

ASST/ SEC  
297/2  
C.C.R.U.

Mr Conynon 4/3  
I have been contacted twice by a (Travelers?) organisation called  
Peace Point, based in Dublin, which wished to find out about TSN and PAFT in  
preparing its submission in relation to the preparation  
of the National Strategy at X. meeting.



- 1. cc Mr [unclear]
- 2. Mr Conynon 29.2

S.S. Memo  
4/3

British Embassy  
Dublin

15 February 1996

A Wilson, Esq  
RID - Republic of Ireland Dept. of the  
FCO Foreign & Commonwealth Office

UNDER/ SEC 1283/2  
28 FEB 1996  
CENT SEC

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Do we have a  
suitable file  
for this?  
Ed. 4/3  
M. Conynon 4/3

Dear Anthony,

Mr. Hugh Frazer  
himself was in last  
year to get information  
on TSN and PAFT.

**POVERTY IN IRELAND: CONVERSATION WITH THE DIRECTOR OF THE  
COMBAT POVERTY AGENCY**

1. I called on Hugh Frazer, Director of the Combat Poverty Agency (CPA) on 15 February. The CPA - a state sponsored body - was established in 1986. It is responsible for: (i) advising and making recommendations to the Minister for Social Welfare on all aspects of economic and social planning; (ii) initiating and evaluating specific measures to overcome poverty; (iii) researching the nature, causes and extent of poverty in Ireland; and (iv) promoting greater public awareness of the problem.

The Director

2. Frazer was born in Northern Ireland - Cullybackey near Ballymena, deep in "Paisley" country. Before taking up this post (he is on his second five year contract), he was director of the Northern Ireland Voluntary Trust. This gives him a good all-island perspective, which he is putting to use. The CPA works closely with Northern Ireland bodies and has a role in implementing the EU Programme for Peace and Reconciliation in the Border counties, assuming that it still goes ahead.

Views on Northern Ireland

3. Seen from his perspective, Frazer thought that the Irish capacity to misunderstand the UK was remarkable. This had been evident after the Prime Minister's response to the Mitchell Report. And in the extent to which they thought Unionist politicians did not operate under constraints from their own supporters. The constraints on Sinn Fein were all too readily accepted. Not that he was uncritical of UK policy or the Unionists. The latter he thought had missed a great opportunity by not agreeing to all-party talks and exposing Sinn Fein's own inability to compromise. Trimble and Taylor's comments about Spring were in the tradition of Unionist attacks on Irish Foreign Ministers. A similar attack had been launched on Peter Barry when he had been Foreign Minister.

4. He said that one of his colleagues who worked with



community groups in South Armagh had said that there had been a great deal of shock at the bombing, even from Republican hardliners who had not expected it. The vast majority of people on the ground had no desire to see a return to violence. He thought that the IRA had taken the decision to avoid a split in their organisation. And, perversely, perhaps it was better for all that they had. At least there was still an organisation for the governments to talk to.

5. Links between voluntary organisations north and south of the Border were extensive. But the effect of increased commonality of purpose on eg womens issues and poverty would take a long time to effect the political climate.

#### Development of the CPA's Role

6. When it was founded, the CPA had rather limited influence within government. Its main focus was on raising public consciousness of the problem and carrying out research and pilot projects. It was lucky to survive the election of a Fianna Fail government, intensely hostile to its aims, shortly after its establishment by Fine Gael/Labour. Its influence subsequently expanded and it became more engaged in policy advice to government on specific technical policy issues, which constrained it in its public pronouncements. A recent strategy review carried out for the CPA recommended that they develop more expertise on economic issues affecting poverty and unemployment.

7. The CPA had been frustrated in its efforts so far to develop a consistent policy on poverty. Frazer blamed the Irish electoral system of proportional representation. Policy was made in an ad hoc manner in response to short-term political pressures and often resulted in contradictory policies being endorsed by the same Minister. Additionally, inter-departmental co-ordination was weak.

#### Poverty

X | 8. The Government, with the help and advice of the CPA, was now trying to remedy this by developing a National Strategy to address all aspects of poverty and social exclusion. The process was being driven by the Democratic Left Minister for Social Welfare, Proinsias de Rossa, who had taken up the CPA's suggestion to make a big push on poverty following the UN Social Summit at Copenhagen.

9. A large part of this an exercise was aimed at institutionalising "poverty proofing" of policy proposals right across government. The decision of the Department of Transport not to proceed with the third line of the Dublin light rail system into the heart of deprived North Dublin was an example of where government policies actually exacerbated poverty and exclusion. As was the decision by the Education Minister to abolish Third Level fees.



10. The CPA think that some 20-30 percent of the population have incomes below the poverty line, defined as about 50-60 percent of average disposable income. (Statistics on poverty in Ireland will be much improved when the Economic and Social Research Institute's study of data for 1994-96 is complete). But Frazer thought that the position differed from the UK in two respects. Firstly, the level of inequality was much greater in Ireland. There was not the same degree of upward mobility in Ireland as there was in the UK. And the pressure to reform the system had been reduced by the emmigration of those who had most interest in doing so. The result was a very conservative but polarised society. The second difference was that, during the 1980s and 1990s, real welfare levels had been improved relative to the UK. He thought that this had improved the position of the very poorest, but not by a vast margin.

11. Frazer thought that the effect of financial disincentives to the unemployed to take a job were overstated. Such disincentives only affected a proportion of the unemployed and, in any case, did not of themselves increase or decrease the number of jobs available to be filled.

12. He thought that taxes had a larger disincentive impact than benefit levels. The proportion of tax revenue taken from Paye As You Earn workers was still far too high. And no decisive political effort had been made to contain public spending sufficiently to allow the much needed tax reform. The 1996 Budget had done virtually nothing at a time when it would have been relatively painless to introduce significant change. Even though the 1997 Budget might offer more in tax relief, it would undoubtedly be geared to politically popular tax rate cuts rather than real reform.

### Education

13. Also vitally important were issues such as education, training and skills mismatch. There was a clear need for increased resources to increase educational attainment and to reduce early school leaving - clear indicators of future unemployment and poverty. And the children and areas at most risk were easily identifiable. They came from poor families, had parents (most significantly mothers) with poor educational attainment and lived in deprived areas. Schools with a variety of extra-curricular activity were more successful than those which did not. But it was the middle-class who in the main could afford to put in the extra resources to pay for such activities. Education would be a major priority for the CPA in future.

### Unemployment

14. Action to solve the problem in the long-term through tackling educational disadvantage was not enough. The



currently unemployed, particularly the long-term unemployed, needed to be helped, both for moral and selfish reasons (economic growth, crime etc). It was increasingly accepted that to deal with long-term unemployment active labour market measures targeted on the specific needs of different groups should be developed.

*Yours sincerely,  
Simon*

Simon Buckle

cc: Mr Hallett, RAD, FCO  
Mr Livesey, EUD(I), FCO  
PUSD(VC), FCO  
Mr Ockenden, Economic Advisers, FCO  
Mr Burton, IWD14, Bank of England  
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Mr Watkins, Central Secretariat, NIO(B)  
Mr Dunn, REL 1, NIO(L)  
Mr Bridges, European Secretariat, Cabine Office  
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Ms Goodfield, EU Policy, B3C, DSS  
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