



Joint Oireachtas Committee on Rural & Community Development

Opening Statement - September 27th 2018

We thank the Committee for its invitation here today. The work of Irish Local Development Network and its members is deeply entwined with the objectives of the committee in promoting viable rural communities.

I, Eamonn O'Reilly CEO of NEWKD (North East & West Kerry Development), am joined by my colleagues, Mr. Declan Rice, CEO Kilkenny LEADER Partnership, Ms. Martina Earley, CEO Roscommon LEADER Partnership, Mr. Jim Finn, Chairperson, North Tipperary LEADER Partnership and Mr. Joe Saunders, Manager, Irish Local Development Network.

Irish Local Development Network CLG (ILDN) is the representative body for the country's 49 Local Development Companies (LDCs), 35 of whom operate in rural areas. These are not-for-profit, multi-sectoral partnerships that deliver community and rural development, labour market activation, social inclusion and social enterprise services across the country.

LDCs operate in urban, rural and island communities of all population profiles and densities. Last year, they supported more than **15,000 communities and community groups** and **173,000 individuals** by delivering approximately **€330 million worth of programmes** on behalf of Government Departments and state agencies.

Of these, 11,237 community groups and 83,400 individuals were in rural areas. 5,731 rural dwellers were found employment through the LES; 3,116 moved to self-employment; over 5,000 moved onto the Tús scheme and almost 3,000 provided valuable services in the Rural Social Scheme. A further 1,500 plus are employed in social enterprises that have been supported or set up by Local Development Companies.

The range of programmes delivered by LDCs allow for an integrated approach to rural development. Examples include LEADER, the Social Inclusion Community Activation Programme (known as SICAP), Local Employment Service (LES), Rural Social Scheme, Rural Recreation and Walks Schemes, social enterprise supports, Social Farming, education, childcare and public health programmes.

ILDN supports its members by providing a wide range of network services including representation to funders, policy development and research, employment issues, training, group insurance, Garda vetting, maintenance of thematic and regional committees etc. The network is the largest provider of local and community development supports and services in the state.

In addressing rural sustainability and rural business, we would like to focus on five key principles and then invite the members to address any questions and engage in further dialogue.

1 One-Stop Shop Approach and Innovative Brokerage

Rural communities are increasingly confused and frustrated by the plethora of uncoordinated and fragmented rural funding schemes and programmes with many contradictory qualifying criteria, released in an unplanned, ad hoc manner.

LDCs are well placed, given their working methodology and local links and reputation, to signpost and coordinate rural and community development funding on a one-stop shop basis, similar to what LEOs do with enterprise funding. They bring the added value of 25 years' experience of animating rural communities to participate and lead their own development as fully as possible both with communities of high capacity and those with more ingrained challenges. As a result of their work on the LEADER and other programmes, LDCs have a recognised experience of supporting, transferring and leading innovation in their regions. ILDN proposes to formalise that "Innovation Brokerage" as part of its range of animation services.

Community development is a key feature of Irish life and its form here is globally unique. Many communities feel under threat and under-resourced - integrated programme planning and resourcing will be a more effective solution for such communities. There should be one integrated rural development strategy for an area for a 5-year period which covers LEADER and all other national RDP funds.

2 Community-Led Local Development (CLLD).

The community-based bottom-up methodology of LDCs is key to their effectiveness. This includes an emphasis on pre-development work, community animation, building capacity of individuals and communities, accepting the individual's starting point and customising appropriate local solutions. LDCs have over a quarter of a century experience of animating communities and are rich in the skills and relationships needed for effective work in this area. The positive impact of LDCs in independent reviews of SICAP, LEADER, LES and BTWEA testify to the effectiveness of the approach.

CLLD aims to promote integrated approaches of territorial development. It offers potential savings and increased effectiveness in rural policy. The added-value of LEADER / CLLD manifests itself in:

o **Improved social capital**, which is understood as a multidimensional concept, which includes features of social organisations such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit. This in turn supports improved social innovation and strengthens the bottom-up ethos.

o **Improved governance** comprises the institutions, processes and mechanisms through which public, economic and civil society stakeholders articulate their interests, exercise their legal rights, meet their obligations and mediate their differences in order to manage public affairs at all levels in a collaborative manner.

o **Enhanced results and impacts** of programme/strategy implementation, as compared to implementation with-out the LEADER method. ¹

We welcome that the EU is seeking to broaden the uptake by member states of the CLLD approach post 2020. We hope that the Irish Government will incorporate CLLD across all the EU

¹ European Commission, CLLD Evaluation Guidelines, August 2017

funds from 2020 onwards as such an approach will provide the kind of bottom-up enabling environment needed for meaningful social development.

3 Recognising the Specific Features of Rural Areas

Irish rural social structures are changing and whilst we may lament many of those changes, freeze-framing rural communities is not an option. We must recognize the features of rurality that require specific solutions and be prepared to act on them

Looking at employment, for many rural dwellers, the choice is to migrate, remain un- or under-employed or create your own job. That is why the impact of 3,116 people supported into self-employment last year is so significant – imagine the headlines if one employer created over 3,000 jobs in rural Ireland. However, the BTWEA work undertaken by LDCs achieves less headlines because of its wide dispersal throughout every community in Ireland. There is obviously a very positive impact on people's lives by creating their own job but this can only happen if the right supports are in place including broadband, bottom-up business supports, the availability of effective animation services, transport, etc.

Similarly, Local Employment Services run by LDCs placed 5,700 people in employment last year. Although the LES is operated in just a handful of rural counties, LDCs in rural areas are doing their best to cobble together employment services and supports through a mixture of other programmes. What is now needed is a national community-based, not-for-profit employment service that encompasses and recognises the nature of rural unemployment, underemployment and seasonal employment.

Social Enterprise – The 2013 Forfás report on Social Enterprise estimated that there were approximately 25,000 jobs in Ireland in the social enterprise sector i.e. approximately 1.25% of the labour force. This contrasts sharply with the EU-wide profile where 10% of companies are social enterprises and these employ 11 million workers, equal to 6.5% of the EU workforce. These figures are higher in rural, remote or poorer regions, many of which have socio-spatial profiles similar to Ireland's. (*source: EU, European Network for Rural Development, March 2017*). According to the Forfás report, "if Ireland's social enterprise sector were to approach mean EU levels of output or the goal set by the EU under the 'Europe 2020' Strategy, it is estimated that **there could be at least 65,000 (jobs) in social enterprise in Ireland.**" (p.3).

ILDN welcomes the appointment of a senior minister with responsibility for social enterprise and the forthcoming publication of a national strategy for the creation of an enabling framework for the support and growth of the social enterprise sector. This strategy must ensure that the appropriate resources and supports be made available to the potential social entrepreneurs so that the potential identified by Forfás can be realised.

Social Inclusion – the Department of Rural and Community Development has responsibility for SICAP, the national social inclusion programme and this is a key programme in enabling rural Local Development Companies to employ staff and operate many of the other state programmes for which there are no management fees. So, SICAP is a key "enabler" especially in those rural areas where there is no LES. SICAP has suffered very deep cuts in the past eight years and requires significant restoration of funding if it is to retain staff.

4. Current LEADER Programme Processes:

All parties to the current LEADER Programme have acknowledged the severe difficulties in its effective delivery due to its inherent design problems. Notwithstanding ILDN's anticipation of the problems introduced at design stage, the member companies have worked closely

with DRCD and LCDCs to ensure accelerated rollout although the principal blockages are in parts of the process outside our control. Credit must be given to the Minister and officials for realising in 2017 that the programme was in crisis and implementing changes to the Operating Rules. These changes were the minimum needed for the programme to function. Ideally, more radical reforms would have been necessary to truly liberate the programme, such as:

- the securing of a block exemptions for LEADER with regard to state aids regulations.
- the facilitation of LAGs / LDCs having full access to all the 'priorities' of the RDP: this would have facilitated our being truly flexible to the challenges of rural areas and allowed us to extend our integrated approach.
- a 'facilitatory' inspection and monitoring regime which recognises that LEADER is about innovation and area planning.
- My Colleague, Mr. Rice will later address the issue of autonomy of LDCs as LAGs and how this was a more efficient system over the first 17 years and how the change has elongated the supply chain of LEADER funding to the detriment of rural communities and businesses.

It is imperative that all parties reflect on and learn from the current programme and apply the lessons to all future processes aimed at developing and animating rural communities. The New Rural Development Programme should provide greater flexibility for LEADER to be implemented as a genuine bottom-up approach to rural development with significant potential to harness local knowledge and bring renewed innovation. The European Council's new CAP Regulation states that it is "fundamental to address structural problems in rural areas such as lack of attractive employment opportunities, skill shortages, underinvestment in connectivity, infrastructures and essential services, as well as youth drain", and the need to "strengthen the socio-economic fabric in our rural areas. Given the broad scope of this CAP agenda and the structural problems of rural Ireland, the menu of LEADER interventions should remain necessarily broad and flexible in order to address the needs of specific rural areas.

Research by the European Commission points to some structural weaknesses among the farming community that are impeding a collective approach to shortening food supply chains, problem solving in the areas of environmental issues, sustainability and embracing the potential of alternative farm enterprises. The research also found that a *"lack of trust, lack of social capital, along with lack of communication and mutual understanding between farmers have been shown to discourage farmers from engaging in collective actions"*. Local Development Companies are rooted in rural communities and already support micro enterprise creation through SICAP, LEADER, and other supports, so are well-placed to promote this CAP agenda with local small to medium farmers on behalf of the state and EU. We have been supporting unemployed people who have an entrepreneurial idea to start their own business through a DEASP scheme called BTWEA. This model has proven to be an effective policy response particularly during high levels of unemployment. A similar approach could be included in next LEADER programme to provide enhanced animation supports targeted at our small to medium sized farmers to address some of the above weaknesses, including succession planning, finance, social capital, leadership, and innovation.

We would also encourage the government and department to ensure that the maximum level of LEADER funding is availed of through CAP. Overall, we should be looking to secure a minimum of €400 million for LEADER in the next programme.

5 Smart Villages

The Cork Declaration 2.0 in 2016 emphasises new approaches to overcoming the digital divide between rural and urban areas and to develop the potential offered by connectivity and digitisation of rural areas. Emphasis was given to the need for integrated approaches and the interaction between different policy fields in view of increasing complementarity and coherence. This relates not just to being technology-smart but finding ways from the bottom-up to avail of opportunities and address challenges across the whole range of rural life including service provision, enterprise development and culture. There is much potential in this approach and with Local Development Companies are already implementing this approach, my colleagues will be happy to elaborate on this area.²

Conclusion

ILDN again thanks the committee for this invitation and welcomes the opportunity now to discuss these and other relevant issues with the Committee and we will be happy to take any questions.

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² European Commission, EU Action for Smart Villages, 2016