

NATIONAL ECONOMIC AND SOCIAL COUNCIL

Review of the Poverty Proofing Process

Following discussion in the Council,
this report was prepared by
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November 2001

PUBLISHED BY THE NATIONAL ECONOMIC AND SOCIAL COUNCIL

Copies of this Report may be obtained from
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1st Floor, Frederick House, 19 South Frederick Street, Dublin 2,
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Price €15 (£11.80)

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PREFACE

The National Anti-Poverty Strategy (NAPS) was launched in April 1997 with the objective of significantly reducing the percentage of the population living in poverty over a ten year period. Poverty proofing was introduced in Government Departments in July 1998. It has been defined as “the assessment of policies and programmes at design and review stages in relation to the likely impact they will have or have had on poverty and on inequalities likely to lead to poverty with a view to poverty reduction”.

This report was prepared in response to a request to the National Economic and Social Council by the Department of Social Community and Family Affairs (DSCFA), on behalf of the Inter-Departmental policy committee which provides the central strategic focus for the National Anti-Poverty Strategy. The request to the Council, in February 2000, was to carry out a review of these poverty proofing arrangements. This was a unique exercise for the Council, but fits well with two other reports currently being prepared by the Council: *Benchmarking the Programme for Prosperity and Fairness* and *National Progress Indicators for Sustainable Economic, Social and Environmental Development*. Each of these has been prepared in response to mandates in the Programme for Prosperity and Fairness and explicitly directed at improving information for policy and facilitating evidence-based policy making. This review also contributes to those objectives. The concluding recommendations are made in the knowledge that action directed towards achieving the effective functioning of the policy proofing process will have positive policy consequences for people living in poverty or at risk of poverty, but will also have broader positive consequences for the practice of evidence-based decision making.

ACKNOWLEDGEMENTS

This report was prepared for the Council by Dr Síle O'Connor, who was Director of the Council's secretariat until May 2001, and who continued working on the report until its completion.

The report was made possible through the co-operation of civil servants involved in the process of poverty proofing. Several other civil servants at various levels agreed to interviews and/or provided written comments on the process. The Council and the author wish to acknowledge each of these inputs. They also wish to acknowledge the input of the community and voluntary sector representatives who made important input through individual and group discussions. Similarly, the comments of Combat Poverty Agency researchers are acknowledged.

The administrative staff of the Council's secretariat provided essential support in the production and distribution of the various drafts of the report.

REVIEW OF POVERTY PROOFING PROCESS

1. INTRODUCTION

The National Anti-Poverty Strategy was launched in April 1997 with the objective of significantly reducing the percentage of the population in consistent poverty over a ten year period. Poverty proofing was introduced in government departments in July 1998. In February 2000 the National Economic and Social Council (NESC) was requested by the Department of Social Community and Family Affairs (DCSFA), on behalf of the Inter-Departmental Policy Committee (see Box 1), to carry out a review of these arrangements. This exercise took place over the period September 2000 to February 2001 and is the subject of this paper.

The rest of the paper is organised into six sections. Section 2 outlines the background issues relating to the introduction of poverty proofing and the process as envisaged. The Terms of Reference for this study are outlined in Section 3. Section 4 reviews the process as it operated in practice in relation to self-contained proposals developed by individual departments. “Large integrated programmes” such as the Budget and the National Development Plan are discussed in Section 5. This also includes consideration of poverty proofing of some recent policy reports and its absence in others. Section 6 presents a brief overview of impact assessment as it relates to other dimensions of exclusion. In view of the extension of proofing exercises to other dimensions such as gender, rural location and the environment, the possibility of developing a streamlined impact assessment process to encompass a range of considerations is discussed. The potential for an extension of impact assessment to the wider public service is also discussed. Based on the conclusions of the three preceding sections, overall conclusions and recommendations for changes in the process are outlined in Section 7.

2. INTRODUCTION OF POVERTY PROOFING IN GOVERNMENT DEPARTMENTS

The institutionalisation of the National Anti-Poverty Strategy (NAPS) has included the development of structures to support and oversee its implementation. These are outlined in Box 1. This structure is intended to ensure linkages and the flow of information relating to the implementation of the NAPS from the Cabinet level to the day-to-day formulation of policy level and *vice versa*.

Box 1

NATIONAL ANTI-POVERTY STRATEGY

Institutional Mechanisms

- *The Cabinet Committee on Social Inclusion* is chaired by the Taoiseach and includes Ministers from relevant Departments. It meets monthly and provides the political leadership for the NAPS.
- *The Senior Officials Group on Social Inclusion (SOG)* is comprised of high level civil servants from relevant Departments and is chaired by the Department of the Taoiseach. It meets on a monthly basis and prepares the agenda and recommendations for the Cabinet Committee. In addition to poverty it also focuses on the drug problem and local development.
- *The Inter-Departmental Policy Committee (IDPC)* is co-chaired by the Department of Social Community and Family Affairs and the Department of the Taoiseach. It includes senior civil servants and representatives from the relevant state agencies – FÁS, Area Development Management (ADM), and Combat Poverty Agency – and provides the principal strategic focus for the NAPS. The senior officials involved are designated as having responsibility for ensuring that the NAPS provisions relevant to their Departments are implemented (Government of Ireland, 1997: 20).

- *The NAPS Unit* in the Department of Social Community and Family Affairs was originally known as the Strategic Management Initiative (SMI) NAPS Unit. Its full staff complement is four directed by a Principal Officer who also has responsibility for the Voluntary and Community Section within the Department of Social Community and Family Affairs. The Unit acts as the Secretariat of the IDPC and has responsibility for co-ordinating and developing cross-Departmental action in support of the NAPS.
- *NAPS Liaison Officers* fulfil a communication and co-ordination role. There is one in each relevant Department. S/he acts as the first point of contact in relation to NAPS issues and is supported by the departmental IDPC and SOG representatives.

The National Anti-Poverty Strategy states that:

The question of the impact of poverty will also be a key consideration when decisions are being made about spending priorities in the context of the national budgetary process and the allocation of EU Structural Funds (National Anti-Poverty Strategy, 1997:20-21).

Consistent with this commitment, and in agreement with the social partners, the Inter-Departmental Policy Committee (IDPC) responsible for implementation of the NAPS (see Box 1) decided at its first meeting after the launch of the Strategy that a system of proofing policies for their impact on poverty be developed. The framework document – “Policy-Proofing in the Context of the National Anti-Poverty Strategy” – issued early in 1998 identified the rationale for such a system as follows:

- a) to act as a tool in the implementation of the Strategy, in particular ensuring and subsequently measuring the degree to which the NAPS targets are being achieved;
- b) to assist Departments to assess the impact of their spending

on anti-poverty measures and, if necessary, to refocus their expenditure to meet the NAPS targets;

- c) to ensure that policies and programmes do not contribute to greater poverty or inequality;
- d) to ensure that potential policies and programmes are developed in a way that benefits people living in poverty, particularly the 9-15 per cent of the population identified as consistently poor in the 1994 ESRI Living in Ireland Survey² and prevents others at risk of poverty from falling in to poverty; and
- e) to assist the subsequent monitoring and evaluation of the Strategy.

It was decided that this *poverty proofing process* should be introduced on a one-year trial period in Government Departments only, whereupon it would be reviewed and revised if necessary. The process would then be extended to state agencies and local authorities and consideration could be given to placing the mechanism on a legislative basis.

The procedure adopted was that the officials who develop policy proposals would undertake the poverty proofing. Since the objective was to institutionalize poverty proofing into the mainstream policy formation process the alternative of a dedicated unit within each Department or in one Department was not desirable.

The framework document outlined the proposed poverty proofing procedure and included an example of poverty proofing as applied to the revisions to the Family Income Supplement by the Department of Social Community and Family Affairs. Consultation on this document indicated that the guidelines being developed should include a wide range of worked examples of poverty proofing as an aid to officials carrying out the process. Each

2. Since 1994 the Economic and Social Research Institute (ESRI) has undertaken an annual household income survey. Known as the Living in Ireland Surveys, these collect data from a range of variables including household income, access to various goods and services and related altitudinal information.

Department represented on the IDPC was requested to contribute examples from its area. Only four were submitted:

- two from the Department of Education and Science, one on the Adult Literacy Initiative and one on the Age 8-15 Initiative;
- one from the Department of the Environment and Local Government on the Housing (Traveller Accommodation) Act 1998; and
- one from the Department of Tourism, Sport and Recreation on the Integrated Services Project.

It is noteworthy that each of these examples relates to a policy that has an inherent anti-poverty focus. All four are included in the “Guidelines for the Implementation of Poverty Proofing Procedures”, hereafter referred to as Guidelines (see Appendix 1). These were circulated to all Departments following the Government decision in July 1998 that Memoranda to Cabinet should “indicate clearly, as appropriate, the impact of the proposal for persons in poverty or at risk of falling into poverty, in the case of significant proposals” (Department of the Taoiseach, 1998: 19).

The Introduction to the Guidelines document presents the context for the poverty proofing exercise and specifies that implementation of poverty proofing procedures is an obligatory requirement for all Departments and not just those involved in direct service provision. This is followed by a definition of poverty and poverty proofing, an outline of the poverty proofing procedure and the worked examples.

Following the National Anti-Poverty Strategy, the Guidelines document states that:

People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.

It goes on to cite the 1994 ESRI Living in Ireland Survey figures of

9-15% of Irish households assessed to be living in “consistent poverty”. This is defined as being below 50% or 60% of average household income *and* experiencing enforced basic deprivation (i.e. the absence of at least one of eight indicators of basic deprivation, e.g. two pairs of strong shoes or experiencing debt problems arising from ordinary living expenses). The 1997 target was to reduce these figures to less than 5-10% of households by 2007. The most recent data available relates to the 1998 ESRI Living in Ireland Survey which shows that the numbers experiencing consistent poverty had fallen to 6%-8% of the population by 1998, with the NAPS global target virtually achieved (Layte et al., 2001).³ (The most up to date figures available at the time the NAPS was developed related to 1994.) In light of the substantial achievement of the original targets, the Government set a new target in June 1999 of reducing consistent poverty to below 5% by 2004. The Guidelines document also points out that there are subsidiary targets in relation to the five key themes identified in the NAPS: educational disadvantage, unemployment, income adequacy, disadvantaged urban areas, and rural poverty (see Appendix 2).⁴

Poverty proofing is defined in the Guidelines as:

...the process by which Government Departments, local authorities and State agencies assess policies and programmes at design and review stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty, with a view to poverty reduction.

-
3. The corresponding figures for mean relative income poverty in 1998, depending on equivalence scale used is 19%-20% below the 50% relative income poverty line and 29% below the 60% line. The 50% line figures reflect an increase over 1997 (Layte et al., 2001).
 4. Additional subsidiary targets are now being identified. The PPF provides for a review of the NAPS to be undertaken over the first 18 months of the agreement. During the course of the review, existing targets and the underlying methodology are being reviewed and revised, where appropriate, and possible new targets are being considered in consultation with the social partners, under the themes of child poverty, women’s poverty, the elderly, health and housing/accommodation.

The objective is not to explicitly target all policies at disadvantaged people but to ensure that poor people can be given “proper consideration” in designing policy that impacts on them.

Poverty proofing is mandated:

- in the preparation of *SMI Statements of Strategy* and *Annual Business Plans*;
- in *designing policies* and preparing *Memoranda to Government* on significant policy proposals;
- in the preparation of the *Estimates* and *Annual Budget* proposals – this will also include *expenditure reviews* and *programme evaluations*;
- in the preparation of the *National Development Plan* and other relevant *EU Plans and Programmes*; and
- in the preparation of *legislation*. (emphasis in original)

The document goes on to outline a series of specific questions that should be addressed in all of these circumstances. In particular it asks:

- What is the primary objective of the policy/programme/ expenditure proposal?
- Does it:
 - (i) help to prevent people falling into poverty?
 - (ii) reduce the level (in terms of numbers and depth) of poverty?
 - (iii) ameliorate the effects of poverty?
 - (iv) have no effect on poverty?
 - (v) increase poverty?
 - (vi) contribute to the achievement of the NAPS targets (including subsidiary targets under the five themes)?
 - (vii) address inequalities which might lead to poverty? (See 4.5 in Guidelines in Appendix 1) and

(viii) as proposed, reach the target group(s)? (See 4.4 in Guidelines in Appendix 1)

- What is the rationale and basis of the assessment (for example, administrative data sources/household survey data, Working Group or Task Force Reports etc.) behind each of these replies [see Appendix 1 for full Guidelines].

Issues associated with these questions are addressed in Section 4.

3. TERMS OF REFERENCE

In accordance with the commitment made when the poverty proofing process was initiated and as provided for in the *Programme for Prosperity and Fairness*, arrangements were made to review the process after one year of implementation. Because of its composition and mandate, the NESC was requested to undertake the review.

The Terms of Reference of the study supplied by the Department of Social, Community and Family Affairs are outlined in Box 2. They contain four distinct tasks:

- a review of the pilot programme in order to judge its success in meeting its objectives and to identify any barriers to success;
- an examination of how “large integrated programmes” (such as the Budget or the National Development Plan) might be distinguished from “self-contained proposals”;
- a brief assessment of how poverty proofing might be integrated with other types of policy proofing, including equality proofing, rural proofing and eco-auditing; and
- an assessment of the potential for extending the pilot framework beyond the Civil Service.

The first two of these tasks are the subjects of Sections 4 and 5. Section 5 also considers the use of impact assessment in relation to policy options outlined in key working group reports and policy evaluation exercises. The third and fourth tasks are considered in Section 6.

REVIEW OF POVERTY PROOFING PROCESS

Terms of Reference From Department of Social, Community and Family Affairs

The purpose of undertaking this review is to make recommendations as to how the policy process (including the making of policy decisions, implementation and monitoring) can best ensure progress in addressing the key issues of poverty and social exclusion.

To this end, it is proposed to commission a study of the implementation of the poverty proofing arrangements which are currently in place, and the lessons emerging as to how policy proofing can be mainstreamed and strengthened.

The draft Terms of Reference of the study are as follows:

- (i) To review the implementation of the pilot Poverty Proofing process which is in place in Government Departments, as outlined in the agreed framework;
- (ii) To assess the degree to which the agreed framework supports the achievement of the stated objectives;
- (iii) To identify any barriers to full implementation of the agreed process and make recommendations as to how these might be overcome;
- (iv) To assess the potential for extending the Poverty Proofing arrangements to other areas of the public service, such as local authorities and state agencies;
- (v) To examine how the Poverty Proofing process might distinguish between large integrated programmes (e.g. the National Development Plan and the Budget) which consist of proposals from various Departments and other more self-contained proposals, and, in the case of the large one-off proposals, how this process should be managed; and

(vi) To briefly assess how the on-going implementation of the Poverty Proofing process might be integrated with broader policy proofing requirements, including equality proofing, rural proofing and eco-auditing.

In conducting this review, the views of all relevant parties, including Government agencies, social partners and the wider community and voluntary sector will be sought.

4. AN EVALUATION OF POVERTY PROOFING OF “SELF-CONTAINED PROPOSALS” BY GOVERNMENT DEPARTMENTS

The substance of the review is to judge the success of the pilot arrangements in meeting the objectives of policy proofing. The Guidelines state that the primary aim of the poverty proofing process

... is to identify the impact of the policy proposal on the poor so that this can be given proper consideration in designing the policy. It is not intended that Poverty Proofing would require that all policies be fundamentally transformed so that they are *explicitly* targeted at the disadvantaged. (Paragraph 3.2) (emphasis in original).

It is recognised that the potential effects “may be ambiguous in the sense that the policy may have a positive effect on some poverty risk groups and a negative (or no) effect on others. In such cases, *all* potential effects should be highlighted” (Paragraph 3.3) (emphasis in original).

The explicitly stated aim of the poverty proofing process is poverty impact assessment but it also has the objective of changing the policy formation process to ensure that assessment of policy impact on poverty becomes a routine element of the public policy formation ethos. In other words the objective is to make poverty impact assessment a mainstream practice. In the remainder of this report the term poverty impact assessment is used interchangeably with poverty proofing. This is deliberate since the term “proofing” is often perceived as a process tagged on to standard policy analysis.

In so far as the impact of a given policy on a particular objective or target group is an integral part of the whole policy making process, policy impact assessment is something which should take place as a matter of course, that is, the particular objective, for example, poverty elimination, is ‘mainstreamed’. This is not to suggest that the process is identical in all policy areas.

With regard to the objectives of the pilot poverty proofing exercise, the review asks:

- Are the objectives of policy proofing clearly articulated at the level of the officials carrying out poverty proofing?
- Are the relevant resources in place to allow effective implementation?
- How did the pilot programme seek to achieve these objectives?
- Were the objectives in fact achieved?
- If some were not, what obstacles hindered the attainment of the objectives? What were the specific constraints? and
- How might the pilot framework be revised to better achieve the objectives?

The following analysis is based on documentary research and interviews. Interviews were conducted with officials in the National Anti-Poverty Strategy Unit in the Department of Social, Community and Family Affairs, in the Economic and Social Policy Division of the Department of the Taoiseach, in the Equality Section of the Department of Justice, Equality and Law Reform. NAPS Liaison Officers and officials implementing the process were consulted in the Departments of Education, Health, Justice Equality and Law Reform, Finance, Agriculture, Environment and Local Government, Enterprise Trade and Employment, Tourism Sport and Recreation, the Marine and Natural Resources. Telephone interviews were conducted with officials in the Department of Public Enterprise. The emphasis in these interviews was on identifying the constraints on the achievement of the objectives of poverty proofing as stated in the Guidelines and on how the process might be modified to achieve effective poverty impact assessment.

In advance of this review, and to assist in developing the terms of reference, the NAPS Unit requested Government Departments to report on their experience of the process. These replies are incorporated into the analysis.

In outlining how the process operates in practice the two categories of poverty proofing identified in the Terms of Reference are used: “Self-contained proposals” are discussed in this section. “Large integrated programmes” such as the Budget and the National Development Plan are discussed in Section 5. This also includes consideration of poverty proofing of some recent policy reports and its absence in others.

4.1 Memoranda to Cabinet

Memoranda to Cabinet are the end point of policy proposal preparation. These memoranda are subject to Cabinet confidentiality criteria and were not available for examination. In view of the emphasis that is put on the requirement to poverty proof “significant proposals” this appeared to be a significant limitation. However, by their nature Cabinet Memoranda are characterised by a summary statement on poverty impact assessment. The section of the *Cabinet Handbook* relating to Cabinet Memoranda is reproduced in Appendix 3. It is noteworthy that these memoranda are subject to the following length limitations:

[A Memorandum should] be not more than *ten* pages (exclusive of appendices); and if it exceeds 5 pages, have a summary not exceeding *two* pages describing the proposals, the reason for them, the views of the other Ministers and the response of the sponsoring Minister;

In addition to outlining the decision sought and the observations of other Ministers, memoranda are required to “indicate clearly, as appropriate, the impact of the proposal” on a series of factors:

- (i) *relations, co-operation or common action*, North/South in Ireland, or East/West, as between Ireland and Britain;
- (ii) *employment*;

- (iii) *women*;
- (iv) *persons in poverty or at risk of falling into poverty*, in the case of significant policy proposals;
- (v) *industry costs* (except in the case of measures relating to the Budget) and the cost to small business;
- (vi) *Exchequer costs* and staffing implications;
- (vii) *quality regulation*; and
- (viii) *rural communities*.⁵

In view of these criteria it is not surprising that the reference to poverty proofing in these documents is a summary statement such as “this proposal will have a positive impact on people living in poverty” or “will have no impact on people living in poverty”. No proposals predicting a negative impact were identified.

4.2 Compliance with Poverty Proofing Requirements

It is the responsibility of each Government Department to ensure that its policy proposals are poverty proofed. The circulation of Cabinet Memoranda to other Departments, for comments prior to their consideration by the Cabinet, allows the NAPS Unit to ensure that a reference to the proposal’s impact on people in poverty is included. A similar exercise is undertaken by the Social and Economic Division in the Department of the Taoiseach. Such references are rarely absent from memoranda relating to significant proposals although the rationale on which they are based is not always apparent. In the absence of a reference to poverty proofing, Departments are requested by these units to consider the issue before submission for Cabinet consideration.

The evidence from this review indicates that there is a high level of compliance *at a formal level* with the requirement that significant policy proposals to Cabinet be poverty proofed. This does not necessarily indicate rigorous poverty impact assessment. Usually

5. Criteria (vii) and (viii) were added in an amendment to the *Cabinet Handbook* in November 1999.

the statements provide a qualitative rationale for action taken. The reference to poverty is rather general and sometimes appears to be used to refer to income inequality in a general sense rather than poverty. When there is a clear reference to poverty it is not specified if the frame of reference is relative income poverty and/or consistent poverty. The reference is usually to “persons in poverty or at risk of falling into poverty” as specified in the *Cabinet Handbook*.

The Combat Poverty Agency (CPA), in a review of the National Anti-Poverty Strategy (NAPS) suggested that the review of the pilot arrangements for poverty proofing should identify “the extent to which [the poverty proofing procedures] have made an impact on resource distribution in addressing poverty” (Johnston and O’Brien, 2000: 69). Effectively addressing this important question is not possible due to data limitations. However, it is noteworthy that interviewees could not identify any situation where poverty proofing could be cited as effecting such a change although the National Anti-Poverty Strategy was perceived by some as having done so. A change in policy, as reflected in a change in proposals after the proofing exercise was undertaken, was not identified by any interviewee, but it was suggested that the process of poverty proofing may have had an impact on policy implementation in some areas. Specifically, labour market training in some areas may have become more inclusive but this change was at least in part a response to labour shortages.

On the basis of the interviews with those implementing the poverty proofing Guidelines within Departments there is little direct evidence that the process has seriously influenced the policy formation process and none that it has altered the distribution of resources. Yet it might be argued that the mindset of officials has in fact been changed and that as suggested below the climate of awareness of poverty impact has been enhanced to such an extent that it is taken into account as routine in developing policy. If this were the case obvious changes in policy proposals following the formal screening would not be necessary; the formal screening would merely be routine. It is noteworthy that the co-chairpersons of the IDPC (see Box 1) have stressed the importance of seeing

poverty proofing as part of the overall NAPS. Arguably this has had an impact on the redistribution of resources through the national agreements where the NAPS has provided a framework for some commitments. They emphasize that poverty proofing has created a climate of awareness of the impact on poverty of major proposals, thus facilitating a favourable decision where that decision may help address poverty. The Department of Social Community and Family Affairs point to the interest in the NAPS, including poverty proofing, shown by other EU countries and the EU Commission, particularly in the context of the preparation of the National Action Plans on Social Inclusion agreed at the Nice summit.⁶

In view of the fact that poverty proofing was introduced in Government Departments only in July 1998 it may be unrealistic to expect it to have had an obvious and major effect on day-to-day activity. It must be acknowledged that effectively undertaking impact assessment is a complex process. It is unrealistic to expect that impact assessment in terms of poverty will be adopted into the policy analysis processes in an effective sense without considerable groundwork including training of personnel and the commitment of resources in terms of data collection and analysis. Furthermore, proofing without identification of indicators to measure achievement and a commitment to auditing of what has been achieved is an exceedingly superficial practice-change mechanism.

The Community and Voluntary Sector observers of the process of poverty proofing tended to view its operation as highly problematic. Criticism centred on perceived absence of transparency in the process, the absence of demonstrable impact on policy output and the absence of integrated proofing of the budgetary package. The latter is discussed in Section 5. It was argued that the Guidelines have been applied only in areas that are self-evidently poverty action areas and in instances where the outcome would be positive. A perceived lack of political commitment and commitment at the highest levels in the Civil Service, not only to poverty proofing but to the National Anti-Poverty Strategy, were also cited. This was reflected in the failure to poverty proof major policy initiatives such

6. See section 4.4 where this is discussed.

as the Bacon Reports on housing. Finally, the significance accorded to poverty proofing within the overall NAPS was questioned.

Positive examples of poverty proofing were cited by the Community and Voluntary sector, for example, *The Report of the Working Group Examining The Treatment of Married, Cohabiting and One-Parent Families Under the Tax and Social Welfare Codes* and the *Review of the One-Parent Family Payment*. These are discussed in Section 5.

In response to the criticism of the transparency of the process, it was pointed out by the Department of Social Community and Family Affairs that the poverty proofing Guidelines and examples and the proofing exercises conducted in respect of the income tax package and the social welfare budget package are available on the Internet. The latter two elements are discussed in Section 5 where use of the Freedom of Information Act is also cited. This Act allows access to official records by members of the public, insofar as this is consistent with the right to privacy of any individual and the public interest. In most cases exemption from the Act applies only where it can be shown that a request for information is not consistent with these criteria. This means that, in general, details of all aspects of the policy formulation process, including the background papers, in advance of submission to the Cabinet, are available to the public on request.

The remainder of the discussion in this section is organised under five headings as follows:

- Resources and Training;
- Data Deficiencies and Requirements;
- Institutional Mechanisms and Structural Supports;
- The Guidelines; and
- Levels of Impact Assessment: Poverty Proofing and Formal Impact Assessment.

The objective of this discussion is to identify the constraints on the achievement of the aims of poverty proofing as stated in the Guidelines and to identify modifications and or additions that will lead to a more effective process.

4.3 Resources and Training

The set of questions outlined in the poverty proofing Guidelines – reproduced at the end of Section 2 – bring into focus the key issues that must be pursued in analysing projects in terms of their impact on poverty. Effectively addressing these questions is dependent on a range of resources including personnel with adequate time and the appropriate skills and access to the relevant information for policy. In view of this, it must be asked if officials involved in the policy analysis process have the resources to answer the questions posed in the Guidelines.

The Guidelines clearly identify poverty proofing as an attempt to assess policies and programmes at design and review stages in relation to the likely impact that they will have, or have had, on poverty and inequalities which are likely to lead to poverty. Yet, it is not clear that the concept and practice of impact assessment are widely understood.⁷ Furthermore, there are no operational targets in relation to poverty reduction that would allow officials in the day-to-day practice of policy formation to assess the likely impact of a particular policy on people living in poverty over a particular period. More significantly, there are no indicators against which putative outcomes can be assessed. The issue of targets and indicators and their relationship is an important one. Reviews of the National Anti-Poverty Strategy put considerable emphasis on the achievement of its “consistent poverty” and reduced unemployment targets – in particular their early achievement. But there are no indicators that can be linked exclusively to the NAPS.⁸ The

7. Formal impact assessment refers to assessment of the consequences of changes resulting directly and indirectly from a particular project or projects. These consequences are represented by attributes of the social and economic structures and physical environment (Lichfield, 1996: 62). The *ex-ante* assessment of programmes and projects in terms of their economic impacts is generally taken for granted in planning and development circles and assessment of environmental impacts is increasingly becoming the norm in European Union countries. However, social impact assessment is relatively rare and a combined assessment of all three dimensions and their interaction is almost non-existent in Ireland.

8. Several interviewees raised the issue of the impact of economic growth on the achievement of the targets and questioned whether or not the NAPS had an independent impact.

possibility of developing such indicators is likely to be enhanced by the activity of the working groups established to review the NAPS. They are addressing the issue of indicators and their reports will inform the revised Strategy anticipated in November 2001.

After data deficiencies the next most common barrier to effective poverty impact assessment identified by interviewees related to information and training for officials. Others identified the level of analytical skills required for effective poverty proofing as a constraint. It is assumed in the Civil Service that general service officials have a range of competencies that equip them for any job at the level to which they are recruited. Several of the interviewees commented that there is an element of chance as to whether the officials concerned will have the commitment and skills necessary for policy impact assessment. Competency-based interviewing is now being adopted in the Civil Service and this is recognised as an important improvement in recruitment and promotion assessment. Provided the kinds of analytical skills required for impact assessment are identified as a desired competency this change should have a positive consequence not only for the poverty proofing process but for evidence-based policy making in general.

It is noteworthy that the recent OECD (2001) report on *Regulatory Reform in Ireland* emphasises the importance of Regulatory Impact Assessment (RIA) “in systematically ensuring that the most efficient and effective policy options” are chosen. It notes that Regulatory Impact Assessment (RIA) is in its infancy in Ireland having been adopted in July 1999, later than most OECD countries and not yet consistently implemented. It refers to the provision in the *Cabinet Handbook* that each memorandum to Cabinet indicate the impact of the proposal based on a “standardised Quality Regulation Checklist which includes various tests on the quality of future regulation, such as its efficiency and need.” (see Appendix 3 where the checklist is reproduced). It points out that such tests include impacts on the criteria specified in the *Cabinet Handbook* (these are outlined in Section 4.1) including the impact on persons in poverty or at risk of falling into poverty. The OECD is concerned in this report with regulatory reform, and the associated impact assessment, and advocates that the “list of impacts to be considered

[as specified in the Cabinet Handbook] should be shortened to establish clear priorities with respect to benefits and cost, in line with adoption of the benefit-cost principle” (OECD, 2001: 48). While the exact prioritization is open to debate there can be little disagreement with the advocacy of effective impact assessment. Such assessment is important and has relevance not only for regulatory reform but for the broader policy framework. It points to the need for the public service to build on the capacity for impact assessment, not only in relation to specifics, such as the impact on people living in poverty, but as a general capacity.

It was recognised by the IDPC (see Box 1) at the outset of the poverty proofing exercise that appropriate analytical back-up would be required and it was suggested that officials should consult with relevant bodies as appropriate. Yet there was no evidence of either in the practice of poverty proofing, and there is no evidence that the resources necessary for either are in place.

The need to consult with relevant external bodies such as social partners, services delivery organisations representing people living in poverty and people experiencing poverty was also noted in the Combat Poverty Agency assessment of the National Anti-Poverty Strategy (Johnston and O’Brien, 2000: 64). It is noteworthy that consultation mechanisms are discussed in the White Paper *Supporting Voluntary Activity* which was issued in September 2000. This states that “Government Departments and State Agencies will ensure that there are effective administrative mechanisms in place to underpin the functioning of the working relationship with the Voluntary Sector. These will include ‘feedback’ mechanisms relating to all major proposals” (National Anti-Poverty Strategy, 2000b: 113). In addition to this general commitment, individual Departments provide details of procedures they either adopt or will adopt to ensure consultation (op. cit.: Appendix 4). In this regard it is important to note the short time frame within which some proposals are prepared; the issue of time constraint was raised repeatedly by officials involved in poverty proofing, particularly in regard to the finalization of the Budget package.

There was a widespread consensus amongst interviewees that an

essential requirement for effective poverty proofing is a changed mindset at the policy formation level. This will not come about merely through the presentation of Guidelines to officials. It is dependent on commitment to, and support for, the process throughout the system, particularly at the senior levels, a supportive structure as outlined below and appropriate training for the officials involved.

This training should be effected on at least two levels. First, appropriate training modules should be incorporated into the general service training courses with a view to achieving a mindset towards policy making that is sensitive to the objectives of poverty reduction and social inclusion as over-arching policy objectives. “Over-arching” here refers to objectives that are relevant across policy domains, in the sense that competitiveness and full-employment are acknowledged as over-arching policy objectives. The training should also include the development of a commitment to evidence based decision-making. This entails a commitment to seeking the relevant data to support policy positions. Second, models appropriate to the policy activity of particular Departments should be incorporated into individual Departmental training courses. Training focused solely on the implementation of the Guidelines is not adequate. The broader policy context within which these guidelines are located must provide the framework. The issue of training cannot be divorced from the issue of whether proposals should be screened and in-depth poverty impact assessment applied selectively, or whether universal application of impact assessment should be the norm. This issue is returned to in Section 4.7.

4.4 Data Deficiencies and Information for Policy

Without exception, interviewees identified data deficiencies as a barrier to poverty impact assessment. A feature of the ‘worked examples’ of poverty proofing attached to the Guidelines and other examples of poverty proofing is the small role that seems to be played by consideration of statistical evidence in judging the impact of policy.

Identification, collection and processing data relating to poverty in a timely manner is a pre-requisite for effective impact evaluation and all evidence-related policy making. The most widely used poverty data in Ireland are those emerging from the Living in Ireland Survey undertaken by the ESRI. Despite improvements in the timeliness of processing, these data are still over two years in arrears and this refers only to the national figures. The detailed analysis is further delayed. The Department of Social Community and Family Affairs has recently agreed to the prioritising, by the ESRI, of the 2000 Living in Ireland Survey which should result in the national level data becoming available before the end of 2001. In addition, the PPF provides for the development of data and data collection systems for the monitoring and evaluation of poverty, including measuring poverty among groups not currently included and new studies to complement the Living in Ireland Survey and to address the gender dimensions of poverty. The availability of such data would greatly enhance the prospect of effective poverty impact assessment.

In commenting on worked example of the Housing (Traveller Accommodation) Act 1998 analysis in the Guidelines, the NAPS Unit emphasize that data “collection/referencing is seen as an important component of the poverty proofing process”. But there is no formal process to ensure that this is followed through and there is no evidence that addressing data deficiencies, or timeliness in availability of data, is seen as a requirement by officials involved in poverty proofing. This may be an unrealistic expectation in view of the time constraints and resources available but it does point to the need to address the issue of information for policy in the immediate future. It is noteworthy that there is minimal use of sources, such as Central Statistics Office (CSO), CPA, academic research and administrative statistics, in poverty proofing exercises to date.

The issue of data deficiencies, particularly relating to social inclusion, has been highlighted in the NESC Strategy document (NESC 1999) and in documents considered by the Council relating to benchmarking elements of the national programmes and the development of progress indicators. It has been argued that the wider use of administrative data may provide a partial solution to

the timeliness issue as well as expanding the range of relevant data for the monitoring of progress. It is clear from the review of the poverty proofing exercise that data deficiencies are also a constraint on day-to-day policy activity.

Commentary on reform of the public policy system, including that relating to the SMI, acknowledges the need for *evidence-based* policy formulation. Policy impact assessment is an essential element of such a process but neither is possible in the absence of relevant data.

Some activities unrelated to the poverty proofing exercise are likely to enhance the availability of statistics for policy making, including poverty proofing, in some areas. These are the National Health Information Strategy, and work being undertaken for the Combat Poverty Agency on secondary sources relating to poverty (Fitzgerald, Bates and O'Donnell, 2001). But these are relatively isolated initiatives. Comprehensive evidence-based policy making is dependent on a commitment throughout the public service to developing appropriate information for policy. This must include maximum use of existing data sources and a commitment to harnessing administrative data not only at the policy formation stage but also in monitoring implementation of policy. A prerequisite of such monitoring and auditing is the identification of indicators on which progress is assessed. Consideration of possible indicators is being undertaken by the working groups established under the current review of the NAPS. These are expected to report in June 2001.

In this regard it is noteworthy that the proposed National Action Plans mandated by the EU are required to have a strong emphasis on indicators by which progress can be measured. When the NAPS was developed the specification of targets was generally considered not only adequate but progressive. Targets by definition imply indicators but the latter are not always spelled out and, if identified, how they are to be measured is not specified. The problem with the indicator implied by the principal NAPS target, that is the proportion of the population who are 'consistently poor', is that there was a marked time lag in data by which this could be

measured in 1997. This resulted in the target having been met at the time it was set. While the data timeliness is improving there still is a two-year delay in national poverty statistics. This means that a starting benchmark still cannot be accurately specified. This points to the importance of specifying targets, indicators and data requirements.

4.5 Structural Requirements for Poverty Proofing

In this section four structural requirements for effective poverty proofing are identified: appropriate institutional structures, the recognition of cross-Departmental variation and cross-Departmental linkages and the role of the NAPS within the public policy framework.

4.5.1 Institutional Structures

The institutional structure for poverty proofing is outlined in Box 1 on page 2 above. It is important to establish if this structure is adequate to support the routine application of poverty impact assessment. The rationale for the institutional structure was accepted by interviewees – it has the potential to link the day-to-day policy activity to political decision-making level. Concern was expressed that this structure provides little support for Liaison Officers in most Departments and, apart from the provision of the Guidelines, it provides practically no support for officials implementing poverty proofing. The Liaison Officers, who are generally at the Assistant Principal Officer level, are of assistance in some Departments but in others they have no involvement apart from channelling communication from the NAPS Unit. There has been considerable turnover in the liaison officer position in some Departments with the result that the present incumbent would not have gone through any formal introduction to the NAPS. It is important to bear in mind that the NAPS liaison activity is only one of many roles fulfilled by these officials and in some departments it is relatively peripheral to the official's main tasks. In others, the liaison officer represents the department at the IDPC meetings and

in one at the Senior Officials Group. These may reflect administratively efficient decisions or a low level of commitment at senior levels to the NAPS.

The issue of a supportive structure for poverty impact assessment arises at the internal Departmental level, at the system level, and at the NAPS institutional structure level:

- At the internal level, support from the upper echelons of the Departmental hierarchy was perceived as crucial by Liaison Officers. For example, several expressed the view that communications from them were more likely to be addressed by policy units if they were seen to be supported by an Assistant-Secretary;
- Externally, the role of the Co-Ordinating Group of Secretaries General was identified as potentially important in enhancing the prominence of the National Anti-Poverty Strategy, and in particular poverty impact assessment, in the policy process;
- Within the NAPS institutional structure the Senior Officials Group was identified as having the potential to actively support the role of the Liaison Officers and to highlight the relevance of poverty impact assessment in the overall NAPS process; and
- It is noteworthy that the NAPS Unit has never included representatives from other relevant Departments, as was originally envisaged (Government of Ireland, 1997: 20). It is a small unit and at times has been severely understaffed. In view of this it is not surprising that the NAPS Unit is not perceived as a resource for those involved in poverty proofing.

4.5.2 Cross-Departmental variation

Departments vary considerably in their experience of poverty proofing. This is linked to the variation in their activities and policy output. This is recognised in the Guidelines which state that:

Although some Departments' remit may not seem to impact directly on poverty, and while some Departments are not involved in direct service delivery, it must be

noted that this is an *obligatory requirement*. While the secondary effects of some proposals (particularly those which are not directly aimed at alleviating disadvantage) may not be immediately apparent, *they may still have an impact on the poor*, or may, inadvertently, lead to a risk of poverty for some people/groups (Paragraph 1.2) (emphasis in original).

Despite this, some still argue that there is an important distinction between Departments involved in direct service provision and those who rely on agencies for service provision. This is not a relevant distinction for poverty impact assessment. However, it is important to recognize that some policies almost by definition lead to poverty reduction whereas others have quite an indirect effect or no apparent effect. The important issue with the first set is that the policy output achieves the most effective poverty reduction possible rather than demonstrating that they will have an impact on poverty reduction. The key issue with the second group is that the analytical framework is broad enough to allow for identification of poverty impact if such is there. But this is precisely the context in which it was most difficult to get officials to undertake poverty proofing, although progress over time was noted in a couple of instances. This reluctance to undertake poverty impact assessment in some instances raises a question not only about resources, data and training as outlined above but also the appropriateness of the Guidelines. This is discussed below where the issue of screening and adaptation of the Guidelines is considered. The reluctance to undertake poverty impact assessment also raises a question as to the extent to which Departments see poverty reduction as integral to the policy process within their Departments. In this context, how can poverty impact assessment be integrated into the policy formation process.

The complexity of the decision-making system must be recognised as must the independence of Departments. Each Department has responsibility for policies that have a perceived “universal” focus. A subset has to do with disadvantage and with issues that may be perceived as primarily the responsibility of other Departments. How can each Department be made accountable for recognition of these

issues in the same way as the core “universal” policies? The primary concern of each Department is with the outcome of its “universal” policies. Unless the analysis of policy impact on socially excluded groups is integral to the Departmental mission the possibility of a two-tier policy system exists. A formal statement in a Strategy Statement is hardly adequate as a commitment to poverty reduction and/or impact assessment.

Departmental statements of strategy incorporate a general commitment to the NAPS targets and to poverty proofing as is required, but the key document in terms of day-to-day activity is the Annual Business Plan that relates to each unit. This has the potential to specify commitments and identify the associated indicators that are essential for the monitoring of output against objectives. But if poverty impact assessment is not seen as integral to the Departmental mission and a criterion relevant for assessment of success, and if the necessary resources are not in place these commitments will not move beyond the formal level. Poverty impact assessment will become integral to each Department’s mission only if the objectives of the NAPS become accepted as over-arching policy objectives that are reflected in indicators on which progress can be measured on an ongoing and timely basis.

4.5.3 Cross-Department linkages

In addition to recognition of variation across Departments vis-à-vis poverty proofing, another significant issue is that of cross-Departmental linkage. The importance of cross-Departmental linkages is repeatedly affirmed as a desirable and sometimes even essential prerequisite for good policy making. Some see the success of poverty proofing as dependent, to a large extent, on Departments consulting and interacting with each other in the design and development of policies (Johnston and O’Brien, 2000: 64). Clearly some policy issues have a significant cross-Departmental element. There is no evidence from this review of cross-Departmental consultation relating to poverty proofing, although cross-Departmental activity relating to NAPS does take place. For example, the Annual Report of the IDPC for 1999/2000 cites the

establishment of two cross-Departmental groups, one dealing with homelessness and another dealing with literacy among the unemployed, as examples of cross-Departmental co-operation to provide strategic responses to specific issues (National Anti-Poverty Strategy, 2000: 4). The Programme for Prosperity and Fairness has added several more.

Despite the existence of numerous cross-Departmental working groups there may be perceived disadvantages to heavy involvement in such activities. It was pointed out by several interviewees that an official's primary commitment is to their own Department and that the effort and positive contribution attaching to heavy involvement in cross-Departmental activities was not always recognized. Consequently, officials from various Departments may be losing out in terms of perceived contribution to their unit activity within their own Departments. This does not encourage commitment to cross-Departmental activity.

Limitation on cross-Departmental co-operation may hinder effective poverty proofing in the sense that certain policy issues clearly have a significant cross-Departmental element. But the relevance of this issue is not confined to this area. The increasing recognition of the need for cross-Departmental working indicates that this is an issue that warrants serious consideration. One mechanism towards this would be an additional SMI group with a mandate to focus on cross-Departmental issues including performance management development issues. It should present a framework within a specified time frame.

4.5.4 The NAPS within the policy framework

It was pointed out by several interviewees that the commitment to the implementation of the National Anti-Poverty Strategy in general, and poverty proofing in particular, contrasts sharply with the effort that has gone into other policy initiatives such as conformity with the Freedom of Information Act and the Performance Management Development System. The former has a legislative base and the latter has an in-built financial incentive, is

evidence based and, importantly, resources are being committed to elicit this evidence; it also involves outside evaluation. Such incentives are not present in relation to poverty proofing. Yet, it must be recognised that there is a National Anti-Poverty Strategy to which there is considerable *formal* political commitment. The NAPS is directed to inform policy not only through specific policy initiatives but in an over-arching sense. However, it is seriously deficient in terms of indicators that are measurable in immediate policy terms and/or in a timely and/or disaggregated way.

In summary, poverty proofing needs a supportive institutional structure not only in terms of the NAPS dedicated institutional structure but also internally within Departments and at the system level across Departments. It cannot achieve its objectives if it is reliant on particular committed individuals. It needs institutional supports.

4.6 The Guidelines

The poverty proofing Guidelines are comprehensive but problematic. They are framed against the assumption that all of the officials involved in policy formation are familiar with the NAPS targets and data sources but this assumption is not warranted. In the absence of the training and resources identified above the effective use of the Guidelines cannot be guaranteed.

The most significant problem relates to the definition of poverty and its measurement. The Guidelines do not indicate how “consistent poverty” should be operationalised by officials in the day-to-day policy situation nor are there any suggestions as to how it should be operationalised at a disaggregated level. Advice on the development of appropriate indicators on which progress could be measured is not provided. While subsidiary targets are cited under the broad headings of educational disadvantage, unemployment, income adequacy, disadvantaged urban areas and rural poverty, indicators for the measurement of progress are not identified, nor are data sources.

It was stated by several interviewees that it is “too easy” to make a

statement relating to poverty impact in Cabinet memoranda. This assessment was based on the view that such a statement does not necessarily imply serious consideration of policy impact on poverty. This raises the issue of the evidence that is required to support poverty impact statements and how this can be evaluated. While the Guidelines request “the rationale and basis of the assessment (for example, administrative data sources/household survey data, Working Group or Task Force Reports etc.)” for each of the replies, such data is rarely provided. As already pointed out assessments of poverty impact are mostly qualitative without supporting evidence. The Guidelines also refer to the desirability of external consultation if necessary. No example of such consultation was identified in this review.

The predominant view of the Community and Voluntary Sector, based on experience with multiple Departments including Finance, Environment and Local Government, Education and Science and the National Development Plan, is that the poverty proofing Guidelines have yet to be embedded in the policy-making mechanisms of these Departments, and there is a considerable unease and unfamiliarity with both the concept and practice of poverty proofing. The Sector’s consultations indicated that some officials perceived the Guidelines to be too repetitious and long; unclear; irrelevant to the policy making process; unclear about what poverty proofing should be applied to, where to start and at what stage in policy process.

Despite the fact that the section on “Proofing How” is quite brief, it is not effective because it is lost in the middle of a more lengthy document. It may be more effective if it focused more directly on the key question that should be addressed, the data on which the assessment is made and the indicator or indicators by which progress will be measured. The key question is whether the proposal or policy:

- (i) reduces poverty; or
- (ii) has no effect on poverty levels; or
- (iii) increases poverty; or

- (iv) does the particular situation or experience of one or other of the target groups in the list of inequalities likely to lead to poverty mean that this policy has significant potential impact for this group that would lead to poverty or risk of poverty? The relevant range of potential inequality issues are gender, disability, age, race, marital status, family status, sexual orientation, membership of the Traveller Community, religion (see Section 6.0).

The answer should substantiate the assessment made, by indicating the data on which it is based, and the indicator that will be used to measure progress and the time frame within which it will be measured.

Adherence to the Government and social partner commitment to the NAPS implies that policy proposals be harnessed to have maximum anti-poverty impact and maximum impact on inequalities that lead to poverty. Bearing this in mind the over-arching objective in policy proposal formation should be informed by the following question: could the policy have a significant impact on achieving anti-poverty objectives and in lessening inequalities that may lead to poverty?

The Guidelines include four ‘worked examples’ of poverty-proofing exercises. It is noteworthy that these examples – housing for Travellers, an adult literacy initiative, a pilot integration of public services for four deprived communities and integrated services for early-school-leavers – appear rather self-evidently anti-poverty (or, at least, anti-inequality). These are unlikely to be the policies most in need of investigation in regard to their impact on poverty. It would be helpful to see worked examples relating to policies whose impact on poverty is more uncertain but may be more pervasive, for example, ‘mainstream’ economic, environmental and health policies. If worked examples are to be useful they must be customised to different types of policies and illustrate the operation of poverty proofing in areas relevant to each Department. The process of developing such worked examples by personnel from individual Departments in association with the NAPS Unit and the Combat Poverty Agency would afford an opportunity to embed the achievement of the NAPS targets, in general, and the practice of

poverty proofing, in particular, as the responsibility of individual Government Departments. Despite the fact that this is acknowledged at an official level it is not universally reflected in practice at present.

In summary, the revised Guidelines should outline the NAPS definitions of poverty and how they are to be measured. In addition to the key questions outlined above, the document should include worked examples of poverty proofing relating to the policy domain of the Department concerned. It should include possible data sources and sources from which advice can be sought by officials undertaking the proofing process.

4.7 Levels of Impact Assessment: Poverty Proofing and Formal Impact Assessment

The existing Guidelines on poverty proofing ask for assessment of ‘likely impact’ on people living in poverty or at risk of poverty and imply that all policies should be so assessed and the same set of questions be applied in all instances. To date, most of the proposals that have been systematically poverty proofed are those which are self-evidently anti-poverty. It must be asked what the value of this exercise is in terms of enhancing the positive impact of policy on those in poverty. It may be more appropriate to acknowledge the anti-poverty policy objectives and specify how progress is to be measured in such instances by identifying an indicator or indicators and data sources which can be used to measure progress against time-defined targets. If data are not available, how they are to be developed should be specified. The risk of classification of a proposal as anti-poverty when it is not would be avoided by these requirements.

Policy proposals that are not avowedly anti-poverty should be subject to systematic poverty proofing following the streamlined Guidelines. Where an anti-poverty assessment is made an indicator or indicators should be identified and the data sources specified that would allow measurement of progress against time-defined targets.

The recognition that the nature of effective poverty proofing varies

according to the policy orientation of the proposal would allow time for more rigorous poverty proofing of less obviously anti-poverty proposals. It is necessary to balance the advantages and disadvantages of such a tiered approach: The advantages are: (i) the avoidance of overload including the detailed impact assessment of policies and proposals that are clearly anti-poverty in their objectives; and (ii) this could facilitate comprehensive impact assessment where appropriate and result in proofing requirements being taken more seriously as a contribution to the policy process. Provided that the indicator and data requirements outlined above are adhered to in all cases, these advantages clearly outweigh the possible disadvantage that not all proposals would be subject to the same intensity of poverty proofing.

In addition to this first level of poverty proofing, which would recognize difference in proposals in terms of poverty proofing requirement and which would always be required to specify an indicator or indicators to measure progress and the associated data requirements, it is proposed that in-depth impact assessment be undertaken on a selective basis by a unit with expertise in impact assessment.

This raises the issue of who would most appropriately undertake this formal impact assessment. One possibility would be the development of a central unit with expertise in impact assessment that would undertake in-depth assessment of selected proposals within the context of the overall stock of relevant policies in particular areas. In view of the range of criteria on which proofing is now mandated and the need for regulatory impact assessment identified in Section 4.3 above, such a central unit has merit (see Section 6.0 in relation to multiple bases for proofing). Furthermore, such a unit would facilitate impact assessment of major policy proposals and significant spending decisions across Departments. Poverty proofing is applied only selectively to proposals in major policy reviews at present despite the fact that the proposals adopted may have long-term distributional consequences. A central unit would also establish impact assessment relating to poverty and other dimensions of exclusion within the context of the broader policy framework. It would not lessen the significance of the

existing proofing requirement. It would strengthen it by increasing the profile of impact assessment and thereby increasing the demand for appropriate information for policy.

It is noteworthy that a Regulatory Impact Assessment Unit is to be established in the Department of the Taoiseach following the acceptance by the Government of the recommendations of the OECD (2001) report on regulatory reform. As is recognised in that report the same analytical skills apply across the range of impact assessment exercises. Whether these relate to poverty or competitiveness the key point is that the practice of impact assessment and the associated skills are essential to effective evidence-based policy making. Consequently, enhancement of impact assessment in relation to poverty should be seen as part of a broader movement towards more effective policy making.

At this stage it is not appropriate to propose a single unit to undertake the formal impact assessment outlined above and the regulatory impact assessment recommended by the OECD. However, close links between these units should be established and the possibility of co-ordination considered when both units are effectively functioning.

The existing poverty proofing takes a flow approach to policy analysis. New proposals are subject to analysis as opposed to the whole range or stock of policies within any given policy area. However, individual policies are components of a larger policy framework and it is the overall balance of the package of policies that is important in terms of impact. Recognition of this fact is often lost in the present process.

Does the logic of proofing imply that a policy that worsens poverty or increases the risk of poverty may not be proposed? It is noteworthy that no policies in this category were identified by interviewees and none of the National Development Plan (NDP) measures are so identified. If such were to exist, it must be asked if a commitment to poverty proofing requires a compensating measure to mitigate the undesirable impact of particular policies on poverty? The Guidelines identify the possibility that “the secondary effects of some proposals (particularly those which are not directly aimed at

alleviating disadvantage) ... may ... have an impact on the poor, or may, inadvertently, lead to a risk of poverty for some people/groups” (paragraph 1.2). It is noted that the “primary aim of the [poverty proofing] process is to identify the impact of the policy proposal on the poor so that this can be given proper consideration in designing the policy. It is not intended that Poverty Proofing would require that all policies be fundamentally transformed so that they are *explicitly* targeted at the disadvantaged” (Paragraph 3.2, emphasis in original). In recognising this, attention is drawn to the following clause:

The potential effects of some policy proposals may be ambiguous in the sense that the policy may have a positive effect on some poverty risk groups and a negative (or no) effect on others. In such cases, *all* potential effects should be highlighted. One should consider the varying effects (if applicable) to each of the poverty risk groups ... and how any adverse effects on these groups might be counteracted. The possibility of particular groups being inadvertently excluded from the potential benefits of a proposal should also be noted (Paragraph 3.2, emphasis in original).

The over-arching public policy commitment to poverty reduction implies that policy proposals are consistent with this commitment. Recognition that it is the overall balance of policies that is crucial in realizing the commitment to poverty reduction, means that if an individual policy has a demonstrable negative impact on people living in poverty or at risk of poverty – and this is justifiable only when no other policy options are open and the overall benefits outweigh the costs – a compensating mechanism is, or will be put in place, within the overall balance of the package of policies within or across Departments, as appropriate.

Acknowledging the stock and flow dimensions of policy packages means that in addition to assessing individual proposals for their poverty impact it may be appropriate to assess poverty impact within the context of the mix of policies pursued by a particular Department over a particular period, or the change in the overall

balance of policies due to a new proposal. Similarly, poverty impact assessment is relevant to decisions on spending across Departments. If the NAPS targets are to be taken seriously in the policy process then they must be taken seriously in major expenditure allocation. This would involve poverty impact assessment on a quite different scale than is pursued at present. This would be possible only if a central unit with expertise in impact assessment were established or an existing unit developed such expertise.

In summary, it is proposed that in addition to recognition of the importance of the flow of new policies in terms of their impact on poverty, their role within the stock of policies emanating from a particular department in terms of impact on poverty be recognized. In addition, it is proposed that the universal application of poverty proofing to relevant policy proposals within Government Departments should be supplemented by selective in-depth impact assessment by a central unit.

4.8 Poverty Proofing in the Policy Context

Poverty impact assessment is an essential basis for decision making. Its effective use would ensure that key relevant factors concerning the socio-economic status of the population are available before decisions are made. Its effective implementation is dependent on adequate resources and training, recognition of the need to overcome data deficiencies, appropriate institutional mechanisms and structural supports, workable Guidelines and judicious application. In addition, analytical tools such as poverty proofing must be part of a broader package including educational tools designed to raise awareness, transfer knowledge, and support training.

The administrative practice associated with the Structural Funds is a model whose extension would have a beneficial effect on poverty impact assessment. The Structural Funds have provided not only financial resources but resources for policy learning. The importance of linking the processes of planning and *ex ante* assessment of impact, the allocation of resources and the evaluation

of programme outcome is now more widely recognised and has become institutionalised to a significant extent in some policy areas. The NDP process reflects this (see Section 5.2). If this were generalised to the entire policy process, poverty impact assessment would be less likely to be perceived as a task to be tagged on to the policy formation process and more as a contribution to evidence-based decision making. The Structural Funds model brings into focus the issue of performance indicators and the auditing of progress on commitments. In this regard it must be asked if poverty proofing on its own is inherently limited in terms of effective change.

A legislative basis for poverty proofing or any other policy proofing was seen as inappropriate by most interviewees. It was characterised as adding complexity and likely to be a bureaucratic ‘nightmare’. It is noteworthy that under the Northern Ireland Act 1998 (Section 75) there is now a statutory obligation on public bodies to promote equality of opportunity. The implementation is overseen by the Equality Commission for Northern Ireland. The effectiveness of the move to a statutory system from what was previously a voluntary system should be monitored as a model which may have relevance to poverty proofing in the Republic (see National Anti-Poverty Strategy, 1997: Appendix for brief account of the voluntary system). As pointed out in the Introduction the option of a legislative basis for poverty proofing was left open for consideration when poverty proofing was introduced.

5. POVERTY IMPACT ASSESSMENT OF LARGE INTEGRATED PROGRAMMES

5.1 Introduction

The Terms of Reference for this review make a distinction between “large integrated programmes (e.g. the National Development Plan and the Budget) which consist of proposals from various Departments and other more self-contained proposals”. Large integrated programmes are the subjects of this section. In addition to

the Budget and the National Development Plan, issues related to the poverty proofing of the proposals in major policy reviews are discussed.

5.2 Poverty Proofing the Budget

The National Anti-Poverty Strategy states that:

The question of the impact on poverty will ... be a key consideration when decisions are being made about spending priorities in the context of the national budgetary process (National Anti-Poverty Strategy, 1997: 20-21)

The following statement from Budget 2001 encapsulates the comments of officials in the Department of Finance and elsewhere on the issue of poverty proofing the Budget:

It should be noted that the primary aim of the poverty proofing process is to identify the impact of the policy proposal on the poor so that this can be given proper consideration in designing policy. It is not intended that poverty proofing would require that all policies be fundamentally transformed so that they are explicitly targeted at the disadvantaged.

It should also be pointed out that the impact on poverty is one criterion for assessing the Budget. There are many other legitimate goals and targets such as increasing economic efficiency, rewarding effort and enterprise and risk taking, removing market distortions, controlling inflation and encouraging capital accumulation, all of which improve economic welfare generally (Department of Finance, 2000: C47).

It was repeatedly pointed out by interviewees that the poverty proofing of individual Budget submissions was not only appropriate but desirable. The Tax Strategy Group papers since 1999 include such an exercise by the Department of Social Community and Family Affairs. These documents reflect an application of the

poverty proofing Guidelines. In so far as other Departments undertook the proofing of submissions the outcome was a statement justifying the submission in terms of its positive impact on poverty or a statement that the proposed policy action had no impact on people living in poverty.

5.2.1 Budget 1999

A paper prepared by the Departments of Social, Community and Family Affairs, on Poverty Proofing for the *Partnership 2000* Secretariat in March 1999 (P2000/99/15), provides a poverty proofing exercise on the Social Welfare Budget Package. It uses the ESRI SWITCH model to estimate the income distribution effects of the package and its effects on various family types, particularly those identified in the NAPS as facing a high risk of poverty.⁹ It also examines the incentive effects of increasing the Family Income Supplement and the increase in Child Benefit rather than Child Dependent Allowance. It does not present any estimates relating to poverty reduction but makes an argument for the package as positive for those on low incomes. The paper also includes a poverty proofing exercise by the Department of Finance of the 1999 Income Tax proposals. This also provides an argument for the package of taxes as having a positive impact on those in poverty, with particular emphasis on its impact on employment creation. The analysis includes the summary tables from the Budget Papers for a single person taxed under PAYE and for a married couple with one earner and two children at various income levels – these illustrate the relatively higher percentage gains for low income earners. The analysis used the SWITCH model, analysis by the Revenue Commissioners and the Department’s own analysis. While this analysis was welcomed by the social partners, it was criticized as inadequate as an assessment of the impact of the budget on people in poverty.

9. SWITCH refers to Simulating Social Welfare and Income Tax Changes. This is a computer model developed by the ESRI and used for simulating the effects of changes to the tax and social welfare codes.

Combat Poverty Agency analysis of Budget 1999 vis-à-vis NAPS targets

The CPA issued an analysis of the extent to which the measures introduced in Budget 1999 were consistent with the Budget-relevant targets set out in the NAPS, specifically those relating to income adequacy, unemployment and educational disadvantage.¹⁰ It is noted that the time frame for the Budget is only one year while the targets for the NAPS are for ten years. Despite this it argues that the current economic climate affords an opportunity to make substantial progress towards the targets in the early stages of the strategy.

In reviewing the global target of reducing the percentage of the population that are ‘consistently poor’ it analysed the trend in the balance of spending on tax and social inclusion and the distributional impact of tax changes. In addition, it reviewed social welfare measures, progress on unemployment reduction, labour force participation and educational disadvantage. Overall, it concluded that despite weaknesses from an anti-poverty perspective, the 1999 Budget would make a greater impact on poverty than would the 1998 Budget (CPA, 1999: 2) but its analysis of the 1998 Budget had been relatively negative.¹¹

It recommended that the results of poverty proofing exercises for measures in the Budget be incorporated into the *Summary of Budget Measures* published with the Budget documents. This has been done for the income tax measures in Budget 2001.

10. The Combat Poverty Agency had already issued an analysis of the extent to which the measures introduced in Budget 1998 were consistent with the targets set out in the NAPS. In addition to its specific focus on the 1998 Budget, the analysis was presented as an example of how poverty can be analysed “in the context of NAPS and also more specifically, as a framework by which future pre-Budget submissions and post-Budget analyses could be examined” (CPA, 1998: 2). It has also provided an analysis of the 2001 Budget which is outlined below.

11. A comparison of the 1997 and 1998 Budgets pointed to the widening of the gap between spending on tax and social inclusion measures and questioned the consistency of Budget 1998 with the NAPS global target of reducing the percentage of the population that are ‘consistently poor’.

5.2.2 Budget 2000

There is no poverty proofing statement in the Budget 2000 papers. A Freedom of Information request relating to poverty proofing by the Irish National Organisation of the Unemployed yielded papers relating to excise taxes, mainly the price and Consumer Price Index (CPI) impact of tobacco excise changes. The reply referred to Tax Strategy Group papers on Excise Duties and Environmental Tax Policy. It also pointed to Annex A and C of the Budget Booklet showing the impact of the Budget Day tax and welfare changes on different income and tax categories.

5.2.3 Budget 2001

Annex C of Budget 2001 is entitled “Examination of Budget 2001 – Income Tax measures using the National Anti-Poverty Strategy Guidelines”. The assessment of the income tax measures over various income distributions in conjunction in some cases with social welfare measures is a standard feature of the Budget. What is unique about the 2001 Budget is that the tax package is reviewed using the NAPS guidelines, (Department of Finance, 2000: C47). This is a similar exercise to that carried out on the 1999 Budget for the *Partnership 2000* review of poverty proofing.

The poverty proofing analysis of the 2001 income tax measures is presented in the context of a statement that the primary objective of the Budget is to raise revenue and that those in the lower income deciles do not pay income tax. It identifies the policy priorities driving the income tax changes as removing those on low incomes from the tax net, reducing the tax burden, especially on average incomes, and increasing the incentive to work by appropriate tax rates and policies. Addressing the first priority, it points to the increase in the income level for entry into the tax system and identifies the removal of 133,000 income earners from the tax net. It states that in so far as persons defined as consistently poor are within the tax net the Budget will contribute to progress towards the overall NAPS target. With reference to the targets relating to disadvantaged urban and rural areas it argues that “the income tax

package will have a beneficial impact on people on lower incomes living in such areas” in so far as they are within the tax net (C48).

The analysis also points out that changes in “the PRSI regime for the self-employed, improvements to the Family Income Supplement and a substantial increase in child benefits, in addition to the increase in other social welfare payments, achieve balance in the distributional effects of this Budget.” It goes on to note that the responsibility for poverty proofing in relation to social welfare expenditure measures lies with the Department of Social Community and Family Affairs and this is provided in the Tax Strategy Group papers which are available on the Department of Finance website. The separate departmental responsibility is important in the context of the argument by the Community and Voluntary sector that what is important is the balance of the entire Budget package rather than discrete elements of the Budget. Consistent with this, the desired proofing is one based on a SWITCH model type analysis to assess the impact of various packages of interacting tax and welfare measures for various income groups.

It was emphasised in interviews with several officials, not only from the Department of Finance, that the income tax and the social welfare payment systems are addressing different constituencies and in that sense are parallel rather than directly interacting systems. In this interpretation, the social welfare system benefits people in poverty and/or those at risk of falling into poverty while the income tax system is, in general, addressing a different income group. Much of the criticism of the failure to present an integrated poverty proofing assessment of the Budget springs from a perspective that emphasises the relative gains and losses of the entire Budget package. The key questions from this perspective are not only whether people living in poverty have gained from redistribution, but whether they are relatively better-off, or worse-off after the exercise is completed. In addition to the issue of immediate redistributive improvements, the interest is in the overall distributional outcomes of the budgetary process.

Combat Poverty Agency Analysis of Budget 2001

It is noteworthy that the Combat Poverty Agency in its review of the 2001 Budget concludes that undertaking separate poverty-proofing reviews of the welfare and tax changes gives incomplete information as to the overall effects of the Budget. It points out that the Department of Social Community and Family Affairs analysis of the social welfare changes reveals that low-income households benefit most but “it does not factor in the tax changes which cost 1.5 times the welfare component.” On the other hand, the Department of Finance focuses on the tax changes but does include the child benefit and Family Income Support (FIS) changes. The inclusion of the latter two elements gives rise to double counting in that they are included by both Departments. The Department of Social Community and Family Affairs base their analysis on the SWITCH model while the Department of Finance uses various categories of tax-payers over a range of specimen incomes. Finally, the CPA is critical of the absence of consideration by either Department of factors such as inflation and wage growth which influence incomes (Combat Poverty Agency, 2001: 4). The CPA concludes that there is a number of progressive measures in the 2001 Budget. The details of the analysis are not relevant here – what is of importance is whether or not the kind of integrated analysis that the Community and Voluntary sector and the CPA are calling for is possible *ex-ante* or if such analysis must inevitably be an *ex-post* exercise.

Officials familiar with the budgetary process point out that the finalisation of any Budget is highly time-constrained and, of course, the final package reflects a political decision. While it is realistic to call for poverty impact assessment of various combinations of policy choices as the overall balance of the package is being decided, it seems unlikely that a definitive integrated poverty impact assessment will be provided simultaneously with the presentation of the Budget given the present data sources being used by different departments. This, of course, does not imply that the commitment of the Government to the over-arching NAPS objectives should not inform the overall balance of choices made. Furthermore the *ex-post* distributional analysis of the Budget in any

particular year should inform proposals made throughout the year and subsequent Budgets.

Objectives of Budget 2001 and the National Anti-Poverty Strategy

The 2001 Budget Statement identifies four basic objectives of the Budget:

- to manage our economy to secure our *continued prosperity*;
- to *improve our quality of life*;
- to promote a *fairer society*; and
- to *reward work and enterprise* through on-going tax reform.

Each of these objectives could be consistent with the over-arching policy objective of the National Anti-Poverty Strategy, but the balance of policy choices taken to realize them singly and in combination will determine their contribution. Assessing this contribution will depend on assessment of the impact of both the current and capital aspects of the budgetary package. This assessment must recognize the varying time-frames of particular policy actions and focus on the overall budgetary package rather than on selected discrete elements. Interviewees argued that time-constraints, secrecy and political considerations relating to the Budget do not augur well for the presentation of an impact assessment on Budget day. Yet, some information on the distributional consequences of income tax changes and some combined income tax and social welfare changes are presented as part of the Budget papers.

The discussion of the poverty proofing of the Budget has, to date, not moved beyond a consideration of current expenditure. The Budget has broader and longer-term objectives that would have to be taken into account in a comprehensive assessment. The capital dimension of the Budget may be more important than the current dimension in terms of long-term consequences. These include its possible alleviation of infrastructural deficits and improvements in housing conditions that influence the context within which distribution through the tax and social welfare system takes place. Consequently, poverty impact assessment must be an integral part

of the entire public expenditure process commencing with the departmental submissions to the Estimates process.

5.3 Poverty Proofing the National Development Plan

The National Development Plan (NDP) for the period 2000-2006 comprises three national or inter-regional Operational Programmes, two Regional Operational Programmes and a separate Operational Programme for the Peace Programme.¹² The overall objective of the Operational Programmes is:

... to boost growth on a balanced basis throughout the country and their combined effect will be to generate employment opportunities for the socially disadvantaged and to create extra resources to enable the State to raise the living standards and the quality of life of the elderly and those who are incapable of work. In addition four of the Operational Programmes will directly work to promote social inclusion (Government of Ireland, 1999: 189).

This illustrates the strong emphasis in the NDP on promoting social inclusion. The expenditure on social inclusion for the 2000-2006 period is over 19 billion euro, that is 37 per cent of the total expenditure. The Economic and Social Infrastructure Operational Programme will devote 7.6 billion euro to investment in the provision of affordable housing and 2.5 billion euro to the public health services; the Employment and Human Resources Development Operational Programme includes a range of measures to promote social inclusion focused on education, training and employment and involving expenditure of 7.6 billion euro; the two Regional Operational Programmes involve investment of 1.3 billion euro on a range of social inclusion measures including childcare, the

12. The Department of Finance had overall responsibility for putting the Plan together as a coherent document. The main document outlines the operational programmes. The detailed Operational Programmes prepared by the Managing Authorities give a more detailed outline of each and the Programme Complements specify the implementation measures. These are the key documents from a poverty proofing view.

development of community leadership skills and educational and training opportunities for the disadvantaged.

Each of the Operational Programmes (OP) includes some consideration of its impact on poverty, gender, environment and rural development. These are identified as “horizontal issues” which cross-cut all the OPs. Three dedicated Co-ordinating Committees will oversee progress on these issues. These committees are the Environmental, Rural Development and Equal Opportunities and Social Inclusion Co-ordinating Committees (see National Development Plan, para 13.37 which is reproduced in Appendix 4 of this report). Consideration of the horizontal issues in the OPs is reflected in statements, pitched at a fairly high level of generality, which outline the likely impact of the various policy priorities on these dimensions. For example the Economic and Social Infrastructure OP presents statements relating to the impact of the National Roads and Public Transport, Environmental Infrastructure, Housing and Health Priorities on gender, poverty and rural development. Similarly the Regional OPs present statements for each of their sub-programmes – Local Infrastructure, Local Enterprise Development, Agriculture and Rural Development and Social Inclusion and Children.

The Employment and Human Resource Development Operational Programme goes further than the other operational programmes in its presentation of the poverty proofing dimension. It makes a commitment to “positive ‘poverty proofing’” of proposals at Programme Complement stage, that is, in the presentation of the outline of the implementation measures (Department of Enterprise, Trade and Employment, 2000: 30). To this end, the Programme Complement document includes information relating to each of the horizontal issues in its outline of the various measures through which the OP will be implemented. The assessment of poverty impact is “positive” for the vast majority of measures followed by a brief statement of rationale for this; otherwise its impact is assessed to be neutral. While this Operational Programme moves to a more detailed level of specification of impact assessment, indicators are not routinely identified. Apart from those measures that are inherently anti-poverty, as are several, it is difficult to assess how

progress will be measured in relation to the postulated ‘positive’ impact on poverty.¹³

No indicators are identified that would allow such measurement, nor is there a definition of poverty or a specification of how it is to be measured.

It is noteworthy that considerably more detail is provided in the Employment and Human Resource Development OP Programme Complement documents under the heading of Gender Equality than under the poverty impact heading. Under the gender heading information is provided on the following:

- (i) Current Beneficiaries;
- (ii) Differential Impact Factors Explaining Status Quo;
- (iii) Ways to Change Factor Impacts; and
- (iv) Mainstreaming Actions.

This level of detail is not mandated by the NDP but does reflect the Gender Impact Assessment Guidelines for the NDP approved by Government in March 2000 (reproduced in Appendix 5) and the active role played by the NDP Gender Equality Unit in the Department of Justice Equality and Law Reform.¹⁴ Furthermore, all

13. For example, the poverty impact of Schools Modern Languages – Measure 10 – is “positive”. The rationale provided is that one of the main aims of the measure is to foster positive attitudes towards language learning and by doing so to increase the linguistic competencies of young people. In an increasingly globalised society, it is hoped that by enhancing the language skills of young people, it will benefit them in obtaining employment in the workforce in future years.

Similarly the poverty impact of In Company Training – Measure 18B – is “positive”. There is no indication that low-skill employees will be targeted, rather the measure aims ‘to develop firms internal capability to build H.R. development skills as an integral part of business development... Emphases will include quality assurance measures in terms of training undertaken, best-practice workshops and the development of standards and certification such as Excellence Through People. It will also support the development of management and staff skills, improve business competitiveness, quality and productivity.’

14. This is identified as the “Equal Opportunities Promotion and Monitoring Unit” in the Guidelines reproduced in Appendix 5 but is now known as the NDP Gender Equality Unit.

the relevant monitoring indicators are required to be broken down by gender “where appropriate and feasible” (NDP, para 13.37) and “where the nature of assistance permits” (NDP, para 12.12). Indicators are also required in relation to poverty, the environment and rural development (NDP, para 13.37) but the level of data provided is generally less than for gender. The greater detail provided on gender is, in part, due to the greater availability of statistics. While gender disaggregated statistics are not comprehensive the level of availability is far superior to those for poverty.

Policy proofing of the NDP under a number of headings – gender, poverty and environment and rural location – has taken place. Gender impact assessment was carried out for measures in all Operational Programmes, except the Productive Investment OP. These assessments are included in the body of the Programme Complement document only for the Employment and Human Resource Development Operational Programme. With the exception of these and the relatively rigorous eco-auditing of some proposals, proofing is reflected in the body of the programme complement documents only as a qualitative statement rather than a quantitatively substantiated assessment.¹⁵ Since indicators are not consistently specified it is not clear how rigorous the proofing exercise was in the poverty and rural dimensions.

The most significant difference between the poverty proofing of the NDP and self-contained proposals is that there is an external review process operating in relation to the former through monitoring groups on “the horizontal issues”. An Annual Implementation Report by the Management Committee of each operational programme to the EU Commission is required as is a mid-term and *ex-post* evaluation designed to appraise impact with respect to objectives. Indicators are not generally specified. Yet, the prospect of an Implementation Report may influence the impact assessments made.

15. The quantitative substantiation is not consistent in the gender impact assessment.

Despite the greater consistency in implementing poverty proofing in the NDP than in most other policy processes, it was considered unsatisfactory by representatives of the Community and Voluntary Sector who pointed out that proofing is not appropriately treated as an exclusively administrative process. They argued that effective impact assessment assumes consultation with representatives of affected parties.

5.4 Poverty Proofing Proposals in Major Policy Reviews

Proposals made in major policy reviews may have pervasive and long-term influences on the policy context. Consequently, poverty proofing such proposals may be of great significance in terms of contributing to the achievement of the objectives of the National Anti-Poverty Strategy.

The *Report of the Working Group Examining the Treatment of Married Cohabiting and One-parent Families under the Tax and Social Welfare Codes* was cited by several interviewees as a good example of the application of the poverty proofing guidelines. It is noteworthy that the poverty proofing of this report was carried out by a Combat Poverty staff member who participated in the Working Group. The *Review of the One-Parent Family Payment*, which was prepared by the Department of Social Community and Family Affairs, refers to the relevance of these findings and in addition presents a poverty-proofing of its proposals on maintenance and information and training. These reflect a consistent application of the poverty proofing Guidelines.

The *Review of the One-Parent Family Payment* is one of a series of reports of expenditure review reports undertaken as part of the Expenditure Review Process initiated in 1997. Expenditure review is a key theme of the Strategic Management Initiative. Over fifty such reports have been prepared to date. Current draft reviews being undertaken by the Department of Social Community and Family Affairs are being poverty proofed. Those completed by other Departments to-date have not been poverty proofed but some refer to the NAPS objectives in setting out the overall objectives of particular programmes under review.

The expenditure review process takes place under the overall guidance of the Central Steering Committee on Expenditure Review which is chaired by the Secretary General of the Department of Finance. Each department's review of its programmes is submitted to this Inter-Departmental committee. In addition to these meetings a Programme Evaluation Network of Departments was convened over the past year at the suggestion of the Department of Social Community and Family Affairs. It is envisaged that issues such as poverty proofing will be considered by the Network. This is an ideal forum for consideration of the implementation of policy impact assessment, relating not only to poverty but to a range of relevant criteria.

Expenditure reviews are conducted by individual Departments, usually by Internal Audit Units and sometimes by consultants in co-operation with the Department. It is noteworthy that the Department of Social Community and Family Affairs included a short presentation on poverty proofing as part of the in-house Expenditure Review training course. The extension of this to other Departments could enhance the likelihood of effective poverty impact assessment in expenditure reviews of programmes. The Department of Finance has initiated policy analysis courses for its staff. Again the extension of this initiative to other Departments could enhance the effectiveness of policy impact assessment throughout the Civil Service.

In contrast to the reports prepared by the Department of Social Community and Family Affairs referred to above, which fall within the broad tax and social welfare domain, there was no poverty proofing exercise undertaken in relation to the proposals in the Bacon Reports on housing. Yet, housing is of enormous importance in terms of poverty and its possible alleviation. Furthermore, housing is most appropriately conceived as a system rather than as discrete public and private or purchase and rental systems (NESC, 1999). Because of the potential significance of the impact on people living in poverty, or at risk of poverty, the assessment of the poverty impact of proposals relating to housing is essential if the objectives of the National Anti-Poverty Strategy are to be met. This is true irrespective of the part of the system to which they directly relate.

Furthermore, this is an area where a comprehensive policy impact assessment process is desirable.

6. IMPACT ASSESSMENT AS IT RELATES TO OTHER DIMENSIONS OF EXCLUSION AND INTEGRATION OF PROOFING PROCESSES

The implementation of additional types of policy proofing, other than poverty proofing, is now in train, including rural proofing and eco-auditing.¹⁶ Gender equality proofing is a feature of some aspects of the policy process arising out of European Union requirements. All four dimensions are considered in the National Development Plan and its Operational Programmes. Equality proofing has been under consideration over the past several years (for example, NESF, 1997; *Partnership 2000, Working Group Report on Equality Proofing* prepared by Mullally and Smith, 2000). In 1997, the National Economic and Social Forum recommended that poverty proofing be expanded to include equality proofing but recognised that the application of formal proofing mechanisms in relation to the full range of equality issues (gender, disability, age, race, marital status, family status, sexual orientation, membership of the Travelling Community, religion, etc) even if desirable, was beyond the remit of the NAPS and would have significant resource implications. Thus it was concluded that the focus of the NAPS should be on poverty proofing with inequalities being addressed, only in so far as they were likely to lead to poverty. This recommendation is consistent with the original vision for the poverty proofing process.

The broader issue of equality proofing is being considered by a Working Group involving the social partners. This is chaired by the Department of Justice Equality and Law Reform and will report in

16. Following the White Paper on Agriculture and Rural Development released in August 1999 a Cabinet Decision was taken to rural proof all significant policy proposals. All departments were informed of this decision late in 1999. From the evidence of circulated Cabinet memoranda, officials in the Department of Agriculture and Rural Development report that rural impact assessment is being undertaken. Detailed Guidelines are now being worked on at the request of the Community and Voluntary Sector.

2003. This group is informed by the report of the *Partnership 2000* Report on Equality Proofing. That report “articulated a vision involving a single proofing process incorporating the following elements:

- Gender and poverty proofing procedures as set out in the Cabinet Procedures Handbook;
- Poverty proofing guidelines as established within the context of the National Anti-Poverty Strategy;
- Gender proofing guidelines which are being developed within the context of the National Development Plan 2000-2006 [the guidelines developed are reproduced in Appendix 5]; and
- Equality proofing covering the wider equality agenda established by the Employment Equality Act, 1998 and the Equal Status Bill, 1999 [this is now the Equal Status Act, 2000]” (Partnership 2000 Working Group, 2000: 43).

Arising from this the Programme for Prosperity and Fairness mandated that “an initial learning phase of proofing” commence during 2000, the core elements of which “will reflect the recommendation contained in the Report” (Programme for Prosperity and Fairness, paragraph 3.12.4). It goes on to state that the review of the National Anti-Poverty Strategy “will also have a significant impact on equality matters, with particular reference to integrating equality proofing with other proofing systems” (Paragraph 3.12.5)

The Terms of Reference for the Working Group on Equality Proofing are reproduced in Appendix 6. They include a mandate to the Working Group to operate “as a ‘learning mechanism’ to ensure that the experience gained in gender, poverty and equality proofing would be presented in a report”. The learning phase is now in progress and it is anticipated that this will be completed by 2003 when the Working Group is due to report. That report will also outline “steps which should be taken to progress from the ‘learning phase’ to a broader implementation of equality proofing” (Terms of

Reference). It is anticipated that it will provide a significant contribution to the development of an integrated proofing system.

Before considering the issue of integration of poverty proofing “with broader policy proofing requirements, including equality proofing, rural proofing and eco-auditing” as outlined in the Terms of Reference for this study, it is appropriate to consider how the existing system of poverty proofing addresses those inequalities identified in equality legislation – gender, disability, age, race, marital status, family status, sexual orientation, membership of the Travelling Community, religion – in so far as they are likely to lead to poverty. The answer is that there is no evidence that these inequalities are specifically addressed within the poverty proofing process.¹⁷ As has been outlined in Section 4.4, the concept of poverty used in day-to-day application of the poverty proofing guidelines is generic without specification of the reference to “consistent poverty” or relative poverty. It was also pointed out that sometimes the term poverty is used in the sense of income inequality. With the exception of gender in a few instances no references to other inequalities were identified unless the policy related specifically to those groups. This situation is not surprising in view of the paucity of data to back up impact assessments. With regard to the inequalities that are likely to lead to poverty there is a marked absence of timely disaggregated poverty data. However, there is considerable evidence, both quantitative and qualitative, of the linkages between the grounds specified above and poverty. Consequently, it is crucially important that officials involved in poverty proofing be familiar with this evidence and the relevant data sources. The mechanisms for doing this are the training modules identified in Section 4.3 above. Of course the training for analysts involved in the in-depth impact assessment on selected policy proposals and/or programmes addressed in Section 5.3 would also incorporate such a module. This training is only one element of the approach necessary for effective poverty proofing and in-depth impact assessment. The approach must also involve a commitment

17. The Equality Authority is undertaking a study of this aspect of poverty proofing and aims to provide a template to assist officials in identifying the relevance of policies to particular groups in 2001.

to improvement of disaggregated poverty data quality and availability. This two-pronged approach is essential to make poverty proofing an effective reality in terms of its sensitising objective and its impact assessment objective. The data and training requirements for effective impact assessment must be addressed irrespective of whether multiple systems proceed in parallel or are integrated into a unitary system.

The introduction of a range of proofing requirements raises the question of whether the systems in place for poverty proofing could be integrated with other proofing systems. What contradictions and/or conflicts might emerge in such a 'multi-proofing' system and how, if at all, could they be overcome?

In so far as poverty proofing, rural proofing, gender proofing and eco-auditing exist at present they operate as parallel systems in the National Development Plan process. The key limitations of that exercise were not the multiple dimensions for impact assessment but the paucity of evidence to back up the assessments made in any of the areas and the absence of analysis of interaction across dimensions. Addressing the data issues is a requirement for each of the dimensions separately and in combination. The provision of training has been emphasised in relation to poverty proofing and it is obviously of relevance to all the areas, singly and in combination. A strong emphasis on training has characterized the gender impact assessment programme in the NDP process (see Appendix 5). Even if an integrated system is not immediately possible training modules should emphasise the interactions across the various dimensions.

An integrated system of proofing has much to recommend it. One important advantage would be the avoidance, or at least the lessening, of the duplication of administrative requirements for those involved in the implementation of the process. It would also facilitate recognition of the interactions across bases of exclusion in a way that could enhance the effectiveness of policy. Despite recognition of these advantages and commitment to a vision of an integrated process in the future, there are reservations about a move to an integrated process at this stage by some of those involved in developing processes relating to gender, rural and equality bases of

exclusion. Specifically, they are concerned that if there is movement to an integrated process before proofing criteria and processes for particular dimensions of exclusion are established there is a risk of lesser attention to these dimensions relative to poverty in such an integrated process. However, the parallel implementation of several policy proofing processes does seem to be wasteful of resources and is likely to have negative consequences for the process if allowed to persist into the indefinite future. The process of impact assessment is brought into disrepute if policy makers are obliged to go through lengthy proofing processes for the sake of adhering to the process as opposed to focusing on the end result. The objective of the aggregate exercise must be to identify and avoid negative impacts of policy on particular groups. All policies are unlikely to be equally relevant in terms of impact on all groups. Nevertheless it is important to reconcile what may appear to be competing objectives and facilitate the recognition of their complementarity by focusing on impact assessment across a number of dimensions. An integrated proofing process, by weighing up policies under all of the various criteria, should also facilitate prioritisation of policy proposals. The public policy commitment to policy proofing in relation to a range of dimensions implies that as a minimum requirement the overall stock of policy should seek to advance the position of the groups identified. If negative impacts on some groups are an inevitable consequence of a particular policy, which on the balance of costs and benefits is deemed essential, then these negative consequences must be addressed through balancing policy initiatives within the stock of policy initiatives within or across Departments, as appropriate. As has been pointed out in the discussion in Section 4.7 in relation to poverty proofing, the recognition of flow and stock dimensions of policy is important. Rather than assessing the impact of individual policies discreetly it may be more appropriate to assess the impact on a particular designated group at the level of the mix of policies pursued by a particular Department over a particular period. As was also pointed out in Section 4.7, there are different levels of impact assessment and their appropriateness varies.

An Interim Approach to Integration of Multiple Bases for Impact Assessment

In the immediate future an integrated proofing system is not a likely prospect. As has been pointed out above, the *Partnership 2000* Working Group on Equality Proofing articulated a vision of such a process and the current Working Group on Equality Proofing is involved in a learning phase relating to equality proofing within the context of such a vision. It is due to report in 2003 and its report will inform the development of an integrated proofing system. In the meantime, an interim staged approach involving a screening dimension is necessary to ensure the effective functioning of the range of proofing mechanisms now in place.

The arguments for screening are not only administrative efficiency but the avoidance of detailed impact assessment of policy proposals whose impact is a foregone conclusion. The disadvantages include: (i) the danger of screening out relevant policies, especially those which appear neutral but which may have indirect and significant implications for poverty or whatever dimension of exclusion is being considered – this is not an inherent danger and would be avoided by a sensitive and rigorous application of screening; and (ii) the key argument for a universal approach is that it acts as a sensitizing device and raises awareness amongst policy-makers. But the sensitizing benefit works only if there are adequate resources and if the mindset is already positive. Ideally universal impact assessment is desirable but in view of finite resources, including impact assessment skills, screening and filtering are necessary. Then the most relevant policies for proofing would be targeted. Screening of all policies would still allow for the sensitizing of policy makers to the importance of the potential impacts of proposals.

The initial screening questions to determine which proofing criterion/criteria should take priority are:

- (i) What are the key social and economic objectives of the policy?
- (ii) Does the proposed policy have a direct impact on any of the groups identified in the bases for impact assessment, namely

poverty, gender, rural location, the nine grounds specified in the equality legislation, or does it have an ecological consequence? and

- (iii) If a primary impact dimension is identified is there an impact on one or other of the key target groups because of membership of that group?

The answers should substantiate the assessment made, by indicating the evidence for these assessments, the data on which they are based and the indicator/s that will be used to measure progress. Depending on the answers to these questions the priority area would be determined and the appropriate proofing would proceed. For example, *if poverty is the primary dimension relevant to the proposal*, the following questions identified in Section 4.6 should be addressed:

Does the proposal or policy:

- (i) reduce poverty; or
- (ii) have no effect on poverty levels; or
- (iii) increase poverty; or
- (iv) Does the particular situation or experience of one or other of the target groups in the list of inequalities likely to lead to poverty mean that this policy has significant potential impact for this group that would lead to poverty or risk of poverty? The relevant range of potential inequality issues are gender, disability, age, ethnic origin, geographical location, marital status, sexual orientation, membership of the Traveller Community, religion.

The answer should substantiate the assessment made, by indicating the data on which it is based and the indicator that will be used to measure progress. Where appropriate, the necessary bases of disaggregation should be identified.

This screening process is an initial step towards a more streamlined process in terms of efficiency and effectiveness. Such an integrated process would necessitate co-ordination of the diverse advisory units/Departments responsible for proofing processes at present.

Co-ordinating an Integrated Process

The issue of co-ordination is central to the effective functioning of an integrated process. At present poverty proofing is overseen by the NAPS Unit, located in the Department of Social Community and Family Affairs, rural proofing is overseen by the Department of Agriculture and Rural Development and eco-auditing by the Department of the Environment and Local Government. A specialised unit in the Department of Justice Equality and Law Reform – the NDP Gender Equality Unit – was established to provide expert advice to implementing departments and delivery agencies on incorporating equal opportunities issues into the NDP. The Working Group on Equality Proofing is being chaired by the Department of Justice Equality and Law Reform.

The NDP process indicates that the effectiveness of proofing is enhanced by the availability of a specialised unit, such as the Gender Equality Unit, which can provide training and ongoing consultation services to officials implementing the process. If effective multi-proofing is to become a reality this kind of resource should be available to officials in relation to all proofing grounds. To avoid duplication of effort, particularly by officials involved in the policy formation process, the most appropriate arrangement would be for a single advisory unit with expertise in relation to impact assessment and data sources relating to the various dimensions of exclusion. As a minimum a unit that would co-ordinate the activities of the existing units would be required. A single advisory unit would not lessen the need for expertise in particular areas of exclusion, rather it would enhance the need for such expertise but within the broader context of the interaction of bases of exclusion. Its distinguishing characteristic would be its focus on the implications of effective impact assessment taking into account multiple dimensions of exclusion. Its functions would be to provide training modules on impact assessment and ongoing consultation services to implementing Departments and agencies. Some commentators argue that location in a central Department is crucial while others consider that a unit could function effectively from a line department. The key criterion for effectiveness is not its location, it is recognition throughout the system of its over-arching

nature and mandate. It is essential that impact assessment is not seen as the mandate of one Department. It is noteworthy that the NAPS Unit was initially identified as the SMI Naps Unit. In developing an integrated unit it would be appropriate that its departmental location did not allow for officials in other Departments to adopt a lesser commitment to the process of policy proofing for particular dimensions of exclusion than they do to what are seen as central concerns of their particular Departments.

Conclusions

In conclusion, while an integrated process of policy proofing should be developed as soon as the particular proofing processes at present being developed are fully operational, it is imperative that an effective and efficient screening mechanism as outlined above be put in place immediately. In the interim, before a fully integrated system is implemented it is essential that there is greater co-ordination of the existing sets of guidelines and advisory functions. This could be achieved either by adequately resourcing the NAPS Liaison Officers to undertake a liaison role in relation to all of the policy proofing exercises, or by mandating the existing units and or departments who are overseeing the various initiatives to coordinate their activities.

6.1 Extension of Poverty Proofing to other Areas of the Public Service

The Terms of Reference asked for an assessment of “the potential for extending the Poverty Proofing arrangements to other areas of the public service, such as local authorities and state agencies”.

In advance of any extension of poverty proofing to other agencies, the limitations identified at the level of the Civil Service should be addressed and a clear rationale for the process in local authorities and state agencies set out. In particular, the sensitising and impact assessment objectives should be clearly delineated. To avoid duplication of effort and to effectively exploit the policy learning from proofing exercises within the Civil Service, it would be

appropriate to establish an effective multi-proofing protocol before embarking on diverse proofing mechanisms in these agencies. In other words, rather than extending poverty proofing and each of the other proofing mechanisms as separate exercises it would be appropriate to concentrate on an integrated proofing exercise from the start, or at a minimum to present the various proofing exercises as elements of an integrated process which has a designated time frame.

It may be appropriate to concentrate initially on the training and resources for the policy proofing screening dimension and the associated policy proofing processes which would be conducted within these agencies. The selective in-depth impact assessment should be undertaken by the centralised unit envisaged for the Civil Service or a similar customised agency for local authorities which may also be appropriate for state agencies.

In addition to the provision of adequate resources and training and the appropriate structural requirements considered essential for effective policy proofing, the key requirements for the successful extension of proofing and impact assessment to areas outside the Civil Service include a commitment to identification of appropriate indicators on which progress can be measured and the identification of the necessary data sources. In view of the deficiencies identified in relation to poverty impact assessment these requirements are unlikely to be met unless there is a concerted effort to enhance data for evidence-based decision making in the immediate future.

7. CONCLUSIONS AND RECOMMENDATIONS

With poverty and social inclusion taking a larger and more explicit role in public policy making in Ireland in recent years, it is appropriate that careful thought be given to the question of how to enhance mechanisms to assess the effect of public policies on poverty and other dimensions of exclusion.

This review indicates that there is a high level of formal compliance with the requirement for poverty proofing, but its effectiveness could be improved considerably by further clarification of (i) the objectives; and (ii) the operation of the proofing process.

The scrutiny of policy proposals for “likely impact” on dimensions such as poverty is an important element of evidence-based decision making but its contribution would be considerably enhanced if the identification of indicators on which progress could be measured against time-specified targets became an inherent part of the process. The effective implementation of all impact assessment is dependent on the identification of the data necessary to substantiate assessments.

Proofing as a term is problematic. In the Irish context it has two objectives that are rarely clearly specified and are sometimes referred to interchangeably without acknowledgement of their different implications. One objective, and the one that is stressed by senior officials in their positive evaluation of the process, is a sensitising of individuals involved in the policy formation process to the over-arching objective of the NAPS to reduce poverty and inequalities likely to lead to poverty with a view to poverty reduction. The other objective is policy impact assessment. This is, of course, linked to the first objective, but it is necessary to clarify whether the objective is first-level proofing of policies for likely impact on people living in poverty or in-depth assessment of the impact of particular policy proposals within the context of the stock and flow of policies in a particular policy area. Each of these is a valid policy objective. The conclusion of this analysis is that what we have at present is a first-level proofing mechanism which serves the sensitising objective. If we want to enhance the sensitising potential of poverty proofing and address the policy impact issue we must adequately resource the first-level proofing and initiate the practice of selective in-depth policy impact assessment by a central specialised unit with expertise in impact assessment. Such a unit could undertake impact assessment of major projects which have significant distributional consequences and which are subject neither to first-level poverty proofing or in-depth impact assessment at present. The selective in-depth assessment would facilitate the location of impact assessment within the context of broader policy analysis. It would have the major advantage of facilitating the examination of selected proposals not only for their individual impact on people living in poverty or at risk of poverty, but of

situating such proposals within the overall stock of policies in particular areas.

The mandate of the proposed centralised unit must be clearly established and situated within the context of a commitment to evidence-based decision making. Evidence-based decision making and long-term sustainability, broadly conceived, will be enhanced through assessment of the impact of policy decisions on socially excluded groups. The objectives of the NAPS are over-arching policy objectives which cross-cut all policy areas. If these objectives are to be realised poverty impact assessment is essential. The emphasis on selective in-depth policy impact assessment would enhance the profile of the first-level proofing mechanism through increasing the emphasis on impact assessment within the policy agenda. The profile and effectiveness of poverty proofing would also be enhanced by the adoption of the range of recommendations made throughout the report and summarised below.

The Council makes nine recommendations relating to the effective functioning of poverty proofing under the following five headings:

- Definitions, Data, Indicators and Guidelines;
- Proofing and In-Depth Impact Assessment;
- Transparency;
- Institutional Supports; and
- Resources and Training.

It makes three recommendations related to the implications of extending proofing to cover additional dimensions such as gender and the extension of poverty proofing beyond the Civil Service. These recommendations are presented under the following headings:

- Screening and Integrated Proofing; and
- Extension of Poverty Proofing.

In conclusion, the Council makes these recommendations in the knowledge that action directed to achieving the effective functioning of poverty proofing and selective in-depth assessment

of the impact of policy proposals on people living in poverty and at risk of poverty will have direct positive consequences in this area, but will also have broader positive consequences for the practice of evidence-based decision making. The Council recognizes that the issue of analytical back-up raised by the IDPC in relation to poverty proofing has relevance beyond poverty proofing. Impact assessment is increasingly recognised as an essential element of all evidence-based decision making not just decision making relevant to poverty. The recommendations of the OECD in relation to regulatory impact assessment have been noted as has the fact that the analytical skills required for all impact assessment analyses are similar. The Council believes that the practice of impact assessment is an essential requirement of the evidence-based decision making implied by the Strategic Management Initiative. Without the type of analytical back-up, institutional supports and resources and training recommended below, effective evidence-based decision making is not possible.

7.1 Recommendations

Definitions, Data, Indicators and Guidelines:

1. *The definition of poverty and how to measure it must be operationalised in a way that is usable by officials carrying out all levels of poverty proofing.* The “consistent poverty” measures are problematic in terms of day-to-day operationalisation. A similar exercise in relation to operationalisation and measurement is necessary for the subsidiary targets.
2. *Data deficiencies* must be addressed if evidence-based decision making, including poverty impact assessment, is to become a reality. It is necessary to develop new data sources, including administrative data sources, and to provide officials involved in day-to-day poverty proofing with data sources and access to advice on sourcing data and effective use of sources.
3. The identification of *indicators* by which achievement can be measured and progress audited is essential to a successful

process of impact assessment. Proofing without indicators and a commitment to auditing is largely symbolic.

4. The *Guidelines* must be revised to present a more streamlined approach to impact assessment. The revised Guidelines must:
 - (i) be customised to the policy domains of individual Departments in co-operation with those Departments;
 - (ii) address the issue of operationalisation and measurement of poverty;
 - (iii) outline a framework for the development of indicators by which achievements can be measured and progress audited; and
 - (iv) provide information on data sources including data at a disaggregated level.

Effective application of the Guidelines is dependent on the other changes recommended throughout this report, in particular those relating to resources, training and institutional supports.

Proofing and In-Depth Impact Assessment

5. In addition to first-level *proofing of all proposals* for likely impact on poverty and associated inequalities as at present, the practice of *in-depth policy impact assessment* should be undertaken on a selective basis by a central unit with expertise in impact assessment. Even in the case of first-level proofing it is necessary to recognise that the requirements are different in relation to proposals that are self-evidently anti-poverty and in relation to those where the impact is less obvious. The essential requirements in both instances are that an indicator or indicators be identified by which progress can be measured against time-defined targets and that the data on which assessments are based are identified. If data are not available, possible sources and/or mechanisms by which data can be obtained should be identified.

Transparency

6. A commitment to *transparency* must be an integral element of the poverty impact assessment process. The basis on which decisions are reached must be clearly specified and should be readily accessible to members of the public.

Institutional Supports

7. The Council recommends that institutional supports be strengthened at three levels:
 - (i) at the internal departmental level where support from the upper echelons of the departmental hierarchy is crucial;
 - (ii) externally through the Co-ordinating Group of Secretaries General; and
 - (iii) within the NAPS institutional structure, in particular through the Senior Officials Group and through ensuring the full staff complement for the NAPS Unit.
8. The *commitment to cross-Departmental teams* should be supported through the recognition of participation in these teams as a core activity for the officials involved.

Resources and Training

9. The Council recommends that the resources and training for impact assessment be enhanced. This is essential if poverty impact assessment is to be effectively implemented. Resources include personnel with the appropriate analytical skills and the data necessary for the assessment. Training should be effected at two levels:
 - (i) Appropriate training modules should be incorporated into the general service training courses with a view to achieving a mindset towards policy making that is sensitive to the objectives of poverty reduction and social inclusion as over-arching policy objectives. “Over-arching” here refers to objectives that are relevant across

policy domains in the sense that competitiveness and full employment are acknowledged as over-arching policy objectives. The training should also entail the development of a commitment to evidence-based decision-making. This entails a commitment to seeking the relevant data to support policy positions.

- (ii) Models appropriate to the policy activity of particular departments should be incorporated into individual department training courses. Training focused solely on the implementation of the Guidelines is not adequate. The broader policy context within which these guidelines are located must provide the framework.

Screening and Integrated Proofing

- 10. The screening process must be developed, particularly in view of the extension of proofing to dimensions other than poverty.
- 11. The development of *an integrated proofing process* is not feasible in the near future. An interim staged process is recommended. This would entail a set of initial screening questions to determine the relevant proofing criterion/criteria. This staged process is an interim step towards a more streamlined process in terms of efficiency and effectiveness. Such an integrated process should be framed with reference to the lessons of existing proofing exercises and with a view to operational efficiency and effectiveness. It would necessitate co-ordination of the diverse advisory units/Departments responsible for proofing processes at present. A central unit should be established to undertake in-depth impact assessment.

Extension of poverty proofing

- 12. In advance of any *extension of poverty proofing*, the limitations identified at the level of the Civil Service should be addressed and a clear rationale for the process in local authorities and State agencies set out. In particular, the sensitising and impact

assessment objectives should be clearly delineated. An effective multi-proofing protocol should be formulated rather than embarking on diverse proofing mechanisms in these agencies. Initially the emphasis should be on the training and resources for the first-level poverty proofing dimension which would be conducted within these agencies. The selective in-depth impact assessment would be undertaken by the centralised unit envisaged for the Civil Service. If not appropriate, a parallel agency for local authorities would have to be established, which might take responsibility for impact assessment in State agencies.

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APPENDIX 1

GUIDELINES FOR THE IMPLEMENTATION OF POVERTY PROOFING PROCEDURES

1. Introduction

- 1.1 Following the Government decision of 23 July 1998, in line with a *Partnership 2000* commitment to the strengthening of administrative procedures for equality proofing in the context of the NAPS, it is now a *requirement* in the updated Cabinet Handbook, published in October 1998 (p.19), that memoranda for the Government involving significant policy proposals “*indicate clearly the impact of the proposal on groups in poverty or at risk of falling into poverty in the case of significant policy proposals*”.
- 1.2 Although some Departments’ remit may not seem to impact directly on poverty, and while some Departments are not involved in direct service delivery, it must be noted that this is an *obligatory requirement*. While the secondary effects of some proposals (particularly those which are not directly aimed at alleviating disadvantage) may not be immediately apparent, *they may still have an impact on the poor*, or may, inadvertently, lead to a risk of poverty for some people/groups.
- 1.3 The statement of impact on poverty should be based on a *systematic analysis*, using the Framework previously circulated and outlined again in section 4 below.

Appendix A contains worked examples of the poverty proofing process applied to sample policy proposals, as submitted by their respective lead Departments.

2. What is Poverty?

- 2.1 Poverty is defined in the National Anti-Poverty Strategy (adopted by Government in April 1997) as follows:

“People are living in poverty if their income and

resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.”

- 2.2 The NAPS overall target focuses on the 9-15% of Irish households that were determined, in the ESRI’s 1994 Living in Ireland Survey, currently being updated to 1997, to be “consistently poor” (based on the 50% and 60% relative income lines *combined with* the presence of basic deprivation). The target is to reduce this proportion to less than 5-10% of households by 2007.

There are also subsidiary targets in relation to the five key themes identified in the NAPS: Educational Disadvantage, Unemployment, Income Adequacy, Disadvantaged Urban Areas and Rural Poverty.

3. What is Poverty Proofing?

- 3.1 Poverty proofing is defined as follows:

“Poverty proofing is the process by which Government Departments, local authorities and State agencies assess policies and programmes at design and review stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty, with a view to poverty reduction.”

- 3.2 The primary aim of the process is to identify the impact of the policy proposal on the poor so that this can be given proper consideration in designing the policy. It is not intended that poverty proofing would require that all policies be fundamentally transformed so that they are *explicitly* targeted at the disadvantaged. (Attention is drawn to the point made at 3.3 following.)

3.3 The potential effects of some policy proposals may be ambiguous in the sense that the policy may have a positive effect on some poverty risk groups and a negative (or no) effect on others. In such cases, *all* potential effects should be highlighted. One should consider the varying effects (if applicable) to each of the poverty risk groups as outlined below (4.4) and how any adverse effects on these groups might be counteracted. The possibility of particular groups being inadvertently excluded from the potential benefits of a proposal should also be noted.

4. Poverty Proofing Procedure

4.1 The procedure outlined below is as previously circulated in the document, “Policy Proofing in the Context of the National Anti-Poverty Strategy”.

4.2 *Proofing What?*

Poverty proofing should be undertaken in the following circumstances:

- in the preparation of *SMI Statements of Strategy* and *Annual Business Plans*;
- in *designing policies* and preparing *Memoranda to Government* on significant policy proposals;
- in the preparation of the *Estimates* and *Annual Budget* proposals – this will also include *expenditure reviews* and *programme evaluations*;
- in the preparation of the *National Development Plan* and other relevant EU Plans and Programmes; and
- in the preparation of *legislation*.

4.3 *Proofing How?*

In the circumstances outlined above, Departments should individually address the following questions:

- What is the primary objective of this policy / programme / expenditure proposal?

- Does it:
 - (i) help to prevent people falling into poverty?
 - (ii) reduce the level (in terms of numbers and depth) of poverty?
 - (iii) ameliorate the effects of poverty?
 - (iv) have no effect on poverty?
 - (v) increase poverty?
 - (vi) contribute to the achievement of the NAPS targets (including subsidiary targets under the five themes)?
 - (vii) address inequalities which might lead to poverty? (See 4.5 below)
 - (viii) as proposed, reach the target group(s)? (See 4.4 below)
- What is the rationale and basis of the assessment (for example, administrative data sources/household survey data, Working Group or Task Force Reports etc.) behind each of these replies?
- If the proposal has the effect of increasing the level of poverty, what options might be identified to ameliorate this effect? [*this could include proposals to counteract adverse effects which may be identified for certain sub-groups even where the impact on the overall population is positive – see 3.3 above.*]
- If the proposal has *no* effect on the level of poverty, what options might be identified to produce a positive effect? [*Again this could address any potential for certain social categories to miss out on benefits generally available to the target group.*]

4.4 In answering these questions, *particular attention should be paid to those groups which have been identified as being either in persistent poverty or known to be at risk of poverty* (in both rural and urban areas), viz:

- the unemployed, particularly the long-term unemployed;

- children, particularly those living in large families;
- single-adult households and households headed by someone working in the home;
- lone parents;
- people with disabilities;
- older people, in particular households headed by a retired person;
- members of the Traveller community;
- the homeless; and
- ethnic minorities.

[It should be noted that the extent and composition of these groups is likely to change over time and the focus of proofing would change accordingly over the lifetime of the NAPS.]

- 4.5 Particular attention should also be paid to *inequalities which may lead to poverty*. These could arise, for instance, in the context of age, gender, disability, belonging to an ethnic minority (including membership of the Traveller community) or sexual orientation.

5. Evaluation

- 5.1 Poverty Proofing is currently in place on a one-year pilot basis.

The effectiveness of the process will be reviewed at the end of the trial year (Summer/Autumn 1999). Officials in all Departments will be asked to respond to an evaluative process on their experience of the Poverty Proofing Procedure in order to inform that review.

6. Worked Examples

To aid the implementation of the Framework, worked examples of the Poverty Proofing process as applied to several proposals are attached. These examples have been provided by

relevant Departments and do not necessarily relate to actual policies which have been proofed.

The responses to each question have been annotated (by NAPS Unit based in the Department of Social, Community and Family Affairs) where it was considered appropriate and helpful to do so, in order to clarify the meaning of the question and also suggest some issues which may require consideration in the examination of policies in general (although not necessarily relevant to the particular examples shown).

An analysis, along the lines of what is included hereafter, should be conducted prior to finalising any Memorandum to Government. The Memorandum itself should then contain 3-4 sentences summarising the key results of analysis (e.g. increases/decreases in poverty overall; what (if any) effects are likely for specific groups.

Should you have any queries on these guidelines, please contact the National Anti-Poverty Strategy Unit in the Department of Social, Community and Family Affairs at Dublin 7043031 or 7043827.

National Anti-Poverty Strategy Unit,
April 1999.

Appendix A – Examples of the Poverty Proofing Process (provided by relevant Departments)

Example 1: Housing (Traveller Accommodation) Act, 1998

What is the primary objective of this policy/programme/ expenditure proposal?

To provide a legislative framework within which the accommodation needs of Travellers will be met in a reasonable period of time. The measures in the Act form part of a wider programme to give effect to the Government's commitment in relation to social inclusion generally and more specifically in relation to creating a new deal for Travellers, as set out in "An Action Programme for the Millennium" and in "*Partnership 2000*".

Does it:

i) ***help to prevent people falling into poverty?***

Yes, it aims to increase the level of suitable accommodation available for Travellers and also to improve the physical standard of existing accommodation. Provision of accommodation improves access to employment, education, health and other services, and promotes social inclusion.

[Members of the target group, not *currently* experiencing poverty, but who are in danger of *falling into* poverty may be prevented from doing so to the extent that improved access to employment, education, etc., as outlined above, acts to, at the least, prevent a worsening of their position.]

ii) ***reduce the level (in terms of numbers and depth) of poverty?***

Yes, would help reduce the level of poverty amongst the 1,100 Traveller families currently living on the roadside or on unofficial encampments.

[Again, as outlined at (i) above, improved access to employment, etc., would be expected to lead to an improvement in the position of (at least some of) those members of the target group *currently* in poverty]

iii) ***ameliorate the effects of poverty?***

Yes, in so far as it clarifies the responsibilities and powers of housing authorities to provide accommodation for those Travellers who are not in a position to provide it for themselves.

[Regardless of the impact of this Act on household income for the target group, provision of more suitable accommodation will result in *improved quality of life*, thereby ameliorating the effects of poverty]

iv) ***have no effect on poverty?***

Positive effect on target group as outlined above. No effect on those outside the target group.

v) ***increase poverty?***

No.

vi) ***contribute to the achievement of the NAPS targets?***

Yes. It will improve the quality of Travellers' lives by ensuring the provision of adequate and suitable accommodation and improving their access to social services, as outlined in the NAPS (p.17).

[NAPS notes (p.5) that while members of the Travelling community are not identified in household surveys, they are a group at high risk of poverty and some may fall into the category of "consistently poor".]

vii) ***address inequalities which might lead to poverty?***

By facilitating the provision of accommodation, the Act addresses the most serious inequalities [in terms of access to employment, education and other social services] experienced by Travellers which lead to the perpetuation of serious poverty.

viii) ***as proposed, reach the target group?***

Yes, as the Act focuses directly on meeting the accommodation needs of Travellers. The Act also provides that Travellers will be consulted about their accommodation needs.

What is the rationale and basis of the assessment behind each of these replies?

[Any empirical data from research/studies available on the lack of suitable accommodation currently provided for Travellers and its consequences for their participation in society could be referred to here. *Data collection/referencing is seen as an important component of the poverty proofing process.*]

The Act provides the necessary legislative framework in which local authorities must plan and provide for the accommodation needs of Travellers. The Act gives effect to the recommendations in the Report of the Task Force on the Travelling Community of July 1995. A monitoring and advisory group has been set up – the National Traveller Accommodation Consultative Group.

If the proposal has the effect of increasing the level of poverty, what measures might be employed to ameliorate this effect?

Not applicable [negative answer to (v) above].

If the proposal has no effect on the level of poverty, what options might be identified to produce a positive effect?

Positive effect for members of the Travelling community.

[No effect on those outside the target group [see (iv) above]. As this Act is specifically designed to meet the *particular* needs of Travellers it is not an appropriate vehicle for dealing with accommodation needs of the settled community.]

Example 2: Adult Literacy Initiative (Budget: £2m in 1998)

What is the primary objective of this policy/programme/ expenditure proposal?

- to address literacy/numeracy needs of adults to facilitate economic and social participation; and
- a key objective is to use this investment to support the strategic development of a National Adult Literacy Strategy. Following consultation with key interests and the establishment of a project selection committee, the additional funds would be allocated for a range of pilot actions, which test models and innovatory approaches which will inform future practice in regard to key objectives for the service.

Does it:

i) ***help to prevent people falling into poverty?***

Yes, as high levels of literacy are a prerequisite for participation in a modern knowledge-based society. Improved literacy levels would assist in improving social participation, employment opportunities and access to further education and training.

[To the extent that this initiative may be aimed at people already in poverty, eg. unemployed, it will have a limited effect on *preventing* people falling into poverty. However, it may, for instance, facilitate/encourage re-training/upskilling which would allow newly-unemployed people to re-enter the labour market or avoid redundancy, thus preventing poverty.]

ii) ***reduce the level (in terms of numbers and depth) of poverty?***

OECD International Adult Literacy Survey shows that lower literacy levels are associated with low income and increased likelihood of unemployment (see below).

An improvement in literacy levels would have a significant impact on the education, training and employment opportunities of people in this category resulting in reductions in both numbers *and* depth of poverty.

iii) ***ameliorate the effects of poverty?***

Yes, by ameliorating the profound effect that problems with literacy and numeracy can have in excluding individuals from participation in many basic functions such as reading a newspaper, shopping for groceries, knowing the rules of the road, filling in an application form, going to a bank, etc.

iv) ***have no effect on poverty?***

It would have a positive effect in the longer term as it offers the possibility of improved literacy and numeracy thereby opening up progression routes into social participation, employment, re-engagement in the education system and training opportunities.

[Depending on its structure, this particular proposal may, however, have no effect for *certain* groups – eg. members of ethnic minorities with little command of the English language, or lone parents who may be excluded if there are no proper childcare arrangements in place.]

v) ***increase poverty?***

It would not increase the levels of poverty given the incentives offered to participants in adult literacy and numeracy courses.

vi) ***contribute to the achievement of the NAPS targets?***

Yes, because it is in keeping with the NAPS commitment relating to “support lifelong learning, second chance education and community based education and training. Participation could be facilitated particularly through the provision of childcare and by ensuring that programmes are in place for those who wish to overcome literacy and numeracy problems.”

vii) ***address inequalities which might lead to poverty?***

This proposal to improve literacy and numeracy skills among adults would have a beneficial effect on the community in the long term in addressing such issues as community participation, inadequate income resulting from poor educational

attainment, literacy/numeracy problems, poor regard for education and low self-esteem.

[The possibility of certain groups being inadvertently excluded from the benefits of this initiative would also be relevant here – see (iv) above for example]

viii) *as proposed, reach the target groups?*

At present, an estimated 5000 adults annually participate in existing adult literacy programmes, and this number would be expected to double with the additional funds.

Targeting those in need would be achieved by:

- promotion of public awareness;
- deployment of resources on outreach strategies;
- outreach work with local agencies;
- as part of the reporting indicators, economic status, literacy levels on starting, prior attainment would be monitored;
- an inter-Departmental working group on literacy initiatives for the unemployed would be established. This group would pay particular attention to identifying the strategies which are most successful in targeting the unemployed, the barriers to their participation which need to be overcome, and how these approaches can be incorporated systematically into the emerging literacy framework; and
- working with the National Adult Literacy Association.

[again any members of the target group who might miss out on the benefits should be noted – see (iv), (vii) above.]

What is the rationale and basis of the assessment (data/information) behind each of these proposals?

International Adult Literacy Survey

The OECD International Adult Literacy Survey showed:

- that about 25% of the Irish population were found to score at the

lowest level (Level 1). This percentage is the highest in any of the countries surveyed, except for Poland;

- substantially lower levels of literacy in the older age groups;
- close links between lower scores and low education levels (more than 3/5ths of those who scored at Level 1 had left school without completing junior cycle);
- unemployed people scoring lower than those in employment – the ratio of unemployed to employed people scoring at the lowest literacy level in the Irish survey is 2:1; and
- lower literacy levels associated with low income.

The results of the survey clearly pointed to:

- the need for a comprehensive adult education strategy which is effectively targeted at those most in need; and
- Ireland lagging significantly behind other countries (except Poland) in terms of literacy performance.

The National Anti-Poverty Strategy Inter-Departmental Policy Committee has set up an Inter-Departmental group on Literacy among the Unemployed which includes representation from the Departments of Education and Science, Social, Community and Family Affairs, Enterprise, Trade and Employment, and the National Adult Literacy Agency and the Local Employment Service. Pending completion of the report of the group, the work initiated under the National Adult Literacy Development fund is continuing. An extra £1.5 million was provided in the social inclusion budget package to maintain the momentum of these developments.

In addition, a Green Paper “Adult Education in an Era of Lifelong Learning” was published in November 1998 and contains a comprehensive overview of adult education provision in Ireland. One of its key recommendations is the implementation as a top priority of a National Adult Literacy Programme. The consultation process involving all interests in adult education is now underway. Submissions will be accepted by the Department up to the end of June 1999. It is also proposed to hold a number of regional seminars on the Green Paper. The consultation process will culminate in a

National Forum and the production of a White Paper on Adult Education.

If the proposal has the effect of increasing the level of poverty, what options might be identified to ameliorate this effect?

Not applicable [negative answer to (v) above].

If the proposal has no effect on poverty, what options might be identified to produce a positive effect?

Improved levels of literacy have a direct positive effect on economic and social participation of participants.

[However, as stated at (iv) above, some groups at risk of poverty may not be in a position to avail of this opportunity – for instance, could basic English language courses be provided for immigrants (perhaps in conjunction with voluntary and community sector)? Could appropriate childcare arrangements be provided where necessary? What costs would be associated with such moves?]

Example 3: Integrated Services Project Proposal

Background

The Government announced last year that the Inter-Departmental Policy Committee (IDPC) on Local Development, which is chaired by Minister of State, Chris Flood, TD, should oversee a pilot Integrated Services Project. A budget of £750,000 has been provided for this project in 1998.

It will focus on the needs of real communities within four target areas: Dublin's North East Inner City, The Canal Communities (Fatima Mansions, St Teresa's Gardens, St Michael's House, Dolphin House), Jobstown (Tallaght), and Togher (Cork).

What is the primary objective of this policy/programme/ expenditure proposal?

The aim of this project is to develop new procedures to ensure a more focused and better co-ordinated response by the statutory authorities to the needs of communities with the greatest levels of disadvantage, as a basis for a model of best practice.

Does it:

i) *help to prevent people falling into poverty?*

Urban black-spots, characterised by long-term unemployment, low educational attainment, low quality physical environment and drug problems are being targeted in a systematic way.

A comprehensive needs analysis of the four deprived areas has been carried out to enhance the delivery of State services in these areas. It is envisaged that educational, health, social welfare and local authority housing services will be enhanced through greater integration measures. The lessons learned from these four areas may form the basis of broader Government policy to halt the perpetuating cycle of deprivation and poverty.

[As the four communities identified are particularly disadvantaged, many of the local population may already be living in

poverty. However, insofar as this initiative helps to improve the position of local residents it should help to prevent further deterioration in that regard and may be of help in preventing future generations from falling into poverty eg. by encouraging/facilitating increased education participation. Using lessons learned to inform Government policy should also benefit other areas of actual/potential disadvantage, thus helping to prevent others falling into poverty.]

ii) ***reduce the level (in terms of numbers and depth) of poverty?***

Yes, a successful ISP process should result in the more efficient use of the State's resources in areas of urban disadvantage. Even though the ISP is currently focused on four target areas, it should be borne in mind that changes in work practices nationally and regionally arising from the Project could have a positive ripple effect on other deprived communities. The aim is to have a more efficient collective State endeavour in these communities that will reduce the numbers overall living in poverty.

iii) ***ameliorate the effects of poverty?***

The project would ameliorate the effects of poverty in so far as it should allow for the more effective use of resources for the benefit of the target communities.

The ISP will not directly increase the real incomes of those on welfare payments but should result in more 'quality of life improvements' through localisation of services, talking to end-users, positive feedback and more efficient delivery of services. The culmination of these efforts should result in more people in the target areas moving in the direction of employment.

iv) ***have no effect on poverty?***

The ISP will have a positive effect – [directly on the target communities and, indirectly, by extension of lessons learned in national context].

[Are there any groups – particularly named groups as at 4.5 above – likely to miss out on the benefits of this project?]

v) ***increase poverty?***

No, aims to assist in halting the continuing decline and deprivation evident in these areas.

vi) ***contribute to the achievement of the NAPS targets?***

Yes, it is in keeping with the objectives in relation to:

- *educational disadvantage*, through recommendations that address the issue of early school-leaving and illiteracy in particular;
- *unemployment*, through recommendations aimed at halting the cycle of youth and long-term unemployment; and especially
- *urban disadvantage*, as it attempts to bring about sustained social and economic development and quality of life improvements in these areas through a refocused and enhanced collective State endeavour.

vii) ***address inequalities which might lead to poverty?***

The issue of educational inequality, and inequalities in the provision of certain social services are addressed.

[Are there any particular groups which have relatively high numbers in the targets areas? What particular inequalities affect them? (eg. are there local offices, FÁS offices, etc., in the area?)]

viii) ***as proposed, reach the target group(s)?***

Those in receipt of state services in the target areas (particularly the long-term unemployed, children, older youth and lone parents) should benefit from the proposed recommendations and will be targeted in a systematic way.

What is the rationale and basis of assessment (data/information) behind each of these replies?

[For instance, is there any research into the needs of the communities involved in the pilot projects? Why were these particular communities selected? Is there any data on what particular problems are predominant in these communities (eg. Long-term unemployment?)]

An analysis was carried out by Area Development Management Ltd (ADM) which ranked deprived areas according to District Electoral Deprivation Rankings, resulting in the four areas chosen for this pilot initiative. Further needs analysis of the four areas was carried out, in consultation with the local communities. The Project is continuing to liaise with the communities through consultative fora in the implementation phase. It is expected that further areas will be chosen as the Project progresses, again based on areas of high deprivation.

If the proposal has the effect of increasing the level of poverty, what options might be identified to ameliorate this effect?

Not applicable [negative answer to (v) above].

If the proposal has no effect on the level of poverty, what options might be identified to produce a positive effect?

Not applicable [positive answer to (iv) above].

Example 4: Age 8-15 Initiative.
(Budget: £1.48m in both 1998 and 1999.)

Background

The aim of this initiative is to pilot and evaluate a range of structured pilot projects in urban and rural disadvantaged areas which test models for the development of an integrated area-based co-ordination of services for young people at risk of early school leaving.

What is the primary objective of this policy/programme/ expenditure proposal?

To test models for the development of an integrated area-based co-ordination of services for young people at risk of early school leaving or those who have already left the system in order to optimise the participation in education of the target groups and to develop models of good practice with a view to their integration, after structured evaluation, into mainstream policy and practice.

Does it:

i) ***help to prevent people falling into poverty?***

Yes. The initiative will assist with additional resources (key youth/community worker), home/school liaison, remedial or teacher counsellor, funds for overheads and materials, to the fourteen selected projects to provide an integration of needs-based flexible curricula incorporating in-school actions with counselling, group-work, homework, outdoor activities, community work and personal development programmes. [This will help to break the inter-generational cycle of poverty.]

ii) ***reduce the level (in terms of numbers and depth) of poverty?***

Yes. The initiative will assist low-income families faced with the high costs of educational participation, lack of resources and support services to enable and encourage sustained participation of their children in the formal education system.

The key links between educational qualifications and economic and occupational attainment are well documented. 94% of all households in poverty are headed by an early school leaver. [This initiative will have a longer term benefit in reducing the level of poverty among children of disadvantaged families.]

iii) ***ameliorate the effects of poverty?***

It would have a positive effect in the longer term, offering as it does the possibility of a better level of education on completion and, as a result, better job prospects. It would also have a positive effect on the parents and could lead to their re-engagement with the education system through actions with parents as part of the initiative.

iv) ***have no effect on poverty?***

While it would have no immediate effect on those disadvantaged areas which do not come under the pilot projects' remit, models of good practice can be formed which would benefit disadvantaged communities in all areas.

v) ***increase poverty?***

No, given the level of supports being offered to participate under the initiative.

vi) ***contribute to the achievement of the NAPS targets?***

Yes, because it is in keeping with the overall NAPS target regarding educational disadvantage "to eliminate the problem of early school leaving before the Junior Certificate and reduce early school leaving such that the percentage of those completing the senior cycle will increase to at least 90% by the year 2000, and 98% by the year 2007."

vii) ***address inequalities that might lead to poverty?***

It will help to address inequalities in educational participation experienced by children in disadvantaged areas generally, and by children of poorer families in particular.

[Will all groups, such as Travellers, benefit? If not, how might this be addressed?]

viii) *as proposed, reach the target groups?*

Yes, severely disadvantaged families on low incomes.

What is the rationale and basis of the assessment (data/information) behind each of these proposals?

A report by Brian Nolan and Tim Callan of the ESRI, published in December 1994, entitled “Poverty and Policy in Ireland” showed that “three out of four poor households are headed by a person with no qualifications and a further 10% are headed by persons with only junior cycle qualifications”.

The ESRI Early School Leavers Survey shows the following:

Table 1: 1993/1994 patterns of early school leaving

Year of Survey:	1989
No. with no qualifications:	4,200 (6.19%)
Junior Cert qualifications:	15,300 (22.5%)
Total number of leavers:	67,900
Rate of retention to completion of senior cycle:	71%
Year of Survey:	1995
No. with no qualifications:	2,200 (3.26%)
Junior Cert qualifications:	10,000 (14.8%)
Total number of leavers:	67,500
Rate of retention to completion of senior cycle:	82%

[Source: ESRI Annual School Leavers Surveys 1989 and 1995]

The 1997 Labour Force Survey shows that 63% of the unemployed have not completed upper second-level education. 56% are unemployed for one year or more and 40,000 have been unemployed for three years or more.

Successive research indicates the key influence education levels have on (a) capacity to find employment, (b) length of time seeking work, (c) earning levels, and (d) capacity to emigrate.

In 1997, the National Economic and Social Forum (NESF) produced a report on “Early School Leavers and Youth Unemployment”. The report describes the characteristics of early school leaving and youth unemployment and proposes priority groups for policy actions. The NESF makes recommendations for prevention and cures of early school leaving and youth unemployment.

If the proposal has the effect of increasing the level of poverty, what options might be identified to ameliorate this effect?

Not applicable [positive answer to (v) above]

If the proposal has no effect on the level of poverty, what options might be identified to produce a positive effect?

[Are there any groups which might not benefit from the initiative (see (iv) above)? If so, how might this be rectified? At what cost?]

APPENDIX 2

NAPS TARGETS¹⁸

Overall Target:

To reduce the 9-15% of the population identified as consistently poor in the 1994 Living in Ireland Survey to under 5-10% by the year 2007.

Educational Disadvantage:

To eliminate early school leaving before the Junior Certificate and reduce early school leaving such that the percentage of those completing the Senior Cycle will increase to at least 90% by the year 2000 and 98% by the year 2007 and, having regard to the assessment of their intrinsic abilities, there are no students with serious literacy and numeracy problems in early primary education within the next five years.

Unemployment:

To reduce the rate of unemployment as measured on an internationally standardized basis (ILO) by the Labour Force Survey, from 11.9% in April 1996 to 6% by 2007 and to reduce the rate of long-term unemployment from 7% to 3.5% over the same period.

Income Adequacy:

To ensure that all policies in relation to income support, whether these policies relate to employment, tax, social welfare, occupational pensions or otherwise, should aim to provide sufficient income for all those concerned to move out of poverty and to live in a manner compatible with human dignity.

Disadvantaged Urban Areas:

To bring about sustained social and economic development in order to improve the lives of people living in disadvantaged areas by empowering them to become effective citizens, improving the quality of their lives, helping them acquire the skills and education

18. Subsidiary targets for health and housing are being identified and should be available by the end of 2001.

necessary to gain employment and providing them with employment opportunities.

Rural Poverty:

To tackle poverty and social exclusion in rural areas in a comprehensive and sustained manner by ensuring the provision of an adequate income through employment and/or income support and access to adequate services and infrastructure, and empowerment of local people and communities.

APPENDIX 3

CABINET MEMORANDA MEMORANDA – LAYOUT AND CONTENT

3.1 General Requirements

Memoranda should be drafted bearing in mind that the Government are concerned with strategy and policy – not necessarily with operational details. Language should not be discursive but should be sharp and clear.

Every memorandum should:

- (a) be headed as follows:

OIFIG AN AIRE.....

(Reference No)

(Date of Submission)

**MEMORANDUM FOR THE GOVERNMENT
(SUBJECT MATTER)**

- (b) contain in the first paragraph a clear statement of the decision sought;
- (c) for substantive proposals and where appropriate, incorporate in the decision sought a date or timeframe for implementation;
- (d) incorporate the observations of the other Ministers supplied on foot of the circulated draft;
- (e) be not more than *ten* pages (exclusive of appendices), and if it exceeds five pages, have a summary not exceeding *two* pages describing the proposals, the reason for them, the views of the other Ministers and the response of the sponsoring Minister;
- (f) to the extent possible, present *factual information* in a manner which will facilitate separate access under the Freedom of Information Act, 1997 (where appropriate);
- (g) during the euro transition period denominate monetary reference in euro and punts;

- (h) present detailed materials, if this is considered essential, as an appendix or appendices, which should be bound separately from, but tagged to, the main part of the memorandum;
- (i) have attached a draft press release in respect of any decision which it is intended to announce publicly (or if a press release is not envisaged have attached a draft briefing note to assist the Government Press Secretary with potential queries on the item concerned); (*If no publicity is intended this should be stated in the memorandum*)
- (j) indicate clearly, as appropriate, the impact of the proposal for
 - (i) *relations, co-operation or common action*, North/South in Ireland, or East/West, as between Ireland and Britain
 - (ii) *women*
 - (iii) *employment*
 - (iv) *persons in poverty or at risk of falling into poverty*, in the case of significant policy proposals
 - (v) *industry costs* (except in the case of measures relating to the Budget) and the cost to small business
 - (vi) *Exchequer costs* and staffing implications, in particular
 - the cost, both capital and non capital, in the current year, the next year
 - and in a full year (whether of central or local government or State-sponsored Bodies) and the number of years until the full year cost is reached: in consultation with the Department of Finance, how it is proposed that these costs should be financed e.g by taxation, borrowing, reductions elsewhere on the Vote or charges for services;
 - the number and levels of additional staff involved and whether these are to be provided by new recruitment or by redeployment in Departments, State-sponsored Bodies or local authorities, etc.;
 - the staff costs including overheads and the costs to the

Exchequer Pay and Pension Bill (if different) in the current year, the next year and in a full year and the number of years until the full-year costs is reached;

(vi) quality regulation by reference to the notes in Appendix VI.¹⁹

(vii) rural communities by reference to notes in Appendix VII.

Appendix VI

QUALITY REGULATION

1. Is the proposed legislation and/or regulation absolutely necessary? Is the problem correctly defined and can the objective be achieved by other means (i.e. improved information, voluntary schemes, codes of practice, self-regulation, procedural instructions)?
2. Will the legislation affect market entry, result in any restrictions on competition or increase the administrative burden?
3. Is the legislation compatible with developments in the Information Society, particularly as regards electronic Government and electronic commerce?
4. Outline the consideration which has been given to exemptions or simplified procedures for particular economic or social sectors which may be disproportionately burdened by the proposal, including the small business sector.
5. Outline the consideration which has been given to application of the following principles:
 - a. Sunsetting i.e. establishing a date by which the measure will expire unless renewed
 - b. Review date i.e. a predetermined date on which the

19. This and the following clause and associated appendices were approved by Government since publication of the Handbook. They were issued in November 1999.

efficacy and impact of the proposed new measure will be reviewed; and

- c. the “Replacement” principle i.e. where the body of regulations/legislation in a particular area will not be added to without a corresponding reduction through repeal of an existing measure.
6. Outline the extent to which interested or affected parties have been consulted, including interest groups or representative bodies where such exist. A summary of the views of such parties should be provided.

Appendix VII

RURAL COMMUNITIES

Indicate the impact of the proposed measure, if any, on the physical, economic and social conditions of people living in the open countryside, in coastal areas, towns and villages and in similar urban centres outside of the five major areas (i.e. Cork, Dublin, Galway, Limerick and Waterford).

APPENDIX 4

NDP HORIZONTAL PRINCIPLES

Implementation of these horizontal principles at programme level

13.37 Operationally, these horizontal principles will be mainstreamed at programme level in the following manner:

- As indicated in Chapter 13 on the Implementation of Programmes, it will be mandatory to include the environment (sustainable development), equal opportunities, poverty and rural impact among the project selection criteria for all measures;
- These issues will feature as requirements in all evaluations to be undertaken under the Plan;
- Where appropriate and feasible, specific indicators to assess impact on these horizontal issues will be developed at programme and measure level;
- A monitoring unit is being established under the Department of Justice, Equality and Law Reform to monitor gender mainstreaming generally and to advise on the development of appropriate indicators in this regard. A dedicated unit in the Department of Education and Science will, in co-operation with the main unit in the Department of Justice, Equality and Law Reform, carry out similar work in relation to the education sector;
- All monitoring committees will include representatives from appropriate bodies responsible for environmental, equal opportunities, social inclusion and rural development policies;
- Three horizontal co-ordinating committees representative of all the management authorities for the programmes, the main implementing bodies and the appropriate bodies with overall policy responsibility for these areas will be established to promote and to co-ordinate these horizontal principles, namely:

- *Environment Co-ordinating Committee;*
- *An Equal Opportunities and Social Inclusion Co-ordinating Committee (A joint committee for these two principles is considered appropriate having regard to common target groups); and*
- *A Rural Development Co-ordinating Committee.*

In addition, there will be an Employment and Human Resources Co-ordinating Committee to co-ordinate employment policy across programmes.

13.38 The co-ordinating committees will monitor the situation across programmes and will report progress to the CSF monitoring Committee. The CSF and Operational Programme Monitoring Committees will have ultimate responsibility for securing the maximum application of these horizontal principles within their remit.

Source: Government of Ireland (1999) *National Development Plan*. Dublin: Stationery Office.

GENDER IMPACT ASSESSMENT GUIDELINES FOR THE NATIONAL DEVELOPMENT PLAN

Introduction

The achievement of equal opportunities between women and men is a horizontal principle of the National Development Plan (paragraph 13.20). In support of this commitment the NDP provides for the following elements:

- The identification of equal opportunities between men and women as an objective of the Employment and Human Resources Development Operational Programme (paragraph 5.20) and also as a core element of the Social Inclusion Sub-Programme within the Regional Programmes (paragraphs 7.64 and 8.63 and 10.23);
- The acknowledgement of the impact of equal opportunities between women and men in spending on infrastructure and productive investment (paragraphs 4.124/5, 6.115);
- The requirement that the impact on gender equality be explicitly incorporated into the project selection procedures of all implementing bodies under the NDP (paragraph 12.14);
- The intention that indicators will require sex-differentiated outcomes ‘where the nature of the assistance permits’ (paragraph 12.12);
- The establishment under the Department of Justice, Equality and Law Reform of a Monitoring Unit to monitor gender mainstreaming generally and to advise on the development of appropriate indicators in this regard (paragraph 13.37);
- The commitment to promote gender balance on all Monitoring Committees (paragraph 12.8);
- The commitment to include representation of the equal opportunities interest on all Monitoring Committees and the CSF, to be drawn from a relevant Government Department or appropriate statutory body (paragraph 12.8);

- It will be mandatory to include equal opportunities among the project selection criteria for all measures (paragraph 13.37);
- The establishment of an Equal Opportunities and Social Inclusion Co-ordinating Committee (paragraph 13.37).

The above commitments involve a focus on gender equality across the six Operational Programmes, i.e. the Economic and Social Infrastructure, Productive Sector, Employment and Human Resources Development, Regional and Peace Operational Programmes. This is part of gender mainstreaming. Gender mainstreaming is a comprehensive strategy to achieve equal opportunities between women and men. It is applied to reinforce the effect of existing equal opportunities policies, such as equality law and positive action measures. The mainstreaming approach involves:

not restricting efforts to promote equality to the implementation of specific measures to help women, but mobilising all general policies and measures specifically for the purpose of achieving equality by actively and openly taking into account at the planning stage their possible effects on the respective situations of men and women (COM (96)67).

Application of the Guidelines

The Gender Impact Assessment should be undertaken for all areas of expenditure under the NDP with the exception of environmental services (water, waste water and waste management), energy and coastal protection, as provided for in paragraph 4.124 of the Plan. The Plan further provides that investment in roads should be gender neutral. Expenditure on roads within the current funding allocation under the NDP is also excluded. However, any future proposals regarding the distribution of the financial allocation between roads and public transport should be subject to gender impact assessment, in recognition of the importance of public transport for women. The application of the Guidelines to the Productive Sector Operational Programme will be the subject of discussion between the

Department of Enterprise, Trade and Employment and the Department of Justice, Equality and Law Reform.

The Guidelines will apply to the following stages:

(a) ***Operational Programmes***

All Operational Programmes and Programming Complements should contain a brief description of the baseline position in relation to equal opportunities between women and men at sub-programme and measure level and, where appropriate, targets for the anticipated impact. The baseline description should be either quantitative or qualitative. A qualitative description will be sufficient where no quantitative gender disaggregated data currently exists. Where it would be potentially cost-effective in improving the equal opportunities impact of measures under the Plan, gender-disaggregated data should be gathered. Those drafting Operational Programmes are asked to contact the Equal Opportunities Promotion and Monitoring Unit in the Department of Justice, Equality and Law Reform for information on the gender disaggregated data currently available. The Unit will act as a reference point for data sources. The Unit can also advise on the type of data which might be compiled in areas where it is currently deficient.

(b) ***Programming Complement***

The Gender Impact Assessment Guidelines below outline the basic steps to be taken to carry out a Gender Impact Assessment at the Programming Complement stage. This form will allow assessment of the extent to which equal opportunities feature in projects, which will allow implementing bodies to incorporate equal opportunities into the project selection criteria for all measures, as required under paragraph 13.37 of the NDP.

(c) ***Project Selection***

The National Development Plan provides that the inclusion of gender impact will be a mandatory criterion in project selection for all measures. As a minimum, the following table should be

completed for every project or scheme under each measure and inform the selection process for the measure.

Impact of Expenditure Activity on Equal Opportunities			
	Positive Relative to Existing Situation	Negative Relative to Existing Situation	Neutral Relative to Existing Situation
Women			
Men			

Footnote: Consideration should be given to introducing weightings for equal opportunity impact for project selection in interventions where promoting a positive impact on the target groups is one of the primary economic and social objectives of the intervention.

(d) ***Monitoring***

All Managing Authorities must provide for representation on their Monitoring Committees of the Department of Justice, Equality and Law Reform and the Equality Authority, to represent the interests of equal opportunity in strategic decision making.

A baseline for the female participation rate in monitoring committees should be established by reference to the composition of the nearest corresponding Monitoring Committee under the 1994-1999 round. Where female participation is less than their share of the general population, a target to improve this representation should be set. When requesting implementing bodies and other interests to nominate suitably qualified persons as members of Monitoring Committees, these bodies should be requested to have regard to this target in deciding their nominations.

(e) ***Evaluation***

In accordance with paragraph 13.37 of the NDP, the terms of reference for all evaluations should include impact on equal opportunity as a criterion for evaluation. The emphasis given to gender equality will relate to the nature of the programme investment to be evaluated.

Supports for implementation of the guidelines

To aid Departments and implementing bodies in incorporating equal opportunities into the policy framework of the NDP, the Department of Justice, Equality and Law Reform is arranging for training for policy makers on gender mainstreaming, including practical examples and case studies. Training is considered the best way to provide guidance to policy makers due to the variety of different project areas involved. Training needs will also be revised and updated based on review of the completed gender impact assessment forms. In addition, lead Departments, implementing Departments, and delivery agencies will be invited to participate in an ad hoc working group in the implementation of the guidelines. The Equal Opportunities Promotion and Monitoring Unit in the Department will be available to provide expert advice to implementing Departments and delivery agencies on incorporating equal opportunities issues into the NDP policy framework.

Dr Anne-Marie McGauran, Head of Unit is contactable at the following numbers: Phone: (01) 6670 344, extn 2384; Fax: (01) 6670 366; Email: Anne_Marie_X._McGauran@justice.ie. The Unit will also be able to provide advice on other bodies which may be usefully consulted.

**Gender Impact Assessment Forms to be completed at
Programming Complement stage**

Programming Complement

Measure/Project

Step One: Outline the current position of men and women in the area which this expenditure activity will address.

Who are the current beneficiaries of this area of expenditure activity?
(Beneficiaries include users of the facility or participants).....

.....

How many are women? How many are men?

What data source did you use to determine these figures?.....

.....

The Equal Opportunities Promotion and Monitoring Unit will assist on data sources.

Step Two: What factors lead to women and men being affected differentially in the area being addressed by this expenditure activity?

Identify the factors which lead to the differential impact on women and men:

a).....

.....

b).....

.....

c).....

.....

d).....

.....

Step Three: How can the factors which lead to women or men being affected differentially be addressed and changed?

How can the policy proposal/measure respond to the factors identified in Step 2 above?

a).....
.....

b).....
.....

c).....
.....

d).....
.....

Where considered appropriate, what actions do you propose in this regard?

a).....
.....

b).....
.....

c).....
.....

d).....
.....

For more information, contact:
Department of Justice, Equality and Law Reform
72-76, St. Stephens Green, Dublin 2, Ireland.
Tel: +353 – 1 – 6028202
Fax: +353 – 1 – 6615461
E-mail: info@justice.ie

APPENDIX 6

WORKING GROUP ON EQUALITY PROOFING

Terms of Reference

The Working Group Report on Equality Proofing recommended that a Working Group convened by the Department of Justice, Equality and Law Reform and drawn from relevant Government Departments, the Equality Authority, the Combat Poverty Agency and the Four Pillars of Social Partnership be established to provide an ongoing focus on Equality Proofing issues. The Working Group would have a mandate to:

- Monitor the progress made in implementing the equality proofing initiatives proposed (see below).
- Operate as a “learning mechanism” to ensure that the experience gained in gender, poverty and equality proofing would be presented in a report.
- Outline steps which should be taken to progress from the “learning phase” to a broader implementation of equality proofing.
- Advocate for an ongoing focus on equality proofing issues.
- Support this ongoing focus through the expertise and knowledge mobilised within the Working Group and through projects resourced by the Group.
- Promote awareness of equality proofing through seminars, workshops and conferences.

The equality proofing initiatives recommended by the Working Group are:

1. Pilot Projects;
2. Research on inequalities leading to poverty;
3. The Civil Service – Strategic Management Initiative;
4. North/South Co-operation;
5. Data; and
6. Equality Reviews and Action Plans.

Details of proposed Pilot Projects.

The Report recommended the following pilot projects:

- Selected measures of the National Employment Action Plan, to be worked out in consultation with the Department of Enterprise, Trade and Employment, FÁS and the Department of Education and Science.
- A mainstream legislation proposal likely to have a significant effect on some or all of the target groups.
- County Development Strategies. To progress the implementation of equality proofing procedures at local and regional levels, it is recommended that County Development Strategies be assessed for their impact on equality objectives. Impact assessment should be carried out in consultation with the target groups.
- A public/private partnership initiative.

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NATIONAL ECONOMIC AND SOCIAL COUNCIL PUBLICATIONS

NOTE: The date on the front cover of the report refers to the date the report was submitted to the Government. The dates listed here are the dates of publication.

<i>Title</i>	<i>Date</i>
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