



Input into European Semester Mission to Ireland

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Rialtas na hÉireann
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Overview

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

We welcome the opportunity to have an input into the European Semester Mission to Ireland to help inform the European Commission Country Report and CSR's.

Irish National Recovery and Resilience Plan (RRP): *What are your views on the state of play of implementation of measures included in the RRP?*

Ireland's recovery and resilience plan (RRP) was published following the pandemic to ensure a strong recovery and making Ireland future ready. However, as the country began to emerge from the pandemic, energy prices began to rise which were exacerbated by the invasion of the Ukraine. Ireland, like the rest of the EU and the world are now experiencing high inflation rates not seen for almost four decades. This is having an impact on all households but most especially on low income households, who were already experiencing poverty prior to the current cost of living crisis and indeed the pandemic.

While the recovery and resilience plan focuses on the Green and Digital transition, the war in Ukraine highlights further the need for Ireland to move away from its reliance on fossil fuel as a source of energy. However, households in rural areas and those on low income have not had the opportunity to make the changes to their homes to move away and continue to be penalised with high prices and carbon tax. The RRP must ensure that those impacted the most by fuel and energy poverty are supported the first. Grants and supports available to retrofit homes and change heating systems are not accessible to all, whether the person does not own the home they live in or they do not have the financial capacity, even with grants available to make the changes needed. No person can be left behind during the green transition but there is a fear that some of the most vulnerable will.

Engaging with communities that have been impacted the most with the closure of peat harvesting and power stations needs to happen at a greater scale. Ensuring alternative employment and that they have access to education and training to reskill is essential.

The pandemic highlighted the digital divide and again like the green transition, there is a fear that those who are already the furthest behind will be left behind. Closure of bank branches and more services going online, digital skills must be available for people who have never used a computer or do not use a smart phone.

Green: Please provide your assessment of the social aspects of the green transition, i.e. both its challenges and opportunities.

The green transition must be a just transition. Measures set out to address Climate Change must be targeted to ensure those who are the furthest behind are supported the first.

The current price increases in energy and fossil fuels highlights the need to move away from these type of energy sources to heating our homes and powering our electricity. The rising price in home heating oil is putting greater financial strain on households in rural areas, especially those on low income or a social welfare payment. There are still a significant number of households in rural areas who continue to rely on turf, briquettes and coal to heat their homes and for some, turf is the only form of heat source.

The SILC¹ report 2021² showed that 17% of those at-risk-of poverty went without heating at some stage throughout the 2021 and 8.7% were unable to adequately heat their home. Among households living in consistent poverty; 43.3% went without heating at some stage throughout the year, while 24.2% were unable to adequately heat their home. While these were a reduction on the 2019 figures, we would expect these figures to increase for 2022 and into 2023 also.

While we welcome the SEAI grants, the eligibility for the 100% Warmer Home grant is very narrow and excludes many households on low income and some social welfare payments. Many who are in receipt of the eligible payments do not own the home they are living in so therefore automatically do not qualify. They are dependent on the owner of the property to make the changes, whether this is a local authority or a private landlord. To carry out works with the grants is still beyond the financial capacity of many households in rural areas and especially those on low income or in receipt of state pension. IRL proposed a Community Energy Outreach Programme to the Department of Environment, Climate and Communications to ensure that vulnerable groups and households receive necessary assistance through the distribution of clear, concise, and accurate information and advice in relation to retrofitting, alternative fuel sources and fuel poverty. The programme would also incorporate the Government's National Retrofit Plan. Now is the time to begin lifting people out of fuel and energy poverty and ensure no more households are put at risk of energy poverty in the future.

The ring-fencing of carbon tax must be more targeted to support households at risk of being further pushed into fuel and energy poverty and targeting retrofitting grants for low income households not eligible for 100% grants in the form of sliding scale of grants and low cost guaranteed loans designed on ability to pay. We welcome the announcement in Budget 2023

¹ SILC – Survey on Income and Living Conditions

² CSO (2022) – Survey on Income and Living Conditions (SILC) 2021
<https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>

that low cost loans will be introduced to help households to retrofit their homes and await further details on this.

The implementation of the Just Transition fund and other measures to alleviate the impact of the transition to a greener society are welcome but are not enough and are not happening quick enough for many people and communities most impacted by this. IRL are aware that the funding available for the Just Transition fund is not sufficient to ensure a smooth transition and that employees and more disadvantaged groups are being negatively impacted.

Role of Communities

Communities must be at the centre of just transition and engagement from the beginning for any renewable energy projects is essential. Community owned energy projects allow communities to appreciate the benefits of greener energy sources and help them decide what sources of renewable energy works best for their needs. It also helps to eliminate mistrust between communities and the energy companies as well as creating new employment opportunities for people in the community.

Role of Agriculture

Farmers are the main custodians of our land and have a key role in addressing climate change and transitioning to a greener agricultural sector. There are many examples of farming practices where farmers are protecting the environment and local biodiversity. However, schemes under current CAP and the new CAP must make it viable for farmers to change their farming practices. There continues to be challenges for farmers to change practice or even to make buildings and farms more energy efficient. Supports for farmers involved in the protection of biodiversity and diversifying their land to protect environment must be increased. Making it easier to access grants and supports for installation of solar panels, rainwater harvesters on roofs of farm buildings and ability to sell excess energy back to the national grid. Engagement programme to get more farmers involved in the installation of these. Where land cannot be used effectively for farming such as peatland and wetland, carbon credits should be given to restore these carbon sinks.

Digital: What do you see as the main challenges for the digital transition in Ireland?

While the percentage of people with basic digital skills has increased to 70%³ the Covid-19 pandemic highlighted the continued divide in digital skills, access to high speed broadband and indeed the equipment. Those living in rural areas, on low income and older and vulnerable people who had to cocoon, were disadvantaged during this time. For some families, home schooling children, there were situations where there was only one computer in the house. Where high speed or reliable broadband was not available in the

³ EU Commission (2022) 2022 Country Report – Ireland https://ec.europa.eu/info/sites/default/files/2022-european-semester-country-report-ireland_en.pdf

home it made it very difficult for students and people working from home to work effectively and participant fully in class or work meetings.

IRL have delivered basic computer training to over 6,000 people and farmers in basic skills of using a computer; email, internet, banking online, paying bills online, skype and for farmers, register stock, make returns etc. The Covid-19 pandemic highlighted the importance of these courses. During this time Irish Rural Link tutors continued to deliver these on a one-to-one basis to older people who were cocooning, which helped them keep in touch with family and friends. However, funding for these programmes have now finished. This comes at a crucial juncture as we transition to a more digital age.

With the continued closure of bank branches and more services moving online, there is a risk that for those 30% who do not have the basic digital skills will be left behind. NALA, the National Adult Literacy Agency, found this percentage to be higher with 42% of Irish adults score at or below level 1 on using technology to solve problems and accomplish tasks⁴. There is also concern around online security and ensuring that vulnerable people are equipped with the skills and awareness of potential scams and what to be aware of.

There are many opportunities for digital in terms of e-health and supporting older people and those with disabilities to live independently and in their own homes.

However, it is also important that Adult Literacy and Numerical Skills are addressed. One in six adults in Ireland has a literacy difficulty in Ireland and one in four has a problem with numbers⁵. If these adults are not supported to improve basic reading and numerical skills, they are at a higher risk of these adults being left behind as more and more services move online.

Social and labour market: *What are, in your view, the most significant social challenges IE faces (for instance with respect to the labour market, healthcare, or housing)?*

The current cost of living crisis is one of the key issues facing not only Ireland but all countries at present. However, prior to the pandemic and now the cost of living crisis, there were many households living in poverty, having inadequate income and excluded from fully participating in society and the economy. The current crisis will now exacerbate this for these households and push more households into poverty. While already struggling with household bills they are now having to make extremely tough financial decisions on whether to heat their home or put food on the table for themselves and their families. The ESRI report *Energy Poverty and Deprivation in Ireland* highlighted that the level of inflation being experienced at present is “higher for lower-income, older and rural households as a result of their patterns of

⁴ NALA Literacy and Numerical Statistics <https://www.nala.ie/literacy-and-numeracy-in-ireland/>

⁵ Ibid

expenditure". Through its membership, IRL are very aware of the hardship being experienced by rural households. With very little public transport available to people in rural areas, the increase is having a real impact on people on lower income who are dependent on their car to get to work, bringing children to school and activities, attending appointments, etc. and having to make choices on what journeys they take. Rising fuel costs are also impacting the delivery of essential community services, such as Meals on Wheels, where providers are struggling with rising costs and no increase in funding and volunteers who use their own private car no longer able to afford to continue to volunteer to deliver meals.

The results of the Vincentian Partnership for Social Justice Minimum Essential Standard of Living (MESL), which looks at those essential goods included in the Consumer Price Index (CPI) basket of goods and services that are deemed necessary for a minimum standard of living (food, clothing, heating, healthcare, transport, education, etc.) also confirms the findings of the ESRI report. The 2022 MESL shows the cost of a MESL has increased for all household types by an average of 5%. For low income households in rural areas, this increase is higher at 14%⁶.

The higher rate of change in rural areas is due to increases in household energy and transport related prices. The net increase in MESL home energy costs was an average of 50% for rural households due to dependency on home heating oil, which increased by 84% in the year to September 2022⁷. Likewise, the dependency on the car by rural households has meant they have not benefited from reduced prices in public transport but have faced increases in the price of petrol and diesel. Petrol has increased by 15% and Diesel by 32% in the year to Sept 2022⁸. Also the increase in price of second hand cars impacts low-income rural households more.

The increase in core inflation has seen significant increase in food prices, especially staple foods such as bread, cereals, milk, meat and chicken and will impact more on low-income families.

The following tables highlights the income inadequacies for household types in receipt of a social welfare payment and 2 adults employed full-time in minimum wage jobs and living in social housing. It highlights the higher income inadequacies for rural households compared to their urban peers.

⁶VPSJ (2022) Minimum Essential Standard of Living 2022 Interim Report

<https://www.budgeting.ie/publications/mesl-2022/>

⁷ CSO Consumer Price Index September 2022 <https://www.cso.ie/en/releasesandpublications/ep/p-cpi/consumerpriceindexseptember2022/>

⁸ CSO Ibid

Income Inadequacies by Household Type in Receipt of SW Payment

Household Type	Rural	Urban
2 Parents with 1 infant	-€131.70	-€21.64
2 Parents with 2 Children (1 pre-school, 1 primary)	-€114.21	-€2.80
2 Parents with 2 Children (1 primary, 1 secondary)	-€184.37	-€75.68
2 Parents with 3 Children (1 infant, 1 pre-school, 1 primary)	-€130.35	-€18.99
2 Parents with 4 Children (2 primary, 2 Secondary)	-€256.87	-€146.00
One Parent with 1 child (Primary school)	-€143.91	-€18.82
One Parent with 2 Children (1 pre-school, 1 primary)	-€124.86	+€1.79
One Parent with 2 Children (1 primary, 1 secondary (Jobseeker transition))	-€194.88	-€70.94
Pensioner Living Alone (non-contributory)	-€83.54	+€1.83
Pensioner Living Alone (Contributory)	-€72.86	+€11.65

Source: VSPJ MESL 2022

The provision of robust public services must coincide with an adequate income to ensure people, regardless of where they live, have a minimum standard of living and can fully participate in society. The current cost of living crisis highlights the need for greater investment in public services, especially in transport so people can reduce their dependency on the private car.

The Commission's Country Report for Ireland outlines the continued disparity between regions in the country, with the Northern and Western region experiencing lower levels of growth than the other regions. This region has the highest level of rural and remote areas. People living in this region continue to experience higher levels of poverty and social exclusion. *Our Rural Future: Rural Development 2021 -2025* sets out a framework to improving rural and regional development, supporting remote working and sustainable rural communities. Ensuring that essential services and infrastructure, such as public transport, high-speed broadband, shops, roads, employment opportunities and access to community services, healthcare, training and education are in place is paramount to development in rural areas and the success of the new rural development policy. It needs to be backed up with investment and the political will so rural areas can grow and people want to live in rural areas while at the same time have employment that affords them a decent standard of living.

How do you see labour market prospects, also in light of the current economic situation and the ongoing green/digital transitions?

While employment has returned to pre-pandemic figures, there are still a cohort of people who are still unemployed and are at risk of being long-term unemployed, lone-parents, people with a disability continuing to be at risk of being in precarious employment or long-term unemployed.

The disparity between regions highlighted in the Country Report is evident in the quality of jobs available in rural areas. These tend 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. However, jobs in these sectors very often pay minimum wage, are seasonal or don't have set hours. With the continuing rise in the cost of living, some households working in such employment are living in poverty or at risk of poverty. This is higher for households in rural areas who have the extra cost of going to work in terms of travel.

While there are now more people able to work remotely or hybrid and there has been an increase of people moving to rural areas for a better work-life balance, it cannot be a panacea for more balanced regional job creation. Continued investment by the IDA to attract FDI to these areas are needed. With the development of the Technological Universities, there is more opportunity to better link in multinationals with these universities in the regions. Also nurturing SME's in high-tech sectors is also needed. While many SME's find supports to set up a business are good, they often hit road blocks when trying to expand and grow their business. Again, making better use of the Technological Universities to support development is needed.

The midlands region has been impacted the most by the Green Transition with the closure of peat harvesting and power stations. However, IRL believe there is opportunity for this region to be at the forefront the renewable energy sector. It needs the correct education and training opportunities in place so those workers who have or will lose their jobs can upskill and reskill to take up alternative job opportunities. Some training was delayed during Covid-19 and workers were concerned that their jobs would be gone before training completed.

The shortage of construction workers to carry out retrofitting work in homes must be addressed. Again fast tracking those who have lost jobs due to green transition to get the necessary qualifications to carry out such work is needed.

What are your views on the current state of the Sláintecare reforms? What do you see as the largest challenges for health and long-term care?

The two-tier health system in Ireland continues to create difficulties in access to healthcare for people who do not have private health insurance. For low-income households not in receipt of a GP Card or medical card, the cost to visit a GP or indeed emergency care remains a barrier and puts extra financial strain on the household. For those who have a medical card, long-waiting lists for specialist care and now for GP's means they are unable to access healthcare when they need it. Access to healthcare must be based on need and not on ability to pay. While *Sláintecare* sets out to do this, it has faced many challenges with its implementation.

One of the main challenges facing the healthcare sector in Ireland is the recruitment and retention of frontline staff. In Budget 2023 €443 million was allocated to reduce waiting lists and facilitate access to care. Waiting lists for many specialist care was extremely long prior to the pandemic. If the retention and recruitment of staff remains a challenge it will be hard to see how waiting lists will be reduced.

The Statutory Homecare Scheme to help support people to remain in their own home as they age has been slow to implement. The Pilot must now be rolled out across the country and the increased hours announced in Budget 2023 be made available. However, the recruitment of staff remains a challenge for the roll out of this.

HSE Section- 39 funded organisations also contribute to the delivery of health and social care services at a local community level and IRL believe have a key role to play to ensure the full implementation of *Sláintecare*. Many of these services are vital for people using them. However, cuts to funding since the financial crisis have never been restored and they are providing services on a shoe string and very often doing the same work as public sector staff. People are now leaving the sector due to the cost of living crisis and it is becoming more difficult to get staff.

The full implementation of *Sláintecare* must continue to be a key priority for Government and have the necessary funding and resources available to ensure Ireland can move towards a universal healthcare system.

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.’

