



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

Well-being Matters: A Social Report for Ireland

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Introduction

The purpose of this report is to analyse and interpret key social trends to inform social policy and well-being in Ireland. The approach adopted reflects the public mood in seeking to know the societal outcomes of the economic boom years and how we should design our policies for the future. The report provides material for reflection and some pointers towards future policy directions.

The focus is on individuals and their capabilities, how they relate with those around them (families, communities) and on their role within the wider societal system (economic, social and cultural systems). The work acknowledges the diversity of the population and the challenge of a developmental approach to unlocking the potential of each individual. This focus is very much in line with the current policy framework *Towards 2016* which adopts a life cycle approach, placing the citizen at the centre of social policy.

Why Well-being?

The report adopts a well-being approach for a number of reasons:

- i. Something more than GDP is required to measure social progress;
- ii. Because of the central role of people in economic and social progress;
- iii. Because people care about their well-being and are increasingly reflecting on what contributes to it; and
- iv. To assist in monitoring the impact of policy actions on policy outcomes.

What is Well-being?

The definition of well-being used throughout the report is that a person's well-being relates to their physical, social and mental state. It requires that basic needs are met, that people have a sense of purpose, that they feel able to achieve important goals, to participate in society and to live the lives they value and have reason to value.

People's well-being is enhanced by conditions that include financial and personal security, meaningful and rewarding work, supportive personal relationships, strong and inclusive communities, good health, a healthy and attractive environment, and values of democracy and social justice. Public policy's role is to bring about these conditions by placing the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and ensuring the supports are available to address those risks at key stages in his/her life.

In applying this definition, we focus on six domains of well-being, on which a certain amount of data are available, as follows:

- ◆ Economic resources;
- ◆ Work and participation;
- ◆ Relationships and care;
- ◆ Community and environment;
- ◆ Health; and
- ◆ Democracy and values.

All of these domains of a person's life are important for their well-being and are interconnected. The emphasis given to each may depend on an individual's particular circumstances or the situation in which they find themselves. People's well-being is also affected by comparing themselves with those around them and by the values set in wider society. Throughout their life course the domains of well-being of an individual may change.

The relationship between individual and collective well-being is important but hard to define. This is so, in part, because the nature and context of each individual's well-being involves a unique combination of the six domains of well-being used in the report. An implication of this perspective is that individual and collective well-being are constructed and re-constructed in processes that include individual reflection and social interaction.

Well-being Trends

Key Demographic Trends

Population levels in Ireland have reached an all-time high and the population is more diverse than it has ever been. This diversity is most noticeable in relation to an increasing ethnic mix with some 11 per cent of the population in 2006 being non-Irish nationals deriving from 188 different countries. There is also diversity in relation to family status and employment status, with a wide range of family types and various working arrangements. Ireland has a relatively youthful population with just under one quarter of the population under 18 years of age. Eleven per cent of the population in 2006 was over 65 but this is set to increase in future, with a proportionate increase in the over 80s. Just under ten per cent of the population are classified as disabled, defined as having a long lasting condition or difficulty with certain activities.

Key Trends in Relation to Economic Resources

Incomes in the population have grown until very recently, both as a result of increased employment, higher wages and other earnings, and increases in social welfare rates. The level of income inequality remains comparatively high in Ireland, with a widening of incomes at the very top end of the income distribution. The risk of income poverty has remained relatively high, although levels of deprivation and subsequently consistent poverty have fallen. The economic crisis has led to

some people experiencing large and sudden drops in their incomes while others have seen a more gradual reduction. Some sub-groups of the population remained vulnerable to poverty throughout the nineties and early 2000s, including lone parents, people who were unemployed, and people with a long term illness or disability.

Key Trends in Relation to Work and Participation

Participation in meaningful activity contributes to human flourishing and well-being. Paid employment is one of the main expressions of participation and there was unprecedented employment growth in Ireland from the mid 1990s to 2007. Unemployment, however, is one of the most damaging influences on individual and societal well-being. Unemployment has been increasing at an alarming rate recently after falling to an all-time low. The scale of the increase in unemployment is placing challenges on social welfare, employment, training and education services, as well as being detrimental to well-being. In addition, modern demands have led to some conflicts of work-life balance, especially for women. Work in the home, voluntary work in the community, and in the provision of services, can also make an important contribution to individual and societal well-being.

Educationally, we are more qualified than ever before. Nevertheless, about ten per cent of young people still leave school early, with a related problem of low levels of literacy. Participation in life-long learning is relatively low. Ireland's early childhood care and development infrastructure is still comparatively underdeveloped and is one area of critical importance for the future of our children, our society and our economy.

Key Trends in Relation to Relationships and Care

Relationships are central to people's well-being. Relationship breakdown and bereavement can be especially detrimental to people's well-being, with conflictual relationships having a particularly devastating effect on children. Encouragingly, however, there is evidence of increasing stability in relationships with a growth in the numbers getting married, including second marriages, and an increase in cohabitation. Nevertheless, lone parents and older people living alone now make up substantial proportions of our households. These household types are more vulnerable to poverty, social isolation and loneliness.

An important relationship issue is the provision of care, for both the care giver and the care receiver. Much care in Ireland is provided by and to family members on an unpaid basis, with many carers, who are mostly women, combining caring roles with paid employment or unpaid responsibilities in the home. The importance of care, both unpaid and paid, and its impact on the well-being of individuals and society is now coming into sharper focus.

Key Trends in Relation to the Community and Environment

The community and environment within which people live have an important bearing on their well-being. The increase in privately owned houses (with large increases in house prices and large mortgages) were features of the boom years. So was the difficulty of access to affordable and social housing with many households in need of housing; the numbers on local authority housing waiting lists increased during the years of economic growth.

An important requirement of housing and community development is the provision of community facilities and civic space, particularly safe areas for children to meet and play. Throughout Ireland most people report that they can get help from a neighbour if they

need it, and volunteering and community participation does not seem to be in decline. In relation to the wider environment Ireland has a high level of greenhouse gas emissions and we generate a high level of waste per head. In addition, Ireland is one of the most car dependent countries in Europe, with a need to improve provision of public transport.

Key Trends in Relation to Health

The health of the population overall is improving, as reflected in increased longevity and the majority of people stating that they perceive their health to be good. Even so, there has been an increase in chronic illness and in mental ill health. People's health is affected by the socio-economic conditions in which they live and work and by their behaviours. Physical activity is seen as beneficial to health and it is encouraging that the level of physical activity in Ireland has increased. Nevertheless, one fifth of the population remain inactive. More than half of adults in Ireland are now recorded as being overweight or obese, putting their health at risk. Tobacco use is a risk to health, yet one third of adults smoke. Excess consumption of alcohol is also detrimental to the health and well-being of the individuals involved, their families and wider society, and in Ireland we have high rates of heavy drinking compared to EU averages.

Some sub-groups of the population are more at risk of poor health than others and have less access to treatments and services. These include people with lower educational levels, lower incomes and who are unskilled. The demands on our health service are likely to increase as budgetary reductions are sought and needs are likely to increase at a time of economic recession. These demands highlight the challenge of reforming how we deliver health care to make it fairer and more effective.

Key Trends in Relation to Democracy and Values

People's well-being is affected by the values they hold and the values of the society within which they live. Access to information and transparency is an important dimension of exercising democracy. In relation to accessing information, Ireland remains below European averages in access to the internet, especially for older people. Declining levels of trust in national and other institutions have been accentuated by the financial crisis, coinciding with a perceived lack of fairness in our society.

Trust is also damaged by crime and fear of crime, bullying, domestic violence, neglect and abuse. There has been an increase in recorded crime, with a majority of the population believing crime to be a very serious problem in Ireland. One quarter of young people in Ireland report that they have been bullied. There is an increasing awareness of the risk of poor treatment, neglect and abuse among vulnerable sections of the population.

The recognition of socio-economic rights, the promotion of equality and the accommodation of diversity are regarded as features of a democratic, pluralist and fair society. Ireland has developed a progressive rights and equality infrastructure, which is potentially in danger of being eroded. Women remain under-represented in national, regional and local decision-making structures, but have made some

progress in reducing the gender pay gap. With regard to the expression of cultural identity, people of a non-Irish, non-white ethnic background and members of the Traveller community experience higher levels of discrimination than the majority Irish population. This evidence suggests that we need to keep effective means of promoting rights, equality and interculturalism under review, with a view to its further development.

Relevance of these Social Trends for Individual and Collective Well-Being

This overview of well-being in Ireland displays positive trends for many people. Given the complex relation between individual and collective well-being we recognise that, by and large, this is an aggregate judgement. The continuation of serious social deficits qualifies any aggregate judgement to a significant degree.

So, even where the overall trends suggest that the well-being of Irish society increased there were risks to individuals' well-being. A substantial minority of the population continue to live on low incomes which put them at risk of poverty; the childcare and early education infrastructures remain underdeveloped and piecemeal, with implications for child, family, economic and social well-being; some people have difficulty accessing employment for a number of reasons; many people are living with chronic illness and/or mental illness, and there are difficulties accessing a poorly functioning health system. Many people with disabilities continue to experience disadvantages; and there is a growing awareness of the need to integrate immigrants into our communities, given our developing cultural diversity.

Additional risks associated with modern society are summarised as: the challenges of balancing paid employment and family/caring responsibilities; lacking the skills necessary to access a job or having skills and training which are now obsolete; having an inadequate or insecure income or pension; and unsatisfactory and unreliable service provision. It has been argued that modern society brings with it 'discontinuities' in family and working lives, which can entail insecurities and vulnerabilities. These 'discontinuities' require a different type of engagement with the institutions of the state than heretofore – greater flexibility, differentiated routes and pathways, activation on the part of the state and of citizens, and a shift towards a supportive state, with agreed standards and greater regulation.

Relevance of Well-being in a Recession

Recessionary Risks to Well-being

In addition to the risks which were evident even in Ireland's period of strong economic growth, further risks have become apparent as a result of the economic recession. For many, these recessionary risks include: sharp and unexpected reductions in income, depletion of savings, having to manage on a lower income, finding it difficult to pay the rent or mortgage, and dealing with debt; job loss, fear of job loss, a deterioration in working conditions, or if unemployed limited opportunities for employment, or having redundant skills; the worry of unemployment and/or financial stress impacting on relationships with partners, family and friends, and curtailments in service provision making care arrangements more precarious;

tensions emerging in communities with potential increases in crime and racism; the impact of these events on physical and mental health, along with a curtailment in some health and social services; a lack of confidence and trust in some national institutions, a perceived lack of fairness, and an erosion of the equality and rights infrastructure.

Impact of the Recession on Well-being

Well-being is affected by economic upturns and downturns. A shock to one domain of our well-being may have an impact on another domain. For example, loss of a job and income can affect our relationships and health. These impacts can affect people in different ways depending on their circumstances. Depending on how we, as individuals and as a society, deal with these adversities can make a major difference to our longer term well-being. Some of the factors identified which can make a difference include using our capabilities, having a sense of purpose, engagement in meaningful activity, the support of family and friends, having trust in our institutions and having a sense of hope. Public policy and institutions have a vital role in providing the conditions to support individual and collective well-being and in making available tailored supports to people experiencing particular risks and vulnerabilities. Resilience in individuals needs to be paralleled at societal level by resilience in institutions to enable them to be able to adapt to the changed and challenging circumstances, as they strive to deliver an adequate level and standard of service with reduced resources.

Ireland's Well-being at a Time of Change

A Developmental Approach

A developmental welfare state, denoted by three overlapping areas of welfare state activity – services, income supports and activist measures, is a 21st century public policy framework well suited to supporting individual well-being. The developmental welfare state recognises that people are citizens first and foremost, but are heterogeneous citizens with a changing mix of needs, capabilities and circumstances. In advocating ‘tailored universalism’ as an approach, the developmental welfare state implies that: a) services and supports, such as education and health, are available to everyone; but that b) for people with certain needs, and in certain circumstances, additional payments and entitlements to services are tailored to meet their needs. These tailored services address the specific barriers which prevent people from realising their potential.

Towards 2016 sets out 23 high level goals with associated actions, based on a developmental welfare state approach. These high level goals are in line with the well-being needs of the various life cycle groups and remain relevant in these recessionary times. While it is recognised that prioritisation will have to take place due to more limited resources, to discard any of these goals would be a retrograde step. Indeed, the infrastructure of social supports and social policy need to be maintained in the difficult years ahead, as they provide a foundation upon which existing and new social problems can be addressed. Abandonment of any of the goals could potentially damage the well-being of individuals who are in disadvantaged

or constrained circumstances and could lead to higher long term costs to the state and to society more generally. The prioritisation of the implementation of these goals has to take place in the context of the financial stabilisation measures being put in place by the Government.

This analysis leads us to question the model of development we have used in the past. While this model led to unprecedented economic growth it has left social deficits in its wake and seems limited in its capacity to address the challenges facing Ireland in the current recession or to shape our future society. Thus, the way we state some of our high level goals could be modified, for example:

- ◆ From growth of total GNP to GNP per head to *sustainable growth*;
- ◆ From income growth to *a more equal distribution of income*;
- ◆ From absolute job creation to overall employment rate to *participation rate*;
- ◆ From discrete and targeted programmes for disadvantaged groups to *responsive, flexible, person-centred, and tailored publicly funded services*;
- ◆ From an exclusive focus on income to *a balance between income and better provision of accessible, affordable quality services*;
- ◆ From developer-led developments to *planned and sustainable communities*;
- ◆ From housing completions to *occupancy rates*;
- ◆ From 'survival of the fittest' to *a more egalitarian society*.

Well-being Implications

There are a number of lessons which have emerged from the review of well-being, summarised as follows:

- ◆ At the most fundamental level having a level of income to meet basic needs matters. This level of income is contingent both on the standard of living in the society within which one is living, as well as the distribution of income, as people compare their income levels with those around them. It is also known that while loss of income can lead to a reduction in well-being in the short-term, people do readjust to their new financial circumstances.
- ◆ The fundamental elements which contribute to long-term well-being include participation in meaningful activity, along with affectionate and caring relationships, a secure, safe and attractive environment, good social relations, and good health.
- ◆ Context matters and the situations within which people find themselves can contribute to or detract from their well-being. These situations include their socio-economic circumstances and the values of the society within which they live. The operation of democracy, trustworthy institutions, standards of transparency and openness, acceptance and support for diversity, and principles of equality have been found to be conducive to well-being.

This knowledge of well-being provides us with some key pointers in responding to the economic recession. First, it would suggest that we should try to ensure that as many people as possible are meaningfully engaged. In the context of job losses and rapidly increasing unemployment this is a significant challenge.

Secondly, it is important to bear in mind people's basic need for an adequate income. Not only does this point to the need to ensure that people have an income which is adequate to prevent poverty, but now it also means recognising that some people have experienced large falls in their income and/or savings which will put them in situations of financial hardship.

Thirdly, it is relevant to reflect on the impact of social comparisons on well-being. A situation where everyone is experiencing a drop in income would seem to have a lesser effect on well-being, so long as basic needs are met, than a situation where only some people experience income reduction.

Fourthly, we should be able to learn from the past in planning for the future. For example, we may think differently about the desirability of fast economic growth, rather than deep or enduring prosperity. We may focus more on intensive rather than extensive growth and place a higher priority on sharing of gains and losses. We may take the view that future prosperity is best secured by moving away from a growth economy towards a more economically, socially and environmentally sustainable model of development. We may seek a more equal society based on the evidence that more equal societies tend to have lower levels of poverty and higher levels of social cohesion.

In this context, it is pertinent to raise certain questions. Three key questions are posed:

- ◆ How do we pursue both individual and collective well-being and make them mutually supportive?
- ◆ What is our vision of Ireland in ten years time?
- ◆ What is the appropriate institutional response?

Well-being Test

Well-being Criteria	Description
<i>Capability</i>	A focus on what an individual can do with a view to developing capabilities
<i>Agency</i>	Respect for the capacity of individuals to make decisions about their lives
<i>Purpose</i>	Recognising the importance of having a sense of purpose by encouraging and supporting people to engage in meaningful activity
<i>Social interaction</i>	The recognition that we operate in the context of a set of relationships – family, community and wider society
<i>Common good</i>	As individuals and as societies we do better in more equal and fairer societies
<i>Sustainability</i>	We live in a finite world and have to use our resources wisely now and for future generations

Well-being Test

In seeking to do things differently it is helpful to have underpinning principles or criteria driving the reforms. A ‘well-being test’ is suggested based on a developmental perspective.

- ◆ By focusing on **capability** we are paying attention to what an individual can do rather than what they cannot do. Thus, we would focus on the developmental potential of all people from an early age – pre-education, through the education system and into life-long learning.
- ◆ **Agency** is an important component of well-being. In empowering people and taking into account their views, appropriate and tailored services can be provided, with the individual also taking responsibility for their needs, in conjunction with service providers.
- ◆ Having a **purpose** in life is a motivating factor which acknowledges people’s contribution, whether this is in paid work, household work, care work or voluntary work.
- ◆ People are **social beings** characterised by their relationships and interactions with others – within families, within communities, and within institutions. While public policy recognises this dimension of people’s lives in many of its programmes and initiatives it is helpful to take this wider context into consideration in the nurturing of children, in the sharing of responsibilities and in finding optimal work-life balances.
- ◆ There is merit in putting a higher value on the **common good** through ensuring a more equal provision of services, a greater sharing of responsibilities and a greater sense of solidarity.
- ◆ A more **sustainable** approach recognises that we live in a world with finite resources that we need to use wisely now and for the future.

Policy Priorities

A number of policy priorities emerge from the review of well-being trends, and subsequently in the context of the economic recession.

Immediate priorities are:

- ◆ The need to address *unemployment* through diverse and intensive activation measures;
- ◆ The *provision of financial supports, including pension reform*; and
- ◆ The *transformation of institutions and improved accountability*.

As well as the immediate priorities outlined above, attention needs to remain focused on:

- ◆ Early childhood care and education;
- ◆ Life-long learning;
- ◆ Care supports to promote independent living;

- ◆ Supports to accommodate working and other activities, especially caring;
- ◆ Building sustainable integrated communities; and
- ◆ Promoting better health, including addressing adverse economic and social conditions.

Policy Implementation

There is a profound challenge to give traction to the developmental welfare state to deliver the policy priorities and the actions associated with the high level goals in *Towards 2016*. The recession is putting a strain on the public services with budget reductions, staffing restrictions and reductions in take home pay. Despite the more limited resources the challenge is to reorganise and restructure institutions to meet the new challenges of supporting people. Those working in the policy arena and in the delivery of programmes and services, the community and voluntary sector, and service users, hold the knowledge and expertise to meet these challenges. They must be enabled to deliver a reform agenda by having a clear vision of the type of society we are working towards as well as systems which support new ways of doing things.

Policy Monitoring

The linkage between policy development and policy monitoring emphasises the need to focus on outputs and outcomes and to align these better to high level societal goals. Social indicators can inform and support this process. Data availability is a fundamental building block for policy monitoring. Even though data improvements have been made shortcomings remain, especially in the areas of disability and equality.