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*"If we got support to continue car dismantling, lots of members of my family who are skilled and experienced in all aspects of dismantling could work with us on the site. We could eventually provide work for up to 12 people - some involved in the collection and delivery of cars to the yard, as well as others dismantling cars in the yard itself."*

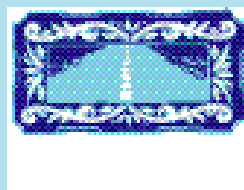
# Dismantling the Traveller Economy?

A Case Study of the impact of increasing regulation  
on the Traveller economy:  
the implications of the EU Directive  
on the 'End of Life Vehicles'

Research by Third Systems Approaches

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## FORWARD

Pavee Point's Travellers Economic and Social Inclusion Programme commissioned this piece of research to look at the impact of the EU Directive on End of Life Vehicles on car and scrap metal recycling within the Traveller economy. The 'Traveller economy' is the term used to describe economic activities Travellers initiate themselves.

In preparing for this study it was noted that focusing on this activity alone may prove fruitless as Travellers would move out of it when the context changed and they deemed it no longer viable. This indeed proved to be the case as a number of Travellers who were interviewed at the beginning of this study had moved on to other activities by the end. As the second case study notes Travellers who have tried to stay involved in this work have found it extremely difficult to do so.

Yet the introduction of this Directive provided an opportune time to examine the impact of increasing regulation on activities that are, by and large, informal in their nature. To-date Travellers have dealt with this dynamic by changing the work they engage in. However, identifying new niches in the market is proving to be harder as, for example, licences are now required for a range of activities that Travellers moved into when more traditional activities like tin-smithing were no longer viable.

As previous research has noted discrimination in the mainstream labour market is a major problem. This coupled with a lack of recognised skills makes access to economic opportunities for Traveller men in particular extremely difficult. This in turn has an impact on peoples' engagement in formal education as they see little or no return for this investment. Would so many settled people continue up to third level unless they believed there was a good return on this investment in the form of a decent job?

It was to identify ways of addressing these issues: the lack of opportunities for Traveller men; and the lack of recognition of the Traveller economy and the impact of this on its potential development that the EQUAL project '*Pavee Feens Hawken*' was established. The learning arising from this study feed into the development of this project.

In light of the flexible and dynamic nature of the Traveller economy the recommendations made are general ones: aiming to encourage a more constructive and inclusive approaches to economic development so that Travellers will not continue to be marginalised. Such an approach is challenging as it requires greater flexibility than is currently evident within enterprise supports provision. A greater understanding of the reality of cultural diversity and its impact on enterprise and economic development is required to make real progress. Appendix Two was included to encourage readers to ascertain how through the course of their work they could start to address the issues identified in this report.

*Brid O'Brien & Patrick Nevin  
Travellers Economic and Social Inclusion Programme  
December, 2003*

## CONTENTS

<b>1.0</b>	<b>Introduction and context for research</b>	<b>1</b>
<b>2.0</b>	<b>The Traveller economy</b>	<b>2</b>
2.1	The Traveller Economy and Car Recycling	3
2.2	The relevant Policy Context	4
<b>3.0</b>	<b>The End of Life Vehicle Directive</b>	<b>7</b>
3.1	Directive of the European Parliament and of the Council on End of Life Vehicles (2000) 166 Final	7
	<i>Case Study 1: Dismantling Car regulations in the Netherlands</i>	9
<b>4.0</b>	<b>Implications of the Directive on the Dismantling Industry and Traveller Economy in Ireland</b>	<b>11</b>
4.1	Implementation of the Directive	11
4.2	Likely impact on the car dismantling and recycling industry	12
4.3	Likely impact on Travellers operating in the car dismantling sector	13
	<i>Case Study 2: The experience of Travellers in the Car Dismantling and Recycling Sector</i>	14
4.4	Role of agencies/organisations in the implementation of the Directive	16
	<i>Case Study 3: Programme for inclusion of Travellers in the regulatory structure in the Netherlands</i>	18
<b>5.0</b>	<b>Potential sources of support for the development of the Traveller economy?</b>	<b>19</b>
5.1	SEP	19
5.2	CEBs	19
5.3	Area Allowance Programme	20
5.4	Local Agencies	21
5.5	European Union Funding Programmes	21
5.6	Corporate Social Responsibility Initiatives	21
5.7	Employes Bodies	22
<b>6.0</b>	<b>Conclusions</b>	<b>22</b>
<b>7.0</b>	<b>Recommendations</b>	<b>22</b>
	<b>Appendices</b>	<b>24</b>

## 1.0 INTRODUCTION AND CONTEXT FOR RESEARCH

Each year, Europe produces approximately nine million End-of-Life Vehicles (ELV), producing between 8-9 million tonnes of waste. Disposal and recycling of these vehicles varies greatly between member states, which has prompted introduction of the Directive on End of Life Vehicles by the European Commission. This Directive, which was formally accepted in 2001, following draft publication of the Directive in 1997, provides for a regulated system of car dismantling and recycling across member states, and establishes targets for recycling of car materials, consistent with European environmental objectives. The principles of the Directive provide for a de-registration system for all ELV; that the de-registering of ELV should be conducted at no cost for the last holder; that dismantling and recycling of parts of ELV should occur through a regulated and licensing system to ensure that the Directive is implemented properly, and that producers should meet a significant part (or all) of the costs of the implementation of the measures of the Directive.

In Ireland, car dismantling was regulated by the requirement of those involved in recycling to be licensed operators, licenses being awarded by the Environmental Protection Agency (EPA), smaller operators having permits provided and regulations enforced by local authorities. This process has been in operation since 1998. The implementation of the Directive will ensure that the entire sector is regulated to standards which are consistently applied throughout the EU. Expansion of the market for car dismantling and de-pollution of cars will occur as a result of the Directive, because of targets established under the Directive for member states to achieve by 2006.

This report was commissioned by Pavee Point to examine the likely impact of increased regulation of the car dismantling and car scrapage industry on the Traveller economy, and in light of the European Commission Directive on End of Life Vehicles (ELV), opportunities for maintaining Travellers' role and participation in the car recycling and dismantling sector.

Over the past few decades a significant number of Travellers have engaged in car dismantling and metal recycling. Most Travellers operate through the Traveller economy which is informal in its nature. As a consequence there is little formal recognition of their contribution to economic development and recycling in particular. In such circumstances there is a danger that Travellers will not be able to maintain their participation in this area of work and so fail to benefit from any new initiatives and licensing arrangements. Regulation in the other sectors, notably market trading, has had negative impacts on Travellers.

The research considered what the implications of the Directive on the Traveller economy, and what provisions would need to be made in order to ensure that Travellers can remain in the sector and benefit from new economic opportunities. Because of the central role that recycling and car dismantling has for the Traveller community, the impact of the Directive will probably result in the entire collapse of this activity for Travellers. A similar impact on a single sector within the settled community would lead to major consideration of the negative impact in economic and social terms, and would no doubt lead to the establishment of a Task Force to ensure that negative impacts are minimised and that alternatives are offered. This report outlines some of the possible opportunities that could exist for Travellers, and a series of recommendations are outlined.

## 1.1 RESEARCH METHODOLOGY

The methodology of the research included:

1. Desk research and literature review in relation to policy, previous research and models of operation.
2. The primary research consisted of:
  - Focus group discussion with Traveller support organisations, and Travellers.
  - Semi-structured interviews (phone and face to face interviews) with:
    - Travellers engaged in car dismantling.
    - Traveller support organisations.
    - The Department of Environment and Local Government.
    - Revenue Commissioners .
    - Department of Social, Community and Family Affairs.
    - Local Authorities.
    - Travellers and enterprise support organisation in the Netherlands.
    - Local development organisations and enterprise support agencies.
    - The car dismantling sector.
    - Employer representative organisations.
    - Environment Protection Agency (EPA).

## 2.0 THE TRAVELLER ECONOMY

The 'Traveller economy' is the term used to describe economic activities which Travellers themselves initiate. Research and studies into this aspect of Travellers' culture established the following key distinguishing features:<sup>1</sup>

- An emphasis on income generation rather than waged employment: with a particular focus on payment for services provided.
- Self employment: the emphasis on self employment allows Travellers to engage in economic activity in a flexible manner and so meet other cultural obligations; while avoiding the potentially discriminatory employee-manager-other employee relationship.
- The extended family is invariably the basis of the work unit: with older family members passing on skills and knowledge to younger members.
- Nomadism: whereby mobility enables Travellers to access a broad range of markets, engage in a broader range of economic activities and so make marginal activities viable.
- Flexibility is a prized attribute and is visible within the Traveller economy through multi-skilling and adaptability between activities.
- Home space and workspace are often the same within the Traveller economy. It can mean working from a particular base; storing materials at home; or using the home space as a base from which to work.

<sup>1</sup> Pavee Point (1993): *Recycling and the Travelling Community: Income, Jobs and Wealth Creation*, Dublin: DTEDG.  
McCarthy, D. and McCarthy, P. (1998): *Market Economies: Trading in the Traveller Economy*, Dublin: Pavee Point Publications  
Brian de Bairead & Associates (1998): *Research into the Development of the Social and Traveller Economy in Tralee for Partnership Trá Lí*, Report prepared for the Trá Lí Partnership  
Department of Justice, Equality and Law Reform (2000): *First Progress Report of the Committee to Monitor and Co-ordinate the Implementation of the Recommendations of the Task Force on the Traveller Economy*, Dublin: Government Publications

## 2.1 TRAVELLER ECONOMY AND CAR RECYCLING

Research into Traveller recycling by Environmental Management and Auditing Systems Ltd<sup>2</sup> found that at a conservative estimate, Travellers source, transport and segregate fifty percent of all scrap metals in Ireland (75,000 tonnes of ferrous metals) with a final value to the economy in Ireland of £1.5 million, and 13,000 tonnes of non-ferrous metals with a final value to the economy of £6 million.

Consultations conducted as part of this research estimate that there are approximately 100 Travellers involved in car dismantling in Ireland. Access to materials usually occurs through door to door collections, individuals who deliver vehicles to Travellers and collection of cars which have been abandoned by owners. Activities can include:

- Removal of parts from vehicles, and sold on where a market exists for them. Parts for sale include windscreens, lights seats, doors and components with a re-sale value.
- In some cases, the car is stripped and then the shell sold, or stored until the parts are sold on.
- The car shell is then sold to scrap metal merchants and scrap metal recyclers, such as Hammond Lane Metal Co, Clearways Recycling or Cummins Metal Recycling Ltd for further processing of the metals (this usually involves crushing the frame for exportation).

### Obstacles for Travellers engaged in car dismantling

Previous research has identified some of the constraints associated with Traveller economy as:

- Lack of recognition of and therefore support for the Traveller economy.
- Discrimination especially with regard to insurance.
- Accommodation space not inclusive of workspace.

- Storage for scrap materials hard to access.
- Fear of the formal economy.
- Lack of information regarding rights and supports.
- Literacy problems in terms of complying with form completion and formal economy requirements.
- Lack of skills in administrative and management and financial management requirements.

In relation to car dismantling and the Traveller economy, consultations and research have identified additional constraints as follows:

- The drop in value in scrap material and metal over the last few years.
- The shorter life span of vehicles, which has been added to by the car scrapage and NCT schemes, has resulted in a contraction of the market for second hand parts. The life span of cars is no longer estimated at 10-15 years, and a high turnover of cars has significantly impacted on the re-sale of car components and spare parts. In addition to this, the changes in car and vehicle models in recent years have been reported to have made obsolete many car parts available for re-sale by Travellers. The value of the second hand parts market has therefore reduced in value.
- The accommodation and space requirements for storage of vehicles and parts have led to many Travellers operating in alternative recycling activities.
- Travellers encounter difficulties in getting motor vehicle insurance which restricts the mobility required for transporting vehicles.
- The lack of recognition of the value of Traveller contribution to recycling activities (many of which are of no market value to the commercial sector) has not enabled constraints or obstacles for Travellers to be dealt with, or opportunities to be accessed.

Travellers consulted who were engaged in the sector reported their interest in remaining in the sector, and interest in pursuit of their trade, in spite of imminent changes in the sector. There was a perceived obstacle in

<sup>2</sup> Cited in Brian deBairead & Associates (1998), Ibid. Original research carried out in 1993.

terms of participating in new regulatory structures, both in terms of financing requirements to adhere to site regulations (most Travellers engaged in car dismantling are operating within the informal economy). There was also a fear of the requirements relating to business management, planning and reporting, and that these requirements could not be met. All Travellers consulted reported that they had little knowledge of the Directive and its implications for them.

## 2.2 THE RELEVANT POLICY CONTEXT

The impact of the End of Life Vehicles Directive and the Traveller economy and opportunities for Traveller involvement in any new regulations requires attention to be placed on the Task Force recommendations on the Traveller economy, which recommended policy measures to ensure that the interests of Travellers are maintained.

### Task Force on the Travelling Community

The Report of the Task Force on the Travelling Community, published in 1995, represented a State-led response to the widely-acknowledged difficulties experienced by the Irish Travelling Community. The preface of the report states:

*'it is hoped that with encouragement, Travellers will be able to participate more fully in our economic development both through the growth of the Traveller economy and by greater participation in the mainstream labour force and that the natural talent of Travellers to be self reliant and resourceful will be encouraged.'*

The Task Force made numerous recommendations, accepted by the Minister for Equality and Law Reform in its 1995 report. Key recommendations of the Task Force in relation to the Traveller economy, and with particular relevance to car dismantling include:

**GR 6** The design and construction of Traveller Specific accommodation should include limited storage / workspace. Such

space is seen as the first step in the development of trading activity under planned conditions. Where the trading activity develops to the level that the storage space is inadequate and therefore unacceptable, the Traveller should be required to relocate the activity to an appropriate location.

**GR 8** Waste management policy and legislation in Ireland should recognise and encourage Traveller recycling activities and the distinct manner in which they are organised.

**GR 9** With the implementation of the packaging Directive, and the Department of Environment's 'Recycling for Ireland' strategy there will be a broad new range of opportunities for recycling in Ireland. These should be promoted within the social economy sector<sup>3</sup> with a range of strategies put in place to secure their viability in line with the proposals in the EU white paper 'Growth, Competitiveness, Employment'. These would include:

- Tax exemptions.
- Public/private partnerships.
- Part work and part income support models.
- Public expenditure associated with EU environment programmes.

Travellers should be one priority target group for these strategies.

**GR 10** The Department of the Environment, with the participation of relevant Traveller organisations, should design and develop strategies to support social economy recycling initiatives targeted on the Travelling community.

**GR 11** Should a general consultative process be deemed necessary prior to implementation of EU Directives relevant to recycling, relevant Traveller organisations should be included.

**GR 14** There is an existing grant scheme to encourage the development of recycling projects. In the light of 'Recycling for Ireland', strategy launched by the Government in 1994, this scheme should be reviewed to take account of the distinct approach of the Traveller community to recycling.

<sup>3</sup> It should be noted that the reference to the social economy here constitutes a much broader understanding than the current programme administered by FÁS.

**GR 22** The Department of Enterprise, Trade and Employment in conjunction with FÁS and the Traveller organisations involved in enterprise development, should develop a new funding strategy to support community enterprise, whose primary market is local supply, within communities such as the Traveller community which experience social exclusion. This funding strategy should be of long term in nature and should take account of special needs in relation to start-up capital and premises, and in relation to training requirements.

### First Progress Report

The Committee to Monitor and Co-ordinate the Implementation of the Recommendations of the Task Force on the Travelling Community was established in 1998, with the task of co-ordinating, monitoring and reporting on the implementation of the recommendations of the task force following terms of reference, as well as re-examining recommendations. The committee was also established to act as a forum for consultation on issues affecting the Traveller community

The first report of the monitoring committee contains significant observations and recommendations which reflect the need for progress at the time which the report was published. The report identifies obstacles towards progress, and remarks that:

*'A considerable amount of work remains to be done to ensure that the importance of recognising the distinct culture and identity of the Traveller community, as being central to the recommendations of the Report of the Task Force, is fully understood and accepted by all officials and elected representatives at local level who are responsible for the implementation of many of the recommendations of the Task Force.'*

The importance of commitments at national level to have meaning in a local context carries with it a necessary local focusing of actions, and the report states the following in this respect:

*'The Monitoring Committee considers that there is a need for a more positive approach to the implementation of the recommendations of the Task Force Report particularly at local level. The idea that the responses needed are being forced on local communities by Directives from the top creates a negative atmosphere and it raises doubts about the solutions proposed. Local authorities or other local bodies should, where relevant, take ownership of the recommendations proposed and implement them with confidence. This will ultimately not only benefit the Traveller Community but also address the legitimate concerns of the settled community in their area.'*

In relation to progress on the specific task force recommendations in relation to the Traveller economy the following comments were made on the then 'present position':<sup>4</sup>

**GR 6** Guidelines on 'Residential caravan parks for Travellers' issued from the Department of the Environment and Local Government advises local authorities to consider how best to accommodate 'reasonable' economic activity of Travellers. The guidelines state that where there is demand for on-site facilities and where the local authority is satisfied that it may be reasonable and practicable to do so, a separate storage area for a reasonable amount of scrap may be provided. Alternatively, given the scale of the activity, it may be more appropriate to support economic activity off-site, e.g. through a local community enterprise scheme.

**GR 8 & GR 9** The Department of Environment and Local Government stated that in its' latest policy statement focusing on recycling and waste recovery in general, the issue of recycling in the Traveller community would be taken into consideration. While the objective of environmental protection remains, the local authority permit option allows for flexibility to be applied in relation to the particular circumstances of each case and can significantly reduce the administrative/procedural requirements for small scale recycling activities. Activities which may be subject to local authority permit

<sup>4</sup> The First Progress Report as published in December 2000

include the recovery of scrap metals and the dismantling and recovery of vehicles.

**GR 9 & GR 22** To oversee the introduction of a dedicated social economy programme, the Department of Enterprise, Trade and Employment set up a national monitoring group to oversee and monitor the programme. The department advised that much work remains to be done to explore the potential of these developments.

**GR 10** Local authorities were in the process of making regional and local waste management plans. These waste management plans should involve targets and objectives aimed at securing an improved national waste recovery and recycling performance. Extensive provision is made in this planning process for public consultation and participation, during which any member of the public or representative group may contribute.

**GR 11** Relevant Traveller organisations will be involved in any general consultative process regarding proposed EU legislation on recycling.

**GR 14** A European Regional Development Fund (ERDF) grants scheme is operated by the Department of the Environment and Local Government, under which assistance is given towards capital expenditure on waste recycling infrastructure. Availability of grants under this scheme was publicly advertised in 1996 and 1997, and it was open to any person or concern to put forward proposals for funding. Successful applicants were required to comply with a range of requirements attaching to the scheme. The department advises that all funds under the past grant schemes have been allocated. However, a new grant scheme, targeted principally at assisting in the achievement of the recycling targets and objectives incorporated in the emerging regional waste management plans, is expected to be announced shortly.

In addition to the review of progress on Task Force recommendations relating to the area of the Traveller economy, the Committee made the following recommendations:

- A working group consisting of relevant departments, FÁS, the Social Partners and Traveller organisations should be established to examine economic development issues affecting Travellers.
- In particular the maintenance of a Traveller inclusion focus within any subsequent developments including mainstreaming. To this end, the Committee recommends that Traveller specific measures are essential in creating new opportunities for Travellers in environments inclusive and reflective of their culture and identity. However, to generate broader opportunities for Travellers requires the incorporation of such a recognition of their identity and culture into mainstream policy and practice.

### 3.0 THE END OF LIFE VEHICLE DIRECTIVE

The End of Life Vehicle (ELV) Directive issued by the European Commission aims at prevention of waste from vehicles and in addition at the re-use, recycling and other forms of recovery of end of life vehicles and their components. The objective of the Directive is to reduce the disposal of waste, as well as the improvement in the environmental performance of all of the economic operators involved in the end of life vehicles and especially operators directly involved in the treatment of end of life vehicles.

The Directive sets out minimum targets for re-use and recycling of materials in ELVs and sets out a regulatory framework to ensure that these targets are set.

The Directive requires member states to encourage better standards of design and manufacture of vehicles in respect of environmental concerns, as well as encouragement of greater use of recycled materials in the manufacture of vehicles, in order to develop the market for recycled goods.

Following a consultative phase and amendments to the proposal, the Directive is now being prepared for implementation across member states, and in Ireland, models for the implementation of the Directive are being considered and developed.

#### 3.1 DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON END OF LIFE VEHICLES COM (2000) 166 FINAL

The objective of the Directive is to ensure harmonisation of member states measures for End of Life Vehicles (ELVs), by implementing a community wide framework. The Directive is based on the principle of re-use and recovery as the basis for avoiding waste, giving preference to re-use and recycling, and the principle of 'polluter pays'.

The Directive establishes targets for recycling of ELVs: 85% of weight of vehicles should be recycled by January 2006. The deadline for transposing regulations for the implementation of the Directive into member states legislation is April 2002. In Ireland, the Department of Environment and Local Government is responsible for ensuring that necessary legislation is introduced, by this date. The legislation will provide for the operation of the procedures for recycling, and the necessary regulatory system under which it will operate, including procedures for licensing of dismantlers.

Summary points of the Directive include:

- The Directive seeks to harmonise member states' measures for end of life vehicles (ELV), by implementing a community wide framework.
- Based on the principle of re-use and recovery, giving preference to re-use and recycling.
- Member states should take measures to ensure that economic operators<sup>5</sup> set up systems for the collection, treatment and recovery of end of life vehicles.
- Member states should take measures to ensure that the last holder and/or owner can deliver the ELV to an authorised treatment facility without any cost as a result of the vehicle having no or negative market failure; member states should ensure that producers meet all, or a significant part of the costs of the implementation of these measures, the normal functioning of market forces should not be hindered.
- The requirements for dismantling, re-use and recycling of ELVs and their components should be integrated in the design and production of new vehicles.
- The development of new markets for recycled materials should be encouraged.
- In order to ensure that ELV are discarded without endangering the environment, appropriate collection systems should be set up.

<sup>5</sup> **Note:** 'economic operators' means producers, distributors, collectors, motor vehicle insurance companies, dismantlers, shredders, recoverers, recyclers and other treatment operators of ELVs, including their components and materials

- Member states without a de-registration system should set up a system according to which a certificate of destruction is issued notified to the relevant competent authority when the ELV is transferred to a treatment facility.
- Conditions and treatment operators should be allowed to operate only when they have received a permit or, in case a registration is used instead of a permit, specific conditions have been complied with.
- It is important to lay down requirements for storage and treatment operations in order to prevent negative impacts on the environment and to avoid the emergence of distortions in trade and competition.
- Quantified targets, for re-use, recycling and recovery to be achieved by economic operators, should be set.
- In implementing the Directive, member states should ensure that competition is preserved, in particular as regards the access of small and medium sized enterprises to the collection, dismantling, treatment and recycling market.
- Vehicle manufacturers are to be encouraged to use as much recycled materials in the production of vehicles, in order to develop the market for recycled materials.
- Member states shall take the necessary measures to ensure that economic operators set up systems for the collection of all ELV and that adequate availability of collection facilities within their territory is provided.
- Member states shall ensure that all ELV are transferred to authorised treatment facilities.
- Member states shall set up systems according to which the presentation of a certificate of destruction is a condition for deregistration of the ELV. This certificate shall be issued to the holder and/or owner when the ELV is transferred to a treatment facility, collection point or producer. Only facilities which have obtained a permit and satisfy EU Directive conditions will be able to issue a certificate of destruction. Member states

may permit producers, dealers and collectors to issue certificates of destruction provided that they guarantee that the ELV is transferred to an authorised treatment facility.

- Member states will ensure that producers meet all or a significant part of the costs of the implementation of the measure and/or take back ELV under the same conditions whereby the owner has no burden of cost to pay.
- Treatment operations must obtain a permit in compliance with EU Directives.
- Collection points for ELVs, even if they do not carry out treatment operations, are registered with the competent authorities.
- Targets have been established by the EU to be attained by economic operators, by January 2006 - 85% of weight of vehicles to be recovered and re-used.
- Member states will report to the Commission on the implementation of the Directive.

#### **Annex I of the Directive outlines the treatment operations for the de-pollution and treatment of ELVs:**

- Removal of batteries and liquefied gas tanks.
- Removal or neutralisation of potential explosive components (e.g., air bags).
- Removal and separate storage collection of fuel, motor oil, transmission oil, gear box oil, hydraulic oil, cooling liquids, anti-freeze, brake fluids, air conditioning system fluids and any other liquids contained in the End of Life Vehicle, unless they are necessary for the re-use of the parts concerned.

#### **Treatment operations in order to promote recycling:**

- Removal of catalysts.
- Removal of metal components containing copper, aluminium and magnesium if these metals are not segregated in the shredding process.
- Removal of tyres and large plastic components (bumpers, dash board, fluid containers, etc.).
- Removal of glass.

## CASE STUDY 1

### Regulation in the Car Dismantling and Car recycling sector in the Netherlands

The Dutch authorities introduced a regulatory system in the mid 1990s for car dismantling and car recycling, which has been used by the European Commission as the model for the Directive, and by many member states for the implementation of the Directive. The system was introduced as a means of reducing waste arising from end of life vehicles and to achieve a target recycling rate of 85% of materials from vehicles.

The system in the Netherlands is implemented by the Auto & Recycling Foundation, which has as its statutory aim:

*the encouragement and implementation of recycling measures designed to limit environmental damage caused by waste materials from car wrecks.*

The Foundation has established a limited company, Auto Recycling Nederland (ARN), which aims to achieve this goal by setting up and managing a contracted network of licensed car dismantling collection and recycling companies.

The Foundation, and ARN are automobile industry based organisations, comprising manufacturers, garages, damage repair companies, shredder companies and car dismantlers. This company oversees and implements contracts and regulations for procedures and processes for dismantling, recycling and processing materials.

It administers funds and issues contracts for the dismantling of cars. Materials with little or no market value are dismantled, collected and recycled under contract, and premiums are paid for these materials by ARN.

Last owners are required to submit their vehicle for de-registration, to licensed dismantlers. There is no charge to the last owner of a vehicle for the dismantling of their vehicle.

The costs of the process of dismantling of the various materials are met through a fund, which has been established through a levy imposed on the sale of new cars in the Netherlands. Originally, the levy was approximately 1% of the cost of a new vehicle. This ranged from approximately €116 per car to a current average of approx. €63 at present, the cost dropped through achieving greater efficiencies and economies of scale.

When the regulations were introduced, it was established by the Dutch Govt that only dismantlers which had a turnover of 1,000 or over per annum could feasibly carry out the dismantling of cars under the regulations, thus squeezing out a lot of smaller operators.

### Impact of regulations on the dismantling sector

The regulation of the industry has meant the dismantlers have to comply with procedures and regulations laid down, in order to comply with licensing agreements, and have to undertake a range of new dismantling activities. It has been estimated by Activa, the business advisory organisation engaged in training for the regulations, that the original costs of adhering to the regulations were approximately €100,000, for modifications of premises, including concrete surfaces on work floors; installation of gates and other equipping and capital costs.

However, the recycling of a greater proportion of materials from cars provides a stability to the sector which hitherto did not exist, in terms of sources of vehicles and income received from dismantling. It is estimated that approximately €250 is derived from every car dismantled, and dismantlers have the following sources of income:

1. ARN provide finance (premiums) for 18 components which have little or no market value - dismantlers are contracted by ARN to remove these components, for which they are paid (verified through an administration

and parts weighing system, rather than a lump sum per wreck). ARN also pay for any transporting costs incurred by the dismantler in the removal of these parts. They include parts such as seat belts and foam from upholstery. Premiums paid by ARN for these materials are in the region of €80-100 per car. ARN also provide containers for storage of these parts.

2. The market - the individual car dismantlers can earn income through the supply of materials to the market, comprising collecting companies and processing companies, which are regulated and licensed operators, within the ARN Network.
3. Scrap metal dealers - the chassis of the car can be supplied by the dismantlers to scrap metal merchants and shredders - at present, this sector is still not regulated, and those to whom the dismantler will sell do not have contractual or partner relations with ARN - the industry is however seeking to regulate this part of the sector through bar coding vehicles for identification and other methods. The price for chassis materials is not very high and dismantlers will usually get only a few cents per kilo of material.

ARN also pay collectors to collect materials which do not have a high market value. Some of these materials are sold on for re-use, for example, seat belts are used as ties for young trees against poles and foam materials are sold to the furniture and upholstery industry. This process is regulated by a system of tendering which is administered by ARN.

### Procedures and operations

The environmental regulations require specialised dismantling, draining of oil and sale of batteries to specialised processors. The implementation of the regulations meant that many Travellers did not avail of the schemes through lack of information or through a lack of medium to long term planning.

At the onset of the regulations, it was estimated that operators with a turnover of wrecks per year less than 1,000 would not be financially viable under the new operations. In this respect, many dismantlers opted to leave the sector, and financial incentives for this was provided by the Dutch Government. For Travellers, the turnover for most of the dismantlers would have been less than 1,000, and it is estimated that the number of Travellers who departed from the sector was over 50%. Reasons cited for this include lack of information and supports for engaging in the new regulatory system.

At present, official and registered dismantlers in the Netherlands number approximately 277, and these are all members of ARN. In 1998, a total of 232,685 cars were dismantled in the county, and this comprises approximately 30,000 tonnes of re-usable materials. It is estimated that approximately 10% of cars are dismantled outside of the regulatory system.

#### 4.0 IMPLICATIONS OF THE DIRECTIVE ON THE DISMANTLING INDUSTRY AND THE TRAVELLER ECONOMY IN IRELAND

Currently recycling and car dismantling organisations are regulated by a system of permits, issued by the local authority or licenses issued by the Environmental Protection Agency (EPA). Car dismantling and scrap metal recovery is a specific area of activity identified in the Waste Management Permit Regulations (1998), and as such, is an area which comes predominately within the remit of local authorities. These permits or licenses are provided on the basis that the dismantling activities are carried out with regard to environmental and health and safety concerns, and that they do not have any negative environmental impacts. In practical terms, this usually means that concrete surfaces are provided for on site, that gates are in place at the entrance to the site, and that suitable storage space is in place for different materials. From January 2002, most cars will be categorised as Hazardous waste by the European Commission.

Under permit and license regulations, the following are requirements for dismantling yards and sites:

- Dismantling occurs on concreted surfaces (not grass).
- Gates into the area are provided.
- Separate storage areas are provided.

While these requirements are currently in place, and precede the Directive, the Directive will enforce these requirements, by ensuring that all last owners of ELVs must present their vehicles to registered and licensed dismantlers, in order to secure their certificate of de-registration. Only approved and licensed dismantlers will be able to supply this Certificate.

Consultations conducted as part of this research has indicated that while the numbers and percentages of dismantlers operating outside the regulations are not known, that there is a sizeable percentage of operators do not comply with the regulations at present.

This is particularly true of smaller dismantling companies with a low turnover (for example, less than 20 cars per week), and of Travellers engaged in the sector.

#### 4.1 IMPLEMENTATION OF THE DIRECTIVE

The Government department overseeing the implementation of the Directive and the legislative framework for its implementation is the Department of Environment and Local Government. At the time of the research legislation was being prepared which would provide the framework for the implementation of the Directive in Ireland. Structures would be put in place for the establishment of the Directive and for its implementation. During the course of the research, there was some confusion on the part of various different players in relation to the roles of organisations and the outcomes of the Directive, therefore reflecting the stage of its implementation. There was a deadline for legislation to be agreed, which should have put in place a framework for the establishment of structures and terms for the implementation of the Directive, of April 2002.

The regulations under the Directive were to be transposed into national legislation by April 2002. Negotiations were taking place with industry based organisations, such as SIMI; IMVRA (Irish Motor Vehicle Recycling Association); Distributors and Manufacturers and retailers, in addition to statutory organisations who would be involved in the implementation of the Directive. It was envisaged that the implementation of the Directive would operate along the lines of the Dutch model, whereby a voluntary industry agreement will be the basis for its implementation. In other words, a company established by industry and sectoral interests, would implement the Directive, similar to Netherlands. It was proposed that a levy on new cars would be introduced, which would fund the dismantling of materials which do not have market value and the system of premiums paid to dismantlers would be used.

Its implementation would allow for a lead in time between the implementation of the levy, and the implementation of procedures. This would allow for operators to adapt to the new regulations and also for funding to build up from the time the levy is introduced. The company which it was proposed would operate the system has yet to be established, and negotiations with the industry are taking place.

Regulations for the system of de-registration and the licensing of dismantlers needed to be in place by early 2002 (prior to legislation for April). At the time of the research working groups were established to look at the procedures:

- System of de-registration (including Revenue Commissioners and Dept of Environment).
- Licensing of Dismantlers, and structures for implementation (including the industry groups).

Letters of invitation for these working groups were sent out and working groups first met in the last quarter of 2001. Traveller organisations were not invited to participate in this process: even though this would have been in keeping with good practice with regard to a consultative and partnership approach to addressing policy and practice issues.

#### **4.2 LIKELY IMPACT ON THE CAR DISMANTLING AND RECYCLING INDUSTRY**

The implications of the Directive in general terms are that the market for dismantling materials from end of life vehicles, for re-use and recycling, will significantly increase, due to targets to be achieved in Ireland by 2006. The introduction of a proposed levy will fund the additional costs for the dismantling and recycling of materials, which will include additional work by dismantlers in the dismantling of cars. The process of de-pollution and dismantling of cars will be tightly controlled by the Directive and also the categorisation of car waste as hazardous, thereby requiring specialised treatment of

materials. While consultations with larger dismantlers have demonstrated that the capacity exists for the de-pollution and dismantling of these materials, in terms of equipment and premises and practice to date, the de-registration process will ensure that registered and approved dismantlers with the capacity to deliver a service of full dismantling will be in a position to benefit from the requirement of individuals to present their vehicles for de-registration and de-pollution.

As such, the dismantling sector is in favour of the Directive. The Directive's implications for the dismantling sector will lead to the expansion of the market in the medium to long term as more materials become presented for reuse and recycling.

At present, the key market for dismantlers is the second hand parts market, as well as the sale of car shells to scrap metal dealers and recyclers. Both markets have contracted in recent years: the drop in demand for second hand parts, changes in car design, the National Car Test (NCT) and scrappage schemes have already been mentioned as having an impact on the sector. In relation to the scrap metal market, the fluctuations in price for car shells has led to a reduction in prices of up to 50% within the last few years, such that this market is becoming less important to dismantlers, relative to second hand parts.

The majority of dismantlers are operating under the regulations established under permits issued by local authorities. (A large dismantler would be one with a turnover or capacity for turnover of approximately 20 or more vehicles per week). In addition to this, given the sector's capacity for dismantling most of the materials stated under the Directive, there will not be many implications for these operators.

For smaller dismantlers, which do not process most of the materials under the Directive, or for dismantlers which do not operate under the system of permits, and are therefore outside the regulatory system, the implications of the Directive are costly, in terms of site adaptations for adherence under the regulations. Costs of site adaptation are

estimated to be in the region of ≈250,000 (for a large operator). Consultations with other groups and the experience of the Netherlands estimated the cost to be in the region of ≈100,000, so it is likely that the costs of adaptation may be up to ≈250,000 depending on the size of the operation and the site. This figure includes provision for specialised equipment, required for drainage of liquids, storage and site preparation, including surfaces.

In addition to the capital costs for adherence to the regulations for accessing permits, the smaller dismantlers may not have the capacity for the de-pollution and dismantling of vehicles. It has been suggested in consultations that some materials may be required to be exported for recycling or treatment, due to their hazardous nature, and that smaller dismantlers may not have access to such markets to participate.

These implications also apply to Travellers involved in dismantling, as well as the more specific constraints and implications for Travellers outlined below. It is noteworthy that the Directive states that competition should be maintained, particularly regarding the access of small and medium sized enterprises to the collection, dismantling, treatment and recycling market. There is a risk that for smaller dismantlers in general, and Travellers involved in dismantling in particular, exclusion from the sector and opportunities will ensure that the market becomes dominated by larger waste management companies and existing larger dismantlers, with the economies of scale, capacity and resources to benefit from new opportunities and that an expansion of the market is accessed by a decreasing number of operators.

Consultations with dismantlers considered the possible role of Travellers in sub-contracting elements of the dismantling process, when new regulations are introduced. According to dismantlers, there are few sub-contracting opportunities available at present, and normal practice for dismantlers is to provide the full range of dismantling and de-polluting of the vehicle without contracting out services. It was also considered unlikely that such sub-contracting arrangements might emerge in future arrangements with dismantlers.

#### 4.3 LIKELY IMPACT ON TRAVELLERS OPERATING IN THE CAR DISMANTLING INDUSTRY

For Travellers involved in the car dismantling industry, and who operate without permits issued by the local authorities, access to cars for dismantling will be eliminated, as a result of the individual incentive provided for under the Directive, for last owners to de-register their vehicle at no cost. One of the advantages for Travellers to date is that they do not charge individuals for the collection of cars for scrapage. Under normal circumstances, individuals would normally pay a fee for the collection of the vehicles, although some local authorities provide this service for free. The penalties which will be imposed on car owners who have not de-registered their cars will provide an incentive to individuals to engage in the regulatory process. For example, it is likely that a vehicle owner will remain liable for road tax unless they can provide a Certificate of de-registration

For Travellers which are not registered, the regulations will mean two things:

1. The requirement for the owner to de-register vehicles officially will undermine their supply (unless they are registered).
2. The 'no cost to last owner' principle will mean that there will be no incentive for car owners to supply their vehicle to Travellers (where in the past, they would have incurred some charge for disposal of their vehicle, through local authorities or other dismantlers, when Travellers may have collected vehicles for a low fee or for no fee).

Most Travellers are not currently licensed to operate as car dismantlers, and access to resources and space for maintaining activities and adhering to new regulations is likely to prohibit most Travellers from remaining within the sector.

In addition, Travellers consulted in the dismantling sector stated that they did not have information in relation to the Directive and its implications for their engagement in the sector.

Current policy initiatives, such as the National Anti-Poverty Strategy, and recommendations of the Task Force on the Travelling Community specify measures for inclusion of Traveller interests in any new policy activity, and specifically in reference to Traveller recycling.

Travellers involved in the sector in response to the reduced value of car dismantling have been considering other forms of engagement in the sector, specifically exportation of car parts.

Consultations that have taken place with Travellers involved in dismantling have indicated an interest in remaining in the sector. The level of awareness amongst Travellers of the Directive and its implications for them was very low, and this issue is addressed in the recommendations in section 7.1 below. The consultations also suggested some possible initiatives that could develop to accommodate Traveller participation in the sector:

- Shared workspace provision by Travellers (taking into account needs of Travellers and sensitivities in relation to competition, etc) and support, as workspace is a major issue for Travellers in terms of remaining in the sector. It should be noted that provision of workspace would be a single element in a range of supports which would need to be provided to Travellers in order that they may participate in the sector in future. These are outlined in section 7 below.
- Contracts regarding the collection of vehicles for delivery to dismantling yards, or for delivery to scrap yards (this could also include crushing of shells once they have been de-polluted and dismantled).
- Engagement within a niche of the market, for example, purchase of parts and sale or export to specialised markets.

## CASE STUDY 2

### The experience of Travellers in the Car Dismantling and Recycling Sector

The following tells the story of the experiences of two Traveller families in the car dismantling sector, their views of how the sector is changing, and the effects this is having on Travellers. All names and identification of Travellers has been changed in order to preserve the anonymity of the families.

John's son has worked in the car dismantling sector for many years, as have many of his family members. The family is well established and has a good reputation for car dismantling in the local community. His son operates from a town in the midlands, and owns his own site. According to his father, he applied for, and received Planning Permission to carry out car dismantling activities on his site, subject to site renovations and amendments been made. Environmental regulations in place meant that the site had to have major work done to meet the requirements of planning permission, the estimated cost of which was over  $\pounds 190,000$ .

The same issue has arisen for other Travellers. In the South West, Patrick's brother-in-law applied for Planning permission for a site, which he owned, approximately four years ago. He received planning permission, and in this case estimates of site amendments were in excess of  $\pounds 170,000$ .

Neither men could access this amount of capital and finance, and both investigated opportunities for assistance from their local authorities, and other statutory agencies. Both men were told that there was no financial support available to assist them in preparing their sites and making amendments for environmental regulations, and consequently neither men are currently involved in car dismantling.

According to John "we couldn't afford this kind of capital investment, so we looked for some grant aid or other assistance towards the cost of the upgrade. We estimated that we would have to spend over  $\pounds 190,000$  on the site, and we were told that we would have to make these changes to the site before we would be eligible for enterprise funding".

While it is agreed that the environmental regulations are essential, Travellers say they need some additional supports to meet the costs of site adaptations, to maintain their car dismantling livelihood. According to Patrick, regulations should have been introduced on a phased basis, which may have allowed Travellers to continue car dismantling as well as make necessary site amendments and adaptations.

As a result of these issues, Travellers and small scale dismantlers have moved out of the car dismantling sector. Neither men are aware of any Travellers providing car dismantling services in their respective areas, and that the move of Travellers from car dismantling has taken place over the last 5 - 10 years. This has also been the case with the small scale dismantlers from the settled community, who have faced the same problems.

According to John, a large recycling firm, which has operated in the region, is establishing a waste management and recycling depot in his town and is receiving funding from the local authority for capital and site costs. John's son was told by the local authority that opportunities for grant assistance arise only for broad programmes of recycling activities, including recycling of electrical goods and household waste, and not for car dismantling activities alone. These new areas of recycling are outside the expertise and experience of John's son.

At the same time that his son is leaving the sector, another small scale dismantler, a member of the settled community, has told John that he is also considering leaving the sector.

In the South West, within the last few years, the car dismantling sector has become dominated by two large recycling firms which operate in the Cork and Limerick areas.

Both men believe that the car dismantling sector is set to grow in the next few years and that in certain parts of the country, growth has already taken place, particularly in the South West and other areas of the country where there is a high population density. The demand for second hand car parts has increased, according to Patrick, as a result of the introduction of the National Car Test

(NCT). The introduction of the NCT has meant that cars are now well maintained, and this has increased business for second hand parts. Income streams for car dismantlers include local authorities (currently, many pay dismantlers for accepting scrap cars); the sale of second hand car parts and also the sale of scrap metal. It is expected that the market will continue to grow once the End of Life Directive is implemented: legislation will require national targets for car recycling to be met, at no cost to the last owner of the car. The costs of recycling will be met through levies on the sale of new cars - this levy will be used to pay for dismantling, reuse and recycling of old cars.

Both men feel that the emerging dominance of large scale operators in the car dismantling sector will prevent Travellers from entering the sector in the future, and that the opportunities in the sector will be closed to Travellers and small operators. Several of John's family have been involved in car dismantling and are skilled in the area.

*"If we got support to continue car dismantling, lots of members of my family who are skilled and experienced in all aspects of dismantling could work with us on the site. We could eventually provide work for up to 12 people - some involved in the collection and delivery of cars to the yard, as well as others dismantling cars in the yard itself."*

Patrick believes that there are still Travellers not working in the sector anymore who would be interested in returning to car dismantling activities but don't have the opportunity to do so, and without supports, will not have opportunities in the future to enter the sector. Patrick believes there may still be opportunities for Travellers to develop enterprises which would include collection of cars for dismantling, in co-operation with existing dismantlers. If car dismantling training programmes and enterprise supports were in place, he believes that many younger Travellers, in particular, would be interested in continuing the involvement of Travellers in the sector.

#### 4.4 ROLE OF ORGANISATIONS AND AGENCIES IN THE IMPLEMENTATION OF THE DIRECTIVE

##### DEPARTMENT OF ENVIRONMENT AND LOCAL GOVERNMENT

The Department of Environment and Local Government have responsibility for overseeing the implementation of the Directive, and that provision is made in legislation that structures exist which are ensuring that the Directive is being implemented. The role of the Department is included in section 4.1 above, and includes the convening of the working groups and consultation processes established as part of the implementation of the Directive. In addition to this, some of the other features exist.

The Department of the Environment has stated that as the Directive is based on the 'Polluter Pays Principle', and Producer responsibility, that they do not envisage any direct role for them in funding the implementation of the Directive. This will be done through a proposed introduction of a levy, as is the case in the Netherlands, on the sale of new cars. The Department of Environment favours the model of implementation that has been used in the Netherlands, and this is also the model which has been adopted in the drawing up of the Directive itself. It is hoped that this model will be the one adopted in Ireland, and the role therefore of the Dept of Environment will be to oversee the organisation, and to ensure that targets are being met, and to monitor progress.

At the time of the research the Department of Environment and Local Government was due to launch a major capital and infrastructure funding programme, aimed at achieving waste management and recycling targets. Funding would be made through and in partnership with Local Authorities and in relation to actions and targets of the local authority. Funding under this programme would be from €32million to €6.3million. Consultations with the Department of Environment and Local Government indicated that it could be possible that this capital programme could apply to car dismantling activities.

##### LOCAL AUTHORITIES

The local authorities are currently responsible for the issuing of permits to most car dismantlers for the carrying out of their business (depending on their size). Local authorities enforce the regulations under which permits are granted. Local authorities tend to operate in a flexible manner and each implements and issues grants independently. There is no single guideline for issuing permits. Permits are issued in respect of activities ensuring that no negative environmental impacts occur as a result of the activity undertaken.

This normally requires that the dismantlers adapt their site to provide that:

- Suitable gates to the premises are in place.
- Concrete surfaces are in place throughout the site.
- Separate storage facilities for different materials are in place, particularly for hazardous materials such as fluids.

From January 2002, car waste is categorised as Hazardous Waste through European Commission decision 2001/119. However, where local authorities are currently responsible for issuing and enforcing permits and requirements, they will remain responsible for enforcing regulations and requirements for permits.

With respect to the implementation of the Directive itself, member states have the responsibility to ensure that collection points, or a collection service is in place for individuals to place their vehicles when they reach their end of life. At present, most local authorities provide a collection service for ELVs. The collection service is usually carried out on a contracted basis to a large scrap merchant (for example, Hammond Lane) who in turn sub-contracts the collection of the vehicles to smaller operators. Consultations with Local authorities in relation to this research have indicated that this type of collection service will probably remain under the proposed legislation, though the exact nature of local authorities role in the implementation of the Directive in this regard has not been established, when the research took place.

In the course of consultations as part of this research, discussion has taken place with South Dublin County Council with regard to this local authority's provision of space and inclusion of Travellers. There exists a good fit between the (probable) role of the local authority and their Traveller accommodation programme. The relevant extract from the Traveller accommodation programme of South Dublin County Council is as follows:

*The Council will work with other agencies both statutory and voluntary with a view to exploring the possibility of developing "Traveller specific" enterprise units, which could be rented from the Council. It is not proposed that these units will be provided on site but rather in specifically designed industrial units in appropriately zoned locations. The County Council through the Local Traveller Accommodation Consultative Committee and other agencies will encourage Travellers to avail of State supported economic development schemes already in place to facilitate the utilisation and growth of economic potential. It is considered that the most viable opportunity for developing enterprising for Travellers lies in their traditional arts and crafts such as copper-smithing, tinsmithing, metal work, woodworking, signwriting etc.*

This Council ... does not allow scrap, trading or horses on any of the facilities provided for Traveller families as activities of this nature have proved detrimental not only to the immediate environment and health of the families but also to progressing the implementation of the accommodation programme. In any event it is the experience of this Council that the numbers of Traveller families engaged in some of these traditional economic activities, particularly horses and scrap, has dwindled significantly.

The objectives of the Traveller Accommodation programme as well as requirements for the provision of a site/ collection service could both be achieved through the establishment of a purpose built site for access by Travellers involved in car dismantling in the area.

Initial consultations with South Dublin County Council Traveller Accommodation personnel indicated that there were plans for the development of an enterprise and training centre for Travellers in the South County Dublin area. This facility would be based on the needs of the Traveller economy in the

area, and so for example could be used as a base for workshops or a facility for Travellers engaging in car dismantling.

Local Authorities have a key role in acting as advocates for Traveller inclusion in any waste management activities, and could lever supports from central Government in this respect: particularly in relation to potential capital funding for infrastructure projects, as outlined earlier.

## ENVIRONMENT PROTECTION AGENCY (EPA)

There appears to be some confusion on the part of those involved in the car dismantling sector as to the role of the EPA. The categorisation of cars as hazardous waste does not provide for an additional role for the EPA, which under normal circumstances provides licenses for recycling activities and enforces requirements under some license agreements. The EPA will issue licenses and permits only in cases where the scale of the activity is such that the EPA has been the original issuer of the permit. In most cases, existing dismantlers have permits issued by the local authority in which they are based, other than larger dismantlers. This situation will not change under the new arrangements.

## THE MOTOR INDUSTRY

It is envisaged that the implementation of the Directive will have the involvement of the motor industry in Ireland, through the agreement of a structure, made up of the motor industry representation and organisations, for the administration of the funds and the reaching of targets under the Directive. The model of operation favoured by the Dept of Environment and Local Government is that of the Netherlands.

The motor industry includes manufacturers, importers, distributors and sales divisions of the industry, and it is anticipated that the implementation of the regulations will take place on the basis of an industry based voluntary agreement, which will lead to the establishment of an independent structure and organisation, comprising motor industry interests, which will implement and administer the regulations in Ireland, under the terms agreed with the Department of Environment.

### CASE STUDY 3

#### Programme to include Travellers in the regulatory structure in the Netherlands

##### The Adapt Training Programme 'Modern Car Recycling'

Preparations for the regulations in the Netherlands led to the establishment of an Adapt training programme, which was designed to provide assistance for Travellers to engage in the licensing and regulations.

The Adapt project '*Modern Car Recycling*' was established in order to provide assistance and training for Travellers to engage in the regulated system and procedures for car recycling in the Netherlands. This project's objectives were:

*'to equip - through intensive individual guidance and collective courses and training - Car recycling enterprises sufficiently for them to satisfy the ARN standards and requirements, including the environmental rules imposed by the Government'*.

Partners to the project included the following organisations:

- Activa (business advice organisation).
- Stichting Dienstverlening Welzijn Enschede (motivation and social guidance, especially for Travellers).
- Regio Twente (regional authorities, counselling and upholding environmental permits) and
- ARN (official role as license holder).

Support measures include:

- Helpdesk advice for operators.
- Advice meetings.
- Training courses re: management and fulfilling the requirements of procedures.
- Social guidance and advice.
- Assistance with administrative functions.

The modern car recycling programme was established for existing businesses in the car dismantling sector, and was geared towards orienting car dismantlers to the new regulations that would be imposed, rather than general business training. Of the 25 car dismantlers in the Twente region, 6 are

Travellers. Before regulation, approx. 15 Travellers were involved in car dismantling - the estimated turnover required to make the operation feasible for the individual was 1000 cars per annum - many Travellers and other operators would have fallen short of this figure, and would have accessed financial incentives to leave the sector in an effort to streamline the sector.

In the Netherlands, it is estimated that approx 20% of those involved in car dismantling were Travellers. Most of these operated in the informal economy, and when the regulations were developed, either opted to leave the sector, and engage in other activities such as second hand car trading, or operate in the formal economy - the ADAPT programme provided assistance, support and encouragement for Travellers to engage in the sector with the regulations. The Adapt programme also provided intense supports for Travellers in the process, as follows:

- Individual counselling and consultancy - this type of support became the most important for Travellers. This was carried out by mediators, with experience and trust of the travellers.
- Workshops - workshops were limited in their application because many of the Travellers attending the courses were in competition with each other and so business strategies could not be discussed in this arena.
- Guidance on the implementation of the regulations - individual guidance and help desk function.

As the participants on the Adapt programme had already been operating their own dismantling enterprises, the level of educational disadvantage was not as high as among other Traveller groups. However, assistance was given in regard to the administrative elements and other elements involved in operating the regulations.

The training programme provided for early adaptation to requirements which would be implemented under EU legislation for Travellers, and to provide a lead in time for Travellers to be ready to adhere to the requirements of the increased regulations, which the directive would bring.

## 5.0 POTENTIAL SOURCES OF SUPPORT FOR THE DEVELOPMENT OF THE TRAVELLER ECONOMY?

This section outlines some existing and proposed supports available for Travellers and the Traveller economy. These supports are in addition to the available or proposed supports which have arisen in relation to the Directive itself, and which are outlined in section 4 above.

### 5.1 THE SOCIAL ECONOMY PROGRAMME

In the 1995 Task Force report the emergence of a European wide focus on the social economy was seen as a way of supporting the development of the Traveller economy. However, in this context the social economy was based on a broader understanding of this aspect of economic development than that contained in the application of the current Social Economy Programme.

The SEP was launched in September 2000 with projects coming on stream from mid 2001. It was envisaged that it would employ upto 2500 people and have an annual budget of over €50m. However, neither target has been reached nor is this likely to change in the current economic climate.

FÁS Community Services Unit administers the programme and makes the final decision with regard to funding and supports. The programme is monitored at national level by a National Monitoring Committee. While at local level working groups were established to devise locally agreed strategies to support the development of the social economy in their area.

The objectives of the Social Economy Programme are to:

*'maximise the role of social economy enterprises in the regeneration of local economies within local disadvantaged areas, communities and within communities of interest experiencing disadvantage, will have the following objectives:*

- *promote the emergence and consolidation of the social economy.*
- *maximise the potential of the social economy to generate employment that is sustainable and of high quality...*
- *regenerate both urban and rural communities by providing urgently needed local services, employment opportunities and experience for people who are distanced from the labour market.*
- *to promote equal opportunities between men and women.'*

Given the nature of the Traveller economy and how it is organised and the structures of the SEP it is debatable how appropriate this programme would be to support economic activities initiated by Travellers themselves. However, where this programme could have been relevant is in a scenario whereby a number of Travellers expressed an interest in working together to develop an environmental project with key socio-economic objectives and who wished to bring in outside administrative and management supports. Regrettably, as the programme is oversubscribed it is no longer accessible to new or emerging projects unless existing projects close or find other sources of income.

### 5.2 COUNTY ENTERPRISE BOARDS

The emphasis of support provision for county enterprise boards has shifted from grant aid provision, to predominately returnable, zero interest loan services. County Enterprise Boards are therefore seeking to operate revolving loan services, rather than grant services. In terms of the services that are available these include:

*Capital assistance:* this can be up to 50% of total capital expenditure for an enterprise, up to a maximum grant of €63,500. This grant is returnable, on the basis of an interest free loan. County Enterprise Boards will not assist expenditure on mobile assets (cars, vans and vehicles of any description).

*Preference share ownership:* County Enterprise

Boards can become preferential shareholders in an enterprise, by providing equity investment, which can be used for working capital or other requirements of an enterprise. The usual investment for this scheme is between €25,400 and €63,500.

*Employment grants:* County Enterprise Boards can provide up to 25% of their total budget on Employment Grants, of up to €5,000 per employee. This is a non-returnable grant. Some County Enterprise Boards are providing employment grants on a targeted basis, and in the case of the South Dublin County Enterprise Board, these target groups include:

- Those living within a designated area of disadvantage.
- Women entering business.
- Childcare businesses.
- Long term unemployed people entering business.

CEBs have provided enterprise supports to Travellers however the scale of this support has been small. The boards operate within particular structures and guidelines into which the Traveller economy again does not easily fit. A more pro-active approach and the emergence of a focus on equality / diversity issues and how best to support the development of enterprise development options for particularly marginalised communities is required if progress is to be made. Again recent budgetary decisions are unlikely to create the conditions for such developments.

### 5.3 AREA ALLOWANCE PROGRAMME

The Department of Social and Family Affairs operates two programmes for individuals who are unemployed, and re-entering the labour market, either through employment or self employment opportunities. The Area Allowance programme operates for individuals which are in receipt of unemployment benefit, unemployment assistance, lone parent benefit or disability benefit, and who have been in receipt of this payment on a long-term basis - recent changes extended this period from 15

months to 5 years. If the individual is eligible for the programme, and in terms of the enterprise idea passes an assessment procedure, s/he will receive 100% of social welfare payments for Year one, reducing down to 75% in Year two, 50% in Year three and 25% in Year four.

The assessment of individuals is carried out by jobs facilitators in local social welfare offices, or in some cases by enterprise support organisations and local area based partnerships under contract from the Department of Social and Family Affairs.

Issues for Travellers in relation to participation on Area Allowance or Back to Work Allowance include the following issues:

- Lack of information in relation to entitlements.
- Literacy issues in relation to form filling etc.
- Fear of participation in the formal economy, and the requirements of the Area Allowance programme includes:
  - An assessment of the business idea by a jobs facilitator.
  - Registration with revenue commissioners as self employed.
  - Assessment of the application by the individual by the jobs facilitator.

It has been the case that local development agencies and organisations have processed and assisted individuals to make applications, and have been the point of contact for these individuals making applications to the Area Allowance programme. This is carried out on a contracted basis from the Department of Social and Family Affairs.

### 5.4 LOCAL AGENCIES

A range of supports are available through local area based partnership companies and the community groups funded through the Local Development Social Inclusion Programme, local employment services, and the territorial employment pacts.

In many incidences people are introduced to these agencies through referral from their local social welfare office or information from other community based organisations. Often the supports are individually focused and explore current progression options like the Area Based Allowance. However, engagement with Travellers and in particular with Traveller men engaged in the Traveller economy is low even though Travellers are a specific target of these programmes.

## 5.5 EUROPEAN UNION FUNDING PROGRAMMES

At present through the EU Community Initiative EQUAL a range of work is taking place on the broad issue of the Traveller economy, the inclusion of Traveller men and the development of appropriate supports. *Pavee Feens Hawken*<sup>6</sup> (Traveller Men Working) is the name of the project focusing on the development of the Traveller economy and the development of attractive supports for Traveller men. At present there are three pilots running in Galway, Dublin City and Clondalkin. Upto 29 men have participated in the project and are interested in exploring self-employment options in, for example, gardening / landscaping and recycling.

In Blanchardstown a piece of research was undertaken into potential enterprise and economic development opportunities open to Travellers in this area. A number of men have expressed an interest in running a recycling centre and this option is being explored with the relevant players.

## 5.6 CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

A number of initiatives have developed in Ireland, based on provision of supports to the commercial sector in developing social responsibility strategies and programmes. The 'Business in the Community' activities of the **Foundation for Investing in Communities** will involve innovative private sector actions which will lead to greater investment by businesses and their employees. This will channel

financial and other resources to voluntary and community based projects in disadvantaged communities. The Foundation for Investing in Communities would match supports required by initiatives and projects, particularly soft and business supports to businesses participating on their programme. A submission for supports could be made to the Foundation.

## 5.7 EMPLOYERS BODIES

Employers' bodies have expressed concern in relation to the informal economy, and the impact it may have on member firms. The Small Firms Association provides services both to members in terms of business support and development and also lobbying in relation to issues of relevance to members. It also participated in a Revenue Commissioners' working group established in relation to the informal economy.

An approach could be made to the Small Firms Association and other employers' bodies regarding a positive and pro-active articulation of their concern with the informal economy, i.e., to endorse, support and facilitate an initiative which aims to increase the participation and facilitate the inclusion of hitherto excluded groups in the formal economy.

<sup>6</sup> The Development Partnership for this project consists of FAS, the Irish Trade Union Trust, IBEC, the Finglas Cabra Partnership, Exchange House Travellers Centre, Clondalkin Travellers Development Group, Galway Travellers Support Group and Pavee Point Traveller Centre.

## 6.0 CONCLUSIONS

The research above demonstrates that Travellers currently involved in car dismantling and operating outside of the regulatory framework, will have their market eliminated, following the implementation of the Directive on End of Life Vehicles in Ireland. While exact figures are not available, the experience of the Netherlands demonstrated that Travellers were squeezed out of the sector by virtue of their size and the nature of their organisation. This occurred in spite of the establishment of a training programme to support the Dutch Travellers to adapt to the changing circumstances.

Travellers are not sufficiently aware of the Directive nor its implications for their livelihood.

Travellers have not been consulted or included in the discussions for the implementation of the Directive. The lack of consultation is not in adherence to national policy measures, specifically the recommendations of the Task Force, and the Monitoring Committee on the Recommendations of the Task Force.

The Directive is likely to lead to the consolidation or the expansion of the dismantling sector in the medium to long term, through the establishment of national targets for the recycling and re-use of materials from end of life vehicles. Currently, re-use and recycling measures are restricted to parts with a commercial or re-sale value. National targets will be met by provision for funding of such activities, through the establishment of levies on new vehicles to fund such activities. Existing car dismantlers will access additional markets for activities.

Travellers have expressed an interest in maintaining their participation in the car dismantling and recycling sector. Travellers have maintained an activity in the sector when it was not attractive to the commercial waste management and scrap metal sector, and should not be excluded from opportunities which will present in the expansion of the sector.

There is scope for inclusion of Travellers in some element of the car dismantling sector, though provisions under the Directive for member states to provide for the collection of ELVs (which will probably be implemented by local authorities). So, for example, contracts for the collection of vehicles could be sought by Travellers.

There is also an opportunity for Travellers and Traveller representative organisations to engage with local authorities to make provision for enterprise and training space for the Traveller economy in general.

## 7.0 RECOMMENDATIONS

The recommendations contained in this final chapter are potentially applicable to the development of the Traveller economy and activities within it. This research was undertaken on car dismantling as regulation implementation was eminent and it was important to ascertain the impact of increasing formalisation on the workings of the Traveller economy.

In the course of the research Travellers involved in car dismantling moved out of this activity as they saw it as no longer viable. This is in keeping with a key aspect of the Traveller economy: flexibility. This dynamic presents an interesting challenge to policy makers, Traveller organisations and Traveller entrepreneurs. There is a considerable time gap between the raising of an issue, the articulation of the supports required and the acknowledgement that such supports should be forthcoming. To this end focusing in on actual activities can be problematic. Ideally supports should be developed for the development of the Traveller economy overall: with a focus on culturally diverse practices within enterprise development and how best to roll-out truly inclusive economic policies and practices. Such a focus is particularly important:- as the second case study noted Travellers who wished to develop their activities in keeping with the changing regulatory framework found their aspirations blocked.

## 7.1 DISSEMINATION OF INFORMATION

A range of actions should be undertaken in order to disseminate information to Travellers on the implications of the programmes for their car dismantling activities and also the actions undertaken by the Directive. Traveller organisations have a key role to play in this regard. However, given the range of developments it is clear that Traveller organisations can only play this role if other agencies are actively involved. Targeting of Travellers should be a key element of the local development and economic agencies. Such work should contain an outreach and communication strategy based on a range of options with both short-term and long-term goals.

## 7.2 STRUCTURED PARTICIPATION

In recent times Departments have established working groups or monitoring committees to oversee the development and implementation of key policies. Given the range of recommendations contained in, for example, the 1995 Task Force Report and the targets set out in the national anti-poverty strategy, the inclusion of Traveller interests is crucial if meaningful and truly inclusive developments are to emerge. To this end it is important to ensure:

- ✓ The provision of supports and measures to provide for the inclusion of Travellers in any new procedures;
- ✓ Travellers and Traveller organisations are invited to play an active role in these structures and the rollout of important policies; and
- ✓ The role and contribution of Travellers to economic development in general, and recycling in particular, is finally recognised.

## 7.3 FOCUSED RESPONSES TO TRAVELLERS ECONOMIC EXCLUSION

As the research noted the implications for the Traveller community of this Directive's implementation are considerable and generally negative. The collapse of an entire sector or even an aspect of economic activity for the settled community has in the past led to the establishment of Task Forces to consider what opportunities need to be presented to

compensate for negative economic impacts. In the interests of equity such an approach should be taken in respect of the Traveller community in relation to economic development.

Focused responses which involve all of the players and seek to ensure a more holistic response to socio-economic exclusion is vital. An acknowledgement of cultural diversity and the need to develop innovative responses 'outside of the box' are key elements.

## 7.4 PILOT INITIATIVES AND OPPORTUNITIES FOR INCLUSION OF TRAVELLERS

To this end long-term follow through on the work emerging through: (i) the EQUAL process and, (ii) the interest expressed by the current Minister for State at the Department of Enterprise, Trade and Employment for projects which could be supported and subsequently act as demonstration models will be important. In particular the identification of supports that seek to ensure Travellers remain as the lead actors within the development of self-employment options to their own economic exclusion.

With regard to pilot initiatives in the car dismantling sector, for example, the following should be explored and followed through on:

- ✓ sub-contracting services from local authorities regarding collection of vehicles;
- ✓ sub-contracting arrangements with larger dismantling companies;
- ✓ provision of enterprise space or sites for dismantling activities and other Traveller economy activities by local authorities.

## 7.5 SUPPORT STRUCTURE FOR TRAVELLERS

Given the crucial linking and advocacy role Traveller organisations play additional supports will be required to support the development of their knowledge base. It will be equally important to support the development of an analysis of Travellers economic issues amongst policy makers and practitioners. Such a two pronged strategy is required if real progress is to be made on building an inclusive economy.

## APPENDIX ONE

### TERMS OF REFERENCE MONITORING COMMITTEE

The terms of reference of the Monitoring Committee on the Implementation of the Recommendations of the Task Force on the Travelling Community are:

- To co-ordinate and monitor the implementation of the recommendations of the Report of the Task Force on the Travelling Community which have been accepted by the Government or by Ministers.
- To draw up and submit to the Government from time to time, starting in 1999, progress report on the implementation of the recommendations including proposals for acceleration or prioritisation of implementation of recommendations.
- To re-examine recommendations where necessary in the light of changes in Government policy and practice and of legislative, demographic, social and economic change.
- To serve as a forum for consultation on current issues of national importance affecting the Travelling Community.

## APPENDIX TWO

The purpose of this appendix is to give the reader an opportunity to reflect on their own work: how it could be inclusive of Travellers' economic activities and to identify what changes would be required to provide truly accessible supports. These questions are phrased in a 'yes / no' format. Pavee Point would ask readers to consider the question 'why not' to the 'no' answers.

☞ Is there sub-contractual work that my organisation could give to Travellers?

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☞ Are there targets my organisation is expected to meet that the Traveller economy could assist in? A clear example in this area is the targets set through the Waste Management Plans.

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☞ In the development of enterprise space does my organisation consider the needs of the Traveller economy?

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☞ Could I or my organisation consider the provision of mentoring and advocacy services to Travellers involved in economic activity?

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☞ Could I or my organisation assist in the negotiation and brokerage of contracts of behalf of Travellers? For example, local authorities and collection of vehicles.

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☞ What role could my organisation play in ensuring Travellers have access to essential networking opportunities?

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☞ Is the information my organisation disseminates really accessible to Travellers and is it getting to them?

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☞ Are the support services my organisation provides relevant to Travellers' needs?

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