

Conference on Work and Poverty in Ireland

in ESRI

11 December 2012

Opening Address by Anne Vaughan, Deputy Secretary, Department of Social Protection

Welcome

Thank you for the opportunity to give the opening address at this conference on Work and Poverty in Ireland. I would like to welcome you all on behalf of the Department of Social Protection.

I want to welcome our speakers, especially our overseas speakers, Bea Cantillon and Ive Marz, the stakeholder representatives and the chairpersons.

Partnership with ESRI

I want to acknowledge the contribution of the ESRI to today's event, in particular the report authors, Dorothy Watson, Bertrand Maitre and Christopher Whelan, and also Philip O'Connell who is the leader of the social research team in the ESRI and who is also a speaker today.

The partnership between the ESRI and the Department on research goes back to the first official poverty survey in 1987. Next year is the 25th anniversary of the first ESRI/DSP/Combat Poverty Agency publication on poverty research and since then, the partnership between the organisations has produced many landmark reports and new insights on poverty in Ireland and indeed the EU. Of course, the most important contribution has been the setting of the national poverty target based on the unique indicator of consistent poverty, first developed by the ESRI. In recent years, the Central Statistics Office has added a new dimension to the research tradition by producing the annual Survey on Income and Living Conditions (SILC).

There is perhaps no other aspect of social policy that has been so influenced by research as poverty policy. The research has provided a robust evidence-base which has given rise to a succession of policy initiatives, none more so than in income adequacy. That said,

research, however robust, is only a factor in a very complex equation for policy development, involving at its core - people. There is, however, broad recognition of the crucial role of employment in preventing poverty and in enabling poor households to move out of poverty, and this is made clear in today's report.

Today's Conference

Today's conference is focused on the latest output from the DSP/ESRI research programme, a study on the relationship between work and poverty. It explores two key concepts: jobless households, as measured by very low work intensity; and in-work poverty, as measured by at-risk-of-poverty. Jobless household is a relatively new concept in the Irish context, which we have imported from the EU and the OECD. What is immediately striking is Ireland's score on this indicator, and hence the main purpose of the research, why is this the case and what are the implications for policy. More about this later in the presentations.....

What is valuable about the concept of jobless households is its ability to overcome traditional definitions of unemployment to focus on **all** non-active working age adults. This is welcome from the perspective of the Department, which has in recent years been trying to overcome the fragmentation of welfare provision for people of working age between the unemployed/jobseekers, people with disabilities, lone parents, through, for example, the discussions on the possibility of a single working age payment. It also accords with the approach of the developmental welfare state, as outlined by the National Economic and Social Council a number of years ago. The other element of the concept is its neutral perspective as to adult dependency, which is important from a gender perspective.

As I always take the opportunity to say, the Department has 3 main functions namely delivery of income support; activation of those of working age; and control of fraud / abuse of the system. There is a clear focus on each. This has been facilitated by the merger of the employment services & CE programmes of FAS and the community welfare services of the HSE with DSP to form a new DSP organisation. This will take time to bed in on the ground but we have made a good start.

The report today speaks directly to two aspects of the Department's remit, the traditional one of income support and the other newer one of labour market activation. Let me talk about each in turn. A very positive finding in the report is the vital role played by welfare payments and other social transfers in lifting jobless households out of financial poverty. Ireland is somewhat unique in Europe in the extensive financial support it provides for jobless households

Despite this achievement, jobless households remain a high risk group for non-monetary forms of poverty. In fact, jobless households contain two thirds of the population in consistent poverty. We need to examine the underlying problem: how can we ensure better access to employment in households where at the moment there is none?

This challenge addresses a new remit of the Department, which is to lead the Government's response to unemployment through activation, as outlined in the policy statement *Pathways to Work*. As can be seen from the *Pathways* targets, the focus here is on those people who are long term unemployed and on people who are recently unemployed to stop the drift to long term unemployment. Absolutely, this is challenging.

Central to the Department's role is the development of *Intreo*, the integrated employment and support service, which brings together the traditional income support strand with labour market activation. *Intreo* is a pro-active intervention targeted at unemployed welfare recipients, with the aim of getting people back to work as quickly as possible. It is important that we do not repeat the mistakes of the 1980s when high levels of unemployment resulted in a problem of structural unemployment that continued long after the recession was over. The key features are the rights & responsibilities of people in receipt of a payment; and the enhanced engagement with employers. The key to success here is making the plans work at local level with the new Educational and Training Boards; with employers and with representation groups and all stakeholders and, of course, with jobseekers themselves. As I said earlier, it's all about people and services to people.

The report provides valuable policy guidance about how labour market policy could to be better aligned with the needs of jobless households.

In fact, shortly I will chair a workshop with senior management in the Department to tease out how the policy implications in the report could be taken into account by the policy units dealing with working age payments, labour market activation programmes and *Intreo*.

In Work Poverty

The second aspect of the work-poverty relationship highlighted in the report is the in-work poverty, which is an issue of relevance to the department in the context of family income support. The report finds that in-work poverty is not an extensive problem in Ireland, though we need to ensure that it is closely monitored. Again, the Department is doing work on this issue through its review of child income support, and further work by the advisory committee on tax and welfare, established by the Minister for Social Protection, and chaired by Ita Mangan.

Presidency

As you know, Ireland is about to assume the Presidency of the EU for a six month period beginning in January 2013. The core policy concept at EU level is of active inclusion, which refers to the tripartite approach of income support, labour market activation and access to services (an EU version of the developmental welfare state if you wish). As part of our Presidency programme, we plan to convene a workshop on active inclusion and jobless households at the Ministerial conference on employment and social affairs in February 2013. As part of our Presidency, there will be a particular focus on youth unemployment and what can be guaranteed as a response. So today is very helpful in that regard.

Conclusion

Finally, I wish you well in your deliberations today. As you can see, the topics being discussed are live and pressing at national and EU levels. It is important that all stakeholders are engaged in this discussion, as reflected in the participants here today. I look forward to hearing the views of our experts and the responses of you the participants.

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