



# **Response to the Independent Review of Economic Policy**

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1. Rural Community Network (RCN) is a regional voluntary organization established by community groups from rural areas in 1991 to articulate the voice of rural communities on issues relating to poverty, disadvantage and equality. We have a membership of over 400 groups.
2. RCN is committed to a rural community and networking approach to the planning and development of sustainable rural communities in order to address poverty, social exclusion and equality and to support work towards a shared future.
3. RCN welcomes the opportunity to comment on the Independent Review of Economic Policy and to challenge the view that only major centres can 'be the catalysts of growth' with the implication that rural areas are to serve only as places to live for workers. [Chapter 5: 5.42] It is critical that the countryside and rural villages do not just become dormitories but are places of energy, innovation where small businesses, including agriculture, workshops, home-based offices flourish and contribute to the wider Northern Ireland [NI] economy. There is the potential in rural areas to make a huge contribution to the NI economy. The Regional Development Strategy states the need to invest in "*An attractive and prosperous rural area, based on a balanced and integrated approach to the development of town, village and countryside, in order to sustain a strong and vibrant rural community contributing to the overall wellbeing of the region as a whole*" [Regional Development Strategy]. Some rural communities are changing with a shifting demography, inward migration and the transformation of the rural economy and local services. These changes require a re-imagining of relationships, services and how we use our increasingly limited resources within a wider political commitment to invest in and sustain rural communities. The current ongoing development of the Executive Rural White Paper is an expression of this commitment and this Review should take cognizance of the vision and objectives of this White Paper.
4. We welcome the recognition by the Review Panel that there is a tension between urban/rural policy, particularly in a small region such as Northern Ireland. We also welcome the statement that better coordination of policy towards business, housing, the labour market, skill formation, transport, regulation and planning is required to ensure, from RCN's perspective, balanced regional development. As stated, the NI economic strategies assessed by the Review Panel have only partially outlined these linkages which means that "*the opportunities for growth in NI's urban areas and the linkage of these hubs to other parts of the region, may not have been as fully exploited as they could be.*" [Chapter 5: 5.42] We would have welcomed further analysis as to how a regional economic policy might effectively address sub-regional issues.
5. The Review concludes that the two main causes for NI's low living standards are relative low labour productivity and a low employment rate. We would challenge the Review Team to examine how to extend sustainable growth and productivity across more firms, employees and communities in rural Northern Ireland. Research conducted by the Commission for Rural Communities [CRC] in England for the Prime Minister highlighted that there is significant potential in the development of high-tech and high-value businesses in rural areas using new technology. "*However, there is strong evidence that high levels of rural business aspiration are not being translated*

*into their full potential for growth, whilst high levels of entrepreneurship are not bringing with them commensurate levels of wealth creation.”*<sup>1</sup> The CRC report concluded that there is also strong evidence that rural businesses struggle to access the support and advice available from government or work effectively in partnership to address the obstacles they face. This includes obstacles in planning or infrastructure, accessing services or gaining new skills for employees. A long list of challenges were gathered through CRC’s research which included:

- *Difficulties in recruitment;*
- *Poor access to funds;*
- *Limited availability of office, or start-up, or grow-on premises;*
- *Poor public transport, making travel to work difficult for low-paid employees;*
- *Lack of affordable housing;*
- *Incomplete understanding of rural businesses by urban-based authorities and agencies;*
- *Farming incomes depressed;*
- *Poor access to broadband;*
- *Planning restrictions;*
- *Low wages;*
- *Challenges of accommodating migrant workers;*
- *Opposition from residents or from absentee home owners to developments that create or maintain jobs in their village or community; and*
- *Loss of young people.*<sup>2</sup>

Many of these would be relevant to the NI context including challenging the persistent assumption that rural policy = the EU Rural Development Programme and therefore not a mainstream policy consideration by government.

6. We welcome the Review’s recognition of the importance of sustainable development that works *through* the often competing social, environmental and economic interests as opposed to going round them through favouring only economic interests. In light of that, we would be concerned with the Review Report quoting the conclusions of a report published by the Economic and Social Research Institute outlining that investment in health, social and environmental projects have little direct impact on the supply side of the economy. *“In contrast, investment in skills, networks and the productive sector will increase the potential size of the economy.”* [p.187] We would be concerned with how this might feed a view within the Executive that economic development and social welfare agendas are competing priorities as opposed to complimentary to each other. A more equal society can be the basis of a thriving economy and we would have welcomed reference made to this within the Review Report, particularly as there is such an emphasis on “improving living standards’ as the outcome of an enhanced regional economic policy. This begs the question ‘whose’ living standards, as we cannot expect greater wealth to ‘trickle down’. The experience in the Republic of Ireland clearly showed that the gap between rich and poor did not close automatically with

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<sup>1</sup> Commission for Rural Communities – *England’s rural areas: steps to release their economic potential – Advice from the Rural Advocate to the Prime Minister*, 2007. P.5

<sup>2</sup> Op. Cit.; p.12

increased prosperity. This is in the week where the Joseph Rowntree Foundation published its latest fact sheet on child poverty in Northern Ireland which states that “*persistent poverty in Northern Ireland (21% before housing costs) is double that in Great Britain (9%). More families in Northern Ireland experience poverty at some point than in Britain.*”<sup>3</sup>

7. The Report by the Joseph Rowntree Foundation also highlighted that one of the four main reasons for higher persistent poverty is poor quality part-time jobs and obstacles to mothers working. From a gender equality perspective, another major omission from the Review Report is the need to recognize and encourage women’s entrepreneurship. The Training for Women Network have consistently stated that in gender diversity terms, any area of work that has less than 25% of either gender is non-traditional and represents segregation along gender lines. “*Self employment and business ownership are therefore non-traditional for women. Under European Union, UK and regional policy imperatives, the de-segregation of the workforce along gender lines is a major priority.*”<sup>4</sup> Therefore, the absence of a gender perspective in the Review Report is a serious oversight. The tendency for women to be situated in part time or temporary jobs, which are often low paid, should also have been addressed.
  
8. There is a significant section in the Review Report on planning reform and its potential to improve economic productivity. In our response to the Planning Reform consultation we stated that we would have welcomed a stronger and clearer vision with regards the purpose of planning which focuses on creating communities that offer better choices for where and how people work and live. We outlined some core principles in planning which would be applicable to all who participate in the planning process: citizens, elected representatives, planners, business and developers. These might include, for example, that planning process participants should<sup>5</sup>:
  - Ensure that the planning process exists to serve the public interest.
  - Recognize the rights of citizens to participate in planning decisions.
  - Strive to give citizens (including those who lack formal organization and influence) full, clear and accurate information on planning issues and the opportunity to have a meaningful role in the development of plans and programmes;
  - Strive to expand choice and opportunity for all persons in such a manner which facilitates their involvement in the development of plans that might impact on their quality of life choices, recognizing a special responsibility to plan for the needs of disadvantaged groups and persons;
  - Assist in the clarification of community goals, objectives and policies in plan-making;
  - Ensure that reports, records and any other non-confidential information which is, or will be, available to decision makers is made available to the public in a convenient format and sufficiently in advance of any decision;

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<sup>3</sup> Joseph Rowntree Foundation, *What can we do to tackle child poverty in Northern Ireland*, November 2009

<sup>4</sup> TWN Response – Invest NI Corporate Plan: March 2008

<sup>5</sup> Adapted from American Planning Association

- Strive to protect the integrity of the natural environment and the heritage of the built environment;

We also stated that **all** organisations and bodies in the Planning System should develop the Statement of Community Involvement and include specific reference as to how marginalised groups will be engaged with including those marginalised by geography. These standards would also apply to pre-application consultation processes for major and regional applications. They should also apply to the monitoring and review of local development plans and any other review and monitoring processes. The focus should be more on effective planning decisions as opposed to only efficient ones.

9. Finally, while we acknowledge that the location of public sector jobs was not part of the Review Team's remit, we would have welcomed a brief analysis of the importance of the decentralisation of public sector jobs along the lines suggested in the Bain Review on the Relocation of Public Sector Jobs and the important mix of private, public and community/voluntary sectors in growing local economic productivity.