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# Poverty: will the poor always be with us?

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future



*Front cover: Anne O'Reilly, chair of NICVA, looks at Salil Shetty's white band.  
Back cover: Brigid Reynolds shows her white band, watched by Geoff Mulgan.*

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# Poverty: will the poor always be with us?

A report of the conference  
held on 8 April 2005

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### **NICVA and poverty**

*The Northern Ireland Council for Voluntary Action (NICVA) is the umbrella body for the voluntary and community sector in Northern Ireland.*

*NICVA seeks to achieve progressive social change by tackling disadvantage through voluntary action and community development.*

*Its vision is of a healthy, vibrant, progressive voluntary and community sector which contributes to social cohesion, equality and justice.*

*NICVA pursues equality, equity, justice and diversity and opposes violence and discrimination of any sort*

*One of NICVA's top priorities is the elimination of poverty and social exclusion. It is actively involved in the Make Poverty History campaign and demands as a minimum that UN members work to achieve the UN Millennium Development Goals.*

*Closer to home it has been a consistent leader in the campaign for an effective policy on Targeting Social Need, now being replaced by a Northern Ireland Anti-Poverty Strategy. For NICVA's detailed submission on the subject see [www.nicva.org](http://www.nicva.org), go to Policy & Research and then look at Policy Responses. The full link is: [http://www.nicva.org/policy\\_and\\_research/responses/article.asp?ArticleID=9567](http://www.nicva.org/policy_and_research/responses/article.asp?ArticleID=9567).*

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## **ANNE O'REILLY**

*Anne O'Reilly, chair of NICVA, welcomed participants and showed the Make Poverty History video.*

Very, very important start to our morning and it captures the mood and theme of the conference today. I will be opening up with some words of introduction and welcome and then we'll steer you through the speakers this morning and questions and answers up until lunchtime and workshops in the afternoon.

Poverty is a real issue for voluntary and community groups in Northern Ireland, locally, nationally and internationally. NICVA has worked, lobbied and campaigned to get action from government on tackling deprivation here. The people of Northern Ireland and Ireland as a whole have had a long history and interest in this area, and involvement in tackling and eradicating poverty, injustice and hunger around the world. We recognise and are conscious of the absolute poverty which engulfs large numbers of people worldwide. NGOs in this country have been at the forefront of relieving that poverty and helping in the development of people to overcome the causes of poverty itself.

Our conference today, as you will see from the programme, is very ambitious as we try to look out at this issue and how it affects a rich country, but also the poor developing countries around the world particularly in the southern hemisphere. When we speak of North/South divides, it is not our little local differences which are referred to but the divide between the developed and the developing world, and the division between two hemispheres. Those who are most vulnerable suffer most the fallout of poverty and that is as true here as it is in Africa or in Asia.

More than 30% of children in Northern Ireland live in poor households. We are therefore very much encouraged to see the launch yesterday of Room for Improvement, a manifesto for children in Northern Ireland, launched by NCH Northern Ireland, Barnardo's, NSPCC and Save the Children, supported by a large number of other voluntary and community organisations including NICVA. I read the manifesto this morning and I was very taken by it because it drew out experiences which I experienced in my own childhood. And for a moment it reminded me that I still live with them. I would have changed home about twelve times as a result of domestic violence in my family. I remember being sent to school with a shoe size that was too big for me and the shame of that and trying all day to keep my feet under the table so I wouldn't be noticed. I also remember the hunger that it got to the stage, and I remember it vividly, that I stole a packet of digestive biscuits out of Littlewoods because I didn't get a breakfast that morning. And, finally, the anger that I felt as a child of having to go down to the pawn shop and pawn some of my mother's jewellery and then go back and get that back when we got whatever the benefit was at that time.

# *introduction*

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It surprised me that I remembered that and why shouldn't I? And I wouldn't want, from my personal endorsement, for people to have to experience that today. So it resonates with me the theme that we need to make poverty history and I would not wish my experiences as a child on another child in Northern Ireland. So, I very much endorse the manifesto of the children's organisations and I commend it to you for support not just from children's organisations but organisations across the voluntary and community sector.

Moving on now to the speakers, we are privileged today to have with us Salil Shetty, the director of the UN Millennium Goals campaign, who will give us an international perspective and tie this conference into the Make Poverty History campaign. This is a campaign which has a 'can do' feel to it and a 'can do' approach and it expects to make a serious difference in the world by 2015 but only if we all play our part. We have also got Geoff Mulgan, former head of the Prime Minister's Policy Unit and No 10 Strategy Unit, to give us his ideas on what government can do to tackle poverty and deprivation. From Dublin we have Brigid Reynolds, joint director of the CORI Justice Commission who, with her colleague Sean Healy, has been to the forefront of the anti-poverty campaign in the Republic of Ireland. We had hoped to have the Minister, John Spellar, who is responsible for the policy direction of Targeting Social Need; however, as you can imagine, he is otherwise engaged. In his place we have the lead official with responsibility for New TSN at the Office of the First Minister and Deputy First Minister, Dr Gerry Mulligan, to stand in — for that we are very grateful.

So, what do we expect from today? We expect to promote dialogue, discussion and debate both in the plenary sessions and the workshops. NICVA will produce a conference report which we will use to further the cause of these issues and help make our contribution to making poverty history.

Finally, it would be remiss of NICVA not to mention the death of Pope John Paul II, whose funeral is commencing in Rome. It is clearly a time of sadness for the members of his church, the wider Christian community and those of other religions as John Paul had an impact across the world. Clearly a man of strong views, he also had strong views on poverty and indicated his support for the poor. He went so far as to say that labour came before capital. To all of those who mourn him, we offer our sympathy.

So, to begin the proceedings, it is my great pleasure to welcome Salil to speak to our conference. Salil is Director of the UN Millennium Goals campaign, which is designed to inform, inspire and encourage people's involvement and action in the realisation of the Millennium Development Goals. The campaign supports citizens' efforts to hold their government to account for the achievement of those goals. By the year 2015 all 191 United Nations member states have pledged to meet the following goals:

- Eradicate extreme poverty and hunger.
- Achieve universal primary education.
- Promote gender equality and empower women.
- Reduce child mortality.
- Improve maternal health.
- Combat HIV/AIDS, malaria and other diseases.
- Ensure environmental sustainability.
- Develop a global partnership for development.

Salil will give us a much wider perspective to set our debate within. As I said, our sector in Northern Ireland is concerned about poverty both at home and abroad. And as always within NICVA we consider it important to look up as well as to look out to a wider world stage with a sense of solidarity. So, Salil, over to you.

**TACKLING POVERTY ON A GLOBAL SCALE —  
RESPONSIBILITIES OF RICH AND POOR NATIONS  
SALIL SHETTY**

Thank you, Anne. As I was looking around the room, I was thinking that in the country where I come from, which is India, political leaders normally pay people to attend meetings. I am not used to talking to people who actually paid to come to a meeting, so thank you for being here and actually paying to enter this room.

I'm going to divide my presentation into three parts. The first one is the more boring part where I'm going to be talking at you. The second two bits will be more showing you some pictures and videos. In case you've gone to sleep by the time I've finished talking, that should wake you up!

Thank you very much for inviting me here today. It is a very important opportunity to have a serious discussion on one of the most pressing problems facing the world today. Before going into the substance, I want to say that having been one of you working with the international development charity, Action Aid in Britain, for five years and for almost twenty years in the voluntary sector in different parts of the world, I've seen the strength of this group or this community of the voluntary sector from the inside. Being now on the outside located at the United Nations in New York for the last eighteen months has made me realise the power and influence of this group even more. Successive independent public opinion surveys globally, and Northern Ireland is no exception, show that the voluntary and community sector and NGO leaders are amongst the most trusted institutions and individuals in society today. The number of people in the UK as a whole supporting charities as donors or members now far exceeds the membership of most political parties.

In my brief presentation I want to give you a sense of both the urgency and the opportunities that 2005 presents in dealing with some of the world's most pressing problems and how you can use your power and influence to make a difference.

There are many crises facing the world today but I would like to focus my attention on what is increasingly recognised as the single most important crisis and that is the crisis of poverty and inequality. Unfortunately, we have all become insensitive to the scale and urgency of this crisis. As we speak, two out of six people in the world, which is almost two billion people, live in shocking poverty. It is estimated that 30,000 people, mostly children, die every day from poverty. This is equivalent to a silent tsunami every six days or a hundred jumbo aircrafts crashing every day. Half a million mothers no less died last year alone for no justifiable reason from pregnancy, from childbirth, from poverty. Almost three million people died from AIDS last year; 120 million children are denied the right to primary education and are out of school as we speak. One billion people have no access to basic sanitation; most of these are women and girls.

All in all the 1990s were seen as the lost decade for the poorest countries in the world. In at least 54 countries per capita incomes actually declined during the period and the number of people living in extreme poverty increased by 100 million people. The paradox of course is that at the same time the world had never seen so much prosperity before. The 1990s saw unprecedented economic progress in the rich world. The thousand richest people in the world are now said to have a personal wealth greater than the 600 million people living in the so called least developed countries. Ironically aid to Africa which was \$33 per capita a decade ago is now down to \$27 per capita.

Now shamed by the sheer magnitude of this violation of basic human rights and troubled by the potential backlash of such deprivation for the majority of the world's population, in the largest gathering of heads of state in the history of humankind in September 2000, world leaders committed themselves to the Millennium Declaration. In this sobering document they rededicated themselves to the Universal Declaration of Human Rights and to the right to development to free their fellow citizens from the indignity and suffering that goes with abject poverty.

At the turn of the millennium, they recapped the outcomes of the different UN Summits of the 1990s and gave themselves fifteen years up to 2015 to meet a set of very minimal but concrete goals and targets, now known as the eight Millennium Development Goals. In doing this they knew that the world has enough financial resources to solve all these problems. Best estimates are that an additional \$50 billion to \$100 billion a year could help achieve all the goals in all the countries in the world within the next decade. To put this figure in perspective the world spent \$900 billion on arms alone last year, so we just need one tenth of what we spend on arms every year to eradicate poverty once and for all.

In the past we could say that we didn't have the technology, the knowledge or the money to meet even the most basic needs of all human beings and that is simply not the case any more. A fair question for you to ask at this point, or indeed for any member of the public in Northern Ireland to ask, is that we have enough problems of poverty, exclusion and marginalisation of our own, we do care about global poverty, but we can't solve the world's problems. That would be a fair question. If you asked Margaret Meade, the well known anthropologist, that question, she would probably reply and I quote: "Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it's the only thing that ever has." But let me outline four reasons which make it hard to put global poverty as a second order problem any more.

First, the suggestion that we either have to tackle domestic poverty and exclusion or the global one is a false choice. We simply have to deal with both. And the fact is that today we have the resources to deal with both these problems. In any case often the causal factors or the attitudes and paradigms which lead to exclusion and poverty domestically are not different from the ones which lead to poverty globally. So, the causes of poverty in rich and poor countries are very, very similar as you go into it in more detail. But with 11 million children

dying in the developing world, when we have the resources to prevent it, turning our eyes away raises serious ethical questions. Everybody on the planet has the right to food, shelter, education, respect, dignity, the right to lead a life free from poverty. Whether you look at it from the point of view of fairness and social justice or a more profound question of the moral universe, it will be hard to hold the view that we cannot or should not deal with global poverty.

But clearly you cannot win public support for fighting global poverty in rich countries by telling the public that they spend more on pet food each year than it costs to feed the entire population of Africa or that in spite of the much greater health needs in Africa, most African countries spend 500 times less than most western countries on a per capita basis on health needs. In Sub-Saharan Africa life expectancy is down now to 46 years of age compared to 77 in the UK. I used to have a colleague in my previous job from Sierra Leone and he used to say that if you are in a room like this, he used to do a rather cruel thing, he used to ask everybody who was over 46 years of age to raise their hand and he'd say that if this meeting was happening in Sierra Leone, there would be nobody over 46 in the room. It was a very crude way of doing it but he used to always say that he was simply lucky to be alive — he was 50 years old.

The second reason and, happily, the public in Northern Ireland and rich countries generally have made it loud and clear that they don't need any convincing, in fact, they want us to do more and if we don't do that, they will do it themselves anyway — the unprecedented response to the tsunami crisis proved that beyond doubt. As Chancellor Gordon Brown recently said: "Humbled first by the power of nature, we have since been humbled by the power of humanity; the awesome power of nature to destroy, the extraordinary power of human compassion to build anew." The tsunami response only confirmed what the OECD public opinion surveys are consistently showing in the western world: that the public want to do more to make the world a fairer, safer and more prosperous place for all. Citizens of rich countries want more solidarity and justice in the world.

So, I think the first two reasons — because we think it's the right thing to do and because there's enough public support to do it — provide enough impetus for action. But let me list the third set of reasons to act and I do this with some hesitation because they are more open to abuse particularly in the current political climate. But there is enough evidence that if we don't act now, we'll move into increasingly dangerous and uncharted waters. As the rock star, Bono, recently said: "We have the cash, we have the drugs, but do we have the will?" Some say we can't afford to, I say we can't afford not to.

Now within this set of reasons let me first touch on the issue of security and then come to those of climate change and migration. As the recent UN report on security makes clear, we live in a world of new and evolving threats, threats which could not have been anticipated when the UN was founded in 1945, threats like nuclear terrorism and state collapse from the witches' brew of

poverty, disease and civil war. In today's world a threat to one is a threat to all. The report goes on to say: "Development has to be the first line of defence for a collective security system which takes prevention seriously. Combating poverty can not only save millions of lives but also strengthen states' capacity to combat terrorism, organised crime and proliferation. Development makes everyone more secure. The World Bank estimated that the 9/11 incident increased the number of people living in poverty by ten million and cost the rest of the world \$80 billion, an amount which could have usefully been deployed in poor countries to achieve many of the Millennium Development Goals. As the Secretary General Kofi Anan's recent report *In Larger Freedom* says: "Humanity will not enjoy security without development, it will not enjoy development without security and it will not enjoy either without respect for human rights."<sup>1</sup>

So, the other issue of a similar nature is the impact of climate change and I know that many of you work on environment issues and there's no better time to talk about this than when the Kyoto Protocol has recently taken effect. The report from the working group on climate change and development from the UK NGO network and the inter-governmental panel on climate change both remind us that the impact of climate change will be disproportionately borne by poor countries, increasing inequalities in food, health status, water, etc. The report is clear: "Global warming threatens to reverse human progress, making the Millennium Goals for poverty reduction unachievable. Cuts in emissions of greenhouse gases of 60% to 80% relative to 1990, far beyond Kyoto Protocol targets, are essential to avoid dangerous climate change and ensure some form of equity at the global level. On the seventh Millennium Goal on environment, we have no choice but to work together to keep this shared planet on a sustainable path which respects human development and human rights."

So increased poverty and inequality is certainly a push factor for people to migrate from poorer countries and areas. As long as inequity and imbalances between labour demand and labour supply are growing among countries, people will seek opportunity to better their livelihoods and certainly the Republic of Ireland is already starting to face the pressure of this. Although migration is a complex issue, it's generally understood that dealing with some of the key causes of migration, that is poverty and conflict, is as important as respecting the rights of immigrants.

Now, the final and most compelling reason is that in 2005, this year, we have a real chance of making a big difference. The world needs to bring development back on the agenda, away from the obsession of the so called war on terror. The heads of state meeting in September 2005 to review progress against the Millennium Declaration and Goals is very important. This is preceded by the G8 leaders' meeting in Scotland which will focus on poverty, Africa and climate change. The UK also holds the Presidency of the European Union in the second half of this year. At the end of this year there is the ministerial meeting of the world trade organisations in Hong Kong which will also have a major impact on global poverty. Already we are hearing a lot of rhetoric from governments but the

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<sup>1</sup> See <http://www.un.org/largerfreedom/>

only time governments actually act is when there is pressure from citizens to hold them to account for the promises they make. That is really what we at the Millennium Campaign are focusing on, to support citizens' action to hold their governments and international institutions to account for achieving the Millennium Goals.

Now, I gave you a lot of grim news but the good news is that things are already beginning to change. For a start many of the poorest countries in the world are already showing that these Goals can be achieved if there is political commitment even under most adverse circumstances as faced by Sub-Saharan Africa. Malawi, Eritrea and the Gambia are some examples on primary education and Bangladesh, Ghana and Mozambique are all picking up on the health front, not to speak of Thailand, Uganda and Senegal which have made very good progress on dealing with the issue of HIV/AIDS. But we have a long way to go if we want the Goals to be achieved by 2015. At current trajectory many of the poorer countries of the world are off track. However, with enough public pressure we can bring it back on the rails.

You could at this point ask what can I or my organisation concretely do about this? You can do a great deal in the UK by mobilising your own constituencies. Many NICVA members are already part of the NI Make Poverty History group which is the campaign which brings together all the major UK NGOs, trade unions, faith groups and other civil society organisations to push for a real breakthrough on poverty. This campaign has focused on the UK government giving more and better aid, dropping the debt and trade justice, all of which are essential for poor countries to achieve the Millennium Goals. The website [www.makepovertyhistory.org](http://www.makepovertyhistory.org) gives you a menu of all the things you can do as organisations and individuals and this is indeed the power of Make Poverty History. It is reaching out to the public to create the largest mobilisation that the country has possibly seen on global poverty and the symbolic white bands which I am sure you will be seeing more of today are already starting to get youth, celebrities and the media working with the voluntary and community sector in a very innovative and 'cool' manner. And the good thing about the white band is that you can do it in any way you want so it doesn't have to be manufactured in a sort of industrial factory, you can use a handkerchief, you can use anything but the idea is that this is a sort of icon, a symbol, and I understand it is becoming really cool on its own ebay and you can actually get them these days, so that's a good sign.

But amongst the rich countries, the UK government is certainly in the group which is deeply committed to the realisation of the Millennium Goals. The UK has increased aid levels and improved the quality of aid. It has already put some money on the table on debt relief and it takes a more progressive position on trade compared to many of its counterparts. For this we credit the government. However the UK government has to ensure that all the financial commitment it is making on debt relief is truly new money and not simply relabelling the existing aid budget. I think you in Northern Ireland are familiar with this process where governments use old money and just call it something new, so I don't need to explain this to you.

The UK government will have to show much greater coherence between its aid and trade policies. It should play a much more forceful leadership role in the G8 and in the EU on aid, debt and trade issues. On trade the current trading agreements which the European Union is pushing through in the name of economic partnership agreements with African countries are quite outrageous and not at all in keeping with the achievement of the Millennium Goals. The UK government can also exercise a great deal more influence with the World Bank and IMF to make sure that they are truly supporting poor countries and not tying them down with economic conditions which take them away from achieving the Goals. And each of you has a great deal of influence over the leaders from Northern Ireland who in turn can remind the British government of their responsibilities as one of the richest countries in the world.

And I particularly want to appeal to those of you who are actually from the community sector who are actually working with people at the grassroots level to really mobilise people, to put pressure in the run up to the elections as well, because many of the countries, many of the campaigns — and I'm now going to shift to showing some of the pictures from the different campaigns — have used elections as a very good opportunity to put pressure on candidates. When they want your votes, then obviously you know at that point they are ready to listen to you a lot more than they normally are, so it's a good time at local level, at council level to get resolutions, to get your candidates to actually say let's do something about these very basic things which our government has signed up to.

So, let me quickly take you through some pictures. The campaign essentially has three objectives and this is true whether it's a Make Poverty History campaign or in most countries it's to raise awareness, it's to build political wealth and it's to hold governments accountable for their promises. And essentially the grassroots mobilisation is crucial because the campaign is bottom up, it has got people's mandate to it, but increasingly we need media pressure as well. Our leaders listen to the media as much as they listen to the people. So together these two pieces can lead to significant policy change — a policy change not just in a theoretical sense but in a very practical sense.

So, 2005 has a series of opportunities. We want to bring the development agenda back on the sort of radar screens of leaders, we want to have 'White Band Days'. Just before the G8 on 2 July 2005 we have the first White Band Day, so I hope that many of you will go to Edinburgh; Gleneagles is where the meeting is happening but Make Poverty History is organising a big rally on 2 July 2005 in Edinburgh. Then we have a White Band Day on 10 September 2005 for the heads of state meeting, another very important milestone this year, and then on 10 December 2005, which is just before the World Trade Organisation meeting, which also happens to be Human Rights Day.

I wanted to show you some pictures before closing of the different campaigns. The very first campaign we started off with was in Italy, the campaign there was actually organised by the peace roundtable and the slogan they used was

'peace and development march hand in hand', so we had 300,000 people marching on the Millennium Development Goals and each Goal was represented by one arch of a gate so you can see eight arches and so all the activists on women's issues gathered around the third arch and the people working on trade issues gathered on the eighth arch, and things like that. So, for a week there was huge media coverage. This is the Spanish campaign, this is the Mayor of Barcelona. In Spain we had a very different situation because we had a change of government and as it happened all the people who were involved in the campaign are now in the new government, so the Spanish government has already announced 0.7% of its national income to be committed to aid and there is a huge amount of progress there, still a lot of issues on trade pending.

This is a Republic of Ireland campaign which Trócaire has been running — I'm sure you can get a lot more information from them. This is before last year's G8.

This is the One Campaign in the US — the reason they call it the One Campaign is because they are demanding that the government, the US government, should contribute 1% of the federal budget towards global international aid.

The Japanese campaign has just started and this was one of the main squares in Tokyo where they have pictures of the G8 leaders and specific demands around aid, trade and debt in Japan.

The Make Poverty History campaign is going to be a very visible campaign, it's already starting to build up and it's built around the G8 but also the other major events and again it's an aid issue, a trade issue, but the interesting thing about the Make Poverty History campaign is also that they are trying to take it straight to the public, as you can see here, using the car parking meter to communicate a straight message about how grave the poverty situation at the international level is.

This is the Indian campaign and the slogan is in Hindi and means 'don't break your promise'. This is the one from Pakistan. Some of these are quite new, in fact I've just got them, I've just come from Bangkok where we had a meeting of the Asian campaigns.

This is from El Salvador — there they're using the imagery of broken promises, for education they use broken pencils, and for hunger they use a broken plate.

This is the Brazilian campaign — in very Brazilian style, much more flamboyant. They use these eight icons, one for each goal, you find these icons now on all the cash machines in Brazil, you find them in the airports, in supermarket shopping bags, so it has become quite a visible campaign.

I also wanted to say that there are different constituencies which have now joined the campaign from different perspectives, so this one is the campaign by the trade unions, by the International Confederation of Free Trade Unions, which has joined the campaign in its own right.

Some major churches have also joined — this is the Mica challenge, it is in fact the evangelical church, but this is from South Africa, that is Archbishop Ndungane who works very closely with Mandela as well.

But all of these different campaigns, and this is the beauty of this, you don't need to worry about whether or not you're part of some mainstream campaign, you can do it the way you want, in your own constituency, you can design it your own way. It can have its own name and the only thing which unites all of it is the white band to show that you're part of a larger whole. You can do it in the way that makes sense to your own constituency.

But all of this, the different national campaigns, constituencies and sector campaigns, have come together at the international level under the global campaign called Action Against Poverty. We launched this on 26 January 2005 at Porto Allegre at the World Social Forum so we helped President Lula at the campaign launch. It was a very visible launch again, going beyond the people who are coming to the World Social Forum to involve the entire population of Porto Allegre.

This picture is from the next day, 27 January 2005, when we had an event in Davos, again with some celebrities and world leaders. I showed this picture because I just wanted to show you about some innovative uses of the white band because the day before we had this meeting we couldn't actually find white bands, so we had to cut the napkins in the hotel and tie them around our heads.

This event, organised by the Make Poverty History UK Campaign, happened just before the G7 Finance Ministers' meeting. We had Nelson Mandela speaking to 25,000 people or so in Trafalgar Square and the point Mandela made there was that extreme poverty is a bit like slavery and apartheid, you know we just simply cannot accept this any more. This has to be a movement which stands side by side with the anti-apartheid or anti-slavery movements. In his speech he said nothing could have brought him up to Trafalgar Square except a movement against poverty because he's quite frail actually and doesn't travel any more.

So, we have the White Band Days and we're also trying to use celebrities and this is where the generation thing becomes very clear. I didn't know who most of the people in this picture were, I had to ask my daughter! That guy there is Justin Timberlake, so if you don't know him, it kind of tells you where you are!

This is our website, [www.millenniumcampaign.org](http://www.millenniumcampaign.org). If you want to know a lot more details, please visit it. It gives country by country status and where the campaign is. Global Poverty Action has its own website, called [www.whiteband.org](http://www.whiteband.org). The UN Millennium Campaign is a UN campaign which supports independent civil society campaigns like Make Poverty History or Global Poverty Action.

I want to end by showing you a couple of clips which should definitely wake you up, I hope!

*[Showed videos]*

Thank you for your patience. I want to end by saying that we have between 40 and 60 campaigns across the world, because it's not a central Politburo style run campaign. There are so many campaigns which come up sometimes, we don't know about some of them. But I want to close by saying that we don't need another tsunami or a 9/11 or Sars to remind us how closely the world is interlinked. We are truly the first generation which can actually end poverty, and we're running out of excuses. Thank you very much.

**Anne O'Reilly**

Thank you very much. I hope you were inspired. I hope it acted as a wake up call and I hope you are motivated to get engaged individually and organisationally in the campaign. I want to move on and we've set quite a challenge when you look at the item on the agenda. Geoff Mulgan is with us today and has asked the question: "Can governments eradicate poverty?" Just over six months ago Geoff Mulgan stepped down as director of the Prime Minister's Strategy Unit and Director of the Policy Unit at No 10. He has been one of the key people in the New Labour administration, a key strategist credited with leading much of Labour's blue skies thinking. His own family roots are in Northern Ireland and had he stayed here, given our weather, he probably would have ended up more like a grey skies thinker! Before joining Tony Blair's background team in 1997, Geoff was director of Demos, an organisation he co-founded which has been described as "the UK's most influential think tank". He has also been chief advisor to Gordon Brown, Chancellor of the Exchequer, and he has done a host of other things as well. He is a World Economic Forum global leader of tomorrow and was ranked in 2004 as one of the UK's 100 leading public intellectuals. He has shared his thoughts and ideas in over thirty countries to date to very many influential people and we are delighted that he has taken the time to come to Belfast today. So, can I introduce Geoff Mulgan, current Director of the Institute of Community Studies in East London.

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## **CAN GOVERNMENTS ERADICATE POVERTY?**

**GEOFF MULGAN**

Thanks very much for that introduction. It's always very nice for me to be in Belfast but Salil is quite a difficult act to follow and not only because I haven't brought any technology at all, I have no pictures of Justin Timberlake or Catherine Zeta Jones. We are a few years into an unprecedented commitment from a government to eradicate child poverty and we're just entering an election campaign in which this will, I think, be one of the issues — perhaps not as prominent an issue as it should be — and whether our whole society needs to decide if it has the will, the commitment to see that through or whether we're going to quietly drop it, and that's really down to all of us.

What I wanted to do was say a little bit about what we mean by poverty, a bit about its causes, a bit about what's happening in the UK, a bit about what governments can do, and cannot do, a bit about the politics of what makes government actually take action on poverty and then what is our shared responsibility inside and outside government in making anything happen.

And I want to start with what we mean by poverty because on my way here I was reminded of spending time in India, meeting whole villages near an Action Aid project which Salil, I've just discovered, was involved in, and discussing with them what actually was poverty. It was very striking then how many of those people said: "We're not very poor, we have very strong communities, we have enough to eat" and one of them, a very poor man, had been to Germany a few months before as part of a Fair Trade project and he had been shocked by how they treated old people, and what he saw as the spiritual poverty of that society compared to what they have in India.

So, some of these things are absolutely universal questions of having enough to eat, a roof over your head, and so on; some of them are more relative, are more about the absence of the things which our societies value. And in our society the things which matter most, I think, like income and wealth or health where at the moment it is pretty much a postcode lottery; where you live determines how long you should expect to live — ten years difference between the most prosperous wards and the poorest wards in the UK; environment — huge differences between the leafy suburbs of some cities and the rest. And we know a lot about how these different kinds of poverty cluster together in the same places. I now work in Bethnal Green in London which was the object of one of the great studies of poverty a hundred years ago by Charles Booth when he mapped out house by house, street by street, where poverty was, and the same ward which was the poorest then (where my new building is in), is still the second poorest ward in the UK.

The places actually haven't changed very much, and family as a predictor of poverty in the UK is actually becoming stronger and a more important predictor. As I will say in a moment, other aspects of social mobility are actually declining

at the very time when they should be increasing. And I think one other thing about poverty we should acknowledge is it is very different being poor in a very consumerist society when you are bombarded every minute of the day with advertisements about the things you should own, you should possess, compared to the poverty my family experienced fifty years ago, a hundred years ago, where in fact it was much more normal to be poor and you weren't constantly being reminded of your own inadequacies of not being able to take part in the society's values.

Now what causes poverty: obviously very, very complicated, a very good book is coming out next week which I'm sure Salil probably helped write, by Geoff Sachs, which is a compilation of what we know globally about the causes of poverty and what can be done about it. But in some ways it is pretty simple — we live in a capitalist market economy and one of the main reasons some people and places are poor and others are not, is that they have something to sell and the means to sell it, and that thing may be labour time, it may be natural resources like coal, it may be a beautiful countryside which you can persuade people to come to be tourists in, and a great deal of poverty is explained by whether individuals, families, communities, nations do actually have something to sell and the means to sell it. Bill Clinton used to say: "it's the economy, stupid"; the main reason why people are poor is they don't have enough money. But of course it's not only the economy, stupid, and not just because of things like trade rules; as Salil said, the European Union's trade policies are in many ways a scandal in relation to the rest of the world.

It's also politics in another sense. A very striking fact across Europe is that if you look at people's pay, what the market delivers in terms of pay for chief executives or cleaners or people working in a car factory, is not very different. The UK has roughly the same inequality as Sweden or Germany or The Netherlands in terms of market rewards. The difference is entirely about politics and whether governments then redistribute from the relatively rich to the relatively poor through pensions and benefits and in work benefits and so on. This is a key sort of fact about poverty and, although it is the economy, stupid, it's also the politics, stupid, as well. And, of course, since we are in an election campaign, I think this is worth recalling.

Now a little bit about what is happening in the UK at the moment. I think we are in a very complicated position in relation to poverty. We went through, and I think everyone is agreed on this, in the 1980s and 1990s a huge worsening of inequality and both absolute and relative poverty in the UK. The same happened in the US, it didn't happen in most other developed countries, it was precipitated by de-industrialisation, by big cities like this losing their old industries, the docks going, factories going, mining areas going out of business, and that affected every indicator of poverty from health and education to drugs, family breakdown and so on. We are now beginning to pull our way out of those very bad years of worsening poverty but the picture is complicated. So, if you look at income, apart from the top 1% who are still getting richer, much richer in this country, across the rest of the income range, there has been a strong

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move to greater equality in the last seven or eight years. Even if there are still some complicated issues about absolute and relative poverty, perhaps we can come back to.

Old age is much less likely to be a predictor of poverty than it was twenty or thirty years ago. Most older people in Britain are not so poor as they used to be. Many places are much better than they were ten or fifteen years ago. Certainly the big cities generally don't have that air of despair which so many of our big old cities had in the 1980s and early 1990s.

But many things are getting worse. Wealth inequalities are getting worse, partly because of the housing market and despite modest moves like the Child's Trust Fund to try to give poor people more assets. Poverty is becoming more concentrated in some places despite all the efforts on regeneration and so on. We're seeing social mobility in some ways getting better, particularly for women, but over the last twenty years, the evidence shows social mobility is declining in the UK, as it is in the US despite all their claims of being a society of opportunity. And we have many more complicated pictures so, for example, among ethnic minorities some minorities are doing much better than the average, the Indians, Chinese, for example and Africans, way ahead now of white British in terms of performance at schools, business start-ups, earnings and so on. Others like the Pakistanis, Bangladeshis, Afro-Caribbean are still falling behind, so it's a much more variegated picture than twenty or thirty years ago. The bottom line is still, of course, we are a very, very rich country — fourth, fifth, sixth economy in the world depending on how you measure it, and yet we are still a society with many, many poor people, many, many poor places.

So, what can governments do? Our title here is: 'Will the poor always be with us?' There are some people who think this is simply a fact of nature, poverty is just one of those things you cannot avoid and there is also a widely held belief amongst the elite in Britain, as elsewhere, that anything governments try to do to reduce poverty will ultimately be futile, a waste of money, will somehow lead to unintended consequences. There is an extraordinary degree of fatalism amongst parts of the elite on this issue. And there is also, if we're honest, a darker view some people hold, which is it's actually quite good to have some poverty to keep people a bit insecure, a bit frightened, it makes them work harder, it makes them more disciplined and so on. You will find many people again, in London, who believe that while the rich of course need generous incentives to make them work hard, the poor need pressures and fear. This is a less common opinion voiced publicly than it used to be, but it's still there.

But both of those views are basically rubbish and the evidence simply comes from looking at how many different countries, which are similar to us in other ways, have much lower levels of poverty, child poverty, old age poverty, urban poverty and so on. I've explained some of the reasons which are about redistribution, but there are many others. And it is because the evidence shows that governments can make a difference that this government wisely or unwisely has committed

itself to these very bold goals of eliminating child poverty, reducing the gap between the poorest areas and the rest and moving towards full employment. Part of that is about dealing with the symptoms of poverty, so much more generous tax credits and benefits; according to the Institute of Fiscal Studies if those hadn't been in place, we would have actually seen worsening inequality in the last seven or eight years instead of which we have seen improving equalisation.

But, of course, the big impacts come from dealing with the underlying causes and, very briefly, I think we now know a lot about what works in terms of employment and reducing unemployment. Some of it is about the macro economy, some of it, though, is about the detail of welfare programmes, employment programmes, making labour markets work, helping with training, helping to match people with jobs. Fifteen years ago in this country most people thought mass unemployment was a fact of nature, unavoidable, nothing you could do about it; now we do still have far too many people out of work but it is a dramatically different position compared to then.

We know much more about counter-intuitive policies like the fact that investing in early years in probably delivers the best return in terms of long-term impact on poverty of anything a government can do. Many people five, ten years ago said you'll never get a government to invest much more money in the under 3s because all the benefits will come to their successors in twenty years' time — that's true but nevertheless there has been a huge expansion of spending on the early years and it's going to be a prominent feature of the party manifestos in a few days' time. We know much more about what works in schools, we had a scandal 5-10 years ago of literacy and numeracy levels in our schools which were virtual guarantees of poverty and unemployment in the future, and those have sharply improved. We know a lot about how to get health services equalised, again we had huge inequalities in health provision and health outcomes which are beginning to be dealt with even if some of the public health issues, like smoking, diet and so on, are appearing to be becoming more unequal rather than less.

In all of these areas, a lot can be done by trying to change the ways in which public services work and moving away from what was often the tradition in this country of poor areas and poor people having poor public services — less spending on policing in poor areas than in rich areas, less spending on health services for the poor than the rich even though we claim to have universal public services. A lot of what this government has been trying to do, sometimes with quite crude targets, regimes and measures, has been trying to reduce that variability, primarily in order to improve services for the poor. But the other striking thing is that in all of these areas these are no longer monopoly activities for government. Every single one of them involves a much bigger role for the voluntary sector, the community, civil society, than would have been the case 10 or 20 years ago.

Now I won't say anything much about the global parallels to this but just one thing to add to what Salil said, I think it has quite quickly in recent years become a conventional wisdom that the single most important thing which makes a

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difference between a country being poor or rich, or people in a country being poor or rich, is essentially government, governance, politics, rather than anything else. You might think that having natural resources was the best way to be a rich country. In fact, the oddity is that having natural resources is one of the best guarantees of being poor, or having a predatory elite and there's no correlation between natural resources and wealth. It used to be thought that culture somehow explained which places were poor and which were rich and I have on the shelf outside my new office, a book by Gunnar Myrdal from the early 1960s explaining why Asia would always remain poor because of their confusion cultures (Asian Drama: An Inquiry into the Poverty of Nations). Well, that turned out to be absolute rubbish. Any society from any cultural background, any religion has it in itself to become wealthy; far more is explained by the quality of governance in all its senses and, in particular, the impact of democratisation.

Now that brings me to the politics question — what is it politically that makes governments do the right thing and take action on poverty? We have over 50 years in this country seen a big change in the politics of poverty. Back in the 1940s or 1950s we had a fairly pyramidal society with a relatively small, middle class and upper middle class and most people basically working class and quite poor. That meant there was a fairly straightforward political argument for redistributing from the relatively wealthy to the majority who were relatively poor. We now have a shape something a bit more like a rugby ball or rather elongated rugby ball with a small minority of the very, very rich, a large middle and then a smaller minority left out from opportunities, prosperity and so on. That has made it much harder in some ways to make the political argument for redistribution. It is why New Labour tried to reshape all of its arguments about welfare and poverty through slightly different lenses, talking about children and child poverty, rather than poverty as a whole, even though they of course ultimately lead to exactly the same things because you can't make children less poor unless you make their parents less poor. It is now much more in the language about investment and returns, about the waste to society, the economy as a whole of poverty. And I think, looking ahead, there is a lot of work being done in the UK about what we need politically to maintain momentum in attacking poverty and I just want to say a little bit about that.

One of the first priorities is making sure people actually understand needs and it's very striking, partly because of our media, that people do have a rather distorted view of the realities of poverty in Britain, for example most people think unemployment benefit is much higher than it is. If you ask people are people on unemployment benefit poor or reasonably well off, they'll say they're reasonably well off. If you ask them if people are poor at the level of unemployment benefit, then they'll say of course that's very poor. Equally if you tell people that one in 50 children doesn't have a warm coat, or that one in 25 children in Britain doesn't have enough money to celebrate their birthday, that has much more impact than more general statistics. So personalising these facts, getting awareness of need is a first priority. The second is persuading people that money will be well spent. There has been a huge ideological campaign over the last 20 years to convince

people that any programme on poverty will fritter resources away and won't have any real impact. It is very striking that in one campaign in the US when polled, the American people think that 25% of public spending goes on development aid. So, not surprisingly they're not very favourable to increasing that sum because they think they're already spending lots of money. So that's a rather clever campaign of actually educating them about the realities and mobilising to raise the real figure, which is I think 0.3% or whatever, up to something a bit more reasonable.

There's also a crucial issue about moral fit with what the public believes is fair or unfair and a lot of poverty strategies in the past in the UK went slightly wrong by not quite fitting where most people's moral framework was in terms of just rewards and fairness. So, it was easy to attack strategies which were seen just to give more money to people who weren't prepared to work, were lazy, and so on. We've come some way, a remarkable statistic I was just reading on the way here is that in the mid 1970s if you asked the British people what explained poverty, 44% said laziness was the single best explanation why some people were poor and others weren't. Now thankfully it's now half that, 22%, but there's a real issue there about how we construct the programmes around poverty and this is particularly important for relatively poor people; if the public thinks it's simply rewarding people for doing nothing or being lazy or being feckless, the political support soon ebbs away. It it's seen to be a fair deal of helping people who want to work, want to do right by their family, it's much easier to sustain the politics.

Now this is all going to be very, very important in the years ahead if we're to maintain momentum and avoid the sort of backlashes which have happened in the past in this country and happened in the US in response to the great society programme of the 1960s and so on.

Now a final thing I wanted to say is about who does it? I've been trying to explain that governments can make a difference to poverty but the striking thing you very soon learn if you spend any time in government, and I've been there for seven years, is that actually governments can't do anything. I don't mean literally they just do nothing, although some of them do nothing, I mean governments themselves have no direct power to do anything on poverty. All they can do, they can pass laws, they can spend money and they can encourage things to happen, but this becomes very important in poverty programmes. There are some things which are relatively easy for government to do like designing benefit systems and running them through big agencies, but nearly all the more subtle work around children, crime, improving physical environments actually requires a whole series of different actors and agencies to share a common vision of what needs to be done and how it needs to be done, and to pull together. And the most that government can do is to make it easy for that action to happen, that co-ordination and co-operation to happen, but it's a great optical illusion to believe that governments themselves can pull a lever and things happen automatically.

That's why this sort of gathering is so important and it's also why in the last few months, as the introduction said, I shifted out of government into the voluntary

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sector. And what I'm doing is following the career of Michael Young, the man whose base I have taken over, who in 1945, exactly sixty years ago, wrote the Labour Party's manifesto, helped shape the welfare state, helped achieve an extraordinary roll back of the poverty of the 1920s and 1930s which had so scarred British life. A few years later he decided that he could achieve more lasting change not within Whitehall, within the party system, but outside and so he moved to this small building in East London and set it up as a base for social change, partly doing research, partly promoting ideas but above all creating new organisations, new activities which could be more deeply rooted and could promote social justice. All sorts of organisations like the Open University, Consumers Association and the School for Social Entrepreneurs were born out of this building, all sorts of thinking and ideas and practical solutions about what could be done to reduce poverty. But the basic idea he had was that if you see a problem, you yourself have a responsibility to do something about it, don't wait for someone to authorise you and don't only expect governments to act, always see what you can do without government. In an ideal world, of course, you always align what you do and you try and operate in 360o with business, government, voluntary sector, public in tandem and that's what Michael Young was very good at doing and everything we're discussing today from Fair Trade to Welfare Reform requires a sharing of responsibility across the whole of society.

The one final thing I want to say, you mention my family came from Belfast. One wing of my family during one of the recessions of the 19th century went to New Zealand to escape poverty here and got a small plot on the east coast and started planting plants and got extraordinary results, these vast marrows and tomatoes grew, they thought they had struck lucky and this was the promised land; they had two years of really great crops and then each year the crops got smaller and smaller because the soil was being denuded of nutrients and within five years they were impoverished again — rags to rags again in five years. And one of the lessons I learned from that is this is not a field in which there are any quick fixes. Anything which looks like it's a magic solution almost certainly won't work. And we really are in a marathon, not a sprint, and it's a marathon which I think, if we look in historical perspective, we can win. I think we are in a parallel position to what happened in the late 19th century when cities like this were being built up, there was a huge surge of urbanisation, thousands and millions of people were brought in from the countryside to deeply unpleasant cities where they lived in poverty with dire environments, dire life expectancy, no public services, terrible water and so on, and very high crime rates. It then took 50 or 60 years for this country to put all of that right, some of it right, to provide some of the bases for people to live, more decent, more secure lives with more opportunities. Indeed, the first half of the 20th century was essentially about doing that. I think we then saw 20 or 30 years of severe shocks of de-industrialisation as all of the bases of that economy were knocked away and now we're in an equally long, probably quite slow process of rebuilding the foundations for prosperity and security and a very different economy, much more globalised, much more based on knowledge and services than the economy of the past.

And that leads me to one of the things I learned in government, that most governments have an optical distortion about processes of change. They nearly always over-estimate how much can be changed short term in one or two years when in fact there's very little worth doing which can be done in one or two years, but equally they nearly all under-estimate how much fundamental change is possible over longer periods of time with persistence, consistency, mission, will and passion. And I think all of us are more in the sort of Paula Radcliff territory than Linford Christie and I hope this event is part of how we get to the end of that marathon with poverty truly made history.

**Anne O'Reilly**

Thank you very much. We are very informed by the two speakers we've had this morning so, hopefully, hold the inspirational ideas you have yourselves for the workshops. We're back on track in terms of time, so if we see you at 11.45am, we will have Brigid and Gerry Mulligan as the two speakers leading us into a question time and then lunch.

**SEAMUS MC ALEAVEY**

Pictures do speak louder than words. In this session we're going to move to look at the situation in Ireland, obviously North and South. Our first speaker is Brigid Reynolds, who is the co-director of CORI Justice Commission. For almost 25 years Brigid has been an active campaigner on issues of social and economic policy in Ireland with a special focus on tackling poverty, inequality, social exclusion and sustainability. She also has wider international experience working in the same area for ten years in Africa. She has been part of the social partnership process in the Republic of Ireland since the voluntary and community sector was given partnership status in 1996. This has given our sector access to policy formulation at the highest level and while the process has not always been easy, people like Brigid and her co-director Sean Healy have made a big difference in influencing government, forcing it to address issues of poverty in Ireland. The Republic of Ireland is now famed for the Celtic Tiger. It has transformed itself since the late 1980s from being one of Europe's poorest countries to one of the richest yet the gap between rich and poor has widened and a rising tide has not lifted all boats. Brigid will focus on the gap between rich and poor. I'd ask you to welcome Brigid Reynolds.

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**MIND THE GAP BETWEEN RICH AND POOR**  
**BRIGID REYNOLDS**

Good morning and I hope you're all awake now after that nice cup of coffee. Thanks very much, Seamus, for the welcome and thanks to all of you. I have been asked to look mainly at the Republic of Ireland and what it says to us about policy formulation particularly in the context of making poverty history.

In tackling the issue of the gap between those who are rich and those who are poor, there are two key contexts that should be considered:

- the national; and
- the wider world ie north/south.

In both situations there are key problems that must be overcome if the gap between rich and poor is to be reduced in the years ahead.

At the national level: at present the emphasis of policy-makers is on generating increased economic growth. This, in turn, is meant to produce the resources that can lead to a reduction in the rich/poor gap. There is a huge problem with this approach, however. Economic growth can, in fact, have the opposite effect; it can produce a widening of the rich/poor gap as has happened in the Republic of Ireland in the course of its Celtic Tiger boom.

At the wider world level: the development model being offered to the poor countries of the south of the world envisages economic growth leading to growing numbers of jobs, eventually producing a situation where everyone in the labour force has access to a job which will pay an income sufficient to secure a decent standard of living and a reduction in the rich/poor gap. However those proposing this model fail to recognise the fact that there will be huge unemployment in the countries of the south for the foreseeable future. Everyone has a right to work and there is plenty of work of different types to be done. But an income distribution system that depends on people receiving their income as payment for doing a job is not going to reduce the rich/poor gap if a substantial proportion of people are not going to have a job in the first place.

So it is very important to mind the gap between rich and poor if we are ever to succeed in making poverty history. Poverty can become history but not if we continue to try to achieve this through conventional models and methods that have failed in the past and are not likely to succeed in the future.

***A cautionary tale***

In this paper I will look at the experience of the Republic of Ireland to show how economic growth does not, of itself, reduce the rich/poor gap. I will then focus on one aspect of the wider world scenario ie the focus on employment as the pathway to reducing the rich/poor gap and show how it will not deliver this desired outcome within the lifetime of anyone here today. The paper goes on to identify possible pathways to resolving the dilemmas being faced by the current approaches.

***Republic of Ireland – changing socio-economic context***

The contrasts between the Ireland of 1987 and of 2005 are dramatic. In 1987 the national debt was 115% of Gross National Product (GNP); today it is 30%. Unemployment in 1987 was in excess of 15%; today it is just over 4%. In 1987 the annual inflation rate was above 15%; today it is about 2%.

Between 1993 and 2001 the annual real growth rate of the Irish economy was twice the average recorded over the preceding three decades (8% a year compared to 3.5% a year in the past). At present it is averaging about 5% a year. Over the past decade the Irish economy has significantly outperformed the EU average and continues to do so.

Side by side with the decline in unemployment there was a dramatic rise in the numbers employed. While the numbers employed remained more or less constant in the EU and grew by about 1% in the USA, in Ireland they grew by 45% since the end of the 1980s. Substantial net out-migration became substantial net in-migration as Irish agencies went to many countries across the world in search of a labour force to take up the positions becoming available in the Republic as part of the economic boom.

In the past decade Ireland's living standards rose dramatically. Per capita income rose from being two thirds of the EU average to being substantially in excess of the EU average. Budget deficits became budget surpluses. Recession became a thing of the past. Pessimism gave way to optimism.

The contrasts between 1987 and 2005 are dramatic. This is a good story in so many ways but it is not the whole story. There is another side to Ireland. We have had the economic growth that has produced the financial resources but we haven't solved the problem of poverty. The promise that 'the rising tide would lift all boats' has not delivered. In fact, relative income poverty has increased. How has this happened in the land of the Celtic Tiger? Where has the economic growth gone? How have the new resources been used?

***Relative income poverty has increased***

For a single person the poverty line is €199.43 a week in 2005. While this amount is very basic, the lowest social welfare rate for a single person is only €148.80 in 2005 which is €50.63 a week short of the poverty line. Table 1 shows the changes in relative income poverty rates between 1998 and 2003. The table has three lines, all of which show that relative income poverty has risen during the period of major economic growth. The internationally accepted measure of relative income poverty is 60% of median income. This shows that 22.7% of our population live in relative poverty. This means that 903,188 of our people are in relative poverty, the highest risk of poverty in the European Union.

**Table 1.**  
**Percentage of population below relative income poverty lines, 1998-2003**

	<i>1998</i>	<i>2000</i>	<i>2001</i>	<i>2003</i>
50% median income line	9.9	12.0	12.9	11.1
60% median income line	19.8	20.9	21.9	22.7
70% median income line	26.9	28.1	29.3	29.4

*Source: CSO (2005a:5), using national equivalence scale*

***The rich/poor gap has widened***

Of particular interest in this context is income distribution among households in Ireland since the late 1980s. The results of studies by Collins and Kavanagh (1998), Collins (2002) combined with the recent CSO (2005a) income figures provide a useful insight into the pattern of Ireland's income distribution over 16 years. Table 2 combines the results from these three studies and reflects the distribution of income in Ireland as tracked by four surveys in that period.

Over 16 years the share of the bottom 50% of the income distribution has fallen from 25.25% in 1987 to 23.62% in 2003. Across all four surveys the share of the bottom two deciles (the bottom 20%) has continually declined such that those in this group now account for 4.85% of the total income in society versus 6% in 1987.

**Table 2:**  
**The distribution of disposable income, 1987-2003 (%'s)**

Decile	1987	1994/95	2000/01	2003
Bottom	2.28	2.23	1.93	1.74
2nd	3.74	3.49	3.16	3.11
3rd	5.11	4.75	4.52	4.75
4th	6.41	6.16	6.02	6.35
5th	7.71	7.63	7.67	7.66
6th	9.24	9.37	9.35	9.86
7th	11.16	11.41	11.20	11.82
8th	13.39	13.64	13.48	14.25
9th	16.48	16.67	16.78	16.91
Top	24.48	24.67	25.90	23.55
Total	100.00	100.00	100.00	100.00

*Source: Collins and Kavanagh (1998:173), Collins (2002), CSO (2005a:6-7)*

*Notes: Data for 1987, 1994/95 and 2000/01 are from various Household Budget Surveys. 2003 data from EU-SILC.*

The most recent data on income distribution, from the 2003 EU-SILC survey, indicates a further shift in the distribution of Ireland's income. In 2003, the top 10% of the population received 23.55% of the total income while the poorest 50% received almost exactly the same share of total income at 23.62%.

**Anti poverty strategy**

**The old strategy is past its 'sell-by' date**

The constantly repeated strategy of politicians that 'a job is the best poverty fighter' doesn't seem to make much sense in a society where 60% of those in poverty live in households headed by a person who is not in the labour force. These households are headed by people who are ill, retired, 'on home duties' or have a disability. A further 25% are in low paid employment. Only 7% of those at risk of poverty live in households headed by a person who is unemployed. Table 3 shows the breakdown.

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**Table 3:  
Incidence of persons below 60% of median income by labour force status, 1994-2001**

	1994	1997	1998	2000	2001
Employee	8.3	11.5	6.0	15.4	18.8
Self-employed	10.1	7.8	8.3	8.2	6.6
Farmer	10.6	8.0	10.4	8.9	7.6
Unemployed	41.1	29.6	22.9	12.2	7.3
Ill/Disabled	6.2	10.4	9.1	10.7	11.9
Retired	6.0	9.1	12.0	16.3	18.8
Home Duties	17.8	23.6	31.4	28.4	29.0
Total All	100.00	100.00	100.00	100.00	100.00

*Source: Whelan et al (2003: 24), equivalence scale A.*

An anti-poverty strategy should be based on good causal analysis. Much current policy is not based on an accurate analysis of the causes of poverty.

Unemployment doesn't cause relative income poverty — inadequate income does. In 1997 when the Irish Government launched the National Anti Poverty Strategy, unemployment was seen as the first cause of poverty. As we have seen, unemployment has dropped to 4% but poverty has increased to 22.7%. We need to be more sophisticated in our analysis. Inadequate social welfare payments are a much more direct cause of poverty than unemployment is.

**Why does poverty persist in a relatively rich country?**

The Republic of Ireland has generated sufficient resources to take every man, woman and child out of poverty. But the resources were not focused on producing this outcome. This is clear when we look at the Government's expenditure on social protection and its taxation policy.

Social provision deficit persists because Ireland's expenditure on social protection is the lowest in the EU.

An analysis of Ireland's spending on social protection against that of other EU countries is telling. Social protection expenditure is defined by Eurostat to include spending on: sickness/health care, disability, old age, survivors, family/children, unemployment, housing and social exclusion initiatives not elsewhere classified (2003: 7). Table 4 uses the most recent figures, published by the European Commission in early 2004, to show the size of this expenditure as a percentage of GDP for 2000 (the latest year for which figures are available). A comparison is also made with Ireland's GNP.

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**Table 4:**  
**National Social Protection Expenditure as a % of GDP, for EU Countries**

Country	% of GDP	Country	% of GDP
Sweden	32.3	Greece	26.4
France	29.7	Finland	25.2
Germany	29.5	Italy	25.2
Denmark	28.8	Portugal	22.7
Austria	28.7	Luxembourg	21.0
Netherlands	27.4	Spain	20.1
United Kingdom	26.8	IRELAND GNP	16.5
Belgium	26.7	IRELAND GDP	14.1

*Source: EU Commission (2004:28)*

*Note: EU-15 average is 27.3% of GDP*

Using GDP or GNP, Ireland's spending on social expenditure stands out as the lowest in Europe. There remains a considerable gap between Ireland and the next lowest country, Spain. In the context of these figures, it is no surprise that Ireland has high levels of poverty and social exclusion.

The economic growth has not been targeted primarily at reducing the rich/poor gap, or at bringing Ireland's social protection up to EU-average levels, or at reducing relative income poverty. This is not an accident. It is the result of decisions taken by policy makers concerning the allocation of resources that were available. How were the resources used? An analysis of developments in taxation policy points to a key part of the answer to this question.

Taxation Policy has been focused on reducing the overall tax burden (which has benefited those with resources) not on maximising the benefits for ALL.

The most recent data on the size of the Irish tax burden has been produced by the OECD (2004) and Eurostat (2004) and is detailed alongside that of the 24 other EU states in table 5. The definition of taxation employed by both

organisations incorporates all compulsory payments to central government (direct and indirect) alongside social security contributions (employee and employer) and the tax receipts of local authorities.<sup>1</sup> The tax burden of each country is established by calculating the ratio of total taxation revenue to national income as measured by gross domestic product (GDP). Table 5 also compares the tax burdens of all EU member states against the average tax burden of 38.4%.

Of the 25 member states, the highest tax ratios can be found in Sweden, Denmark, Belgium and Finland and the lowest are in Lithuania, Ireland, Latvia and Malta. Overall, Ireland has the second lowest tax burden at 30%, some 8.4% below the EU average.

**Table 5:**  
**Total tax revenue as a % of GDP, for EU-25 Countries in 2003**

Country	% of GDP	+/- from average
Sweden	50.8	+2.4
Portugal	36.3	-2.1
Denmark	49.0	+1.6
Greece	36.2	-2.2
Belgium	45.8	+7.4
Germany	36.2	-2.2
Finland	44.9	+6.5
Ireland GNP	36.2	-2.2
France	44.2	+5.8
Spain	35.8	-2.6
Italy	43.4	+5.0
United Kingdom	35.3	-3.1
Austria	43.0	+4.6
Estonia	35.2	-3.2
Luxembourg	41.6	+3.2
Slovakia	33.0	-5.4
Czech Rep	39.9	+1.5
Cyprus	32.5	-5.9
Slovenia	39.8	+1.4
Malta	31.3	-7.1
Poland	39.1	+0.7
Latvia	31.3	-7.1
Netherlands	38.8	+0.4
Ireland GDP	30.0	-8.4
Hungary	38.8	+0.4
Lithuania	28.8	-9.6

*Source: OECD (2004:18), Eurostat (2004:239) and CSO National Income and Expenditure Accounts (2004:1)*

*Notes: Data for all non OECD countries from Eurostat (2004). EU average (unweighted) is 38.4 per cent.*

<sup>1</sup> See Eurostat (2004: 32-34) for a more comprehensive explanation of this classification.

GDP is the benchmark against which tax levels are measured by all international institutions such as Eurostat and the OECD. However, in Ireland some suggestions have been made to the effect that gross national product (GNP) should be used, based on the fact that Ireland's large multinational sector is responsible for significant profit outflows which if counted (as they are in GDP but not in GNP) exaggerate the scale of Irish economic activity. Commenting on this Collins stated that "while it is clear that multinational profit flows create a considerable gap between GNP and GDP, it remains questionable as to why a large chunk of economic activity occurring within the state should be overlooked when assessing its tax burden" and that "as GDP captures all of the economic activity happening domestically, it only seems logical, if not obvious, that a nation's taxation should be based on that activity" (2004:6).<sup>2</sup> He also noted that using GNP will overstate the scale of the tax base in Ireland, thereby suggesting to international observers and internal policy makers that the Irish economy is not as tax-competitive as it truly is. While CORI Justice Commission believes that GNP is not the ideal benchmark against which to measure taxation levels, we have calculated this figure and presented it in table 5. At 32.6% the Irish figure remains well below the EU average.

The Celtic Tiger years were marked by a rush to reduce tax rates. Corporation tax rates came down from 36% to 12.5%. Personal tax rates tumbled as well. The main beneficiaries of these reductions were those who already had major resources. Instead of using the resources to reduce infrastructure and social provision deficits, Ireland chose to give these resources to those who already were better off. This, by definition, widens the rich/poor gap.

In the context of these figures, the question needs to be asked: if we expect our economic and social infrastructure to catch up on that in the rest of Europe, how can we do this while simultaneously gathering less taxation income than it takes to run the infrastructure already in place in most of those other European countries? Simply, we will never bridge the social and economic infrastructure gaps unless we gather a larger share of our national income and invest it in building a fairer and more successful Ireland.

Small increases in taxation are certainly feasible and are unlikely to have any significant negative impact on the economy. An increase of just 1% in the GDP to tax ratio (from 30 to 31) would produce an extra €1.3bn each year in taxation income for the government. Were Ireland to increase its total taxation levels to that of the UK (from 30 to 35.3), a country hardly regarded as being high tax, the exchequer would have an additional income each year of €7.14bn.

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<sup>2</sup> See also *Bristow (2004:2)* who makes a similar argument.

***How could relative income poverty be eradicated in the Republic of Ireland?***

If relative income poverty is to be dramatically reduced or eliminated in the Republic of Ireland, two initiatives are required:

- (1) Social welfare rates must be sufficient to ensure all those outside the labour force, who make up almost 60% of those in relative income poverty, receive a poverty-line level of payment.
- (2) Those who are employed but living in relative income poverty need to see initiatives that enable them to exit poverty. Taking the minimum wage out of the tax net was a very good step in Budget 2005. The final requirement is to make tax credits refundable.

The resources are available to implement both of these initiatives. It is simply a question of political will.

(1) Social welfare rates ...

In 2002 the NAPS review set the following key targets:

To achieve a rate of €150 per week in 2002 terms for the lowest rates of social welfare to be met by 2007 and the appropriate equivalence level of basic child income support (ie child benefit and child dependent allowances combined) to be set at 33 per cent — 35 per cent of the minimum adult social welfare payment rate.

CORI Justice Commission welcomed this target. It is a major breakthrough in social, economic and philosophical terms. We also welcomed the reaffirmation of this target in Sustaining Progress (The National Agreement 2003-5). The target of €150 a week is equivalent to 30% of gross average industrial earnings (GAIE) in 2002. This means that social welfare rates will be benchmarked to increases in line with average industrial wages from now on. If this commitment is delivered upon, it will mean that the gap between the present level of the lowest social welfare payments and 30% of GAIE will be bridged between now and 2007.

It is important that this commitment is monitored on a continuous basis. As an illustration of what this monitoring means, I include CORI Justice Commission's calculation of the projected growth in €150 between 2002 and 2007, when it is indexed to the estimated increase in GAIE. Table 6 presents the expected growth rates and calculates that the lowest social welfare rates for single people should reach €185.80 by 2007.

**Table 6:  
Estimating growth in €150 a week (30% GAIE) for 2002-2007**

	2002	2003	2004	2005	2006	2007
% Growth of GAIE	-	+6.00	+3.00	+4.50	+3.60	+4.80
30% GAIE	150	159.00	163.77	171.14	177.30	185.80

*Source: GAIE growth rates from CSO Industrial Earnings and Hours Worked (September 2004:2) and ESRI Medium Term Review (Bergin et al, 2003:49).*

Following Budget 2005 the current minimum level of social welfare is €148.80 a week. Consequently, the gap to be bridged in the next two budgets (2006 and 2007) is €37. To fulfil the NAPS commitment, the average increase in the minimum level of unemployment assistance across the next two budgets must be €18.50 a year.

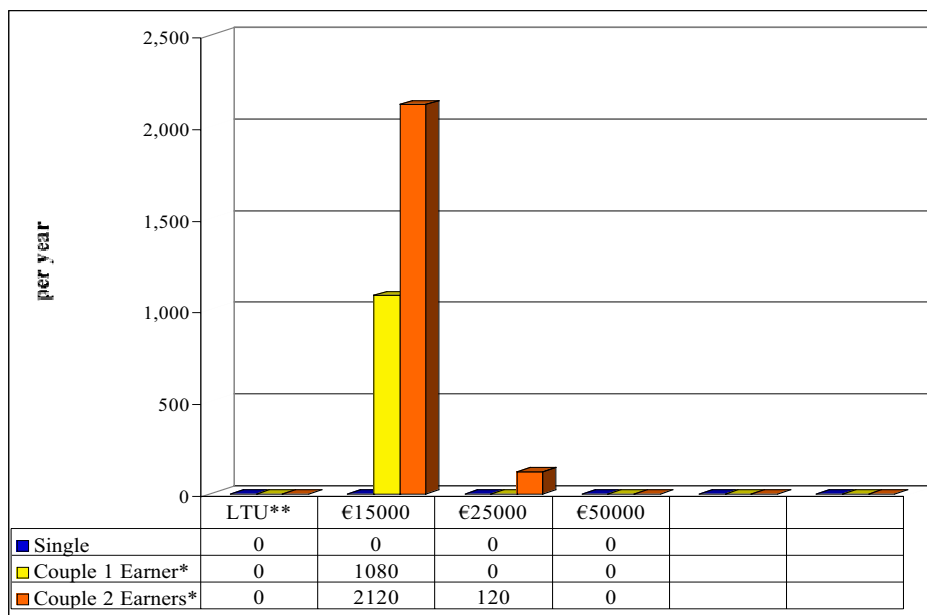
(2) Low-paid employees

Mechanisms are required to ensure that people on low pay have adequate incomes. The most recent figures show that in Ireland almost 19% of those in relative income poverty are employed and over 6% are self-employed — a total of 25% of those living in relative income poverty are already employed. Their income is inadequate and appropriate supports are needed. There is a family income supplement which has a very low take up rate. Clearly creative alternatives are required; one would be the introduction of refundable tax credits.

In Ireland the move from tax allowances to tax credits was completed in Budget 2001. This was a very welcome change because it put in place a system that had been advocated for a long time by a range of groups including the CORI Justice Commission. A problem persists, however, one that the old system of tax allowances also had. If a person does not earn enough to use up the full tax credit, then he or she will not benefit from any increased tax credits introduced in the annual budget. In effect this means that, under the present system, those with the lowest pay will not benefit in any way at budget time.

A simple solution exists to rectify this problem: make tax credits refundable. This would mean that the part of the tax credit that an employee did not benefit from would be 'refunded' to him/her by the state. A government working group has examined the feasibility of making this happen but has not completed its report. We have done some work on the outcome of such a policy. Chart 1 shows the beneficiaries.

Chart 1: How much better off would people be if tax credits were made refundable?



Notes: \* Except in LTU case where there is no earner  
 \*\* LTU: Long Term Unemployed

The main beneficiaries of refundable tax credits would be low-paid employees (full-time and part-time). Chart 1 displays the impacts of the introduction of this policy across the various gross income levels. It clearly shows that all of the benefits from introducing this policy would go directly to those on the lowest incomes. Following the introduction of refundable tax credits, all subsequent increases in the level of the tax credit would be of equal value to all employees.

**Income is not enough**

Having an income at or above the relative income poverty line is not sufficient if poverty is to be eliminated. It is also important to ensure there is an adequate level of social provision in areas such as housing, education, healthcare and public transport. As we have seen already, Ireland’s expenditure on social provision is the lowest in the EU. I cannot go into detail here but details of what changes are required will be published next month in CORI Justice Commission’s annual socio-economic review.

This is not meant to be a comprehensive overview. However, it is broad enough to illustrate the fact that in economic and social terms the past 18 years in Ireland have seen much progress, quite a few deepening problems and some major outstanding questions concerning the development model being followed and whether or not it can deliver fairness, real and lasting progress, social equity and sustainability as well as substantial economic growth. It is crucial to realise that if poverty is to become history then priority must be given to realistic and targeted initiatives. Otherwise the impact of economic growth in better-off countries is likely to be a deepening of the rich/poor gap and an increase in the poverty rate.

The wider world — north/south: making poverty history introduces questions concerning the development model being offered.

There is a major problem concerning the development model being offered to poorer countries as a means of making poverty history. I will outline it here in a very summary form.

The dominant paradigm sees work (understood as a paid job) being available to everyone, with the income from the job providing the means of eliminating relative income poverty and of reducing the rich/poor gap.

There is one dominant framework or paradigm concerning work that is accepted in most of the western world. This paradigm is now being offered to the poor countries of the world as the only and obvious way to development. This paradigm equates meaningful work with paid employment. It asserts that full-time jobs are available for everyone seeking them, that these jobs will provide adequate income for people holding them and their 'dependants' and that good social insurance will be available for people who are sick or unemployed. In this way everyone will have meaningful work, adequate income, participate in the life of the society, poverty would be eliminated and the rich/poor gap would be reduced. This is the paradigm that underpins most public policy initiatives seeking development.

There have been serious critiques of this paradigm in recent years. These have come from a wide range of perspectives. For example Rifkin (1995:3) stated: "From the beginning, civilisation has been structured, in large part, around the concept of work. From the paleolithic hunter/gatherer and neolithic farmer to the medieval craftsman and assembly line worker of the current century, work has been an integral part of daily existence. Now, for the first time, human labour is being systematically eliminated from the production process. Within less than a century, 'mass' work in the market sector is likely to be phased out in virtually all of the industrialised nations of the world. A new generation of sophisticated information and communication technologies is being hurried into a wide variety of work situations. Intelligent machines are replacing human beings in countless tasks, forcing millions of blue and white collar workers into unemployment lines or, worse still, breadlines."

Rifkin (1995:6) went on to say:

"Caught in the throes of increasing global competition and rising costs of labour, multinational corporations seem determined to hasten the transition from human workers to machine surrogates. Their revolutionary ardour has been fanned of late by compelling bottom line considerations. In Europe, where rising labour costs are blamed for a stagnating economy and a loss of competitiveness in world markets, companies are hurrying to replace their workforce with the new information and telecommunications technologies."

This is one analysis of what is happening to human work. It challenges the dominant paradigm at a most profound level. But it is not the only analysis that presents such a challenge. Guy Standing (1999:3) senior economist at the Geneva office of the International Labour Organisation (ILO) has also presented a telling critique:

"We have made a mess of 'work' since we made an ideal of labour. So much has this been the case in the twentieth century that work that is not labour is not counted. Distinctions should be made between work, labour and employment."<sup>10</sup>

Standing has distinguished between the three as follows:

"Work is defined as rounded activity combining creative, conceptual and analytical thinking and use of manual aptitudes — the *vita activa* of human existence... The notion of labour is quite different... We may define labour as activity done under some duress, and some sense of control by others or by institutions or by technology, or more likely by a combination of all three... Employment is used with several meanings. For many analysts, it only covers activity entailing the expectation of a wage for tasks performed... In the end, statistical practices have been based largely on convention and concern over 'unemployment'... A peculiarity of employment is that it covers all forms of labour but not all forms of work. Indeed, it strangely excludes certain types of work that contribute to human welfare and development, whereas it includes activities that are unproductive that do not contribute significantly to either. Most analysts would recognise this and then continue with their analyses as if it did not matter."

Guy Standing provides other questions that he believes need to be answered. Many other thinkers and analysts raise similar questions. In a paper of this length it is not possible to treat these in any comprehensive way. Suffice it to say that they present a very fundamental challenge to the dominant paradigm on work that underpins policy analysis and development at this time. We believe the dominant paradigm is fundamentally flawed and should be challenged. We are concerned in particular with its failure to provide a socially just structure or framework within which people can work and access income in a meaningful way.

The unfaced challenge is that full employment will not be reached in the poorer countries of the world during the lifetime of anyone present here today

Looking at the global figures for unemployment, serious questions arise. While the number of jobs has grown in many areas there are very high unemployment levels in many nation states in the 'developed' world. High levels of unemployment persist despite the best efforts of policy makers to solve the issue. The level of unemployment now deemed to be 'acceptable' has risen dramatically. So too has the level of unemployment that constitutes the

so-called 'full employment' scenario. Only a few countries are anywhere close to full employment. (Ireland is among this small group; it is clear that the situation that has produced full employment in Ireland is not repeatable in every country of the world and may not be sustained in Ireland itself in the longer term.)

In the economically poorer countries of the 'third' world unemployment is substantially higher than it is in the wealthier countries. Much of the employment available to many people in these 'third world' countries is extremely low-paid and does not meet the requirement of adequacy to ensure people can access what is required to live life with dignity.

If the number of people unemployed in the world was not to be reduced but simply to be maintained at its present level what is the extent of the challenge?

- All jobs lost would have to be replaced, and
- A net gain in the number of available jobs would have to equal the world's increasing population.

The world's population is rising at the rate of a quarter of a million every DAY and is set to continue rising at this rate at least until 2040. If the numbers unemployed are not to rise in that period the net gain in jobs would have to be 1,750,000 a week for every week of every year for the next 35 years. Do you think this is likely to happen? I don't. Consequently, I believe we need to face up to some realities if poverty is to become history.

It is obvious that the dominant paradigm outlined above serves only a small group relative to the world's population. It fails to recognise a wide range of meaningful work. It does not provide sufficient jobs to eliminate unemployment. Neither does it provide sufficient income to ensure people can live life with dignity. In this context there is a major challenge facing politicians, policy-makers, social philosophers and, in particular, churches which claim to play a key role in the area of values in the wider society. The current situation could be summarised as follows:

- Everyone has a right and a responsibility to work.
- Work is defined as 'having a job' or 'being in paid employment'; only this work is valued.
- The challenge arises when one has to face the question: how can this right/responsibility be exercised in a world without full employment and without the prospect of full employment in the foreseeable future?
- This provides a special challenge to those who are campaigning to make poverty history.

An alternative paradigm might provide a viable answer.

In publications over the past two decades, Sean Healy and I have argued for an alternative paradigm to the one which dominates thinking and policy making at present. We suggest that an alternative paradigm must focus on two deeply inter-related issues, work and income.

Work would be understood as any activity that contributes to the development of one's self, family, community or the wider society. This much broader understanding of work cannot be operative, however, unless the issue of income is also considered in a coherent way. At present, the dominant paradigm sees income being provided as payment for a job done. Additional income is (or should be, according to the dominant paradigm) provided through social security systems that ensure the ill, the elderly and other categories of people such as the unemployed are not left to starve. In the new paradigm we are proposing, income would be seen as a birthright. Every person would have a right to sufficient income to live life with basic dignity. Systems to ensure that everyone had such an income would be developed and put in place.

We believe that everyone has a right to work. We believe that there should and could be work for all. We believe everyone can have sufficient income to live life with dignity. We believe that poverty can become history. But it requires a revision of the dominant development model being offered to the poorer countries of the world. That is the scale of the challenge facing this effort to make poverty history. It is a challenge we should welcome.

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**SEAMUS MC ALEAVEY**

Thank you very much, Brigid. Geoff said it's politics, stupid, and Brigid has given you a full analysis in terms of her views and filled in the background with the data as to why that may be so. It's really strange that she has given us facts on the dramatic change which has taken place in all the indicators in the economy in the Republic of Ireland in a very short period of time from 1987 to now, yet there is still such a problem with poverty and the gap between those who are most well off and least well off, so maybe we'll remember it's politics, stupid.

Speaking of politics, we were hoping to have the Minister with responsibility for New Targeting Social Need with us today. Obviously Tony Blair announced the election and that's that, Parliament is gone, everybody is off to their constituencies. However, I am really pleased to say that Dr Gerry Mulligan has joined us, I suppose on the Minister's behalf, but I'll say a little bit more about that. Gerry is currently head of the Equality and Social Need Division which is part of the Equality Directorate in the Office of the First Minister and Deputy First Minister, two people that we don't have at the moment! He has responsibility for overseeing the Northern Ireland administration strategy for tackling poverty and social exclusion and for advising on the future direction of policy in this area. We NICVA have a long interest in the TSN policy; I've always said we're the biggest supporter and sometimes biggest critic of the policy. I've interacted with Gerry and his colleagues for a long time on this. Prior to working on these policy areas, Gerry was a member of the senior staff of the NI Statistics and Research Agency, that's an agency of the Department of Finance and Personnel. He was responsible for corporate services within the agency, having previously held posts as head of research and statistics at the Northern Ireland Department of the Environment and the Northern Ireland Office. We did a lot of work with Gerry when he was doing things like ex ante appraisals and things like that for the Structural Funds Plan in Northern Ireland. As I say, I'm really delighted that he was able to join us today. I have to point out that he is curtailed a bit by government rules with regard to the Westminster and District Council elections which are taking place here on 5 May 2005. This is a period of what civil servants call purdah. The head of the civil service said the other day: "that means you don't say anything, in public at least". And that's really because civil servants can outline policy as agreed by Ministers to date but can't take part in nuancing that policy lest it might favour or not favour Ministers or their opponents during the time of an election.

**GOVERNMENT'S APPROACH IN NORTHERN IRELAND  
DR GERRY MULLIGAN**

I think it is legitimate enough for me to at least bring you up to speed on where we are with the development of the anti-poverty strategy because many of you here have been involved in that process but, unfortunately, I won't be able to take part in discussion following that. Unlike Geoff I have a continued relationship with Powerpoint, hopefully it will be a reasonably successful one but I do accept its limitations and I think if Powerpoint had been around when Shakespeare was writing, then Hamlet might have said "Here are six things I don't like about Denmark". Here are three things I hope to say this morning.

Firstly, I want to talk about the nature and extent of poverty, not in a detailed way which will do justice to the increasing amount of data and research which are coming through, but something about some of the key and very stark facts which are emerging. I want to say something about government response, particularly in Northern Ireland, to that and furthermore I want to focus in on the development of an anti-poverty strategy for Northern Ireland. So, firstly, looking at poverty in Northern Ireland relative to elsewhere, poverty in terms of affordability to buy bare necessities in life, as was referred to earlier, is higher in Northern Ireland than in Great Britain. Some 30% of households would be considered to be in what is called consensual poverty in Northern Ireland compared to 24% in Great Britain. If we look at consistent poverty, we are slightly higher in Northern Ireland than in the Republic of Ireland: 7% compared to 6%.

Looking at those who are at greatest risk of income poverty, we find that workless households, lone parents, households in social housing and households headed by women are increasingly households which are most at risk of poverty in Northern Ireland. So, in terms of those in poverty — and there are about 180,000 households in Northern Ireland from our survey estimates — it's increasingly made up, and we're looking here at surveys comparing the early 1990s with the early 2000s, of lone parents, people with disabilities and interestingly people in work, it is no longer mainly about unemployment. There is a significant, growing number of people who are in work, presumably in low paid work, who are falling within the group considered to be in poverty.

Why should this be so at a time when Northern Ireland has been one of the fastest growing regional economies in the United Kingdom? You can see that over the period from 1997 to 2003 you've had a 12% increase in the number of employee jobs in Northern Ireland, corresponding to almost 80,000 extra jobs in the economy, but if you look at the type of jobs which have been created during this period, it tends to be in what would be considered to be low paid sectors, such as construction where there has been quite an increase of 28%; in other services, particularly retail, particularly part-time and particularly those jobs taken up by women, a 26% increase. So part of that economic growth has been in what might be typically lower paid jobs and this is reflected if you look at Northern Ireland's relative position in terms of its productivity, its value added per person.

Compared to other regions in the United Kingdom, Northern Ireland is still lagging behind in terms of productivity.

So what things can government do which will impact on poverty? The general levers in Northern Ireland are helping to strengthen and grow the Northern Ireland economy, helping to improve the skills of the Northern Ireland workforce, making work pay particularly in terms of targeted tax credits. However, it's not just what Northern Ireland government can do, but it's what Westminster can do in terms of policies set at the United Kingdom level. Social protection is also an important part of the menu of actions which are needed to reduce poverty, tackling inequalities through legislation and New Targeting Social Need. But unlike some of those policies which are UK based, UK wide and are set by Westminster, the New Targeting Social Need policy is an approach by the Northern Ireland administration which was formally launched in the early 1990s through which government skews efforts and resources towards those in greatest objective need in Northern Ireland. And it was this policy which the Executive at devolution adopted as its high level policy for tackling social disadvantage and poverty with a commitment to review.

Since the Executive made that commitment in its first Programme for Government, we have been involved in evaluating New Targeting Social Need; we have completed the evaluation and have moved to a process of consultation on proposals. That process has been quite an interesting one and I think it's worth looking at what is involved. It's important that our ideas, our proposals are validated against those communities and those groups which are important in this. And clearly the stakeholders, those who experience policy, those agencies which Geoff referred to earlier who on the ground deliver programmes which help people who are in poverty. We need to validate our proposals and thoughts against that particular group and community. Ministers clearly have to approve proposals, which have to be in line with government policy. And resource managers, typically accounting officers within departments, have to be able to assure themselves that they have the resources to deliver on the sorts of commitments which are being made. So this sort of cyclical process has characterised the way we have been developing the strategy to date. Consultation has therefore been an important part of this and many of you will have been aware from having been involved in the consultation that the Secretary of State launched the process in the middle of last year, we rounded off a series of seminars and meetings across Northern Ireland towards the end of the year and since then we have been involved in distilling and considering the issues which have been raised. We won't be able to go into the detail in a way that does justice to over 100 organisations which came back to us but some of the key issues that emerged are worth looking at.

Common concerns: around the idea of resources and budgets, there was a feeling that to tackle poverty in Northern Ireland you needed some form of dedicated budget and there was no guarantee that sufficient resources would be made available. There was an absence of specific targets even though in the document

we consulted on we were making it quite clear that targets would be set. Some felt that they wanted to see the targets up front. Clarity about the role of the Ministerial forum; one of the key proposals within the document was that we should have a Minister who would be the champion for an anti-poverty policy in Northern Ireland, providing the political lead which had been seen as being absent. But there was some concern about what that group would actually do. Timetable for implementation: when would all this happen was another concern which came through, and there was insufficient detail about the actions which were being proposed. In other words policy is fine and good but at the end of the day it's what people do which makes the difference.

As well as identifying a range of important concerns, the consultation period identified a strong amount of consensus around some of the key principles and proposals, in particular it was welcomed that we were making a stronger linkage to the UK and EU planning process, particularly around the National Action Plans and the production of those National Action Plans into which we certainly wanted the Northern Ireland anti-poverty strategy to develop. The Ministerial forum was generally well received and recognising that lone parents were emerging as one of the high risk groups in Northern Ireland, we had proposed and Ministers had agreed that we would set up a Promoting Social Inclusion group to develop policy and strategy specifically to deal with the problems faced by lone parents in Northern Ireland. And again the defining characteristic, the important characteristic of a Promoting Social Inclusion group is that this is a group made up of government officials and different sectoral organisations representing the interests of lone parents, so that has been agreed and that has been welcomed.

Importantly, the broad architecture was welcomed, that is the architecture which was about building capacity of people to participate in the labour market, not just through training and employability but also through health and education, so it brought in a wider range of government programmes. The continued emphasis from New TSN, the previous policy, the continued emphasis on creating employment as a route out of poverty, and a new emphasis, a new priority on tackling financial hardship; as the broad architecture, the key priority was generally well received.

So, what does that architecture mean at the end of the day? The architecture was about focusing effort in a number of areas in building a person's capacity to participate in the labour force, creating opportunities and tackling financial hardship, and that would be at three levels, looking at those areas relevant to everybody irrespective of where they lived, but a particular and continued focus on deprived and disadvantaged areas and communities and looking at vulnerable groups such as older people and people with disabilities. It was important that cutting across those actions, efforts and initiatives would be the continued targeting of social need on those areas, groups and individuals in greatest objective need. This would be supported by legislation where necessary, particularly to remove barriers to participation and particularly

equality legislation would be part of that strategy. It would be important to co-ordinate and provide greater access to services and, taking Geoff's point earlier about the importance of a shared vision of what can be done and what needs to be done, it would be done through a process of partnership. So in a sense this was the architecture for which we had received some degree of, indeed a fair amount of endorsement about the broad principles.

I think we have made good progress but we need to bank this particularly in terms of the evidence base, the excellent research which has been done at the same time that we have been developing the strategy and I particularly want to mention work by Professor Eithne McLaughlin and others who published the Bare Necessities report — this certainly had quite a formative influence on our thinking about those groups which were most at risk and again about agreement on the broad architecture of the strategy. But we need to maintain the momentum and we hope, therefore, to commence further consultation on the redrafted strategy as soon as possible after the General Election and I look forward to the continued constructive engagement with Seamus and NICVA at that point in time.

## **QUESTION AND ANSWER SESSION**

### **SEAMUS MC ALEAVEY**

Thank you, Gerry, and the engagement has always been constructive. We recognise the difficulties and limitations that people like Gerry work under, particularly at the moment as this gets put onto the back boiler along with all the other policies while the General Election takes place, so we really look forward to what is brought forward after the Election.

I'm going to move to a question and answer session, we'll have about 15 or 20 minutes. Maybe while letting you think, I'll put a question to Geoff. Geoff talked about natural laws back in the Thatcher time when unemployment hit three million, there was this notion that there will never be anything like full employment again and there were a whole lot of notions like that around. One of the other natural laws which seems to be about is that no party which seeks government or expects to get it wants to increase income tax. One politician recently got himself into serious trouble and has been dumped, took flight, for saying they might cut taxes more! But does Geoff think that any party might be willing to talk about redistribution in terms of income tax, in terms of fairer, progressive taxation?

### **GEOFF MULGAN**

First of all on natural laws, in terms of our own collective confidence about the difference which can be made to poverty, we were very struck in Whitehall, we did an exercise looking back over 30 years at what our predecessors had thought were intractable problems and there was a period in the 1970s when almost every senior official and expert thought that we were going to have high inflation forever. There was just nothing you could do about it, it was based in the structure of advanced industrial economies, most people in that period thought we would have high levels of strikes forever, just as most people in the early 1980s thought that high unemployment would be with us forever. History tells us that in fact problems which look intractable, impossible to solve, can over periods of time be treated and largely resolved. Exactly the same applies to poverty, there is no reason why we shouldn't think that over a 20-30 year period we can't effectively eliminate poverty. As for taxation, despite all the many political constraints on parties raising taxes on income, the current government is probably the only one in the Western world which in recent years has raised taxes on income, done it fairly overtly in National Insurance in a budget a few years ago to invest in health and found it was popular. Government ratings went up after the Budget which announced the increase in National Insurance. Now this is not going to lead to an outbreak of wild tax raising and there are some serious constraints; the public needs to be convinced that it is a reasonable thing to do, that the money will be well spent and all the other things that I said earlier, but we have shifted significantly in this country in terms of redistribution mainly through the tax credit system compared to 10 or 20 years ago. And by and large it has been at least accepted and in some cases actually popular with the public and that is a huge advance from what was the conventional wisdom in the early 1990s when everyone thought this would be impossible.

**MAUREEN HARKINS, COMMUNITY ARTS FORUM**

Referring to the first part of the conference and particularly Salil, I'm looking at point six in the Millennium Campaign and I suppose the reason why I'm raising that today, when we opened the conference with acknowledgement and due respect to Pope John Paul and the many who have gone to Rome to acknowledge his death, by the same token we have so many people dying of HIV/AIDS. I just wonder in respect to the campaign to eradicate that, what you feel about the teachings of John Paul on the use of condoms. I wonder in reflecting of that, what impact we can make on those organisations, rich organisations in the world which can try to help us in eradicating poverty at that level.

**SEAMUS LYNCH, HELP THE AGED**

It's a question to Geoff as a man who has been quite close to Gordon Brown in recent years. The mere fact that approximately one in four pensioners in the UK lives in poverty and Gordon Brown's strategy was to target means testing to ensure that those in need were the ones to get. However, if we look at the strategies which he has adopted, all means test based, a high percentage of older people have not gone down that road because they wish to retain their dignity, their self-respect and their independence. So the fact is that today we still have one in four living in poverty, one in two living in fuel poverty and, indeed, over the winter months we have thousands of people across the United Kingdom who are dying unnecessarily and I'll stress that point, unnecessarily, through cold related illnesses. Now here in Northern Ireland we have the Office of the First Minister and Deputy First Minister talking in terms of a PSI working group on older people which is currently up for discussion and I must say that many of the groups and the older people in the age sector have been extremely disappointed in the contents after having made such a big contribution to how they thought policies should be implemented which would alleviate and take some of the older people out of poverty. The other issue is Targeting Social Need and NICVA has been to the forefront of that campaign again with the community sector having been very vibrant and putting forward their points — extremely disappointed in what the government is offering. And the last point I want to make is that you stressed the need — more or less the Lord helps those who help themselves — so in Northern Ireland there is a very vibrant community and voluntary sector but, unfortunately, we don't see the same degree of commitment coming from government, particularly the older people who are living in poverty on policies as outlined by Gordon Brown. So could you stress how you think those policies have worked in relation to the policy from Gordon Brown where 20% of older people are still living in poverty?

**PETER QUIGLEY, EAST BELFAST MISSION**

I work in Inner East Belfast which is the fifth most deprived ward in Northern Ireland and I am having lots of struggles with the conference today because for me Making Poverty History relates to the third world rather than locally and, yet, working in Inner East Belfast we have real poverty and the middle class Protestants and others who live in the North Down and Ards area will happily drive up and down past. In fact they don't go down the Newtownards Road,

they go down the Albertbridge Road, people don't go down the Newtownards Road any more. And so the struggle for me is how can I raise the profile of poverty and need in Inner East Belfast against the needs which touch all our hearts. We like to think that when we heard Anne speaking this morning that those issues don't impact on us any more and those of us who were born earlier are well aware of hunger and poverty in Ireland in the 1950s and before that — but it's still there and I went out on a Meals on Wheels run this week and was absolutely devastated by the squalor and the filth of some of the recipients of those meals living in East Belfast and people will be going round asking for their vote very very soon, so I'm caught in a tension here today because I'm working in East Belfast, I'm committed to it, it's the community I grew up in, I too drove down the Newtownards Road and didn't engage with it, I now am, but for me then the real poverty is some of the stuff which has been emotive and touched us today — help me in my struggle.

## **SEAMUS MC ALEAVEY**

Thank you, Peter, that is one of the key things about the conference which we are trying to deal with, the poverty issue in terms of the developing world and the relationship locally. We have heard from the speakers that people who are poor have difficulty with that issue as well. I'll go to Salil first to cover these two issues about HIV/AIDS and this question of poverty in a relatively rich country as here and in other parts of the world.

## **SALIL SHETTY**

On the HIV/AIDS issue, I think there are many aspects to the question which was asked but I think the most telling example is Uganda which is a story where they have turned around the AIDS pandemic. The Millennium Goal is about reversing the infection rate and they have successfully done that and that's an example where the whole question of political will so starkly presented itself where President Museveni, President of Uganda, decided over a decade ago that he was going to make this the single most important priority for the presidency and the government and in every single speech he stood up and talked about this, an issue which people were not ready to talk about publicly. Of course, it was a question about behaviour change, it's not just about government policy because you can't change HIV/AIDS unless people's behaviour changes but governments have such a central role to play in this, so the global goal, you're right, doesn't talk directly about sexual and reproductive rights but you can't deal with the question of HIV/AIDS in isolation because HIV/AIDS is very intimately related to women's rights, it is very intimately related to the status of women in society and it's very intimately related to education and empowerment in a broader sense. And that's the beauty of the eight Millennium Development Goals; they are all closely inter-related and the general understanding is that even if the global goals don't include something in an explicit way, at the national level, these goals are meant to be adapted and in some cases even localised, it's even brought down to the local level and goals have to be translated at the local level. And that's where change can happen, so without looking at HIV/AIDS as a part of the broader development

issue and part of women's rights, I don't think we can find solutions, so I might not answer your question in a very direct way in relation to the Catholic Church position because that is a more contentious question but I find that the Catholic Church at the local level has taken a much more flexible approach than at the international level where it becomes a slightly ideological issue, so I think it's a matter of how it's interpreted and how it's used.

In terms of the dilemma, I'm totally convinced because I'm actually talking to groups across the world on this very question and I'm absolutely convinced that these simply shouldn't be looked at in an either/or way. To suggest that we have to either tackle domestic poverty concerns or global poverty concerns is not true because we have to combat both and we have the resources to combat both. To suggest that either we have to deal with our own issues or the global issues is a false dichotomy and we simply have to deal with both these issues. I know that it presents us with some challenges in terms of prioritisation etc but the causal factors, as you heard from the presentation from the Republic of Ireland, the causes are not very different, so in terms of a paradigm, we have to take a similar approach and both have to be challenged in a very upfront way.

## **SEAMUS MC ALEAVEY**

Brigid, would you like to add anything because certainly that was a big thing that was said in the Republic of Ireland, there is no poverty now, look at real poverty in the world.

## **BRIGID REYNOLDS**

Yes, I agree totally with Salil, I think we have to look at both. There is poverty, there is poverty in all our cities, in all our towns and we have to look at it. I think that the strategies might be different and also there may be different groups dealing with it, but I think together we can all help each other in different ways and support each other's campaigns and each other's initiatives. That's what I would be hoping for and I think it is possible, we do have the resources, we could provide a basic income for the whole world if we decide we want to do it and there are some schemes in place which would provide people with that kind of income. It might sound horrendous to people who haven't thought about it yet but it is possible. I think it is possible, the resources are there, it's a question of will but it has to be, all of us have to voice that opinion in different ways wherever we can. And I think an election time is a good time for you in the North to be raising some of those questions.

## **SEAMUS MC ALEAVEY**

I'm going to move over to Geoff to deal with some of Seamus Lynch's points. When the Northern Ireland Anti-Poverty Network was first established, one of the facts was that a thousand people died in Northern Ireland, excess winter deaths, because of the cold. I don't think it has come down a lot, there's an organization at the back here working on warm homes. There are a whole load of issues which Seamus raises there, Geoff.

## **GEOFF MULGAN**

Well, I'm not a government spokesman, I should hasten to add, on that. In relation to old age poverty, more generally, there is no doubt that there are still very many poor older people right across the UK and in particular here and the government had a series of choices. First of all, at any given level of tax, do you spend that money raising the overall state pension or do you target it on the poorest pensioners, and the decision was made to target it on the poorest pensioners. You then have a question of take up, as you say take up has been in many ways inadequate because of perceptions of stigma and so on, and I think there is a lot more to be done on take up even if the overall architecture is right. There are then much more specific issues about fuel poverty, about winter allowances, and so on, where the government has done a fair bit but undoubtedly not enough and then finally there are questions of the health service and long-term care where the commitments to raising spending on the health service and guaranteeing care are actually putting the UK in some ways as an outlier in terms of the generosity of the system to the elderly. All I'll say in the big scheme of things is that 30 or 40 years ago most poverty was actually old age poverty, the old in Britain were living very poor lives while prosperity had risen for everyone else. By and large as a generalisation, poverty is more concentrated amongst younger families, lone parents and so on, and relatively the elderly have done quite well, so these are all matters of relativity and need and as you say, there is still a lot more to be done.

I'll just make one comment on the issue of the domestic versus the international, I absolutely agree with what the others have said, we shouldn't treat these as alternatives and we should look at the numbers. The international development question at the moment for the UK is do we raise the proportion of GDP we spend on aid from around 0.4%, less than £1 in £200, to 0.7% when we spend about 40% of GDP on public services, redistribution as a whole, so it's quite compatible to be generous internationally and generous domestically. If you look across Europe, the countries which are most generous internationally like the Scandinavian ones are also the ones which have the most developed welfare systems, the lowest levels of poverty domestically. I think politically there is a link between the two, they are not alternatives and if anyone needs any proof that development globally is actually in the interests of people in the UK, just look at what's happening in the West Midlands this week. The talks on Rover may have broken down but who would have imagined 20-30 years ago that we would be looking to a Chinese company to save jobs in Britain. That is the clearest example of how growth, development, reduction of poverty in countries we used to think of as poor actually turns out to be in our interests as well.

## **KATHY STANTON, SINN FÉIN**

This is really for Brigid, she was talking about the danger of moving into the economic drive and leaving the social section behind and not going along equally or in balance and Gerry Mulligan's statement — does she think there is an alternative power being used there, or are we still staying within that consistent box which has always been used over the years and which has been failed policies?

**FRANCES DOWDS, NI ANTI-POVERTY NETWORK**

My question is to do with social welfare provision. Having listened to what people have said today, obviously there is a problem around unemployment or the provision of employment, or the lack of access or opportunity for employment. If we look at the Scandinavian countries, their social welfare protection system is better than ours. There is a whole range of causes for poverty, as we know, there's illness, there's caring responsibilities, there is experience of crime, homelessness, redundancy, etc — one of the simplest remedies for tackling poverty in Northern Ireland and across the UK would be to look at what happens in Europe and the Scandinavian countries and for us to look at our welfare protection system and a simple recommendation, and I'd like a response from Geoff on this, would be for the UK government to decide to link welfare provision to average earnings. Average earnings for Northern Ireland are supposed to be £20,000 a year, how many people in this room get that as an average income? But it's a question for the UK government because that's where that power lies, would the Labour government consider tying average earnings to welfare provision levels?

**BRIGID REYNOLDS**

I don't think we should set up a dichotomy between economic development and social development, but what I do argue very strongly for is that both have to be kept in tandem. I think for so long we have been told to wait, wait until the economy is fixed, wait until we get the jobs, that's what we were told in the Republic so often, wait, and then we'll redistribute. But that doesn't happen, unless there are very clear policies put in place to make that happen. And I'd be concerned too for what's happening in Europe; we heard an awful lot about the Lisbon agenda, I'd say Lisbon had three legs to it: it was about creating a more competitive economy; getting more and better jobs; and about social protection. But for the last number of years you heard nothing about the social protection side, you hear all about Europe being more competitive vis a vis the rest of the world, and more and better jobs, but the whole thing of developing social inclusion has been very conveniently dropped. And that is the problem I have with the development model we have and it looks as if — and I come from the European perspective — that that's what we're sticking with.

**GEOFF MULGAN**

Well just on Scandinavia, which may not be Utopia but they do do many of these things a lot better than we do. Most of this government's Welfare to Work programmes have essentially been copied from Scandinavia, from Sweden and Denmark which effectively over many years have had almost a right to work to use Brigid's phrase, although matched it has to be said by very tough responsibilities to take up job offers, to take up training, in many ways very tough regimes, but their overall effect has been to have very high levels of employment in Scandinavia which therefore makes possible all sorts of other things. On the question of linking welfare provision to average earnings rather than poverty lines and so on, I think the tide is turning fairly clearly in relation to several aspects of pensions policy and probably others to move towards tying all of those to average earnings, as you said, because if you don't do that, you simply see over time a

widening gulf between the people who depend on benefits and the rest of society which is socially damaging as well as damaging in other ways.

## **SALIL SHETTY**

I just wanted to respond to a point which Geoff made about the responsibility also of poor country governments because I think it is completely valid that unless you have the right kind of governance arrangements in poor countries where you have less corruption, where poor country governments are accountable to their own citizens, things are not likely to change just by having more aid or better debt relief. That's not automatically going to lead to poverty reduction just like economic growth will not automatically lead to poverty reduction. So, when I talk to an audience in developing countries, my presentation is completely different, it's completely about corruption and transparency and accountability. In a sense this is not the audience which needs to hear that. So we have about 45 or 50 countries in the south which are running their own campaigns by their own citizens holding their own governments to account on these issues. So you can rest assured on that count.

But I think the main point of this conference today is to make the linkages and I don't think the development agencies, like Trócaire and Concern and Save the Children who are also in this room, on their own can actually make a huge difference to getting the Northern Ireland population excited and motivated about this campaign, the Make Poverty History campaign. It's not going to be possible because the rest of you in the room are working at a community level on domestic issues and you have a huge reach into the Northern Ireland community and I think it's joining hands between those who work on national issues and domestic issues that is going to make a difference. And this is part of a global mobilisation this year. We are going to have millions of people across the world standing up against poverty and I am convinced if global poverty issues receive a major focus this year, the spotlight is also going to start getting focused on domestic poverty. It's very hard to talk about poverty outside without reflecting on poverty inside. So I think it's mutually reinforcing and mutually beneficial to join hands and that's the power of the campaign.

## **WORKSHOP DISCUSSIONS**

### **Workshop A**

#### **What can Northern Ireland do to impact on the international agenda?**

**Facilitator: Lawrence McBride, Trócaire**

Participants discussed the need to raise awareness of the Millennium Development goals. Goal 8 is about partnerships and voluntary and community organisations in Northern Ireland should think about how they can integrate the goals into their work. There were examples of how groups were already trying to raise awareness about international development issues.

Related to this was the issue of fair trade. It was felt that community and voluntary organisations should be leading the way in the promotion and use of Fair Trade products. The group admitted that it knew very little about the issues behind the products and user friendly information about this should be provided.

There was a long discussion about the relationship between local and global poverty and the suggestion made by the speakers that it was not an 'either or situation'. While everyone agreed that poverty in the developing world was on a much greater scale than in NI there were some members who found it difficult to suggest that resources should be given to other countries when there are poor people in NI. It was apparent that the relationship between local and global poverty needed much more attention.

The group proposed that NICVA and the Coalition of Aid and Development Agencies should discuss ways of working together to provide information and develop ways of assisting organisations to engage with these issues.

## **Workshop B**

### **Closing the gap between rich and poor - a fairer distribution**

**Facilitator: Robin Wilson, Democratic Dialogue**

The facilitator noted some constraints on the capacity to reduce the gap between rich and poor in Northern Ireland such as the lack of local powers to raise the taxes needed to tackle poverty and social exclusion. Among the areas where NI could act were childcare, educational inequality, unemployment and the high level of economic inactivity.

In discussion it was argued that NI should examine how resources could be more fairly distributed rather than continuing to depend on British taxpayers. The growing number of 'two Mercedes families' was noted.

On water rates, a participant said 175,000 people on benefits will be badly hit. Others questioned why they should have to pay for services they do not use eg because they recycle their waste.

The problem of loan sharks was raised eg a woman who borrowed £600 had to repay £1,300; access to credit is an important issue.

Another speaker raised the question of education and dealing with issues like family values, budgeting and life skills, thus increasing confidence of the family.

Community development is an important factor since anti-poverty work is about turning communities around and letting them make their own contribution.

One speaker said there is less social mobility than before and this is linked to education and pre-school provision. On the other side it was argued that mobility merely means a few people changing places.

Poverty is the greatest threat to public health and there are high levels of inequality in NI. Reducing inequality is not just about a fair distribution of health and education but also about outcomes eg the smoking ban in the Republic of Ireland gave blue collar workers the protection white collar workers had enjoyed for years.

Big budget holders are not willing to share power in favour of social participation in decision making. The sector gets the crumbs and there is no evidence of redistribution of resources. Section 75 will have to go back to fundamentals.

Several speakers commented that the government's skills strategy was poor, too focussed on the private sector and on those already highly skilled and failing to give attention to the learning poor or the routes by which they can be drawn into learning.

Several themes were agreed:

1. Income is important for wellbeing but other factors must be considered eg lifeskills.
2. It was agreed that we need to accept responsibility within Northern Ireland for reducing poverty and inequality. The rich should pay more - even if 'rich' means voluntary sector workers earning over £30,000 per year.
3. There is inadequate debate on social policy in NI eg the link between benefits and pay, partly arising from long-standing 'oppositionalism' and from cynicism about consultation.
4. Good and coordinated public services are vital. Need to appreciate the importance of confidence and capacity building for people to take part in debate and shape services.
5. We need a clear idea of what education and training are for, both for children and adults, and how it can close the learning gap.
6. Voluntary and community organisations require long-term strategic support for a strategy to promote healthy living and reduce health inequalities.
7. Devolved government would be helpful. Even then it is difficult to get cooperation at local level because of fragmented authorities (implications for Review of Public Administration).
8. We need more focus on qualitative outcomes and should develop better ways of measuring them.

## **Workshop C**

### **What should we aim to achieve in the medium term in Northern Ireland?**

**Facilitator: Colm Bradley, Community Technical Aid**

#### 1. Central Government

Benefit rates increases should be linked to average earnings.

There was discussion about a need for an agreed definition of poverty. It is only by recognising, identifying and benchmarking that we can effectively see what progress we are making in reducing or eliminating poverty.

#### 2. Local Government

Funding should be made available to fund and support the advice sector so it can provide effective and accessible services for the people who need them.

#### 3. Community

Voluntary agencies are working tirelessly to help those blighted by poverty, meeting and identifying a clear need. If there could be a revision of how this work is co-ordinated and represented, with a view to ensuring that a clear message about the impact of social policy can be sent to government so it may be revised.

The group is interested in hearing about global efforts and whether any global model could be applied at a local level.

**Workshop D****The role of public services in tackling poverty****Facilitator: Margaret Kelly, Barnardo's**

After a short introduction the first issue raised was the possibility of a dormant accounts initiative as in the Republic of Ireland. There was a discussion about how the government in Ireland had decided to take bank accounts and life insurance accounts that had not been used for five years and put the proceeds towards promoting social inclusion. This released 500 million euros.

A person in the workshop was involved in the process in Ireland and explained that this year 60 million euros of this money has been released to fund innovative projects but, because of the criteria, they are only allowed to fund projects for two years. At present, the projects have been one year in operation but it could lead to problems if they are not funded by mainstream funding in the future.

The group noted that the possibility of using dormant accounts was mentioned in Positive Steps, the government's response to the Taskforce on Resourcing the Voluntary and Community Sector, but since this time it has been muted. The group agreed that there should be serious thinking and research into the possibility of this initiative. This led to the first recommendation:

Recommendation 1: There should be research into the possibility of creating a dormant accounts fund in Northern Ireland.

In further discussion on this issue it was agreed that if this initiative was set up in Northern Ireland, it should be managed independently from government.

A wider discussion on public services in Northern Ireland followed.

A member of the workshop who worked in advice had noticed that social security is trying to encourage take up of benefits, particularly by older people and ethnic minorities. This work could be promoted more effectively with groups like CAB.

A number of participants stressed the issue of core funding needs to be solved. There were also some concerns about the way that funding is distributed and that in the future it should be distributed more equally.

Recommendation 2: The evidence on poverty and the need for effective services is already clear and what is required is core funding and initiatives.

Recommendation 3: The community and voluntary sector needs to be treated equally in the distribution of funding.

In a discussion about transparency and accountability in the voluntary and community sector, there was a feeling that there should be more community

involvement and community led projects to combat poverty. It can be very difficult to get people involved if there are many problems in an area. Others stated that when people from the sector try to work with statutory agencies they do not get treated fairly.

A member of the workshop stated that, as part of Department for Social Development funding, she has to fill in a three-page document to buy a cup of coffee. She said this suggests a very unequal partnership.

This also raised the issue that a lot of people who work in the public services forget how to deal with end users.

Recommendation 4: If there are going to be genuine partnerships there has to be appropriate funding and creative ways of involving people.

Recommendation 5: There is a need to improve the perception of the work the sector is doing to tackle poverty.

The group also spoke about the 10 year strategy in England and Wales that is looking at children's education and care. Members of the group believed that this strategy represented a change in government thinking as it focuses on flexibility and affordability. Another member of the group stated that the evidence of the need for a holistic approach to children was produced in 1970s and in 2005 we are still waiting.

Recommendation 6: The current consultation document in England and Wales on a 10 year Strategy for Childcare should equally apply to Northern Ireland. We note the commitment of the Chancellor to provide an additional £600 million a year on top of the £9.9 billion target for childcare in England and Wales over the next 10 years.

## **Workshop E**

### **Tracking the lives of children in poverty - the findings of the Save the Children International Young Lives research project.**

**Facilitator: Christine Patterson, Save the Children**

The workshop began with a presentation from Save the Children about its research project Young Lives, an international study of the lives of 12,000 poor children growing up in Ethiopia, India, Peru and Vietnam. The project aims to help national and international policy-makers improve the quality of children's lives and achieve the Millennium Development Goals.

Marina Monteith from Queen's University Belfast summarised the results of research into the lives of children in Northern Ireland that highlighted the existence of 32,000 children living in severe poverty. She reminded the audience about children's rights in international law; the government's targets to end child poverty by 2020; OFMDFM's responsibility for the anti-poverty strategy and the children's strategy; and the availability of improved data provided by the Poverty and Social Exclusion Survey and the Household Survey.

#### ***Flawed strategies***

The discussion ranged over the need to link the anti-poverty strategy to the children's strategy; the scandal that there was need to link them in the first place in light of the government's pledge to end child poverty; the fact that the strategies fail to focus on child poverty; the problems with the 'welfare to work' strategy which fails to help disabled young people, parents with a disability, lone parents, parents who live in employment black spots and large families on low incomes who lack affordable childcare. According to others, the cuts in services in NI - the part of the UK with least access to public services including after school and early years care - make a mockery of the fine words in the strategies.

There were words of caution that we need to focus on a minimum income guarantee, tough targets and shorter timeframes because the target of 2020 suits governments which think in electoral terms of three to four years and want to get away with doing nothing. There was also discussion about the need for consistent use of data sources and agreed methodology in order to gauge progress accurately. We also need to measure changes in people's lives and not just statistics. The important point was made that the UK government could meet its targets and yet we could see child poverty get worse in Northern Ireland because its size means that Northern Ireland is statistically insignificant - hence the importance of devising local targets. It was pointed out that the priorities and budget contains specific child poverty targets that could be developed.

#### ***Hearing children's voices***

It was also acknowledged that it is vital to hear children's voices, their descriptions of the reality of their lives and their experience of poverty. It is

important to bring the voices of children from developing countries into local schools because encouraging empathy and tackling the stigma of poverty could make poverty history in the same way as apartheid has become unacceptable. Children's understanding of fairness and justice could help counter discrimination and human rights abuse of poor children in this society and highlight the importance of democratic accountable governance.

It was agreed that the participation of children and young people brings a unique perspective that is central to changing attitudes and tackling poverty. There was discussion about the possibility of learning from other countries and including their experience of participatory budgeting, where budgets are allocated to agreed areas.

### ***Caring about all children***

There was discussion about the perceived dilemma of caring about child poverty at home and abroad but it was agreed that lessons can be learned from each other to help end child poverty wherever it exists. There was also mention of the challenges faced by women entering the labour market in developing countries who find that they have to take their older daughters out of school to look after younger siblings. The impact of parents' work on child welfare also needs to be considered more seriously in the local context. It was agreed that cross-sectoral analysis and joined-up strategic thinking at local and international levels were necessary to tackle these difficult issues.

### ***Recommendations***

Children's participation to bring their perspective to tackling poverty, including budget planning;

Short and medium-term targets, consistent and locally applicable, measured regularly;

Joined-up government - need to link, among others, the women's, economic strategy, neighbourhood renewal, children's and anti-poverty strategies;

Hold governments, as the duty bearers, to account for the elimination of poverty;

Taxation and income policies targeted at eliminating poverty;

Responsibility of the voluntary and community sector to take the debate to wider civil society and to build a linked local and global movement;

Proper resourcing of the voluntary and community sector to undertake this role.

## **MORE INFORMATION**

### **To see more about poverty, try the following sources:**

NICVA website: [www.nicva.org](http://www.nicva.org).

New portal for voluntary and community sector in NI: [www.communityni.org](http://www.communityni.org).

Monteith and McLaughlin (2004), *The Bottom Line: Severe Child Poverty in Northern Ireland* (Save the Children): [www.savethechildren.org.uk](http://www.savethechildren.org.uk).

United Nations Secretary General's report *In Larger Freedom*: [www.un.org/largerfreedom](http://www.un.org/largerfreedom).

UN Millennium Campaign: [www.millenniumcampaign.org](http://www.millenniumcampaign.org).

Global Call to Action Against Poverty: [www.whiteband.org](http://www.whiteband.org).

Make Poverty History (UK): [www.makepovertyhistory.org](http://www.makepovertyhistory.org).

Make Poverty History (Northern Ireland): [www.makepovertyhistory-ni.org](http://www.makepovertyhistory-ni.org).

Make Poverty History (Republic of Ireland): [www.makepovertyhistory.ie](http://www.makepovertyhistory.ie).

Combat Poverty Agency (Republic of Ireland): [www.combatpoverty.ie](http://www.combatpoverty.ie).





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