



Border, Midland & Western
Regional Assembly
Shaping the Region

**SUBMISSION TO THE NATIONAL ACTION
PLAN AGAINST POVERTY AND SOCIAL
EXCLUSION 2006-08**

October 2005

1. Background to the BMW Regional Assembly and this Submission

The BMW Regional Assembly was established in 1999 and was designated as the Managing Authority for the Border, Midland and Western Regional Operational Programme (O.P.) in the Objective One region, comprising of 13 Counties. The main roles of the Assembly are to:

- manage the BMW Regional Operational Programme, as set out in the EU structural fund regulations
- monitor the impact of all NDP/CSF Programmes on the BMW Region in order to ensure balanced regional development
- co-ordinate the delivery of public services in the region, highlight issues of regional concern and ensure that national policies take the regional dimension into account.

Many of the measures to support social inclusion are contained in the BMW Regional Operational Programme, which the Regional Assembly has responsibility for managing and monitoring. The Assembly has in the past worked closely with agencies such as the Combat Poverty Agency in developing more effective social inclusion and poverty indicators. The Assembly also has a sub-committee dealing specifically with social inclusion issues and the Assembly is represented on a number of national committees dealing with social inclusion and anti-poverty issues.

The Regional Assembly considers that it is important to have an input into the next National Action Plan against Poverty and Social Exclusion (NAPSIIncl) in order to highlight the regional dimension to poverty and social inclusion and to show how policies and programmes can be put in place to ensure a more equitable spatial distribution of wealth in Ireland.

This submission commences with an overview of the growing regional disparities in Ireland and then sets out current shortcomings and specific proposals on reducing regional income differentials and risk of poverty to be included in the NAPSIIncl in relation to: access to services; transport; e-inclusion; childcare; and rural poverty.

2. An Overview of the growing regional disparities in Ireland

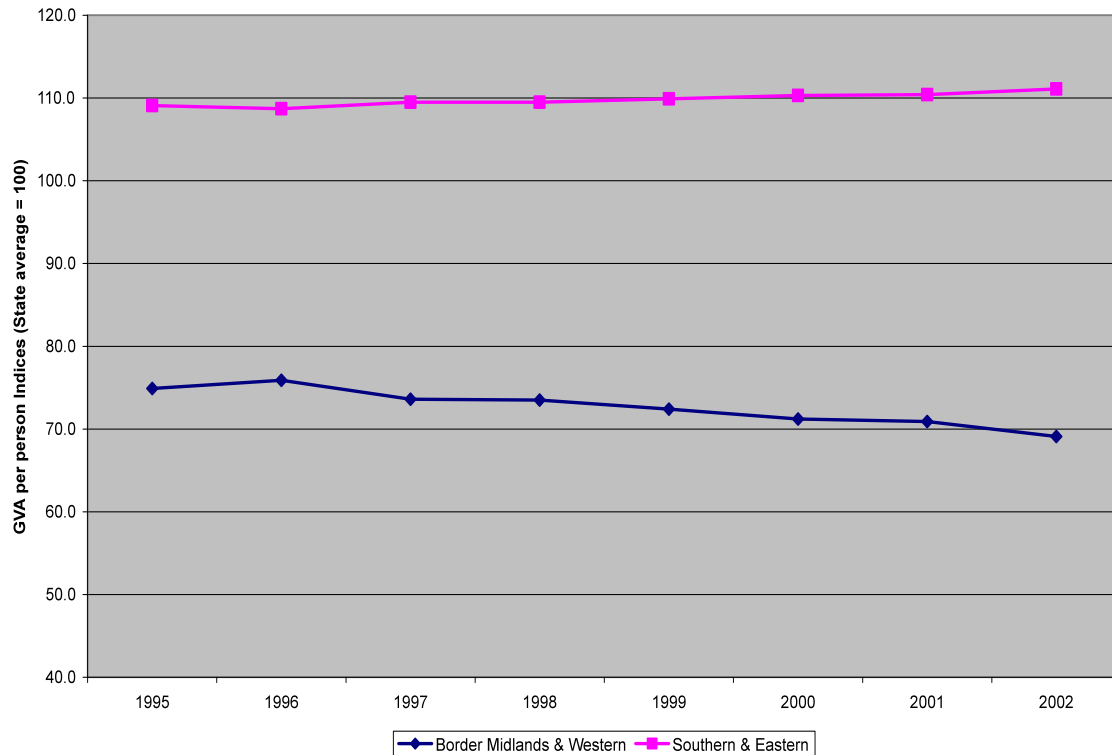
In spite of the rapid economic progress that has been made in Ireland over the past decade, increased regional disparities have become evident, in terms of economic output (GVA), disposable incomes and risk of poverty.

- Most of the recent growth in Ireland's output can be attributed to the Eastern part of the country, most notably the Greater Dublin Area (GDA). Figure 1 shows the divergence between GVA¹ per capita in the BMW and the Southern and Eastern (S&E) Region (compared with the state average) between 1995 and 2002. In 2002 the

¹ Gross Value Added (GVA) at basic prices is a measure of the value of the goods and services produced in a region (less the materials and services used which come from outside the region) priced at the value which the producers received minus any taxes payable plus any subsidies receivable as a consequence of their production or sale.

GVA per capita in the BMW was 69% of the state average, while in the S&E it was 111% of the state average. It must be kept in mind that this widening divergence has occurred over a timeframe of unprecedented growth of the national economy.

Figure 1 Indices of GVA per person 1995-2002 in BMW and S&E (State = 100)



Source: CSO, *County Incomes and Regional GDP 2002*

- **Disposable Income** – Disparity also exists in figures for disposable income, with the BMW Region having an average disposable income of 92% of the state average in 2002 while it was 103% in the Southern and Eastern Region.²
- **Risk of Poverty** – The incidence of income poverty has been found to be highest in several western and north-western counties in the recent report (2005) *Mapping Poverty: National, Regional and County Patterns*. The risk of a person experiencing poverty was determined to be highest in Donegal, Mayo, Leitrim and Longford at both the 50% and 60% income risk lines.

A Need for a more equitable distribution of wealth

² It should be noted that figures for disposable income are affected by differences in the level of state transfers. The narrower gap between the BMW and S&E in terms of disposable income could be affected by higher levels of state transfers to the BMW region.

Statistics on poverty in Ireland show an alarming gap between the wealthiest and the poorest, which is unprecedented in the EU. The EU SILC survey showed that 22.7% of Irish people are at risk of poverty at the 60% threshold and the level of relative child poverty is the second highest among the EU. Ireland also has the lowest level of expenditure on social protection as a percentage of GDP in the EU, where it stood at 14.6% in 2001, compared to an EU15 average of 27.5%.

Large income inequalities exist between various socio-economic groups and spatially across the country. One of the reasons for the spatial income differentials is the rapid growth of the Greater Dublin Area (GDA) and the under-investment in more remote areas, particularly in the Border and Western counties. The Regional Assembly is concerned about this growth in regional disparities and has recently presented a joint briefing paper with the Western Development Commission to the social partners in advance of the next social partnership agreement. In this paper we outlined the broadening regional disparities and suggested a number of practical ways in which more sustainable regional development can be promoted and attained. This included proposals on developing regional indicators and targets, regional ring-fencing of public funds, full implementation of the National Spatial Strategy, investment in enabling infrastructure, creation of better linkages between enterprise and the third level sector

3. Specific Proposals for NAPSIncl 2006-2008

The next NAPSIncl should include a greater regional focus and contain a target of reducing the regional income differentials and poverty risk between the richest and poorest counties. There should also be a strong emphasis on increasing access to services outside the main urban centres and ensuring that people are not unfairly disadvantaged (in terms of education, health, transport, employment services, childcare facilities, public services etc.) by virtue of where they live. The NSS should be fully implemented and integrated with strategies such as the NAPSIncl in order to ensure a comprehensive and co-ordinated approach to reducing regional disparities.

Below we have set out some specific policy proposals under the headings of the current NAPSIncl.

3.1 Access to Services

Current Short-comings:

The distribution of services in Ireland, both private and public is uneven and many inhabitants outside of the major urban centres and particularly in sparsely inhabited areas do not have access to a full range of services. This applies to many public services such as education (particularly third level and life-long learning), transport (dealt with below), health, post offices etc.

Policy proposals:

- Ensure a greater distribution and quality of public services across the country in the areas of health, education, transport, leisure facilities, public amenities, libraries etc.

- Increase the financial and non-financial incentives for operators of private services in rural areas and smaller towns through measures such as the provision of enabling infrastructure, subsidies in cases of market failure (e.g. ferry services, Broadband operators)

3.2 Transport

Current Short-comings:

Much of the expenditure in public transport in Ireland has been in the transport network of the Greater Dublin Area (GDA) and little has been spent outside it. Under the current National Development Plan, 112% of the projected expenditure on public transport had been spent in the S&E Region, in comparison with only 55% in the BMW Region. The public transport infrastructure outside the GDA is very limited and services are often more costly per kilometre than those in the GDA (e.g. price of return rail ticket Dublin – Maynooth (26km) is €6.40 and Athenry - Galway (22km) is €9.50). Similarly commuter tickets are mainly available on the routes serving Dublin and many of the bus and rail services to other towns and cities are not suitable for commuters in terms of timing or pricing.

Policy proposals:

- Improvement and expansion of the national bus network and introduce integrated ticketing, and improved pricing and timing structures which would act as an incentive to commuters.
- Continued support for the rural transport initiative which is central to tackling the issue of rural isolation particularly among older people. Consider expansion of the initiative.
- Re-opening of linking rail connections between regional centres. There are elements of the national rail network, no longer in use but still intact, which could link hubs and gateways as designated under the NSS, throughout the country. For example the Western Rail Corridor (WRC) (from Sligo to Limerick) and the Athlone-Mullingar link.
- Investigation of opportunities for commuter rail services serving the regional gateways and hubs which are located on the existing rail network. The WRC and the Athlone-Mullingar link could also be valuable in serving commuting passengers.

3.3 E-Inclusion

Current Short-comings:

The Broadband penetration rate in Ireland, whilst improving, is still very low at only 3.4%, the second lowest in the EU15 after Greece and one of the lowest in the OECD. There are a number of schemes in place to increase the roll-out of broadband in Ireland, but progress is slow and uptake is often poor due to lack of awareness and prohibitive prices. The Group Broadband Scheme provides a good model in which local communities in rural areas and small towns can find tailor made solutions to their needs.

Such schemes need to be more widely supported and rolled out to a greater number of areas.

Policy proposals:

- Promotion, awareness raising and training in ICTs including Internet and Broadband, computer literacy etc.
- Aim to increase the broadband penetration rate to the OECD average of 10% by 2007 through increased supply, more competitive prices and awareness-raising
- Continue to roll-out and support computers in schools programmes and provide relevant training for teachers
- Provide more free public access computers with Internet access

3.4 Childcare

Current short-comings:

It is currently widely acknowledged that our current childcare system is inadequate and neither fully meets the needs of children nor their parents. Up until now there has been little public support for childcare (outside the Equal Opportunities Childcare Programme) and current expenditure of GNP on childcare in Ireland remains very low in comparison to our EU counterparts. The supports for children in Ireland in general are very limited, and this is perhaps borne out in the fact that Ireland has the fifth highest rate of relative child poverty among 24 OECD countries and the second highest rate of relative child poverty among 20 EU countries (UNICEF 2005).

Policy proposals:

- Introduce a major reform of childcare policy in Ireland that supports not only women in the labour force, but is also child-centred and takes the developmental needs of children and their families into account.
- Provide financial assistance to all families to meet childcare costs or to stay at home to look after their children (particularly in the first year of life) and provide specially targeted supports for low-income families.
- Implement many of the recommendations of the recent NWCI's proposal (2005) "An Accessible Childcare Model" and the NESF report "Early Childhood Care and Education" in Budget 2006.

3.5 Rural Poverty

Current shortcomings:

Rural communities in Ireland are at a higher risk of poverty due to isolation, lack of services, inadequate employment opportunities and higher dependency rates. The current restructuring of agriculture and related industries has a direct impact on both farm families and non-farming rural households who rely on agriculture for their livelihoods. Programmes such as CLÁR, Rural Social Scheme and Farm Assist have been introduced in order to address the low levels of public investment, employment services and income poverty in disadvantaged rural areas. The economic and social wellbeing of rural areas is linked with the poor economic performance of the regional economies of which they are

a part. Programmes that address broad rural development objectives such as LEADER, Rural Partnerships and Farm Diversification Schemes have an important role to play in enhancing the economic opportunities available in rural areas.

Policy proposals:

1. Continue to provide supports for on-farm investment schemes and the Teagasc Opportunities Programme for farm families
2. Support innovative approaches to the provision of viable rural services
3. Support area-based partnership programmes that generate economic activity and employment in rural areas
4. Introduce more effective rural proofing of public policies and programmes
5. Support training and capacity building measures in order that rural residents can avail of employment in nearby growth centres.

3.6 References

BMW Regional Assembly and Western Development Commission (2005) *The Regional Divide, Reversing the Tide to ensure a fairer future for all*, Joint paper to the Social Partnership process

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Irish Government (2002) *National Action Plan against Poverty and Social Exclusion 2003-2005, Ireland*

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UNICEF (2005) *Child Poverty in Rich Countries*, Innocenti Report Card, Italy