

**John Mark McCafferty address to the Merriman Summer School on the topic  
'Protecting the Vulnerable in Difficult Times'**

**Introduction and Outline of Paper**

Good Morning. I'd like to thank Bob and all with the Merriman Summer School for inviting my input today. I was very happy to accept the offer as a request like this forces you to look up from the well established modes of operation and the constant doing of the work. It's a chance to take a sideways step, reflect and survey the terrain. I was asked to consider poverty and need in the present context from an SVP point of view, as a voluntary welfare organisation active in local communities, with an analysis of social and policy considerations. I intend to look at the following:

- What do we mean by vulnerability?
- How does the Society of St. Vincent de Paul respond and what is its current experience?
- How does the State view how it Supports People – the Developmental Welfare State
- Recent Developments, Concerns and Campaigns
- Contradictions in Services and Income Policy
- New ways of doing things; new ways of looking at things

**What do we Mean by Vulnerability?**

We are all vulnerable to a greater or lesser extent. The experience is very subjective and we tend to move in and out of vulnerability. We are all in need, with most of us trying to maintain and protect our dignity and sense of ourselves and we all have things to offer one another. In our social relations, we bring our experiences, our memories and recollections, our passions, talents and skills. We also bring our hang-ups, weaknesses and prejudices. This applies equally to those who we conventionally think of as the 'help-giver' as it does for those being assisted. The traditional 'helper', be it an SVP member or other provider, gets as much if not more from the transaction as the person who one may usually regard as the recipient. It is a delusion to think that the client or person being assisted is the only one who has vulnerabilities; both people in the transaction are vulnerable and both are experiencing to what extent their needs are being met in such an interaction.

Equally, the role of personal choice, behaviour and responsibility in challenging one's own vulnerability is an important factor in helping to overcome it. I am not arguing that people are vulnerable purely due to gaps and inadequacies in state supports. Indeed, huge strides have been achieved in the last ten years in terms of income adequacy and public service provision. Personal 'agency', the extent to which people realise their capabilities, is crucially important. However given the current situation we find ourselves in, policies have been part of the problem and they can be part of the solution. Before I go into that area, I want to name the role of another

key actor, that of voluntary organisations, communities and active citizens. One example of an initiative to tackle vulnerability, which gets lamentably little coverage, is the Know Your Neighbour Weekend in early July, organized by Macra na Feirme. But part of what I've been asked to talk about this morning is the role of the Society of St. Vincent de Paul in supporting people who are vulnerable.

### **How the Society of St. Vincent de Paul Responds**

The SVP is the largest voluntary organisation of social concern and action working in Ireland today. Our 9,500 voluntary members and 500 staff work on an all Island basis to respond to people in local communities in all sorts of ways. The backbone of this work is home visitation, but we are also the largest voluntary provider of emergency hostel accommodation outside of Dublin. Indeed, we recently opened a Hostel here in Ennis as a response to local homeless need. In addition we provide a large amount of social housing as well as holiday homes and resource centres. People don't traditionally associate us with these activities and that's why I think it's important they are mentioned in this context. What we are better known for is our work with people by people: assisting them, befriending them, connecting with people. We provide practical help and company. In our work, the dignity of the human person is a central consideration.

### **The Current Experience of the SVP: Calls for Assistance**

So what is the experience of the SVP as it identifies and attempts to respond to vulnerability today? Around the country, what is clear from regional offices and members alike is that Lone parents are our largest group receiving help. Also, all regions who provide us with their calls for assistance – the regions with the largest cities - have reported an increase in their calls. Taking Dublin as an example, the regional office has received 15,557 requests for help from individuals and families since the start of the year until the end of July. Of all calls, 47% came from lone parent families, while a total of 64% of requests came from families with children and 14% of callers were living alone. People who had never requested assistance before accounted for 27% of calls, while almost two-thirds of all callers were reliant on a social welfare payment of one kind or another.

Most requests were asking for a visit, food vouchers and assistance with energy and other bills. Other problems for callers included barriers to accessing social welfare payments, requests for help with the cost of household goods such as furniture and bedding and people just struggling to get by on a low income. While the main needs of callers and their profile seems mostly unchanged in the past 12 months, some new issues have come to light, including delays in accessing social welfare and the impact of recent job losses. We believe that working out notices and spending lump sums have delayed the impact of redundancies on these figures.

### **SVP: Thoughts and Feelings 'On The ground'**

The statistics provide some overview of levels of vulnerability and need which we try to respond to. There is of course no substitute for the lived experience of people themselves. Those assisted by SVP through our local resource centres had a number of things to say about new or anticipated cuts. In Cork, the loss of Christmas bonus was mentioned throughout a recent discussion:

**"Christmas bonus is really when Santy comes"**

**"Kids are going to get some land"**

And in terms of the effect of Recession and Social Welfare Cuts:

**"(people) Have nothing left to survive on"**

**"People will be desperate and they are expecting the worst"** (in terms of robberies)

Interestingly, it is unclear for the last two statements whether respondents saw themselves or just other people at risk. In a similar resource centre in Mayo, people were also concerned at the loss of the social welfare Christmas bonus, talked of fear of losing their medical card upon getting employment and were also worried about losing the back to school clothing and footwear allowance. While the latter issue may not take place, the current delays in its administration are causing problems right now and this is borne out in Dublin's experience currently. This information was available because we are developing more spaces for people we assist to reflect on and articulate their experiences, which I believe is a key task for us to carry out.

From our Conference Members, two sets of views set out some current concerns. In Co. Meath:

**"More and more demands are from families who are finding it very difficult to adjust to lesser wages or Jobseekers benefit / allowance. Some are even ending up with not sending children to school as they have no food to make lunches."**

And in Co. Cavan:

**"Fall out from recent budget changes is impacting on everyone, particularly those on low incomes. Difficulties are being reported in meeting loans and with general utility bills. Increasing demands (are) envisaged due to school (book) grant withdrawals and the cessation of Christmas bonus payment"**.

### **Supporting People: Some Government Thinking**

That's a flavour of the SVP experience. If we are enquiring about a national picture, the CSO and Citizens Information Board can provide that. But if we wish to look deeper into Government thinking – or at least Civil Service thinking in relation to supporting people, the best source document in recent years is the 'Developmental Welfare State' or DWS, which was published in May 2005 by the National Economic and Social Council, or NESCC. It is the blueprint for a number of subsequent key national strategies. It comprises of three overlapping areas of welfare activity:

Services; Income Supports and the awkwardly titled 'Activist Measures' - a kind of 'R&D' approach to policy. It also adopts the 'lifecycle' concept for each person based on age and disability. As such, it's an important Government policy document. While there may be deficiencies, there are also clear policy observations and proposals that we can refer Government back to, not just in terms of supporting vulnerable people but also regarding what the wider public can expect from a reformed welfare state and an enhanced public service:

**'Ireland's welfare state and social policies ... need to change further if they are to (i) address the deep rooted social disadvantage of a section of the population that is showing little mobility off means-tested social assistance, (ii) support people at work as they seek to maintain and improve their participation in the economy, and (iii) set a reach wholly new standards in how persons with disabilities and people in institutional care are supported.'** (p. xiii)

### **Developmental Welfare State, Services and Education**

I'm going to refer to income supports later in the paper, so for the time being I'm highlighting services and education in particular. In terms of the three areas mentioned above, the report regards **'the radical development of services as the single most important route to improving social protection'** (p. xix). Education is an area that SVP spends a lot of money on – at least three million euros, mostly to defray costs of participation at all stages for low-income families, but crucially because it is the key way out of vulnerability and dependence, particularly at pre-school level. Government spending on education is low internationally while outcomes for non-disadvantaged children are relatively high. This low spend does not bode as well for those encountering educational disadvantage, that is, those who need it the most.

The NESC Report states that **'the provision of early childhood education ...[is] far behind what the country will require if it is to deliver on core social and economic objectives.'** (p. xv). The Report acknowledges that pre-school children have fared poorly from such low levels of spending and service provision. The Government is only now beginning to make provision in this area. A sustained funding and policy commitment will be required from the state to ensure that this historic social deficit is tackled for good, yet there are real concerns that funding will be insufficient to cover the costs of such services. This brings me on to the issue of proposed cuts.

### **Recent Developments - An Bord Snip Nua**

I need not go into huge detail regarding the state we're currently in. The Government is borrowing in the region of €15 billion, €6 billion of which is being used to save the financial institutions. That means €9 billion is being borrowed for day-to-day expenditure. Obviously something needs to give in order to stem such a deficit. The Special Group on Public Service Numbers and Expenditure Programmes, more commonly referred to as An Bord Snip Nua, has recommended a

series of measures to curtail this level of borrowing. These include a 5% cut in adult social welfare rates, significant reductions in other social welfare payments – both universal and targeted – and the ending of programmes such as the rural transport scheme. Importantly, new and increased charges are proposed for services such as school transport, home-helps and prescriptions. So not only is the report advocating marked cuts in income supports, and a reduction and even the shutting of certain services, but also the attachment of charges to essential public services.

### **Income Support Concerns**

I've already talked about the anxieties expressed by people in relation to the Christmas bonus. In terms of child-related payments, Child Benefit is another key target in Colm McCarthy's report. While SVP believe that this payment is in need of reform, our fear is that a wholesale cut in the payment will be made with no compensatory measure for children in poorer families. The NESC report commits that **'while all children are supported, some are supported more than others'** (p. xx), and that **'priority must be given to the poorest children in the state in the allocation of further resources for child-income support'** (p. xxiii). If this approach is not adopted, the concern of the SVP is that Child Poverty will increase significantly in the immediate future - something we'd like to engage with the Ombudsman for Children on, also participating in this Summer School.

### **Poor Can't Pay Campaign**

In the midst of debate about impending cuts and how they may affect the more vulnerable sections of our society, I must mention a joint Campaign that SVP is currently involved in. 'The Poor Can't Pay' is a grouping of Trade Unions and NGOs who believe that those earning the minimum wage or living on social welfare are not responsible for our present economic crisis and should not be made to pay for it. We are calling on Government not to cut the minimum wage or basic social welfare payments in the forthcoming budget and to reintroduce the Christmas payment, and are using the web as a tool for engaging interested organisations who support the aims of Poor Can't Pay. In early September we will seek engagement from the wider public in relation to campaign activities as these are critical issues for vulnerable people. We have no choice but to challenge Government in addressing these concerns, and this is one approach.

### **Services and Income Policy Contradictions**

I was going to bring together the Developmental Welfare State commitments on income and services, on one hand, and the proposed cuts on the other, to provide some kind of analysis. What I've arrived at is a strong sense of clear policy contradiction; some which significantly pre-date the current debates on cuts, and others which are current. I believe these paradoxes affect

vulnerable people the most, though they must frustrate many more. The following list could be given the sub-heading 'We can't have it both ways'. I start with services, where Government is:

- Calling national and post-primary schooling a 'free' education system despite significant costs for families using the system. A current example is the impact of recent cuts to the School Book Grant scheme, yet there are expensive book lists, frequent re-editions of text books and the emergence of once-off workbooks;
- Strongly encouraging a credit based consumer society, yet with weak regulation and draconian debt laws – which can and do result in custodial sentences for consumers;
- Using 'the free hand of the market' argument to justify their housing policy, yet intervening in quite perverse ways. There are a number of facets to this including:
  - very low yields of social housing built, while Government complains of hundreds of millions of tax payers' money hemorrhaging to private landlord's hands;
  - Tax incentives for apartment building at the height of the housing boom – hardly very 'free market' and highly inefficient;
  - A direct consequence of this approach being that Government has now had to create a new agency to bolster the banks, partly due to the thousands of private housing units lying empty, without clear social safeguards for over 56,000 households on social housing waiting lists or an explicit link between the two;
- Claiming to provide a health system for all, while incentivising people through the tax system to jump the queue for diagnostics and procedures via private health insurance;
- Permitting very dispersed rural settlements, then allowing the diminution of rural services, followed by cutting rural transport – if An Bord Snip Nua is implemented;

And in relation to incomes policy:

- Supporting private pensions via tax expenditures to the extent that the cost of tax reliefs to fund occupational pensions was larger than Government expenditure on social welfare pensions in 2002;
- Maintaining the tax and welfare systems as two separate and incompatible realms of public administration. They do not speak to one another yet should be able to. At the same time, Government is kite flying the notion of taxing child benefit which it cannot; and
- Repeating the mantra of balancing the books while steadily narrowing the tax base – and recent approaches to remedy the situation have included indirect taxes such as VAT increases, thereby hitting the vulnerable disproportionately when buying everyday items.

### **The Right Model of Development?**

These contradictions are partly due to the fact that Irish Society has generally a high tolerance for such paradoxes, and maybe it's time to tolerate a lot less. But that's a whole other debate about culture, attitudes and behaviour. While those issues are relevant, what is more pressing for me is

where we need to get to as a society. Some believe – and I assume some of them are economists – that it's about getting back to where we were. Some appear to say that it's about cutting expenditure back to levels of the early noughties and breathing life back into the banks and construction sector, and keeping other powerful sectional interests happy. Then, the conventional wisdom goes, once the global economy picks up you're back to the halcyon days of five years ago, when we were all happy and enjoying the benefits of prosperity, right? Wrong.

'Ireland Inc' has fallen off the horse, so to speak. The question is not whether we'll dust ourselves down, swallow our pride and get back on again. The question is, if I may use this metaphor, what kind of horse we wish to adopt for our onward journey. I'm arguing that the one we had did not suit us. I'm no equestrian specialist, and I must admit I've never been to a race meet in my life, but I think the analogy is a useful one. The horse we were on was attractive, I'll grant you that, but it was too fast and in the dust it produced, it left a lot of people behind. It didn't have the stamina for long distances to boot. And when it fell, the fall was a spectacular one – and a fatal one for the filly in question. No tax incentives for the bloodstock industry could save this one. So the answer is no - we can't go back to business as usual when the upturn finally resumes. Not only because it ran rough-shod over some key opportunities for social gain, but also because society at large doesn't trust it. It's temperamental, unpredictable and liable to bite. And many vulnerable people, especially those friends and relatives of ours, who were traditionally less vulnerable, have the bite marks to prove it. So what kind of horse this time around? Or put another way, how are we going to re-vision Irish social and economic policy given the opportunities posed by these crises?

### **Vision and Conclusions**

Opportunities posed by a crisis - that might be an odd way of seeing things. But when something major and traumatic happens in a person's life, or where multiple events appear to overwhelm, the most positive way forward is to seek to develop a new way or ways of looking at life and a new way of being. People in these situations usually require some re-imagining, some re-inventing of what they are about. The current crises facing Ireland could, among other things, be regarded as a new beginning. So what opportunities might there be for Irish Society, now or in five years time? Having a vision is being able to anticipate that there will be improvements in key areas of our lives or in our activities – even though it may not appear that way right now. A vision is a manifesto for change and for action, and tends to be underpinned by values. Even before the downturn, the NESC Report proposed substantial change: **'..Ireland's welfare state is being challenged – to revise systems that embody low expectations and achieve low outcomes for a minority, to support its population more adequately in changed times, and to institutionalize wholly new standards of participation and care for its most dependent and vulnerable members'** (p. xv). It acknowledges that economic survival and development is contingent upon investment in social provision: **'at the same time, several of the major improvements in social protection now required to**

**address peoples' needs more effectively will prove to be economic assets and contribute directly to 'reinventing the economy'; for example, ending child poverty, stemming educational disadvantage, tackling social exclusion, supporting people in their caring responsibilities, more flexible pension arrangements, and higher standards in publicly provided health care and education.'** (p. xiv)

So what now? The DWS, while not perfect, has been accepted by Government and places the person at the centre of social provision, mindful of their stage in life and level of vulnerability. Current debate and policy focus is on cutting income supports, service provision and activist measures just when they're needed most. Government has aggressively pursued a pro-cyclical economic agenda, historically spending in good times and contracting in bad. This is not the route chosen by all other developed countries. If society and institutions are serious about supporting and enabling each of us in our vulnerable times, either as a person or a society, then we need to both invest in and have the bravery to reform existing services and supports. Such investment and reform applies to statutory, private and community & voluntary sectors alike. Some things need to be done quickly, such as the very welcome allocation of Social Welfare officials to process claims, and other measures will necessarily take time. So we need a system that is responsive whilst having the stamina to face up to leaner times, and which has the emotional intelligence to balance fiscal rectitude with compassion, justice and well-being. **Thank you.**

**John-Mark McCafferty, Monday 17<sup>th</sup> August 2009**