



**Irish Rural Link Opening Statement to the Oireachtas Committee on Arts
Heritage Regional Rural and Gaeltacht Affairs**

**The challenges facing rural communities and how these can be met through
the various social schemes and otherwise**

November 2016

Introduction

The majority of rural communities are still feeling the impact of the crisis and the Austerity Budgets over the past number of years. Over the past few years families in rural areas have experienced a raft of financial hardships. The level of growth experienced in urban areas in the last year is far higher than in rural areas.

The Survey on Income and Living Conditions (SILC) gives an indication of the level of poverty in Ireland in a given year. The most recent data available on poverty is for 2014. It showed that 16.3% of the population were 'at-risk of poverty'. The percentage was higher in rural areas at 19.1% compared to 14.6% in urban areas with the Border, Midlands and Western regions experiencing an 'at-risk of poverty' rate of 20.5%.

Current Challenges facing Rural Ireland

Farm Poverty

Agriculture still remains one of the main industries in rural Ireland. Although there has been a decline in the sector the growth in exports of agri foods has led to a growth in agricultural jobs.ⁱ There are 114,800 people employed in Agriculture, Forestry and Fisheries as of quarter 2 2016ⁱⁱ; approximately 5% of overall employment and a 3.4% increase from the same period in 2015.

However, despite the slight increase in employment in the sector, farming communities are still feeling the impact of the recession and austerity budgets. The average farm income is €26,000, far below the industrial average salary of €37,000. Low income coupled with the costs of running a farm are leaving some farms in a very vulnerable position and pushing farming households into poverty. A recent report by Teagasc on Farm Incomes shows 34% of farms were economically vulnerable in 2015ⁱⁱⁱ. When this is broken down by region, over 50% of farms in border region were economically vulnerable.

Off-farm employment can help the sustainability of a farm. With the reduction in employment in these sectors, off-farm incomes have also reduced, contributing to the high level of farm vulnerability. Fifty percent of farm households have off-farm income; this was 59% in 2006. Off-farm income varies between regions. Twenty-two percent of farm households in the South had an off-farm income. In the border region, where there was the highest rate of farm vulnerability, just 31% of farm households had off-farm incomes compared to 43% in 2007.

Farm Assist

IRL welcome the changes made to Farm Assist payment in Budget 2017; it will be assessed on 75% of farmer's income and the income disregards. However, we continue to call for the assessment is made on current year's income and not on previous year's income to take into account their vulnerability to agricultural price changes.

Farm Assist can often prevent the spouse/partner of the herd number holder from accessing social welfare payments or take up some employment or training schemes in their own right. Where the spouse/partner was not in employment/training prior to Farm Assist assessment they are restricted in schemes they can participate in.

Poverty among General Rural Population

An adequate minimum income is essential for people living in rural areas to meet their basic standard of living and to meet the cost of essential goods and services; i.e. food, utilities, heating, housing, cost of getting to work.

Table 1 and 2 shows the comparison of income inadequacies by household in a rural and urban area in receipt of social welfare and full-time earners on minimum wage.

Table 1: Income Inadequacies by Household Type in Receipt of SW Payment

Household Type	Rural	Urban
2 Parents with 1 infant	-€96.85	-€51.00
2 Parents with 2 Children (1 pre-school, 1 primary)	-€79.24	-€33.41
2 Parents with 2 Children (1 primary, 1 secondary)	-€154.03	-€110.00
2 Parents with 3 Children (1 infant, 1 pre-school, 1 primary)	-€99.92	-€54.95
2 Parents with 4 Children (2 primary, 2 Secondary)	-€244.27	-€192.99
One Parent with 1 child (Primary school)	-€107.61	-€43.83
One Parent with 2 Children (1 pre-school, 1 primary)	-€91.16	-€29.32
One Parent with 2 Children (1 primary, 1 secondary)	-€165.94	-€105.91
Single Adult living in Private Rented Accommodation	-€93.24	-€62.64
Pensioner Living Alone (non-contributory)	-€58.95	-€9.03
Pensioner Living Alone (Contributory)	-€48.15	+€0.57

Table 2: Income Inadequacies by Household Type for full time earners on Minimum Wage

Household Type	Rural	Urban
2 Parents* with 1 infant	-€74.87	-€13.09
02 Parents with 2 Children (1 pre-school, 1 primary)	-€67.75	-€8.86
2 Parents with 2 Children (1 primary, 1 secondary)	-€48.22	+€53.27
2 Parents with 3 Children (1 infant, 1 pre-school, 1 primary)	-€261.83	-€248.63
2 Parents with 4 Children (2 primary, 2 Secondary)	-€147.42	-€54.94
One Parent with 1 child (Primary school)	+€57.60	+€118.83
One Parent with 2 Children (1 pre-school, 1 primary)	-€23.51	-€16.45
One Parent with 2 Children (1 primary, 1 secondary)	+€2.94	+€40.11

Source: Vincentian Partnership for Social Justice

*Income inadequacies based on Both Adults working full-time earning minimum wage

The larger income inadequacies among people living in rural areas highlight the higher costs associated with living in a rural area.

A lack of public transport options in rural areas necessitates car ownership in order to access employment, basic services and amenities. Census 2011 showed car ownership across all age groups was higher in rural areas than urban areas. The cost of running a family car averages over €10,500 a year, an increase of €250 in the year^{iv}. Although the cost of petrol and diesel has decreased over the last number of years, this decrease is off-set by the large increases in motor insurance premiums. There was a 28.2% increase in the cost of motor insurance premiums in the year to August 2016^v. Irish Rural Link welcome that there was no increase in the diesel prices as was proposed by the Environmental Pillar. As the majority of people in rural areas buy diesel cars as they are more economical we feel at this time where there is little or no alternative in place any increase in tax on diesel will put further financial strain on car owners in rural areas.

Rural Unemployment

The impacts of high unemployment during the recession is still being felt in many rural areas and are not experiencing the same level of employment creation as urban or areas close to major urban centres. It is more difficult to resolve unemployment in rural areas which are

over-reliant on primary industries such as agriculture, construction and low-level manufacturing and where many of the highly skilled and young workforce have emigrated over the past few years or who are now migrating to urban areas where jobs are becoming available.

Although the national rate of unemployment has fallen and is now at 8.6%, the unemployment rate in some regions is still 10%. In quarter 2 2016, the unemployment rate in the Midlands, South East and West were 10.7%, 10.8% and 9.5% respectively compared to 8.1% and 6.9% in Dublin and Mid East Regions^{vi}. According to Social Justice Ireland Employment Monitor over 62% of the increase in employment over the last twelve months were in the Dublin region and counties Meath, Kildare and Wicklow^{vii}.

Employment Opportunities in Rural areas

The quality of jobs available in rural areas tends to be lower than in urban area, with a higher number of people employed in lower paid sectors. Many jobs in retail/wholesale, hotel and catering, tourism are zero contracts. In rural areas, these are the jobs many people work in as there is very little alternative unless they commute long distances to work, which is not always an option for people.

There was an 8.6% decline in the number of active enterprises registered in Western Counties¹ between 2008 and 2014. In other counties this figure was 1% below that of 2008. The sectors in which active enterprises were higher in western counties than in the rest of the state included; Construction, Wholesale & Retail and Accommodation & Food Service. There were a large number of sole traders and micro enterprises in these sectors^{viii}.

The high cost of and limited access to transport and broadband in rural areas can deter companies locating or setting up in these areas. Investment in rural areas is essential to ensure that the necessary infrastructure is available to support the set up of companies and enterprises to carry out their business and in turn create employment. A recent study for IE Domain Registry found that a quarter of small businesses that do not have a website are being kept offline due to poor broadband, with a third not having the time to go online^{ix}.

Fuel and Energy Poverty

Rural households are at greater risk of fuel poverty due to the nature of the rural housing stock. Many of the houses in rural areas are still one off houses and can be harder to heat especially older houses. There is less choice of fuels that can be used in rural areas. Piped

¹ The Western Counties include; Clare, Galway, Mayo, Roscommon, Sligo, Leitrim and Donegal.

gas is not available to many rural homes so there is a higher dependency on oil and solid fuels. This also leads to limited opportunities to take advantage of bundle deals offered by gas and electricity suppliers. The 2011 Census showed that 69% of households in rural areas were dependent on oil as their source of central heating while 11% and 7% of rural households were dependent on peat and coal respectively to provide central heating in their homes^x. A person who spends 10% of their income on energy is considered to be in energy poverty. Table 3 outlines the amount per week that four household types in receipt of a social welfare payment in rural areas spend on energy each week.

Table 3: Amount per week and percentage of income by household type on Social Welfare Payment

Household Type	Total Weekly Income	Amount spent per week on Household Energy	% of weekly income spent on Household Energy
Two-parents with one child	€374.91	€46.32	12%
One-parent with one child	€263.28	€44.59	18%
Single person unemployed	€188.00	€35.24	19%
Non-Contributory Pensioner Living Alone	€242.25	€43.14	18%

Source: Vincentian Partners for Social Justice MESL 2016

How Social Schemes can help overcome these Challenges

Rural Social Scheme

IRL welcome the increase in the number of places by 500 in Budget 2017. There are currently 2,600 participants on the scheme. The scheme was set up to provide an income support for underemployed farmers and those engaged in fishing and who are in receipt of a social welfare payment, such as Farm Assist. The benefits of the scheme extend to rural communities with improved amenities and facilities in the local area, while allowing farmers and people engaged in fishery improve and develop new and existing skills. IRL continue to call for this scheme to be adequately resourced and funded and that opportunities for employment are available from the scheme.

Meals on Wheels

Meals-on-wheels services have been operating in Ireland for many years, with some organisations dating back to the 1950s. It is one of the first services offered to older people as they become more dependent, but are still capable of continuing to live in their own homes. According to McGivern (2007)^{xi}, the aim of meals-on-wheels in Ireland is twofold: firstly, to improve the diet and nutritional status of meal clients; and secondly to increase the level of social contact afforded to clients, which also enables the early detection of need for other care services. The existence of the meals on wheels allows for; lower mortality, shorter hospital stays, independent living, reduced need for nursing home care following discharge, a decrease in isolation and loneliness.

Adequate funding is essential to the survival of Meals on Wheels and for it to become a sustainable service to older people. There is potential for it to develop significantly and become a bigger part of the overall homecare package available to older people. HSE is the main funder however; members feel that the funding available is insufficient to meet the modern costs associated with service provision such as rent, food produce/ingredients, wages and governance etc. For many the fragmented, limited and sometimes inadequate funding threatens the sustainability and quality of Meals on Wheels services. The lack of direction from policy makers also leaves the services in a vulnerable state while also limiting their effect on the local community and the wider health service. Better engagement by Government and especially HSE in the support given for the delivery of this service is needed.

Volunteers are crucial to the survival of Meals on Wheels. Employment schemes such as the Community Employment (CE) Scheme, Rural Social Scheme, TÚS etc are also widely used by organisations who deliver Meals on Wheels. This combined use of different schemes presents issues such as varying wage structures, varied employment terms and conditions, different supervisors, all of which seriously contribute to fragmentation and threatens the long term sustainability and efficiency of the organisation. Employment schemes need to be streamlined to ensure equal pay for all on different schemes and continuity within employment terms and conditions and supervisors and opportunities for long term employment within the services be created.

Rural Transport Programme

The Rural Transport Programme (RTP) was launched in 2007 and developed out of the success of the Rural Transport Initiative pilot scheme which started in 2002. The aim of the programme is

“To provide a quality nationwide community based public transport system in rural Ireland which responds to local needs”.

Social inclusion was at the heart of the RTP, ensuring that all people in rural areas, including older people and disabled people, have their travel needs met, especially where and when existing train and bus services were not able to meet them. The Rural Transport Programme is a lifeline to many people in rural areas, who are dependent on it to attend medical appointments, employment and for social outings to prevent total isolation where they live.

Following a ‘Value for Money’ review of the Programme in 2011, the number of transport providers was reduced from 35 to 17 Transport Co-ordination Units (TCU’s). This led to changes in routes with some routes ceasing to exist. We are concerned that the social dimension of the programme is waning as a result of a limited budget. It was proposed that the budget by 2016 would be €18m however, even with a €2.19m increase for 2017, it remains short at €14m.

A socio-economic and needs analysis of the Rural Transport Programme must be carried out to evaluate the need for rural transport and the impact changes in routes will have on people and the community that would be affected by these changes. A ‘Value for Money’ review is not sufficient. The programme is an effective way of solving many of the issues experienced by the most marginalised groups living in rural areas.

Regional Strategy

Investment in rural areas to ensure the necessary infrastructure is available to companies and enterprises in these areas is needed so they can compete for jobs. There is an

opportunity for Local Authorities to come together to form Regional Development Groups. They can collectively look at macro barriers to setting up enterprises or preventing companies locating in their region such as planning, cost of rates, investment in broadband and mobile coverage, energy requirements, etc. By three or four Local Authorities coming together, the cost of providing these services could be reduced.

Rural Schools

The closure or amalgamation of small rural schools can impact on rural communities. Without a local school in an area, it can lead to a lack of community. The previous Minister for Education, Jan O'Sullivan, introduced a policy that no more schools would be closed in rural areas unless a socio-economic analysis was carried out. This policy needs to continue to ensure schools are not closed down with no alternative or adequately resourced schools available.

Benefit 4- Basic Computer Training Programme

Irish Rural Link's basic computer training course is aimed at people who have never used a computer before with the objective of being able to Surf the web, send and receive email, Skype, pay bills online, using government websites, etc after eight hours.

IRL have delivered the computer training all over country for all different age groups. This computer training course provides a social outlet and freedom for people especially the elderly who have restricted transport opportunities and are geographically isolated.

Since its commencement, 4,500 people have participated in this programme with 1,500 taking part from January to June 2016. A new round of funding to the Benefit 4 Basic Computer Training Programme will not be made available until January and will only be available on successful applications. There is a clear contradiction within policy as policy makers are encouraging people and older people in particular to move to online banking while on the other hand they have reduced the funding available for training. There remain a large proportion of citizens who are offline and are reluctant to bank online due to security fears and lack of training.

Local Public Banking

Irish Rural Link has proposed that the Irish Government thoroughly investigate the German Sparkassen model for the development of local public banks that operate within well defined regions. This model of banking covers the 26 counties nationally and works on a regional basis following key principles of the "Framework for the Development of Regional Enterprise Strategies." The model is not based on a theory but on an existing regional working banking

model bringing prosperity by creating a virtuous cycle of money circulating in the local economy. The concept proposal makes provision for inclusion of post offices and credit unions as part of invigorating local communities particularly in the area of SME's and the Agri sectors that allow commerce to thrive.

Conclusion

People living in rural areas are still feeling the impact of the recession and Austerity Budgets and have not experienced the same level of growth as some of the major urban centres have in the last year to 18 months.

Levels of poverty remain higher in rural areas than in urban areas with farming communities experiencing significant financial hardship. Marginalised and vulnerable people are further impacted due to the lack of service, public or otherwise, that are taken for granted in urban areas; lack of transport, employment, broadband along with the closure of services in smaller towns and villages.

Social schemes such as Rural Transport Programme and Meals on Wheels are some examples on how these can alleviate some of the issues people face in rural areas, outlined above. These schemes must be adequately funded and resourced and any reviews of such schemes/programmes need to have the social dimension at the core of them and not just a 'Value for Money' review.

Irish Rural Link the Organisation

Irish Rural Link (IRL), formed in 1991, is a national network of organisations and individuals campaigning for sustainable rural development in Ireland and Europe. IRL, a non-profit organisation, has grown significantly since its inception and now directly represents over 300 community groups with a combined membership of 25,000.

The network provides a structure through which rural groups and individuals, representing disadvantaged rural communities, can articulate their common needs and priorities, share their experiences and present their case to policy-makers at local, national and European Level.

Irish Rural Link is the only group represented at the national social partnership talks solely representing rural communities' interests.

'Our vision is of vibrant, inclusive and sustainable rural communities that contribute to an equitable and just society'

Irish Rural Link's aims are:

- To articulate and facilitate the voices of rural communities in local, regional, national and European policy arenas, especially those experiencing poverty, social exclusion and the challenge of change in the 21st century.
- To promote local and community development in rural communities in order to strengthen and build the capacity of rural community groups to act as primary movers through practical assistance and advice.
- To research, critique and disseminate policies relating to rural communities including issues such as sustainability, social exclusion, equality and poverty
- To facilitate cross-border networking between rural communities

'Our mission is to influence and inform local, regional, national and European development policies and programmes in favour of rural communities especially those who are marginalised as a result of poverty and social exclusion in rural areas.'

ⁱ Western Development Commission (2016) “WDC Insights: Impacts of sectors on Western Region Jobs Recovery” <http://www.wdc.ie/wp-content/uploads/WDC-Insights-Impact-of-Sectors-on-WR-Jobs-Recovery-May-2016-PDF-0.3MB.pdf>

ⁱⁱ CSO Quarterly National Household Survey Q2 2016
<http://www.cso.ie/en/releasesandpublications/er/qnhs/quarterlynationalhouseholdsurveyquarter22016/>

ⁱⁱⁱ Hennessey, T & Moran, B (2016) *Teagasc National Farm Survey Results 2015*
<https://www.teagasc.ie/media/website/publications/2016/Income-Estimates-2015.pdf>

^{iv} AA Roadwatch Cost of Motoring Monitor 2016 <http://www.theaa.ie/blog/e250-increase-cost-motoring-2016/>

^v CSO Consumer Price Index August 2016
<http://www.cso.ie/en/releasesandpublications/er/cpi/consumerpriceindexaugust2016/>

^{vi} CSO (2016) Quarterly National Household Survey Q2 2016
<http://www.cso.ie/en/releasesandpublications/er/qnhs/quarterlynationalhouseholdsurveyquarter22016/>

^{vii} Social Justice Ireland (2016) Quarterly Employment Monitor Sept 2016
<https://www.socialjustice.ie/sites/default/files/attach/publication/4563/gem2final.pdf>

^{viii} Western Development Commission (2016) “WDC Insights: Enterprise Profile of Western Regions”
<http://www.wdc.ie/wp-content/uploads/WDC-Insights-Enterprise-Profile-of-the-Western-Region-Sept-2016-0.3MB.pdf>

^{ix} RTE News.ie 16/06/16 <http://www.rte.ie/news/2016/0616/795937-businesses-web-presence-iedr/>

^x CSO (2012) “Census 2011: The Roof over our Heads – Housing in Ireland”
http://www.cso.ie/en/media/csoie/census/documents/census2011profile4/Profile_4_The_Roof_over_our_Heads_Full_doc_sig_amended.pdf

^{xi} McGivern, Y., 2007. The 2006 Healthy Ageing Conference: Nutrition and Older People in Residential and Community Care Settings. Conference Proceedings. Dublin: NCAOP