



First Periodic Report on the Work of the Forum

Forum Report No. 8

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Foreword

Message from Dick Spring T.D. Tánaiste and Minister for Foreign Affairs



This First Periodic Report of the Forum, published just as it completes its first two year term, bears testimony to the considerable achievements of the Forum.

At its establishment, the Forum, as a unique tri-partite body, faced a number of challenges. It had to develop practical, well thought out and actionable proposals to meet the major challenges of long-term unemployment, job creation, disadvantage and equality and social justice in Irish society. It had to develop consensus, often in the face of competing interests, amongst Members who represent a broad cross-section of Irish society. It had to facilitate a wider participation in democracy by enabling representatives of the "third strand" in Irish society to contribute fully to the debate on economic and social policy. At the same time it had to provide a visible, public forum for discussion on key policy issues, allowing new voices and new ideas to be heard.

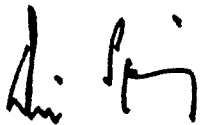
In a relatively short period of time, the Forum has made a considerable impact on the development of public policy. The nature of the Forum's seven Reports published to date – focused and timely – has had a major impact on Government policy, especially in relation to unemployment. For instance, Report No. 4 on Ending Long-Term Unemployment has led directly to the establishment by the Government of a Local Employment Service which gets underway this year.

The task of achieving agreement at the Forum is not an easy one given the broad nature of the Forum and the wide range of interests represented. In this context it is important to note that all of the Reports published to date have been agreed by consensus. The ideas and proposals to emerge from the Forum are all the richer for

the wide range of voices that are heard at the table. The valuable contribution of the “third strand” groups, who have not traditionally been part of the consultative process, is evident in the Reports.

I wish to commend the Chairperson, the Chairs of the Standing Committees and the Members of the Forum from all three ‘strands’ for their part in making the Forum a success. I would also like to acknowledge the role of the Forum Secretariat who have ensured its smooth operation and record my appreciation for the co-operation and assistance which the Forum has received from Ministers and their Departments.

I believe that, in its short existence, the Forum has helped to broaden and deepen our democracy and that national policy formulation has been enriched by its contribution to date.



Dick Spring T.D.
Tánaiste.

Executive Summary



Executive Summary

1. The Forum intends to publish Periodic Reports on its work from time to time for the purposes of assessing the impact of its recommendations and drawing any lessons for its future work. This is the first such Periodic Report and covers the five Reports which were published by the Forum during the first year of its initial two-year (1993/1995) work cycle. The more important conclusions in respect of each of these Reports are summarised beneath.

Forum Report No. 1 on the PCW Negotiations

- A number of the key themes of the Forum's Report are reflected in the commitments under the PCW; moreover, the PCW specifically states in certain instances that account will be taken of the views and recommendations of the Forum in the on-going process of review and monitoring its provisions.

Forum Report No. 2 on Local Development

- Many of the Forum's recommendations were taken into account in preparing the EU Operational Programme in this area; however, issues such as the Guidelines for Partnerships have not yet been published, the remit of the CEBs continues to be restricted to enterprise development, the Forum's recommendations on access to the CEP by people on credits have not been acted on while there has been a cut-back in places on the CEP.

Forum Report No. 3 on Social Welfare

- The 1994 and 1995 Budgets have implemented the broad thrust of the Forum's recommendations; a number of policy areas where further progress is needed are identified; the percentage of payments still below even the CSW's minimally adequate rates is still very high; however, the Forum is encouraged by the Government's commitment to an ESRI study in this area and it would like to be consulted when this study becomes available.

Forum Report No. 4 Long-term Unemployment

- The Government's decision to establish a Local Employment Service was the central recommendation in this Report; the functions envisaged are fully in line with the Forum's recommendations while the priority groups also correspond to the Forum's analysis.

- The Service should now be put in place early on, both in Partnership and non-Partnership Areas, so that the results can be taken into account in the final Report of the Task Force.
- The Forum strongly supports the view of the Task Force that a range of alternatives other than “*signing-on*” should be made available to the unemployed in the 18/21 age category; it also agrees with the Task Force’s recommendations on training allocations and the role of the Employment Service but reiterates its recommendations that the purchase and delivery of programmes should be separated eventually.
- The Forum welcomes the initial and positive Government response and it now looks forward to the final Report of the Task Force; in this regard, the Forum emphasises the importance of implementing the full set of employment options it had recommended and that the Employment Service cannot operate its full potential (or be properly evaluated) until its integrated package of recommendations are fully implemented.

Report No. 5 on Income Maintenance Strategies

- The improvements introduced in this year’s Budget to child support arrangements are in line with the Forum’s philosophy as enunciated in this Report.
 - While noting the undertaking given that its recommendations will be taken into account, the Forum would have hoped for at least some reactions to these at this stage; these recommendations will be pursued again when the Forum is consulted on publication of the Report of the Expert Group on the Integration of the Taxation and Social Welfare Systems.
2. The Forum considers that its establishment can already be considered to have had positive results. The task of consensus-building is, however, a major and on-going challenge and, in this respect, the Forum believes its contribution has been helpful and positive in submitting recommendations which were specific, practical and synchronised with the Government’s decision-making process and timetable.
 3. The Forum is in the overall pleased with the Government’s responses to-date to its recommendations – the one area which particularly stands out in this regard is that of its Report on Long-term Unemployment – and it is currently reviewing its internal structures and working arrangements with a view to enhancing its impact, effectiveness and role in the future.
 4. Finally, its first five Reports represent but an initial policy input and the Forum will continue to give priority attention in its work to addressing this country’s endemic problems of unemployment, poverty and social exclusion.

Introduction



Introduction

Purposes of this Report

1. This is the first in a series of Periodic Reports which the Forum intends to publish from time to time with the aim of outlining the work it has undertaken over a particular period; assessing the extent to which its recommendations have been acted on; amending these and/or adding further recommendations in the light of the responses to its initial set of recommendations; and finally, drawing any lessons and conclusions in terms of enhancing its contribution to the formation of a wider national consensus on major economic and social policy issues.
2. An important feature of its role is that the Forum can pursue and follow-up implementation of its recommendations with the line Departments concerned in the first instance. In the event of disagreements at that stage, these can then be pursued further through meetings at Ministerial level. This gives due recognition to the Forum's status and the weight of its recommendations – by virtue of the very wide spectrum of national interests which it represents – and helps to ensure, in turn, that these recommendations are given very full and careful consideration and not “*pigeon-holed*” as has been the fate of so many reports in the past.

Structure of the Report

3. This Report deals with the first five Reports which have been published by the Forum since its official launch in the Royal Hospital Kilmainham on 23 June, 1993. Two further Reports by the Forum, one on the theme of “*Quality Delivery of Social Services*” and the other on the “*Jobs Potential of the Services Sector*” have recently been published and these will be dealt with in the next Periodic Report.
4. Each of these five Reports are covered in individual Sections of this Report, in a uniform presentation and sequence with a brief outline of the Report's main features; the Government Statement issued at the time the Report was published; follow-up action on the Report's recommendations; and the Forum's conclusions, including also, where considered appropriate, revised and/or further recommendations to Government.

Forum's Role and Membership

5. The Forum was established by the Government in 1993 with the aim of contributing to the formation of a wider national consensus on issues such as job creation, long-term unemployment, disadvantage and equality and social justice in our society. A particular focus of its work is to develop new initiatives to combat unemployment. Debating these issues and achieving a consensus on the policy options and choices which arise is one of the main challenges facing the Forum in its work. The Forum's full terms of reference and constitution are contained in Annex 1 of this Report.

6. Membership of the Forum is unique and drawn from three broad strands. It includes, for the first time, representatives of the Government, of the Opposition Parties, the Social Partners (business, trade unions and farmers) and a third strand representing groups such as the unemployed, women, the disadvantaged, people with a disability, youth, the elderly and environmental interests who had previously been outside the consultative process between the Government and the Social Partners. The current membership of the Forum is listed in Annex 2. The terms of office of Members is two years and Alternates may be nominated.

Forum's Work Programme

7. The Forum works in two-year cycles. The main themes and indicative issues included in its initial Work Programme, which covers the period up to end-June next, are outlined in the box at the end of this Section. Particular account was taken in drawing up this Programme of the role and functions of other bodies such as the National Economic and Social Council and the Central Review Committee to avoid duplication with the work of these bodies. The Work Programme was then submitted to Government in the early Autumn of 1993 for their information and attention and, in their response, the Government assured the Forum of their full support and of their assistance in making the Forum an innovative and constructive voice for change in our society.

8. A major concern for the Forum in implementing its Work Programme is for more decisive action to be taken in tackling unemployment, inequality and disadvantage issues in our society. This will be reflected throughout the work of the Forum and in its Reports. In addition, all themes and Reports which it prepares will be addressed within an equality proofing framework.

Forum's Structures and Working Arrangements

9. The Forum has its own independent Chairperson and Secretariat. It works through:
- **Plenary Sessions** of its full 49 Members which debate policy issues and adopt Reports from the Standing Committees; these Sessions normally take place in Dublin Castle – 9 Plenary Sessions have been held to-date – and are in public, with the media present; Ministers, officials and outside experts also attend from time to time to assist the Forum in its work;
 - an **Executive Committee** (of 11 Members) which meets on a monthly basis to co-ordinate and manage the work of the Forum;
 - two **Standing Committees** (of 18 Members each) – one on Employment and Economic Policies and the other on Social Policies; the Forum's Reports are prepared initially by these Committees, each of which has its own independent Chairperson; these Committees meet mostly in private; and
 - **Working Groups** (of not more than 11 Members) to advance and accelerate work on particular issues or where Reports have to be prepared at short notice such as a request from Government or an individual Minister; membership of such Groups is open to Members with particular expertise and experience in the area under examination; these Groups can also be assisted by outside experts.

Forum's Financing

10. The Forum is under the aegis of the Office of the Tánaiste and is funded through a Grant-in-Aid which is part of the overall Estimate for that Office.

Forum's Work Programme 1993/1995
Main Themes and Indicative Issues

- **PCW Negotiations** – trade-off between jobs and improved living standards, new initiatives and strategies on job creation, social dimension, and tax reforms, with priority for employment, work incentives and productive investment.
- **Local Development** – definition of objectives, structural mechanisms for local delivery, methods of resourcing, effectiveness of partnership structures and criteria for area selection, social exclusion, criteria for assessing outcomes and role of the voluntary and community sector.
- **Poverty and Income Maintenance Strategies** – policy objectives, priorities, targeting and delivery; outstanding recommendations from the Commission on Social Welfare; basic income concept and integration between the tax and social welfare codes.
- **Long-term Unemployment** – social costs and consequences, critical review of existing schemes and assessment of non-market work opportunities, policies to avert long-term unemployment and job opportunities for the unregistered unemployed e.g. women, single parents.
- **Delivery of Social Services** – relationship between the citizen and the State, better co-ordination and integration by service providers, information and rights for consumers.
- **Structural Measures** – to boost the economy's jobs potential in areas such as competitiveness, taxation, State regulation and the employment-intensity of growth.
- **Sectoral Development Measures** – new growth sectors, job maintenance and indigenous sector weaknesses, education and training, management deficiencies, business start-ups, working time and job-sharing.
- **Rural Development** – rural depopulation, multi-dimensional development strategies, including economic and social infrastructures.

Section I

**Forum Report No. 1
on the PCW
Negotiations**



Forum Report No. 1 on the PCW Negotiations

Introduction

- 1.1 In this instance, the Forum had to work within severe time constraints to make a timely input into the negotiations then underway between the Government and the Social Partners on a successor agreement to the PESP. The Report was prepared on foot of a commitment in the then Programme for Government that they (the Government) and the Social Partners would take account of the views expressed and the positions agreed by the Forum in negotiating future agreements in this area.
- 1.2 The central thrust of the Report was its call for a “*new partnership and solidarity*” to tackle more resolutely and decisively, than was the case under the PNR and the PESP, this country’s major economic and social problems in the areas of unemployment, poverty and social exclusion.
- 1.3 The core principles recommended by the Forum to underpin a new agreement were:

- the benefits of growth should be more equitably shared and income growth for the majority should be restrained;
- job creation and retention strategies should be strengthened; tackling long-term unemployment should be a priority and radical thinking and changes in policies were required in this area;
- tax reform should shift the burden away from employment, particularly for the low-paid, as well as address the bias against productive investment; and
- policies should be developed to promote a more balanced regional development.

Government Statement, dated 3rd December 1993, in response to Forum Report No. 1

- 1.4 The Government welcome this first Report from the National Economic and Social Forum which will make a very important contribution in highlighting many of the issues which would need to be considered in any negotiations on a successor to the Programme for Economic and Social Progress and in the development of public policy generally.

- 1.5 This Government have placed employment and unemployment at the top of their economic and social agenda and welcome the view of the Forum that unemployment must be one of the central issues in any new national programme.
- 1.6 This Government are conscious of the significance of this Report, reflecting as it does the views of a large cross section of society who are represented on the Forum. The Forum was established by the Government in June of this year and its membership is drawn from the Government, the Houses of the Oireachtas, the Social Partners and from groups that have been traditionally outside the consultative process including women, the unemployed, people with a disability, youth, the elderly and environmental interests.
- 1.7 The Report will be circulated to the Social Partners in accordance with the commitment given in the Programme for a Partnership Government so that the views of the Forum will be taken into account in the event of negotiations getting under way to deal with the post-PESP situation, whether at national or local level.
- 1.8 The Government acknowledge the view expressed by the Forum of the need to look beyond conventional job creation approaches in dealing with the problem of long-term unemployment and look forward to receiving the Forum's Report next year on this issue which will include an assessment of non-market initiatives.
- 1.9 Finally, although the Forum had a limited amount of time to prepare the Report they have managed to set out in stark and concise terms many of the major issues that not alone the Social Partners and Government but society generally must face. The Report poses a challenge to society to chart a way forward that will ensure that the problems of unemployment and social exclusion are firmly tackled in an integrated and co-ordinated way and that all work together to ensure that there is an equitable distribution of future economic gain.

Follow-up on Forum Report No. 1

- 1.10 The Programme for Competitiveness and Work (PCW) states that full account was taken of the Forum's views and, in the light of discussions with the Department of the Taoiseach, the following paragraphs summarise the position, as outlined by that Department, on some of the main issues involved in this respect.

Employment

1.11 The Forum's recommendations emphasised the need for:

- sectoral development measures with particular reference to overcoming obstacles to sustainable growth and employment at the level of the individual firm, including also more effective and more active job maintenance strategies; and
- particular emphasis on the jobs potential in the services, environmental and small business areas.

1.12 The PCW states that the key challenge being addressed in the Programme is to increase the number of people at work and to reduce the level of unemployment. In particular, the PCW focuses on the development of small business and start-up enterprises, the further development of jobs in the services sector; and the development of community-based work with work experience, education and training to a figure of 100,000 by the beginning of 1997. The Programme accepts the need for more effective and active measures to maintain existing jobs.

Long-term Unemployment

1.13 The Forum stated that long-term unemployment required radical thinking and changes in policy, including the introduction of non-market based initiatives.¹ It is the central objective of the Programme to ensure that labour market policies combat long-term unemployment and social exclusion. Central to this objective is the Community Employment Programme.

Pay Moderation

1.14 The Forum's recommendations were:

- given the trade-off between pay and employment, the need for pay restraint, with a greater proportion of the resources from economic growth to be channelled to employment creation, rather than increasing living standards;
- pay settlements must take account of the rates negotiated in the EU which are lower than in previous years; particular restraint in the public sector is required; a new system of pay determination is needed to address the clear deficiencies of the present arrangements; and
- such restraint must be complemented by similar moderation in non-wage incomes such as rents and dividends.

¹ See Section IV of this Report.

1.15 The PCW was agreed against a background which accepted that consensus on responsible income developments at national level is a crucial element in achieving competitiveness, employment growth and the reduction of unemployment. The pay increases agreed in the Programme, for both private and public sectors, are in line with projected inflation and as such can be regarded as moderate. Moreover, these increases are less than those expected among our main trading partners as a group, and in particular, the important UK market.

Taxation

1.16 The Forum “urged the Government to shift, within the overall fiscal constraints, the burden of taxation and of our social insurance system away from employment-based taxes to those with least disincentive effects for the creation and take up of employment.” It also advocated changes in taxation to improve the climate for jobs while also tackling the problems of unemployment and poverty traps.

1.17 The PCW states that the process of tax reform will continue. The guiding principle will be to shape the overall tax system such that while preserving basic equity in taxation, it underpins and supports employment growth. The main concerns will be to redress the long-run tendency for “earned income” to contribute a growing proportion of total revenue; to preserve and build on the considerable base-broadening achieved during the PNR/PESP period; and to continue pursuing simplification and streamlining of tax legislation and administration.

Income Adequacy

1.18 The Forum made the following broad recommendations:

- any new PESP should contain a specific commitment to reform the social welfare system rather than continuing with the present pattern of piecemeal changes from year to year; this should be guided by the principles agreed by the Commission on Social Welfare namely that of adequacy, redistribution, comprehensiveness, consistency and simplicity;
- families with children should be a priority group for increased resources and this needs to be done in a way that does not exacerbate poverty or unemployment traps; and
- commitments made in this area should be clear, unambiguous and time specific for their achievement.

1.19 The PCW states that “*within the framework of this Programme and having regard to the overall approach to social welfare reforms set down in the Report of the Commission on Social Welfare, the social welfare system will be developed, building on improvements which have already been made in the context of the PNR and the PESP*”. The objectives and priorities will be to meet the needs of those who depend on income maintenance, continue to at least maintain the real income position of those on social welfare, make further progress towards the rates recommended by the Commission on Social Welfare, maintenance of the social insurance system and reform and development of child income support.

Healthcare

1.20 The Forum recommended that priority be given to:

- allocating an increasing proportion of the overall health budget to the development of community services with an increased emphasis on health promotion, prevention and primary care services; in practice this means shifting resources from institutional to community services;
- improving access to services should be based on need as agreed by the Commission on Health Funding; and
- more effective planning, organisation and efficient management of resources to ensure better results.

1.21 The PCW will maintain the progress in implementing the seven-year programme agreed under the PESP. Further developments in this area will cover expansion of residential and day-care places, home support schemes and respite care for the mentally handicapped in all health board areas; strengthening services for elderly people and improving community-based services for people with a mental illness. Improvements in waiting times in a range of specialities will continue to be implemented and the designation of beds in public hospitals will be closely monitored to ensure greater equity of access for public patients.

Education

1.22 The Forum suggested the following priority areas for consideration:

- resources should be targeted at the less well off;
- recognising, resourcing and promoting adult and community education with the emphasis particularly directed towards those without formal qualifications; special attention should be also paid to adult literacy; and
- the level and quality of education provision for the unemployed, especially the long-term unemployed, needs to be significantly improved.

1.23 Specific provision is made in the PCW for a range of particular measures including commitments on career guidance, appointments of vice-principals, reduction in the pupil-teacher ratio, additional remedial teachers, a major concentration of resources on the disadvantaged and broadening the curriculum and extending subject choice. A more equitable basis will be considered for access to third-level education and improving access for those from disadvantaged areas and for mature students. There are a range of other specific commitments in relation, for example, to tackling problems in the light of the Report of the Committee on Special Education and the development of adult education.

Housing

1.24 The Forum recommended that priority attention be given to ensuring:

- a fairer distribution of public resources with improved access to housing for all;
- a range of affordable housing tailored to meet different needs; and
- a better quality of housing and provision.

1.25 Under the PCW further action will be taken to implement the Plan for Social Housing. In addition, funding is being made available to provide bathroom facilities in remaining Local Authority dwellings and the further development and resourcing of the new complementary housing options under the Plan. A further initiative is that of new and more effective systems for the management of Local Authority housing. The special needs of groups such as the elderly and people with disabilities are being fully reflected in the development of policy and the allocation of resources; the needs of the homeless will also be addressed through further development and funding of integrated services.

Review Arrangements

- 1.26 The Forum recommended a mid-term review, and that it should be consulted and its views taken into account in this process. The PCW provides that the Central Review Committee will take account of the views expressed and the positions agreed upon by the Forum (and the NESC) in providing updated recommendations to Government as required in the light of emerging trends in employment and unemployment. In this context, the Programme notes that the Forum will, in accordance with its agreed Work Programme, provide regular and action-oriented recommendations to Government on measures to tackle unemployment.

Forum's Conclusions on its Report No. 1

- 1.27 It is not meaningful or possible, of course, to speculate on what might have been the outcome had the Forum not existed. However, a number of the key themes of the Forum Report are reflected in the commitments under the PCW.
- 1.28 Moreover, the PCW is a framework-type document, subject to on-going review and monitoring and, in this context, it specifically provides that account will be taken of the views of the Forum on incentives for the development of employment in services, on the operation of the Local Development Programme and on the special needs of the long-term unemployed. The PCW also provides that the design of measures for the unemployed within the Programme's framework, including special measures for designated disadvantaged areas, will have regard to the recommendations of the Forum.



Section II

**Forum Report No. 2
on Local
Development**



Forum Report No. 2 on Local Development

Introduction

2.1 In this Report, the Forum welcomed the Government's Local Development Programme (LDP) initiative, with its emphasis on a "bottom-up" and integrated approach to local development of areas suffering from severe levels of unemployment, poverty and social exclusion. This approach was very much in line with the Forum's own philosophy as outlined in its Report No. 1. The present Report focused on the needs of disadvantaged and marginalised communities and groups, including the voluntary and community sector's contribution in this respect.

Government Statement, dated 7th December 1993, in response to Forum Report No. 2

- 2.2 The Government welcome the positive approach taken by the National Economic and Social Forum in its Report on the Local Development Programme and will ensure that the views of the Forum are taken into account in drawing up the Operational Programme to implement this part of the National Plan.
- 2.3 Attacking the persistence of long-term unemployment is a key element of the Programme for a Partnership Government. The Local Development Programme is a crucial element of the Government's strategy, reaching into the heart of disadvantaged areas in order to rebuild their potential and to reintegrate these communities into the social and economic mainstream. It will mobilise the energies of local people in identifying their area's needs and priorities in a partnership with the Social Partners and State Agencies at a local level. The Forum's Report will make an important contribution to ensuring that the Programme delivers tangible benefits to communities.
- 2.4 The Report highlights the need for close co-operation among the Agencies involved and the integration of various elements of the Programme, including integration with EU Initiatives and mainstream National Programmes.
- 2.5 The Government acknowledge the need for strong local input so as to ensure the development of an effective Programme which will command the

confidence and support of local communities. They also acknowledge the need for operational targets and performance indicators to ensure gender balance and the full participation of women in the Local Development Programme.

Follow-up Action on Forum Report No. 2.

2.6 The Forum's subsequent discussions with officials from the Department of the Taoiseach (which has central co-ordinating responsibilities in this area) and the Office of the Tánaiste extended over several months. The outcome of these discussions is outlined beneath, with the Departmental responses and the relevant provisions of the Operational Programme¹ (as now finalised and published) summarised in sequence under each set of the Forum's main recommendations.

Objectives and Performance Indicators

2.7 The Forum's recommendations were:

- operational targets should be accompanied by performance indicators with specific reference to social exclusion, gender balance and environmental considerations;
- the voluntary and community sector should be consulted in the selection of these indicators; and
- the remit of the County Enterprise Boards was too narrowly concentrated on enterprise development and should be strengthened to also cover community development.

2.8 Quantified objectives and performance indicators will be established at local level and these will form part of the plans of the implementing bodies. Issues such as social exclusion, gender balance and environmental considerations will be addressed in this process. The framework for local enterprise, operated by County Enterprise Boards, is to develop indigenous potential at local level through a variety of supports for small and start-up businesses. Where Partnerships co-exist with County Enterprise Boards, community development initiatives will be undertaken by the former as part of their remit for integrated socio-economic development. Initiatives in community development may also be undertaken on a complementary basis by the Department of Social Welfare.

¹ This Programme is entitled "Operational Programme 1994/1999 for Local Urban and Rural Development" and was published in February last.

Integrated Mechanisms for Delivery at Local Level and Co-ordination at National Level

2.9 The Forum recommended that:

- the delivery of services at local level by the County Enterprise Boards, Partnerships Companies and the Local Authorities should be integrated, including also their integration with EU Initiatives and mainstream national Programmes;
- co-ordination arrangements at national level should be strengthened and a Ministerial Group, chaired by the Taoiseach, should be established; and
- additional staff should be appointed to the National Co-ordinating Team, with greater representation from the voluntary and community sector.

2.10 In line with the Forum's recommendation, a formal integration mechanism at local level is being provided for through the establishment of a County Strategy Group in each county. At national level, a Minister of State at the Department of the Taoiseach has now been assigned responsibility for Local Development. The Inter-Departmental Policy Committee on Local Development will monitor the implementation of the Programme from a policy perspective and the National Co-ordinating Team will assist in the implementation process. The Monitoring Committee for the Programme will include representatives of the voluntary and community sectors.

Effectiveness of Partnership Structures

2.11 The Forum recommended:

- the enhancement of the structures and effectiveness of Partnership Companies and the County Enterprise Boards to ensure equality between all sectors and interests involved;
- flexibility in approach with the use of a variety of models and consultation at all stages and support for effective representation and participation by the voluntary and community sector; and
- guidelines for Partnership Companies should contain a requirement to include the needs of particularly disadvantaged and sectoral groups in all the work and deliberations of these Companies.

2.12 The Forum's recommendations for effective partnership structures will be taken on board in the Guidelines to be issued to new and existing Partnerships Companies. Area Development Management Ltd., the intermediary for the Global Grant, will support the Partnerships in the start-up stage and in on-going support during implementation of the Programme. The Boards of the CEBs will have to demonstrate participation by all sectors, including the community and voluntary sectors, and the local plans must be reflective of a wide process of consultation at local level. The local development plans of Partnerships will be evaluated and their work will have a particular focus on disadvantage in all its forms.

Criteria for Selection of Partnership Areas

2.13 The Forum in its recommendations called for:

- transparency in decisions to extend the Partnership Companies to new areas;
- these should be based on objective criteria and reflect community and administrative entities;
- all indicators of poverty and social exclusion should be used;
- community organisations and local representatives should be consulted before final decisions were taken and too many areas should not be selected; and
- the Leader I Programme needed to be radically recasted, were it to be used as the Partnership approach in rural areas; this would involve negotiations at EU level.

2.14 The designation by the Government in February 1994 of new Partnership Areas reflected the Forum's recommendations for a detailed assessment of areas involving objective and measurable indicators of disadvantage, feasible operational boundaries and viability in terms of size and economic base. The determination of the exact boundaries is being facilitated by the National Co-ordinating Team through local consultations with a wide range of sectoral and community representatives in the areas. The Team has now reported and decisions on boundaries have been notified by the Minister for Local Development.

2.15 While the scope of LEADER II is broader than LEADER I, it does not provide for an integrated socio-economic development of areas. However, the Operational Programme specifies that where, by agreement, a LEADER Group undertakes the functions of a Partnership in a rural area, it will be supported

for the actions taken relative to the Programme viz the Group would essentially exercise a dual remit in respect of LEADER II and as a Partnership.

Resourcing and Support Mechanisms

2.16 The Forum recommended that:

- a number of approaches to provide essential flexibility in the requirement for matching funds for Partnership Areas;
- the provision of financial resources and training, with built-in flexibility, to support the different needs of the voluntary and community sector and the Partnership Companies; and
- the Department of Social Welfare's Community Development Programme needs to be strengthened.

2.17 The difficulties which matching fund requirements can create for local groups, especially in disadvantaged areas, were accepted and the maximum flexibility under EU Regulations was sought in this regard. EU rates of assistance for local enterprise and integrated development in Designated Disadvantaged and Other Areas are set at a maximum of 75 per cent while the aid rates for urban and village renewal are 50 per cent and 75 per cent for specific elements. Co-financing in full by the State directly and by Local Authorities will be provided and, in addition, it is envisaged that the implementing bodies will secure private funds as an additional financial resource.

2.18 The need for pre-development support was also recognised and the National Co-ordinating Team will provide such support in the newly-Designated Areas. The question of on-going support will be addressed in consultation with the Partnerships as they come into existence. The supports available to the Partnerships will include programmes of training and facilitation to the level required for members and the Boards will have discretion to regulate their own procedures in terms of their effective and efficient operations. The Community Development Programme of the Department of Social Welfare can play an important role in this area and resources for this Programme were further increased this year.

Information Requirements

2.19 The Forum's recommendations were:

- given the complexity of structures and the range of support services, information should to be provided on an understandable and accessible basis;
- responsibility for the co-ordination of all such information at national level might be given to the National Co-ordinating Team;
- all official bodies should be involved and be specifically resourced for this purpose;
- at local level, the ideal would be to have one-stop locations; and
- resources and assistance should be provided for the voluntary and community sector in this regard.

2.20 The importance of clear information, nationally and locally, on opportunities and resources was fully accepted. This will be co-ordinated, at national level, by the Department of the Taoiseach in association with the European Commission. The implementing bodies at local level will also arrange information and publicity, with the County Strategy Groups linking the procedures and processes at this level. These bodies will be resourced from the Programme in respect of this function.

Monitoring and Review Arrangements

2.21 The Forum recommended that:

- the Local Development Programme should be reviewed at regular intervals, the Forum specifically requested that, given its remit and composition, it should be consulted and its views taken into account in this process;
- and particular account should be taken of and specific measures introduced to tackle the problems of disadvantaged communities in areas outside those covered by the Partnership Companies.

2.22 The importance of monitoring and review was fully accepted. This will be undertaken by the Monitoring Committee for the Programme and by the CSF Monitoring Committee. The Inter-Departmental Committee on Local Development will review the policy issues arising from implementation. Integration with EU Initiatives and mainstream national Programmes, as

recommended by the Forum, is at the heart of the strategy, with the Operational Programme specifically providing for such integration by each of the implementing bodies. It is recognised that isolated pockets of disadvantaged communities may exist outside the Designated Areas and in these cases assistance may be sought, on the basis of these communities preparing integrated local development plans. Finally, the Forum's input was helpful and appreciated in preparing the LDP.

Forum's Conclusions on its Report No. 2

- 2.23 As a result of the invitation for early consultation with the Government, the Forum had an important opportunity to make a meaningful input in the preparation of the Operational Programme. The extended period of these discussions also meant that the Forum was able to submit its views on a number of other key issues – such as the LEADER II Programme and the Community Employment Programme which had not been covered in its original Report.
- 2.24 The Forum is satisfied with the outcome of these consultations, as evidenced by the positive reaction and acceptance in many cases of its recommendations and the undertakings given that information will be made available to it on the ongoing development and review of the Operational Programme. However, the Forum is concerned that:
- the Guidelines for Partnerships have not yet been published;
 - the remit of the County Enterprise Boards continues to be restricted to enterprise development and their structures need to be reviewed to ensure equality between all sectors and interests; and
 - its recommendations on access to the CEP by people on credits have not been acted on.
- 2.25 Finally, the Forum is also concerned with the cut-back in places available under the CEP and it wishes to emphasise again the need for flexibility and consistency in approach (both in Designated and Non-Designated Areas).

Section III

**Forum Report No. 3
on Social Welfare**

Forum Report No. 3 on Social Welfare

Introduction

3.1 In this Report, the Forum gave concrete expression to its general philosophy and principles, already enunciated in its Report No. 1, of creating a more caring and equitable society. A major theme of the Report was the promotion of greater equality and equity in the social welfare system; other important issues addressed were the need to standardise and simplify means tests, make further improvements in the social services delivery process, in the incentives for work and the publication of more information and guidelines on how the system operates.

Government Statement, dated 25th January 1994, in response to Forum Report No. 3

- 3.2 The Government are committed in the "Programme for a Partnership Government" to the establishment of a caring society where the needs of those living in poverty and others who depend on income maintenance from the State are addressed.
- 3.3 Since the Commission on Social Welfare reported in 1986, substantial improvements have been made in the rates of social welfare payments and other aspects of the social welfare system in line with the principles established by the Commission. The Government are committed to making further progress in the implementation of the Commission's recommendations having regard to the other objectives of the Programme for Government including the macroeconomic objectives.
- 3.4 The Government welcomes this Report from the National Economic and Social Forum and will take the views of the Forum into account in the implementation of its commitments as outlined in the Programme for Government. The Report will also be brought to the attention of the Social Partners in the context of the negotiations now underway on a new national agreement.

Departmental Responses on Forum Report No. 3

- 3.5 The following paragraphs outline the Report's main recommendations (these are indicated in the shaded areas) and this is immediately followed in each case with a summary of the responses from the Department of Social Welfare as regards follow-up action taken on these recommendations.

Guidelines on the operation of the benefit and privilege rule in household means-tests should be published; this rule should be abolished for those aged over 25 and a more reasonable rate of assistance should be considered to encourage young people to live at home.

- 3.6 These guidelines have now been published in an information leaflet by the Department. The abolition of this rule would remove the present system of targeting available resources at those most in need. Available evidence does not suggest that the rule is a highly significant factor in encouraging young people to leave home but this will continue to be evaluated, should any new evidence come to light. However, to give greater financial independence to young unemployed people living at home, the minimum weekly payment was doubled in the 1994 Budget, and more than doubled again in the 1995 Budget.

A wider review of payments and programmes for those aged 18/21 should be carried out with a view to offering young people alternatives, on a voluntary basis, to simply leaving school and "signing on".

- 3.7 Primary responsibility for the 18 to 21 age group rests with FÁS. The Department operates jointly with FÁS the School Leaver's Initiative (Options) which is aimed at offering placements for school leavers aged 18 or over. In addition, the Department will co-operate fully with the introduction of the new Local Employment Service set up on foot of the Forum's Report No. 4 (see Section IV of this Report).

Unemployment Assistance (UA) rates and Lone Parent's Allowance (LPA) rates should be brought into upward convergence, with specific reference to the Allowances for Child Dependents.

- 3.8 The effect of the 1994 Budget increases is that the weekly rates of UA (long-term) and LPA are now the same. Also, there are now only 3 rates of Child Dependant Allowances, compared to 36 different rates a number of years ago.

A substantial means disregard should be introduced into the Carer's Allowance.

- 3.9 A new earnings disregard for this Allowance was introduced in the 1994 Budget, where there is a spouse with earnings. Also the means test has been eased. Further improvements in the earnings disregard were announced in this year's Budget which is to be increased by 50 per cent and will apply to all types of income. In addition, the Allowance is being extended to people looking after those over 66 who have non-social welfare pensions.

Consideration should be given to a pre-retirement benefit for older age groups on Unemployment Benefit and anomalies in relation to pro-rata pensions and treatment benefit in retirement for the self-employed should be addressed.

- 3.10 To carry out further reforms, the National Pensions Board Final Report recommended a revised approach (based on a pro-rata formula) to providing pensions based on contributions. This Report is being studied with a view to the Minister bringing forward proposals to the Government.

Means tests should be standardised to ensure that all claimants are treated fairly, equitably and consistently; all income disregards should be updated, made more uniform and simplified; the treatment of Maintenance Payments should be reviewed as well as the living alone criteria for the elderly.

- 3.11 The PCW contains a commitment to consider streamlining and standardising application and assessment procedures, including means-testing. In this context, the possibility of rationalising the different procedures will be examined, particularly those on assessing means derived from capital and investments.

- 3.12 Recent budgetary policy has aimed at targeting resources to increasing personal and adult/child dependant rates of assistance, rather than changes in income disregards, to ensure that all social welfare recipients benefit. Certain income disregards were improved in the 1994 Budget e.g. for the Carer's Allowance and the means test for the Lone Parents' Allowance was relaxed.

The weekly limit on spouse's earnings should be tapered and the rules reviewed in order to increase the incentive for work.

- 3.13 Provision has now been made in the Social Welfare Bill, 1995 for regulatory powers to facilitate the payment of an Adult Dependant Allowance (ADA), where the spouse has weekly earnings in excess of a prescribed amount; the intention is to taper the amount of the ADA payable in line with the level of income of the spouse.

Parents should receive the Child Dependant Allowance for children in the 18/21 age group in full-time education, irrespective of their social welfare status.

- 3.14 All social welfare recipients of long-term payments can now continue to receive payments for child dependants up to age 21 when these remain in full-time education. This year's Budget announced an increase in this age limit to 22.

The numbers of places on the VTOS should be increased, restrictions on eligibility eased and child-care facilities provided to increase women's participation.

- 3.15 The VTOS has continued to be expanded in recent years, while the qualifying period for eligibility has been reduced to 6 months. Some VEC centres provide limited creche facilities but this service is not widely available. Difficulties faced by lone parents, as regards cost and availability of these facilities during school hours, are being examined at present.

The Part-time Job Incentive Scheme has not been a success and needs to be reviewed.

- 3.16 This Scheme is designed to allow the long-term unemployed to work part-time for up to 24 hours a week while receiving a flat rate allowance instead of their unemployment payments. It is intended that the Scheme will be reviewed in the context of the further development of the Department's employment support services for unemployed people.

All income maintenance payments should be paid through the Department of Social Welfare and there should be a time-limit for assessment/adjudication in the case of the Disabled Persons Maintenance Allowances.

3.17 There is a strong case in principle for the integration of these schemes into the social welfare code, with particular reference to the Disabled Person's Maintenance Allowance which is administered by the Health Boards. Responsibility for that Allowance will be transferred to the Department of Social Welfare later this year and appropriate provision has been included in the Department's 1995 Estimates for that purpose.

An Advisory Council should be established and further improvements made in the delivery process; priority should be given to removing the discriminatory rules for Travellers, including segregation, and the use of Garda Stations in the delivery of services should be phased out.

3.18 The Department already has two advisory bodies operating under its aegis, namely, the Combat Poverty Agency and the Pensions Board. It is represented on the National Social Services Board and on the National Council for the Elderly and, as announced in this year's Budget, responsibility for the Social Services Board is being transferred from the Department of Health to the Department. In addition, the Department has wide-ranging contacts with voluntary organisations representative of the main categories of social welfare customers. Given the wide range of advice already available, it is not considered that a further advisory body is warranted at present. However, this will be kept under review in the context of the Department's examination of the recommendations made by the Forum in its Report No. 6 in relation to greater consultation and participation by consumer interests.

3.19 In relation to the travelling community, their "signing-on" arrangements at Social Welfare Local Offices have recently been changed to better reflect their specific needs, particularly with regard to mobility. They now sign on a monthly basis at the Local Office appropriate to their address and their position in relation to access to Social Welfare services will continue to be kept under review. The continued use of Garda Stations as Social Welfare signing centres is under consideration in the light of the recommendations of the Forum's recent Report No. 6 on the *Quality Delivery of Social Services*.

Forum's Conclusions on its Report No. 3

3.20 While the Forum would, understandably, have hoped for still greater progress and will be returning to some of the above issues in its future work, nevertheless, measures taken in the 1994 and 1995 Budgets have clearly been in line with the broad thrust of its recommendations. Indeed, in many cases its specific detailed recommendations have been acted on and the resulting improvements provide real benefits for the many categories of social welfare recipients involved.

- 3.21 But movement is also needed in a number of other areas e.g. there has been no convergence in Child Dependant Allowances for unemployed and lone parents; further simplification of means tests is needed; income disregards for unemployed people still lag behind and are more complex than for other social welfare recipients; and Child Dependant Allowances for 18-21 year olds are still not allowed for children of adults on short-term social welfare payments. Given the very poor response to the School Leavers Initiative (Options), other alternatives should be looked at in the context of the Forum's Report No. 4 and of the Task Force recommendations for 18-21 year olds (see Section IV of this Report).
- 3.22 In addition, the Forum reiterates the importance of the social welfare system being sensitive to and appropriate to the differing requirements and needs of particular marginalised groups. In this regard, the Forum welcomes the new "signing-on" arrangements for Travellers but continues to be concerned at their segregation in Dublin for the purpose of receiving Supplementary Welfare Assistance.
- 3.23 Finally, the Forum emphasises again the fundamental importance which it attaches to the level of social welfare payments and their adequacy in relation to prevailing living standards in the rest of our society – the 2.5 per cent increase in weekly welfare payments which was announced in this year's Budget will only compensate recipients for the expected increase in prices. While considerable progress has been made towards the rate of payments recommended by the Commission on Social Welfare (CSW), the percentage of payments still below even the CSW's minimally adequate rates is still very high (72 per cent in 1994 as compared to 84 per cent in 1985).¹ However, the Forum is encouraged by the commitment in the Government's Programme for Renewal to their commissioning an ESRI study in this area and it would like to be consulted when the results of this study become available.

¹ See "Budgeting the Divide", Combat Poverty Agency, January 1995.

Section IV

**Forum Report No. 4
on Long-term
Unemployment**

Forum Report No. 4 on Long-term Unemployment

Introduction

- 4.1 In its Report No. 1 the Forum had emphasised that long-term unemployment needed to be tackled through radical thinking and policy changes, involving a wide-ranging departure from established concepts of work and the introduction of new non-market based policy initiatives.
- 4.2 Report No. 4 was the first in a series which the Forum is devoting to employment and unemployment issues. Despite the favourable medium-term economic and employment outlook, long-term unemployment, which is already a major economic and social issue in this country would continue and be no lower at the end of this decade. This is unacceptable and explains why the Forum singled this issue out for particular attention in this Report.
- 4.3 The objectives and targets which underpinned the recommendations in this Report were the provision of employment opportunities for all who want them and the elimination of long-term unemployment. For this purpose, and in addition to a range of other supporting strategies which were outlined, the following integrated set of specific policy recommendations were proposed:

- (i) *Establishment of an Employment Service* which would provide counselling, guidance, training, education and job placements for the long-term unemployed; the Service should have different models for delivery at local level; registration by the unemployed would be voluntary; the Service should have autonomy to carry out its functions and over time budgets in respect of programmes for the unemployed should be transferred, with the Service empowered to purchase appropriate training and education options for its clients.
- (ii) *Training interventions* should be related to employment opportunities and with employer involvement to ensure the relevance of training; constraints on women's participation on training and education programmes need to be addressed.
- (iii) *Employment experience and direct employment provision* through the Employment Service (i) "purchasing" temporary job placements, of up to 6 months, in the public and private sectors, for its clients and (ii) providing longer-duration contract jobs mainly for the very long-term unemployed and/or their adult dependants in the public and voluntary sectors.

(iv) *Early intervention in the education sector* with appropriate options for children identified at risk of leaving school with little or no qualification and priority attention given to the "Youthstart" initiative proposed by the European Commission.

- 4.4 The Government subsequently established a Task Force to carry out a detailed examination and assessment of the Forum's recommendations. The Report of this Task Force was published on 7th March last and the text of the Government Statement which accompanied this is reproduced beneath.

Government Statement, dated 7th March 1995, on the establishment of a Local Employment Service

- 4.5 The Government welcomes the Interim Report of the Task Force on Long Term Unemployment and has decided to accept the central recommendation of the Report and to put in place a Local Employment Service to meet the needs of the long-term unemployed .
- 4.6 The Local Employment Service will bring Departments, State Agencies, social partners and community interests together at local level to pool their resources and competencies in a way which is tailored to the individual needs of the long-term unemployed person. Intensive guidance, counselling, training, education, job placement and support for self-employment will be among the options available, the aim being to place the jobless person in a conventional job or a special employment opportunity.
- 4.7 The new Service will build on the experience of delivering services to the unemployed in the Area Partnerships established under PESP which are to be extended to 33 areas under the Local Development Programme. The Service honours the commitment in the Programme for "A Government of Renewal" to introduce an intensive guidance and placement service operated at local level. It will be introduced initially in the twelve established partnership areas and two non-partnership areas and progressively thereafter in other areas.
- 4.8 The Government has decided to allocate £5 million in 1995 to meet the additional costs of providing the guidance, counselling and active placement services to be available from the new Service, which will draw mainly on existing resources. The Government has also decided to provide £1 million for a special Local Training and Education Fund for innovative training and education measures for the long-term unemployed.

- 4.9 The Task Force on Long-term Unemployment was set up last September following the Report by the National Economic and Social Forum, "Ending Long-term Unemployment". The Task Force comprised senior officials from Government Departments and State agencies, as well as people drawn from local interests involved in the delivery of community-based local employment services. It was charged with developing proposals for better targeted and more effective services for the long-term unemployed in the light of the Forum's recommendations.
- 4.10 The setting up of a Local Employment Service was a central recommendation of the Forum's report. The Interim Report of the Task Force is devoted largely to developing a practical approach to the delivery of a Local Employment Service, building on existing measures and resources and co-ordinating these in a more cost effective way.
- 4.11 Under the arrangements proposed by the Task Force, there will be clearly identifiable local contact points at which the Local Employment Service can be accessed. These will include Local Employment Centres which provide an additional career path, planning and placement service for the long-term unemployed, to include guidance and counselling, access to training and education and an active placement service.
- 4.12 In each area, a Local Management Committee will be set up which will oversee the drawing up and implementation of the overall plan for the provision of services for the long-term unemployed in the area.
- 4.13 In the thirty-three areas designated under the Local Development Programme, the Management Committee will operate under the auspices of the Area Partnerships and the Area Action Plan will provide the basis for the nature and type of service to be provided. In other areas, a similar Management Committee, drawing in statutory agencies, social partners and community-based groups will be set up to manage the Service. The Local Management Committee will appoint a Co-ordinator to oversee the co-ordination of the Local Employment Service on their behalf.
- 4.14 The Government has decided that overall responsibility for the delivery of the Local Employment Service will be assigned to the Minister for Enterprise and Employment. An Advisory Group of the relevant Departments and State Agencies, chaired by the Taoiseach's Department, will be established to advise the Minister on issues relating to the setting up and ongoing implementation of the Service, including the allocation of funding.

- 4.15 The Government's decision is made against the background of a serious problem of Long Term Unemployment. Ten per cent of the workforce, or 135,000 people, are long-term unemployed, and this means that their chance of getting a job, even in an improving economic situation, is slim. In addition to the long-term unemployed, there are three other broad priority groups for the Service – those registered as unemployed for more than six months, dependent spouses of the unemployed and lone parents and the young unemployed.
- 4.16 The Task Force will report to the Government by end October 1995 on the progress of the Local Employment Service, as well as reporting on the range of employment options to be available to the Long Term Unemployed in the light of Government policy on special Employment measures as set out in the "Programme for Renewal" and the recommendations of the National Economic and Social Forum.

Forum's Conclusions on its Report No. 4

- 4.17 The Forum has already welcomed the Government decision to put in place a Local Employment Service to meet the needs of the long-term unemployed. The establishment of such a Service was the central recommendation of the Forum's Report "*Ending Long-term Unemployment*" which it published in June of last year.
- 4.18 The "gateway" function of this Service in providing access to a range of supports (covering guidance, counselling, training, education and job placement) to assist the long-term unemployed to return to work is fully in line with the Forum's own recommendations, as is the local nature of the Service and the Task Force's recommendation that registration should be on a voluntary basis. The priority groups for assistance by the Employment Service which are identified by the Task Force – the long-term unemployed, those unemployed for over six months, dependent spouses of the unemployed, lone parents and the young unemployed – also correspond to the Forum's analysis.
- 4.19 The Forum hopes that the necessary structures and arrangements will now be put in place sufficiently early in both the Partnership and non-Partnership Areas. The experience involved should be taken into account in the final Report of the Task Force and it will be essential to ensure that the Service is in a position to provide an effective, streamlined and targeted service to those groups most in need.

- 4.20 In its own Report, the Forum highlighted the need for early intervention in the education sector and it supports the Employment Service's envisaged role in encouraging young people to stay on in school. For the special needs of young people who have already left school and who are unemployed, the Forum endorsed the "Youthstart" initiative proposed by the European Commission and it strongly supports the view of the Task Force that a range of alternatives other than "signing on" should be made available to all unemployed people between the ages of 18 and 21.
- 4.21 The Forum's Report stressed that the Employment Service should be able to make available education, training, and employment experience options, as appropriate, to its clients. In this regard, it agrees with the Task Force recommendation that the Service should have an allocation of reserved places on mainstream training programmes and that it should also be able to influence the range and design of such programmes. It also welcomes the Government's decision to establish a special Local Training and Education Fund to cater for needs which cannot be met through these measures. However, the Forum reiterates its recommendation that the purchase and delivery of programmes must be eventually separated. Moreover, the Local Employment Service should have direct access to resources and have the autonomy to allocate these resources, if it is to carry out its functions effectively.
- 4.22 It is noted that the Government Task Force will now turn its attention to addressing the Forum's recommendations on employment options for the long-term unemployed in its final Report. In this context, it is essential that the **full** set of options recommended by the Forum be implemented with particular reference to both the short-duration employment experience and the longer-duration contract-type options. The Forum reiterates its recommendation that these options must provide employment in a real employment setting and have the status, wages and working conditions available to other employees. In this regard, the Forum welcomes the commitment in the Government's Programme for Renewal to introduce a contract-type employment measure for the long-term unemployed and notes the key principles which the Task Force believes should apply in selecting the most appropriate employment options.
- 4.23 In conclusion, the establishment of the Task Force Report and the Government decisions taken to-date show clearly that the Forum's Report has directly led to a major reassessment of policy towards long-term unemployment and to acceptance of the need for a new approach. The Forum is encouraged with this initial and positive Government response to its Report. It now looks forward to the final Report of the Task Force and emphasises once again that the Local Employment Service cannot operate to its full potential (or be properly evaluated) until the integrated package of Forum recommendations is fully implemented by the Government.

Section V

**Forum Report No. 5
on Income
Maintenance
Strategies**

Forum Report No. 5 on Income Maintenance Strategies

Introduction

- 5.1 The focus of this Report was on more effective Income Maintenance strategies to tackle poverty, marginalisation and social exclusion. These are major economic and social issues in this country. Yet, there is no overall coherent strategy and medium-term plan with quantified targets, priorities and specific commitments. The need for such a plan is reinforced by a number of economic, social and demographic challenges while the rapid economic growth expected over the coming years will provide a major opportunity to tackle these issues more decisively and effectively.
- 5.2 The Report outlined the Forum's views on the values, objectives, principles and strategic issues which it believes should underpin Income Maintenance policies. Agreement on these is fundamental to determining the shape and direction for more effective policies regarding adequate levels of support, reducing inequalities of income and promoting social integration.

Government Statement, dated 12th July 1994, in response to Forum Report No. 5

- 5.3 The Government welcome the National Economic and Social Forum's Report and analysis of the values, principles and objectives that should underpin a more, caring and supportive welfare system. This Report, building as it does on the Forum's earlier Report (No. 3) concerning outstanding recommendations of the Commission on Social Welfare, will help to inform policy in this general area and in meeting commitments contained in the "Programme for a Partnership Government" and the "Programme for Competitiveness and Work".
- 5.4 The Report highlights the many challenges and other external factors which must be faced in the development of income maintenance strategies. The Government believe that the most effective way to reduce the incidence of poverty is through the creation of sustainable employment and reducing the numbers that are unemployed particularly those that are long-term unemployed. The Government also accept the principle set out in the EU White Paper on Social Policy that economic and social policy must be developed in partnership rather than in conflict with one another.

- 5.5 The Government strategy is to use economic and fiscal policy as the principal vehicle to promote economic growth. They are also developing social policies to at least maintain and where possible improve the position of those who are unable to share fully in economic expansion. In the development of policies, regard must be had to their possible effects on public expenditure, economic efficiency and incentives to work.
- 5.6 Considerable progress has already been made on some of the Report's core recommendations, including improvements in universal payments such as Child Benefit and in facilitating movement from social welfare into employment. In this year's Budget, all social welfare payments were increased by a minimum of 3 per cent and achieved the priority rates for Disability Benefit, Injury Benefit, Unemployment Benefit, Short-term Unemployment Assistance and Supplementary Welfare Allowance. All weekly payments have now achieved the priority rates, and are at least 90 per cent of the Commission's main recommended rates.
- 5.7 The Government will take account in their deliberations of the recommendations contained in this Report and look forward to receiving the Forum's other Reports in this series. This Report, and the Forum's earlier Reports, along with the Report from the Expert Working Group on the Integration of the Taxation and Social Welfare systems will provide the Government with a ready source of analysis, advice and opinion for the future formulation of social welfare policy. Having regard to the considerable expertise which the Forum has developed in this area, the Government will be consulting the Forum when it receives the Reports of the Expert Group on the Integration of the Taxation and Social Welfare Systems and will welcome any further views it may wish to put forward at that stage.

Departmental Responses on Forum Report No. 5

- 5.8 The following paragraphs summarise (in the shaded areas) the Forum's main recommendations, while the Department of Social Welfare's responses to these recommendations are outlined in paragraphs 5.12 and 5.14.

Goals, objectives and principles

- 5.9 The key operational principles which the Forum recommended as a basis to developing more effective strategies were:

- comprehensiveness in coverage, non-discrimination and consistency in dealing with similar needs;
- support for the caring of the elderly in the family home;
- equity in distributing the costs of financing the system;

- movement to “individual” as compared to the present “derived” system of payments;
- minimise work and education disincentives;
- provide clear rights to services and benefits, with the system as simple as possible in its operation; and
- the relatively low take-up and the fact that only 70 per cent to 80 per cent of the poverty gap is eliminated by the social welfare system is an important issue which should be examined.

Strategic Options

5.10 The Forum recommended that the key strategic changes required were:

- the further development of Social Insurance;
- coupled with an expansion of Universal Payments; and
- supported by a residual but a more comprehensive and effective Social Assistance safety net for those who fail to qualify for Insurance Benefits.

Strategic Issues

5.11 Within the above strategic approach, the Forum recommended that a range of policy issues need to be addressed, namely:

- the coverage of Social Insurance;
- improvement of the Social Assistance safety net;
- an expanded Child Benefit system;
- increased incentives to work and training; and
- progress towards “individualisation” of payments.

5.12 The thrust of Report No. 5 was an analysis of the values, objectives and principles which should underpin a more caring and supportive welfare system. In line with the then Government’s response on the publication of the Report in July last (see paragraphs 5.3 to 5.7 above), cognisance will be taken by the Department of Social Welfare of the Forum’s recommendations in the context of the future development of the social welfare system to meet key strategic objectives and in meeting related commitments contained in the Programme for a Government of Renewal and in the Programme for Competitiveness and Work.

Medium-term Planning

5.13 The Forum recommended that:

- a Government strategic medium-term plan, with quantified targets, priorities and specific commitments for the phased improvement and further development of our social welfare system should now be drawn up, with special measures targeted for groups in greatest need;
- this plan should translate into more specific and operational terms the general-type commitments made in the Programme for Government and the Programme for Competitiveness and Work, with particular reference to addressing deficiencies in the areas of the inadequate level of payments, greater incentives to take up work and participate in education and training schemes and further improvements in the delivery system; and
- consultations should take place with all main interest groups, including the Forum, in drawing up and monitoring implementation of this plan.

5.14 As a first step in the process of medium to long-term planning, the Department of Social Welfare has participated fully in the Civil Service wide Strategic Management Initiative begun by the previous Government. A Strategic Management Division has been established within the Department and a draft Strategy Document including a Mission Statement, have been formulated. The work of the new Division is continuing in the light of the on-going development of the Strategic Management Initiative and the commitments in the Programme for a Government of Renewal. It is envisaged that ultimately a Strategy Document for the Department will be published.

Forum's Conclusions on its Report No. 5

5.15 The Forum welcomes the improvement introduced in this year's Budget to child support arrangements which will directly benefit women and children. This is in line with one of the key strategic changes which it had recommended in its Report No.5.

5.16 The Forum notes the undertaking given by the Government that its recommendations will be taken into account in the future development of the social welfare system. It would, however, have hoped for at least some indication of priorities and reactions at this stage but it will pursue these more fully again when it is consulted by the Government, once the Expert Group on the Integration of the Taxation and Social Welfare Systems has submitted its Report later this year.

5.17 Finally, in its Report, the Forum recognised that responsibility cannot fall solely on the social welfare system and it, therefore, recommended that the effectiveness of all major policies relating to poverty and social exclusion should be assessed on a regular basis (a “*mainstreaming*” of anti-poverty policy). The Forum also recommended that these evaluations should be published to encourage more informed public debates on the choices and political decision needed. In this regard, the Forum welcomes and is encouraged by the commitment given by the Minister for Social Welfare, at the recent UN Summit for Social Development in Copenhagen, that the Government will set out for the first time ever “*an across-the-board national strategy to address all aspects of poverty and inequality*” in our society.

Section VI

**Overall
Conclusions**

Overall Conclusions

Forum's Impact

- 6.1 Although the Forum was formally launched with the holding of its inaugural Plenary Session on 23rd June, 1993 it was not until the Autumn of that year that its structures, working arrangements and Secretariat were in place and its Work Programme for the initial two-year work cycle to end-June 1995 had been adopted and submitted to the Government.
- 6.2 Since then the Forum has prepared and published seven Reports – five of which are dealt with in the present Periodic Report. During this short period of time the Forum's establishment has had a positive impact in terms of:
- providing a unique forum for the first time ever where such a widely-based group meets on a regular basis to discuss policy issues of common concern; and
 - having achieved consensus and submitted recommendations to the Government on a wide range of economic and social policy issues.
- 6.3 Meetings and discussions through the Forum's Plenary Sessions and Committee-based working structures have been valuable and worthwhile in themselves in promoting greater dialogue and interaction and with the active involvement and participation by the organisations representing the interests of many marginalised groups who up to now have been excluded from the consultation process. This process has been further enhanced with the attendance and participation by Ministers, senior officials from Departments and State Agencies as well as outside experts, academics and submissions from interested parties.
- 6.4 However, the Forum is still at the initial stages of this process and much more needs to be done to forge and build up a more united sense of national purpose and secure agreement on the more fundamental decisions needed to tackle more successfully the many challenges facing our society. Of particular importance in this respect is the need from time to time to consider alternative strategies and more radical thinking and initiatives on particular issues, rather than pushing for consensus and agreement at all times and where this would be impossible to achieve, given the wide diversity of interests and viewpoints which are represented on the Forum.

Consensus-building

6.5 The task of establishing as broad a consensus as possible among the Forum's membership of nearly 50 people, which represent such a wide diversity of interests in our society, is not an easy one. This is the major and on-going challenge facing the Forum in its work. But its work processes and debates should over time help to build up greater trust and a greater common understanding and eventual agreement on policy issues and initiatives. The Forum believes that its contribution already on this front has also been positive and helpful in submitting recommendations which were:

- specific and practical in responding to particular policy issues and in addressing difficult issues and choices which have to be faced; and
- as far as possible, timely and synchronised with the Government's timetable and designed with a view to their being inputted into and influencing the decision-making process.

6.6 In this respect, the Forum is a unique experiment in participative democracy. Its recommendations, drawn up and agreed to on a consensus basis through free and open discussion and debate, represent a distinctive contribution to public policy-making in this country and carry considerable weight and authority.

6.7 As regards the Forum's impact and the influence of its recommendations on Government decisions, the earlier Sections of this Report have already commented on this in the case of the individual Reports and, by way of an overall and concluding commentary, the Forum wishes to emphasise that it:

- is reasonably happy that its recommendations have been given careful and full consideration; in no instances have these been rejected out of hand; in many cases these have been accepted and already acted on; on others, most notably in the case of its Report No. 5, action has been deferred pending either the submission of reports from expert groups and other bodies or because of economic and budgetary constraints; it is clear from its Reports that the Forum acknowledges the limitations imposed by these constraints;
- is pleased that its arrangements with the Office of the Tánaiste of a two-week delay to allow time for consideration by Government has worked well and this ensures that there are no undue delays in the publication of its Reports; and

- welcomes the practice of issuing Government Statements at the time of publication of its Reports; however, these Statements have tended to be general in nature and are not specific enough in outlining the Government's reactions to the Forum's recommendations; as against this, it is appreciated that this is not possible in most cases, because of the two-week deadline, and in any case the Forum has the facility to pursue follow-up on its recommendations with the Minister(s)/Department(s) directly concerned.

Conclusion

- 6.8 The Forum wishes to emphasise that its five Reports should be seen as representing but an initial input into the Government's decision-making process and, in the circumstances, these Reports have had only a limited and uneven impact up to now in addressing this country's endemic problems of unemployment, poverty and social exclusion.
- 6.9 The nature, scale and extent of these problems, which affect more than one-third of our population, cannot be allowed to continue indefinitely and present policies must be more critically evaluated and strengthened if we are seriously interested in and committed to creating a more equal, rewarding and inclusive society for all our citizens. The Forum will continue to give these issues priority and on-going attention in its Work Programme.
- 6.10 Finally, the Forum will also be reviewing the experience and lessons gained from its initial two-year work cycle which expires in June next, with particular reference to improving the effectiveness of its structures and working arrangements, raising the public profile and impact of its activities as well as enhancing its overall role and contribution in the future.

Annexes

Annex 1

Terms of Reference and Constitution of the Forum

1. The Terms of Reference of the National Economic and Social Forum are to develop economic and social policy initiatives, particularly initiatives to combat unemployment, and to contribute to the formation of a national consensus on social and economic matters.
The Forum will:
 - (i) Have a specific focus on:-
 - job creation and obstacles to employment growth;
 - long-term unemployment;
 - disadvantage;
 - equality and social justice in Irish society; and
 - policies and proposals in relation to these issues.
 - (ii) Make practical proposals on measures to meet these challenges;
 - (iii) Examine and make recommendations on other economic and social issues;
 - (iv) Review and monitor the implementation of the Forum's proposals and if necessary make further recommendations; and
 - (v) Examine and make recommendations on matters referred to it by Government.
2. The Forum may consider matters on its own initiative or at the request of Government.
3. The Forum will work in two year cycles and will inform Government of its programme of work within three months of the beginning of each cycle.
4. In drawing up its work programme, the Forum will take account of the role and functions of other bodies in the social and economic area such as NESC and the CRC to avoid duplication.
5. The Forum may invite Ministers, Public Officials, Members of the Forum, and outside experts to make presentations and to assist the Forum in its work.
6. The Forum will publish and submit all its reports to Government, to the Houses of the Oireachtas and to other Government Departments and bodies as may be appropriate.
7. The Forum will be drawn from three broad strands. The first will represent the Government and the Oireachtas. The second will represent the traditional Social Partners. The third strand will be representative of groups traditionally outside the consultative process including women, the unemployed, the disadvantaged, people with a disability, youth, the elderly and environmental interests.
8. The Forum will have an independent Chairperson appointed by Government.
9. The term of office of Members will be two years during which term Members may nominate alternates. Casual vacancies will be filled by the nominating body or the Government as appropriate and Members so appointed shall hold office until the expiry of the current term of office of all Members. The size of the membership may be varied by the Government.
10. The Forum is under the aegis of the Office of the Tánaiste and is funded through a Grant-in-Aid from that Office. This Grant-in-Aid is part of the overall estimate for the Office of the Tánaiste.

Annex 2

Membership of the Forum

Independent Chairperson:	Maureen Gaffney
Government Representative:	Eithne Fitzgerald, T.D., Minister of State at the Office of the Tánaiste and at the Department of Enterprise and Employment
Chair (Employment and Economic Policy Committee):	Prof. John O'Hagan
Chair (Social Policy Committee):	Triona Nic Giolla Choille
Oireachtas	
<i>Fianna Fáil:</i>	Ned O'Keeffe, T.D. Éamon Ó Cuív, T.D. Chris Flood, T.D. Martin Cullen, T.D. Sen. Paschal Mooney Sen. Willie Farrell
<i>Fine Gael:</i>	Frances Fitzgerald, T.D. Paul Connaughton, T.D. Michael Ring, T.D. Sen. Madeleine Taylor-Quinn
<i>Labour:</i>	Joe Costello, T.D. Sen. Jan O'Sullivan
<i>Progressive Democrats:</i>	Máirín Quill, T.D.
<i>Technical Group:</i>	Kathleen Lynch, T.D.
<i>Independent Senators:</i>	Sen. Mary Henry
Social Partners	
<i>Trade Unions:</i>	Philip Flynn Paula Carey Tom Wall Mary-Ann McGlynn Manus O'Riordan

Employer/Business Interests:

Declan Madden
 Karin MacArthur
 Aebhric McGibney
 David Croughan
 Mirette Corboy

Agricultural/Farming Organisations:

John Tyrrell
 Michael Slattery
 Ciarán Dolan
 Clare Higgins
 Monica Prendiville

“Third Strand”*Womens Organisations:*

Anne Taylor
 Noirín Byrne
 Ina Broughall

Unemployed:

Brendan Butler
 Jane Foley
 Mike Allen

Disadvantaged:

Niall Crowley
 Joan Byrne
 David Joyce

Youth:

Gearóid O’Maoilmhichíl

The Elderly:

Michael White

People with a Disability:

Roger Acton

Environmental Interests:

Jeanne Meldon

Academics:

Fr. Seán Healy
 Stasia Crickley

Secretariat

Director:
 Secretary, Employment & Economic Policy Committee:
 Secretary, Social Policy Committee:
 Economist:
 Executive/Secretarial:

Seán O’hÉigeartaigh
 David Hegarty
 Larry O’Reilly
 Michael McGrath
 Theresa Higgins
 Patricia Lynch
 Mercedes Kelly

Annex 3

Reports published to-date by the Forum

Report No.	Title	Date
1.	Negotiations on a successor agreement to the PESP	November 1993
2.	National Development Plan 1994-1999 – the proposed Local Development Programme	November 1993
3.	Commission on Social Welfare – Outstanding Recommendations	January 1994
4.	Ending Long-term Unemployment	June 1994
5.	Income Maintenance Strategies	July 1994
6.	Quality Delivery of Social Services	February 1995
7.	Jobs Potential of the Services Sector	April 1995

