

**Combat Poverty  
Agency**

**Towards a  
Funding  
Policy for  
Community  
Development**

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*Design: Alan Lund.*

*Photographs: Derek Speirs.*

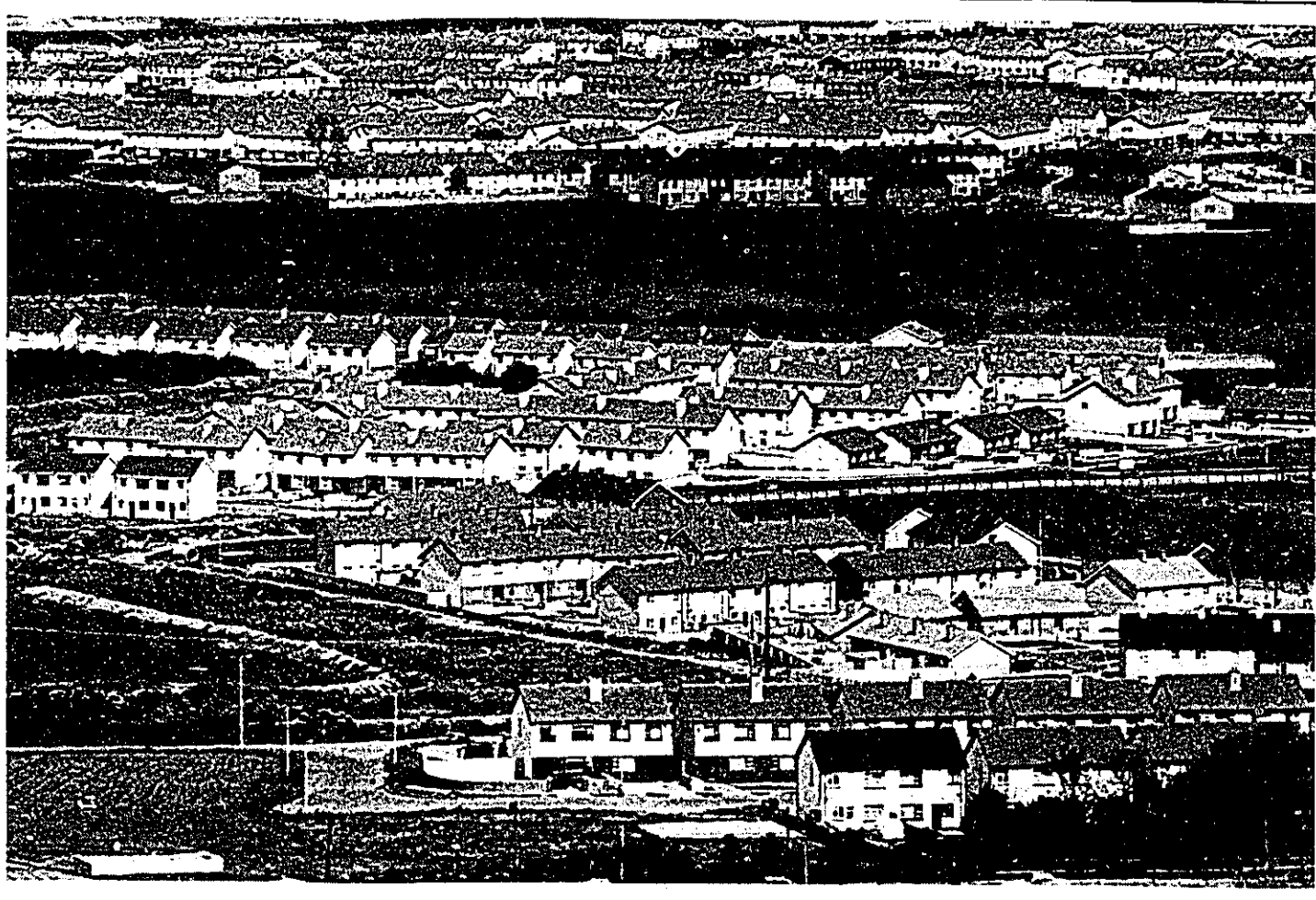
*Typesetting and Printing: Three Candles Printers.*

*Published by: Combat Poverty Agency, 8 Charlemont Street, Dublin 2. Tel: (01) 783355.*





*Community development is relevant to both remote rural areas and peripheral public housing estates.*



# 1. Introduction

## 1.1 Purpose

This policy document on poverty and community development has three tasks. First it details the Agency's views on the contribution that community development can make to tackling poverty. Secondly, it outlines weaknesses in the current support systems for community development. Thirdly, it makes recommendations on how a national policy for funding community development might be developed.

The principal aim in publishing this paper is to foster a greater recognition of community development as one of the key elements in an overall anti-poverty strategy. The paper also intends to increase awareness of the contribution that community development activity can make to encouraging social and economic development from the bottom up, thus helping to create jobs, to foster a greater sense of partnership between statutory agencies and local communities and to facilitate a more cost effective use of resources.

The Agency hopes that the publication of the policy statement will lead to a significant increase in Government support, more flexible funding from state agencies and an increase in independent sources of funding for community development activity.

## 1.2 Anti Poverty Programme

It is important to bear in mind when reading this paper that increasing support for community development activity is not on its own a solution to poverty. Having studied the widespread incidence of poverty in Ireland today the Agency is convinced that a comprehensive and integrated set of measures is necessary to tackle the problem. In addition to a focus on community development, as we have stated elsewhere, four other key actions are needed: a programme of job creation and rights for the unemployed, improvements in the social welfare system, a more equitable taxation system and better access to public services for the less well-off. If a national programme of community development is set in this context it can play a major role in the fight against poverty. However, as a measure on its own, its impact will be greatly reduced.

## 1.3 Focus on Poverty

Poverty in Ireland is widespread and is likely to be a key issue for the foreseeable future. It represents an enormous waste of national and human resources. There is thus an urgent need to involve marginalised communities in collective, flexible and creative social programmes which ensure that they become partners in and not the victims of development.

The Agency recognises the potential of community development activity for improving the quality of life in all communities. Thus many of the justifications for using a community development approach in responding to the needs of deprived areas also apply to areas that are not experiencing poverty. However in view of the extent and seriousness of poverty and recognising the limits on resources at the present time the Agency is concerned to focus its efforts. In doing this the Agency is particularly concerned about:

- areas in which all the people, or the majority of people, are poor; typically the decaying inner city area or the peripheral public housing estate;
- areas which are marginalised because of the general underdeveloped state of the local economy, typically the remote rural area;
- groups of people who are particularly at risk of poverty such as the homeless, travellers and single-parents.

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### 1.4 Statutory Responsibility

In preparing this policy statement the Agency is conscious that under the Combat Poverty Agency Act, (1986) it has a specific remit to support and encourage community development activities. Sections 4(c) and 4(d) of the Act detail the following functions:

- the collection and dissemination of information on poverty and community development and acting as a centre for counselling and training in relation to, and for assisting, encouraging and the giving of information on, community development as a means of overcoming poverty;
- in consultation with the Minister (for Social Welfare), fostering and assisting (whether by means of the provision of financial or material aid or otherwise) projects of community development and activities to overcome poverty.

With a view to fulfilling these functions better and to developing this policy paper a considerable amount of consultation has taken place with individuals and groups involved in this kind of work in order to identify how community development can contribute to tackling poverty. The Agency has also commissioned research into the funding and training needs of community development projects. A summary of this research is presented in Appendix One.

### 1.5 History

There is a long tradition of community development in Ireland. During the past one hundred years several initiatives emerged to bring about economic and social regeneration by local self-help. The first was the co-operative movement spearheaded by Horace Plunkett in the 1890s and the second was Muintir na Tire's harnessing of parish loyalty in order to achieve economic and social improvements, especially during the 1930s. Over the last twenty years there has been a new wave of multi-purpose community based cooperatives particularly in Gaeltacht areas and many local development associations and community enterprise initiatives have been established. We have now reached a situation where there are a great number of local groups around the country actively involved in trying to develop their own communities. The idea of a community development approach to a wide variety of activities has found acceptance from successive governments over the years.

### 1.6 Rationale

The Agency's approach to community development and poverty is based on four key principles about tackling poverty and the problems of the poorest communities:

- local people are in a unique position to define their own needs and to determine how they can be met; thus, if a community is to develop, local people must be empowered to participate in executive decision making in a partnership with State institutions and this will require compromise and collaboration by all sides;
- tackling poverty at a local level involves a process of change whose aim is to increase the resources available to poor communities and to reduce the inequalities they experience;
- utilising people's talents, skills and commitment in a collective process is a vital element in the rejuvenation of the poorest and most marginalised areas;
- the development of poor communities involves an integrated approach which links all aspects of community life, e.g. housing, health, education, unemployment, work and economic activity, recreation, sport and the arts.



Community education initiatives focussing on personal development have given people the confidence to emerge as leaders. A travelling woman and child enjoy the 'Bouncer' supplied by the Dublin Travellers Education and Development Group for travelling children.



## Introduction

Community development contributes to all of these as a process which is concerned to promote self-determination by empowering and involving local people. It is concerned to release and support creative energy and skills in local communities by facilitating personal development. It is concerned to bring about change by winning greater resources for poor communities and a greater control over the allocation of those resources by local people. It is concerned to promote an integrated approach to the development of local communities.

### 1.7 Blocks to Development

As the following pages will show, promoting community development can be a difficult undertaking. Experience has demonstrated that there are many barriers to successful local initiatives. The complexity of the problems faced by many poor communities and the pressures on people living in poverty create many problems and difficulties. There are risks of raising expectations too high which can result in frustration and disillusion. Much time and effort has to go into nurturing and supporting new projects. There can often be problems in developing effective means of achieving participation and resolving conflicts within communities.

Encouraging effective local community development is also inhibited in a situation where regional and local government structures are weak, where the state support systems are fragmented, where state agencies are unwilling to work in partnership with local communities, where political power is centralised and where there is little recognition of the important role that communities can play in the process of development as is the case in Ireland.

## 2. Poverty And Community Development

### 2.1 The National and EC Dimension

A major challenge that faces governments is to create the conditions which foster community participation in the life of the country. This can be problematic in deprived areas. Poor communities are often cut off and isolated from other areas and their needs, problems and experiences can be under-represented at policy-making level. They can feel marginalised and alienated from the society they are part of. Some poor communities in Ireland are particularly vulnerable as, in EC terms, they are on the periphery of the periphery. This is especially true of isolated rural areas.

However, there is a growing recognition at both national and EC levels of the needs of disadvantaged areas and, there is a new emphasis on redressing regional imbalances in development and promoting integrated development in urban and rural areas. As will be described below, community development initiatives have the potential to play a useful role in assisting the EC and Government to meet these challenges by helping to create a climate in which wider national policies against poverty can flourish. They can contribute to mobilising the energy and talents of the whole community, thereby enriching the quality of life for all. They can do so in three main ways:

- (i) by enhancing local democracy;
- (ii) by informing policy-making; and
- (iii) by ensuring Ireland gains the maximum benefit from the EC.

**(i) Enhancing Local Democracy:** By promoting involvement and participation, community development projects actively engage people in efforts to improve the society they live in. This benefits the state as it both helps to maximise the resources available to tackle problems and helps to reduce the sense of alienation and powerlessness often experienced by the poor. Flourishing and stable communities which promote the participation of local people provide the critical first steps on the ladder of democracy. They are essential to underpin effective local and regional government.

**(ii) Informing Policy-Making:** Community development projects enable new strategies to be piloted and such activity leads to new insights into the nature and extent of poverty, disadvantage and underdevelopment. This is important in developing effective national policies which are relevant to areas of greatest need, whether in the fields of social welfare or economic development. It enables policy makers to make choices and helps to ensure a thorough and effective approach to change and development. For instance the Parents Alone Resource Centre in Coolock has effectively drawn attention to issues affecting one-parent families and the three rural projects participating in the second EC poverty programme have demonstrated the need for integrated approaches to the development of peripheral rural areas. In Dublin, The Lourdes Youth and Community Services has shown how training for young people would benefit by being linked to a more integrated approach to their needs in a community context.

**(iii) Taking Advantage of EC Structural Changes:** The moves towards a much more integrated use of the EC structural funds and the concentration on the most marginalised urban and rural communities create significant opportunities for Ireland. It is essential that those living in the poorest areas are fully involved in taking advantage of these opportunities. It is also likely that the EC will be looking for a high degree of local community support and participation in initiatives they fund. Thus, a strong community development element which encourages community involvement and an integrated approach at a local level will be important if full advantage is to be taken of these new opportunities. This has been clearly highlighted by the many submissions made by local community groups during the process of preparing the National Plan.

*Promoting Involvement*

*Developing Policies*

*EC Structural Funds*

# Poverty And Community Development

## 2.2 The Local Community Dimension

If local communities are to prosper and grow, people need to feel that they belong and that they are involved fully in the life of the community. This element is often missing in very poor communities which are isolated and marginalised from the rest of society. They can be very divided internally and suffer from a concentration and multiplicity of social problems including some or all of the following; a population structure which is unbalanced with, for instance, disproportionate numbers of the young or the old; a transient population; a concentration of people suffering from unemployment or a significant number of people parenting alone; an environment which is bleak and derelict. Basic services can be very limited or fragmented and often providers seem remote and distant from users, factors that interact to further worsen the plight of poor areas and demoralise and overwhelm local people. This can lead to alienation and anti-social behaviour such as petty crime, vandalism and drug-abuse. Often, particular areas and the people living in them are blamed and scapegoated by the rest of society, thus increasing isolation, apathy and hopelessness. Those with skills or initiative tend to move out, thereby adding to economic isolation and underdevelopment.

Community development can contribute to tackling these problems in eight main ways:

- (i) by encouraging collective action;
- (ii) by improving the quality of life and the environment
- (iii) by improving service delivery and coordination and promoting partnership;
- (iv) by building community identity and structures;
- (v) by promoting integrated development;
- (vi) by focusing on prevention, development and efficient resource use;
- (vii) by challenging economic isolation and underdevelopment;
- (viii) by identifying hidden poverty and developing new approaches to tackling it.

**(i) Encouraging Collective Action:** Much community development activity is about creating structures whereby people, who individually feel powerless to tackle the problems facing them, can come together to act collectively to improve things, for example, to tackle problems like drugs and petty crime in their area. It is a way of helping people to realise that disadvantaged local communities are not powerless if people become organised and work together. This has been demonstrated time and again by a variety of groups such as community councils, development associations, tenants' groups and co-operatives. The current efforts of local people in areas like Ballymun in Dublin or Moyross and Southill in Limerick are good examples of this. Community development activity, by encouraging participation and constructive community involvement at a local level, helps to increase the involvement of people in society and to challenge the exclusion felt by the poor. It is thus a cornerstone of our local democratic structures.

**(ii) Improving the Quality of Life and the Environment:** The problems and forces affecting local communities can only be dealt with if they are recognised and faced up to. This is best achieved by bringing people together to address problems and by enabling them to identify and pursue solutions. By doing this community projects have significantly improved the quality of life in many areas — community centres have been built, the environment cleaned up and maintained, roads improved, the needs of particular groups such as the elderly, children, single parents or the disabled have been met, and so on.

Working Together

Pursuing Solutions



Community development projects have highlighted new approaches to meeting needs, for instance, in Dublin, the Lourdes Youth and Community Services has shown how training for young people would benefit by being linked to a more integrated approach to their needs in a community context (above) and (below) the Parents Alone Resource Centre in Coolock has effectively drawn attention to issues affecting one-parent families.



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## Promoting Partnership

**(iii) Improving Services and Promoting Coordination and Partnership:** The delivery and administration of state services are more complex and bureaucratic than they need be and the decision making process for economic and social development is becoming more remote from the people and communities for whom programmes are being planned. The involvement of the local community in the planning and delivery of services increases their acceptability and relevance to local needs. A good recent example of this has been the participation of local people in Dublin Corporation's redesign of parts of Darnale. If social problems are approached in this way a genuine sense of partnership can be created between the local community, voluntary groups and state agencies. This, in turn, leads to a more cost-effective use of resources. This has been well illustrated recently by the efforts of the Ballymun Task Force which has brought together local community groups, elected representatives and statutory agencies in a joint planning initiative. When extended to the whole planning process, the involvement of the community ensures a commitment to maintaining and developing whatever improvements are made to an area. It also helps to release and encourage additional voluntary and self-help initiative alongside statutory services and helps to draw in additional outside resources.

## Community Identity

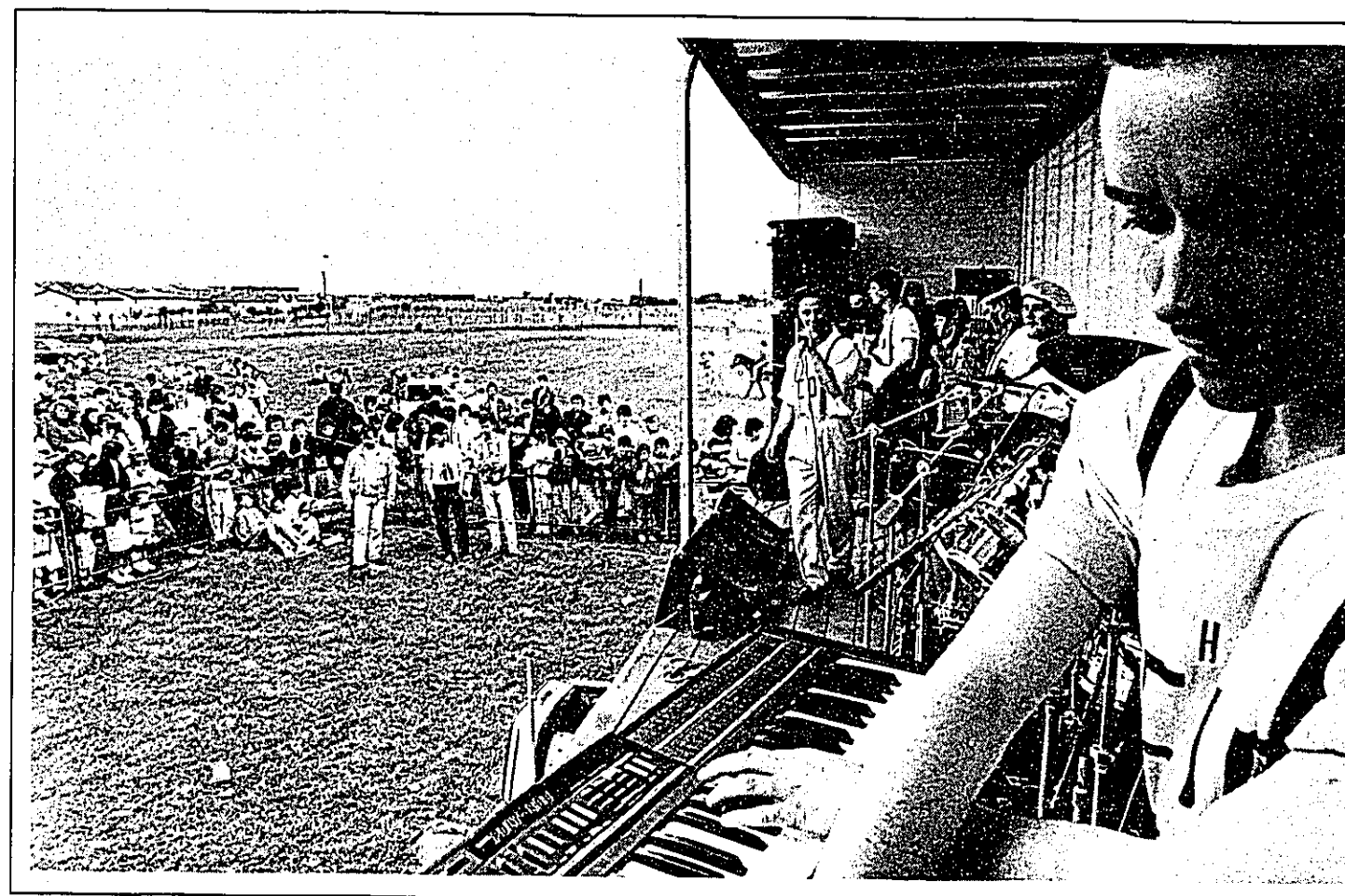
**(iv) Building Community Identity and Structures:** Successful community projects do much to challenge negative stereotypes about disadvantaged communities and to build a sense of community identity and pride. In rural areas, many community projects have helped to reinvigorate their locality by emphasising the sense of history and cultural identity of an area; in Louisburgh the local anti-poverty project has developed a successful cultural heritage centre. In urban areas too, there are many examples of community initiatives helping to foster a sense of pride and tradition in their area; as in Westland Row where a photographic exhibition recalling the history of the parish was mounted by the St. Andrew's Centre in Pearse Street. Community festivals like the local bands festival in Finglas South can make an important contribution to challenging the sense of marginalisation and exclusion in a disadvantaged locality.

## Integrated Approach

**(v) Promoting an Integrated Approach to Development:** Community based projects often cut across departmental and organisational boundary lines and tackle the needs of the whole person and the whole community. It is clear from the experience of development initiatives in underdeveloped rural areas that cognisance must be taken of the interconnections between cultural and social development, tourist development, farm development, natural resource development and so on. They all help to reinforce each other. This is very evident in the current work of the Inishowen Community Development Group.

## Cost Effectiveness

**(vi) Cost Effective and Efficient Use of Resources:** Much community activity is about tackling the sources of problems so that they do not recur. This can lead to significant savings in public expenditure in the long term. For instance, encouraging much greater tenant involvement in the management of public housing areas can create a greater sense of community responsibility for the area and can cut down on problems of vandalism and neglect. An example of this approach would be the involvement of the Fatima Development Group in Dublin in the managing of their area. Community-based initiatives with young people at risk of becoming involved in crime can be much more cost-effective than dealing with the consequences of juvenile crime through the courts. For instance, the Adventure Sports Project in Dublin's inner city provided a very effective way of working with young joy-riders and many community workshops have demonstrated very innovative



Community festivals like the local bands' festival in Finglas South can make an important contribution to challenging the sense of marginalisation and exclusion in a disadvantaged locality.



Community groups have significantly improved the quality of life in many areas, meeting the needs of particular groups, such as the elderly. Dancing classes at the South Inner City Community Development Association.



# Poverty And Community Development

ways of working with young people at risk. Community health projects can help people to take more responsibility for their own health and thus act as a means of health promotion. A focus on health issues and health education has been a feature of the work of many local women's groups.

## Stimulating Enterprise

**(vii) Promoting Development Through Economic Initiatives:** Community development activity over the years has concerned itself with the problem of economic isolation and underdevelopment. It has proved extremely enterprising both in terms of taking risks and turning meagre resources into an end product much in excess of the original input. Jobs have been created and the local economy strengthened through the development of collective and co-operative structures and through a greater awareness of the potential of local resources. For instance, Fr. McDyer's work in Glencolumbkille, the integrated resource development project in Waterville or various mariculture and tourist initiatives by rural groups have shown how local resources can be developed. Often, efforts by local communities to tackle economic problems and unemployment are the outcome of an extended process of personal development and community organisation. Thus community development activity can help to lay the ground work for economic initiatives. Indeed it is increasingly recognised by many development agencies, for instance FAS's Community Enterprise programmes and SFADCO, that community development, by mobilising local communities and encouraging increased participation can be an important stimulus to community enterprise.

## Identifying Problems

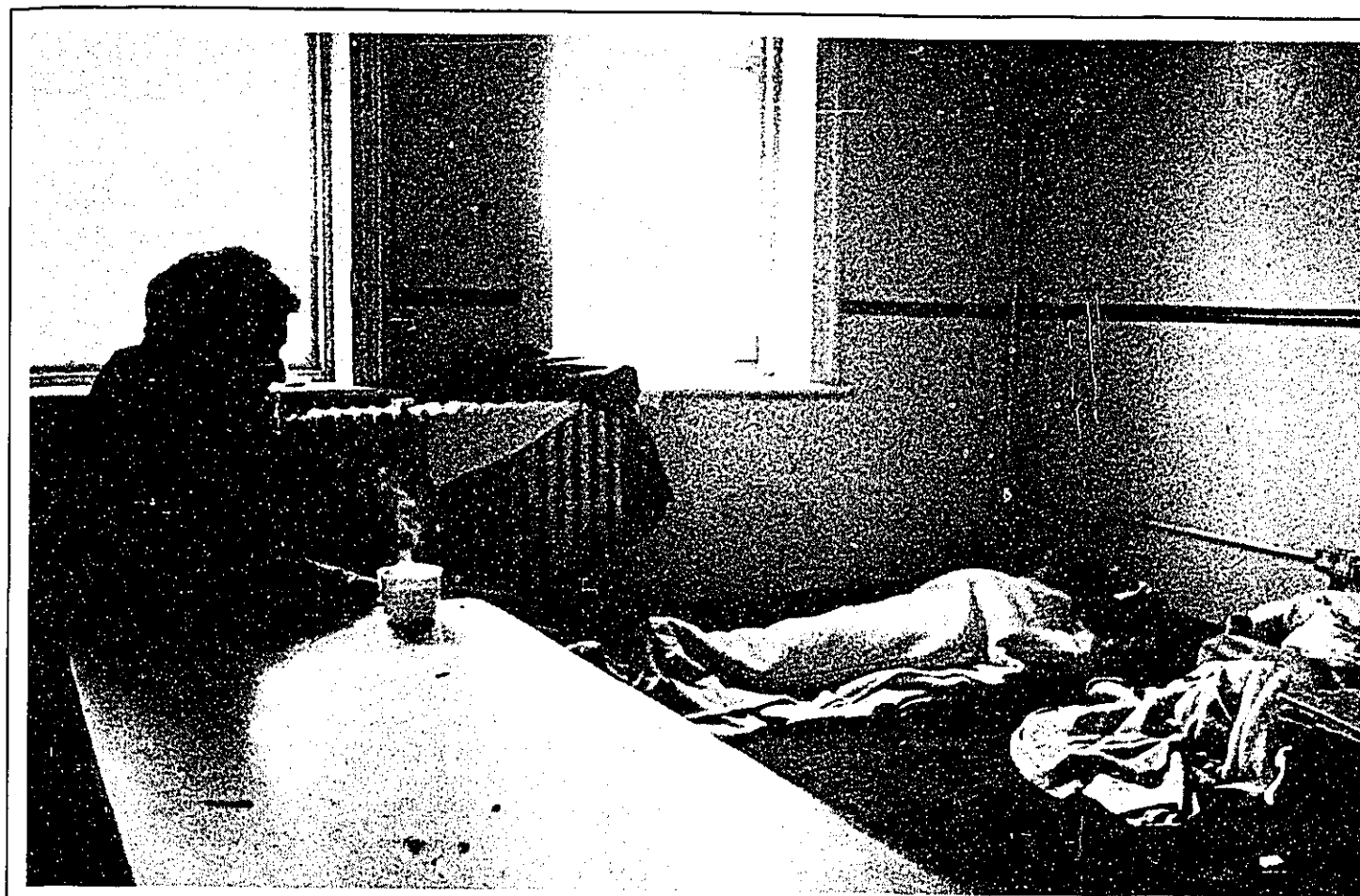
**(viii) Identifying Hidden Poverty and Developing New Approaches:** By focusing on local areas community development activity can often identify groups and individuals particularly at risk who may fall outside the normal support services. For instance, Linx in Ballymun recognised the need to provide support for single homeless people being rehoused in their area and the South Inner City Community Development Association and Focus Point have developed befriending schemes for people who have been rehoused. Groups have also pioneered non-institutional approaches to community care which could be expanded with more support and encouragement.

## 2.3 Developing and Supporting the Individual

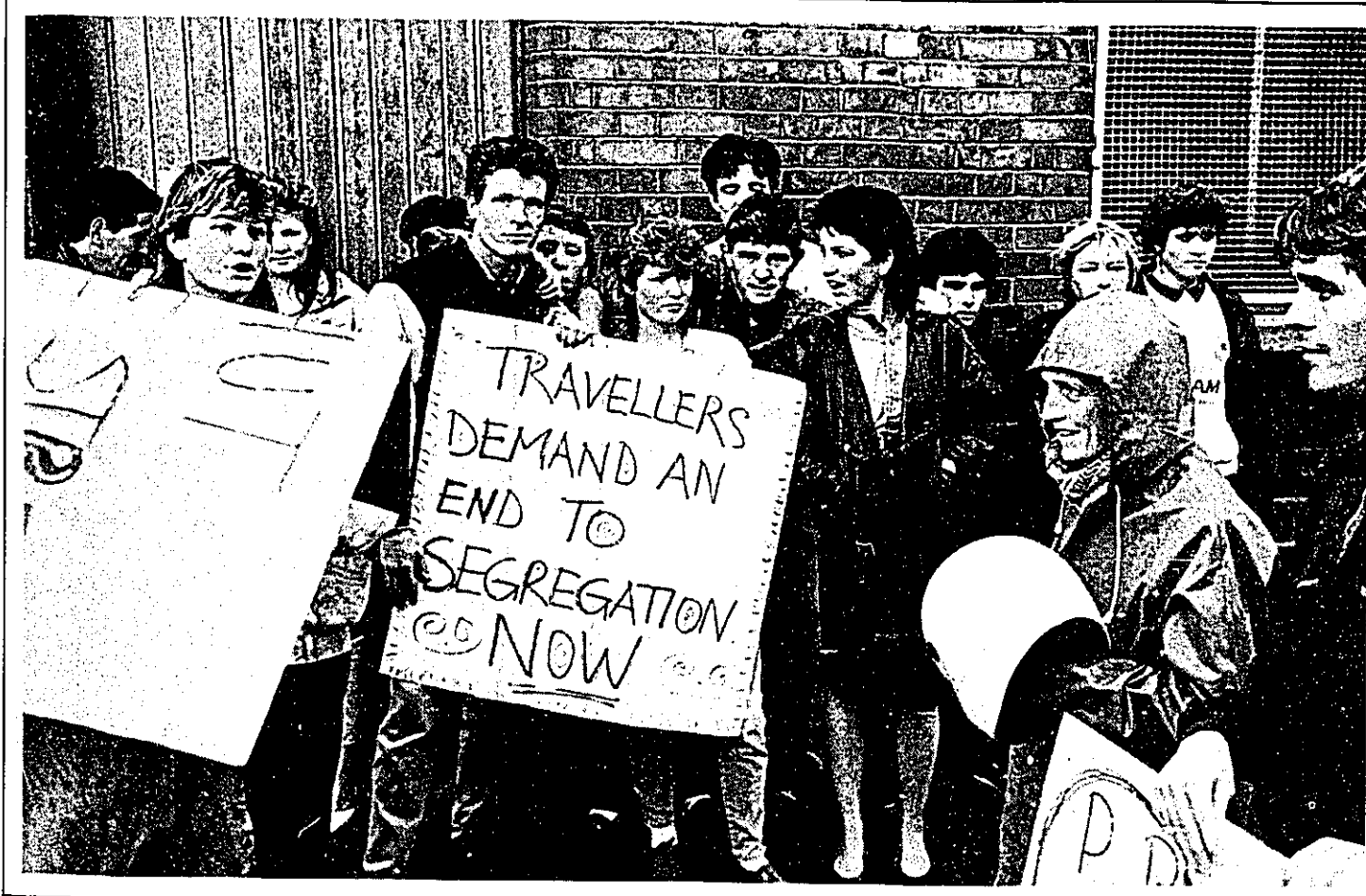
Work, an adequate income and a sense of status are very important in people's lives. They help people to become integrated into and serve the community and ensure a sense of belonging and value. Living in poverty often leads to individuals feeling that they are marginalised and excluded from the mainstream of society and lacking in status or recognition. Poverty undermines self-confidence, leads to social isolation, inhibits the development of personal skills, and creates feelings of dependence, inadequacy and lack of initiative. All this fosters a sense of hopelessness and makes many feel that they are powerless to change or improve their lives.

Community development can contribute to tackling these problems by encouraging local projects which:

- (i) build skills, creativity and self-confidence;
- (ii) develop organisational and leadership talents;
- (iii) overcome isolation.



Community development is relevant to groups of people who are particularly at risk, such as the homeless ... In Dublin's Simon shelter, homeless men sleep on the floor due to overcrowding.



... the sense of alienation and powerlessness often experienced by the poor. Travellers protest at segregation.



## Poverty And Community Development

### Building Skills

**(i) Building Skills, Creativity and Self Confidence:** There have been many excellent examples of local community development activity significantly challenging the problems outlined above by promoting personal development and growth in an atmosphere of mutual support and caring. Experience has shown that if the opportunities are provided people will respond to activities that enable them to develop skills and self-confidence. This is best done when groups are helped and encouraged to define their own needs. This has been particularly the case in the fields of community education, community arts and creative activity. Many individuals have gained in self-confidence, acquired new skills and felt better able to tackle some of the problems facing them and their community as the result of such activity. This has been a feature of the work of many local women's groups. Another example is Connemara West which, by encouraging arts in local schools and by developing a tradition of fine woodworking, has successfully fostered creative talent in the local community as an integral part of the development process.

### Developing Leadership

**(ii) Developing Organisational and Leadership Talents:** The focus on the development and growth of the individual in much community development activity has often given people the skills and confidence to assume leadership roles in their local community. This, in turn, encourages and aids the growth of the whole community. By encouraging a sense of openness and freedom from restrictions and controls and by focusing on relevant issues community development projects create a climate in which such personal growth can occur. For example the Catholic Social Service Conference's involvement in Blanchardstown in supporting community education initiatives focusing on personal development has given people participating the confidence to emerge as leaders in the local community. The same process can be seen resulting from the educational and personal development focus of the Dublin Travellers Education and Development Group.

### Ending Isolation

**(iii) Overcoming Social Isolation:** Community based projects have a long record of encouraging self-help and participation and so developing opportunities for people to meet, to share problems and to feel less alone and isolated. At one end of the spectrum, community playgroups have helped many women isolated at home with children to meet others and to develop interests. At the other end, community-based lunch clubs, senior citizens' groups etc., have overcome the risk of isolation for the elderly. Similar projects for the unemployed have helped many people to regain some sense of purpose and hope. They have given advice, developed social and recreational activities, organised training opportunities, developed peoples skills and fostered cooperatives and other local economic development initiatives.

## 3. Funding For Community Development

### 3.1 The Current Position

**(i) Lack of National Funding Policy:** The Agency commissioned research into the funding needs and problems faced by local groups (Appendix 1). The research reinforced the Agency's own experience that at present there is no identifiable statutory funding source committed to responding to community needs and encouraging community development activity. Hence much community development activity is starved of resources and, in spite of the very good work that is being done, the overall picture remains piecemeal and haphazard.

**(ii) Key Problems:** While individual schemes have been helpful there has been no explicit policy of support for community development. Groups find that they have to make do with bits and pieces of funding from different agencies which often have different objectives to their own. This can be a source of friction. Also, it means that a lot of time and energy is spent pursuing different funding sources. A lot of funding is provided on a year-to-year basis which undermines good planning and management.

The Agency is particularly concerned that community development seems to be perceived by statutory agencies as a residual activity. Many community development groups who see themselves as making an important contribution to employment, development and social action believe that their approach is undermined by statutory agencies who seem unwilling to understand the merits of their work. As a result many such groups become demoralised and relationships with statutory agencies become embittered. Initiatives that would otherwise have met the objectives of both the statutory and community sector are often abandoned and are difficult to restart. It is necessary that community development be recognised as a mainstream activity thus ensuring that statutory agencies have the energy, resources and commitment to deal seriously and effectively with community development groups.

### 3.2 Developing A National Policy

It is clear from the Agency's experience and from the research that has been undertaken that there is an urgent need to develop a coherent system of support for community development activity. As long as the current piecemeal and inadequate system of support continues, the potential contribution of community development to effective bottom-up development of the poorest communities will be severely restricted. Thus priority must be given to developing a comprehensive national funding programme. This should meet four criteria. First, there needs to be some funding provided on an **integrated** basis so that one source can cover diverse aspects of work. Secondly, funding should be provided on as **flexible** a basis as possible so that needs identified by local people are responded to. This will involve trust and a sense of partnership between the funder and the funded. Groups should generally be given more autonomy and control. However it will be very important to ensure that there is full accountability for all public money and the expertise for making funding accountable is a cost factor which should always be included in the agreed budget of any community development venture. Thirdly, there should be **secure** funding so that community projects can plan for a number of years ahead. Fourthly, there should be encouragement for the development of more **independent** sources of funding to allow greater experimentation and to lessen dependence on the State.

In the light of the above considerations the Agency recommends that the Government should encourage a four tier approach to increasing funding for community development as a response to poverty. This would involve:

- (i) the creation of a national community development fund;
- (ii) more specialist and flexible funding by state agencies;

## Funding For Community Development

### A National Fund

- (iii) encouragement for independent sources of funding;
- (iv) increased EC support for community development.

**(i) A National Community Development Fund:** The Government should allocate initially an additional £4 million per annum through the Combat Poverty Agency to support integrated community development activity in the poorest areas. This would complement the additional £4 million that has been provided from the National Lottery for work with disadvantaged young people.

In allocating this money the Agency should work towards the establishment of regional community development resource agencies whose remit would be to support and fund integrated urban and rural development initiatives in the poorest communities within their region. Regional resource agencies should bring together the various statutory agencies and representatives of the local communities on their management committees. This would help to ensure an integrated and coordinated approach to development.

In view of the Agency's responsibilities and experience in the field of community development such funding should be administered by the Agency in close association with the Minister for Social Welfare who would have to approve all grants made by the regional committees. The Agency should be adequately funded and staffed as a National Resource Centre for Community Development to enable it to provide the necessary support, training and technical back-up to the regional resource centres and the local projects.

In the short term, prior to the establishment of a regional network, the Agency should administer the funds available directly. One or two regional resource centres might be established on a pilot basis to serve as models.

### State Agencies

**(ii) Specialist Funding and a More Flexible Approach by State Agencies:** State Agencies should be encouraged to look at how they can become more responsive to the needs of local groups and complement an overall community development approach rather than expect local communities to adapt to their criteria. They should recognise that there are differences between urban and rural areas and that this requires different approaches. Where possible, agencies should be encouraged to develop particular focused sources of funding aimed at the needs of the most disadvantaged communities. For example, this would include creating clear priorities for funding local women's projects, community-based education and literacy initiatives, community arts and creative activity projects, community based and managed youth work and intermediate treatment projects for young people at risk of becoming involved in crime and drug projects which directly involve the local community. An inter-departmental group should be established at national level to encourage and monitor such developments.

### Independent Funding

**(iii) Encouragement for Independent Sources of Funding:** The development of charitable foundations such as the People in Need Millennium Trust, the Youth Foundation and the Ireland Funds should be actively encouraged and they should be urged to focus on community development activity in poor areas.

## Funding For Community Development

Current efforts to encourage charitable foundations in the U.K., elsewhere in Europe and the U.S. to support anti-poverty work in Ireland should be continued.

There should be much greater government encouragement, including tax relief on covenants and capital donations, to encourage increased business and private support for community development activity.

### EC Funds

**(iv) Expand EC Support:** The Government should work vigorously at EC level for an expanded EC Programme to Combat Poverty. It should ensure that it has a strong emphasis on community development. Every effort should also be made to increase support from EC structural funds for community development activity. For instance the Government could seek to set aside 1% of Structural Fund monies for use by community development groups for non-capital work but related to the allocation and expenditure of main funds i.e. in community organisation, planning information and education programmes, to promote greater participation in the use of the funds.



Community development needs to be set in the context of a national anti-poverty programme which would include a programme of job creation and rights for the unemployed.



## Appendix 1 — A Summary of Research

### Introduction

This is a summary of research carried out for the Agency on funding for community development by **Anna Quigley**. The research had three objectives: to describe and review the funding sources currently available to community development groups; to outline the consequences for community development groups of existing funding arrangements; to present alternative funding sources to better meet the needs of community development groups.

### Research Methods

A variety of research methodologies were used. A short questionnaire was administered to all known funding bodies to obtain information on existing funding for community development in Ireland. This sought information on the nature, purpose, conditions and amount of funding available, as well as the application procedure and examples of groups already funded. The second method was an analysis of the funding arrangements used by the 219 community development groups that had applied to the Agency for funding in 1987, together with 70 groups that had applied to the American Ireland Fund. While the representativeness of these community development groups cannot be verified, the applications to the Agency came from groups all over Ireland (except Cavan) and covered a variety of activities (income maintenance, welfare rights, women/family, minorities, community education and creativity, community enterprise, community development, unemployment and poverty and health initiatives). However, no figures were available on the amount of funding received by individual groups. The third research method used was detailed interviews with representatives of 10 community projects concerning their funding needs. Documentary analysis of alternative funding sources, including sources in the United States and Britain, was the fourth method used.

The results are presented here under the following headings:

- (1) funding sources used by community development groups;
- (2) consequences for community groups of the current funding situation;
- (3) funding needs of community development groups;
- (4) potential funding sources for community development.

The appendix to the original report, which describes the various funding sources available to community groups, is excluded from this summary.

### Community Development History

Community development, as used throughout the report, is defined as (a) empowerment through participation and (b) an integrated approach to meeting community needs. Hence, it is both a process and an end-product. Community development has a long history in Ireland, beginning with the Co-operative Movement in the late 19th Century and evolving through Muintir na Tire in the 1930s, the Gaeltacht Community Co-operatives in the 1970s and, most recently, the Anti-Poverty Programmes sponsored by the EC and the Irish Government. The economic and social problems in the Republic of Ireland have been the formative context for a succession of community development approaches (e.g., rural underdevelopment, absence of basic social facilities, unemployment, educational disadvantage, etc.). Despite this long tradition, funding for community development has remained sporadic and ad hoc, relying on a mixture of state, voluntary and private sources. This research documents the current funding situation and its effects on community development groups and outlines possible remedies for the funding of community development.

## Appendix 1 — A Summary of Research

### Funding Sources

#### 1. Funding Sources Used by Community Development Groups

Of the 219 groups that applied to the Agency for funding in 1987, 66 said they had no existing source of funding. The remaining 143 community development groups had used a total of 228 funding sources as follows:

Department of Labour (Temporary Employment Schemes)	40
Local Authorities (including VECs)	38
Voluntary Fundraising	31
Health Boards	25
AnCO (Training Projects)	19
YEA/Shannon Devt/Udaras (Community Enterprise Prog.)	18
Combat Poverty Agency	16
Religious Groups	10
Ireland Fund	9
Comhairle le Leas Oige	7
Department of Social Welfare (Miscellaneous Grants)	6
St Vincent de Paul	6
National Social Service Board	3

The funding arrangements of the 70 community development groups which applied to the American Ireland Fund were also considered. Ten had no source of funding while the remaining 60 groups had 73 funding sources.

Ireland Fund	15
Local Authorities	12
AnCO	10
YEA	9
Voluntary Fundraising	9
Department of Labour (Temporary Employment Schemes)	7
Religious Groups	6
Health Boards	5

These data highlight a number of points about the current funding arrangements of community development groups.

- (i) employment and training schemes play a vital role as a funding source for community development. Though primarily designed as part of state employment policy, these schemes accounted for nearly half of all state support for community development groups in both samples.
- (ii) funding from a range of government departments for the provision of supplementary services was the second most important source of statutory funds. Generally, this is channelled through local government structures, a fact that influences the amount of monies available to community groups depending on geographical location.
- (iii) a large percentage of groups have no funding source: 30% of groups that applied to the Agency and 14% of those that applied to the American Ireland Fund had received no funding.
- (iv) statutory funding is of vital importance for community groups: 75% of the funding came from the state as did 60% of American Ireland applicants' funding. Private funding sources are however of minimal importance though there is widespread reliance on voluntary fundraising.

### Training Schemes

### Government Departments

### No Funding

### State Funding

## Appendix 1 — A Summary of Research

### Consequences

#### Area of Work Restricted

#### Multiple Applications

#### Uncertainty

#### Short-term Plans

#### Strain on Resources

### Funding Needs

#### Integrated Approach

### 2. Consequences for Community Groups of Current Funding Situation

The nature of and conditions attaching to statutory funding lead to numerous difficulties for community development groups. First, the nature of statutory funding is not geared to meeting the needs of community development groups per se. Statutory funding reflects specific, departmental priorities and responsibilities which community development groups have to respond to in order to secure funding. Hence, the agenda is set by the funding authorities, not community development groups. This has a number of immediate effects:

- (i) the work which community development groups engage in is a reflection of and limited to the area of interest of the funder. This acts to undermine the integrated and independent approach which is a hallmark of true community development.
- (ii) the piecemeal and partial nature of statutory funding leads to multiple funding applications. As an example there were 2 community development groups with 6 and 7 statutory funding sources respectively.

A second source of difficulty is the conditions under which funding is received by community development groups, principally the budgeting basis of statutory bodies: they operate on a year-to-year basis. More recently, with government cutbacks, the budgets of those statutory authorities that fund community development groups have been drastically reduced, often in the course of the same year. Further difficulty is created by the funding condition that community development groups contribute in part to the cost of a project or scheme or, at least, have the financial wherewithal to fund a project pending the receipt of statutory funds. What are the experienced consequences of these conditions?

- (i) on-going uncertainty and insecurity for community development groups.
- (ii) inability to plan ahead and to initiate long-term development programmes. Community development groups operate on a very short-term arrangement.
- (iii) the need to devote considerable time and resources to fundraising and financial management. This imposes an additional strain on the human resources of community development groups, especially in poorer communities.

### 3. Funding Needs of Community Development Groups

An analysis of the 219 applications for funding to the Agency in 1987 revealed the varied reasons why community development groups require funding. These were as follows, in descending order of frequency:

- Educational/Skills courses
- Employment
- Community Centres
- Renovation/Purchase of Premises
- Research
- Community Enterprise
- Support Groups
- Running Costs

In-depth interviews were carried out with personnel in 10 community development groups in order to elicit their views on the funding needs of community groups. A number of similar issues emerged from these interviews regarding the funding of community development. All emphasised the

## Appendix 1 — A Summary of Research

#### Security

#### Independence

### Potential Sources

#### The Lottery

importance of an integrated approach to the development of communities. However, funding agencies based their funding on internal policies and not on the needs of community groups. Community development groups have to seek statutory funding as they have no alternative source of resources (either local or voluntary). The results of this situation are two-fold: a constant search for and concern with funding; an on-going juggling of existing funds to meet the objectives of the community group while at the same time satisfying the conditions imposed by funding authorities.

The main needs identified by community development groups regarding funding are flexibility, security and independence, with access to capital resources being important for community enterprise groups. Flexibility means that community projects have the freedom to allocate specific parts of their funding as they see fit, once the broader guidelines/purpose of the funding is agreed. Currently, funding is strictly controlled by statutory authorities as to what can and cannot be funded in community development groups. The importance of security of funding was highlighted as a second and very crucial need. As the process of community development is gradual, long-term planning and objectives are essential. This also includes being able to retain skilled staff for longer periods than one year.

Thirdly, those interviewed stated that there was no statutory commitment to community development and the empowerment of local people. Until the funding authorities accept this principle, it was felt that there would always be an ongoing tension between community development groups and the state. A relationship of dependence between community development groups and the state is reflected in the existing funding situation. To overcome this the majority of those interviewed felt that an independent fund for community development was essential. Such an independent fund would allocate resources for general community development projects and would not require groups to dress up funding applications to meet the objectives of existing statutory funding authorities. Agreements would reflect a common objective of both the community development groups and the statutory authorities. A final need, especially important for community enterprise groups, is access to capital. Banks are reluctant to lend the necessary funds to community businesses or else do so at high interest rates. An alternative, low-cost capital funding source is required.

### 4. Potential Funding Sources for Community Development

This section identifies possible funding sources for community development. Some already exist in Ireland but would require an expansion of their brief in order to fund community development groups, while others have proved successful abroad.

Potential statutory sources of funds for community development include the National Lottery, the International Fund for Ireland and the structural funds of the EC (Social/ESF, Regional/ERDF and Farm Guidance, i.e., the non-price support funding provided under the CAP).

● **The National Lottery:** With sales of £120m in its first full year of operation — giving a total fund of £52m for allocation — the National Lottery is an obvious potential source of funding. At the moment, funds are allocated via government departments to sports and youth, arts and culture, health and the Dublin Millennium. The success of the lottery means that far more funds are available for distribution than were previously envisaged. Consequently, the identification of additional needs, such as community



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### International Fund

development, could easily be catered for without any diminution in funding for the original priorities. The provision of seed funding for the formation of community trusts (discussed below) would be one important role Lottery money could play.

- **The International Fund for Ireland:** This Fund was set up under the Anglo-Irish Agreement to improve the quality and conditions of life for people in areas facing serious economic and/or social problems. The geographical scope of the fund is confined to the six counties of Northern Ireland and the five Border Counties in the Republic of Ireland. However, the major contributor to the Fund — the United States government — has stipulated that its contribution be used for private enterprise projects. The Fund has, therefore, supported mainly economic and infrastructural projects so far.

### EC Funds

- **EC Structural Funds:** These Funds are currently being reorganised and increased. In future, the Funds will be geared towards integrated national development programmes, as outlined in the National Development Plan recently submitted by the Irish government to the EC. While the implications of this Plan for community development and anti-poverty projects remains unclear, there is a clear opportunity here for the increased funding of local projects in disadvantaged areas and communities.

Other possible sources of funding for community development include the following:

### Tax Relief

- **Tax exemptions:** for private and corporate donations to charitable organisations through covenants, once-off donations and payroll deductions. In Ireland, tax relief is only available for covenants involving individuals and research institutions and for donations to the arts or sports. If it was extended to charitable donations, it would encourage the private sector to donate money to trusts/foundations.

### Levies

- **Government levies** on income, such as the health and employment levy. A percentage of the employment levy could be specifically set aside for community development.

### Appeals

- **Television appeals.**

### Special Funds

- **Special funds** formed by credit and trade unions, e.g. Workers' Unity Trust. These could provide considerable funds for community projects.

### Trusts

- **Trusts and foundations** operating in Britain and the United States. In Britain, there are 2,459 registered trusts, some of which already fund community development projects in Ireland. In the USA, trusts had \$24,859 billion in assets in 1985, with \$5.7 billion distributed in 1986 in grants. Undoubtedly, these trusts and foundations are an untapped resource for community development in Ireland.

One possible structure with a community dimension is a community-based fund. This would be a refinement of the British and American trust/foundation concept and could meet the funding needs of specific communities through channelling monies from various external sources into local projects. A key element in this model is that of partnership between the voluntary, statutory and private sectors. In the United States, community trusts are well-established funding sources for community development, in particular, for welfare projects. In Britain, a Community Trust Development Unit was set up by

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the government to support on this concept and, to date, 64 local trusts have been initiated. An example of a successful community trust is the Northern Ireland Voluntary Trust (NIVT). In 1986/87, the NIVT distributed £340,880 to community development groups with a range of themes.

Among the issues that require consideration before community trusts could be formed in the Republic of Ireland are: granting of tax relief to contributors; involvement of local statutory bodies; definition of geographical boundaries; and acquisition of seed funding.

### Conclusion

Having reviewed the range of funding sources for community development, a number of conclusions can be drawn. First, funding for community development is currently very inadequate. This reflects the absence of a specific statutory funding source for community development projects. Secondly, the effects of this undermine the process of community development and militate against an integrated approach being taken to community problems. Thirdly, community groups require funds that are flexible, secure, comprehensive and not based on a dependent relationship between receiver and donor.