;
- 3) Mathematical and basic competences in science and technology;
- 4) Digital competence;
- 5) Learning to learn;
- 6) Social and civic competences;
- 7) Sense of initiative and entrepreneurship;
- 8) Cultural awareness and expression.

These key competences are all interdependent, and the emphasis in each case is on critical thinking, creativity, initiative, problem solving, risk assessment and decision taking. They also provide the framework for community education and training programmes within the Education and Training 2010 work programme.

The recommendations of a Forfás Report entitled “*Sharing our future: Ireland 2025*” (2009) should also be noted and acted on. These highlighted the increasing range of generic skills that individuals require to operate within society and the economy. They included basic skills such as literacy, numeracy, use of technology, language skills, people related and conceptual skills. The report of the Expert Group on Future Skills Needs “*Tomorrow’s Skills – Towards a National Skills Strategy*” (2007) is also relevant in this context. It indicates that there is substantial evidence to show that employers regard generic skills as equal to, if not more important than, technical or job specific skills.

The new agency SOLAS should coordinate the existing research information and share it with the providers it funds. Building on the work of the CSO, Expert Group on Future Skills Needs (EGFSN) and FÁS Skills and Labour Market Research Unit (SLMRU), it should ensure there is commonly understood and easily accessed and regularly updated information comparing future needs with current and planned provision to identify new course requirements to providers

It is worrying that within the Draft National Reform Programme the further, adult and community education sector is neither recognised nor treated as a sector in its own right. It is not included at all under Target 4 (education) suggesting that the lifelong learning aspect of education is still not embedded sufficiently strongly within the thinking and actions of government. Adult and further education opportunities receive one short paragraph within Target 1 of the NRP (employment). Much more needs to be done at government level to ensure that the further, adult and community education sector achieves parity of esteem with other sectors within the formal system since it is expected to respond to the needs of large sections of the population who have either been failed by that system or for whom it is unsuitable as a way of learning. This is particularly important when one considers that the employment target is to

be reached through the greater participation of low skilled and older workers. Implicit in this is the need for continuing educational opportunities if these identified groups are to be in a position to remain in and take up employment.

***Participation rates in continuing education are strongly linked with initial levels of education in every OECD country and promoting lifelong learning among those who need it most is a challenge for all developed countries (Higher Education Authority, 2008, pg 34).***

## Literacy and Adult Education

One area that is linked to lifelong learning and poses serious challenges in this regard is the area of adult literacy. The failure to address the issue of literacy difficulties in a meaningful manner demonstrates a fundamental flaw within the Irish education system which must be addressed. This failure undermines strategies in regard to related issues such as education, employment and poverty and social exclusion.

***People with literacy and numeracy difficulties are less likely to participate in education and training. A recent report highlighted that “third level graduates (6%, 58,000 persons), were three times more likely to participate in lifelong learning than those with lower secondary or less educational qualifications (2%, 9,000 persons<sup>5</sup>) (EAPN, 2011, pg 23).***

The issue of literacy has been contentious in recent times. Some years ago, in 1997, an OECD survey found that a quarter of Ireland’s adult population performed at the very lowest level of literacy. More recently, results from the OECD’s PISA study found that Ireland’s fifteen-year olds rank at average reading levels among OECD countries. They also highlighted that average reading levels have been decreasing across all ability levels over time in Ireland and that 17 per cent of students in Ireland are low-achieving in reading meaning that they are “below the basic level needed to participate effectively in society and in future learning” (OECD, 2010). Numeracy levels also displayed a similar pattern.

The OECD’s findings suggest that while reading levels among the school-going population are better than the population generally, this difference is much smaller than should be expected. However, there is something fundamentally wrong with an education system where 1 in 6 students are unable to read at the most basic level. Given these findings, it is clear that fundamental reforms are needed to Ireland’s education system to address this problem. Left unresolved, it will store up continuous socio-economic problems for the decades to come.

In that regard, *Social Justice Ireland* welcomed the November 2010 draft national plan to improve literacy and numeracy in schools, *Better Literacy and Numeracy for Children and Young People*, which sets out national targets and a range of significant measures to improve literacy

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<sup>5</sup>EXPERT GROUP ON FUTURE SKILLS NEED (2011), MONITORING IRELAND'S SKILLS SUPPLY 2011: TRENDS IN EDUCATION AND TRAINING OUTPUTS

and numeracy in early childhood education and in primary and post-primary schools. These measures include fundamental changes to teacher education, the curriculum in schools and radical improvements in the assessment and reporting of progress at student, school and national level. Progress on this issue is overdue and necessary. The Department of Education and Skills’ policy for tackling literacy problems among adults is, in the opinion of *Social Justice Ireland*, simply inadequate and unacceptable.

As part of the 2007 *NAPinclusion* document a target for adult literacy policy was set stating that “the proportion of the population aged 16-64 with restricted literacy will be reduced to between 10%-15% by 2016, from the level of 25% found in 1997” where “restricted literacy” is defined as level 1 on the International Adult Literacy Scale. People at this level of literacy are considered to possess very poor skills, where they may, for example, not be able to identify the correct amount of medicine to give a child from information printed on a package. As table 3 shows, in numerical terms this implies that the aim of government policy is to have “only” 301,960 adults of labour force age with serious literacy difficulties in Ireland by 2016.<sup>6</sup>

**TABLE 3 IRISH GOVERNMENT ADULT LITERACY TARGET FOR 2016 CONTAINED IN THE NATIONAL ANTI-POVERTY STRATEGY**

<b>Adult population (under 65 yrs) in 2016</b>	<b>3,019,600</b>
<b>10% “restricted literacy” target</b>	<b>301,960</b>
<b>15% “restricted literacy” target</b>	<b>452,940</b>
<b>Source:</b>	<b>Calculated from CSO (2008:27) using the lowest CSO population projection for 2016 – the M0F2 population projection assumption.</b>

The question needs to be asked, how can policy aim to be so unambitious? How will these people with serious literacy problems function effectively in the economy and society that is emerging in Ireland? How can they get meaningful jobs? In reality achieving this target could only be interpreted as representing substantial and sustained failure.

Overall, *Social Justice Ireland* believes that the Irish Government’s ‘restricted’ literacy target is illogical, unambitious and suggests a complete lack of interest in seriously addressing this problem. Funding for adult literacy programmes was reduced by 5 per cent in Budget 2011. The current target on ‘restricted’ literacy should be revised downwards dramatically and the necessary resources committed to ensuring that the revised target is met. *Social Justice Ireland* believes that a new and more ambitious target should be adopted:

- Reducing the proportion of the population aged 16-64 with restricted literacy to 5 per cent by 2016; and to 3 per cent by 2020.

<sup>6</sup> THESE CALCULATIONS ARE BASED ON THE LOWEST CSO POPULATION PROJECTION FOR 2016. THE CSO’S CALCULATION IS BASED ON THEIR M0F2 DEMOGRAPHIC ASSUMPTIONS



This will still leave approximately 150,000 adults without basic literacy levels in 2016. However, this target is more ambitious and realistic in the context of the future social and economic development of Ireland.

**We strongly urge that this specific target on adult literacy be included as a sub-target in the National Reform Programme to ensure this issue receives the priority it urgently requires.**

## Poverty

***Headline target: at least 20 million fewer people in or 'at risk of poverty' and social exclusion.***

***Ireland Headline Target: To reduce the number experiencing consistent poverty to between 2-4% by 2012, with the aim of eliminating consistent poverty by 2016, which will lift at least 186,000 people out of the risk of poverty and exclusion.***

## Context

***"Fighting poverty: 80 million people were 'at risk of poverty' prior to the crisis. 19 million of them are children. 8 per cent of people in work do not earn enough to make it above the poverty threshold. Unemployed people are particularly exposed" (European Commission, 2010, pg 18).***

The Europe 2020 Strategy recognises the need to make significant attempts to address the issue of poverty and social exclusion and also address health inequalities. The EU flagship initiative 'European platform against poverty' has been established in order to ensure cohesion both territorial and social. It is believed that in so doing the benefits in regard to growth and jobs will be enjoyed by people who experience poverty and social exclusion (European Commission, 2010).

As part of this flagship initiative the commission commits:

The commission will assess social protection and pension systems along with identifying improvements required in regard to developing enhanced health care systems particularly concerned with the area of access.

Equally the member states are required to take action to:

- Promote collective and individual responsibility in reducing poverty;
- Identify and put in place measures aimed at assisting groups who are considered to be particularly at risk;
- Ensure their social security and pension systems provide adequate income support along with improving access to health care;

***The European Economic and Social Committee (EESC) emphasises the importance of a coherent and integrated approach and has a particular concern that the EU policies focusing on economic governance, growth and employment in the context of the crisis should not increase***

*the risk of poverty. The EESC calls for an effective social impact assessment of these measures which should be fully debated (European Economic and Social Committee, 2011, pg.3).*

## Lack of ambition

*Social Justice Ireland* was disappointed that the current government in the National Reform Programme simply restated the target agreed by the last government. This target is very weak and needs improvement; it indicated a lack of ambition on the part of the government to seriously tackle the issue of poverty and social exclusion. However, *Social Justice Ireland* welcomes the recent review of the poverty target which was carried out by the Department of Social Protection and looks forward to the results of this review.

## Defining Poverty and Social Exclusion

*“The headline target for the reduction of poverty and exclusion has been defined by the European Council on the basis of three indicators: the at-risk-of-poverty rate (after social transfers), the index of material deprivation and the percentage of people living in households with very low work intensity. This definition is at the same time an expression of the multiple factors underlying poverty and/or exclusion, of the diversity of the problems that Member States face and of the priorities they have therefore set out” (European Commission, 2011a, pg 4).*

Nolan & Whelan (2011), indicate that this is the first time that these indicators have been combined in an attempt to classify a broader target group “‘at risk of poverty’ and exclusion.” Identifying the population “at risk” in this manner has huge implications, and it is worth noting that initially when the idea of a poverty reduction target was first acknowledged by the European Commission early in 2010, the focus was on those “‘at risk of poverty’” as identified simply by the relative income poverty measure. This measurement however does recognise the multidimensional nature of poverty.

In utilising this type of measurement the European Commission has ensured that member states can identify targets specific to their own country’s circumstances, for instance the UK’s target is focused on reducing child poverty. In Ireland we have focused on reducing and eliminating consistent poverty.

*For the purposes of aligning the national poverty target with the EU target, the target reduction (4.2% to 0%) is expressed in a numerical format using 2008 as the baseline year, which equates to 186,000 people being lifted out of consistent poverty by 2016 (Department of Social Protection 2011, pg 264).*

## Ireland and EU Poverty Measurement

In the EU in 2009, there were several countries that exceeded the EU average in regard to being “at risk of poverty’ or social exclusion”.<sup>7</sup> Ireland’s rate was 25.7% as opposed to an EU 27 average of 23.1% as figure 9 shows.

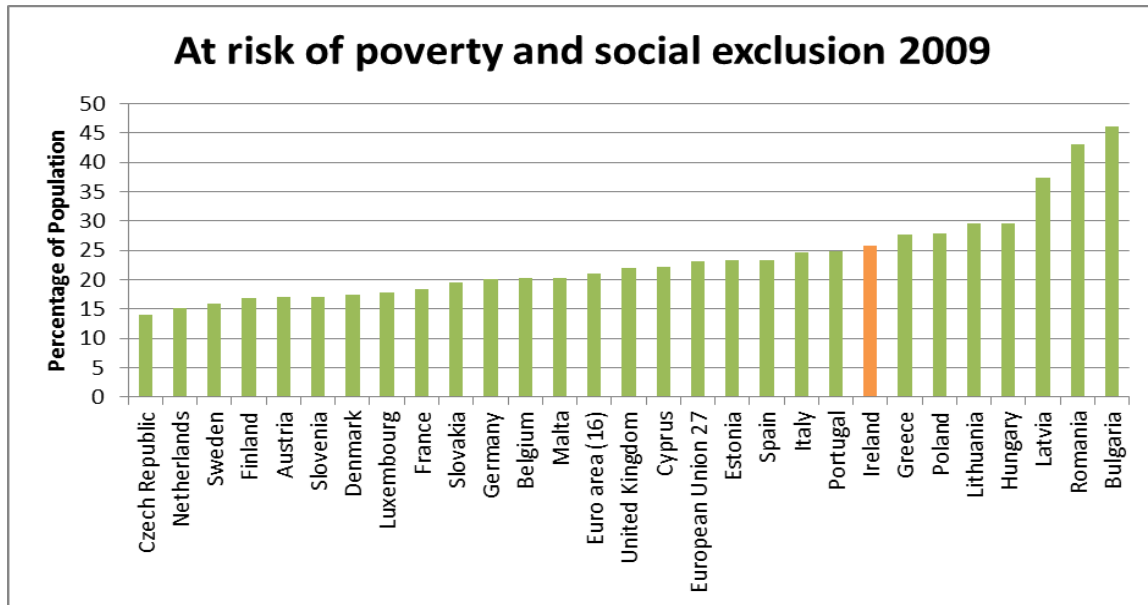
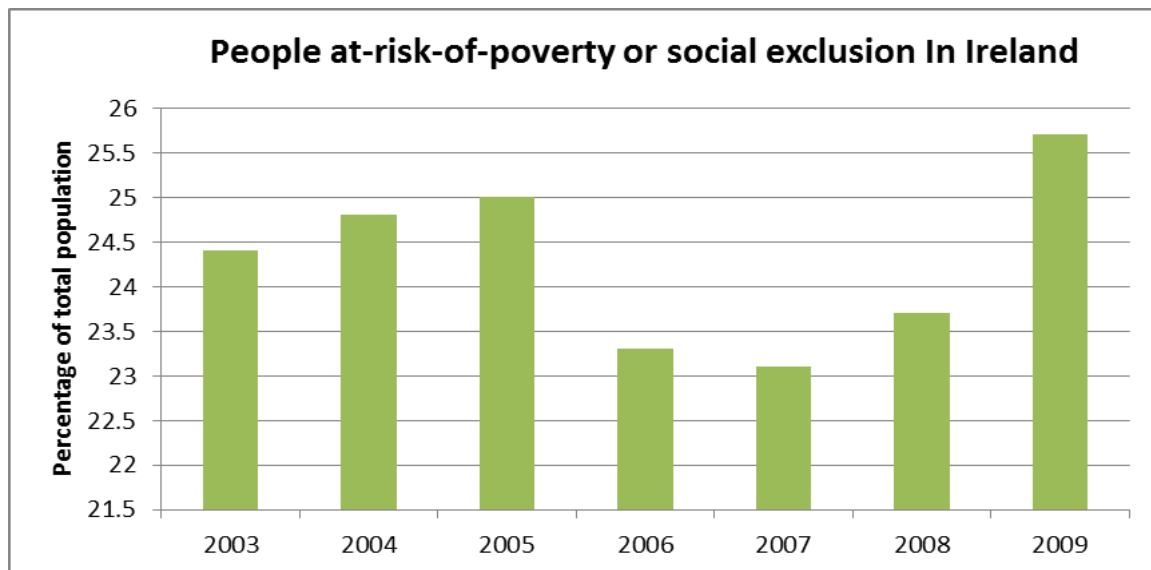


FIGURE 9 AT RISK OF POVERTY AND SOCIAL EXCLUSION RATE ACROSS EUROPE. SOURCE: EUROSTAT

<sup>7</sup> “THIS INDICATOR CORRESPONDS TO THE SUM OF PERSONS WHO ARE: AT RISK OF POVERTY OR SEVERELY MATERIALLY DEPRIVED OR LIVING IN HOUSEHOLDS WITH VERY LOW WORK INTENSITY. PERSONS ARE ONLY COUNTED ONCE EVEN IF THEY ARE PRESENT IN SEVERAL SUB-INDICATORS. AT RISK-OF-POVERTY ARE PERSONS WITH AN EQUIVALISED DISPOSABLE INCOME BELOW THE RISK-OF-POVERTY THRESHOLD, WHICH IS SET AT 60 % OF THE NATIONAL MEDIAN EQUIVALISED DISPOSABLE INCOME (AFTER SOCIAL TRANSFERS). MATERIAL DEPRIVATION COVERS INDICATORS RELATING TO ECONOMIC STRAIN AND DURABLES. SEVERELY MATERIALLY DEPRIVED PERSONS HAVE LIVING CONDITIONS SEVERELY CONSTRAINED BY A LACK OF RESOURCES, THEY EXPERIENCE AT LEAST 4 OUT OF 9 FOLLOWING DEPRIVATIONS ITEMS: CANNOT AFFORD i) TO PAY RENT OR UTILITY BILLS, ii) KEEP HOME ADEQUATELY WARM, iii) FACE UNEXPECTED EXPENSES, iv) EAT MEAT, FISH OR A PROTEIN EQUIVALENT EVERY SECOND DAY, v) A WEEK HOLIDAY AWAY FROM HOME, vi) A CAR, vii) A WASHING MACHINE, viii) A COLOUR TV, OR ix) A TELEPHONE. PEOPLE LIVING IN HOUSEHOLDS WITH VERY LOW WORK INTENSITY ARE THOSE AGED 0-59 LIVING IN HOUSEHOLDS WHERE THE ADULTS (AGED 18-59) WORK LESS THAN 20% OF THEIR TOTAL WORK POTENTIAL DURING THE PAST YEAR” (EUROSTAT, 2011b).

It is important to note that there are differences in how Ireland measures poverty nationally<sup>8</sup>. Low work intensity is not used in the national set of indicators (The value of using low work intensity as a poverty measurement in an Irish context has been questioned<sup>9</sup>). It is still however instructive to look at poverty and social exclusion as defined by EU indicators.

In recent years in Ireland there has been an increase in the numbers of people experiencing poverty and social exclusion (as defined by the EU methodology). Over the period from 2007 to 2009 this went from 23.1% to 25.7%. Over the same period it is possible to see that there has



**FIGURE 10 PEOPLE AT RISK OF POVERTY AND SOCIAL EXCLUSION IN IRELAND (EU DEFINITION) FOR YEARS 2003-2008** SOURCE: EUROSTAT

been a decrease in people ‘at risk of poverty’ after social transfers, as measured by Eurostat (cf. footnote 8 below) going from 15.5% in 2008 to 15% in 2009. The impact of social transfers on

<sup>8</sup> THE EU DEFINITION OF GROSS INCOME DIFFERS FROM THE NATIONAL DEFINITION OF INCOME IN THAT IT DOES NOT INCLUDE INCOME FROM PRIVATE PENSIONS OR THE VALUE OF GOODS PRODUCED FOR OWN CONSUMPTION. ALSO EMPLOYER’S SOCIAL INSURANCE CONTRIBUTIONS ARE INCLUDED IN IRELAND’S NATIONAL DEFINITION OF GROSS INCOME BUT ARE EXCLUDED FROM THE EU DEFINITION. THE EU USE AN ALTERNATIVE EQUIVALENCE SCALE (THE OECD SCALE) TO THAT USED FOR NATIONAL INDICATORS IN IRELAND. THE OECD EQUIVALENCE SCALE ASSIGNS TO THE FIRST ADULT A VALUE OF 1, TO EACH SUBSEQUENT ADULT A VALUE OF 0.5 AND TO EACH CHILD A VALUE OF 0.3 (CSO, 2010, PG 91). THE NATIONAL SCALE ATTRIBUTES A WEIGHT OF 1 TO THE FIRST ADULT, 0.66 TO EACH SUBSEQUENT ADULT (AGED 14+ LIVING IN THE HOUSEHOLD) AND 0.33 TO EACH CHILD AGED LESS THAN 14. THERE ARE ALSO DIFFERENCES IN HOW MATERIAL DEPRIVATION IS MEASURED.

<sup>9</sup> “THE OMISSION OF LIVING IN A LOW WORK INTENSITY HOUSEHOLD, ‘JOBLESSNESS’, BY THE IRISH GOVERNMENT HAS SUBSTANTIVE SIGNIFICANCE. ‘JOBLESSNESS’ ARGUABLY REDUCES THE CONCEPTUAL AND POLICY COHERENCE OF THE EU TARGET MEASURE; IT IS MORE A CAUSE OF POVERTY THAN A CHARACTERISTIC, IT IS RESTRICTED TO THE WORKING AGE POPULATION AND, HAS EVEN LESS OVERLAP WITH LOW INCOME AND MATERIAL DEPRIVATION IN IRELAND THAN ELSEWHERE” (WALKER, 2011, PG 16). ALSO REFER TO NOLAN AND WHELAN (2011) UCD GEARY INSTITUTE, DISCUSSION PAPER SERIES, THE EU 2020 POVERTY TARGET.

the 'at risk of poverty' rate in Ireland has been very significant since 2006 and underscores the importance of maintaining adequate social transfers. However, the other two indicators employed by the EU have increased, with a dramatic rise in people living in households with very low work intensity from years 2008 to 2009 as illustrated in figure 11.

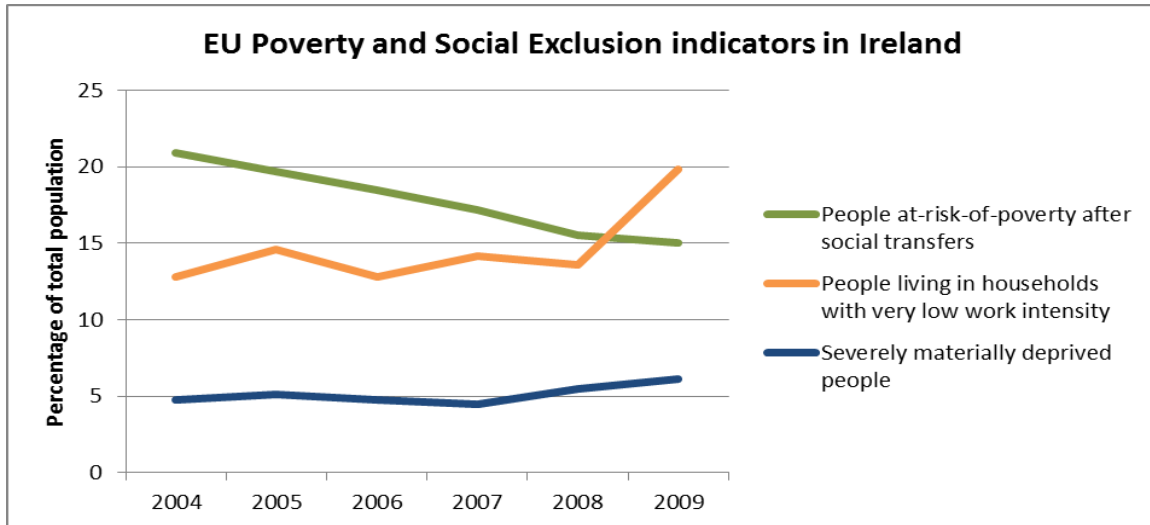


FIGURE 11 POVERTY TARGET TRAJECTORY (SOURCE: ADAPTED FROM THE DEPARTMENT OF SOCIAL PROTECTION 2011)

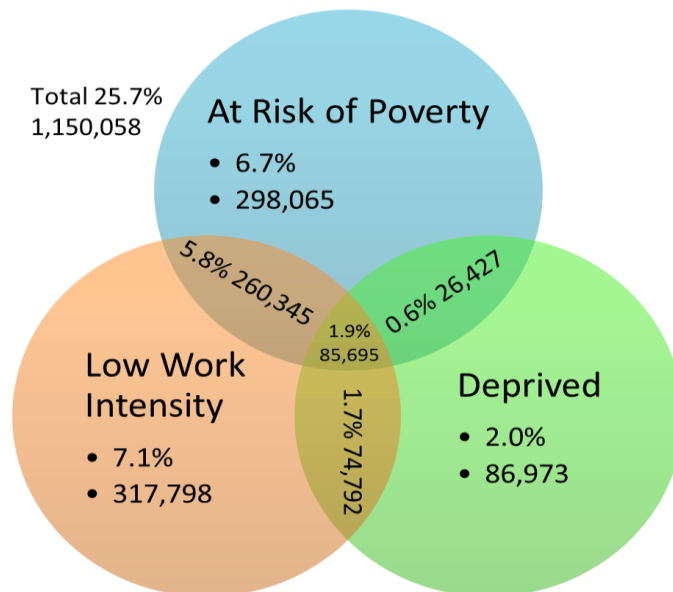


FIGURE 12 COMPOSITION OF THE POPULATION AT-RISK-OF-POVERTY OR EXCLUSION, BY INTERSECTION IN IRELAND, IN % AND NUMBER OF PEOPLE AT RISK, 2009 (SOURCE: ADAPTED FROM EUROPEAN COMMISSION, 2011c)

Figure 12 outlines the breakdown of poverty indicators utilised by the European Union. Both the national and the EU sets of indicators while different, ultimately identify the same proportion of the population as being ‘at risk of poverty’ and social exclusion. There are some compositional differences in the manner in which the total figure of 26% was arrived at in 2009. The Irish approach identifies 5.5% as being in consistent poverty, 9% ‘at risk of poverty’ and 12% experiencing material deprivation. The EU shows 2.5% in multiple poverty, 12.5% ‘at risk of poverty’, 4% experiencing material deprivation with the final 7% accounted for by low work intensity households (Department of Social Protection, 2011).

## ‘At risk of poverty’ and social exclusion utilising national indicators

*Ireland uses two indicators to measure poverty and exclusion: at-risk-of-poverty (below 60% median income threshold) and material deprivation (lacking two or more basic necessities). The indicators reflect the official definition of poverty as inadequate income and resources. They are similar to two of the EU indicators, though the definitions differ somewhat. The major difference between the Irish and the EU approach is in the significance given to the overlap of the indicators. For Ireland, the overlap identifies a segment of the population suffering basic deprivation due to lack of resources which is distinguished from those experiencing single forms of poverty. To emphasise its significance, the overlap is categorised as an indicator of ‘consistent poverty’. By comparison, the EU indicators make no differentiation between levels of poverty (Government of Ireland, 2010, pg 23)*

TABLE 4 ‘AT RISK OF POVERTY’ THRESHOLD IN IRELAND YEARS 2006-2010

‘at risk of poverty’ Threshold					
Years	2006	2007	2008	2009	2010
	€	€	€	€	€
‘at risk of poverty’ threshold(60% of median income)	10,566	11,890	12,455	12,064	<b>10,831</b>

Source: CSO

While Ireland recorded a reduction in the ‘at risk of poverty’ rate for the years from 2005 to 2008, this has begun to increase again with an increase recorded of almost 2% between 2008 and 2010 (table 5). This is a very worrying trend especially when consideration is given to the fact that over the period from 2009 to 2010 there was a decrease in the ‘at risk of poverty’ threshold of more than 10% see table 4.

**TABLE 5 'AT RISK OF POVERTY' RATE IN IRELAND YEARS 2005-2010**

<b>'at risk of poverty' rate</b>						
	2005	2006	2007	2008	2009	<b>2010</b>
	%	%	%	%	%	%
<b>60% Line</b>	<b>18.5</b>	<b>17.0</b>	<b>16.5</b>	<b>14.4</b>	<b>14.1</b>	<b>15.8</b>

Source: CSO

### **Consistent Poverty**

Consistent poverty combines poverty and deprivation into one indicator, by doing so it identifies a sub group of the people experiencing poverty. In Ireland the previous government in the *National Action Plan for Social Inclusion 2007-2016 (NAP inclusion)* set the poverty goal using consistent poverty. It aimed to reduce the numbers of people experiencing consistent poverty to between 2 per cent and 4 per cent by 2012, and further aiming to eliminate consistent poverty by 2016. This is the same as the goal established in the National Reform Programme and is expressed in numerical terms with the aim to lift at least 186,000 people out of the risk of poverty and exclusion.

**TABLE 6 CONSISTENT POVERTY RATE IN IRELAND YEARS 2006 -2010**

<b>Years</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	%	%	%	%	%
<b>Consistent Poverty Rate</b>	<b>6.5</b>	<b>5.1</b>	<b>4.2</b>	<b>5.5</b>	<b>6.2</b>

Source: CSO

The consistent poverty rate in Ireland is increasing; the 2009 *SILC* data shows that 5.5% of the population are experiencing consistent poverty an increase from 4.2% in 2008. In numerical terms this indicates 245,261 people were living in consistent poverty. In 2010 the rate of consistent poverty has again increased and now stands at 6.2%. While the increase from 2009 to 2010 is not considered statistically significant, the increase over a two year period of almost 2 % is a very worrying development with consistent poverty now almost back to 2006 levels.

Figure 13 outlines the government's target and the current trend in consistent poverty which shows clearly that the numbers are going in the wrong direction. There is little to suggest that this trend will not continue and as a result the government will fail to achieve the interim target as established in the National Reform Programme, which is to reduce the number experiencing consistent poverty to between 2-4% by 2012.



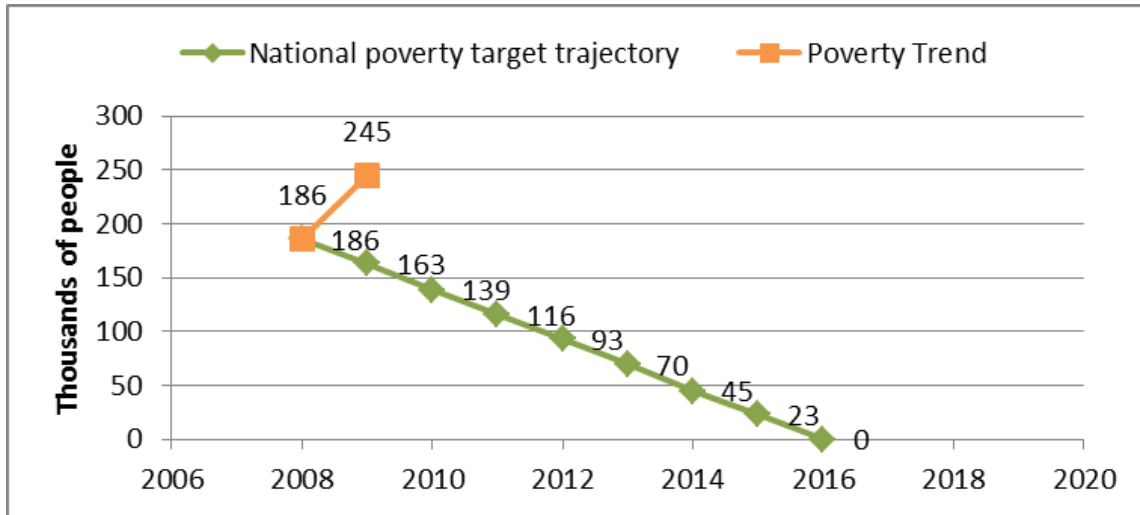


FIGURE 13 POVERTY TARGET TRAJECTORY (SOURCE: ADAPTED FROM THE DEPARTMENT OF SOCIAL PROTECTION 2011)

## Child Poverty

Child poverty presents a serious challenge to policy makers across the EU. Despite increased political awareness of the issue of child poverty the situation has not improved.

In Ireland child poverty has been increasing. The rate of increase in child poverty is alarming especially given that 2010 levels are in excess of those in 2006. In 2010 almost one in five children in Ireland was 'at risk of poverty'.

TABLE 7 PERCENTAGE RISK OF POVERTY AMONG CHILDREN IN IRELAND YEARS 2006-2010

% Risk of Poverty Among Children in Ireland					
Year	2006	2007	2008	2009	2010
Children, 0-18 years	19.0	17.4	18.0	18.6	19.5

Source: CSO. 2006 and 2007 data exclude SSIA effect.

Younger people are also more likely to be in consistent poverty with 8.2% of children under the age of fifteen in consistent poverty in 2009, an increase on the figure of 6.1% recorded in 2008 (CSO, 2011b, pg 43). Children (aged 0-17) are the most exposed age group in regard to consistent poverty, with a rate of 8.7% in 2009, up from the 6.3% recorded in 2008 (CSO, 2010).

Child poverty results in reduced opportunities for those affected.

*A child growing up in poverty and exclusion runs a higher risk of becoming a marginalised adult, entangled in a 'cycle' that passes from generation to generation. Helping children out of poverty demands a multi-dimensional approach touching upon employment policies (to*

*support parents finding work); the design of tax-benefit systems; the provision of key services such as quality child care; education and protection of children's rights – which has become an explicit objective of the Union in the Lisbon Treaty. Equal opportunities and family policies are also crucial (European Commission, 2011, pg 7).*

The government has indicated in both the National Reform Programme and the Programme for Government that it will tackle child poverty through the use of targeted social inclusion programmes and a new area based approach to addressing this issue. The reality remains that continued cuts and austerity measures are eroding the social infrastructure and impacting upon community based programmes.

*Member States need to prioritise early childhood intervention in areas such as health and education, to enhance the availability of quality child care and enabling services, to promote the labour market participation of parents, and to guarantee adequate income support to families with children through a combination of well-designed universal and targeted benefits (European Commission, 2011c pg 3).*

In the National Reform Programme the government has indicated that “consideration will be given to the setting of subsidiary poverty targets for vulnerable groups in the context of updating relevant policies, such as the National Children’s Strategy” (Government of Ireland, 2011, pg. 27). *Social Justice Ireland* believes that it is imperative that the government address this issue and has proposed new subsidiary targets relating to the issue of poverty and social exclusion (See table 9).

## **Social Infrastructure**

Government decisions are failing to support the social infrastructure that sustains the delivery of services to vulnerable groups and those on the margin. An issue that is often overlooked in decision-making at times of crisis is that particular budgetary decisions may provide a short-term gain or saving but have huge negative long-term consequences. In reality many decisions made during the current series of crises are set to have such effects.

Such a development is an extraordinary indictment of government’s decision-making which sees some of Ireland’s most vulnerable people being among the hardest hit as a result of Budget decisions. Decisions are being made for short term gain but these decisions will inflict enormous long-term pain. This approach to decision-making which prioritises short-term gain and fails to address the long-term impact is being applied across a whole range of social services by government. Many public services are provided by Community and Voluntary organisations. These have come under huge pressure in recent years as the recession has forced an ever-growing number of people to seek their help on a wide range of fronts. But, just at the very moment when the demand for their services increased dramatically, government reduced the funding being made available to many such organisations.

The social infrastructure is being undermined by government without any regard to the long term consequences of these actions. Those who are poor and/or vulnerable are bearing an inordinate part of the burden of restructuring. Government seems to have made no assessment of what the long term impacts of the cuts to services and service reductions will mean for Ireland in ten years time.

There appears to be no vision of Ireland's future guiding government's decision-making, this is underscored by the range of decisions made by the government in the recent budget, many of which will negatively impact upon the most vulnerable in Irish society, increasing the level of exclusion already experienced by those households.

## **Budget 2012 and the National Poverty Target**

Within the National Reform programme the government acknowledges as a result of implementing the National Recovery Plan and in particular implementation of the changes to the welfare system in the early years of the National Reform Programme the numbers in poverty may increase. However they also state that;

*Underpinning the national poverty target is the policy of ensuring that the incomes of the poorest families are protected as much as possible during the economic recession and that these families are enabled to benefit from the economic recovery and growth in employment when it arrives (Government of Ireland 2011 pg 24).*

Ireland has prioritised income support as a policy response to poverty, as a result social transfers<sup>10</sup> in Ireland have a dramatic effect on the 'at risk of poverty' rate. "In 2010 if all social transfers were excluded from income the 'at risk of poverty' rate would be 51.0%, indicating a steady increase from 39.8% in 2004" (CSO, 2011d pg 4).

The National Action Plan for Social Inclusion aims to maintain the relative value of minimum welfare payments. While the National Reform Programme acknowledges this it also goes on to state;

*The fiscal crisis has resulted in a reduction in welfare payments for the working age population and implementation of the National Recovery Plan may further impact on living standards in the short-term. However, the benefits of the improved and enhanced activation measures in the National Recovery Plan and a stronger financial incentive to return to work and to make work pay should become apparent (Government of Ireland, 2011, pg 28).*

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<sup>10</sup>SOCIAL TRANSFERS REFERS TO: UNEMPLOYMENT RELATED PAYMENTS, OLD-AGE RELATED PAYMENTS, FAMILY/CHILDREN RELATED ALLOWANCES: MATERNITY/ADOPTIVE BENEFIT, CHILD BENEFIT, SINGLE PARENT ALLOWANCES, CARERS' BENEFIT. HOUSING ALLOWANCES: RENT SUPPLEMENT, FREE PHONE/ELECTRICITY ETC FUEL ALLOWANCES EXCEPTIONAL NEEDS PAYMENT. OTHER SOCIAL TRANSFERS: SURVIVORS' BENEFITS SICKNESS BENEFITS DISABILITY BENEFITS EDUCATION-RELATED ALLOWANCE.

Government’s focus on reducing welfare rates so as to provide “a stronger *financial incentive* to return to work” is worrying, given the scale of the unemployment crisis and the fact that Ireland is unlikely to see the return of sufficient market based jobs at any stage in the near future. It is important to question where the government sees employment becoming available for people who have had their income reduced by recent decisions.

As well as this, placing pressure on people to enter into employment through the reduction of income supports without providing the necessary supports, such as affordable childcare and after-school care, does nothing to assist people in engaging in the labour force. In this context it is interesting to draw attention to the OECD’s 2011 study *Doing Better for Families* which concludes that “The cost of childcare acts as a major barrier to work in Ireland ... where it more than doubles the effective tax rates faced by low-wage sole parents” (OECD, 2011, pg 223). Government’s Budget decisions in this area will increase poverty and exclusion in Irish society.

Decisions made by the government in the recent budget will impact upon the most vulnerable households and shows little indication that the government has attempted to protect the incomes of the most vulnerable in our society. *Social Justice Ireland* presented to the government a set of alternative proposals which would have ensured that the most vulnerable in our society would not have been disproportionately impacted upon by austerity measures. However the opposite has occurred.

While acknowledging that the government did not cut the basic social welfare rate the reality remains that budget 2012 will impact negatively on the living standards and income of the poorest households in Irish society. Coupled with this the projected increase in inflation will see the incomes of these households further eroded.

**TABLE 8: BUDGET 2012**

<b>Decisions in Budget 2012 which reduce the income of the poorest</b>	
<b>1</b>	<b>Budget 2012 increased the standard rate of Value Added Tax (VAT) from 21% to 23%. This increase will have a disproportionate effect on the lowest income families; as evidenced in the report carried out by the ESRI, The Distributional Impact of Irelands Taxation System. This step is a regressive one which serves to undermine the living standards of low income households.</b>
<b>2</b>	<b>The government reduced the child benefit payment for third and subsequent children. This is the only universal payment in Ireland made to a parent to support them with the costs associated with bringing up a child. This is the third consecutive budget within which child benefit payments have been reduced. This represents a short sightedness on the part of the government and will have a negative impact on families and poverty.</b>
<b>3</b>	<b>The Back to School Clothing and Footwear Allowance helps meet the cost of uniforms and footwear for children going to school. This payment is made to the most vulnerable</b>

	families in Ireland; it has now been reduced from €305 to €250 for children aged 12 years or more and from €200 to €150 for children aged 4-11 years. There has also been a change to the eligibility criteria.
4	<p>The One-Parent Family Payment (OPFP) is made to men and women who are bringing up children without the support of a partner.</p> <ul style="list-style-type: none"> <li>• Budget 2012 reduced the upper age limit of the youngest child for new claimants from 14 years to 12 years in 2012. This will be further reduced to seven years on a phased basis by 2014.</li> <li>• Changes were also made to the weekly earnings disregard, with the aim being to reduce it to €60 by 2016.</li> <li>• The temporary payment of half of the rate where the recipient's earnings exceed €425 per week will be discontinued.</li> <li>• Entitlement to two qualified child increases (currently €29.80 per week), where a recipient is also on a Community Employment Scheme, will be discontinued.</li> </ul>
5	There has been an increase in the cost of school transport, the charge for primary school transport will increase from €50 to €100, and the family maximum at primary level will increase to €220 from €110.
6	<i>Fuel poverty, which risks depriving households not only from heating or cooling but also from hot water, lights and other essential domestic necessities, is another manifestation of severe deprivation (European Commission, 2011 pg 9).</i> The scale of Ireland's fuel poverty has been highlighted in a report carried out by the Institute for Public Health (IPH) (2007); it was found that the levels of fuel poverty in Ireland are "unacceptably high". They also indicated that there are strong links between low income, unemployment and fuel poverty. Under budget 2012 the fuel allowance has been reduced by 6 weeks, from 32 to 26 weeks for new and existing recipients. Coupled with this measure there has also been an increase in the carbon levy which serves to compound the issue of fuel poverty and deprivation in Ireland.
7	Under the Drug Payment Scheme there is a threshold above which individuals and/or families do not have to pay for approved prescribed drugs, medicines and certain appliances. Budget 2012 has increased this threshold from €120 to €132 per month.

Unfortunately if the government continues to pursue policies which reduce the income and living standards of the groups most at risk in Irish society, there is no doubt that poverty, social exclusion and inequality will continue to grow. This is in direct contradiction to the promotion of inclusive growth as laid down in the Europe 2020 Strategy. Inclusive growth is not only about fostering a high-employment economy; it also aims to deliver social and territorial cohesion.

## Proposed change in Headline Target

The headline target in the National Reform Programme is so weak *Social Justice Ireland* believes it should be completely revised. It is not acceptable that Ireland continue with the same target as before while in reality moving further away from achieving it.

*Social Justice Ireland* proposes that the following should be adopted as Ireland's Headline Target on Poverty:

**Ireland Headline Target:** To reduce the consistent poverty rate to 2 per cent; to reduce the at-risk-of-poverty rate anchored in time to 8 per cent; and to reduce the at-risk-of-poverty (only) rate to 7 per cent.

These headline targets should be accompanied by **subsidiary poverty targets** for vulnerable groups as follows:

TABLE 9 PROPOSED POVERTY TARGETS

	Overall target	Children	Lone parents	Jobless households	Social rented housing
Consistent poverty	2%	3-4%	4-6%	4-6%	4-6%
At-risk-of-poverty only	7%	8-10%	10-12%	10-12%	10-12%

## Governance

***Europe 2020 strategy emphasises the need for cooperation, by indicating that “all national, regional and local authorities should implement the partnership, closely associating parliaments, as well as social partners and representatives of civil society, contributing to the elaboration of national reform programmes as well as to its implementation. By establishing a permanent dialogue between various levels of government, the priorities of the Union are brought closer to citizens, strengthening the ownership needed to deliver the Europe 2020 strategy” (European Commission, 2010a, pg 29).***

The Europe 2020 Strategy places a focus on the necessity of government to include all stakeholders in framing, developing and delivering the National Reform Programme. By including all stakeholders and civil society it is believed that real ownership and thus achievement of the targets will be realised. Consultation is considered a key component in ensuring the success of the National Reform Programme and therefore the Europe 2020 Strategy.

The experience of *Social Justice Ireland* in regard to the consultation process has not been a positive one. While consultation meetings occurred in which *Social Justice Ireland* took a full and active part, it appears that it was not a meaningful process. There was little evidence that the consultation had any impact on the proposals made in the final version of the National Reform Programme.

This pattern seems to have emerged in other countries also, with the synthesis report from the peer review process indicating that;

***In most Member States, there was some consultation with stakeholders although the tight timescale for finalising NRPs often served as a constraint. The extent of stakeholder involvement in the preparation process was quite varied. In many cases, consultation seems to have been quite limited and certainly less extensive on social inclusion issues than was the case with the National Strategy Reports on Social Protection and Social Inclusion. Also, in many cases the consultations that did take place on social inclusion issues seem to have had little impact on the final version of the NRPs. Experts highlight that quite often the limited or absent consultation with NGOs reflects the predominantly economic and labour market focus of the NRPs (Frazier & Marlier, 2011, pg 9).***

Indeed the shadow report carried out by Caritas Europa (2011) indicated that the consultation programme in many countries appeared to be fulfilling an obligation rather than trying to ensure real participation. They concluded that;

*Participatory structures in regard to the development of the National Reform Programmes need to be improved. There should be an attempt to ensure that actors from all areas including the social sector are consulted in the drafting and on-going development of the National Reform Programmes (Caritas Europa, 2011, p 47).*

This point of view was further underscored by the EAPN report, where they indicated;

*Insufficient and low-quality participation of anti-poverty NGOs and people experiencing poverty is evident, despite the strong interest demonstrated by national networks. Contact is limited to information meetings and low-level consultation, with minimal impact and no visible engagement of regional and local levels. The process continues to be dominated by economic and financial ministries over social, with consultation limited mainly to the poverty sections, despite the need to engage all policies in combating poverty (EAPN, 2011, pg 7).*

## **The Charter on Shared Social Responsibility**

Given the recognition that the achievement of the goals in the Europe 2020 Strategy will occur through consultative decision making, it is important that the government should promote the principal of shared social responsibility and give consideration to the processes which are designed to achieve this.

*The sharing of social responsibilities presupposes the recognition, representation and capacity to influence of everyone, in accordance with his or her needs, contributions and the consequences suffered by him or her. The views of the weaker stakeholders must be able to be heard, heeded and able to influence decisions and results. This means avoiding situations where the stronger stakeholders, in possession of more information and organisational power relinquish their specific responsibilities, impose priorities based on their interests alone and fail to acknowledge and compensate for the harm to which they may give rise (Council of Europe, 2011, pg 18)*

It is apparent to *Social Justice Ireland* that in the on-going framing, development and implementation of the National Reform Programme there is a need for the government to move towards a deliberative approach. A deliberative process would see all stakeholders addressing the evidence together while the power-differentials between the stakeholders are not in play. The evidence would be presented and discussed with a view to providing the most accurate 'reading' of the issues being addressed.

Stakeholders would collaboratively identify;

- a) The current issues and how they arose;
- b) The most desirable future that could be achieved;



c) The means by which to move forward.

As stated this process would be based on evidence and thus would ensure that the most appropriate manner in which to address issues would be identified and agreed upon. This approach ensures a high level of accountability among stakeholders ensuring that responsibility is taken for decisions and the implementation of actions required.

Implementing a well-defined deliberative process can ensure among other things that individual preferences are reconciled with widespread priorities in the field of social, environmental and intergenerational justice. It can also reduce the “imbalances of power between the stakeholders and neutralising its impact on the construction of knowledge and on decision-making” (Council of European Union, 2011, pg 24).

# Recommendations

## EMPLOYMENT

- The Irish Government should address the issues of people experiencing in-work poverty and long-term unemployment. To this end *Social Justice Ireland* recommends that government introduce two new sub targets under their current employment target in order to address in-work poverty and long-term unemployment.
  - To reduce in-work poverty by making tax credits refundable. (Please refer to *Social Justice Ireland's* study *Building a Fairer Taxation System: The Working Poor and the Cost of Refundable Tax Credits*).
  - To reduce the level of long-term unemployment to 1.3% of the labour force. In this report *Social Justice Ireland* has outlined a jobs proposal which is of a sufficient scale to have a real impact on reducing the number of people experiencing long-term unemployment.

## EDUCATION

- In regard to education the Irish Government should implement a sub target in regard to addressing the issue of adult literacy. To this end the following is proposed:
  - Reduce the proportion of the population aged 16-64 with restricted literacy to 5 per cent by 2016; and to 3 per cent by 2020. This will still leave approximately 150,000 adults without basic literacy levels in 2016. However, this target is more ambitious and realistic in the context of the future social and economic development of Ireland.

## POVERTY AND SOCIAL EXCLUSION

- The Irish Government should adopt a completely new target in regard to poverty and social exclusion, as illustrated below:

### **Proposed new Ireland Headline Target:**

To reduce the consistent poverty rate to 2 per cent; to reduce the at-risk-of-poverty rate anchored in time to 8 per cent; and to reduce the at-risk-of-poverty (only) rate to 7 per cent.

These headline targets should be accompanied by **subsidiary poverty targets** for vulnerable groups as follows:

	<b>Overall target</b>	<b>Children</b>	<b>Lone parents</b>	<b>Jobless households</b>	<b>Social rented housing</b>
<b>Consistent poverty</b>	2%	3-4%	4-6%	4-6%	4-6%
<b>At-risk-of-poverty only</b>	7%	8-10%	10-12%	10-12%	10-12%

- The Irish Government should carry out in-depth social impact assessments prior to implementing policies in order to ensure that the position of people experiencing poverty and social exclusion is not worsened by the austerity measures being pursued.

### GOVERNANCE AND CONSULTATION

- In relation to consultation, *Social Justice Ireland* recommends that the Irish Government move towards a more deliberative approach in regard to designing and implementing the National Reform Programme. This approach would require the development of an arena where evidence could be considered by all stakeholders without any power differentials in play. Such an approach would result in more meaningful participation by all stakeholders and would be likely to lead to a much greater engagement by stakeholders in delivering on targets once they have been included in the process in a real manner.

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