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## **How to banish poverty and exclusion - and create new wellbeing**

**An innovative policy needs to be devised to rescue those among us who have not benefited from our recent economic growth, argues Fr Seán Healy s.m.a. Director of CORI Justice**

CORI Justice is 25 years old this year. Ireland is a different place today to what it was in the early 1980s. Economic growth and very significant job creation have transformed the country. House building is at record levels.

A country characterised by forced emigration has been transformed into a country requiring significant numbers of immigrants to maintain its economic development. The public finances have also been transformed and the Exchequer continues to collect far more in tax than it spends.

Another reflection of a changing Ireland is its population, which now exceeds four million for the first time since 1871 and the Central Statistics Office has projected that it will climb to five million over the next 15 years. The recently published Human Development Report 2006 by the UN Development Programme (UNDP) placed Ireland fourth in its development index. This represents a rise in Ireland's ranking from 17th in 2000.

However, problems persist. There is unacceptable inequality in both the health and education systems. There is insufficient social housing, substantial adult illiteracy, high rates of early school-leaving, growing social exclusion and problems of racism and discrimination. The UNDP report also found that Ireland was 17th out of 18 selected high-income OECD countries in its human poverty index. This index is compiled by calculating life expectancy, adult literacy, long-term unemployment and risk of poverty.

The Government consistently tries to undermine this index by claiming the data is outdated, inaccurate and/or misleading.

Whatever method of measuring poverty Government wishes to focus on, the fact remains almost one in five people lives in households with incomes equivalent to less than €204 a week for a single person or €470 a week for a household of four. Is this sufficient to live life with dignity in Ireland in 2006?

The National Anti-Poverty Strategy (NAPS) published by government in 1997 adopted the following definition of poverty: "People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living that is regarded as acceptable by Irish society generally. As a

result of inadequate income and resources, people may be excluded and marginalised from participating in activities that are considered the norm for other people in society." Our target should be to ensure that everyone in Ireland has sufficient resources to ensure they are not in poverty.

The good news is that Ireland has the resources and capacity to transform this situation and build a society that gives priority to securing the dignity of all people and promotes the common good.

As Ireland negotiates its changing reality it faces a number of challenges. Two of these challenges stand out. First, there are many people who have benefited little from the economic growth of recent years and who are at risk of poverty and exclusion for a variety of reasons. Second, there is the challenge of improving people's sense of wellbeing.

Growing incomes have not led directly to increased wellbeing for all those who are better-off. In fact, the growing competitiveness and individualism in society have made some people unhappy.

A new policy approach to secure social inclusion for all is now required if the two challenges already identified are to be addressed. In the years immediately ahead, policy should focus on tackling poverty, inequality and social exclusion and move Ireland towards being a society characterised by fairness and wellbeing.

In practical terms, this would require commitment and resources to develop initiatives to:

- Address Ireland's infrastructure deficits, especially on social housing and public transport;
- Secure appropriate levels of service provision in areas such as healthcare, education, caring and employment services;
- Ensure every man, woman and child has sufficient income to live with dignity, especially by increasing social welfare and tackling the "working poor" issue; and
- Maximise the participation of all of Ireland's people in their own development and in the development of wider society.

Such a policy approach would require focused action. It would also require that responsibility be assumed to secure the resources required. If we want to achieve EU levels for social services; free early childhood education; smaller classes in schools; better quality school buildings; shorter hospital waiting times; better and more integrated services for the old, the very young and the sick; more opportunities for the long-term unemployed and persons with disabilities; then the resources required must be made available.

Ireland today faces a very clear choice. We must decide either to let the market (mainly or entirely) provide the required services and infrastructure, in which case some people simply will not benefit from these services because they can't afford them.

Alternatively, we let the State provide these services and infrastructure (mainly or entirely) in which case we must acknowledge that our total tax-take is too low to meet the costs involved.

It is not realistic to expect Ireland to have European-type social services with US tax levels. This is particularly the case when Government pays for most, if not all, of its capital investments from its current budget surplus.

There is, also, a role for civil society - possibly in partnership with the State and the market. However, there are no easy options or quick-fix solutions here. Someone has to pay and responsibility needs to be taken and appropriately shared.

As CORI Justice faces into its second quarter-century, we believe that a new approach to social policy along the lines outlined above is essential if the achievements of recent years are to be built on, if social exclusion is to be eliminated and if Ireland is to become a country characterised by fairness and wellbeing.