



# National Traveller Mabs

Money Advice & Budgeting Service

- **Submission on the development of a revised**

**National Traveller and Roma Inclusion Strategy -**

Prepared July 2015

## Introduction

National Traveller MABS is a leading advocate for the financial inclusion of Travellers in Ireland.

National Traveller MABS was formally established in 2005 and is funded by the Citizens Information Board (CIB).

National Traveller MABS seeks to end the financial exclusion of Travellers in Ireland by effecting change in policy and practice which excludes Travellers and other marginalised groups such as the Roma community from accessing financial services. National Traveller MABS also works with the Traveller community to increase financial capability (Strategy 2013 – 2016).

The Role of NTMABS is to:

### **Highlight**

National Traveller MABS highlights issues of over-indebtedness and exclusion from financial institutions, and makes appropriate responses through its research and policy work.

### **Promote**

National Traveller MABS promotes alternative methods of money management through its project work.

### **Empower**

National Traveller MABS examines ways to empower Travellers to access legal and affordable savings and credit and builds capacity within the community through its community education work.

### **Support**

National Traveller MABS acts as a support to both MABS and the Traveller community to ensure ease of access for Travellers to the service.

## **Context**

The Traveller population is increasing steadily in Ireland. This is evident from CSO figures and figures recorded in the All Ireland Traveller Health Study<sup>1</sup>, which put the population at 36,224 in 2010.

According to equality legislation<sup>2</sup> and recent reports<sup>3</sup>, the Traveller community remains one of the most excluded, marginalised and impoverished groups in Irish society.

The European Anti -Poverty Network (Ireland), identified some key factors that put people at risk of being in poverty. Such factors, when examined beside statistics from the most recent Census 2011, reflect a stark picture-

- **Unemployment or having a low paid insecure job**
  - As the national labour force increased by over 120,000, the labour force among Travellers of nearly 10,000 experienced a 10% increase in unemployment to 84.3% (Census 2011)
- **Low levels of education and skills**
  - Traveller achievements in the formal education setting have increased in recent years, Travellers are still 5 times more likely to leave school by the age of 15 than those in the general population ( Census 2011)
- **Large families and lone parent families tend to be at greater risk of poverty**
  - Over a quarter of Traveller households had 6 or more persons ( Census 2011)
- **Gender – women are generally at higher risk of poverty than men**
  - At twice the level of the general population, 1 in 5 Traveller families are lone parent households (Census 2011).
- **Disability or ill-health**
  - The proportion of Travellers with disabilities is one third higher than that for the general population (Census 2011).
- **Living in a remote or very disadvantaged community where access to services is worse**

---

<sup>1</sup> School of Public Health, Physiotherapy and Population Science, UCD (2010), All Ireland Traveller Health Study- Our Geels. Dublin: University College Dublin and the Department of Health and Children

<sup>2</sup> The Equal Status Acts 2000 and 2004 prohibit discrimination on nine grounds, one of the grounds being membership of the Traveller community.

<sup>3</sup> 1) The Experience of Discrimination in Ireland, Analysis of the QNHS Equality Module -Equality Authority and ESRI (2008)

2) Report by the The Irish Human Rights Commission (IHRC) to the United Nations (UN) Committee on the Elimination of Racial Discrimination on Ireland's record on combating racial discrimination in advance of the Committee's examination of Ireland's 3rd and 4th combined periodic reports to the UN on its efforts to meet its human rights obligations under the Convention on the Elimination of All Forms of Racial Discrimination (CERD) (2011). (<http://www.ihrc.ie>)

- More Travellers are renting houses (from local authorities and from private landlords) away from their community. The number of Traveller households residing within their community in caravans or mobile/temporary structures has halved (Census 2011).
- **Being a member of minority ethnic groups.**
  - Although the Traveller community has still to be recognised officially as an ethnic group, they suffer from discrimination due to their separate identity.

The All Ireland Traveller Health Study carried out in 2010, linked such variances among the communities to social and institutional exclusion.

Within this overall picture, National Traveller MABS approaches its mission from a perspective of community development with a commitment to human rights and equality. National Traveller MABS recognises financial exclusion to be a key component of social and institutional exclusion. As part of the greater Traveller infrastructure, National Traveller MABS supports a targeted approach to areas such as education, employment and health for Travellers. However as an organisation specifically focused on financial inclusion, this submission clearly pinpoints the areas of financial inclusion which we feel are essential elements which must be included when developing a comprehensive strategy for Traveller and Roma inclusion.

The issue of financial exclusion has been a cause for concern within the Traveller community for many years. Even during the period 1998 to 2006 when Ireland experienced an economic boom, Travellers in general found it difficult to access legal financial services. This maintained a need for moneylenders within the community. With the financial crisis, the corresponding austerity and falling incomes over the past number of years, it would appear that dependence on the illegal moneylender has become even greater.

**Priority themes identified by National Traveller MABS to ensure that the area of financial exclusion is addressed in the Traveller and Roma National Inclusion Strategy**

National Traveller MABS welcomes the opportunity to contribute to developing the revised National Traveller and Roma Inclusion Strategy. National Traveller MABS has identified a number of key considerations relating to financial inclusion, an essential component of overall inclusion, that it believes are critical in developing such a strategy.

Key considerations

1. Recognition of Traveller Ethnicity



2. Access to mainstream savings and credit
3. Provision of affordable credit for Traveller appropriate accommodation

### **1. Recognition of Traveller Ethnicity**

Becoming recognised as an ethnic minority group is a core aim of Travellers, providing for their equal protection in domestic and future international legislation.

According to the Irish Traveller Movement, “Travellers are an Irish ethnic minority group because we are a small Irish community who share the same culture/ way of life, language belief values and history. However, this ethnic minority status is not recognised by the government. It is a basic human right to have our ethnicity and identity recognised”.

Recognising Traveller ethnicity would ensure that Travellers have protection under international Human Rights Law and under equality laws and the constitution of Ireland. The recognition of a distinct cultural identity should be validated in the provision of housing, education and health services.

Advancing Traveller ethnicity is key to having an inclusive strategy. The Joint Justice Oireachtas Committee (April 2014) have recommended the State formally recognise Traveller ethnicity. In local government Cork and Dublin City Councils have both adopted motions for its approval.

By recognising Traveller ethnicity, and ensuring its inclusion in the revised National Traveller and Roma Inclusion Strategy, the government will be acknowledging the value of Traveller culture which in turn will pave the way for the inclusion of Travellers in society at large.

### **2. Access to mainstream savings and credit**

Levels of financial exclusion are significantly higher in Ireland than in 12 of the 15 EU countries. A recent report in the Irish Independent (June 23<sup>rd</sup>, 2015) highlighted the increasing number of people using legal moneylenders as a source of credit. It is estimated that close to 400,000 people are using legal moneylenders in a country that has most likely the most extensive network of credit unions in the world. However, due to the limitations of lending imposed by the financial regulator, credit unions are not meeting the needs of the most vulnerable in our society.

In March 2011, the Minister for Finance agreed to address the issue of financial exclusion as part of its decision to restructure the Irish banking system. The Governments Financial Inclusion Strategy which followed, committed to

substantially reduce the level of financial exclusion in Ireland by 2015, in line with the commitment agreed with the European Commission. This has not happened.

Additionally, according to a recent report funded by the Central bank of Ireland and the Social Finance Foundation, poverty is still at a high level. The report identified that 17% of people were becoming indebted to pay for ordinary living expenses, 54% of people were unable to afford unexpected expenses and 65% were unable to save.<sup>4</sup> National Travellers MABS can testify that many Travellers in Ireland would face all three of these financial challenges.

Many Travellers **do not** have accounts in financial institutions and would find it difficult to open such accounts due to a lack of required identification. National Traveller MABS has been calling for an end to financial exclusion for the past 16 years. It has worked closely with many organisations on projects and on policy papers to address this issue. It has supported many families in gaining access to affordable credit through their credit union using the Household Budget Scheme. The Household Budget Scheme is a free scheme available to those on social welfare to pay certain utilities and local authority rents. An upcoming review of the credit union loans that National Traveller MABS has helped secure for families, shows a high level of repayment and a very low level of default. However the possibility for Travellers to borrow from the credit union has become more difficult with changes that have been imposed on the Household Budget Scheme<sup>5</sup>.

In a 2013 submission to the Minister for Social Protection, the CIB outlined its concerns for people who, due to their low income levels, are excluded from accessing affordable mainstream credit. The paper called for a new financial model of micro lending to be made available to people who are financially excluded. The need for personal micro credit or access to a micro loan fund for the most financially excluded has not only been championed by National Traveller MABS and the CIB but also by many other organisations such as the Social Finance Foundation.

As a CIB funded organisation, National Traveller MABS fully supports the findings of the CIB ‘that personal debt and lack of access to credit are issues of growing concern’.

The revised National Traveller and Roma Inclusion Strategy should acknowledge the importance of access to finance, and support the establishment a sustainable personal micro credit scheme. This will provide a pathway to long term financial inclusion, an essential element of Traveller and Roma inclusion.

---

<sup>4</sup> <http://www.sff.ie/wp-content/uploads/2015/05/140901-Creating-credit-not-debt-Final-GG-report-V2.pdf> Georges Gloukoviezoff, UCD Geary Institute

<sup>5</sup> In 1997, the HHB Scheme was extended to include the Lough Payment Scheme. The Lough Payment Scheme, jointly managed by Lough Credit Union and Cork MABS, was established to facilitate MABS clients nationwide to pay additional creditors other than the Local Authority and utility companies. The facility was offered to MABS clients who would be classified as financially excluded or vulnerable- for example, they may have health difficulties or they may be on such a low income that they struggle to hold on to money long enough to pay bills. Many National Traveller MABS clients used the Lough payment scheme to repay credit union loans. The Scheme was brought to an end by the Department of Social Protection in early 2014.

### 3. Provision of affordable credit for Traveller appropriate accommodation

Accommodation is a major issue within Ireland at the moment but most especially for Travellers. Members of the Traveller community find it increasingly difficult to secure Traveller specific accommodation or mainstream standard housing.

National Traveller MABS believes that a comprehensive accommodation strategy needs to be developed with the Traveller community. However National Traveller MABS would like to draw attention to one specific element of the accommodation issue, namely the provision of credit for the purchase of caravans for long term living.

In 1998, the Housing (Traveller Accommodation) Act was enacted which highlighted the way forward for local authorities in the provision of Traveller specific accommodation. The Act assigned to local authorities the task of providing loans to members of the Traveller Community to purchase a caravan. Following on from this, in 2000, the Department of Environment and Local Government (DOELG) formally established a caravan loan initiative which was to be administered locally by each authority.

In 2008, capital spending on Traveller accommodation was at €40 million. This figure has been vastly reduced in the following years, with it standing at €4 million in 2013 - one tenth of what it was in 2008. In addition to such cuts, in some cases allocated funds for Traveller accommodation is not spent and is consequently taken back from the local authority in question. For example, Dublin City Council spent only €3.77million of its €15.85 million budget for 2007-2012.

Allocated funding is not specifically for caravan loans however. It also covers the cost of new builds, maintenance of existing sites and the purchase of new homes. This amount is distributed nationally to local authorities. It is unclear the specific amount that each local authority allocates to caravan loans. The Irish Traveller Movement recently conducted a survey of local authorities to identify those that administer caravan loans. Of the 31 local authorities, 14 responded. Of the 14, only 6 local authorities stated that they provide loans to Travellers for caravans in their area. In other words, we can only verify that one fifth of local authorities report to administer caravan loans.

The failure by many local authorities to offer caravan loans has pushed many Travellers into standard social housing or private rented accommodation which often has proven negative consequences. Some of these include the higher cost for utilities, isolation from the wider family network, prejudices from neighbours and can lead to isolation and mental health problems. Additionally, it is becoming more and more difficult for people on social welfare and rent supplement to access private rented accommodation due to rising rents and the lack of transparency in securing private rented accommodation. According to the 2014 Simon Community's Review to the Rent Supplement Limits, *'this is to be expected when the Government insists on keeping rent supplements at lower levels than market rents'*.

Culturally Travellers choose to live in close proximity to their family; halting sites and group housing schemes being the choice of the majority. This preference is becoming more difficult to achieve.

Those who do choose to live in a caravan and have access to an official halting site are finding it impossible to access credit to purchase a caravan and are being forced to turn to family or an illegal moneylender for finance to provide a home for the family. In the experience of National Traveller MABS, borrowing from family can bring added pressures if repayments cannot be met. Moreover, being in debt to an illegal moneylender brings serious financial and emotional stress to a family with demands of over 100% interest being impossible to meet.

The revised National Traveller Roma Inclusion Strategy must have a culturally appropriate focus on accommodation, which will include the provision of local authority caravan loans for those living in Local Authority halting sites

## **Summary**

In summary, National Traveller MABS highlights the ongoing issue of financial exclusion experienced by many Travellers in Ireland. In reviewing the National Traveller and Roma inclusion Strategy, National Traveller MABS calls for following to be considered:

- That Traveller ethnicity is recognised. By recognising ethnicity the government will be acknowledging the value of Traveller culture which in turn will pave the way for the inclusion of Travellers in society at large.
- That the National Traveller and Roma Inclusion Strategy has a focus on access to affordable savings and credit. By establishing a sustainable personal micro credit scheme, the Government will be providing a pathway to long term financial inclusion for the most marginalised in society and more particularly for Traveller, an essential element of social inclusion.
- That the National Traveller and Roma Inclusion Strategy has a culturally appropriate focus on accommodation, which will identify the need for the provision of local authority caravan loans for those living in Local Authority halting sites