

The aim of Chapter 6 is to consider the wider **impact** of policy and associated programmes for society over the medium to long-term. It seeks to identify the wider and longer term effects of child income supports for society as a whole; the extent to which CIS policy has achieved its wider objectives; and whether the policy evaluation and monitoring process needs better information in order to enhance our understanding of the impact of policy. The chapter builds on the earlier analysis in Chapter 4 which focussed on outcomes by considering wider and longer-term impacts. Section 6.1 addresses how CIS policy and programmes fit in with other relevant public policy programmes while Section 6.2 considers evidence around the longer term impacts of spending.

6.1 Wider effects

This section considers the question of the wider impact of CIS outcomes and also addresses the evaluation question: *“how do the programmes fit in with other relevant public policy programmes?”* The evaluation of impact focuses on the wider socio-economic effects of spending including the medium to long-term impacts on target beneficiaries, the contribution of the programme to overall policy implementation and the influence of other policy frameworks. The programmes under consideration are part of the broader framework of support provided by the Department of Social Protection and of public policy towards families generally (already summarised in Chapter 2).

Wider Context

The wider context for child-focussed outcomes is set out in the National Children’s Strategy (2000) which defines the overall vision for *“An Ireland where children are respected as young citizens with a valued contribution to make and a voice of their own; where all children are cherished and supported by family and the wider society; where they enjoy a fulfilling childhood and realise their potential.”*¹²⁷ The Office of the Minister for Children and Youth Affairs (OMCYA) was established in 2005 in order to bring greater coherence to policy-making for children. The focus of the office is on harmonising policy issues that affect children in areas such as early childhood care and education, youth justice, child welfare and protection, children and young people’s participation, research on children and young people, and cross-cutting initiatives for children. The OMCYA also maintains a general

¹²⁷ *National Children’s Strategy Our Children – Their Lives*, p. 4.

strategic oversight of bodies with responsibility for developing and delivering children's services.

The Office has set out a policy agenda¹²⁸ which defines good outcomes for children as follows:

- healthy, both physically and mentally
- supported in active learning
- safe from accidental and intentional harm
- economically secure
- secure in the immediate and wider physical environment
- part of positive networks of family, friends, neighbours and the community
- included and participating in society

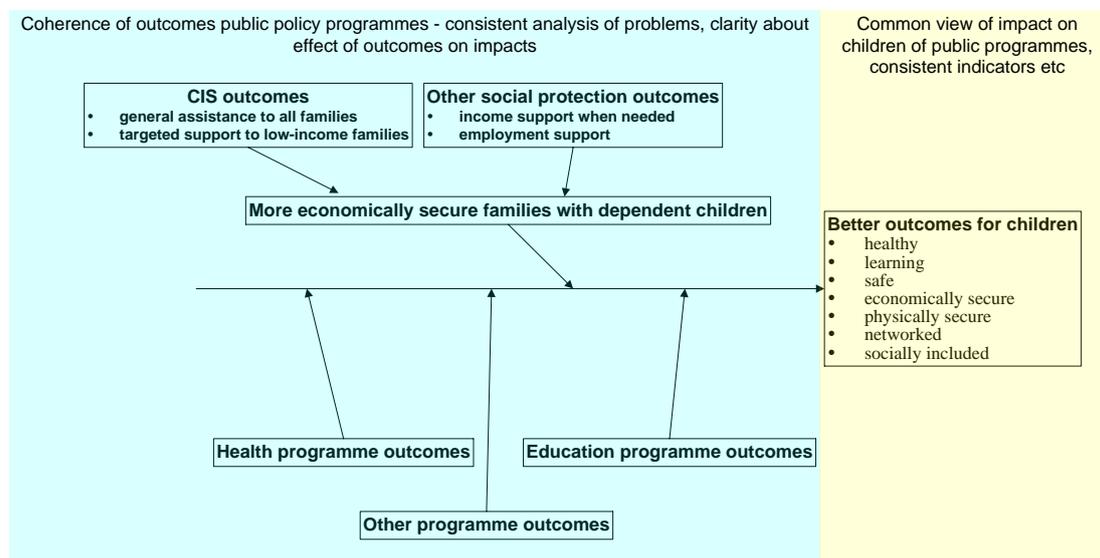
An overview of CIS outcomes in this wider policy framework is illustrated in

Figure 6-1. Together with other social welfare payments, CIS contributes to greater economic security for families with dependent children. This economic security is complemented by outcomes from other programmes to produce a wider impact on children's lives. While the most immediate impact is on the material well-being of children and access to the essentials required to address their day-to-day needs, greater economic security is essential to ensure that children can:-

- benefit from better parenting decisions as parents suffer less financial stress and strain,
- partake of a wide range of activities that are considered normal in society,
- benefit from other activities that improve their life-chances (most notably the education and health systems).

¹²⁸ *The Agenda for Children's Services: A Policy Handbook*, Office of the Minister for Children (Dublin, 2007), p. 12.

Figure 6-1: Overview of child income supports within policy wider framework



The wider and longer term effects of CIS should also be considered in the context of the NESCC report *The Developmental Welfare State*,¹²⁹ which sets out a framework for improving social protection for the population. While the report indicates that adequate income supports are a necessary condition for satisfactory participation in society, they are not in themselves a sufficient condition. The report argues that the provision of services is essential and highlights the need for activist measures that ensure that social innovation occurs and is learned from. Fundamental to an integrated approach to the provision of social protection is “tailored universalism”. This means that high quality services are provided through universal access but where the means of access are tailored to individual’s specific circumstances. Consequently, the vast majority of the population use the same set of services, which strengthens social cohesion and results in a ‘services dividend’.

The NESCC report also sets out the need to assess the risk and hazards that individual faces and the supports available to them through the lifecycle approach. With regard to children, the report maintains that no child should be denied access to services which they need because of the income situation of their parents. Furthermore, the NESCC report argues that

¹²⁹ *The Developmental Welfare State*, National Economic and Social Council (Dublin, 2005).

there is a strategic economic and social value to ensuring ready access to services on the part of all children, particularly those in need. The report recommends that priority be given to the poorest children in the State in the allocation of further resources for child income supports. Finally, the NESC report goes on to recommend that particular attention be directed to address the needs of young children (0-6 year).

Potential complementarities between programmes

While transfer programmes can facilitate better outcomes (other than economic security) at the level of the family, it is likely that synergies between CIS programmes and other programmes also serve this end. Greater economic security and less financial stress makes it more likely that parents and children can benefit from other programmes and secure better health and education outcomes. We focus below on three areas where the link between income support and other outcomes have been identified.

Participation in education/access to health services

Adequate access to health services and educational opportunities are necessary conditions for the development of self-reliant adults. Therefore, the experiences of children with regard to participation in education and access to health services can have consequences at later stages in the lifecycle and can help to improve their employability and productivity when they reach working age.

ESRI research on the characteristics of households where children lived in poverty, which is based on SILC 2007 data, shows that there is a significant relationship between poverty and educational attainment. Where a household is headed by an adult with no qualifications, 35% of the children were at risk of poverty while 16% were found to be in consistent poverty. For each additional level of qualification there is a progressive decline in the levels of child poverty. So much so, that in households headed by an adult with higher third level qualifications less than 3% of children were at 'risk of poverty' and none were in consistent poverty. The analysis concluded that low qualifications is a powerful predictor of child poverty and suggests that low education is one of the processes through which disadvantage is reproduced.

With regard to the educational outcomes of children themselves, a review of literature and research findings of social trends, conducted by the NESC, demonstrates that there is a close relationship between social class and participation in education. Analysis of school leavers from 2007 showed that 12% of the cohort who left school with no qualifications came from

an unemployed background while only 2% or lower came from higher social backgrounds. The State of the Nation's Children Report for 2008 also shows a correlation between social disadvantage and school attendance. According to data relating to the school year 2004/2005, 34.8% of post-primary school students in the most disadvantaged schools missed 20 or more school days in the academic year, compared to 9.2% of post-primary school students in the least disadvantaged schools. Similarly, post-primary school students in the most disadvantaged schools missed on average 21 school days while those in the least disadvantaged schools missed 10 school days.

The consequence of lower attendance among those who are from a lower social background is reflected in their level of educational achievement. According to the OECD's Programme of International Student Assessment, which measures the reading, mathematics and science abilities of 15 year olds, Irish students from the lowest social class category performed significantly worse compared to those from a higher social class category.¹³⁰ Furthermore, those who are from a lower social background are less likely to progress on to higher education. Research conducted by the Higher Education Authority on trends in higher education participation suggest that the participation rate for the children of those from a non-manual socio-economic background declined from 29% in 1998 to between 25% and 27% in 2004. Significantly, this was the only socio-economic group to register a decline during this period when the overall participation rate increased from 44% to 55%.¹³¹ As a result of these poor education outcomes the likelihood for children from lower socio-economic backgrounds becoming long-term unemployed or having low skilled or poorly paid employment is increased.

Long term life chances can also be affected by children's health and physical development, which can be the result of experiencing poverty in childhood. Analysis by the ESRI of SILC data on the health status of respondents to the survey shows that where the head of the household has a health problem that strongly limits daily activity, the 'at risk of poverty rate' for children is 58% compared to a rate of 17% among those without a chronic condition. Furthermore, consistent poverty rates for children are over nine times higher times when the head of the household has a health problem that strongly limits activity compared to

¹³⁰ *Well-being Matters: A Social Report for Ireland*, Vol. 2 National Economic and Social Council (Dublin, 2009), pp 29 – 31.

The State of the Nation's Children, Ireland 2008, Office of the Minister for Children and Youth Affairs (Dublin, 2008), pp 77 – 90.

¹³¹ Selina McCoy, Delma Byrne, Philip J. O'Connell, Elish Kelly & Cliona Doherty, *Hidden Disadvantage? A Study on the Low Participation in Higher Education by the Non-Manual Group*, Higher Education Authority (2010), pp 2 – 3.

those without a chronic condition (46% compared to 5%).¹³² Data referred to in the State of the Nation's Children report also points to a correlation between low income and poor health outcomes. Low birth weight is one measure which can be associated with the physical, mental and behaviour development of a child and is influenced by the well-being of the mother. Data from 2005 showed that the highest proportion of low weight babies were born to mothers who were unemployed (8.1%). In comparison higher professionals, managers and lower professionals all recorded below 5% while the average for the state was 5.3%.¹³³

Parental employment and meeting childcare costs

Paid parental employment is an important route out of poverty for families and their children. ESRI research on monitoring poverty trends between 2004 and 2007 demonstrates the strong relationship between unemployment and levels of child poverty. Regression analysis of SILC 2007 data shows that a child living with a head of household who is unemployed is twelve times more likely to be at risk of poverty and four times more likely to be in consistent poverty than a child living with an employed head of household. The report concluded that children in jobless household were extremely vulnerable to both measures of poverty. The message is that low household income can impair the development of children and can affect their outcomes. The challenge of ensuring that children do not live in households that are at risk of poverty remains one of ensuring that their parent's income is adequate.

Parental employment, particularly in terms of female employment, can in many cases be contingent on the provision of suitable and appropriate childcare facilities. Although there has been significant investment in creating additional childcare places over the past decade, childcare costs in Ireland remained relatively high internationally.¹³⁴ One of the submissions to the Review as part of the consultation process noted that good quality early childcare and education have clear benefits in terms of child development and play an important role in addressing child poverty.

Question of conditionality of payments

¹³² Helen Russell, Bertrand Maitre, and Brian Nolan, *Monitoring Poverty Trends in Ireland 2004 -2007: Key Issues for Children, People of Working Age and Older People*, pp 44, 49.

¹³³ *The State of the Nation's Children, Ireland 2008*, pp 94 – 95.

¹³⁴ *Well-being Matters: A Social Report for Ireland, Vol. 2*, p. 28.

Could these complementarities be strengthened by creating a direct link between the receipt of cash payments and participation in other outcomes? In many developing countries, family and child related payments are being introduced as conditional cash transfers where parents only receive financial support where they also avail of “*human capital conditionalities*” which are designed to produce better outcomes for poverty and economic vulnerabilities. These might include for instance requirements such as school attendance, academic achievements by children, clinic visits, meeting nutritional objectives, adult education etc.¹³⁵ An example of such a programme is Brazil’s *Bolsa Familia*, which pays the head of a household about \$12 a month per child on the condition that the child stays in education and receives regular medical checkups. This programme has been credited with playing a big part in the reduction of poverty levels in Brazil, particularly in rural areas, although poverty in urban areas remains particularly problematic.¹³⁶

Proposals to introduce such conditionalities in developed countries such as Ireland are rare but not unknown and often linked with participation in education programmes or health programmes. For example, to be eligible for child care benefit payments in Australia, children must meet certain immunisation requirements if the child is under seven years of age. This policy has helped to increase vaccination uptake in a country where it was historically low.¹³⁷ In comparison to other developed states, Ireland has lower rates of childhood immunisation. The State of the Nation’s Children report showed that, in 2006, vaccination rates of the relevant age group in Ireland ranged from 86% to 91% for various vaccines. On the basis of these figures, Ireland remains below the World Health Organisation’s target of 95% immunisation for children.¹³⁸ However, as is evident from the submissions made as part of the consultation process, there is little public appetite for linking CIS payments with participation in other programmes which might improve child outcomes. The focus instead was on improving access to child-related services.

Potential trade-offs between programmes

There is no evidence that CIS payments would weaken participation in other programmes which seek to improve child outcomes. If there are trade-offs then these are likely to be found at an overall financial level where spending on one programme precludes spending on another. For instance, could the general objective of improving outcomes for children be

¹³⁵ Michael Samson, Ingrid van Niekerk, Kenneth Mac Quene, *Designing and Implementing Social Transfer Programmes*, Economic Policy Research Institute (Cape Town, 2006).

¹³⁶ <http://www.economist.com/node/16690887>, accessed 9 August 2010.

¹³⁷ <http://www.familyassist.gov.au/payments/family-assistance-payments/child-care-benefit/immunisation-requirements.html>, accessed 30 August 2010.

¹³⁸ *The State of the Nation’s Children, Ireland 2008*, pp 191 – 99.

better met by shifting financial resources from child income support towards other programmes aimed at improving child welfare (such as child related services)? At the level of service provision, it might be asked which particular child-related services have the most potential to relieve parents of costs associated with child-raising thereby allowing for a reallocation of resources from income support to services? The replacement of the ECS with the ECCE scheme would provide an example in this regard.

In their review of poverty trends during the period 2004 – 2007, the ESRI noted that although income supports for children are important in Ireland, the wider welfare system, including non-cash services, and broader employment supports for parents also have a role in reducing children poverty. Commenting on international evidence, they found that the best performing countries in terms of reducing child poverty did not necessarily have high levels of child income support payments. They found instead that the more effective solutions to tackling child poverty lie not with welfare alone, or employment alone, but a combination of both.

Finding 6-1: CIS complements programmes and services to facilitate better outcomes for children

While CIS programmes contribute to the economic security of families, positive outcomes for children are derived from a wider range of programmes. The potential for complementarities between income supports and the provision of services to facilitate better outcomes for children is evidenced in the research on the relationship between poverty and poor educational attainment and health status. Adequate access to such services in childhood can help to improve life chances and employability as adulthood is reached. The importance of parental employment as a route out of poverty for children and their families has also been demonstrated, but parental employment can be contingent on the provision of childcare services. Reflecting the multidimensional characteristics of child poverty, CIS programmes are insufficient on their own to reduce child poverty. To achieve this outcome requires that effective synergies between services, income supports and broader employment supports be formed. It is not clear whether this should go so far as making CIS payments conditional on participation in other programmes at this stage.

6.2 Longer-term effects

This section seeks to address the specific evaluation questions: *What are the medium to longer term impacts on intended beneficiaries?*

What effect does living in child poverty have on later life chances? Some answers to this question can be found in a survey module on the intergenerational transmission of poverty,

which was included in the SILC survey of 2005. In this module, persons aged 25-65 were asked questions regarding the household structure and socio-economic circumstances they had experienced as teenagers. As a result the information derived from these questions span a 40 year period from the early 1950s to the early 1990s. Some results are as follows:

- Those who experienced financial difficulties ‘most of the time or often’ in their teenage years were more likely to experience poverty as adults.
- Respondents who experienced financial difficulties ‘most of the time or often’ in their teenage years were twice as likely to be ‘at risk of poverty’ in 2005, than those who ‘never’ experienced financial difficulties as teenagers. These respondents were also four times more likely to be in consistent poverty.
- Respondents who experienced financial difficulties ‘most of the time or often’ in their teenage years were also more likely to be unemployed in 2005 (32.8%) with only 16% of this group reporting that they were at work.
- Household size as a teenager also impacted on the levels of poverty experienced by the respondents as adults. Persons from larger households were more likely to experience poverty as adults with 22.9% of those who lived with seven or more siblings as teenagers being reported as ‘at risk of poverty’ compared to 14.6% of those who lived with less than 3 siblings.
- The economic status of a parent also shows a strong correlation with the experience of poverty. Those who, when teenagers, lived in households where neither parent worked were almost three times more likely to be ‘at risk of poverty’ in 2005 than those who lived in households where both parents worked. A similar trend was observed in terms of those in consistent poverty.

Within this 40 year cohort there are some notable differences, which reflect the socio-economic changes experienced by Ireland over this period. The younger age group, 25 – 34 year olds were less likely to have experienced financial difficulties ‘most of the time or often’ in their teenage years than the older age group of 50 – 65 year olds: 14.6% compared to 27.2%. In terms of working parents, 32.7% of the 25 – 34 year old cohort lived in households where both parents worked compared to 12.9% of the 50 – 65 year old cohort.

Some tentative conclusions can be derived from these findings. Foremost amongst these is that living in poverty before the age of 18 increases the likelihood that a person will live in poverty as an adult. What role CIS played in mitigating financial difficulty is difficult to discern from this survey. In any case, a decrease in the level of financial difficulties experienced by the survey respondents can be attributed to a number of factors, and

particularly to greater access to education and the expansion of the labour market from the late 1960s onwards. On the other hand, this evidence would suggest that intergenerational transmission of poverty has been weakening somewhat.

These findings are consistent with analysis by the OECD that the relationship between the incomes of parents and the incomes of their children does not seem to be becoming stronger over time across the OECD. However, the OECD's research suggests that intergenerational inequality, which is a broader concept than poverty, is higher than was believed a generation ago. Furthermore, the transmission of intergenerational inequality is not simply due to lower parental incomes but is influenced by a range of factors such as health, geographic location and social networks. In fact, it is very difficult to specifically attribute the impact of a lack of income in childhood to a lack of opportunities later in life.

Moreover, education was determined to be probably the most important direct policy instrument available to reduce inter-generational inequality. In comparison, dependency on passive welfare payments, such as long duration, non-work-tested single parent benefits, is likely to lead to the transmission of benefit dependency across generations and to increase the likelihood of the intergenerational transmission of poverty.¹³⁹ Nevertheless, it is evident that childhood is the lifecycle stage when investments by family and government most influence the extent to which intergenerational inequality occurs.

Finding 6-2: Living in child poverty can have longer term consequences

It is evident from research on the effects of living in poverty that children living in low-income households were more likely themselves to have a low income when they reached adulthood. Furthermore, the financial difficulties that parents experienced were shown to have an impact on their children, which had a limiting effect on their opportunities later in life. Crucially, the wider impact of services such as education was identified as an important policy intervention that can help to reduce the transmission of poverty and inequality from one generation to the next.

6.3 Summary

Chapter 6 considered the wider impact of CIS policy and associated programmes for society over the medium to long-term, focusing on the outcomes for children over a range of

¹³⁹ Simon Chapple and Dominic Richardson, *Doing Better for Children*, OECD (Paris, 2009), pp 147 – 162.

dimensions. Section 6.1 addressed the question as to how CIS policy and programmes fit in with other relevant public policy programmes. The wider context of CIS supports is set within the ambit of the National Children’s Strategy and the policy agenda of the Office of the Minister for Children and Youth Affairs. This policy agenda sets out economic security as one of the good outcomes for children and complements outcomes from other programmes to produce a wider impact on children’s lives. The link between income supports and other outcomes was reviewed in the context of participation in education/access to health services; parental employment and childcare costs; and the question of the conditionality of payments. While the evidence points to poor educational and health outcomes for those at risk of child poverty and clearly indicates that adequate access to such services can help to improve life chances and employability when children reach adulthood, there appears to be little public appetite for making CIS programmes conditional on participation in programmes related to these services. On the other hand, the importance of paid parental employment as a route out of poverty for families and their children can be contingent on the provision of childcare facilities. Arising from this analysis, Section 6.1 concluded that CIS programmes are not sufficient in their own right to address the multidimensional nature of child poverty and that CIS payments should complement the provision of child related services.

Section 6.2 considers the evidence around longer term impacts of spending and shows that children living in low-income households were more likely themselves to have a low income when they reached adulthood. The consequences of the intergenerational transmission of poverty can be seen to have a limiting effect on children’s opportunities later in life and the effectiveness of CIS, and indeed wider programmes, should be considered in this regard.