



Irish Rural Link
Nasc Tuaithe na hÉireann

Irish Rural Link Response to the European Commission Country Report 2019 - Ireland

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*An Roinn Forbartha
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Irish Rural Link (IRL) is the national network of rural community groups, representing over 600 community groups and over 25,000 individuals committed to socially, environmentally and economically sustainable rural communities.

Below is the response to some of the items raised in the EU Commission Country Report 2019 for Ireland.

Economic Situation and Outlook

The Country Report makes reference to the current economic and employment growth. IRL welcome that it acknowledges regional disparities in this growth. However, it is not just disparities in economic growth but also in job creation and investment from multinationals. The Midlands and South East regions of the country continue to have higher rates of unemployment and lower participation rates than the state average. Over half of foreign direct investment jobs created by IDA are in the Dublin and Eastern region. While there has been some increase in other regions, only just over 4,000 of such jobs have been created in the Midlands region of the country.

There are still many people not reaping the benefits of the economic recovery. While there have been slight decreases in the 'at-risk' of poverty rates and consistent poverty rates in 2017, (SILC, 2017), many marginalised and disadvantaged communities and those furthest away from the labour market continue to struggle financially. Those in rural areas living on lower incomes are more at risk of social exclusion – due mainly to lack of robust public transport and high speed broadband. While social welfare payments have increased and minimum wage has increased, these incomes are still inadequate for many households, especially in rural areas, to give them a basic standard of living. The report highlights the unequal distribution of household income before taxes and transfers, and the report highlights the importance of social welfare transfers in reducing poverty.

The impact of Brexit, regardless of the type of Brexit, will have a bigger impact on SME's and Micro enterprises in rural areas as well as in agriculture, especially in the border counties. While there are supports for businesses in place for businesses, supports for people must also be available who may lose their jobs as a result.

Reform Priorities

Carbon Taxation

The Country Report makes reference to the Budget 2019 decision to not increase carbon tax. IRL believe that carbon tax cannot on its own be the solution to mitigating climate change or that it is a budgetary matter. It is often argued that increasing carbon tax will change peoples' behaviour. However, people cannot change their behaviour if alternatives are not available or affordable to people. There needs to be a just transition to climate change with the most vulnerable in our society protected.

Fuel Poverty

Rural households are at greater risk of fuel poverty due to the nature of the rural housing stock, the types of fuels available, limited opportunities to switch to cheaper fuels such as gas or take advantage of bundle deals offered by gas and electricity suppliers. Approx. 22% of individuals at risk of poverty went without heat at some stage during 2017 while 13% were unable to keep their home adequately warm. For those living in consistent poverty, these figures were much higher with just half of individuals (51%) going without heat at some stage during the year and 30% unable to keep their home adequately warm. (SILC 2017). If the proposed increases in carbon tax were implemented, these groups will be further put at risk of fuel and energy poverty, with little or no access to alternative fuels.

Retrofitting of homes and buildings

Retrofitting of homes is widely acknowledged by all as a simple measure that can greatly reduce our energy usage and in the long term reduce the cost of energy. It remains in the Government's interest to provide capital funding to invest in retrofitting of homes and businesses to reach climate change targets with the long term benefits far outweighing initial investment. IRL were successful in working with SEAI in hosting information evenings on the deep retrofit programme and on its Better Energy and Warmer Home grants.

While most of these grants are available to home owners, the uptake by landlords, Local Authorities and Approved Housing Bodies needs to be increased as this is where many people who experience fuel and energy poverty live and are unable to make changes to the property.

Financial Sector

4.2.1 Banking Sector

The country report makes reference to the depressed demand for loans among SME's. Micro and SME's remain a key employer in rural areas. SME's are still finding it difficult to access credit from the banking system and are therefore unable to reach their full potential. They are also more vulnerable to external financial shocks.

IRL have been at the forefront in campaigning for a Local Public Banking Model being introduced in Ireland as an alternative banking model for people than the pillar banks. We welcome that the Government published a report in July 2018 on Public Banking and investigation the German Sparkassen model and that a stakeholder forum will be established shortly on this. More details on our proposal are available on <http://www.irishrurallink.ie/local-community-banking/>

Labour Market, Education and Social Policies

4.3.1 Labour Market

Irish Rural Link welcome that the overall unemployment rate in the state continues to fall, with most recent figures in the Labour Force Survey for Q4 2018¹ showing unemployment rate now stands at 5.4% and participation rate of 62.2%. However, there are still disparities in the rate of unemployment across regions, especially in the Midlands and South East regions, which have remained above the state average since rates began to fall. Although down on previous quarters, the rates stand at 6.6% in the Midlands and 7.7% in South East, while participation rate is also below state rate – 58.6% and 59.4% respectively. Of the 128,800, 38% are long-term unemployment. While we are reaching ‘full employment’, it is important that those who are furthest from the labour market have the opportunities to take up quality and long-term employment. Getting people back to work and the provision of the necessary training or upskilling is now necessary.

Regional Disparities and Quality of Jobs

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 are in retail/wholesale, hotel and catering and tourism. 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. However, jobs in these sectors are very often minimum wage jobs, precarious hours and seasonal. The Vincentian Partnership for Social Justice Minimum Essential Standard of Living (MESL)² for 2018 shows that income inadequacies are felt by households who were working on minimum wage with these inadequacies larger for households in rural areas for most of the household types looked at. This is mainly due to extra costs incurred by living in a rural area such as transport and energy costs. For people involved in agriculture, the average wage is well below the average industrial wage. While it varies from year to year, €31,374 in 2017. However, this figure was increased by increase in Dairy farm incomes. The value placed on jobs in these sectors – tourism, retail, agriculture must be increased if these sectors are seen as key opportunity sectors and a move towards payment of the living wage of €11.90 must be encouraged and we welcome the increase in minimum wage to €9.80 from 1st January and the new legislation on zero hour contracts and hope that this is a move towards more sustainable jobs for employees. People cannot be made worse off by taking up employment. It must ensure them an adequate standard of living.

¹ CSO Labour Force Survey Q4 2018

<https://www.cso.ie/en/releasesandpublications/er/lfs/labourforcesurveyquarter42018/>

² Vincentian Partnership for Social Justice (2018) ‘Minimum Essential Standard of Living 2018’
https://www.budgeting.ie/download/pdf/mesl_2018_update_report.pdf

Participation Rate

The Commission's report highlights the low level participation rates among groups who experience or are at more at risk of poverty and/or social exclusion. Those who are long term unemployed, women, migrants and people with a disability are very often excluded from accessing employment. As highlighted in the report, Ireland has one of the lowest employment rates for people with disabilities in the EU – 26% compared to the EU average of 48.1%. More supports to help people with disabilities get into employment and more supports for employers to take on people with disabilities is needed.

As mentioned getting people who are long-term unemployed into sustainable employment is needed and the youth unemployment rate is higher in the Border, Midlands and western region. While Brexit, in whatever form it will take, will impact on the whole of the country, those living in border counties will be most affected and those who are long-term unemployed may be pushed further away from the labour market.

Participation rate among women is also low in Ireland. There are 23% of those who are working part-time is underemployed. More women than men work part-time with more women choosing to work part-time. This is due mainly to lack of affordable childcare. As outlined in the Country report, 54.2% of inactive females reported caring responsibilities as the main reason for inactivity. Childcare costs in Ireland are the highest in the EU and for lone parents this is even higher. OECD report found that 42% of a lone mother on low income with two kids' disposable income is spent on childcare.

For those on low income living in rural areas, the lack of public transport is a barrier to participating in employment. For people with disabilities, this can be extremely difficult but also the cost of running a car can increase their risk of in-work poverty.

Digital Skills

The country reports that the rate of adult population that lack basic digital skills is 52%, which is well above the EU average of 43%. Irish Rural Link deliver the Getting Citizens Online basic computer training to adults over the age of 45 who have never used a computer before. It teaches people the very basic skills such as turning on the computer, the different parts of the computer, creating an email address, sending email, browsing the internet and using Government websites and paying bills, motor and property tax online. With payslips, P45's all moving online, employees who do not have basic digital skills must be trained up on these skills. IRL are also lead partner on a new EU Erasmus plus project – DELSA – Digital Empowerment for Low Skilled Adults and will develop educational tools for people to improve their digital skills.

Literacy and numeracy skills among adults is still a concern and we support our colleagues in National Adult Learning Agency in that this should be included in the country report. One in six Irish adults aged 16 to 64 find reading and understanding everyday texts difficult: for example, reading a leaflet, bus timetable or medicine

instructions and 1 in 4 has difficulties using maths in everyday life (examples basic addition, subtraction and calculating averages)³.

4.3.2 Social Policy

People in rural areas continue to be more at risk of poverty and social exclusion. This can be further exacerbated for marginalised and vulnerable groups of people; older people, young people, people with disabilities, migrant and ethnic minority. The lack of services such as public transport and broadband are two of the main causes of this.

The Vincentian Partnership MESL continues to show households living in rural areas, the MESL is higher than for households in urban areas. These higher costs are primarily related to higher transport and home energy costs. For example, meeting the transport needs of rural pensioner households requires a car – this can add an additional €59 per week (due to fuel, maintenance, insurance, etc) to the MESL budget for a lone pensioner in a rural area compared to no direct transport costs for a lone pensioner in an urban area. (VPSJ, 2018).

Income Inadequacies by Household Type in Receipt of Social Welfare Payment

Household Type	Rural	Urban
2 Parents with 1 infant	-€75.83	-€25.78
2 Parents with 2 Children (1 pre-school, 1 primary)	-€55.35	-€1.28
2 Parents with 2 Children (1 primary, 1 secondary)	-€126.50	-€74.30
2 Parents with 3 Children (1 infant, 1 pre-school, 1 primary)	-€70.90	-€21.61
2 Parents with 4 Children (2 primary, 2 Secondary)	-€205.91	-€145.71
One Parent with 1 child (Primary school)	-€101.57	-€25.03
One Parent with 2 Children (1 pre-school, 1 primary)	-€81.94	-€7.17
One Parent with 2 Children (1 primary, 1 secondary)	-€153.08	-€80.19

³ NALA (2018) Pre-Budget Submission: Literacy matters
https://www.nala.ie/sites/default/files/publications/pre-budget_submission_from_nala_august_2018.pdf

Single Adult living in Private Rented Accommodation	-€84.83	-€47.38
Pensioner Living Alone (non-contributory)	-€55.71	+€8.59
Pensioner Living Alone (Contributory)	-€45.24	+€18.20

And as mentioned, households in rural areas in receipt of minimum wage still have higher income inadequacies than their urban counterparts.

Lack of transport and high speed broadband remains two of the biggest problems facing people living in rural areas and increases people's risk of both social and economic exclusion, especially most vulnerable groups. The Country Report highlights child poverty. While children from low income households across the country are more likely to live in poverty or are at risk of poverty, it also impacts on social inclusion and how they can participate in activities both in and outside of school. For children in rural areas, lack of broadband in the home and indeed in school puts these children at a disadvantage.

4.3.3 Education and Skills

The high rate of early school leavers among people with disabilities is a concern and impacts on their ability to get employment and remain in employment long-term. For students with learning difficulties, there continues to be long waiting lists to get assessed, especially for those where the difficulty may not be so severe. There is also a two-tier system with assessment, with those from families on higher income able to afford private assessment.

While tertiary attainment continues to increase, access to third level from lower socio-economic backgrounds continues to be lower than the general population. The 'Higher Education Access Fund' has helped with this, but more supports in schools to help students apply for this is needed. The Disability Access Route to Education is also available to students with disabilities and students with learning disabilities. However, this is not available in all colleges. Again, schools need to publicise this scheme more and more colleges need to make it available to students.

For students in rural areas, they very often have to move away to attend college. However, with the high cost and low availability of student accommodation, students in rural areas either do not go to college or are now commuting long distance to go to college. For those with no access to a car, this is made difficult with lack of robust public transport. Local Link buses – the providers of Rural Transport, have in some locations, provided transport to colleges and universities but again this is not available across the country.

Upskilling and training for people on low income or who are long-term unemployed is very often needed. Community Education is a route for many people who never finished second level education to access further training and education. However, funding for community education is not core funded, making it difficult for providers to plan their budgets and availability of courses.

4.3.4 Healthcare

Ireland continues to have a two-tier health system, with access to healthcare, in particular specialist healthcare, based on income and not need. While people on low income may be eligible for a medical card or GP visit card, those who are just over the income threshold, find it difficult to pay the cost of a GP visit and prescription if needed.

We welcome the launch of SlainteCare and await the publication of the Action plan for the implementation of this. The full implementation of this new healthcare system will depend on the resources available. With challenges in hiring staff and retention of staff – nurses and GP's especially in rural areas, where GP's are retiring and are not being replaced.

Funding will also be a challenge especially in transferring current budget framework to the SlainteCare budget.

The report makes reference to Ireland's high occupancy rate in the country's hospitals for one of the lowest number of hospital beds. With the focus of Slaintecare being on the delivery of healthcare in the community, community services that already exist can play a bigger role in the delivery of healthcare. Services such as Meals on Wheels can reduce a person's stay in hospital as well as reducing the risk of re-admission to hospital. It also allows a person remain in their own home.

4.3.5 Investment Needs

Investment in public services is needed to ensure Ireland's growth is inclusive of everyone. While Ireland has one of the higher rates of minimum wage in the EU and social welfare help reduce poverty, the lack of public services increases the cost of living for many people. The lack of transport in rural areas increases the cost of living for those in receipt of social welfare or on minimum wage employment. The lack of investment of these services, makes it more difficult for vulnerable groups to access other services such as employment, education, training, healthcare or to fully participate in society.

Competitiveness Reforms and Investment

While Ireland continues to attract investment from abroad, there is regional disparity in where this investment occurs.

Foreign Direct Investment

Of the 210,443 jobs created by IDA companies in 2017, 101,355 in Dublin and Mid East⁴. While there were increases in FDI job creations in all regions, the Midland region had the smallest rate of annual growth at 1.2% with only 4,327 jobs created. A better balance is needed between the regions in attracting FDI. There is ample opportunity for the other regions to attract more FDI than is currently happening. Better collaboration between the IDA, Local Authorities Institutes of Technologies and Universities to see what are the barriers preventing more foreign investment. With the onset on Brexit, there is an increased opportunity for more foreign investment in Ireland and this must be dispersed evenly across the country.

National Broadband Plan

The rollout of the National Broadband Plan to the remaining homes and businesses in rural areas continues to be delayed with the tender process still not complete. High speed broadband is a necessity for the survival of rural businesses and can create a more regional balance in growth and investment as well as in employment.

⁴ IDA (2018) Annual Report 2017 https://www.idaireland.com/IDAireland/media/docs/About-IDA/IDA_Annual_Report_2017.pdf

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 600 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.'