



Irish Rural Link Submission to the National Risk Assessment 2023

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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.

The current cost of living crisis has impacted many households, but most especially, those on fixed or low-income households, who were already struggling with household bills 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 recent 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 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 chooses 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.

We welcome the opportunity to make a submission to the National Risk Assessment. IRL agree with many of the risks that are listed in the draft document but it also sees other risks that must be addressed and those who are most impacted are protected from these.

While some Geopolitical risks are often outside the control of Government, the response to these by Government and how it impacts on people, especially the most vulnerable in society is within the control of Government and can set measures to protect vulnerable groups. Inflation and the continued cost of living crisis will continue to be both an economic and societal risk for the coming year. Continued supports for low income households and micro and SMEs who will struggle will need to be made available.

The following are IRL’s comments on the draft list of risks as well as risks it believes need to be included in the final assessment.

Geopolitical Risks

While many of the geopolitical risks threatening Ireland are external and outside the control of government, it is important that measures are put in place to make sure the most vulnerable in society are protected from any negative impact these risks have on the country.

Ukrainian War

As the war on Ukraine continues, the impact this has had on energy prices in Ireland has impacted low income and rural households the most. While financial supports were made available to ease some of the pressure on household bills, those on low income continue to struggle. With no sign of the war ending, the continued impact this will have on food and energy prices will mean households will continue to struggle financially. Targeting financial supports to those on low income will help ensure that they are not further pushed into poverty.

Brexit and Northern Ireland Protocol

With no functioning Assembly in Northern Ireland, agreement on the Northern Ireland Protocol is still causing uncertainty, not just for trade but also for communities within Northern Ireland and on the border. Continuing to maintain and build relationships between North and South and providing opportunities to communities to collaborate and work together will be important now and following the protocol agreement.

Economic Risks

Inflation will remain the greatest economic risk over the coming year. While inflation for January 2023 has decreased slightly from the previous month, prices for goods and services, especially those deemed essential increased by 7.8% in the year¹. Purchasing power of consumers will continue to be lower which will impact on businesses. With the reintroduction of 13% VAT rate on the tourism and entertainment sector, this will be passed onto consumers. It will have biggest impact on small businesses in this sectors – cafes, restaurants in smaller towns and villages who are already facing large energy bills.

Balanced Regional Development

This is not listed as a risk in the draft document but IRL believe that the lack of balanced regional development continues to pose a threat for the Irish Economy.

Our Rural Future: Rural Development 2021 -2025 sets out a framework to improving rural and regional development, supporting remote working and sustainable rural communities.

While remote working opportunities have increased since the pandemic and has a key role to play in balanced regional development, continued investment is still needed to create quality jobs in the regions.

¹ CSO (2023) Consumer Price Index January 2023 <https://www.cso.ie/en/releasesandpublications/ep/p-cpi/consumerpriceindexjanuary2023/>

Foreign Direct Investment by IDA clients continues to be lower in the border and midland regions of the country. More opportunities must be created in these regions so quality employment that is future proofed are available to young people are those who have or will lose their jobs as a result of the green and digital transition.

Cost of credit for SMEs

SME's and micro enterprises are the backbone of rural economies. These businesses are feeling the impact of the current energy and inflation crisis more so than larger and multinational businesses. With interest rates increasing, the cost of credit for these businesses is also rising. Irish interest rates for SMEs have always been higher than the EU average and lending facilities are passing the increase in the ECB base rate onto borrowers. While access to finance and supports for start-ups is often easily accessible, when a business is looking to expand and grow, they often find it difficult to access credit.

There is a risk if micro and SMEs are unable to access credit and their costs continue to rise it will lead to many of these being forced to close. Ensuring that supports continue to be in place to help them remain open and create employment in rural areas will be essential to reduce this economic risk over the coming years.

Societal Risk

For IRL the societal risks facing the country are one of its greatest concerns. The Covid-19 pandemic followed closely by the current cost of living crisis has had a greater impact on lower income households and rural households. Without an adequate income and access to essential services – transport, healthcare, housing, education, employment, it excludes people from fully participating in society and exacerbates the societal risks outlined in the Draft List of Strategic Risks. IRL believe that poverty and social inclusion must be included in the National Risk Assessment.

Prior to the current cost of living crisis, it was well documented that income inadequacy continues to be higher in rural areas, especially for those in receipt of social welfare payments and those in low-paid or minimum wage employment when compared to urban counterparts. While inflation for January 2023 has decreased slightly from the previous month, prices for goods and services, especially those deemed essential increased by 7.8% in the year².

Rural Poverty

The Vincentian Partnership for Social Justice Minimum Essential Standard of Living (MESL) 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. Such goods and services include; food, clothing, heating, healthcare, transport, education, etc.

² CSO (2023) Consumer Price Index January 2023 <https://www.cso.ie/en/releasesandpublications/ep/p-cpi/consumerpriceindexjanuary2023/>

Initial findings of the MESL for 2022 has shown that 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%³, confirming the results of the ESRI study *Energy Poverty and Deprivation in Ireland* where it found low income and rural households are most impacted by the current cost of living crisis.

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. 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. The increase in basic food items over the past year has impacted more on low income households.

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.

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 (Interim Results)

³VPSJ (2022) Minimum Essential Standard of Living 2022 Interim Report
<https://www.budgeting.ie/publications/mesl-2022/>

The 2022 MESL showed households Income inadequacies are also felt by households who are working on minimum wage with these inadequacies larger for households in rural areas for most of the household types looked at.

Income Inadequacies by Household Type with 2 Parents in Full Time Employment earning minimum wage (living in social housing)

| Household Type | Rural | Urban |
|------------------------------------------------------------------|----------|----------|
| 2 Parents with 1 infant | -€0.35 | +€146.63 |
| 2 Parents with 2 Children (1 pre-school, 1 primary) | -€73.84 | +€69.03 |
| 2 Parents with 2 Children (1 primary, 1 secondary) | -€126.91 | +€70.73 |
| 2 Parents with 3 Children (1 infant, 1 pre-school, 1 primary) | -€114.55 | -€0.42 |
| 2 Parents with 4 Children (2 primary, 2 Secondary) | -€260.80 | -€86.15 |

Source: VSPJ MESL 2022 (Interim Results)

The *Programme for Government 2020* and the *Roadmap to Social Inclusion 2020-2025* both set out commitments to improving social inclusion and wellbeing for people. Income adequacy and access to services are key components to achieving these commitments regardless of where people live. Achieving the targets set out in both these documents will not be achieved if priority is not given to addressing poverty and social exclusion.

Housing and Sustainable Development

The lack of affordable housing is now affecting many cohorts of society but most especially young people and low and medium income households. However, it is now not just a societal risk but also an economic risk, with young people, especially those who are unable to work from home, finding it harder to rent or afford to rent accommodation close to where they work. This impacts on businesses and organisations as well as schools, healthcare settings, in trying to recruit and retain staff. The lack of housing is also causing tensions in communities accommodating Ukrainian refugees and those seeking international protection.

While lack of housing has in the past being more associated with large urban centres, this has now trickled down to rural towns and villages. This, coupled with the lack of other essential services, transport, affordable childcare, education and training, employment opportunities, healthcare – makes it more difficult for rural areas to become viable places to live and work. The continued lack of housing and other essential services continues to risk sustainable and balanced regional development.

Migration and Integration

The Russian invasion of the Ukraine has had a devastating effect on the people of the Ukraine and those who have had to flee their homes and leave family behind. Together with those seeking International Protection, they are seeking safety. The number of migrants coming to Ireland will no doubt increase in the coming years, with increase in natural disasters, climate change and continued conflicts around the world. Ensuring that Ireland can be a safe place for migrants to make their home, investment and measures need to be put in place so a collaborative approach is taken to help integrate them into the local community.

The recent increase in disturbing and racial protests in communities must be tackled. The lack of information from Government to communities is causing unrest and a small minority to spread misinformation.

Irish Rural Link has always called for more community engagement on accommodating refugees and those seeking international protection. While we understand the concern the Department have in that this may give the minority an opportunity to organise protests, we believe that it is an opportunity to prevent the spread of misinformation and allow communities to raise genuine concerns that could be addressed quickly. It would also allow communities time to plan how refugees can be supported to integrate and become part of the community.

Demographic Change

Ireland has an ageing population. While Census 2022 has shown an increase in the population across all counties, counties in border, west and north west counties continue to have older population. In 2016 there were 81,000 older people aged 75 or older living alone in Ireland. These figures are increasing as single-person households increase and as the population ages. The CSO projects an 82% increase in the number of people over the age of 65 years by 2036. While people are living longer, there is also a growing number of older people developing chronic illnesses and disabilities. This is putting increased pressure on an already stretched healthcare system.

The publication of *Slaintecare* was a first step in removing the two-tier health system that we have in Ireland and moving care to the community. However, delays in the implementation of the framework means continued pressure on hospitals and other care facilities. The Statutory Homecare Scheme is still slow to materialise. Providing care in people's own home and community allows older people to keep their independence. However, more investment is needed to allow this to happen. This must be in the form of better salaries for carers, better working hours and conditions and more value placed on the jobs in the sector. Meals on Wheels is a community service that allows people to remain in their own home as they age. However, like many community and voluntary health and social care services, the lack of funding to providers is putting greater risk on their sustainability. Services like these have an important role in changing how we care for older and vulnerable people in our society and better supports and resources must be made available to ensure that *Slaintecare* can be fully implemented.

Digital Exclusion

IRL have been delivering the 'Getting Citizens Online' and 'IT Skills for Farmers' for a number of years and have trained 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. However, funding for this programme has now ended, at a time when digital skills is becoming more and more important. The Covid-19 pandemic highlighted the digital divide and the importance of these courses, ensuring older people could keep in touch with family and friends. As we continue to move to a more digital society, funding must continue for these courses and better collaborate with other training and development skills. Digital literacy will continue to be important as the population age to take advantage of technologies that will help them remain in their home and access healthcare online. Without addressing the lack of digital skills, older and more vulnerable people will continue to feel isolated and left behind.

Environmental Risks

The environmental risks facing Ireland in the coming year, while need to be addressed must be done using a just transition approach and ensuring that those most impacted by climate change are supported first to make the changes needed to reach climate targets.

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 SILC⁴ report 2021⁵ 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.

IRL welcome the SEAI grants but still feel they are out of reach for many households due to upfront costs or people not owning the home they live in. IRL have 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 will also

⁴ SILC – Survey on Income and Living Conditions

⁵ CSO (2022) – Survey on Income and Living Conditions (SILC) 2021

<https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>

incorporate the Government's National Retrofit Plan. Direct supports for households in low-income and fixed income households in rural areas, a comprehensive suite of financial tools must now be developed. This would take the form of sliding scale of grants and low cost guaranteed loans designed on ability to pay. We believe 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 while also

Community Energy Projects

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. Earlier engagement with communities on renewable energy projects is needed so communities are part of the decision making process.

Biodiversity Loss

While the agriculture sector is often associated with the cause of Ireland's high carbon emissions, it can be a solution to many of the challenges of climate change and biodiversity loss.

The Bio and circular economy are emerging sectors which the farming community will play a key role. They also have a key role in protecting local biodiversity. With the right supports and incentives, smaller farmers and land that is not viable could be used for these purposes. Value must be put on the non-productive areas of the farm. Peatlands or wetland store carbon emissions as well as protect a lot of Ireland's biodiversity. There is ample peatland in this country to store carbon emissions and engaging with landowners and communities to be supported to restore and conserve this area of land will be an important part of reducing Ireland's risk in relation to biodiversity loss. The box below showcases how engaging with farmers and landowners can have positive results on protecting local biodiversity and improving soil quality.

FarmPEAT

Irish Rural Link are partners on a project FarmPEAT - **Farm Payments for Ecological and Agricultural Transitions**. This project is developing a locally-led, innovative, results-based farm scheme for farmers who manage lands that surround some of Ireland's finest remaining raised bogs. The project identified study sites across the counties of Roscommon, Offaly, Kildare and Westmeath and work with local farmers, rewarding them for improved management of habitats on peat soils as well as other important landscape features such as eskers, field boundaries and watercourses. The programme is results-based in that farmers will get paid depending on the scores they achieved. It is envisioned that this programme will form a basis for future agri-environmental schemes in these areas.

Technological Risks

As the digital transformation continues to accelerate and new advanced technologies come on stream almost every day, IRL are aware of the risks this brings. The cyberattacks on HSE and most recently on Munster Technology University pose grave threats to people's data security and trust in using technology and services online.

Older people and those with little or no digital skills are more vulnerable to cyberattacks and cyber fraud. Online security and being safe online were part of the basic computer training course IRL delivered. These cohorts of people are more at risk of online fraud and other scams and must be protected. Having basic computer training courses available to those with low or no digital skills will be important to help them identify fraudulent schemes when online.

Loss of Jobs

The advancement of technology and artificial intelligence will mean some jobs will become obsolete in the future, in some cases sooner rather than later. Ensuring measures are in place to identify which jobs are most at risk of becoming obsolete as a result of AI and employees in these sectors have opportunities available to upskill or retrain so they can take up employment in other sectors quickly without being unemployed for long periods of time.

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.’