



Society of St. Vincent de Paul

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# REVIEW OF THE IMPLEMENTATION OF THE NAPSI 2007-2017

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Submission to Indecon International Consultants & the Department of  
Employment Affairs and Social Protection

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SVP SOCIAL JUSTICE AND POLICY TEAM

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## Introduction

The Society of St. Vincent de Paul (SVP) welcomes the opportunity to provide input into the review of the National Action Plan for Social Inclusion 2007-2017. SVP's experience of working with people in need affords key insights into areas in which public policy is effective and where there are gaps and ultimately helps translate the issues encountered by our members on the into concrete policy solutions.

## SVP response to the review areas

### Target setting and progress on poverty reduction 2007-2017

SVP recognise that the poverty targets under NAPInclusion were challenging in the context of major economic upheaval experienced during that period. The increase in unemployment, cuts to social welfare payments and child benefit, the increasing tax burden on the lowest paid, cuts to community services and increasing levels of deprivation made the achievement of the poverty target difficult during the economic downturn. It is SVP's view that the choices made as a result of the fiscal crisis were not made with the objective of protecting people from poverty in mind and that the economic and fiscal context should not have been used as an excuse to deprioritise the most vulnerable in society.

In 2012, SVP expressed regret that the Government revised and reduced the ambition of the national poverty target as initially set out in 2007 under NAPInclusion. SVP strongly advocated that the ambition of the original plan should have remained.

The setting of an ambitious national poverty target allows for the monitoring of Government's commitment to prioritising the protection of vulnerable people from experiences of poverty and exclusion. An ambitious target is also a key driver of policy actions and the allocation of resources. Reducing the ambition of the target created a demotivating environment for action and also masked the extent of poverty in Ireland.

The failure to adopt sub-group targets for groups who have a higher risk of poverty also hindered progress on the poverty target. Setting sub-targets with appropriate policy targets could have assisted in the achievement of the overall target as tackling poverty in vulnerable groups would eventually bring about a change in the composition of the poverty population. Sub-targets for lone parents, low work intensity households, people with disabilities and social rented housing (including HAP/ RS) should have been set. SVP is also concerned at the poverty rate of Travellers, people living in direct provision and people experiencing homelessness but accept that it may not be possible to set a target for this group as they are difficult to capture in a survey such as SILC. However, other data sources and qualitative methods and indicators could have been incorporated to track progress on how policies affect these groups.

We understand that the Department is currently considering revising the National Social Target for Poverty Reduction to 4% or less by 2024 and 2% or less by 2028. SVP recognises that a target of 2% or less by 2020 is challenging, but we note the welcome reduction in consistent poverty in 2017 the Survey of Income and Living Conditions (SILC). Further improvements are expected to be documented in future releases of SILC as the positive social protection measures introduced in Budget 2018 and 2019 begin to take effect. We are therefore concerned that reducing the ambition

of the targets to the degree proposed at this critical time may create a demotivating environment for action.

**Lesson learned— recommendations for the new plan:**

- Reducing and ultimately eliminating poverty should be a fundamental aspiration of Irish society and a commitment of Government. SVP is recommending that a headline target of 2% or less by 2024 is set, with a goal of eliminating poverty by 2030 to align with Ireland's commitments under the SDGs.
- Sub-group targets should be set for groups most at risk of poverty and social inclusion, encompassing a more comprehensive set of indicators to monitor progress. It is important that other data sources are utilised, in addition to SILC to set sub-targets that can be monitored (e.g. Qualitative data, DJE data, PASS data & Census data).

### **Implementation of supporting actions 2007-2017**

Just as important as a poverty target is the setting of policy targets which will allow Government departments to make a contribution towards achieving the target, and which would establish the need for a multi-faced approach to tackling the multi-dimensional nature of poverty. NAPinclusion identified a wide range of actions and interventions to achieve the overall objective of reducing consistent poverty. The plan prioritised 12 high level goals in relation to children, people of working age, older people, people with disabilities and communities. It identified up to 150 actions across Departments and Agencies with a remit in social policy, as part of a strategic approach to make a decisive impact on poverty over the period to 2016. However, many of these actions were deprioritised in the period 2008-2011 as austerity measures were implemented and the years that followed under the Revised Target for Poverty Reduction.

SVP expressed in our responses to the consultation on revised poverty target in 2011 that “any and all adjustments which are made in the context of the economic downturn and fiscal crisis must be poverty proofed, with the sub-targets in mind as well as the overall target”. However, this did not happen and poverty increased as a result.

In this section, we provide more detailed feedback on the areas for action outlined in the updated plan 2015-2017. Under each heading, we pay particular attention to the Governments’ progress on child poverty as the majority of households assisted by SVP are low income families, typically headed by one parent.

#### **Adequate Minimum Income**

The struggle to make ends meet on an inadequate income, both in and out of work, is one of the main reasons people request help from the SVP. Social welfare payments and supports and their interaction with tax measures and wages can all be designed and delivered in ways that help people to reach their full potential, and ensure that people have an adequate standard of living.

We note that the updated plan referred to the need to provided for adequate income support but does not define what it means by “adequate”. Since the publication of the original plan, the robust

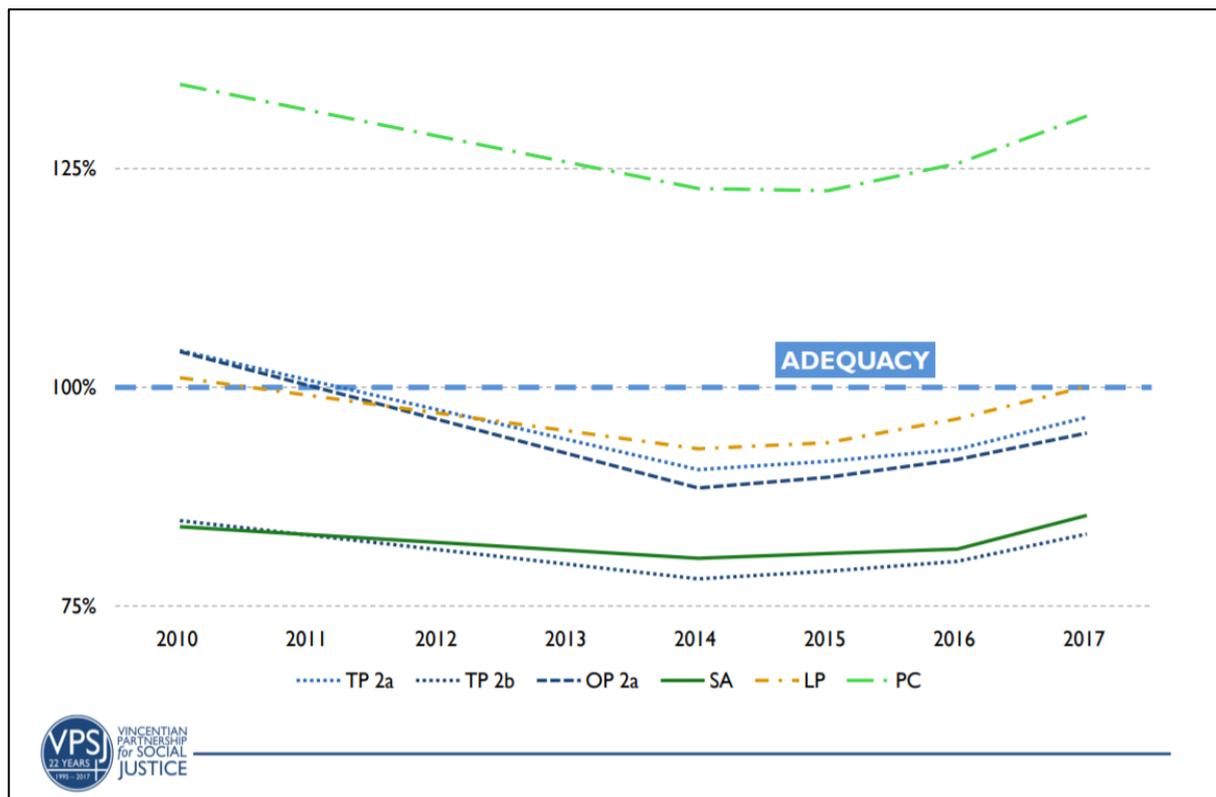
and rigorous research by the Vincentian Partnership for Social Justice (VPSJ) on the costs of minimum essential needs and income adequacy is now well established.

The VPSJ researches the amount of income needed for different household types to be able to afford their minimum essential needs. This research finds that the cost of a minimum essential standard of living varies across the lifecycle and that many households – both those in work and those who are on social welfare - cannot afford to meet their minimum needs. Figure 1 shows that with the exception of a pensioner couple, all households included in the analysis had an income from social welfare below what was considered "adequate". Between 2010 and 2012, a pensioner living alone, two parents & two children (pre-school and primary) and a one parent household with two children (primary and secondary), moved from income adequacy to inadequacy. Single adults of working age and two parent households with older children (primary and secondary) have consistently experienced income inadequate over the period from 2010 and 2017. Despite the increase in Budget 2018, the last assessment still places all households with children and single working age adults below the level of income adequacy.<sup>1</sup> Incorporating this data into the new plan to monitor progress would provide a more multi-dimensional view of income adequacy that is grounded in social consensus on what are the minimum requirements to participate in Irish Society today.

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<sup>1</sup> VPSJ (2018) Minimum Essential Standard of Living Update Report  
<https://www.budgeting.ie/publications/mesl-2018/>

Figure 1: Summary of the VPSJ Income Adequacy Assessment 2010-2017<sup>2</sup>



The issues of low pay, inadequate income, precarious work and the high cost of living are key contributing factors to poverty and deprivation among the household's SVP assist, the majority of which are households with children. SVP regularly meet working families who are experiencing significant stress and strain as they try to cover bills, housing and everyday costs. The establishment of the Low Pay Commission and the enactment of Employment Act 2018, have been positive step forward to ensuring people have access to decent and quality work. However, the National Minimum Wage is still 21% lower than the Living Wage. SVP would recommend the Minimum Essential Standard of Living is used as a benchmark for the NMW and that a Living wage should be set as a target. The structure and fairness of the taxation system and how it affects low income, and minimum wage employees should also be a key consideration in the new plan.

### Inclusive labour markets

Over the past number of years, the Irish welfare state has increased its focus on active labour market policies. Lone parents have been a particular focus of this policy shift since 2012 when the reforms of the One Parent Family Payment were first introduced. SVP acknowledge that long term passive reciprocity of a social welfare payment is linked to poor outcomes, but analysis of data from

<sup>2</sup> TP 2a = Two parents & two children, pre-school and primary, TP 2b = Two parents & two children, primary and second level, OP 2a = One Parent & two children primary and secondary, SA = Single Adult, working age, living alone, LP = Pensioner, living alone, PC = Pensioner Couple. Source: VPSJ (2017) Update on the Minimum Essential Standard of Living and Social Welfare, Presentation 2017  
[https://www.budgeting.ie/download/pdf/mesl\\_2017\\_presentation\\_social\\_welfare.pdf](https://www.budgeting.ie/download/pdf/mesl_2017_presentation_social_welfare.pdf)

other European countries shows that increases in the labour market attachment of lone parents have not reduced their poverty risk.<sup>3</sup> This is primarily due to a higher propensity for lone parents (typically women) to be employed in low paid, variable hours and insecure employment. The failure to address the issues of low pay, access to education and childcare has meant their poverty risk are remained or increased in some cases.

In 2014, SVP published a research report entitled “It’s the hardest job in the world” which sought a better understanding of the needs and circumstances of the one parent families being assisted by the Society.<sup>4</sup> The study included 61 in depth interviews with the heads of one parent families. The fieldwork for this research was carried out in 2013 – succeeding four years of austerity measures and cutbacks. This was followed by Budget 2014, which, according to an analysis by the ESRI, had the most significant impact on low income groups.<sup>5</sup> The families who took part in this research were feeling the brunt of previous cutbacks and were fearful about further cuts to income supports and services occurring in the near future. The effects of prolonged austerity on family life, relationships mental health and well-being are outlined in the report, as well as the negative impact on hopes, plans and ambitions for the future.

Since the publication of this research report, the reforms of the One Parent Family Payment were fully rolled out. The measures include the introduction of conditionality to engage in paid employment or activation programmes based on the age of their youngest child. The reforms have been the subject to much criticism, specifically that the changes were implemented during a period of recession and high unemployment, in the absence of good quality affordable childcare, and without recognising the additional practical and financial challenges of parenting alone. In particular, the decision to abolish the features of the One Parent Family Payment which support lone parents to take up part-time employment was widely criticised. This has made it more difficult for lone parents with low earnings potential and high levels of caring responsibilities to access employment, education or training. The ‘work first approach’ is also viewed as problematic, as it does not address the low level of educational attainment among lone parents, making access to quality employment more difficult.<sup>6</sup>

The validity of these concerns and criticisms have been reflected in recent research which showed

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<sup>3</sup> Jaehrling, K., Kalina, T. and Mesaros, L. (2015) ‘A paradox of activation strategies: why increasing labour market participation among single mothers failed to bring down poverty rates’, *Social Politics*, Vol 22 (1), pp86- 110.

<sup>4</sup> SVP (2014) It’s the hardest job in the world: An exploratory research study with one parent families being supported by the Society of St Vincent de Paul. <https://www.svp.ie/getattachment/0dfc3b0e-9165-4792-946e-43f84199eb57/It-s-The-Hardest-Job-in-The-World.aspx>

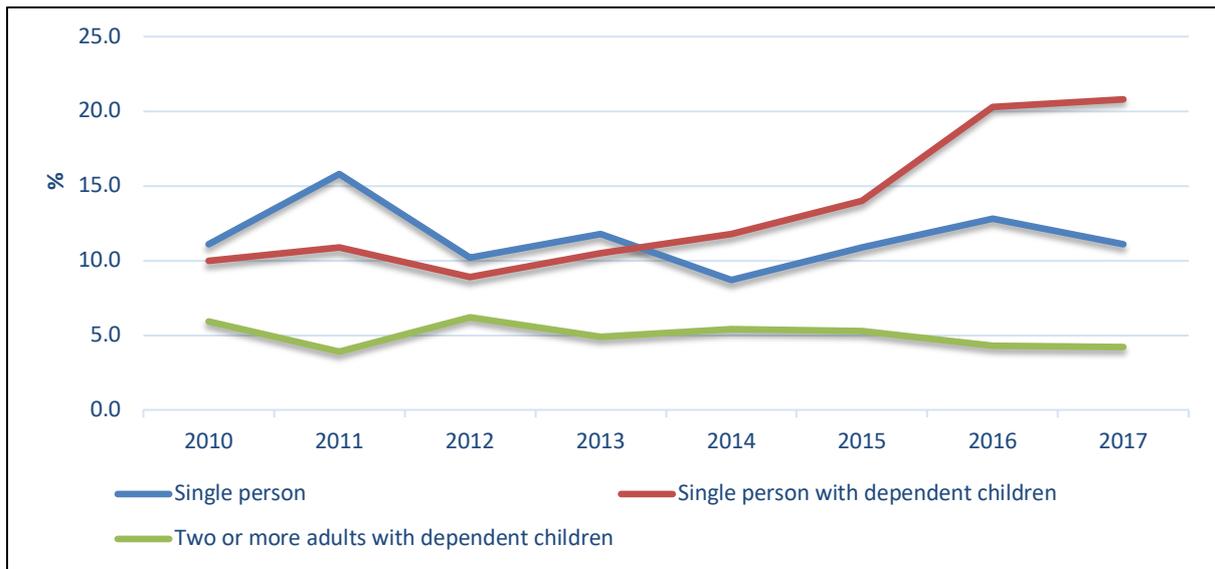
<sup>5</sup> ESRI (2013) Distributional impact of tax, welfare and public service pay policies: Budget 2014 and Budgets 2009-2015. [https://www.esri.ie/system/files?file=media/file-uploads/2015-07/QEC2013Win\\_SA\\_Callan.pdf](https://www.esri.ie/system/files?file=media/file-uploads/2015-07/QEC2013Win_SA_Callan.pdf)

<sup>6</sup> Millar, M. and Crosse, R. (2016) *Lone parents and activation, what works and why: a review of the international evidence in the Irish context*. Galway: Institute for Life Course Studies, NUIG.

that the reforms increased poverty among lone parents<sup>7</sup> and reduced the incomes of those already in employment.<sup>8</sup> It is therefore likely that the situation of some of the families who took part in the research in 2013 has worsened since the data was collected.

Worryingly, data from Eurostat shows that the rate of in-work poverty among household with one adult and dependent children has increased from 8.9% in 2012 to 20.8% in 2017. The equivalent rate for a two adult household with children in 2017 was 4.2%.<sup>9</sup>

**Figure 2: Rates of in-work poverty in Ireland 2010-2017**



It is clear that labour market activation doesn't occur in a vacuum and changes in the tax/benefit system need to be considered alongside other policy changes such as childcare and family-friendly employment practices, and legislation relating to precarious work, minimum wage, and maintenance. Policy decisions in these areas must be firmly rooted in evidence on the employment, social welfare and parenting experiences of one parent families.

The new National Anti-Poverty Strategy should also have a specific target with supporting actions to reduce poverty rates in one parent households. The plan should be holistic, integrated, and person and family centred.

The need to for a person-centred and holistic approach to getting people into quality employment should be applied to all Government employment programmes. Policies that emphasise welfare conditionality and sanctions, such as those under pinning JobPath are short sighted. They require compliance under threat of being put below the minimum level of income, and this mainly has negative consequences. Activation in the form of human capital building and supported job search can have long-term positive effects on the person and the labour market. Tackling the issue of

<sup>7</sup> Indecon (2017) Independent review of the amendments to the One-parent family payment since January 2012. [https://www.welfare.ie/en/downloads/DEASP\\_OFP\\_Review.pdf](https://www.welfare.ie/en/downloads/DEASP_OFP_Review.pdf)

<sup>8</sup> ESRI (2018) Lone-parent incomes and work incentives. <https://www.esri.ie/publications/lone-parent-incomes-and-work-incentives>

<sup>9</sup> Eurostat: EU-SILC survey [ilc\_iw02]

discrimination in the labour market is needed, and this will require include socio-economic status as a grounds within our Equality legislation.

### Access to quality services

SVP is aware of the impact that the dramatic cutbacks to services during the recession have had on those most in need of quality services. SVP members see first-hand the impact of the housing and homelessness crisis, educational disadvantage, and how living on low incomes affects individuals and families across Ireland. Being priced out of rental housing; disadvantaged by underfunded school services; remaining in emergency accommodation for long periods; inadequate, poor quality housing and limited access to further and higher education; blight too many lives and prevent many from reaching their potential.

SVP currently provides direct financial assistance to make up for deficiencies in public services, particularly in the areas of health, education and housing. We also indirectly subsidise meeting basic needs like food, because some people have to spend such a large proportion of their income on ever-increasing rents and fuel costs, where affordable rented homes are not available, and accommodation is poor in terms of both quality and thermal efficiency.

A history of underinvestment in services has led to an overreliance on the market to provide essential services. Between 2008 and 2014 investment in new social housing fell by almost 90%.<sup>10</sup> Over the same time period, education witnessed declining investment as spending fell from 5% of GDP in 2008 to 4.3% in 2014 – below the EU average of 4.9%.<sup>11</sup>

Income increases, through wages or social welfare, are vital but are insufficient to break the cycle of poverty. Services are necessary for the wellbeing of people and communities, and long term sustained public investment is essential if Ireland is serious about tackling inequality, reducing poverty traps and supporting access to employment.

The key challenge the new plan is put in place a system of supports which provide adequate incomes for those who can't work while supporting those who can to get quality and sustainable employment. This will require a combined focus on adequate incomes for those in and out of work, supporting access to decent jobs and the provision of accessible, affordable and quality public services.

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<sup>10</sup> Norris and Byrne (2016) 'Social housing's role in the Irish property boom and bust', UCD Geary Institute for Public Policy Discussion Paper Series WP2016/15 November 21, 2016.

<http://www.ucd.ie/geary/static/publications/workingpapers/gearywp201615.pdf>

<sup>11</sup> Europe Commission (2017) Ireland's country report.

#### Lessons learned – recommendations for the new plan:

- Targets are linked to specific policy actions, and the required level of resourcing, capacity and authority are provided to ensure their successful implementation.
- Using the model of the Low Pay Commission, establish a Social Welfare Commission to examine the adequacy of social welfare. Include income adequacy measures based on the cost of a Minimum Essential Standard of Living as a complementary monitoring indicator for the plan.
- Continue to prioritise investment in quality public services over tax cuts, in particular, housing, childcare, education, health care and affordable energy and transport. Ensure that we have a sustainable and fair level of taxation to address current deficits in our public services.

#### Monitoring and governance structures underpinning NAPSI 2007-2017

In general terms, it is our view that:

- NAPSI inclusion wasn't fully embedded in policy making nor was it bedded down in Government departments or local Government;
- Vertical and horizontal cross-governmental working was never fully realised;
- The institutional structures, notably the Social Inclusion Unit and the departmental Liaison Officers were under resourced;
- Poverty proofing was poorly implemented;
- The research programme is over reliant on quantitative data from the Survey of Income and Living Conditions which limits understandings of poverty and social inclusion and;
- The involvement of those experiencing poverty and the community and voluntary sector needed to be enhanced through the development of appropriate consultative and participatory structures.

#### *Institutional structures including horizontal and vertical cross-departmental working*

SVP is supportive of a whole of Government approach, but challenges remain as departments often work in silos, particularly in relation to budgetary decisions. An enhanced role for Departmental Social Inclusion Liaison in all departments is required to ensure that anti-poverty measures are embedded in all government policies, the mainstreaming of poverty impact assessment and the delivery of cross-departmental actions. SVP are concerned that the role of Departmental Social Inclusion Liaison appointed in a number of government departments, following the publication of the National Anti-Poverty Strategy, has become increasingly diluted across several departments. Additionally, most departmental business plans or statement of strategies do not include a clear requirement that poverty and social inclusion measures are incorporated into service considerations.

Vertical as well as horizontal joint work is required to ensure anti-poverty and social inclusion measures are also embedded at a local level, as currently there is a lack of integrated use of resources or long-term planning of services in local government. SVP believe that local government expenditure should reflect an emphasis on tackling disadvantage and poverty. Resources should have been 'ring-fenced' by a local authority solely to progress initiatives related to addressing poverty and social exclusion. Examples of relevant local authority responsibilities include the provision of social housing, physical infrastructure, community facilities including sports and recreation, education and welfare.

#### *Poverty proofing and social impact assessment*

The Programme for Government commits to developing the process of budget and policy proofing as a means of advancing equality and reducing poverty. However, since its introduction over 20 years ago, poverty proofing has been weak and poorly implemented. The Social Impact Assessment produced by the Department of Social Protection pre- and post-budget is welcome. However, it is still very difficult to assess the impact that increased Government spending on public services (rather than changes to tax and social welfare) has on different groups. All Government departments need to produce an assessment of measures which relate to their areas so that we can see the impact of all budgetary measures across households. The establishment of the Budget Office which has a specific remit for equality and poverty proofing is a positive development and should be further leveraged in a way to ensure that all decisions are taken following analysis of the impact they will have on people experiencing poverty, including children. This analysis should be published before the Budget is announced and should include a number of policy options which are under consideration by Government. This would allow for poverty and equality proofing of the Budget and would increase the transparency of the budgetary process, all of which should benefit the people we assist. As already outlined it is important that socioeconomic status is added as a grounds in our Equality legislation to ensure that it gets equal consideration in the design of policy as the other ten grounds currently laid out in legislation.

#### *Consultation and participatory monitoring*

The purpose of the monitoring framework is to ensure that progress towards achieving the poverty targets is monitored and reviewed. Meaningful, sustainable participation requires clearly defined structures for dialogue between all stakeholders at national and local levels. Necessary structures have to be shaped on a sustainable basis within a defined legal framework.

The Plan must be designed, implemented and monitored with the participation of people affected by poverty at all stages, as well as organisations representing marginalised and disadvantaged groups. In addition to the creation of a cross-sectoral advisory group, resources to support the independent voice of people experiencing poverty and their organisations to develop and participate in decision-making must be strengthened under the new plan. The format of the consultation for the new plan carried out in summer 2018 (online, close ended questions and overly-technical) hindered that process and did not adhere to the principles of Open Government, including;

- Consultation with citizens must be genuine, meaningful, timely, balanced and with the ultimate objective of leading to better outcomes and greater understanding by all involved

of the benefits and consequences of proceeding with a particular policy or legislation proposals.

- Consultation should be targeted at and easily accessible to those with a clear interest in the policy in question.
- In the case of significant policy, services or legislative proposals, public bodies should make systematic efforts to ensure that interested and affected parties have the opportunity to take part in open consultations at all stages of the policy process: development, implementation, evaluation, and review.<sup>12</sup>

One of the key challenges in the next phase of the NAPS will be to strengthen further the involvement of the people who are experiencing poverty and the wider community and voluntary sector in the Strategy. Considerations should be given to incorporating participatory monitoring mechanism within the entire process of implementation and evaluation. At present, the one day Social Inclusion Forum is inefficient and ineffectual. Policy research exercises, aimed at understanding poverty from the perspective people experiencing poverty and social inclusion, and what their priorities are in terms of actions to improve their lives would broaden stakeholder involvement. Such processes would increase general support and legitimacy for antipoverty strategies; enrich the analysis and understanding of poverty by including the perspectives of marginalised groups; provide a diverse range of valuable information on a cost-effective, rapid and timely basis, and creating new relationships between policy-makers, service providers and people experiencing poverty.

#### *Defining, measuring and researching poverty and social inclusion*

SVP is concerned at the proposal to revise the definition of poverty and social exclusion. The current definition captures the multi-dimensional nature of poverty and social exclusion and emphasises the importance of being able to have a standard of living which is generally regarded as acceptable in Irish society. This also allows a connection to be made between the concepts of poverty and social exclusion and the experience of living below a Minimum Essential Standard of Living which can help with public understandings of what it means to experience poverty. The current definition also makes clear that the causes of poverty and the policy responses needed, cannot be limited to income alone. We also believe that narrowing the current definition of poverty and social exclusion to focus on income would be counterproductive as it would hinder cross-departmental working and a whole of government approach. Poverty would be primarily seen as an issue that is only relevant to the Department of Employment Affairs and Social Protection, making it more difficult to get buy-in of other Government Departments.

In regard to research SVP recommend that in addition to the analysis of SILC, qualitative research on the experiences of people living in poverty should form part of the poverty research programme. In relation to poverty measurement and indicators, it is firstly critical that targets and policy actions are underpinned by high quality, interconnected data across Government. Secondly, in light of recent ESRI research which shows that the rate of persistent deprivation in Ireland is high by international standards, particularly among one parent families and people with disabilities, SVP recommend that poverty targets are measured concerning persistence as well as overall incidence.

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<sup>12</sup> <https://www.per.gov.ie/en/consultation-guidelines/>

#### Lesson learned – recommendations for the new plan:

- Establish a cross-departmental and cross-sectoral advisory council to oversee the implementation of the plan. The Department of Public Expenditure and Reform should take a leading role in social impact assessment to ensure that the management of public expenditure is evaluated against the impact it has on reducing poverty and inequality.
- Enhance the role of the Departmental Social Inclusion Liaison (primary responsibility at Principal Officer level) in all departments to ensure that anti-poverty measures are embedded in all government policies, mainstreaming of poverty impact assessment and the delivery of cross-departmental actions.
- Poverty impact assessment is placed on a statutory basis as is the case for Equality Impact Assessment in Northern Ireland. This would require including socio-economic status within Equality Legislation.
- Government Department Statement of Strategy must include objectives for addressing poverty and social inclusion.
- Regular progress reporting, oversight and scrutiny from a Joint Oireachtas committee should be built into the monitoring and implementation plan.
- Retain the current definition of poverty as per NAPS and NAPSInclusion
- Participatory poverty reduction assessments involving those experiencing poverty and marginalisation in analysing the nature, causes and dynamics of poverty, what their priorities for public action are and which institutions they see as effective should be established.

## Conclusion

Over the lifetime of the NAPSInclusion, SVP experienced a considerable increase in the numbers of people contacting us for help and all the negative social and economic costs arising from the recession is still apparent to the members of SVP throughout Ireland. In 2018, SVP's members continued to provide support to thousands of families and individuals in need including with essential household spend such as food, fuel, electricity and education. In the run-up to Christmas 2018, our local offices were receiving almost 1000 calls for help per day. For the most part, the profile of those requesting help has not changed since before the recession, with most of the people have experienced long term poverty and disadvantage. However, some conferences have noted an increase in working families seeking their help, and individuals and families in the private rented sector struggling with housing costs.

The new National Action Plan for Social Inclusion provides the opportunity to rectify the mistakes of the past. SVP believe that a rigorous assessment of the previous plan will provide valuable insight and learning, which in turn can be used to inform the implementation of well-designed and properly

resourced policies that have a meaningful impact on the lives of people experiencing poverty and social exclusion.