
Population Distribution and Economic Development: Trends and Policy Implications

National Economic and Social Council

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No. 102 December 1997

An Chomhairle Náisiúnta Eacnamaíoch agus Sóisialach

NATIONAL ECONOMIC AND SOCIAL COUNCIL

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NATIONAL ECONOMIC AND SOCIAL COUNCIL

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CHAPTER 1

INTRODUCTION

1. INTRODUCTION

This report arises from a request by Government and a recommendation in the Council's study of *New Approaches to Rural Development* to examine patterns of population settlement in Ireland (NESC 1994). In that study, the Council emphasised that any examination of spatial patterns and trends in population change must be viewed from the perspective of the principles of economic and social equity, accountability in public policy, and overall social and economic objectives.

The objective of this report is to outline a perspective based on observed patterns and trends in settlement and population distribution since the 1950s. These patterns and trends are considered, both in terms of how they are subject to the influence of public policy, particularly economic development policy, and in terms of their implications for public policy and public service provision. The key question we pose, therefore, is how public policy can effectively achieve and sustain a high level of national economic and social development together with a relatively dispersed spatial distribution of the benefits.

In the past, arresting national population decline due to emigration was frequently articulated as a public policy objective. Following the renewed wave of emigration of the late 1980s, a number of reports defined objectives for public policy in terms of "balanced population distribution", with reference to its internal dispersion by region and sometimes by sub-region. These studies have usually focused on the objective of stemming population decline at sub-national levels in either absolute or relative terms. Related to this, there have been calls for a return to policies which were adopted in the 1970s by the IDA, based on the view that these policies would be effective and equitable if applied with equal vigour today. However, these objectives and policy recommendations involve assumptions which need to be carefully examined. A review and analysis of existing settlement patterns, spatial patterns of social,

ABBREVIATIONS

ADM	Area Development Management
BES	Business Expansion Scheme
BIM	Bord Iascaigh Mhara
CAP	Common Agricultural Policy
CCA	Community Care Area
CEB	County Enterprise Board
CODAN	County Dublin Areas of Need
CSF	Community Support Framework
DED	District Electoral Division
DTI	Dublin Transport Initiative
EHB	Eastern Health Board
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNP	Gross National Product
GVA	Gross Value Added
IDA	Industrial Development Authority
LGD	Local Government District
NESF	National Economic and Social Forum
NWHB	North Western Health Board
OECD	Organisation for Economic Co-Operation and Development
PESP	Programme for Economic and Social Progress
RDO	Regional Development Organisation
RIS	Regional Innovation Strategies
SAPS	Small Area Population Statistics
SEADCO	Shannon Free Airport Development Company
SME	Small and Medium Sized Enterprises

demographic and economic development and associated public policy issues is essential to this.

Settlement patterns is a very complex subject on which issues such as planning and the environment, housing and house prices, traffic management and the provision of services impinge. We recognise that there are major issues in relation to physical planning, that impinge on settlement particularly in areas experiencing rapid population growth, such as the East. These issues have been the subject of previous Council research (NESC 1981 Report No. 51). The focus of the present study is a much broader exploration of sub-national population trends, the context of economic development that forms the backdrop to these trends and the policy issues arising, both in relation to promoting economic development and providing public services. The study, nevertheless, touches upon a number of issues arising out of the rapid growth of urban centres, particularly in the East region.

In Section 2 of this chapter we set out a framework for viewing settlement patterns which includes the principal influences, both public and private, on changing settlement patterns, as well as the reciprocal influence of settlement patterns on economic activity and public policy. The focus of the study is specifically limited to certain elements of the framework, and these are set out in Section 3.

2. FRAMEWORK

The subject of settlement patterns is immensely broad and could be informed by very detailed micro-level analysis. By comparison this report has a relatively limited focus. It considers key aspects of settlement patterns at regional and sub-regional level and the public policy issues arising in the context of these patterns. Implicit in our treatment of these issues is a framework for understanding the relationship between factors and forces shaping settlement patterns and the distribution of population. This framework is summarised in Figure 1.1. While it would be desirable to investigate all the elements described in Figure 1.1, that is beyond the scope of this report. We have, instead, drawn on selected elements in the framework which provides the theoretical backdrop to this more restricted analysis.

The framework outlined in Figure 1.1 is intended to show that

settlement patterns are a function of several interacting forces. The most immediate forces are the decisions taken by millions of independent economic actors, comprising firms and households¹. These do not follow any conscious plan but collectively they give rise to geographic patterns of distribution of economic activity and settlement.

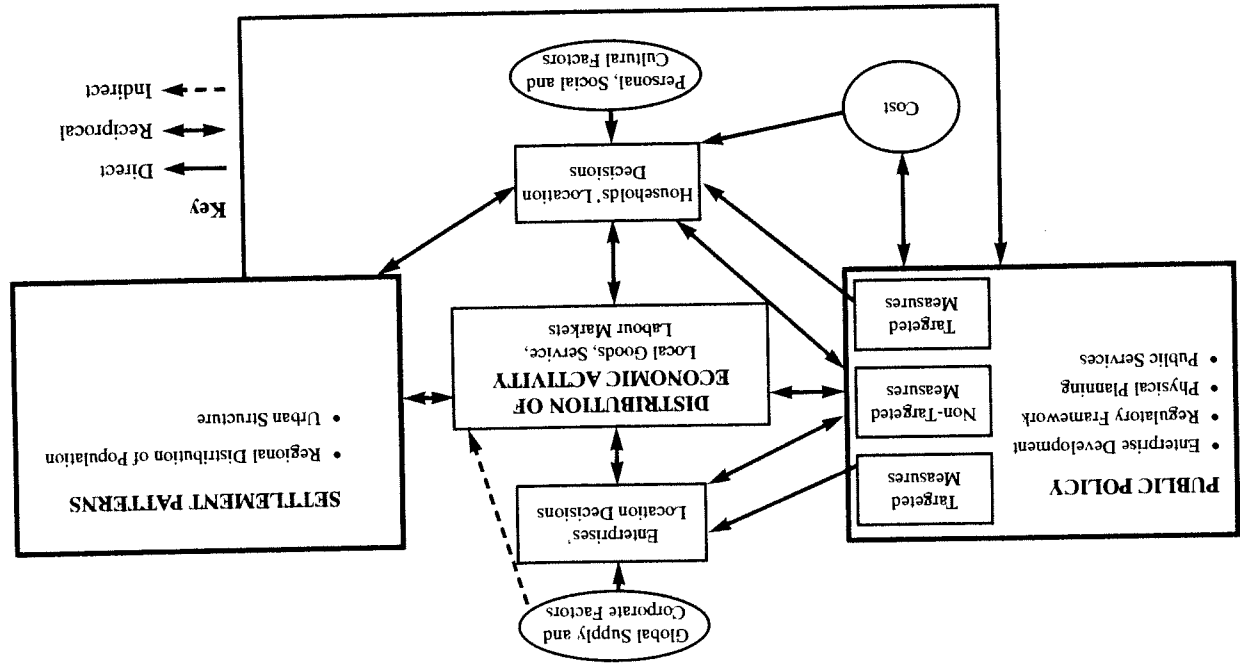
By making this framework explicit at the outset, we are emphasising that public policy is but one among several potential influential factors. These factors provide the context within which public policy is framed. They may also constrain its possibilities. The left hand side of Figure 1.1 sketches out the broad domains of public policy, including regulatory aspects, physical planning, enterprise development and public services. It also indicates that public policy and services may be viewed in terms of the actors they are targeted towards i.e., enterprises or individual households or both.

On the right hand side of Figure 1.1, settlement patterns include the distribution of the population by region and in terms of the urban structure. We view settlement patterns as being influenced not only by the decisions of economic actors but as exerting their own reciprocal influence on these decisions. For example, urban settlements, once established, tend to attract new economic activities and population, and existing settlement patterns may act as a constraint on public policy.

The centre panel is dominated by private economic actors and decision makers. Enterprises make decisions with regard to the location of the relevant goods, service and labour markets. Their decisions may be influenced by a wide variety of corporate factors, the nature of the business, whether it is an indigenous or a foreign company, logistics etc. Settlement patterns are also directly influenced by the decisions of individuals and households. Every year, in Ireland, from 150,000 to 200,000 individuals change address. These decisions are influenced by a variety of sociological, economic and work related factors. The processes whereby private economic actors influence settlement patterns cannot be explored in this study. However, the scope for public policy as an influence on

¹ This is not intended to exclude organisations in the public or voluntary sectors who, to some extent are also independent actors.

FIGURE 1.1
Overview of Factors Influencing Settlement Patterns



settlement patterns, needs to be considered against the background of these forces.

Four broad elements provide the basis for the analysis contained in this report. These are:

- existing settlement patterns, which are outlined in Chapter 2;
- patterns of distribution of economic activity, which are the subject of Chapter 3;
- spatial aspects of economic policy, covered in Chapter 4;
- issues concerning the spatial distribution of public services, which are discussed in Chapter 5.

Before outlining the contents of these chapters we briefly discuss the issues of spatial units of analysis and time frame covered by the study.

(i) Spatial Units and Time Frame

Spatial units can be thought of in, at least, two different ways. The first way is to divide the state into sub-national units (provinces, counties etc.) and the second is to analyse the rural urban continuum. In this report we use both approaches. In relation to the first approach, while we have considered several levels of analysis, from provinces to district electoral divisions, we concentrate on the 1963 planning regions and county-level analysis. Analysis by province was ruled out because it is too limited and too uneven in spatial terms and is not the usual focus of public policy. On the other hand, original analysis at district electoral division level was not feasible in a study of the present scope. In addition, there are genuine difficulties in producing data on economic activity at this level. We have, nevertheless, made reference to existing research at DED level where appropriate, particularly in describing recent population change and the spatial aspects of inequality. We acknowledge that there is a place for micro level studies in order to develop more detailed aspects of policy and service provision.

The focus on regions and counties is justified on policy and analytical grounds. The regional level is an important reality for policy makers in several sectors, such as training, promoting enterprise, tourism, health services and, latterly, the co-ordination

of local authorities. This reality is important despite the existence of differences in the way that national agencies organise activities at a regional level.² At the same time, we do not hold the view that planning region boundaries necessarily define distinct economic regions.

For research purposes, these regions and counties pose less difficulty in accessing data over a longer period. The current regional divisions based on the 1991 Act do not facilitate this over the longer period. Wherever possible, therefore, we present a consistent series, based on the 1963 regions and counties, but where necessary we refer to alternative typologies and data below these levels. The 1963 planning regions and their sub-regions³ are set out in Table 1.1.

TABLE 1.1
Planning Regions, 1963

East	Dublin, Kildare, Meath, Wicklow;
Midlands	Laois, Longford, Offaly, Roscommon, Westmeath;
Mid West	Clare, Limerick, North Tipperary;
North East	Cavan, Louth, Monaghan
North West/Donegal	Donegal, Leitrim, Sligo,
South East	Carlow, Kilkenny, South Tipperary, Waterford, Wexford
South West	Cork, Kerry
West	Galway, Mayo

The second approach to spatial units is to distinguish between urban and rural population. Describing the urban hierarchy is an essential complement to regional and sub-regional analysis, and we provide

² Even though health boards and social welfare regional offices are not coterminous with planning regions, they are, in many instances, recognisably close. The issue of such boundaries is, in addition, an important policy matter in itself.

³ Sub-regions are generally counties; the exception is Tipperary which is divided into two sub-regions.

regional and sub-regional breakdowns of the urban-rural pattern and the urban system (town-size categories). Urbanisation refers both to the extent of population residing in towns and cities as a proportion of total population at a given time and to the process of urban growth itself.

The importance of analysing urbanisation will be evident in this analysis. The evolving urban pattern has both positive and negative features. While there is a definite Eastern bias in settlement patterns, this is now accompanied by an increase in the importance of other regions. The key to this development, and indeed to developments at sub-regional level, is the emergence of urban centres. The report argues that this must be acknowledged both in tackling the issue of regions and areas suffering population decline and in addressing the issue of population expansion in the East region.

In relation to the time frame, to avoid becoming victim to erroneous generalisation based on short term data, we take 1951 as a starting point. It marks off a period varied in demographic terms and relevant to contemporary public policy issues. This long period of forty five years includes many contrasting demographic trends and patterns, ranging from periods of large scale emigration and population decline in the 1950s to periods of net immigration and unprecedentedly rapid growth in population in the 1970s. More recently, a long term decline in birth rates has begun to make a major impact on population structures at national level. Finally, despite a downward tendency in emigration, this remains volatile, as exemplified by the late 1980s and early 1990s.

3. OUTLINE OF REPORT

(i) Settlement Patterns

In Chapter Two we provide an account of the changing pattern of population distribution by region and county. We then analyse the pattern of urbanisation in sufficient detail to enable us to elaborate the policy and process issues discussed in later chapters. The economical treatment of such patterns is undertaken in order to highlight the most important policy themes. The analysis demonstrates first, that, although the population of Dublin and the East region has continued to grow more rapidly than other regions,

there has been a deceleration in the rate of share loss by other regions and by most counties. The sub-regional analysis indicates that the problem of declining population level is largely confined to a small number of counties. Second, urbanisation is ongoing at every level from the national to the county, and is critical to the maintenance of population level in regions and sub-regions. The analysis also suggests that the concept of a settlement hierarchy provides an alternative approach not only to defining the interaction of functional and spatial policy issues, but also in addressing the problem of regional or sub-regional population decline.

We also examine age and gender structure, which determine dependency ratios, and can influence the direction of population change through natural increase and/or migration. There are notable similarities between those sub-regions with high old age dependency ratios and those with less developed urban systems. These are also the sub-regions which suffer most population decline. Perhaps surprisingly, these counties do not have particularly low young dependency ratios to compensate. What stands out, therefore, is the depletion of the active age groups in a number of counties. These dependency ratios are indicative of the limitations on labour supply and skills in these counties. Also, because of the combination of population dispersion and declining sources of informal care and supports, difficulties are to be expected in providing health and social services in such areas.

Between 150,000 and 200,000 people change address in Ireland each year. This is of interest insofar as it may be somewhat more amenable to policy influences than external migration and natural increase. We therefore review several analyses of the patterns of internal migration over recent decades with a view to understanding their effects on the distribution of population between regions and sub-regions and between rural and urban areas. The evidence we review shows that internal migration in Ireland has tended to be low by comparative standards and has, in the past, played a much lesser role in changing population distribution than natural increase and external migration (that is immigration and emigration). The review of evidence indicates that natural increase and external migration may become slightly less dominant in future. However, the consequences of even small amounts of net out-migration for rural areas can be significant. In relation to the direction of internal migration, it is suggested that, while the bias to the East remains

important, it is now accompanied by increasingly important poles of attraction in other regional urban centres, particularly Cork, Limerick and Galway and other towns.

(ii) Spatial Aspects of Economic Activity

Settlement patterns interact with economic processes. Chapter 3 provides an examination of the spatial distribution of economic activity and business location patterns. The Chapter demonstrates that distinct spatial and territorial consequences arise from the restructuring of economic activities in different sectors. These factors have influenced settlement patterns in recent decades and policy makers must acknowledge and understand the detailed spatial dynamics arising out of economic activities in different sectors. The analysis shows, in particular, the importance of declining agricultural employment in off-setting non-agricultural employment growth in several regions. It also shows, however, that restructuring of non-agricultural employment has also played a critical role. In the 1970s and early 1980s there was a decline in many of the traditional centres of industrial activity whilst the policy of extensive industrialisation in less developed regions changed the distribution of non-agricultural employment. Since the 1980s there has been a resurgence in the East region. However, the evidence also points to the emergence of new manufacturing and service activities in regions other than the East, particularly in recent years. In contrast to the 1970s, the kind of activities attracting investment now depend on more highly skilled labour pools and, to that extent, favour the larger urban centres.

(iii) Spatial Aspects of Economic Development Policy

Chapter 4 demonstrates that while there are many important spatial aspects to economic development policy these cannot be strictly defined in terms of regional or sub-regional territorial units. The Chapter illustrates how the guiding principle should be to avoid counterposing spatial to functional or sectoral policies. This approach flows from the patterns of economic activity described in Chapter 3. The most effective approach to the spatial distribution of economic development is to grasp the possibilities for integrating functional and sectoral requirements with the spatial/territorial possibilities of each sector. The evolution of an array of policies at

national, regional, county, sub-county and other territorial or spatial levels is described. A review of these policy instruments and public services is provided in the Chapter and we relate our discussion of these to patterns of settlement, and to significant contextual factors, in particular international ones. This demonstrates that policies which are targeted to enterprises cover an array of instruments and services specifically aimed, for example, at maintaining agricultural areas, particular sub-sectors in agriculture and promoting the development of industry and services. These are implemented by agencies such as the IDA, Forbairt, SFADCO and Udarás na Gaeltachta. Latterly, these policies have included the establishment of Area-Based Partnerships, LEADER groups, County Enterprise Boards and other policies directed to rural development or to bring about urban renewal. All of these have some influence on the location of enterprise and employment creation at regional, sub-regional and local level.

A number of other issues are discussed, including the re-location of civil service activity and the development of infrastructure and utilities. Equity and efficiency issues are discussed in relation to liberalisation of utilities.

(iv) Issues in the Spatial Distribution of Public Services

In Chapter 5 we explore a number of principles and issues pertaining to public services with particular reference to services aimed at individuals and households. These issues are first discussed in the context of health, social services and education, and then in relation to housing and transport. Debates about these services usually centre on their relation to existing settlement patterns in terms of adequacy, equality of access to them, and efficiency of delivery. The Chapter explores the interplay of public service provision and settlement from the perspective of the influence of settlement patterns on the demand for services and the effect of the distribution of service provision on settlement patterns. In many key areas it is the settlement pattern that shapes the pattern of service provision. There is an implicit and sometimes explicit hierarchy of public service provision, however, whereby a particular spatial level is deemed appropriate for a given service. Not only regional and sub-regional levels, but also sub-county levels have a reality for such implicit or explicit service hierarchies.

The pattern of urbanisation, and the urban hierarchy, would seem to have a prior influence on how public services are deployed spatially. This is so because the tendencies towards settlement agglomeration are driven by the quest for economies of scale and by the positive externalities offered by the clustering of population and economic activity. In acknowledging this, the review of issues also notes that agglomeration or improved road access are no guarantee that equal access to services will be achieved in all parts of urban areas and their hinterlands, or in other rural areas. In view of this, the Chapter also considers a number of diverse innovative approaches being piloted in urban niches and in rural settings, aimed at achieving economies of scope in the matching of service provision and needs. This review reveals the need for co-operation and creativity in the face of evolving settlement patterns and the possibility of achieving economies of scope where economies of scale are absent.

In Chapter 6, the main conclusions and implications of the study are drawn together. Different perspectives on the scope for policy influences on settlement are examined and a number of themes are outlined which could provide the focus for specific attention by policy makers.

CHAPTER 2

SETTLEMENT PATTERNS

1. INTRODUCTION

The purpose of this chapter is to describe the main aspects of the distribution of population and changes to the pattern of distribution over time. This is designed to inform discussion about the scope of public policy in influencing this distribution, as well as the consequences of this distribution for public policy.

The key policy questions we hope to inform concern the extent to which changing population distribution patterns are amenable to public policy intervention and the extent to which these spatial distributions have implications for social and economic policy. We examine existing population distribution to provide a more concrete background to informing such questions as whether, on the one hand, successful economic development is dependent on any particular type of settlement pattern or is shaping this pattern in particular ways, or whether, on the other hand, existing patterns and trends exercise an independent influence that runs counter to the requirements of a more effective and equitable distribution of public resources and services. Following this empirical analysis we consider a number of issues that arise in relation to evolving settlement patterns.

The chapter describes the distribution of population in Ireland in terms of a number of dimensions. Sections 2 and 3 provide the necessary empirical background to informed debate on settlement trends and may suggest some of the factors which influence population levels in vulnerable regions or sub-regions, and the proportional regional and sub-regional distribution of population. Section 2 outlines population growth or decline and the trend in the proportional distribution of population by region and sub-region. Although the East region has continued to increase its share of population, the analysis suggests that there are signs of a decrease in the rate of this increase. Correspondingly, the declining share of other regions has slowed down considerably and the West region

has in fact increased its share in the early 1990s. If we focus on the level of population at regional and sub-regional level, the picture is slightly more optimistic again, in view of the fact that population grew by approximately 22 per cent over this period, and most sub-regions have participated in this trend. Section 3 describes the changing urban hierarchy nationally and by region. This section shows that urbanisation levels vary widely between counties, but that there has been considerable urbanisation in most counties since 1971. Those counties whose level and rate of urbanisation have been lowest over recent decades are also the counties which have experienced most difficulty in maintaining population level and share. This suggests that particular attention should be paid to the role of urban centres at regional and sub-regional level in sustaining settlement patterns. The section ends with a consideration of very recent trends (1991-1996) at DED level and in aggregate rural area population.

Section 4 contains a short analysis of population structure, looking at the balance between age groups by sub-region and between the main boroughs and county populations, both as an important aspect of the strength or weakness of settlement patterns and as an indication of the need for public services or other policy intervention. It also examines gender ratios in relation to population structure and distribution. This section also reviews previous research findings on internal migration over several decades. This evidence suggests that we should treat with caution the view that population gain in one region is largely the result of population loss in another. It shows that internal migration, while noteworthy, is relatively less important than fertility and external migration. In section 5 we review the evidence on spatial aspects of inequality, which shows that there is no simple regional pattern or urban/rural dichotomy, but a more complex pattern. In Section 6, we offer some comments and reflections on the evolution of the population distribution and the importance of the urban hierarchy in defining our understanding of this process.

A key conclusion arising from this descriptive account is that there is no simple way to characterise population patterns along regional lines. Rather there is a pattern of urbanisation that leads to intra- as much as inter-regional diversity. Moreover, even at the intra-county

level, the dynamics of urbanisation lead to new settlement patterns and increasingly the emergence of cross-regional similarities.

2. POPULATION DISTRIBUTION BY REGION AND SUB-REGION

(i) Regional Population Level and Trends Since 1951

Among the questions that arise in the Irish context concerning the population distribution is to what extent there is a problem of population loss. From once being a national concern this has become increasingly one associated with particular regions, sub-regions or even sub-county areas. At the same time as the concern with population loss has shifted from a national to a regional/local pitch there has been a corresponding interest in the question of achieving an "optimal balance", and, more particularly, concerns have been expressed in certain regions or localities about population growth which appears to outstrip the capacities of public service provision and planning. In order to assess the degree of population re-distribution, we first present an overview of the trend in population distribution by region and county since 1951, examining the changing level and share.

The changing level and share of population by planning region between 1951 and 1996 is shown in Table 2.1. For purposes of consistency with the rest of this Report we are using the 1963 planning regions.

The East region saw the continuation of the trend of population growth which had been ongoing in this group of counties since 1891. In all of the other regions the turning point came much later. Population growth resumed in 1962 in the South West and Mid-West, in 1967 in the North-East and South-East, 1971 in the Midlands and in 1972 in the West and North-West/Donegal. This new trend of growth in all regions during the 1970s was interrupted by its opposite in the late 1980s, when all regions experienced some population decline. While the census figures alone would suggest that the East region experienced no decline, in fact, based on the CSO estimates, there was a decline between 1986 and 1990. Population growth in the East region then recovered slightly earlier and more vigorously than the other regions, which picked up at

TABLE 2.1

Population Levels and Percentage Share of National Population by Region, 1951-1996

	1951	1961	1971	1981	1986	1991	1996
East	888,386	906,347	1,062,220	1,290,154	1,336,119	1,350,595	1,405,671
Per cent	30.01	32.16	35.67	37.47	37.74	38.31	38.77
Midlands	258,092	239,323	232,427	256,689	262,586	254,881	257,517
Per cent	8.72	8.49	7.80	7.45	7.42	7.23	7.10
Mid-West	279,577	260,737	269,804	308,212	315,435	310,728	317,069
Per cent	9.44	9.25	9.06	8.95	8.91	8.81	8.74
North-East	190,493	171,060	173,811	193,561	198,154	194,813	194,423
Per cent	6.43	6.07	5.84	5.62	5.60	5.53	5.42
North-West/Donegal	233,252	200,873	186,979	208,195	212,745	208,174	210,872
Per cent	7.88	7.13	6.28	6.05	6.01	5.90	5.82
South-East	340,794	319,883	328,604	374,575	384,974	383,188	391,517
Per cent	11.51	11.35	11.03	10.88	10.87	10.87	10.80
South-West	467,928	446,901	465,655	525,235	536,894	532,263	546,640
Per cent	15.81	15.96	15.64	15.25	15.16	15.10	15.08
West	302,071	273,217	258,748	286,784	293,736	291,077	300,378
Per cent	10.20	9.69	8.69	8.33	8.30	8.26	8.28
State	2,960,593	2,818,341	2,978,248	3,443,405	3,540,643	3,525,719	3,626,087
Per cent	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: CSO, *Census of Population*, various years.

different rates in the early 1990s. The difference between the two least populated regions, the West and the North-West, in the most recent period is noteworthy. The West grew by over 9,000, or 3 per cent, ahead of the state average and of all other regions except the East, which grew by 3.9 per cent, while the North-West/Donegal region only grew by 1.3 per cent.

Table 2.1 also shows the trend in the population distribution by planning region from 1951 to 1996. The East region stands out in terms both of its share in 1951, at 30 per cent and, since then, its increasing share, which stood at 38.8 per cent in 1996. Noteworthy, however, is the fact that much of this increase took place prior to 1981. Between 1981 and 1996 the share of population in the East

only increased from 37.5 per cent to 38.8 per cent. All the other regions experienced a decline in their share of population, with the greatest proportional decline taking place in the West where it fell from 10.2 per cent in 1951 to 8.28 per cent in 1996, and the North-West/Donegal where it fell from 7.9 to 5.8 per cent over the same period. The redistribution of the share of population was greater in most regions in the first half of this period, up to about 1973, than subsequently. The decline in the proportion of national population, which has continued in all of the other regions, has also shown signs of slowing down recently. It is noteworthy that the proportion of the population living in the West region increased very slightly between 1991 and 1996 in contrast to all other regions except the East.

The population growth rates for each region are shown in Table 2.2. This table shows that in the one hundred and ten years prior to 1951 the population of the East region increased by 11.4 per cent. However the share of population in the East region increased by 145.7 per cent. Thus the growth of the East region was not the main factor creating an imbalance in population, but the much greater decline in population in other regions, due to external migration. Table 2.2 also reveals clearly the declining rate of change of the proportion of population in each region. For example, in the East region the share of population increased by 10.9 per cent in the 1960s and by 5 per cent in the 1970s. The rate of increase fell to less than half of this during the 1980s and in the 1990s. This deceleration can be seen in the second row of Table 2.2 for each of the other regions, more particularly from 1961 – as the total population of the state increased once again, there was a discernible decline in the rate at which the relative shares of regions outside the East declined. It is noteworthy that during the 1970s, the West region lost 4 per cent of its share of total population, but this rate of loss decelerated considerably in the 1980s, and the West increased its share in the 1990s. The North-West/Donegal region also experienced some slowing down in the rate at which its share of population fell, from the 1970s and most notably during the first half of the 1980s: during the late 1980s and early 1990s the proportion of population living in this region continued to decline at a gradual rate.

TABLE 2.2

Percentage Change in Population Level and Percentage Change in Population Share by Region, 1841-1951 and 1951-1996

Region (per cent)	1941-1951	1951-61	1961-71	1971-81	1981-86	1986-91	1991-96
East Change in Population	11.43	2.02	17.20	21.46	3.56	1.08	4.08
Change in Share	145.74	7.17	10.91	5.05	0.72	1.51	1.20
Midlands Change in Population	-68.18	-7.27	-2.88	10.44	2.30	-2.93	1.03
Change in Share	-29.84	-2.59	-8.10	-4.48	-0.51	-2.52	-1.76
Mid-West Change in Population	-65.80	-6.74	3.48	14.24	2.34	-1.49	2.04
Change in Share	-24.59	-2.03	-2.08	-1.20	-0.47	-1.08	-0.78
North-East Change in Population	-66.69	-10.20	1.61	11.36	2.37	-1.69	0.83
Change in Share	-26.54	-5.67	-3.85	-3.68	-0.44	-1.27	-1.96
North-West/Dgl Change in Population	-63.13	-13.88	-6.92	11.35	2.19	-2.15	1.3
Change in Share	-18.69	-9.53	-11.91	-3.69	-0.62	-1.73	-1.51
South-East Change in Population	-63.01	-6.14	2.73	13.99	2.78	-0.46	2.17
Change in Share	-18.42	-1.40	-2.79	-1.41	-0.05	-0.94	-0.65
South-West Change in Population	-59.24	-4.49	4.20	12.79	2.22	-0.86	2.70
Change in Share	-10.11	0.33	-1.40	-2.44	-0.59	-0.44	-0.14
West Change in Population	-63.57	-9.55	-5.30	10.84	2.42	-0.91	3.20
Change in Share	-19.65	-4.99	-10.38	-4.14	-0.39	-0.49	0.34
State	-54.65	-4.80	5.67	15.62	2.82	-0.42	2.85

Source: CSO, *Census of Population*, various years.

(ii) Sub-Regional Population Trends

Overview of Sub-Regional Trends

A detailed analysis of each sub-region by region is provided in Appendix 1 to this chapter. The period 1951 to 1996 saw quite varied experiences in regional and sub-regional population size and share (Table 2.1 and appendix tables on sub-regions). The period as

a whole witnessed population growth of 22 per cent which spread from the more urbanised counties throughout the 1960s and 1970s. In all, 17 sub-regions experienced a growth in population between 1951 and 1996. Counties which had substantial population loss (over 20 per cent) over this time include Leitrim, Roscommon, Mayo and Cavan. In contrast, eight sub-regions had population growth over 20 per cent, in descending order, Kildare (103 per cent growth), Meath, Wicklow, Dublin, Louth, Waterford, Cork and Carlow (22 per cent growth). However, not all western counties suffered a loss. Galway and Clare each grew by between 15 per cent and 20 per cent.

Because national population grew by 22 per cent the percentage change in each sub-region's share is only positive in seven cases – again these are, in descending order, Kildare (+66 per cent), and the rest of the East Region plus Louth, Waterford and Cork (+0.7 per cent). Seven counties each lost more than 20 per cent of their share in national population.

The four sub-regions of the East may be said to make up a unique “urban region”, by Irish standards, which has evolved with the evolution of the city of Dublin, the borough of Dun Laoghaire and the other small towns, villages and environs in its expanding orbit, within and beyond the Dublin county boundary. This will be considered in the discussion of settlement hierarchy.

This analysis suggests that while population imbalances persist at regional or county level there are signs that the process is slowing down. There would seem to be several demographic and economic factors at work here including falling fertility and declining emigration (or a change in its composition), a slowdown in the rate of loss of population from agriculture, and a trend towards urbanisation in all regions and sub-regions. Some trends – in particular, the fact that population growth was stronger in the more urbanised counties during the 1970s – provide something of a corrective to our understanding of how industrial development policies may be thought to have influenced settlement patterns.

3. THE SETTLEMENT HIERARCHY

The examination of population distribution by region or sub-region is somewhat abstract without consideration of the structure and distribution of the urban system. It is the latter which, to a large

extent, is the underlying mechanism through which population is distributed. The previous section points implicitly to the role of the urban system in generating the pattern of regional population distribution. Here, we present an overview of the evolving urban system in Ireland. In this section the notion of urban hierarchy is used in the simple sense of the distribution of population by size of centre. Nevertheless it is essential to examine the existing urban pattern in order to explore the related but distinct issue of whether there is a functional hierarchical logic to the urban system. While one assumes that the settlement pattern is influenced to a great extent by functional requirements, including the relevant scale economies for different types of service provision and the need to achieve reasonable proximity of services within localities, it is also inevitable that historical, geographical, political and other types of influences exist. The issue is the relative significance of the functional logic.

(i) Urbanisation Level and Change by Sub-Region

Urbanisation has been defined as “the proportion of the population concentrated in urban settlements, or else a rise in that proportion” (Davis 1965, cited by Bannion, 1983). Table 2.3 shows both the level and change in urbanisation by sub-region over the period 1971 to 1996. Aggregate Town Area population by county is calculated by the CSO based on a cut-off of towns of 1,500 or greater. Aggregate Rural Area is calculated as the residual. This implies a narrower definition of urban areas than will be utilised in our analysis in Section 3 (ii) below. However, it provides a useful perspective on the extent of urbanisation by county over the 1971 to 1996 period.¹

Table 2.3 sorts counties by their level of urbanisation in 1996. The range is very extreme – from 97.5 per cent in Dublin to 6.1 per cent in Leitrim. Over the period 1971-1996 too, the pattern of change is extremely diverse even though the national trend is towards greater proportions in aggregate town areas.

It is notable that the four counties with the lowest degree of

¹ There is another option here, that is to focus on the legally defined concepts of rural and urban districts. We have opted for the more intuitive approach because it is sufficiently detailed for present purposes and arguably is more realistic.

urbanisation in 1996 – Leitrim, Cavan, Roscommon and Mayo – are also the four which suffered population losses in excess of 20 per cent in the 1951 – 1996 period. In contrast Donegal's population was much the same in 1996 as in 1951, while it increased its urban share from 13.7 per cent to 21.8 per cent between 1971 and 1996.

At the opposite extreme are the counties which have long established urban populations such as Dublin, Louth, Cork, Waterford and Limerick. These all experienced some incremental growth. In the case of Dublin county the population was already highly urbanised in 1971 at 97 per cent and there is little scope for proportional change.

One of the most striking features is the rapid urbanisation of the counties around Dublin but particularly Kildare and Meath whose urban shares have risen substantially. A similar effect may be seen in Co. Clare, insofar as its rising urban level reflects the spillover effects of Limerick city and the effect of the corridor between Limerick and Galway in stimulating the growth of Ennis and Shannon.

Another notable pattern is the substantial rate of urbanisation taking place in counties which suffered considerable population decline in previous decades and which have made demographic recoveries in the past twenty five to thirty years: particularly Galway, Clare, and Donegal, but also Longford and Kerry. This association between population growth and urbanisation has a corollary of declining rural population share and often a decline in rural population level. But it is evident that despite a strong regional bias in changing settlement the story is more complicated than this would suggest: counties which have strong urban centres or are in a position to urbanise are also in a position to retain population, even counties on the Western seaboard. In Chapter 3 we examine the respective influences of declining agricultural employment and rising non-agricultural employment in bringing about these changing settlement patterns.

(ii) The Settlement Hierarchy

Table 2.4 sets out the trend in population share by town size group between 1951 and 1996 in more detail. In addition to sub-dividing

TABLE 2.3

Urbanisation* by Sub-Region in 1971 and 1996 and Rate of Change

County	Aggregate Town Area		Per Cent Change 1971-1996
	1971	1996	
Dublin	96.6	97.5	0.9
Louth	62.6	63.5	1.4
Kildare	34.6	60.6	75.1
Cork	53.8	60.4	12.3
Waterford	55.5	60.1	8.3
Wicklow	46.6	58.4	25.3
Limerick	47.6	49.0	2.9
Carlow	42.1	46.1	9.5
Westmeath	38.4	42.4	10.4
Tipperary, S.R.	38.0	40.4	6.3
Galway	29.1	39.0	34.0
Offaly	33.5	36.6	9.3
Clare	23.3	35.3	51.5
Meath	19.0	33.9	78.4
Tipperary, N.R.	33.8	33.3	-1.5
Sligo	28.8	33.2	15.3
Wexford	32.6	32.0	-1.8
Kerry	24.2	31.2	28.9
Kilkenny	22.1	29.2	32.1
Laoighis	26.3	29.1	10.6
Monaghan	26.6	28.1	5.6
Longford	17.0	23.2	36.5
Donegal	13.7	21.8	59.1
Mayo	16.1	21.3	32.3
Roscommon	13.3	18.4	38.3
Cavan	11.1	16.9	52.3
Leitrim	5.3	6.1	15.1

* Percentage of Population in Aggregate Town Area (towns over 1,500)

Source: CSO, Census of Population.

TABLE 2.4

Percentage Distribution of Population of State by Size of Place, 1951-96

Size of Centre	1951	1961	1971	1981	1986	1991	1996
Greater Dublin area*	21.43	23.54	26.91	26.01	26.75	25.97	26.27
Cork CB and Suburbs	3.78	4.10	4.55	4.91	5.04	4.95	4.96
Limerick CB and Suburbs	1.72	1.84	2.13	2.16	2.22	2.14	2.18
Galway CB and Suburbs**	0.72	0.84	1.00	1.33	1.37	1.44	1.58
Waterford CB and Suburbs	0.97	1.00	1.17	1.16	1.19	1.19	1.22
1. Other towns 10,000 and over	3.58	4.32	6.46	8.63	8.88	9.54	10.49
2. Towns 5000-9999	3.29	3.77	6.03	6.67	6.85	6.20	5.69
3. Towns 3000-4999	2.67	2.99	2.60	2.90	2.98	2.73	2.90
4. Towns 1500-3000	3.30	3.70	2.38	2.63	2.71	2.87	2.83
5. Towns 500-1499	3.29	4.65	4.58	4.91	5.04	4.94	4.70
6. Towns 200-499***	2.10	2.79	2.12	2.58	2.65	2.64	2.63
Rural areas	53.16	46.46	40.08	36.12	37.14	35.39	34.54
State population (n)	2960593	2,818,341	2,978,248	3,443,405	3,540,643	3,525,719	3,626,087

Note: * County Borough (CB) areas are defined legally and subject to revision. The figures here, therefore, vary due to boundary changes as well as population change. A county borough area is the complement of its county population area. In all the data here, we also include the suburbs and environs of boroughs and towns. Greater Dublin includes the Dublin county borough (CB), Dun Laoghaire and suburbs.

** Galway was defined as a county borough only from the 1986 Census;

*** from 1981, the definition changed to places with less than 500 and at least 50 inhabited houses. This led to the inclusion of some settlements which would have fewer than 200 population, so that there is some inflation of the number of such centres, and their share of population between 1971 and 1981, that has nothing to do with real changes. The increase from 199 to 255 in the number of centres in this category during the 1970s may be in large part attributable to this.

Source: CSO, *Census of Population*, various years.

those settlements with 1,500 or more people, it distinguishes two further categories of towns with less than 1,500 people. In the previous section we saw that population grew by about 22.5 per cent over this period and there were important regional and sub-regional variations over this time. However, the distribution of population over different types of settlement also changed radically. In general there was an increase in the concentration of population in the largest and larger population centres, and a decline in the population living in rural areas. The most notable increase was in towns of over 10,000 whose share of population increased from 3.6 per cent to 10.5 per cent. Most smaller towns too experienced some growth. However, this is not always apparent in the data on share of population or the number of towns in each bracket because each of these categories experiences losses to and gains from other categories at each census.

Table 2.5 shows the number of urban settlements in each size category between 1951 and 1996. From 1951 to 1996 the total number of settlements with over 200 people (or over 50 inhabited dwellings from 1981) increased from 390 to 641. This growth in the number of settlements reflects the growth of many tiny clusters beyond the 200 person mark, (or beyond the 50 inhabited houses threshold).

The growth in the number and importance of larger settlements was consistent over time. In 1951, there were 8 large towns (apart from the five cities) with populations of over 10,000. This almost tripled to 23 towns by 1996, while their share of population increased from 3.6 per cent to 10.5 per cent.

The number of settlements in the 5,000 to 10,000 range almost doubled to 29 over the period, accounting for 3.3 per cent of the population in 1951 and 5.69 per cent in 1996. Towns in the 3,000 to 5,000 range increased from 21 to 27. The number of smaller towns in the 1,500 to 3,000 range increased from 44 to 48 but had a declining share of population, down from 3.3 per cent to 2.8 per cent. Again, the small net change in the number of towns in the 1,500 to 5,000 range (10) and in their proportion of population masks the higher gross changes or turnover and hence the fact that towns of this size in 1951, too, experienced considerable growth over the subsequent decades.

The number of villages with between 200 (or over 50 inhabited dwellings) and 500 people increased by 127 and the number of

TABLE 2.5

Distribution of Urban Places by Size, 1951-96

Size of Centre (Population)	1951	1961	1971	1981	1986	1991	1996
Greater Dublin area*	1	1	1	1	1	1	1
Cork CB and Suburbs	1	1	1	1	1	1	1
Limerick CB and Suburbs	1	1	1	1	1	1	1
Galway CB**	1	1	1	1	1	1	1
Waterford CB and Suburbs	1	1	1	1	1	1	1
1. Other towns 10,000 and over	8	14	16	17	19	21	23
2. Towns 5000-9999	16	17	22	35	33	31	29
3. Towns 3000-4999	21	21	24	27	27	25	27
4. Towns 1500-3000	44	46	41	40	43	47	48
5. Towns 500-1499	108	156	152	182	194	198	194
6. Towns 200-499***	188	255	199	253	298	306	315
Total count	390	514	459	559	619	633	641

Note: See notes to Table 2.4.

Source: CSO, *Census of Population*, various years.

smaller towns with 500 to 1,500 people, by 86. However the share of population accounted for by this group remains quite low. (Again, it should be noted that the composition of these categories varies from one census year to the next). Below we examine changes in the importance of towns of 1,500 or more.

Regional Distribution of Towns by Size in 1996

Table 2.6 summarises the regional distribution of county boroughs and other urban centres with over 1,500 population, by size, in 1996. It shows that all regions had at least one centre over 10,000, and all had at least 9 centres over 1,500 population.

The East and South-West regions, with respectively 40 and 24 towns or cities exceeding 1,500 population, have the most developed urban systems in terms of the number of towns. Also,

TABLE 2.6

Regional Distribution of Towns over 1,500 by Size Category, 1996

Town Size/ Type	E	M	MW	NE	NW/D	SE	SW	W	State
County	1	-	1	-	-	1	1	1	5
Borough	9	3	1	2	2	4	2	-	23
10,000	8	2	3	2	-	5	5	4	29
5-10,000	8	4	2	1	2	2	6	2	27
3-5,000	14	4	4	4	5	5	10	2	48
1,500-3,000	40	13	11	9	9	17	24	9	132
Total									

Source: CSO, *Census 96*, Volume 1, Table 7.

these two regions have the first and second cities in the state. The third region, in terms of number of towns over 1,500, is the South-East, with 17. As a region, it has a more extensive system of towns than either the Mid-West or West, despite the fact that these two regions contain cities (Limerick and Galway) which are larger than the main city of the South-East. The West, North-West and North-East stand out as having the smallest number of towns. However, parts of these regions show quite strong urban patterns so that, as regions, they have very uneven patterns of urbanisation. Most notably, the long urbanised Louth sub-region of the North-East and the rapidly expanding Galway city area, exhibit these characteristics.

A complete listing of towns by region and size category is provided in Table A2.9 in Appendix 2 to this chapter. Together with the data given in Table 2.3 and Table 2.6 it confirms the weaknesses in urban structure in a cluster of sub-regions in adjacent parts of the North-West, North-East, Midlands and West regions. This applies to Leitrim (North-West/Donegal), Roscommon and Longford (Midlands), Cavan and Monaghan (North-East), and Mayo (West) all of which have experienced severe population decline and have very low population size, density and urbanisation. A key characteristic is the absence of a large centre, - in 10,000 plus range - in these sub-regions. However, parts of other counties, such as Galway, are in a situation similar to these sub-regions.

Greater Dublin Area

At the top of the rural-urban 'continuum', the Greater Dublin area grew by 50 per cent and its share increased from 21.4 per cent to 26.9 per cent between 1951 and 1971. This area takes in a large continuously built up settlement comprising the Dublin County Borough or city, the borough of Dun Laoghaire and their suburbs and environs. It has had a complex evolution over the decades, though we have simply treated it as one unit. During the 1970s its share of national population declined to around 26 per cent, although, as with rural areas, the population increased in absolute terms (Table 2.7). In the early 1980s too the share of national population in Greater Dublin declined a little, and in the late 1980s, when emigration picked up, there was another small decline in both relative and absolute terms. By 1991, Greater Dublin accounted for just under 26 per cent of the national population. Part of the explanation for the post 1971 decline in share has to be sought in the rise of new residential satellites which remain outside the suburbs / environs of the city both within and outside the county boundaries but well within commuting distance. Part has to do with the factors referred to above, in particular the shake-out in traditional and indigenous industries during the 1970s and early 1980s, many of which were located in the capital.

In the 1991 to 1996 period the Greater Dublin Area grew in absolute and relative terms. Part of the explanation for this is that Lucan, previously separately identified as one of the towns over 10,000, was re-classified as part of the suburbs/environs of Dublin city. Re-

TABLE 2.7

Population in Greater Dublin Area as a Percentage of National Population, 1951-1996

	1951	1961	1971	1981	1986	1991	1996
Population	634,473	667,623	852,219	915,115	920,956	915,516	952,692
% of National Population	21.43	23.54	26.91	26.01	26.75	25.97	26.27

development of inner city areas and improved net migration have also contributed to population growth in the city but so also has the

growth of population in established suburbs, often in the more affluent or 'desired' addresses.

On its own, the growth of the Greater Dublin Area, as defined here, may be misleading since it understates the combined importance of Dublin and the towns of the surrounding areas in shaping regional and national settlement patterns. It is important to note that subsequent sections dealing with the growth of towns by size category also reflect the growth of a built-up urban region in the East. The growth of many of these towns, like the now assimilated Lucan, is bound up with the evolution of the capital. In Appendix 3 to this chapter we report some evidence – based on a different approach – on the more pervasive growth of this city region.

Cork, Limerick, Waterford and Galway

The population living in the next four largest regional urban centres – Cork, Limerick, Galway and Waterford – increased by almost 70 per cent and their share rose from 7.2 per cent to 9.9 per cent over

TABLE 2.8

Population in Cork, Limerick, Galway and Waterford as Percentages of National Population, 1951-1996

Regional Centres	1951	1961	1971	1981	1986	1991	1996
Cork CB and Suburbs	112,009	115,689	135,456	149,792	173,694	174,400	179,954
Per Cent	3.78	4.10	4.55	4.91	5.04	4.95	4.96
Limerick CB and Suburbs	50,820	51,732	63,436	75,520	76,557	75,436	79,137
Per Cent	1.72	1.84	2.13	2.16	2.22	2.14	2.18
Galway CB	21,316	23,700	29,767	41,861	47,104	50,853	57,363
Per Cent	0.72	0.84	1.00	1.33	1.37	1.44	1.58
Waterford CB and Suburbs	28,691	28,216	34,837	39,636	41,054	41,853	44,155
Per Cent	0.97	1.00	1.17	1.16	1.19	1.19	1.22
All Centres	212,836	219,337	260,483	306,809	338,409	342,542	360,609
Per Cent	7.19	7.78	8.85	8.91	9.56	9.72	9.94

the 45 year period up to 1996 (Table 2.8). Galway city experienced rapid population growth, more than doubling its proportion of national population, and increasing its level from 21,300 in 1951 to over 57,000 by 1991. Population growth was at its most rapid during the 1970s, when the city grew by over 42 per cent. It was the fastest growing city in the group, well ahead of the others, at 169 per cent over the period. It also went from fourth position in the group in terms of size, in 1951, to third, passing Waterford, during the 1970s. The latter, nevertheless, increased its population by 54 per cent.

Two of the cities in this group experienced some temporary decline in their relative share of population: in the late 1980s, Cork's share of national population declined a little, although the city's population grew in absolute size. Limerick had a similar experience, and even had a small numerical decline, in the late 1980s. The growth of satellite towns and extended commuter areas outside the "suburbs and environs" of Limerick and Cork cities could account for the slower growth of these two cities in certain sub-periods, just as it would make up for the more recent slowdown of population growth in the Greater Dublin Area. Many cities go through a process of thinning out, particularly in older inner city areas. This usually goes hand in hand with a widening travel-to-work zone beyond the city boundaries.

Although three of these four centres are in Munster, and one in Connacht, all are located in separate planning regions. Together, these centres fan out as coastal points running from the South East to the West and located at considerable distances from the capital, with substantial or rapidly growing populations. The obvious gap is in the North West.

Large Towns, Over 10,000 Population

Between the rural areas and the five major urban centres, settlements are usually grouped into six population categories. These are summarised in Table 2.9.

In 1951 – apart from the five cities described above – there were only 8 towns with more than 10,000 people, making up a population of 106,000. What stands out, in 1951, is the sparsity of such centres along the west coast, and the absence of any in the midlands. Four were on the east coast (Dundalk, Drogheda, Bray and Wexford),

TABLE 2.9

Population in Towns by Size as Percentage of National Population, 1951-1996

Town Size	1951	1961	1971	1981	1986	1991	1996
1. Other towns 10,000+	106,115	121,638	192,417	256,889	305,657	336,411	380,522
Per Cent	3.58	4.32	6.46	8.63	8.88	9.54	10.49
2. Towns 5000-9999	97281	106,311	179,718	247,240	236,029	218,564	206,346
Per Cent	3.29	3.77	6.03	6.67	6.85	6.20	5.69
3. Towns 3000-4999	79108	84,139	77,355	100,226	102,562	96,403	105,042
Per Cent	2.67	2.99	2.60	2.90	2.98	2.73	2.90
4. Towns 1500-3000	97580	104,333	70,768	85,506	93,165	101,264	102,780
Per Cent	3.30	3.70	2.38	2.63	2.71	2.87	2.83
5. Towns 500-1499	97397	131,122	136,354	166,599	173,672	174,180	170,416
Per Cent	3.29	4.65	4.58	4.91	5.04	4.94	4.70
6. Towns 200-499	62085	78,709	63,029	79,905	91,407	93,045	95,334
Per Cent	2.10	2.79	2.12	2.58	2.65	2.64	2.63

two on or near the west coast, (Sligo and Tralee), and two, both in the South-East, were inland (Kilkenny and Clonmel).

In 1996, there were 23 towns in this size group. The population accounted for had increased by 258 per cent to 336,400 over the 40 years, giving this category the highest rate of population growth. Their relative importance also increased: in 1951, these towns accounted for 3.6 per cent of the state population, and this rose to 10.5 per cent in 1996.

Of the additional 15 towns in this category in 1996, eight could be said to have a satellite and/or dormitory role in relation to Dublin. These are: Swords, Malahide, Navan, Leixlip, Celbridge, Naas, Newbridge and Greystones. Other towns in this category by 1996 were Athlone, Mullingar and Tullamore (Midlands), Letterkenny (North West/Donegal), Ennis (Mid West) Carlow (South-East),

TABLE 2.10

Regional Distribution of Towns with a Population over 10,000 in 1951 and 1996

Towns of 10,000 and Over		
Region	1951	1996
East	1	9
Midlands	-	3
Mid-West	-	1
North-East	2	2
North-West/Donegal	1	2
South-East	3	4
South-West	1	2
West	-	-
State	8	23

Killarney (South-West). As noted above, Lucan, which in 1991 was in this Category, is now subsumed in the suburbs and environs of the Greater Dublin area.

Table 2.10 shows the regional distribution of towns in this category in 1996 and in 1951. The second column shows the 1996 regional distribution. The following eight sub-regions still lacked an urban centre with a population of 10,000 or more in 1996: Leitrim in the North-West, Laois, Longford and Roscommon in the Midlands, Cavan and Monaghan in the North-East, Tipperary North in the Mid-West and Mayo in the West. In regional terms the East stands out: all of the nine large towns in the East region in 1991 had grown substantially since 1951, some from less than 1,500. In contrast to the East region, many of the large urban centres in other regions grew much more gradually since 1951, with the exception of Letterkenny which grew from less than 5,000 in 1951.

This analysis shows that the East was to remain the dominant focus of urbanisation over this period. Even though the growth took place in towns outside the greater Dublin area, the influence of Dublin city as a pole of attraction was nevertheless decisive in triggering this growth.

Towns with 5,000-10,000 Population

Towns with 5,000-10,000 people increased from 16 in 1951 to 29 by 1996 and the number living in such places increased from 97,000 to 206,346 (up 113 per cent). Towns of this size accounted for 3.3 per cent of population in 1951 and 5.7 per cent in 1996. Though their share of population increased, it is evident that this did not increase as much as that of the previous group of larger towns. This does not imply that towns of this size do not grow as rapidly. It is a consequence of turnover in this category.

Table 2.11 shows the regional pattern of distribution of towns in this group in 1991 together with the regional distribution in 1951. In 1996, eight were in the East region and all experienced rapid growth since 1951. This reinforces the trend seen in relation to towns of over 10,000 in the East.

The influence of Dublin generating the growth of satellites of 10,000 population and over in the East is echoed somewhat in other regions, particularly the South-West, in the 5,000 to 10,000 size group. Although the South-West had five such towns in 1996, these experienced rapid growth since 1951. Carrigaline, for example, grew from less than 500 to over 5,000 while Middleton grew from under 3,000 to over 5,000. This pattern of growth suggests that

TABLE 2.11

Regional Distribution of Towns with a Population of 5,000 to 10,000 in 1951 and 1996

Towns of 5,000 to 10,000		
Region	1951	1996
East	1	8
Midlands	3	2
Mid-West	2	3
North-East	-	2
North-West/Donegal	-	-
South-East	3	5
South-West	4	5
West	3	4
State	16	29

satellite towns near to Cork city explain part of the trend in the South-West, a finding which may account in part for the stabilisation of Cork city in the late 1980s.

By 1996, therefore, several counties which were without towns over 10,000 population had at least a town over 5,000. These include Cavan, Monaghan, North Tipperary, Laois, Longford and Mayo. Roscommon was the only sub-region of the Midlands which had no centre of 5,000 or over 1996. In the North-West/Donegal region in 1996, county Leitrim was the only sub-region that lacked any town greater than 5,000 population in 1996. Its largest centre in 1996 was the small town of Carrick-on-Shannon with 1,800 people.

Towns with 3,000-5,000 Population

The next echelon of towns, in the 3-5,000 range, numbered 27 in 1996 compared to 21 in 1951 (Table 2.12). Their share of population remains small having risen from 2.67 per cent to 2.90 per cent of the national total over the 1951 to 1996 period, or from 79,000 to 105,000. This, however, disguises much of the growth in towns of this range. All but five towns in this category in 1996 had less than 3,000 population in 1951.

TABLE 2.12

Regional Distribution of Towns with a Population of 3,000 to 5,000 in 1951 and 1996

Towns of 3,000 to 5,000		
Region	1951	1996
East	5	8
Midlands	2	3
Mid-West	2	2
North-East	3	1
North-West/Dgl.	2	2
South-East	2	2
South-West	3	6
West	2	3
State	21	27

Again, growth of these centres tends to be influenced by the proximity of major urban centres or to take place in those regions with a relatively strong urban distribution to begin with, in particular the East. Nevertheless all regions had some towns in this range in both 1996 and 1951. The only sub-region without a town of at least 3,000 population in 1996 was Leitrim.

Towns with 1,500-3,000 Population

There is a large group of towns in the size range 1,500-3,000 (Table 2.13). These have increased in number from 44 to 48 between 1951 and 1996, but it is important to emphasise that due to a very high degree of inflow/outflow as towns grew in size, only about one-third of total towns in this category were present in both years. This might also be masked by the fact that, as a category, the size of population it represents has changed little, from 95,500 to 101,000.

The pattern of distribution of this layer of 48 small towns in 1996 displays a bias towards the East (12) and South-West (10), once again suggesting that the influence of large mature urban centres is important in stimulating the growth of the towns in a region. Further details on the smallest towns (below 1,500) are provided in Appendix 4 to this chapter.

TABLE 2.13

Regional Distribution of Towns with a Population of 1,500 to 3,000 in 1951 and 1996

Regional Distribution of Towns (n)		
Region	1951	1996
East	8	12
Midlands	5	5
Mid-West	5	5
North-East	3	5
North-West/Donegal	2	5
South-East	7	5
South-West	13	10
West	1	1
State	44	48

(iii) Rural Population Change

Population in Rural Areas

In 1951 over 53 per cent of the state population lived in rural areas, by which is meant open country or local population centres with less than 200 people or, as now defined, less than fifty inhabited houses (Table 2.14). This should not be confused with the term "aggregate rural area" in the census which refers to all places with up to 1,500 people (see below). Aggregate rural population declined more slowly than the population in rural areas as defined here.

Throughout the 1950s and 1960s the proportion in rural areas declined substantially to just over 40 per cent in 1971. The decline continued at a slightly slower rate during the 1970s. This slowing of the rate of decline was not confined to the 1970s, but continued into the 1980s and 1990s. However, because the 1970s was a decade of unusually high population growth, the declining proportion on the land translates into an increase in numerical terms. Thus, the rural area population, so defined, fell from 1.57 million in 1951 to 1.19 million in 1971, but increased in the 1970s to 1.28 million. Up to 1991, rural area population declined in absolute as well as relative terms. In the 1991 to 1996 period there was a very slight increase in the population outside settlements of 50 houses or more, as in the 1970s, but the share continued to decline. Since 1981 the decline in the share of population in this more strict definition of rural areas has been continuing at a more gradual rate. It is probable that part of the recent growth in rural areas is an expression of the growth of commuting to towns in all parts of the state.

The longer term trend in rural population decline may be due not only to migration but to the long-term effect of a relatively older

population structure on natural increase in rural areas. In relation to the effect of migration on population loss in rural areas, however, one may distinguish between the 1960s and 1970s. In the 1960s low relative incomes in farming and relatively better pay in non-agricultural employment contributed to an intensification of the exodus from agriculture. In the 1970s, by contrast, there was a narrowing of differences in population growth by region, which may have been related to three factors: rising relative farm income, in part reflecting the Common Agricultural Policy, a decline in traditional industrial employment in Dublin and other major population centres, and rural industrialisation policies. In so far as commuting is a factor, the growth of car ownership over recent decades and improved roads will have facilitated commuters living in rural areas.

Two further aspects of population distribution are considered in relation to the most recent period. These are changes in aggregate rural population and changes at District Electoral Division (DED) level.

Aggregate Rural Population Change

First, recent trends in settlement patterns may be examined in terms of changes in aggregate urban and aggregate rural population (Table 2.15). The cut-off is towns (inclusive of their environs and suburbs) of 1,500 or over. The 1991-1996 period saw a reversal of the previous period of aggregate rural population decline, from a loss of 29,000 to a rise of 3,000. The recent growth of population in rural areas is noteworthy but has taken place against a backdrop of the continued dominance of urbanisation: in the late 1980s aggregate urban population increased by 14,000 despite a decline in national population and, between 1991 and 1996, urban population increased by 97,000.

At the regional and sub-regional levels the significance of rural population change is often unclear. In the East region the decline in rural population continued in the 1990s. But these changes are minuscule compared to the large growth in urban population. In more rural regions and counties, by contrast, small declines or increases in aggregate rural population are important due both to a lower population base and lower urban share on which to build. There was an improvement, nevertheless, in rural population

TABLE 2.14

Population in Country Areas as a Percentage of National Population, 1951-1996

	1951	1961	1971	1981	1986	1991	1996
Population	1,573,718	1,309,363	1,193,813	1,282,116	1,278,786	1,247,794	1,252,346
% of National Population	53.16	46.46	40.08	37.2	36.12	35.39	34.54

TABLE 2.15

Aggregate Town and Rural Population in 1996 and Changes 1991-1996

Regions and Sub-Regions	Aggregate Town Areas		Aggregate Rural Areas		All Areas	
	Persons	Change	Persons	Change	Persons	Change
	1996	1991-96	1996	1991-96	1996	1991-96
Dublin	1,032,139	33,439	26,125	-479	32,960	32,960
Kildare	81,857	11,618	53,135	718	12,336	12,336
Meath	37,170	5,117	72,562	-755	4,362	4,362
Wicklow	59,985	5,061	42,698	357	5,418	5,418
East	1,211,151	55,235	194,520	-159	55,076	55,076
Laoighis	15,418	1,173	37,527	-542	631	631
Longford	6,984	160	23,182	-290	-130	-130
Offaly	21,644	788	37,473	-165	623	623
Westmeath	26,822	-1,125	36,492	2,559	1,434	1,434
Roscommon	9,546	865	42,429	-787	78	78
Midland	80,414	1,861	177,103	775	2,636	2,636
Clare	33,209	2,128	60,797	960	3,088	3,088
Limerick	80,893	1,321	84,149	1,765	3,086	3,086
Tipperary, N.R.	19,301	-35	38,720	202	167	167
Mid West	133,403	3,414	183,666	2,927	6,341	6,341
Louth	58,482	903	33,684	539	1,442	1,442
Cavan	8,974	379	43,970	-231	148	148
Monaghan	14,437	-135	36,876	155	20	20
North East	81,893	1,147	114,530	463	1,610	1,610
Donegal	28,295	2,115	101,699	-238	1,877	1,877
Leitrim	1,532	22	23,525	-266	-244	-244
Sligo	18,509	545	37,312	520	1,065	1,065
North West/ Donegal	48,336	2,682	162,536	16	2,698	2,698
Carlow	19,168	811	22,448	-137	674	674
Kilkenny	22,032	2,689	53,304	-988	1,701	1,701
Wexford	33,448	630	70,923	1,672	2,302	2,302
Tipperary, S.R.	30,535	611	44,979	-15	596	596
Waterford	56,892	2,967	37,788	89	3,056	3,056
South East	162,075	7,708	229,442	621	8,329	8,329
Cork	254,012	10,651	166,498	-510	10,141	10,141
Kerry	39,386	5,770	86,744	-1,534	4,236	4,236
South West	293,398	16,421	253,242	-2,044	14,377	14,377
Galway	73,593	6,505	115,261	1,985	8,490	8,490
Mayo	23,728	2,318	87,796	-1,507	811	811
West	97,321	8,823	203,057	478	9,301	9,301
State	2,107,991	97,291	1,518,096	3,077	100,368	100,368

performance in the 1991-1996 period, relative to the late 1980s in predominantly rural counties, even if this amounted, in some cases, to a smaller decline than previously in rural population. Also, while a number of these counties experienced town population decline in the late 1980s, most have had growing aggregate urban population in the 1990s. The exceptions were Monaghan (down 135) and Westmeath (down 1,125), but both of these, somewhat surprisingly, experienced compensatory increases in aggregate rural population.

The pattern of much recent rural population growth suggests that commuting is an important influence. Simultaneous rural and urban population growth in Galway, Limerick, Sligo and Wexford seem to point to this. In the case of Cork there was a decline in the aggregate rural population but there was substantial growth in towns of 1,500 or more, in the county but outside the county borough. These towns may include many commuters and may have a satellite role in relation to Cork city.

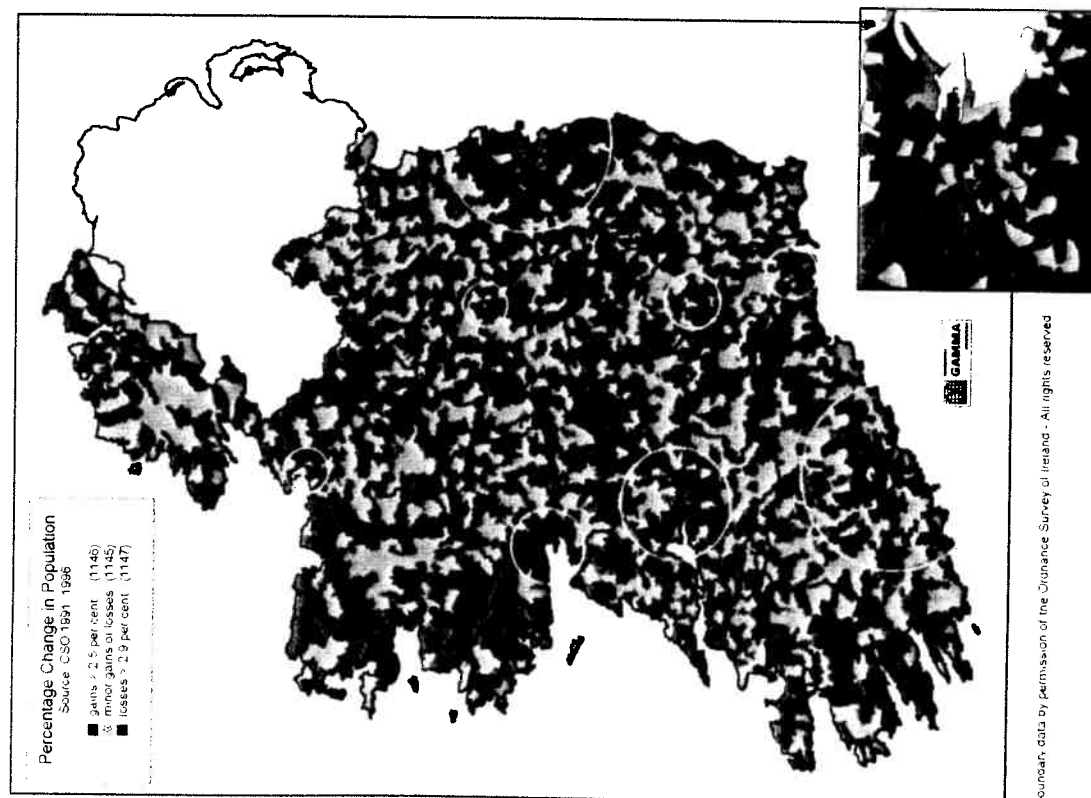
District Electoral Division Change

Second, changes at DED level pick up both sub-regional and urban-rural patterns of change. Figure 2.1 shows the change between 1991 and 1996 in 3,438 DEDs.² The growth of national population over this period has been reflected in growth rates above 2.5 per cent in the upper third, minor gains and losses in the mid-third (from 2.5 per cent to minus 2.9 per cent) and losses over 2.9 per cent in the remaining third of DEDs. Although growth is concentrated in urban centres, there has been some growth in many rural DEDs beyond major urban centres and towns, and there are districts within larger urban centres where population has declined (see Figure 2.1).

These recent trends have been analysed by Walsh (1996), who points out that much of this spread of growth in rural DEDs appears to be associated either with proximity to a major urban centre or accessibility to one, that is, proximity to a main trunk route. Nevertheless, following the pattern of population decline in rural areas during the 1980s it is heartening to witness population growth in several parts of the demographically weakest sub-regions. The pattern shows that when national population recovers there is a cushioning of the fall, or even some improvement, in more vulnerable districts.

² The map in Figure 2.1 was provided by Trutz Haase.

FIGURE 2.1
Population Change, 1991-1996



Boundaries data by permission of the Ordnance Survey of Ireland. All rights reserved

In summary, the trends suggest that the recent period population growth has to a limited extent spread out from urban centres over 1,500. This has led to a relatively better performance in aggregate rural population change in 1991-1996 compared to 1986-1991 and to population growth in many rural DEDs. However, the growth of rural population is also a reflection of extended commuter zones and, in many areas which have traditionally suffered rural population decline, the trend is still downward. Nevertheless, most of the counties which lost rural population in the first half of the 1990s made gains in overall population. The exceptions were Leitrim and Longford.

4. POPULATION STRUCTURE AND INTERNAL MIGRATION

(i) Age Structure and Age Dependency

The age dependency ratios for 1996 in each region and sub-region are shown in Table 2.16. For our purposes we have defined the combined dependency ratio, as the under 20 age group plus the over 60 age group as a proportion of the 20-59 age group. Overall dependency varied around the state average of 94 per cent, from over 116 per cent in Roscommon and Leitrim to less than 81 per cent in Dublin.³

Most regions had above the state average, the exception being the East. The four counties with the highest dependency ratios were Roscommon, Leitrim, Mayo and Cavan, which were also the main areas of population decline and the counties with weakest urbanisation rates. To some extent this reflects the high old age dependency ratios in these counties. Each of these sub-regions had old age dependency ratios in excess of 40 per cent, compared to a state average of 29.4 per cent. However, these counties could not be said to have low young dependency ratios as they were close to the

³ This is a possibly contentious definition but is defended on the grounds of current and projected declining rates of labour force participation above 60 years and below 20. Moreover, the CSO (July 1997) acknowledge that the more usual practice of selecting 15 to 65 years as the active age group is also becoming somewhat arbitrary. We have also calculated ratios on the latter basis. These are in tabular form in Appendix 5 together with comments on any noteworthy differences.

TABLE 2.16

Age Dependency Ratios by Region and Sub-Region

Region	Dependency Ratio		
	Young	Old	All
North-West/Donegal	71.0	37.2	108.2
Midlands	71.5	35.4	107.0
West	68.4	35.5	103.9
North-East	69.6	32.7	102.3
South-East	67.6	31.7	99.4
Mid-West	66.2	30.9	97.1
South-West	63.9	31.4	95.2
East	58.8	24.3	83.1
Sub-region	Young	Old	All
Roscommon	70.7	45.6	116.3
Leitrim	68.8	47.5	116.2
Mayo	72.5	42.6	115.1
Cavan	73.1	40.5	113.5
Longford	73.8	38.5	112.3
Donegal	73.5	35.6	109.1
Monaghan	73.3	34.3	107.5
Offaly	72.5	32.4	104.9
Tipperary, N.R.	68.6	35.9	104.5
Laoighis	71.5	32.6	104.1
Kerry	66.7	37.0	103.8
Sligo	66.1	36.6	102.6
Tipperary, S.R.	68.5	34.0	102.6
Westmeath	70.2	31.4	101.6
Kilkenny	68.6	32.5	101.1
Clare	68.7	32.4	101.1
Wexford	68.3	31.2	99.5
Carlow	69.4	29.3	98.7
Galway	66.2	31.6	97.8
Meath	70.4	25.4	95.8
Waterford	64.8	30.9	95.7
Louth	65.9	27.9	93.8
Cork	63.1	29.7	92.8
Limerick	64.0	28.4	92.4
Wicklow	65.8	26.3	92.1
Kildare	67.8	18.2	86.0
Dublin	55.9	24.7	80.6
State	63.9	29.4	93.4

TABLE 2.16 - continued

County Borough/County	Dependency Ratio		
	Young	Old	All
Galway County	72.2	37.4	109.6
Waterford County	68.4	34.5	102.9
Cork County	66.7	29.6	96.3
Limerick County	66.7	27.8	94.5
Limerick Co. Borough	58.4	29.5	88.0
Waterford Co. Borough	60.6	26.9	87.5
Cork Co. Borough	55.2	30.0	85.2
South Dublin	70.2	14.5	84.7
Fingal	68.4	14.9	83.2
Dun Laoghaire-Rathdown	53.7	28.2	81.9
Dublin Co. Borough	46.4	31.1	77.5
Galway Co. Borough	54.6	20.5	75.1
State	63.9	29.4	93.4

top ratios here too. The four counties with the highest old dependency ratios also have relatively high young dependency ratios - ranging from 69 to 73 per cent, compared to a state average of 64 per cent, and to a maximum of 73.8 per cent in Longford.

By contrast the lowest old age dependency ratios were in the East and particularly in Kildare (18 per cent), Meath (25.4 per cent) and Wicklow (26.3 per cent). Likewise the young dependency ratio is not highest in those counties experiencing rapid population growth or with relatively low old age dependency ratios, but is only moderately above the state average. Only in Dublin and Cork was the young dependency ratio below the state average. These are followed by Wicklow (66 per cent), Kildare (68 per cent), Louth (66 per cent) and Waterford (65 per cent) and Sligo (66 per cent). The counties with the highest young dependency ratios were, in rank order, Longford, Donegal, Monaghan and Cavan. There are variations too within regions. For example, in the East region both Wicklow and Meath have significantly higher old age dependency ratios than Kildare, though all are well below the state average.

Galway city and county exhibit contrasts in terms of old dependency ratios. These urban-rural contrasts are also present in the other main boroughs and their counties, albeit in a weaker form.

The policy implications of higher dependency ratios are not as

simple as might be thought. First, it is true, of course, that community level services – for elderly people for example – must be provided from within the area. However, inter-regional and intra-regional resource transfers between generations also take place. To that extent many local needs may be met through central mechanisms (such as social welfare payments). Second, a lower dependency ratio implies a higher share of population in the working age groups. Thus, policies for the provision of employment need to take special account of those areas with an above average share of population who are “eligible” to seek employment. It is noteworthy, therefore, that areas with higher age dependency ratios, such as less urbanised areas, with declining population or the non-city areas of those counties which contain the main county boroughs also tend to have lower than average unemployment rates (see Chapter 3 Table 3.6): Galway was the exception with county borough unemployment also below average.

We do not deny the existence of intra-urban contrasts or indeed contrasts between rural areas in patterns of age and economic dependency. However, the analysis of age dependency suggests some noteworthy contrasts between rural and urban areas. Typically urban areas have higher working age populations with a greater problem of unemployment, while rural areas have less favourable age structures but lower rates of unemployment.

(ii) Gender, Age Structure and Dependency

Between 1951 and 1996 there has been a gradual reversal of the population gender imbalance. In 1951 there were 1,036 males per thousand females, falling to 1,010 in 1961, 999 in 1986 and 986 in 1991. In 1996 there were 986 males per thousand females in the national population. This change in the ratio is influenced by differences in births, migration and mortality by gender. First, slightly greater than 50 per cent of all births are male, leading to a male bias in the younger population. The higher the birth-rate, the greater its effect on the proportion of males in society. In 1996 there were 106 males for every 100 females under the age of five. Second, in the economically active age groups the picture becomes quite variable due to the fact that in different decades net male and female emigration rates have diverged widely. This was examined in some detail in the Council's study of emigration (1991). Third, among older age groups, due to the much higher mortality rate

among males, the male/female ratio is significantly lower. In 1996, there were only 856 males per thousand females in the 65 to 74 age group, only 674 per thousand in the 75 to 84 age group and 439 males per thousand females in the 85-plus age group. At the national level, therefore, population age structure is a significant factor influencing gender ratios. As the population ages this leads to a growing imbalance in favour of females. This is further reinforced by improvements in female, relative to male, life expectancy. In Ireland, the cumulative effect of these factors is a shift, from the 1960s, when males exceeded females in the population by about 15,000, to the present time, when females exceed males by about 25,000.

At the sub-national level, migration, particularly from rural to urban areas, continues to have a large influence and, despite what has happened at national level, the male/female ratio in rural areas remains biased towards males. In 1996, for every 1,000 females in the aggregate rural areas there were 1,060 males. By contrast, for every 1,000 females in urban areas there were 935 males. This is interesting, in that old age dependency is higher in rural areas, yet the gender bias is towards males, who have a lower life expectancy. Evidently, the rural male bias is due to cumulatively higher rates of rural to urban migration by females. In recent decades there has been a decline in males per 1000 females in both rural and urban areas, but this decline has been more gradual in urban areas. Between 1981 and 1996 the urban ratio declined from 943 to 935 while the rural ratio declined from 1,099 to 1,060. This suggests that past imbalances due to differential migration are lessening in importance while the effects of falling birth rates, ageing and differential growth in life expectancy among women are of increasing importance in both rural and urban areas.

Higher rates of rural to urban migration by woman in the fertile age groups directly affect the tendency towards population decline in rural areas. Indirectly, generations of higher female migration from rural to urban areas have also led to higher rates of non-marriage among rural men, fewer marriages and fewer births. Moreover, fertility rates in less urbanised sub-regions have been falling, converging on the lower rates in more urbanised areas and further reducing rural birth rates (Fahey and Fitzgerald 1996). One consequence of these trends has been a greater proportion of older men in rural areas, who are single, living alone, and many of whom

have particular social service needs. However, as noted there are improvements in the gender balance in rural areas. Depending on where these older people are living there may be severe problems providing services, support and care for them. But it is impossible to say precisely what the implications of these changes may be for the provision of services in rural areas without much more detailed information at local level.

(iii) Internal Migration and Settlement Patterns

In recent years, concern has been expressed over the effect of internal migration and there have been suggestions that Government policy encourages the movement of people from Western and more rural counties into the East region. We, therefore, examine evidence on internal migration, its place relative to other components of population change, and the constraints or scope which may arise for policy makers.

Internal migration comprises various different types of movement. Not all changes of residence are triggered by changes of place of employment. Some are related to changes in workplace location and some to a variety of household, life-cycle or social factors (see Chapter 1, Figure 1.1). The link between employment changes and change of residence usually arises only when the distance between existing residence and the new place of employment is too great to allow for regular commuting. Hence short and long distance migration figures usually point to different motivating factors: short distance migration is not usually necessitated by job changes. Provided it leaves the individual or household within a commuting range of the place of work (or college etc.) movement of residence may be influenced principally by a range of social, family, age, cost, income, taste, or status related factors.

The 1960s

According to one of the first Irish studies on the subject of internal migration, inter-county mobility was at a relatively low level in the 1960s and early 1970s by international standards, but it was, nevertheless, important as a component in sub-national population change (Hughes & Walsh 1980). The East region, particularly Dublin, was the most noteworthy net recipient of internal migrants.

However, although the East region consistently gained from all other regions through internal migration there was already a counter-movement from Dublin city and county. While acknowledging the importance of internal migration, the findings stressed that it only accounted for one quarter of urban population growth, and that natural increase was a more important factor. A further notable point is that, in spite of the contrast between the East region and the rest of the country in relation to the direction of inter-county migration, most counties almost without exception, experienced substantial population outflows due to net external migration during the 1960s. For example, Co. Wicklow, which had a net in-migration from other counties of approximately 84 per thousand, experienced a net external migration, to other counties, of approximately 70 per thousand. Dublin, Kildare and Meath experienced greater net outflows due to external migration than they gained in positive net inflows due to inter-county migration.

The 1970s

Hourihaan (1982) showed the continuing importance of cities and the changing role of other towns in relation both to internal migration and immigration during the 1970s. He distinguished between four types of population movement, each with varying influences. He confirmed the importance of Dublin as a recipient of internal migrants. However, he also identified a pattern of immigration directed towards a number of dispersed towns with a manufacturing base, which usually lacked a traditional role in relation to administration and services. Also, there was, in the 1970s, a good deal of migration within counties. Both of these trends might have been related to the extensive growth of manufacturing employment in more rural regions. Another observation was that internal migration across county boundaries, of the kind which benefited Dublin, was more generally associated with those cities and towns with public administration and defence employees.

In his findings and conclusions, Hourihan expressed concern about the continuing growth of Dublin during the 1970s, which required regulatory and planning measures. He suggested that the most effective way to counter the growth of the capital would be through the promotion of secondary centres such as Cork, Limerick or Waterford. He also suggested that short distance migration to smaller urban centres at regional or county level might be a

preferable means of sustaining employment growth than relying on commuting. This was because average commuting distances of many rural towns were much higher than in major urban centres.

The 1980s

Cawley (1991) analysed internal migration in the early 1970s, early 1980s and mid-1980s, examining regional, urban, rural, short distance and long distance aspects. Approximately 200,000 people changed address within the state over the year 1985-86 (6 per cent of the population). Almost three quarters of these moves comprised changes of address within and between urban areas or within and between rural areas, but principally the former. Also, 60 per cent of intra-urban migration was short distance movement (i.e. within the same town area) while within rural areas only 40 per cent of it was short distance (within the same county).

Cawley found that inter-county migration in 1971, 1981 and 1986 was dominated by two key flows: firstly, into counties with county boroughs – Dublin, Cork, Limerick, Waterford and Galway, and secondly, from Co. Dublin into the three adjacent counties of the East region. These trends in inter-county migration evidently pick up the effect of urbanisation and the counter movement arising from urban spillover.

Flows from rural-to-urban (25,000) and urban-to-rural (21,000) were low by comparison with intra-urban and intra-rural movements. Rural-urban flows were largely to the East region, followed by the South-West, but the West and Mid-West too increasingly became important poles of attraction. About one-third of urban-to-rural flows were within the East Region, followed by the South West and Mid-West, and other large urban centres.

Urban to rural migration largely reflects the process of suburbanisation, whether around large cities and towns, through council and private housing estates, or on the outskirts of towns and villages of all sizes through "ribbon" development. In 1986 Cawley found that such migration comprised only 10 per cent of all internal migration. This type of migration may reflect the extension of commuting distances rather than any change in the location of economic activity. She found that the South West region experienced the most notable rate of urban to rural migration within the county boundary, a reflection of suburban overspill from Cork.

Waterford city, Athlone, Mullingar and Tullamore had similar experiences. Cawley notes that, although the scale of urban to rural migration is less than rural to urban migration, the significance of urban to rural migration is greater, both in relation to the existing population and in environmental terms. Thus, internal migration has been the major factor behind the transformation of small villages (previously defined as rural) into large residential towns, such as typifies many places in Meath, Kildare, Wicklow and parts of Co. Dublin.

Cawley confirms that the role of internal migration in the 1970s and 1980s, has had a limited influence on population distribution, as compared with external migration and natural increase. It also continues to have a bias to the East, as was the case in previous decades. However, since the 1970s, possibly due to the expansion of regional technical colleges, decentralisation of some civil service functions (see Chapter 3) and investment in other key services such as hospitals outside the two key centres, Cawley has also noted a gradual increase in the pulling power of other urban centres. In addition to the continuation of Cork as a destination county and city, Limerick and Galway have also increased in importance. She also notes a longstanding pattern of migration into Donegal, related to its close links with Northern Ireland and to a history of seasonal migration to Scotland.

Walsh (1991) in an analysis of inter-county migration during the 1970s and 1980s, suggests that after a phase during which the direction of internal migration shifted more towards secondary urban centres, the late 1980s witnessed a return to rising shares for Dublin. This he attributes in part to a higher proportion of those graduates who remain in Ireland and obtain employment, doing so in and around Dublin. In the late 1970s, 56 per cent of graduates remaining in Ireland obtained employment in Dublin but this proportion had increased to 61 per cent by 1988. The South-West, West and Mid-West also gained a substantially greater percentage of non-emigrating graduates than the remaining regions. He relates these trends to the continuing adjustment in the labour force which has resulted in greater spatial concentration of employment, and predicts that this trend will continue in the absence of a locational policy applied to certain key sub-sectors.

The second important policy implication, derived by Walsh, arises from the high volume of short distance migration which is evident,

particularly in Dublin and the three surrounding counties. This migration largely relates to residential mobility and has obvious implications for the overall pattern of residential development in the East region. He recommends that they 'should constitute a single region for physical, social and economic planning and that there should be one authority to co-ordinate the administrative functions within the region'. Against this background, he suggests that the division of the East region between Dublin and the Mid-East resulted in 'a very unsatisfactory carving up of Ireland's largest and most complex functional region'.

The 1990s

Table 2.17 shows internal migration by county and county borough in 1990/91. It shows gross inflow, outflow, and net flow into or out of a county or county borough. Every county or county borough experienced some inflows and outflows. Gross inflows exceeded gross outflows in only eleven areas, mostly in the East. However, both Galway county borough and Waterford county borough had substantial net inflows, both in absolute terms and compared to their gross flows. Conversely, negative flows were highest in the county parts of Galway, all of Mayo, Wexford and Waterford county, all of which had negative flows in excess of five hundred people. Frequently, both in these areas and in areas which had lower net outflows, the effect on total population, were it to continue over a full intercensal period, would be substantial. The significance of the net flows for the areas concerned depends on total population in the area. Thus, while the net flow to the larger borough areas and more built up counties would be minor as a factor in overall growth, the significance of even small outflows for less populated rural counties is correspondingly greater.

Recent data on internal migration and immigration have been published by the CSO in its volume on Principal Demographic Results (CSO July 1997). The CSO shows that in 1996 almost 99 per cent of the usually resident population were usually resident within the state a year previously, that is, about one per cent had come to Ireland from abroad over the year. The level of internal migration in 1995/1996 was well up on 1990/1991 and on 1986, which was well above the 1990/1991 level. This applies both to migration from elsewhere in a county or migration from another county. In 1991, only 95,000 people moved residence within a

TABLE 2.17

Internal Migration by County/County Borough, in 1990-91*

Region	County / County Borough	County Inflow	County Outflow	Net Flow	Share of Inter- County Flows	
					Inflows	Outflows
East	Dublin Co. Borough	13,398	11,349	2049	20.9	17.7
	Dun Laoghaire - Rathdown	5,017	4,594	423	7.8	7.2
	Dublin - Belgard	4,442	4,513	-71	6.9	7.0
	Dublin - Fingal	4,055	3,249	806	6.3	5.1
	Kildare	2,981	1,987	994	4.7	3.1
Midlands	Wicklow	1,874	1,632	242	2.9	2.5
	Meath	1,700	1,597	103	2.7	2.5
	Westmeath	1,009	1,215	-206	1.6	1.9
	Laoighis	638	868	-230	1.0	1.4
	Offaly	596	902	-306	0.9	1.4
Mid-West	Roscommon	544	933	-389	0.8	1.5
	Longford	300	524	-224	0.5	0.8
	Limerick County	2,548	2,563	-15	4.0	4.0
	Limerick Co. Borough	1,559	1,514	45	2.4	2.4
	Clare	1,170	1,422	-252	1.8	2.2
North-East	Tipperary, N.R.	763	1,130	-367	1.2	1.8
	Louth	931	1,021	-90	1.5	1.6
	Cavan	495	677	-182	0.8	1.1
	Monaghan	338	509	-171	0.5	0.8
	Donegal	932	923	9	1.5	1.4
North-West	Sligo	835	966	-131	1.3	1.5
	Leitrim	271	393	-122	0.4	0.6
	Waterford Co. Borough	1,253	717	536	2.0	1.1
	Kilkenny	904	1,010	-106	1.4	1.6
	Carlow	821	793	28	1.3	1.2
South-East	Tipperary, S.R.	810	1,265	-455	1.3	2.0
	Wexford	755	1,340	-585	1.2	2.1
	Waterford County	649	1,206	-557	1.0	1.9
	Cork County	3,320	3,395	-75	5.2	5.3
	Cork Co. Borough	2,838	3,102	-264	4.4	4.8
West	Kerry	1,130	1,465	-335	1.8	2.3
	Galway Co. Borough	3,016	1,344	1,672	4.7	2.1
	Galway County	1,414	2,348	-934	2.2	3.7
	Mayo	772	1,612	-840	1.2	2.5
	Total	64,078	64,078	0.0	100.0	100.0

* Sorted by Region and Inflow

county as compared to 140,100 in 1996. Only 64,100 moved from another county in 1990/1991 compared to 84,500 in 1995/1996. The late 1980s was a period of heavy emigration, which may partly explain the lower internal migration figures for 1990/1991. Although the economy was recovering at that time, the UK economy was booming and unemployment in Ireland was high. Also, 1990/1991 marked the beginning of a recession, in contrast to 1995/1996, which was characterised by boom conditions. The latter conditions would tend to favour active internal migration.

Taken together, these studies suggest that, given the inevitability of further declining numbers in agriculture, the development of urban centres at regional or sub-regional level offers the best prospect for directing internal migration towards the consolidation of regional or local population levels. With declining fertility and a likely fall in emigration, the role of internal migration could become relatively more important, as it is in other developed economies. This could possibly create some scope for policy makers, for example in planning third level education and training though FÁS etc., to lessen inter-regional migration by students where this is avoidable.

Commuting Patterns

Commuting can be an alternative to internal migration. Irish commuting patterns are changing, with an increase in longer distance commuting. This implies that not just the suburbs and environs of towns experience population growth but towns and rural areas with ease of access to a major or larger urban centre also tend to grow. Walsh (1996) reports changes in population density by district electoral division (DED), of which there are some 3,400 between 1991 and 1996. He shows a hub and spoke pattern to the distribution of DEDs experiencing population growth. That is, in addition to growth in the suburbs and surrounds of towns and cities, it is possible to detect a pattern of population growth along the main trunk routes, but beyond the towns.

These trends are, no doubt, reinforced by the focus of investment in infrastructure, particularly through structural funds aimed at developing the primary routes. The effect is to bring more rural areas into an expanding hinterland of the main boroughs, for example well beyond the counties of the East which surround Dublin city. However, this also serves to highlight the continued

difficulties in the remaining areas outside these wider commuter zones, which typically are both far away from substantial urban centres and away from the corridors between them. This problem is particularly acute in some of the counties of the West (Mayo), North-West (Donegal and Leitrim), North-East (Cavan and Monaghan), and Midlands (Roscommon and Longford).

Some of these are border areas, which have been affected by the problems arising from the Northern troubles. There may be better prospects for them arising from a successful outcome to the peace process. The policy implications for cross-border collaboration benefiting areas such as these – on both sides of the border – need to be further explored. Appendix 6 to this Chapter summarises recent trends in population distribution patterns in Northern Ireland which reveal some issues of common interest related to settlement patterns.

5. SETTLEMENT PATTERNS AND SOCIAL INEQUALITY

The exploration of settlement patterns and spatial aspects remains a somewhat abstract exercise unless it helps to identify social or economic policy implications. But social or economic differences or inequalities do not coincide with regional or sub-regional divisions. We therefore review some important recent pieces of analysis of the spatial aspects of social inequality. Each one, in a different way provides insights into the complex spatial patterns of inequality that exist and testifies to the need for caution in the face of generalisation based on either regional or sub-regional divisions or an urban/rural contrast.

The first study by Nolan, Whelan and Williams (1997) used three distinct approaches to spatial aspects of poverty as part of their 1987 and 1994 studies. These approaches and the key findings were:

- a regional typology (1963 planning regions – due to sample size sub-regional analysis was not feasible). The differences across regions in 1994 were not startling; the main finding was that the risk of poverty in the East fell relative to other regions between 1987 and 1994.
- a settlement/area typology (categories comprising: “open country”, “village/town < 3,000”, “town > 3,000”, “Cork,

Limerick, Galway, Waterford", and "Dublin city or county"). This revealed no noteworthy concentration of poverty in one type of area over another, although between 1987 and 1994 there was a decline in poverty risk in open country, and a rise in poverty risk in Dublin, and a relatively higher risk of poverty in both sample years in towns under 3,000.

- a tenure typology (comprising: "own outright", "own with mortgage", "local authority tenant purchase", "local authority rented, private rented"). This was the most revealing approach, showing that people in local authority rented accommodation were at most risk of poverty in both years and, although the incidence of this category of poor has declined with the numbers in such tenure type, the risk was higher in 1994 than in 1987.

Thus, poverty is extensive in all of the geographically defined regions and different trends have been exhibited by different regions and settlement patterns over time. The analysis by tenure serves to emphasise how complex the spatial expression of poverty is, encompassing distinct pockets of poverty which may be adjacent to affluent areas so that regions, sub-regions or sub-units of urban settlements each have a chequered distribution of inequality. These findings are a reminder of the danger of committing an "ecological fallacy" by attributing the average conditions of a region or town to the sub-groups or individuals in it.

Jackson and Haase (1996) confirm the need for much more granular analysis of the spatial distribution of deprivation and affluence. Using the SAPS (Small Area Population Statistics), data from the 1991 Census of Population, they classified District Electoral Divisions (DEDs) on a scale of deprivation and produced a national map of deprivation based on it. To classify each DED, they conducted a factor analysis of census deprivation indicators. Their findings led them to identify three types of factors associated with the spatial distribution of poverty. These were "social class" "urban deprivation" and "rural deprivation".

Social class was defined on the basis of high loadings on such indicators as the proportion in the DED who were:

- in higher education;
- leaving school at over age 20;

- leaving school at under 15;
- in higher/lower professions;
- in unskilled manual occupations, and
- average rooms per person in dwelling.

Urban deprivation or affluence was defined on the basis of the proportions in the DED who were:

- owner occupiers;
- local authority tenants;
- lone parents, and
- unemployed.

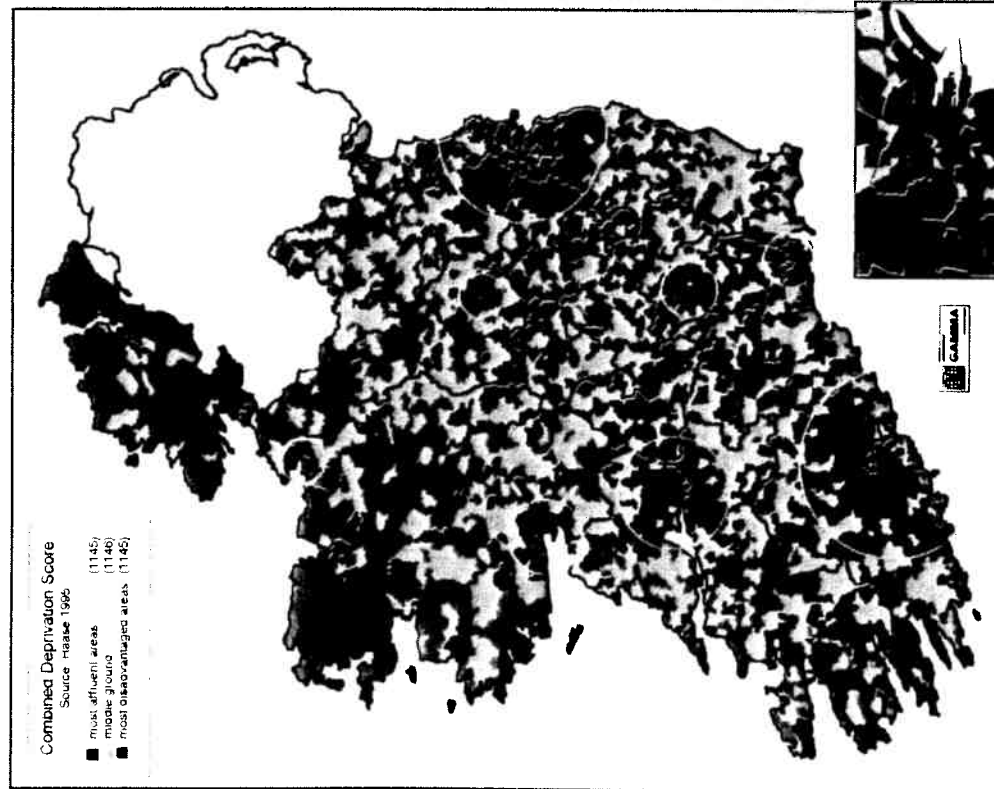
Rural deprivation or affluence was based of high loadings on such items as:

- age dependency rate;
- proportion of small farmers;
- proportion of households with two cars.

Consistent with the findings of Nolan and his colleagues, they concluded that social class is the factor of most importance, although there are important distinct aspects to deprivation in rural and urban areas. Critical, however, is the fact that the pattern of distribution cannot be summarised in regional or sub-regional terms. For purposes of illustration the authors also assign scores to each of the 3,436 DEDs based on the average level of deprivation. They then split the results into three equal divisions based on the points ranking of each DED. The results are presented in the form of a map showing the 'most affluent' DEDs, the 'most deprived' and the 'middle ground' (this is reproduced here in Figure 2.2). Their classification of the geography of affluence and deprivation is quite informative: Using this map they identify a second feature from their analysis which is that the main urban centres, most obviously Dublin and Cork, but also Galway, Limerick, Waterford and smaller towns are characterised by what they describe as an urban fringe of affluence surrounding the central area and extending into the hinterland. These affluent belts often comprise satellite communities which have expanded through industrial expansion and new housing development but are mixed with sometimes large

FIGURE 2.2

Affluence and Deprivation in Ireland in 1991



Boundary data by permission of the Ordnance Survey of Ireland. All rights reserved

Source: Kindly provided by Trutz Haase, based on his paper prepared for the Conference on *Rural Development and Social Exclusion* entitled 'The Nature and Extent of Poverty and Social Exclusion in Rural Ireland'. Cork, 1996.

agricultural holdings. They argue that these urban belts will continue to expand and their effects will extend into a wider hinterland. These belts have developed not only due to population growth but as an escape from inflated centre city rents and housing prices driven by commercial pressure. Consequently, many parts of urban centres (and the some of the older suburbs) are characterised by extensive disadvantage among city dwellers (see Figure 2.2).

Beyond the affluent belts lie what are described as transition zones. These have not yet gained from the beneficial aspects of urban expansion, but do not suffer deprivation to the same extent as parts of Donegal, Mayo, West Galway, West Clare, North Kerry and the extreme West of Limerick, West Kerry, Leitrim, North Galway, North-West Roscommon and a good part of Sligo.

The authors then question the traditional distinction between rural and urban, in relation to the spatial distribution of poverty, suggesting instead a class influence which is expressed through the growth of the urban fringe, while inner city and rural areas simultaneously decline. They add that rural industrialisation policies have brought about some similarity between the fate of urban and rural populations, particularly when the loss of certain factories from rural areas replicates the experience of industrial decline in the cities. The mapping of affluence and deprivation in this way is very valuable in showing that while there are distinct regional biases and urban patterns, there are also limitations to the extent to which one can view deprivation in regional terms or as a function of an urban-rural discontinuity.

A third study, while not national in coverage, but with an even more detailed spatial focus, was conducted on behalf of the Dublin County Council and, more recently, the Fingal, South Dublin County and Dun Laoghaire Rathdown Councils (Nexus 1995, 1994a and 1994b). The studies, under the acronym CODAN, (Co. Dublin Areas of Need) were first compiled in 1987 by Nexus research co-operative. The purpose of this study was to provide area level profiles in order to target neighbourhoods in need. The approach used was to combine Census of Population data (from 1981 and 1991) with information collected from local authorities, other statutory agencies and community workers. The studies are interesting in providing data at the level of enumeration area, which is below the level of district electoral division. In addition to gathering information on individual households – including type of

tenure, number of persons, percentage lone parent households, percentage households with six or more persons, primary school enrolment, unemployment rate of principal earners, number on unemployment assistance or benefit, and average incomes – the study also reports on amenities, community organisations and transport services in the area.

The local area approach, by focusing on neighbourhoods, identifies pockets of severe need. For example, eight neighbourhoods which are profiled in South County Dublin have an average of 66.8 per cent unemployment among principal earners. The population size of these neighbourhoods ranges from 1,228 in Balgaddy to 7,043 in Killinarden (see Table 2.18). Smaller neighbourhood units have very high unemployment levels, for example, even higher than the unemployment rates in the PESP partnership areas, which comprise larger population units, ranging from 20,000 to 60,000. Unemployment as a percentage of labour force in the Dublin area in 1986 was

TABLE 2.18

Percentage Unemployment Rate Among Principal Earners

Neighbourhood	Per Cent	Population
Bawnogue	68.1%	4,884
Deansrath	63.6%	4,237
Balgaddy	62.9%	1,228
Clonburris	66.7%	2,315
Neilstown	55.9%	4,523
Rowlagh	73.4%	6,855
Quarryvale	59.5%	2,516
Ballyboden	61.7%	3,855
Ballycragh	72.7%	2,002
Brookfield	69.4%	3,015
Jobstown	66.8%	5,188
Fettercairn	63.2%	2,992
Killinarden	72.0%	7,043
St. Dominic's	61.8%	4,774
St. Aonghus's	67.7%	7,000 (approx.)
Average	66.8%	

Source: CODAN (1994).

18.6 per cent but ranged between 25 per cent and 50 per cent in the disadvantaged areas, for example, it was over 47 per cent in Ballymun. Evidently, poverty and disadvantage find a geographical expression in settlement patterns and clusters of disadvantage. We must therefore be wary of the pitfalls of adopting any uniform approach to the spatial division of urban and rural areas. The CODAN research shows that neighbourhoods constitute distinct units within areas, as defined in the area based approach to long term unemployment.

6. DISCUSSION: URBANISATION AND URBAN HIERARCHIES

Although urban population growth and the decline of the proportion in rural areas has been a vital aspect of economic and social transformation in modern Ireland, the inevitability of this has not been easily accommodated in the public mind. Bannon (1983) attributes this to historically close links between the agrarian and nationalist movements which sometimes fostered an enduring attachment to rural utopian visions and an anti-urban bias. Such anti-urban views have nevertheless been at odds with actual development and change and have, in his view, obscured the need and ability to address the increasingly urban-centred dynamics of economic and social development. Ironically, this has, he says, often led to failures to address adequately the regulatory implications of urbanisation processes. This was an issue that arose in the 1960s and provoked a debate on the alternatives to the further expansion of the capital. In the context of regulation of urban growth a recurrent theme has been the primacy of Dublin and the claim that the rest of the country suffers under-development for its sake. The Buchanan Report (1968) – in contrast to traditional responses based on the designated areas of the 1950s – proposed to counter Dublin's dominance through an urban-centred approach which targeted regional and to some extent local "growth centres". A different approach was adopted to regional development policy in the 1970s with a more extensive rural industrialisation strategy. The 1970s, however, was still a decade of urbanisation, much of it around Dublin itself.

Apart from the irony of distorting the approach to regulatory aspects of urbanisation, anti-urban views are also, perhaps more importantly, responsible for failing to grasp the pivotal role of the

urban system in functional terms and the benefits to rural hinterlands which thriving towns may bring. While it is certainly true that establishing some counter-balance to the dominance of Dublin and the East is an important task, it must also be acknowledged that it is the development of the *urban* system in other respects that offers the most possibilities for achieving this. This is evident from the fact that population recovery at the sub-regional level is almost always associated with the presence of an urban system which becomes the basis for holding onto population through increased proportions in the aggregate town population. The absence of strong urban systems in Leitrim, Cavan, Roscommon and Mayo illustrate this. This absence is not simply a product of population decline but has long been a contributory factor. Although urbanisation, or the rise in the proportion of population living in towns, is a relatively modern development, the towns which act as magnets for this process are not modern creations (Johnson 1994).

Walsh (1995), in a presentation at the launch of the NESC report on *New Approaches to Rural Development*, contrasted two approaches to settlement patterns and to regions. The first approach is confined to treating regions as patchwork, with the implication of fixed or arbitrary carving up of a national territory, which are often the legal reflection of bygone economic, political, and social patterns of organisation and settlement but may now serve an administrative purpose. For example, the counties of today date from the late medieval and early part of modern Irish history, particularly the shiring of Ireland that followed the plantations. The continued importance of the land based economy of Ireland in the 19th and much of the 20th century and the fact that over one-third of the population still live in rural situations today, have given rise to another subjective dimension in the form of regional or more usually county identities, often built up and sustained through sports and cultural bodies. Such a sense can persist even among people who have migrated to urban areas or even emigrated.

From such a perspective a static perception of population distribution and the requirements of maintaining regional or sub-regional levels may arise. Our examination of population distribution by county and region, on its own therefore, would be remiss without an analysis of the role and importance of urbanisation in the process of distributing population.

The alternative approach to regions, outlined by Walsh, is based on a pyramid of areas or regions, and implicitly of urban settlements, whereby successive groups of small population settlements with their hinterlands are nested around larger regional and national centres. This model seeks not to separate the state into parts, but to relate higher and lower levels of aggregation through some functional division of labour that best obtains the efficient and equitable use and distribution of resources between the national, regional, sub-regional and local levels. In an international context the ideal typical model would imply:

- villages and rural areas nested around
- towns and counties nested around
- regions and regional centres nested around
- national capitals and European or global centres.

The latter approach views each region or sub region as a subset or subsystem of a larger unit. This concept, without ignoring the value of competition between regions, better accommodates the notion of regional and sub-regional specialisation and complementarity between such regions and between higher and lower levels. For this reason we have also examined the hierarchical distribution of population between urban and rural settlement types. While our examination of urbanisation and the distribution of population by size of centre and region reveals the validity of an urban-rural settlement hierarchy, it also reveals important variations and unevenness in the regional and sub-regional patterns.

These contrasting ideas about regions and settlement patterns have implications for the approach to economic development, efficient and equitable service provision, planning and regulatory issues. Certain spatial units, for example local areas, have many strengths, but also limitations, particularly in relation to specialist services which are only technically possible or economically feasible if provided on a certain scale. Deciding the appropriate level for each type of service is a key policy issue.

In reviewing the empirical patterns, the concept of an urban hierarchy is useful, as Johnson (1994) notes, provided it is not taken too literally. The hierarchy of settlement patterns is, to a large extent, influenced by the range of services which villages, towns or cities of respective sizes can sustain. In the real world, however, the

definition of such rational hierarchies is rarely uncontentious. First, historical and geographical factors, which have influenced settlement in the past, exercise influences which may run counter to a more contemporary notion of a rational allocation of services. Inherited patterns in the distribution of agricultural or industrial activity, buildings and infrastructure may not coincide with current requirements.

Second, the location or expansion of modern industry and services is not necessarily such as to fit into a nationally defined rational hierarchy, but exercises an influence on settlement patterns directly or indirectly. Historically, the location of many traditional industries was influenced by factors such as the proximity of natural resources, local markets, access to ports etc., giving a specific industrial character to different regions. However, the selection of location by investors today is driven by many additional considerations affecting potential costs and benefits which may lead to a different geographic distribution. This can, in turn, influence settlement patterns, service requirements and the location of key public services and functions.

Third, the notion of a rational hierarchy has connotations of a single peak, whereas, in fact, rival centres often compete over the right to exercise certain functions, such as to be host to the headquarters of business or state organisations, or to provide a unique specialist service, such as a technological college, university or specialist medical service. There is no automatic rule which places such functions in the largest or capital city, even if, based on historical patterns, it often seems to be the obvious choice. Moreover, in the context of a global urban system, there is often a case for specialist functions serving many countries being located in a handful of centres. Thus, there is always a tension between urban centres in spite of some functional division of labour between them.

7. CONCLUSIONS

(i) Urbanisation and the Maintenance of Population

Our analysis bears out and to an extent qualifies other commentaries on, and analysis of, changing settlement patterns in the Republic of Ireland. Such accounts consistently reveal certain patterns and trends (Cawley, 1996; 1995; 1991). Of note in Ireland are:

- (i) the dominance which a relatively small number of large centres hold in the overall population distribution;
- (ii) the very large number of small settlements that exist;
- (iii) the continuing importance, despite recent decades of urbanisation, of living on farms, in open country or in very small settlements;
- (iv) the emergence of satellite and dormitory towns around the main cities.

These patterns are broadly confirmed in our account. Our examination qualifies conclusions offered by some commentators in relation to some additional features of urbanisation in Ireland. These qualifications are related to two claims:

- (i) It is sometimes emphasised that imbalance in the distribution of population between the East region and rest of the state is increasing. We have identified a persistence in this imbalance, but it is growing at a weaker rate. In addition, from 1991 to 1996, the West region increased not just its population but also its share. Sub-regions outside the East which increased their share include Clare, Galway, Kerry and Waterford;
- (ii) A widespread decline of towns and villages outside the zone of influence of larger settlements. It is not the case that most towns and villages have declined in size. Most of them have grown, but the growth of those which lack any strategic location tends to be relatively modest with the result that population growth in these towns lags behind other towns.

The analysis shows that, although several regions and sub-regions have experienced relative population decline, there is much evidence of stabilisation. The chapter also indicates that most regions are affected by the common factors which act upon national population growth and decline. Population decline or growth cannot simply be described in terms of regional or sub-regional contrasts and certainly cannot simply be explained in these terms. It is important to understand the separate and independent dynamics of urbanisation and its consequences for the distribution of population. Urbanisation is a process that takes place in all regions and sub-regions, and to that extent is contributing not only to regional

contrasts but also to similarities. Indeed, urbanisation at the regional and sub-regional level contributes significantly to maintaining population and population share at sub-national level.

The chapter also demonstrates that urbanisation, while necessary to the maintenance of population and population share, does not have uniformly beneficial or negative consequences for urban and rural populations. That is, the growth of towns does not necessarily entail the decline of living standards for the smaller population in the countryside. The benefits of economic restructuring are shared unequally both within urban and rural settings. The chapter shows that this is the case by reviewing evidence on the spatial distribution of poverty and affluence.

A number of key patterns and trends have been identified in this Chapter. Some of these are positive and some negative in terms of the settlement objectives often cited of maintaining the level or share of population by different regions or counties. While the state and all regions experienced population increase in the 1991 to 1996 period there are very marked intra-regional variations. The latter indicate that the sub-regional level is a crucial dimension of realistic policy analysis, planning and implementation.

The analysis of the settlement hierarchy also indicates considerable economic and social variations operating across regions and intra-regionally. In particular some counties are poorly endowed in terms of the urban characteristics generally considered favourable to employment creation and the delivery of a comprehensive range of public services.

In recognising the inevitability of changing patterns of settlement embodied in urbanisation, this review has sought to avoid an uncritical view of urbanisation itself. The perspective that emerges is one that views settlement possibilities not in abstract regional or sub-regional terms but in relation to the opportunities provided by existing patterns of urban settlement and population distribution.

The examination of the spatial aspects of social inequality yields a complex pattern that must be understood in terms of several spatial dimensions. Inequality cannot be reduced to regional or sub-regional contrasts without the risk of ecological fallacy. Nor does it line up in terms of simple urban/rural contrasts. There are inequalities within both rural and urban populations. There are both

shared and unique characteristics to be found in urban and rural patterns of deprivation and affluence.

In Chapters 3, 4 and 5 we look at the distribution of economic activity, the spatial dimensions of economic development policy and the implications for public service provisions of evolving settlement patterns.

APPENDIX 1

SUB-REGIONAL POPULATION TRENDS

Sub-regions of the East

Table A2.1 shows the level and percentage of national population in each sub-region of the East – Dublin, Kildare, Meath and Wicklow – from 1951 to 1996. The 1950s saw a slight increase in population in the region, all of which was in Dublin, while there was a small population decline in the other counties. Thereafter all sub-regions had vigorous population growth, particularly Kildare, which has now exceeded – by 18 per cent – the population level it had prior to the Famine. Rapid expansion of satellite towns in north Kildare account for much of this growth. Over the whole period the share of national population in each sub-region has also risen. In the case of Dublin there is a stabilisation of share after 1971. All of the sub-regions in the East also survived high emigration of the late 1980s without net population decline, though Dublin merely stabilised between 1986 and 1991. In contrast, the shares of the other sub-regions have risen more rapidly during the 1970s and subsequently.

TABLE A2.1

Population Level and Percentage of National Population in
Sub-Regions of the East, 1951-1996

Sub-region	1951	1961	1971	1981	1986	1991	1996
Dublin	693,022	718,332	852,219	1,003,164	1,021,449	1,025,304	1,058,264
%	23.41	25.49	28.61	29.13	28.85	29.08	29.18
Kildare	66,437	64,420	71,977	104,122	116,247	122,656	134,992
%	2.24	2.29	2.42	3.02	3.28	3.48	3.72
Meath	66,337	65,122	71,729	95,419	103,881	105,370	109,732
%	2.24	2.31	2.41	2.77	2.93	2.99	3.03
Wicklow	62,590	58,473	66,295	87,449	94,542	97,265	102,683
%	2.11	2.07	2.23	2.54	2.67	2.76	2.83
East	888,386	906,347	1,062,220	1,290,154	1,336,119	1,350,595	1,405,671
%	30.01	32.16	35.67	37.47	37.74	38.31	38.77

Sub-regions of the Midlands

Table A2.2 shows the level and percentage of national population in each sub-region of the Midlands – Laois, Offaly, Longford, Roscommon and Westmeath – from 1951 to 1996. While the region's population in 1996 was slightly lower than in 1951, there are different population patterns across the four counties. Only Roscommon and Longford had lower populations in 1996 than in 1951. The decline in population in Roscommon over the period was over 23 per cent and in Longford over 12 per cent. These figures contrast strongly with a population increase of over 16 per cent in Westmeath and over 12 per cent in Offaly. Longford differs from Roscommon not only in the magnitude of the decline over the period but in the fact that it has experienced more periods of population growth. Population density in Westmeath is now the highest in this region at almost twice that of Roscommon. Having failed to emulate the population recovery of the other counties that took place from the 1960s, Roscommon only experienced a mild and temporary population growth in the 1970s. The magnitude of the population decrease in Roscommon over the entire period suggests that its experience is more similar to that of other western counties, such as Galway and Mayo or more particularly, Leitrim,

TABLE A2.2

Population Level and Percentage of National Population in
Sub-Regions of the Midlands, 1951-1996

Sub-region	1951	1961	1971	1981	1986	1991	1996
Laois	48,430	45,069	45,259	51,171	53,284	52,314	52,945
%	1.64	1.60	1.52	1.49	1.50	1.48	1.46
Offaly	52,544	51,533	51,829	58,312	59,835	58,494	59,117
%	1.77	1.83	1.74	1.69	1.69	1.66	1.63
Longford	34,553	30,643	28,250	31,140	31,496	30,296	30,166
%	1.17	1.09	0.95	0.90	0.89	0.86	0.83
Roscommon	68,102	59,217	53,519	54,543	54,592	51,897	51,975
%	2.30	2.10	1.80	1.58	1.54	1.47	1.43
Westmeath	54,463	52,861	53,570	61,523	63,379	61,880	63,314
%	1.84	1.88	1.80	1.79	1.79	1.76	1.75
Midlands	258,092	239,323	232,427	256,689	262,586	254,881	257,517
%	8.72	8.49	7.80	7.45	7.42	7.23	7.10

than to the other counties of the Midlands region. Though the population level increased overall, the share of population declined. Indeed, most sub-regions in the Midlands had a burst of population growth concentrated in the 1970s but all experienced falling shares in national population as the sub-regional growth rates lagged behind the national rate.

Sub-regions of the Mid-West

Table A2.3 shows the level and percentage of national population in each sub-region of the Mid-West – Limerick, Clare and Tipperary North-Riding – from 1951 to 1996. All three Mid-Western sub-regions lost some population during the 1950s. By the late 1960s and 1970s, however, Clare was growing rapidly along with Limerick while the population of Tipperary North-Riding levelled out after 1981, having recovered in the 1970s. Clare differs from Tipperary North-Riding in that its population grew more vigorously in recent decades, and its population density is now slightly higher.

TABLE A2.3

Population Level and Percentage of National Population in Sub-Regions of the Mid-West, 1951-1996

Sub-region	1951	1961	1971	1981	1986	1991	1996
Clare	81,329	73,702	75,008	87,567	91,344	90,918	94,006
%	2.75	2.62	2.52	2.54	2.58	2.58	2.59
Limerick	141,239	133,339	140,459	161,661	164,569	161,956	165,042
%	4.77	4.73	4.72	4.69	4.65	4.59	4.55
Tipperary North-Riding	57,009	53,696	54,337	58,984	59,522	57,854	58,021
%	1.93	1.91	1.82	1.71	1.68	1.64	1.60
Mid-West	279,577	260,737	269,804	308,212	315,435	310,728	317,069
%	9.44	9.25	9.06	8.95	8.91	8.81	8.74

These patterns of sub regional decline and recovery point to the possible importance of Limerick city and some relatively important local towns in assisting population recovery. The proximity of Limerick city to Clare, and the substantial growth of Shannon, and the effect of being in the corridor to Galway may explain most of the differential between growth of the Clare and North Tipperary sub-regions in recent decades.

Despite the growth in population levels, again much of it in the 1970s, the share of the Limerick and Tipperary North sub-regions declined in each period, including the 1970s. The strong association between urbanisation and population level and share is explored below, and is particularly evident in Clare.

Sub-regions of the North-East

Table A2.4 shows the level and percentage of national population in each sub-region of the North East – Cavan, Louth and Monaghan – from 1951 to 1996.

TABLE A2.4

Population Level and Percentage of National Population in Sub-Regions of the North-East, 1951-1996

Sub-region	1951	1961	1971	1981	1986	1991	1996
Cavan	66,377	56,594	52,618	53,855	53,965	52,796	52,944
%	2.24	2.01	1.77	1.56	1.52	1.50	1.46
Louth	68,771	67,378	74,951	88,514	91,810	90,724	92,166
%	2.32	2.39	2.52	2.57	2.59	2.57	2.54
Monaghan	55,345	47,088	46,242	51,192	52,379	51,293	51,313
%	1.87	1.67	1.55	1.49	1.48	1.45	1.42
North-East	190,493	171,060	173,811	193,561	198,154	194,813	196,423
%	6.43	6.07	5.84	5.62	5.60	5.53	5.42

Like the Midlands pattern, one of the sub-regions of the North-East, Louth, contrasts with the other two, Cavan and Monaghan. From an historically lower base Louth's population was greater than those of Cavan and Monaghan by 1951. By 1996 Louth's population was almost equivalent to that of the other two combined. The contrast is even greater in terms of population density. In 1996 the density of population in Louth was almost three times that of Monaghan and almost four times that of Cavan.

The diverging experience of these sub-regions testifies to their contrasting geographical and historical circumstances. Louth, served by two substantial port towns on the east coast, and positioned on the main thoroughfare between Dublin and Belfast, was in a contrasting position to its two larger, neighbouring but

strategically less important sub-regions. Cavan and Monaghan exhibit trends more similar to some of the western counties, while Louth now has a population density second only to Dublin, and substantially ahead of Kildare. Louth also contrasts with the other counties in that its share of population has risen in successive periods from 1951 to 1986, but has since declined.

Sub-regions of the North-West/Donegal

Table A2.5 shows the level and percentage of national population in each sub-region of the North West/Donegal – Sligo, Leitrim and Donegal – from 1951 to 1996.

TABLE A2.5

Population Level and Percentage of National Population in Sub-Regions of the North-West/Donegal, 1951-1996

Sub-region	1951	1961	1971	1981	1986	1991	1996
Donegal	131,530	113,842	108,344	125,112	129,664	128,117	129,994
Per Cent	4.44	4.04	3.64	3.63	3.66	3.63	3.58
Leitrim	41,209	33,470	28,360	27,609	27,035	25,301	25,057
Per Cent	1.39	1.19	0.95	0.80	0.76	0.72	0.69
Sligo	60,513	53,561	50,275	55,474	56,046	54,756	55,821
Per Cent	2.04	1.90	1.69	1.61	1.58	1.55	1.54
North-West/Donegal	233,252	200,873	186,979	208,195	212,745	208,174	210,872
Per Cent	7.88	7.13	6.28	6.05	6.01	5.90	5.82

The population decline, which had characterized the region since the mid nineteenth century, began to ease off from the late 1960s in Sligo and Donegal. From 1971, both began periods of population growth. The population of Leitrim continued to slide even during the 1970s, which was a period of unprecedented general population recovery. The divergence between Leitrim and the other two counties is reflected in the decline of almost 12 per cent in its population between 1971 and 1996 compared to an increase of over 19 per cent and 10 per cent, respectively, in the Donegal and Sligo populations.

Since 1951 the share of population has plummeted by 50 per cent in

Leitrim but much less so in the other two sub-regions. In all three there was a fall in share in the 1970s though this was fairly limited in Donegal. Since the 1970s the rate of decline in population share has lessened. This is particularly apparent in the early 1980s and early 1990s when national population recovered.

Sub-regions of the South-East

Table A2.6 shows the level and percentage of national population in each sub-region of the South East – Carlow, Kilkenny, Wexford, Tipperary South-Riding and Waterford – from 1951 to 1996.

TABLE A2.6

Population Level and Percentage of National Population in Sub-Regions of the South East, 1951-1996

Sub-region	1951	1961	1971	1981	1986	1991	1996
Carlow	34,162	33,342	34,237	39,820	40,988	40,942	41,616
%	1.15	1.18	1.15	1.16	1.16	1.16	1.15
Kilkenny	65,235	61,668	61,473	70,806	73,186	73,635	75,336
%	2.20	2.19	2.06	2.06	2.07	2.09	2.08
Tipp. SR	76,304	70,126	69,228	76,277	77,097	74,918	75,514
%	2.58	2.49	2.32	2.22	2.18	2.12	2.08
Waterford	75,061	71,439	77,315	88,591	91,151	91,624	94,680
%	2.54	2.53	2.60	2.57	2.57	2.60	2.61
Wexford	90,032	83,308	86,351	99,081	102,552	102,069	104,371
%	3.04	2.96	2.90	2.88	2.90	2.89	2.88
South East	340,794	319,883	328,604	374,575	384,974	383,188	391,517
%	11.51	11.35	11.03	10.88	10.87	10.87	10.80

The population patterns and trends in the sub-regions of the South East are relatively similar, without the sharp contrasts which mark certain other regions. Tipperary South, alone, had a slightly lower population in 1996 than in 1951. The populations of Kilkenny and Waterford have increased consistently between 1971 and 1996. The populations of Wexford, Carlow and South Tipperary have also increased in this period. However, these three sub-regions experienced a slight decline in population in 1986 and 1991.

Despite a growth in the level, the share of national population in this

region declined – again more so up to the 1970s than subsequently. This pattern was echoed in all sub-regions except Waterford whose share has increased since 1951.

The moderate changes in population in this group of counties may reflect an absence of the 'extreme' characteristics found in the East or the West/North West regions. This seems to point to the balanced economic structure: each has good agricultural land, and is reasonably well endowed with towns. Waterford has an important regional urban centre, while Kilkenny too has an important inland town. Wexford has some significant coastal towns while Carlow and Tipperary South-Riding too have some sizeable inland towns. Though there are differences in urbanisation level and trend between these sub-regions, they are not very wide.

Sub-regions of the South-West

Table A2.7 shows the level and percentage of national population in each sub-region of the South West from 1951 to 1996. This region comprises the two large area counties of Cork, the largest in the state, and Kerry.

TABLE A2.7

Population Level and Percentage of National Population in Sub-Regions of the South-West, 1951-1996

Sub-region	1951	1961	1971	1981	1986	1991	1996
Cork	341,284	330,443	352,883	402,465	412,735	410,369	420,510
Per Cent	11.53	11.72	11.85	11.69	11.66	11.64	11.60
Kerry	126,644	116,458	112,772	122,770	124,159	121,894	126,130
Per Cent	4.28	4.13	3.79	3.57	3.51	3.46	3.48
South-West	467,928	446,901	465,655	525,235	536,894	532,263	546,640
Per Cent	15.81	15.86	15.64	15.25	15.16	15.10	15.08

Over the 1951 to 1996 period the population of Cork increased by just over 23 per cent while that of Kerry declined marginally. By 1996, the region's share of national population was marginally down on 1951. But this masks a slight rise in the share in Cork up to 1971, followed by a decline and a decline in Kerry's share. From the 1970s the fall in share was experienced in both sub-regions and the

direction of population change was similar in both sub-regions thereafter.

Of the two sub-regions Cork was, of course, always much more urbanised. However, since 1971, Kerry too has seen a growth in its urban population from 24 per cent to 31 per cent.

Sub-regions of the West

Table A2.8 shows the level and percentage of national population in each sub-region of the West region – Galway and Mayo – from 1951 to 1996.

TABLE A2.8

Population Level and Percentage of National Population in Sub-Regions of the West, 1951-1996

Sub-region	1951	1961	1971	1981	1986	1991	1996
Dublin	693,022	718,332	852,219	1,003,164	1,021,449	1,025,304	1,058,264
Galway	160,204	149,887	149,223	172,018	178,552	180,364	188,854
Per Cent	5.41	5.32	5.01	5.00	5.04	5.12	5.21
Mayo	141,867	123,330	109,525	114,766	115,184	110,713	111,524
Per Cent	4.79	4.38	3.68	3.33	3.25	3.14	3.08
West	302,071	273,217	258,748	286,784	293,736	291,077	300,378
Per Cent	10.20	9.69	8.69	8.33	8.30	8.26	8.28

In the 1950s, population decline in Mayo was roughly double that of Galway. During the 1960s, population decline continued in Mayo at about three quarters of its 1950s rate of decline, but population in Galway stabilised. By 1971 Galway's population stood at almost 150,000 while Mayo had declined to 110,000. Between 1971 and 1981, Galway's population grew by just over 15 per cent. Mayo's population too began to grow in the 1970s, but at a much slower rate, by less than 5 per cent. Subsequently, Galway continued its population growth, even during the late 1980s, when national population declined and net emigration grew to very high levels. Mayo, on the other hand, saw its 1970s population growth cancelled out in the late 1980s. In 1996, Galway stood at 188,850, that is almost 18 per cent above its 1951 level and over 26 per cent above its lowest level in the past 40 years – 1971. Mayo had a population

of 110,400 in 1996, that is over 21 per cent below its 1951 level and 21 per cent above its lowest level in the past 40 years – 1971. Population density in Mayo in 1996 was similar to that of Roscommon and only second lowest after Leitrim.

The share of national population in both sub-regions has fallen. However, since 1971, Galway's share has been rising while that of Mayo has continued to decline. The bulk of the decline in this region's share is due to the fall in Mayo's level and share. The level of urbanisation in Galway is about twice that of Mayo, and Galway has sustained this ratio over the period since 1971.

APPENDIX 2

TABLE A2.9

Regional Distribution of Towns (including Environs) over 1,500 by Size in 1996

Region	County Borough	10,000 +	5-10,000	2-5,000	1,000 - 2,000
East	Greater Dublin (953K)	Bray (28K) Swords (22K) Naas (14K) Malahide (14K) Leixlip (13K) Newbridge (13K) Navan (13K) Celbridge (12K) Greystones (11K)	Portlaoise (9.1K) Arklow (8.6K) Maynooth (8.5K) Balbriggan (8.5K) Skerries (7.6K) Wicklow (7.3K) Rush (5.4K) Athy (5.3K)	Ashbourne (5.0K) Trim (4.4K) Kildare (4.2) Ardee (3.8K) Laytown/Bettystown/ Morningtown (3.7K) Kells (3.5K) Clane (3.1K) Dunboyne (3.1K)	Rathcoole (2.78K) Kilcoole (2.69K) Newtownmountkennedy (2.53K) Monasterivan (2.30K) Lusk (2.29K) Kinsale - Drinan (2.18K) Dunshaughlin (2.14K) Portrane (1.92K) Donabate (1.87K) Blissington (1.86K) Kilcock (1.83K) Duleek (1.73K) Kil (1.71K) Kilcullen (1.60K)
Midlands		Athlone (16K) Mullingar (13K) Tullamore (10K)	Portlaoise (9.5K) Longford (7.0K)	Roscommon (3.9K) Birr (4.2K) Edenderry (3.8K) Portlannington (3.3K)	Mountmellick (2.91K) Clara (2.46K) Boyle (2.22K) Castlerea (1.79K)
Mid-West	Limerick (79K)	Ennis (18K)	Shannon (7.9K) Thurles (6.9K) Nenagh (5.9K)	Roscrea (4.2K) Newcastle (Lim) (3.6K)	Kilrush (2.59K) Templemore (2.24K) Rathkeale (1.55K) Newmarket-on-Fergus (1.54K)
North-East		Dundalk (30K) Drogheda (25K)	Monaghan (5.8K) Cavan (5.6K)	Carrickmacross (3.6K)	Castleblanney (2.81K) Clones (2.17K) Coolibhill (1.88K) Bailieborough (1.53K)

APPENDIX 3

THE GROWTH OF THE BUILT-UP DUBLIN REGION

Horner (1990) has analysed changes in population and the extent of the built-up urban area in the Dublin city region, between 1936 and 1988. The methodology used allows comparisons by time based on a framework which is independent of changes to local boundaries and data collection units. The approach adopted designates all points within a 32 km (20 mile) radius of O'Connell Bridge as within the region, and sub-divides this area into four concentric zones, each with radius of 8 km (5 miles). In addition, Horner demarcates an additional zone of 2 km radius, designated as inner city. The urban population in each of these zones is compared for selected years, 1936, 1971, 1981 and 1986.

In addition to assigning population to each of these zones, Horner obtained maps, based on either ordinance survey maps or, more recently, satellite images, in order to estimate the extent of the built-up, or urban, environment. His findings are reported here to indicate the dynamics of urbanisation in the East region more fully.

His findings may be summarised as follows:

- The urban population of the region as a whole increased from 560,000 in 1936 to 1,218,800 in 1986, an increase of 118 per cent. Over the same period, the built-up area increased fourfold, resulting in a reduction in the urban population density, from 87 to 51 persons per hectare of built-up land;
- The inner city (0-2 km radius) population declined over the period as a whole from 266,500 to 83,200 in 1986;
- The rest of the 0 to 7 km zone (including Coolock, Santry, Finglas, Chapelizod and Rathfarnham) increased from 221,100 in 1936 to a peak of 587,000 in 1981, before declining to 546,500 in 1986;
- The 8 to 15 km radius zone (which includes Malahide, Swords, Blanchardstown, Lucan, Clondalkin, Tallaght, Leixlip, Dun Laoghaire and Shankill) grew tenfold over the period as a whole from 45,000 to 476,000. In the more recent period from 1971 to 1986 the increase was between 3 and 4 times;

TABLE A2.9 - continued

Region	County Borough	10,000 +	5-10,000	3-5,000	1,500 - 3,000
North-West/ Donegal		Sligo (18.5K) Letterkenny (12K)		Buncrana (4.8K) Ballybofey-Stranorlar (3.0K)	Ballyshannon (2.78K) Donegal (2.30K) Carrick-on-Shannon (1.87K) Bundoran (1.80K) Carndonagh (1.58K)
South-East	Waterford (44K)	Kilkenny (18K) Clonmel (16K) Wexford (16K) Carlow (15K)	Enniscorthy (7.8K) Dungarvan (7.2K) Tramore (6.5K) New Ross (6.1K) Carrick-on-Suir (5.2K)	Tipperary (4.9K) Gorey (3.9K)	Muinebeag (2.70K) Cashel (2.69K) Tullow (2.36K) Cahir (2.24K) Thomastown (1.58K)
South-West	Cork (180K)	Tralee (20K) Killarney (12K)	Cobh (8.5K) Carrigaline (7.8K) Mallow (7.8K) Middleton (6.2K) Youghal (5.9K)	Bandon (4.8K) Fermoy (4.5K) Passage West (3.9K) Listowel (3.7K) Mitchelstown (3.1K) Kinsale (3.1K)	Clonakilty (2.95K) Bantry (2.94K) Rathluiré (Charleville) (2.67K) Macroom (2.57K) Castleisland (2.3K) Blarney (1.96K) Skibereen (1.92K) Tower (1.84K) Kanturk (1.67K) Dingle (1.53K)
West	Galway (57K)		Ballina (8.8K) Castlebar (8.5K) Ballinasloe (5.7K) Tuam (5.6K)	Westport (4.5K) Loughrea (3.3K)	Claremorris (1.92K) Athenry (1.61K)

- Finally, both the 16 to 23 km zone and the 24 to 31 km zone increased approximately fourfold over the period as a whole.

The analysis by Horner portrays the regional character of urbanisation and suburban population growth around the capital. The falling density of population in built-up areas within this region reflects different factors, the movement of people to more spacious accommodation, from the older parts of the city and the growth of non-residential property, particularly in the inner city. As discussed in the chapter, Dublin has, in addition, been the recipient of much of the internal migration component in population change in Ireland, even at times when it experienced net external migration above the state average. In the 1970s, for example, Dublin had a net inflow of 23,000, comprising an estimated 31,500 net inflow of internal migrants and an estimated external migration outflow of 9,000 (NESC, 1991 Report No. 90).

Although this analysis cannot be updated here, more recent census findings suggest that the overall story remains similar with regard to growth in the outer suburbs and surrounds, although there is now some new inner city residential population growth.

APPENDIX 4

THE SMALLEST TOWNS

Towns with 500-1,500 Population

The number of small towns in the 500-1500 population range, increased from 108 in 1951 to 194 in 1996. Also, the total population of these towns increased by almost 75 per cent from 97,000 to 170,400 and their population as a percentage of national population increased from 3.29 per cent to 4.94 per cent, over the 40 year period.

Towns with 200-500 Population

The smallest specified category of towns and villages by size previously included all those places with between 200 and 500 population though, from the 1981 census, the definition was changed to include any settlement with a minimum of 50 inhabited houses, even if the population was above or below 200.

The number of towns increased from 188 in 1951 to 315 in 1996. There were fluctuations over the period: the number of these small centres increased to 255 by 1961 but fell to 199 in 1971 before resuming a more sustained increase. The population accounted for by such villages fluctuated also, with the highest percentage increase taking place in the 1950s and 1970s. In the 1950s the increasing population in such small towns and villages coincided with the largest percentage decline in rural population in any decade since 1951. In contrast, the growth in population in these settlement clusters was also accompanied by rural population growth in the 1970s. The contrast between demographic change in the 1950s and 1970s nationally seems to account for this, in particular the contrasting external migration experience.

APPENDIX 5

AGE DEPENDENCY USING 15 TO 65 YEARS AS DENOMINATOR

Table A2.10 shows that changing the cut-off points for age dependency ratios does not significantly alter the rank order of dependency by region and sub-region. At the regional level, the West and North East change rank but are very similar on both measures. Broadly, the most urbanised regions have the most favourable dependency ratios, whether on 'young', 'old' or 'all' dependency measures.

At sub-regional level the changes in rank order are very confined: for example, the four bottom counties merely change places with one another. Old age dependency values appear to vary more by sub-region when using the 65 year cut-off than when a 60 year cut-off is used. Conversely, there appears to be some flattening of the sub-regional differences between young dependency ratios when a cut-off of 15 instead of 25 years is used.

The comparisons between county boroughs and other county areas are broadly similar whether we use a 15-65 year or 20-60 year denominator, with some swapping of places in the mid-range area only. Once again, the strong urban-rural contrast in dependency ratios is evident – but more so with respect to old dependency than young dependency – and tends to favour urban areas.

TABLE A2.10

Age Dependency Ratios by Region and Sub-Region in 1996*

Region	Dependency Ratio		
	Young	Old	All
North-West/Donegal	40.1	22.7	62.8
Midlands	40.2	21.0	61.2
West	38.4	21.6	60.0
North-East	39.8	19.6	59.5
South-East	38.3	18.7	57.0
Mid-West	37.2	18.4	55.6
South-West	36.3	18.8	55.1
East	34.1	14.3	48.4
Sub-region	Young	Old	All
Leitrim	39.4	29.5	68.9
Mayo	41.2	26.2	67.4
Roscommon	39.6	27.5	67.1
Cavan	42.4	24.5	66.9
Donegal	41.7	21.6	63.3
Longford	40.6	22.5	63.1
Monaghan	41.7	20.4	62.1
Laois	41.4	19.4	60.8
Kerry	38.0	22.5	60.5
Tipperary, S.R.	39.2	20.4	59.7
Clare	39.8	19.8	59.6
Tipperary, N.R.	38.5	21.1	59.6
Offaly	40.5	18.9	59.4
Sligo	36.9	22.3	59.2
Kilkenny	39.3	19.5	58.8
Westmeath	39.2	18.5	57.8
Wexford	39.0	18.2	57.2
Galway	36.9	19.1	56.0
Meath	40.6	15.1	55.7
Carlow	38.4	17.0	55.5
Waterford	36.2	18.0	54.2
Louth	37.5	16.6	54.2
Wicklow	38.4	15.6	54.0
Cork	35.8	17.7	53.5
Limerick	35.4	16.7	52.2
Kildare	39.9	10.8	50.7
Dublin	32.3	14.6	46.9
County Borough/County	Young	Old	All
Galway County	40.5	22.5	63.0
Waterford County	38.6	20.4	59.0
Cork County	38.6	17.8	56.5
Limerick County	37.1	16.6	53.7
Limerick Co. Borough	32.0	17.0	49.0
Fingal	40.6	8.3	48.9
Waterford Co. Borough	33.4	15.2	48.6
South Dublin	40.1	7.7	47.8
Dun Laoghaire-Rathdown	30.7	16.7	47.4
Cork Co. Borough	29.8	17.4	47.1
Dublin Co. Borough	26.6	19.0	45.6
Galway Co. Borough	29.6	12.4	42.0
State			

* In this table the cut-off points are 15 years and 65 years. For each level of analysis, the data are sorted by the overall ratio in descending order.

APPENDIX 6

POPULATION DISTRIBUTION IN NORTHERN IRELAND AND THE ISLAND DIMENSION

Population patterns in Northern Ireland are outside the focus of the present study. Nevertheless, patterns and trends in Northern Ireland are relevant to the evolution of patterns and trends in the Republic. Economic and demographic experiences North and South of the border exhibit both similarities and contrasts arising out of the shared historical connection to the UK economy and, subsequently, their separate development. The deepening involvement in the European Union today highlights the similar challenges faced and the potential for co-operation and closer networks.

Compton (1995) provides a review of demographic developments in Northern Ireland, including changing patterns of population distribution. Overall, the trend in population in the North since the famine is most similar to that of the East region in the Republic, a reflection of the prior level of industrial development there. Hence, in 1991 the population of Northern Ireland was 97 per cent of the corresponding area's 1841 figure, compared to 55 per cent for the Republic. Within Northern Ireland there are contrasts too, despite a higher overall level of urbanisation and a more widespread industrial tradition.

Using the 26 Local Government District (LGD) divisions, which are grouped into the East, North, South and West regions, Compton analyses distributional patterns. Population distribution by region in Northern Ireland is less uneven than in the Republic, although 40 per cent of population resided in the East region in 1991. Compton also distinguishes between the areas east and west of the Bann. Over two thirds of the population live east of the Bann with a population density of 185 per km². West of the Bann, population density is 60.5 per km². Compton refers to this as the major demographic fault line in Northern Ireland. At LGD level too, population densities vary, depending on the development of the urban system. East of the Bann are the most densely populated Local Government Districts of Belfast, North Down, Castlereagh, Newtownabbey, Carrickfergus, Coleraine and Craigavon. In contrast, west of the Bann, only Derry LGD stands out as densely populated.

Over recent decades, population growth in Northern Ireland has slowed down while population in the Republic has been growing vigorously. The contrast was particularly dramatic during the 1970s when the North's population was in decline. Both political and economic factors were influential. Compton places recent trends in population distribution in Northern Ireland in the wider UK context, drawing parallels between population decline in Belfast and other established 19th Century industrial cities in Britain. He focuses on two broad trends in UK population. First, there has been a long-standing migration from peripheral to core areas of the UK. In the 19th Century, the North-East of Ireland and North and West Midlands of England formed part of the core. However, the core has become ever more concentrated in the South and East of England in the 1980s and 1990s. The second trend he refers to is the decentralisation of urban population, due to urban over-spill, demand for new housing and the growth of commuting, facilitated by greater car ownership.

The substantial population decline in Belfast LGD over recent decades is not unusual compared to the experience of Liverpool or Glasgow. However, the decline in the built-up area around Belfast and even a small decline in the zone around this area is somewhat surprising. Instead, Northern Ireland has experienced a redistribution of population share from the greater Belfast region and its surroundings to the rest of the area east of the Bann ('fringe of the Bann' region) and the area west of the Bann. The components of these population changes by area tell different stories. First, the population decline in the greater Belfast area is driven by out-migration while natural increase is less than the NI average. Second, the growth of the 'fringe of the Bann' population comprises above average natural increase and negligible net migration. Finally, the population growth in the area west of the Bann comprises much higher rates of natural increase which are partly offset by out-migration. This seems to indicate that economic buoyancy is concentrated in the fringe of the Bann area, though many people residing in this area commute to work in Belfast LGD or greater Belfast. West of the Bann, population rises despite relatively less favourable economic conditions. Much of the area west of the Bann is rural but, despite strong employment growth in some parts, high inherited levels of unemployment persist (Haase, 1991).

What emerges is a pattern of change that is a hybrid of patterns seen

in older industrialised parts of the UK, on the one hand, and certain patterns in the Republic, on the other. First, the changes around Belfast in particular reflect restructuring of established industry and the widening of the urban compass in the East region. Second, Derry and Limavady LGDs, where secondary urban growth outside the range of the Belfast / Eastern region takes place, have high levels of unemployment despite population growth. Third, rural and border areas (such as Strabane, Omagh, Dungannon and Fermanagh) suffer from low population density, limited population growth or relative decline in ways quite similar to neighbouring parts of Donegal, Cavan and Monaghan. Indeed this similarity is part of the shared physical and economic geography of the cross-border area.

The age/sex structure of population in Northern Ireland, similarly, has hybrid features. The age structure is younger than the average in the EU but slightly older than that of the Republic. The more rural LGDs exhibit higher male population shares while the more urbanised districts have higher female shares. Overall, though, there is a stronger female bias in the population than in the Republic (1,052 females per thousand males, compared to 1,011 in the Republic). Compton notes a trend towards convergence in male and female migration rates. This may also be increasingly true of the Republic.

In this context it is noteworthy that the Northern Ireland Department of the Environment has proposed a regional strategy framework to plan towards 2025. In its launch document *Shaping Our Future* (1997), it refers to the importance of trans-regional co-operation, such as the Belfast-Dublin corridor, and the development of Belfast city region, other cities and towns, their commuter zones and rural areas. Some of these developments could provide a boon to border regions North and South. The current peace process will add a further impetus to efforts to identify opportunities for co-operation.

FIGURE A2.1
Local Government Districts in Northern Ireland



CHAPTER 3

SPATIAL DISTRIBUTION OF ECONOMIC ACTIVITY

1. INTRODUCTION

Over the past decade and particularly since 1994, the Irish economy has performed strongly in terms of economic and employment growth. Concerns have been raised that not all parts of the country have benefited equally from this growth. The purpose of this chapter is to examine economic performance at a sub-national level, both over the past decade and since the 1970s. Differences in economic performance between areas have obvious implications for settlement patterns. Differences in employment growth between broadly defined areas (such as regions) are a key influence on settlement since people generally live and work in the same (broadly defined) area. The precise location of where people choose to live within an area is influenced by a range of other factors such as physical planning, availability of public and private transport, the provision of various public and private services and the operation of the property market. The causality between settlement patterns and economic performance works both ways. In addition to economic performance influencing settlement patterns, settlement patterns also influence the economic performance of an area. For example, once a large settlement develops, this can encourage further development. Alternatively, excessive concentration in an area can encourage business and households to move elsewhere.

Before examining economic performance at a sub-national level, one must consider what spatial units are appropriate. Our choice of spatial unit is constrained by the availability of recent data. In particular, the most recent information on employment trends is from the Labour Force Survey which is only available at regional level.¹ Regional structures are used by many state agencies, although the regional divisions vary across agencies.

¹ Small Area Population Statistics (SAPS) represent the most detailed level of spatial disaggregation from the Census of Population and are available on request by the CSO. SAPS provide information on a range of variables down to District Electoral Division (DED) level. The first phase of this series from

There is an element of arbitrariness in the use of a regional unit or indeed any spatial unit. Walsh (1996) sets out a more functionally orientated division of Ireland in terms of city regions and other more favoured and less favoured types of areas. However, in his actual description he uses regional data based on administrative regions.

The position adopted in this chapter is that a description of economic performance at regional level is a worthwhile exercise, provided it is borne in mind that regions are not homogenous entities. There are significant economic and social differences within regions – where data are available these are discussed. As was illustrated in Chapter 2 the most pronounced differences in terms of poverty and disadvantage exist at a much lower level than either the region or the county.

Employment and unemployment trends are described in section 2. The decline of agricultural employment has had a major influence on settlement patterns; this is examined in section 3. The performance of the industrial and service sectors including tourism at sub-national level are described in Sections 4 and 5. Regional income trends are described in Section 6. Regional performance under the Community Support Framework is discussed in Section 7.

2. EMPLOYMENT AND UNEMPLOYMENT TRENDS BY REGION

(i) National Employment

The key problem and characteristic of the Irish economy until recently has been the weakness of employment growth. By 1961, the level of total employment was actually lower than it had been in 1926. The adoption of a new approach to economic policy in the 1960s, based on movement towards free trade and the attraction of FDI, was successful in achieving economic growth and there was substantial growth in industrial employment and more modest

the 1996 Census covers only a limited number of variables. The second phase, covering a more comprehensive range of variables including employment and unemployment will be available in December 1997/January 1998. Volume 7 of the Census of Population for 1996, which provides detailed information on employment by industry will be published in July 1998.

growth in services. The employment growth in industry and services in the 1960s was, however, not sufficient to offset the decline in agricultural employment, so that despite the buoyancy of the 1960s, total employment still showed a slight decline.

Substantial employment growth was achieved during the 1970s, particularly in services. This growth was concentrated in the late 1970s and was dependent upon an unsustainable fiscal expansion. With the recession of the first half of the 1980s, the employment growth of the 1970s was to a considerable extent reversed; total employment declined by 5.7 per cent between 1981 and 1986 compared to an increase of 9.2 per cent between 1971 and 1981.

The outstanding feature of the past decade has been the substantial growth of employment. Between 1987 and 1997, total employment increased by about 23 per cent while non-agricultural employment increased by almost 30 per cent. In contrast to the 1970s, this employment growth has been achieved without recourse to an unsustainable fiscal policy. The past decade represents the first time in the history of the state that there has been a sustainable and substantial increase in total employment. Particularly strong employment growth since 1993 has exceeded the growth of the labour force, so that unemployment has fallen substantially.

There are significant differences in labour force trends for males and females. There has been a consistent increase in the female labour force participation rate from 27.9 per cent of the female population of 15 years and older in 1971 to 39.2 per cent in 1997. This increase in female labour force participation took place despite a sharp fall in participation among younger women (15-19). By contrast male labour force participation has been falling steadily for decades, from 80.7 per cent in 1971 to 69.1 per cent in 1997. These changes in labour force participation are reflected in large differences in the gender composition of employment growth. Between 1971 and 1997, female employment increased by 86 per cent while male employment only increased by less than 7 per cent. The period since 1993, however, has been characterised by a substantial increase in both male and female employment.

(ii) Regional Employment Trends

It is clear that there has been a remarkable improvement in the national employment performance over the past decade. Our

concern here is how the different regions have participated in this growth, as well as the regional performance in earlier periods.

Total Employment

Regional employment trends are described in this section in terms of the former planning regions rather than the new regions of the Regional Authorities in order to analyse long term trends. There is considerable overlap between the old and new regional boundaries (see note to Table 3.1).

The trend in total employment since 1971 is shown in Table 3.1. Over the period 1971 to 1996 as a whole, total employment growth was dominated by the East region, in which employment grew by 41 per cent, almost double the national average of 23 per cent. Outside the East region, the strongest growth of total employment between 1971 and 1996 was in the South-West (19.9 per cent), the South-East (19.2 per cent) and the Mid-West (16.2 per cent). The East region accounted for 65 per cent of national employment growth between 1971 and 1996. In terms of employment numbers, the increase in total employment in all other regions between 1971 and 1996 was modest.

Despite the regional and rural industrialisation of the 1970s, most of the growth of total employment (77 per cent) during that decade took place in the East region. This was strongly influenced by the decline in agricultural employment. Employment in industry and services increased in other regions during the 1970s, but was considerably offset by the decline in agricultural employment. Total employment declined in three regions during the 1970s: the North-East, the West and the North-West. The strongest growth of employment during the 1970s outside the East region was in the Mid-West (7.7 per cent), the South-East (5.4 per cent) and the South-West (5.3 per cent).

The recession of the first half of the 1980s resulted in a decline in employment in all regions. The recovery of employment since 1986 has benefited all regions. Employment growth over the past decade has been above average in the East (25.8 per cent) and South-West

TABLE 3.1

Percentage Change in Employment by Region

	1971-81	1981-86	1986-96	1971-96
East	16.5	-4.2	26.3	41.1
Dublin	14.4	-5.8	23.7	33.3
Rest of East	25.3	2.3	35.5	73.4
South-West	5.3	-5.4	20.5	19.9
South-East	5.4	-3.4	16.9	19.2
North-East	-1.9	-6.5	15.9	6.4
Mid-West	7.7	-2.8	10.8	16.0
Midlands	3.2	-4.9	9.1	7.2
West	-0.2	-2.0	8.1	5.7
North-West & Donegal	-6.2	-3.1	11.7	1.4
Total	7.9	-4.1	18.9	23.0

Note: To facilitate analysis of long-term trends, the regions in this table are the former planning regions rather than the new regions of the Regional Authorities.

The differences are as follows:

- (i) The former East region has been divided into Dublin and the Mid-East;
- (ii) The former North-East and North-West regions have been amalgamated to form the Border region;
- (iii) County Roscommon was formerly in the Midlands region and is now in the West region.

The composition of the planning regions is provided in the Chapter 1. The figures on total employment in this table differ somewhat from those quoted earlier in the text on national employment. The national employment figures in the text are based on an adjusted long-run series while the corresponding figures in this table are taken directly from the Census of Population.

Source: 1971-81 and 1981-86: CSO, *Census of Population*

1986-96: Calculated from CSO, *Labour Force Survey*; Employment by planning region in 1996 provided by CSO.

(20.5 per cent). The lowest employment growth was in the West (8.1 per cent). The results from the 1997 Labour Force Survey confirm continuation of employment growth in all regions with one

surprising exception, the Mid-West. There was no net employment growth in this region in 1997².

The East region's share of total employment growth declined from around 77 per cent in the 1970s to around 49 per cent over the past decade. The more even distribution of total employment growth over the past decade is influenced by a slowdown in the decline of agricultural employment. Total employment in regions outside the East increased faster over the past decade compared to the 1970s, partly because there was a slower reduction in agricultural employment.

Differential employment growth has implications for the share of employment in each region. The evolution of each region's share of total employment is shown in the Table 3.2. It is clear that there has been a gradual ongoing increase in the East region's share, from

TABLE 3.2

Distribution of Employment by Planning Region
As a Percentage of Total Employment in the State

	1975	1986	1996
East	37.6	39.3	41.7
Dublin	30.1	30.5	31.8
Rest of East	7.5	8.7	9.9
South-West	15.3	14.5	14.7
South-East	10.7	10.5	10.3
North-East	5.8	5.3	5.2
Mid-West	8.7	9.1	8.5
Midlands	7.6	7.5	6.9
West	8.5	8.5	7.7
North West & Donegal	5.8	5.4	5.1
Total	100.0	100.0	100.0

Source: CSO, Labour Force Survey.

2 The 1997 Labour Force Survey results are not included in Table 3.1 and subsequent tables on regional employment because the results are only available using the boundaries of the new Regional Authorities rather than the former planning regions which are used in this chapter.

37.6 per cent in 1975 to 41.7 in 1996. This rise in the share of the East has been due more to the 'rest of the East' (i.e. the new Mid-East region) than to Dublin itself. However, the rise in the share of the Mid-East is partly due to commuting, since employment in the Labour Force Survey is based on residence rather than place of work.

Non-Agricultural Employment

While a disproportionate share of total employment growth has taken place in the East region since 1971, the position with respect to non-agricultural employment is different. The fastest growth rate of non-agricultural employment since 1971 has occurred in some of the western regions (the West and the Mid-West) and the Midlands. The growth of non-agricultural employment in the East region (46.6 per cent) between 1971 and 1996 was in fact slightly below the national average (48.7 per cent).

The above average growth of employment in some Western regions since 1971 reflects the strong performance of these regions during

TABLE 3.3

Percentage Change in Non-Agricultural Employment by
Region

	1971-91	1981-96	1986-96	1993-96	1971-96
East	19.2	-4.0	28.1	16.2	46.6
Dublin	14.9	-8.2	24.6	13.3	31.5
Rest of East	42.8	3.1	42.3	27.3	109.4
South-West	18.8	-4.5	27.8	14.2	45.1
South-East	21.0	-1.7	20.9	12.4	43.8
North-East	12.2	-3.9	22.4	10.0	31.9
Mid-West	26.9	-0.6	24.2	16.0	56.5
Midlands	29.6	-1.8	25.8	19.0	60.1
West	38.9	3.4	23.6	10.5	77.6
North-West & Donegal	23.3	3.1	17.3	7.0	49.0
Total	21.4	-2.6	25.8	14.5	48.7

Source: CSO, Labour Force Survey.

the 1970s. The growth of non-agricultural employment in the West region between 1971 and 1981 of 38.9 per cent was almost double the national average (21.4 per cent). Other regions which achieved above average growth of non-agricultural employment in the 1970s were the Midlands (29.6 per cent), the Mid-West (26.9 per cent) and the North-West (23.3). All other regions had below average growth of non-agricultural employment in the 1970s, with the lowest growth rate in the North-East.

There has been strong growth of non-agricultural employment over the past decade, but the regional pattern of this growth has differed substantially from the 1970s. In contrast to the 1970s, the fastest growth of non-agricultural growth between 1986 and 1996 has been in the East (28.1 per cent) and South-West (27.8 per cent). In each case this has been above the national average (25.7), although not dramatically so. There was particularly strong growth of non-agricultural employment in the counties surrounding Dublin (i.e. the new Mid-East region), although, a significant part of the growth in the Mid-East probably reflects the growth of commuting, as explained above. All regions experienced substantial growth of non-agricultural employment, although growth in the North West (17.3 per cent) and to a lesser extent the South East (20.9 per cent) was substantially below the national average. The difference between the 1986 to 1996 period and the 1970s is that non-agricultural employment is no longer growing far more rapidly in some of the western regions and the Midlands compared to other regions, which was the case in the 1970s.

The growth of non-agricultural employment since 1993 has been particularly strong. It is to this period that the label 'Celtic Tiger' can be most aptly applied. Over this shorter period 1993 to 1996, non-agricultural employment growth has also been above average in the East and South-West, but all regions have benefited from strong non-agricultural employment growth. An interesting feature of this period is that the fastest growth rate of non-agricultural employment has been in the Midlands region. This region would appear to be benefiting from a spreading of growth from the East region. The growth of non-agricultural employment in the Mid-West region has also been very strong between 1993 and 1996, roughly equal to the growth in the East region. However, non-agricultural employment appeared to decline in the Mid-West in 1997.

So far, the growth of non-agricultural employment has been examined in terms of percentage growth rates. If one focuses on non-agricultural employment growth in terms of employment numbers, then the growth of non-agricultural employment over the past decade has been dominated by two regions, the East (111,800) and the South-West (32,000). These two regions accounted for 65 per cent of the growth of non-agricultural employment.

The evolution of each region's share of non-agricultural employment has been considerably more even than in the case of total employment (see Table 3.4). The share of the East region increased by 2 percentage points between 1975 and 1979. It subsequently declined from 45.6 per cent in 1979 to 44.5 per cent in 1986, reflecting the disproportionate impact of the decline of indigenous industry on the East region. The East region's share of non-agricultural employment subsequently increased by 1 percentage point to 45.4 per cent in 1996. This illustrates the fact that while growth of non-agricultural employment in the East region over the past decade has been somewhat above the national average,

TABLE 3.4

Distribution of Non-Agricultural Employment by Planning Region As a Percentage of Total Non-Agricultural Employment in the State

	1975	1986	1996
East	45.9	44.5	45.4
Dublin	38.3	35.7	35.4
Rest of East	7.6	8.8	10.0
South West	14.5	13.7	14.0
South East	9.9	10.0	9.6
North East	4.9	4.9	4.8
Mid West	8.2	8.4	8.3
Midlands	6.2	6.3	6.3
West	5.6	7.0	6.9
North West & Donegal	4.7	5.1	4.8
Total	100.0	100.0	100.0

Source: CSO, *Labour Force Survey*.

the growth has been reasonably well balanced from a regional point of view.

(iii) Unemployment

Regional unemployment rates are shown in Table 3.5. Unemployment rates are broadly similar across all regions, with the exception of the North West in which unemployment is 6 percentage points above the national average. Unemployment is lowest in the Midlands (9.4 per cent) and the rest of the East (10.1 per cent). The rate of unemployment in Dublin (13.8 per cent) is slightly higher than the national average (12.9 per cent). All regions have experienced a reduction in unemployment since 1993.

Unemployment rates by county in 1991 are shown in Table 3.6. In 1991, unemployment tended to be highest in the county boroughs (major cities). In four of the five county boroughs, Dublin, Cork, Limerick and Waterford, unemployment was above 20 per cent. In these combined city and county areas, the rate of unemployment was somewhat above the national average in the case of Dublin and Limerick and somewhat below average for Cork and Waterford.

TABLE 3.5

Unemployment Rates by Planning Region (PES Basis)

Region	1975	1985	1993	1996
Dublin	9.6	19.4	17.5	13.8
Rest of East	7.2	14.7	17.2	10.1
Total East	9.1	18.4	17.4	12.9
South West	8.9	14.6	15.0	12.4
South East	8.7	19.0	17.0	13.5
North East	10.6	16.3	17.6	14.1
Mid West	9.2	14.9	15.8	10.2
Midlands	7.6	15.2	16.0	9.4
West	9.0	16.4	16.1	13.8
North West/Donegal	13.1	22.6	17.6	18.3
State	9.3	17.4	16.7	12.9

Source: CSO, Labour Force Survey.

Other counties with unemployment in excess of 20 per cent in 1991 were Louth and Donegal.

The counties with the lowest rates of unemployment in 1991 were Roscommon (10.2 per cent), Dun Laoghaire/Rathdown (11.6 per cent), Cavan (12.6 per cent), Clare (13.4 per cent) and Leitrim (13.7 per cent). Hence, some of the most rural counties are characterised by low unemployment. However, in the case of rural counties, low unemployment is not necessarily a sign of economic vibrancy. First, three of the rural counties (Roscommon, Cavan and Leitrim) which had the lowest rates of unemployment in 1991 are among the counties which have experienced the most severe depopulation since 1951. Second, Nolan *et al* (1994) point out that the relationship between unemployment and level of farming activity must be taken into account: 'those classified in the census as farmers are by definition not counted as unemployed, and districts with the high level of small farming were often those with low unemployment rates, and vice versa' (Nolan *et al*, 1994, p.236). Unemployment in rural areas is understated due to widespread underemployment in agriculture. One indication of the extent of underemployment in rural areas is the fact that almost 50 per cent of farms are not economically viable and neither the holder or spouse has alternative employment (see Section 3 below). Public policy on unemployment needs to be responsive to the differences in the nature of unemployment between urban and rural areas. These differences should be taken into account in the planning of employment services.

Differences in unemployment become greater when one goes below the county level. For example, the regional report of the Dublin Regional Authority (1995) showed that in 1991 unemployment rates exceeded 35 per cent in parts of Dublin. The very high unemployment rates in certain urban areas, however, does not imply that unemployment and deprivation are mainly confined to such areas. Research on the geographical distribution of affluence and deprivation in Ireland is outlined in Chapter 2.

TABLE 3.6

Unemployment by County, 1991

County	No. of Unemployed	Unemployment Rate
East		
Dublin Co. & Co. Borough	77,681	17.8
Dublin Co. Borough	46,416	21.7
South Dublin	14,079	16.9
Dublin - Fingal	8,176	13.4
Dun Laoghaire-Rathdown	9,010	11.6
Kildare	6,853	14.4
Meath	6,082	15.3
Wicklow	6,532	17.7
South-West		
Cork	13,507	12.5
Cork Co. Borough	10,343	21.1
Cork Co. & Co. Borough	23,850	15.2
Kerry	7,570	16.7
South-East		
Carlow	2,815	18.4
Kilkenny	4,244	15.1
Tipperary S.R.	5,116	18.1
Waterford	3,077	15.9
Waterford Co. Borough	3,395	21.0
Waterford Co. & Co. Borough	6,472	18.2
Wexford	7,374	19.2
North-East		
Cavan	2,487	12.6
Louth	7,727	22.2
Monaghan	2,732	14.2
Mid-West		
Clare	4,736	13.4
Limerick	6,006	14.2
Limerick Co. Borough	5,151	25.3
Limerick Co. & Co. Borough	11,157	17.8
Tipperary N.R.	3,302	15.1
Midlands		
Laoighis	3,109	16.2
Longford	1,618	14.9
Offaly	3,677	17.1
Roscommon	1,984	10.2
Westmeath	3,318	14.3

TABLE 3.6 - continued

County	No. of Unemployed	Unemployment Rate
West		
Galway	7,472	15.3
Galway Co. Borough	3,127	15.3
Galway Co. & Co. Borough	10,599	15.3
Mayo	6,397	16.0
North-West and Donegal		
Leitrim	1,273	13.7
Sligo	3,127	14.8
Donegal	11,958	25.4
State	233,790	16.9

Source: Calculated from CSO, *Census of Population*, Volume 4.

3. AGRICULTURE

Employment in agriculture in Ireland, as in other OECD countries, has been declining for several decades (Table 3.7). The number of those who describe their principal occupation as being in agriculture, forestry or fishing has fallen by half since 1971, to 136,500 in 1996. The decline has been steepest in the western

TABLE 3.7

Employment in Agriculture

	1971-96	Percentage Change 1971-96	1996 Regional Shares
East	-9.2	-38.0	11.0
South-West	-19.0	-40.4	20.5
South-East	-15.4	-41.3	16.0
North-East	-9.9	-46.7	8.3
Mid-West	-18.0	-56.1	10.3
Midlands	-18.8	-53.9	11.8
West	-26.9	-57.5	14.6
North-West & Donegal	-19.3	-65.4	7.5
Total	-136.6	-50.0	100.0

Source: CSO, *Census and Labour Force Survey*.

regions. The largest decline was in the West itself, which declined by almost 27,000, followed by the North-West (19,300) and the South-West (19,000). The lowest decline was in the East region, while the decline in Dublin itself was marginal. The share of employment in agriculture, forestry and fishing is highest in the South-West (20.5 per cent) followed by the South-East (16.0 per cent) while the lowest share of employment in this sector is in the North-West (7.5 per cent).

The decline in agricultural employment can be expected to continue. Notwithstanding the significant decline to date, employment in agriculture in Ireland continues to be significantly higher than the EU average (Table 3.8).

There are significant structural differences within the agricultural sector. Frawley and Commins (1996) use the concepts of commercial and demographic viability to allocate farms into a number of categories. An economically viable farm is defined as

TABLE 3.8

EU Employment in Agriculture as Percentage of Total Employment

Member State	1990	1993
Belgium	3.2	2.6
Denmark	8.0	5.4
France	8.2	5.1
Greece	30.3	21.3
Germany (FRG)	5.3	3.0
IRELAND	18.4	12.7
Italy	14.2	7.5
Luxembourg	4.8	3.0
Netherlands	4.9	4.6
Spain	19.3	10.1
Portugal	27.3	11.7
United Kingdom	2.6	2.2
EU-12	9.5	5.6

Source: European Commission (1995), *The Agricultural Situation in the Community, 1994*.

one having (a) the capacity to remunerate family labour at the average agricultural wage and (b) the capacity to give an additional 5 per cent return on non-land assets. They also classify farms on the basis of their demographic status: households where the holder is over 55 years of age and where there is nobody else under 45 years are regarded as having 'poor demography'.

The first category identified by Frawley and Commins is that of commercial farms. These satisfy the economic viability criterion and are sufficiently large to employ 0.75 standard labour units. There were 35,300 such farms in 1994, accounting for 23 per cent of all farms. The second category is part-time farms. These include farms which are not economically viable or are only viable on a part-time basis and where the operator or spouse has other employment. There were 44,000 such part-time farms in 1994 and they accounted for 29 per cent of all farms.

The remaining 48 per cent of farms are not viable on a full-time basis and neither the occupier or spouse has alternative employment. This 48 per cent is further divided into two categories on the basis of demographic characteristics. First, there are those farms which are not viable on a full-time basis and where the operator or spouse lacks alternative employment, but the household structure can be described as 'good'. This group is referred to as 'marginal under pressure' and is the largest group of farms. In 1994 there were 44,000 farms, or 29 per cent, in this category. The final category comprises those non-viable farms, where neither the holder or spouse has alternative employment and which are characterised by poor demography. This group accounted for 19 per cent of farms in 1994.

Frawley and Commins consider the likely evolution of farms in each of these categories up to 2005. A small decline is expected in the number of commercial farms. The number of part-time farms is likely to be maintained or could even increase; the trend here is dependent on the general availability of employment in rural areas. A significant decline is expected in the marginal category. Some of these will develop their farms and move into the commercial category, but for most this is not a realistic possibility. Some can expect to find employment and become part-time farmers. More will move into the residual category. The number of those in the residual category will decline, but this category is expected to remain a significant feature of Irish agriculture. This is partly because as others disengage from

farming, they will move into this residual category. Taking all categories together, Frawley and Commins expect a decline in the number of farms from 154,000 in 1994 to between 110,000 and 130,000 in 2005. In structural terms, continuing segmentation of the agricultural sector is expected in which a group of commercial farms co-exists with other farm categories.

The spatial dimension of structural change in agriculture is also analysed by Frawley and Commins. While they do not examine the spatial distribution of farms classified on the basis of viability, they do provide a spatial analysis of farms in the related criteria of size. They classify counties into four groups according to the average economic size of farms in each county. This produces a clear spatial pattern, with a gradual progression from the large farm counties of the South-East to the small farm counties of the North-West. The four groups are as follows:

Group 1: Large Farm Counties

South-East: Carlow, Kilkenny, Wexford, Tipperary South and Waterford

East: Dublin and Wicklow

South-West: Cork

Group 2: Medium to Large Farm Counties

East: Kildare and Meath

Midlands: Laois

North-East: Louth

Mid-West: Tipperary North

Group 3: Medium to Small Farm Counties

Midlands: Longford, Offaly and Westmeath

North-East: Cavan and Monaghan

South-West: Kerry

Mid-West: Clare

Group 4: Small Farm Counties

North-West: Donegal, Sligo and Leitrim

West: Galway and Mayo

Midlands: Roscommon

It is notable that all of the counties in the South-East are in the large farm category (group 1). The counties of the East region are in either one of the two larger county groups. All of the counties in the West and North-West, together with Roscommon are in the small farm category.

Farms in the large farm counties are on average over three times bigger than those in the small farm counties. Frawley and Commins examine the performance of the groups of counties across the various products. They show that farms in the small farm counties have been unable to retain their share of production, not only in crops and dairying but also in other livestock enterprises. This illustrates that agricultural restructuring produces significantly different effects in different parts of the country.

Walsh (1994) provides an analysis of regional differences in land use, farm size and viability. Pasture is the most important agricultural land use in all regions, averaging 50.6 per cent in 1991. Even in Dublin, 37 per cent of the small agriculture area available is so used. This is followed by silage and hay, at 26 per cent of land use across regions, with a much lower rate in Dublin (14 per cent) and somewhat below average rates in the Border (23.7 per cent) and West (24.4 per cent) regions. In contrast, rough grazing is more important in the Border, West and South-West regions, where farmers concentrate on cattle and sheep rearing, and depend on state subsidies for survival. More prosperous, larger farms in Dublin, the Mid-East and South-East, produce more cereals and other tillage crops, which have a higher added value. Walsh uses the 1991 Census of Agriculture to show regional differences in the gross margin per hectare and per unit of labour. Again, this shows the divide between above average profitability in Dublin, the Mid-East, South-West and South-East, on the one hand, and below average margins the West, Border and Midlands, on the other. The Mid-West was closest to the state average.

Alternatives to more established farming activities through diversification, such as farm tourism, organic farming or afforestation are as yet tiny, though some of these activities are being taken up in the West and Border regions. But the openness to innovation is related to the age of farmers, and average age of farmers is higher in the less viable West and Border regions. Although the impact of diversification on settlement has so far proved modest, it should be seen as an important, if nascent strand, whose long term effects could be considerable.

4. INDUSTRY

Until the early 1960s, the manufacturing base was small and heavily concentrated in the main urban areas. Three regions, the East, North-East and South-East, accounted for almost 62 per cent of manufacturing employment in 1961. The share of manufacturing employment in total employment in most other regions was substantially below average. However, by 1991 differences in the degree of industrialisation had to a large extent been eliminated (see Table 3.9). Regional policy, particularly through the location of overseas investment, played a role in changing this distribution.

The locational distribution of new grant-aided manufacturing firms established between 1960 and 1973 has been analysed by O'Farrell (1975, 1978, 1979, 1980). O'Farrell found that 59.1 per cent of foreign firms located within the Designated Areas³ between 1960 and 1973, while 42.8 per cent of Irish firms located in these areas.

TABLE 3.9

Manufacturing Employment as a Percentage of Total at Work,
by Region, 1961 and 1991

Region	1961	1991
East	27.2	17.7
North East	17.9	23.6
South West	16.7	19.7
South East	13.9	22.0
Mid West	11.4	20.9
Donegal	10.5	
Midlands	8.4	17.5
North West	6.4	20.4
West	5.6	16.0
State	17.0	19.0

* Donegal is shown separately in 1961, while in 1991 it is part of the North West.

Source: CSO, *Census of Population*

3 Designated Areas refers to areas identified for special assistance in the Undeveloped Areas Act 1952 and subsequent acts. The definition of Designated Areas has changed over time (see NESAC, 1985).

Thus, these areas benefited considerably from new investment in manufacturing, particularly by overseas firms, during this period (quoted in Boylan, 1996, p. 181).

(i) The 1970s: Rural Industrialisation

The trend in manufacturing and internationally-traded services employment by region and county for Irish and overseas firms since 1973 is presented in the appendix to this chapter. This kind of employment grew by 9.1 per cent between 1973 and 1979. Most of the net increase came from the overseas sector. There was a distinctive regional pattern to this growth during the 1970s. Employment declined in the East and North-East between 1973 and 1979 and grew only modestly in the South-West. It increased in all other regions by in excess of 20 per cent; in the West and Mid-West it increased by 50 per cent between 1973 and 1979. The decline in the East and North-East reflected the decline of Irish-owned manufacturing. At the same time, employment growth in overseas companies took place outside these regions. Employment in overseas companies increased by over 100 per cent in the West and Midlands regions, by almost 75 per cent in the South-East and by 32 per cent in the Mid-West. There was a more modest increase in the South-West of 14.5 per cent.

Another way of considering the locational distribution of manufacturing and internationally traded services employment is to distinguish between, on the one hand, the East region and the counties containing the other urban centres (Cork, Galway, Limerick and Waterford) and, on the other hand, the rest of the country. It can be seen from Table 3.10 that the East and the other counties with large urban centres only accounted for 14.9 per cent of the net increase of such employment between 1973 and 1979. There was substantial employment growth in Galway (42.7 per cent), while both Limerick and Waterford also showed increases somewhat above the national average. However, the distinctive characteristic of the growth of employment between 1973 and 1979 is that over 85 per cent of the net increase in manufacturing and traded services employment took place outside the East and the other counties with the main urban centres. Hence, the employment growth of the 1970s not only took place outside Dublin but was for the most part outside any of the main urban centres.

(ii) **The Early 1980s: General Decline in Manufacturing Employment**

Turning to the 1980s, there was a net decline in manufacturing and internationally traded services employment nationally between 1979 and 1986. All regions experienced a decline with the exceptions of Donegal and the Mid-West regions. The decline was largest in the East region, in which there was a net loss of almost 25,222, representing around 64 per cent of the national decline. Employment in Irish owned firms declined in all regions during this period, with the exception of the North-West. In foreign firms, the decline was less severe (-8.5 per cent). Three regions had net gains in employment in foreign owned firms: the North-West, Mid-West, and South East.

(iii) **1986-1996: New Regional and Urban Patterns**

The past decade has seen a return to growth of employment in manufacturing and internationally-traded services. The growth has been most vigorous in overseas manufacturing and internationally-

traded services, which increased by almost 39 per cent between 1986 and 1996. There has also been a marked improvement in the employment performance of Irish-owned companies, which showed an increase in employment of 8.7 per cent between 1986 and 1996.

The re-emergence of growth in manufacturing and internationally traded services employment has been accompanied by a distinct change in its regional and sub-regional pattern. This employment is no longer declining in the East region. Between 1986 and 1996, such employment in the East region grew by 25.7 per cent, somewhat above the national average of 21.1 per cent. The fastest employment growth over this period, however, was in the West (32.7 per cent) and the Mid-West (26.9 per cent).

The growth rate of employment in overseas manufacturing and internationally traded services was substantially higher in the East region (47.5 per cent) than in any other region, while the growth of employment in Irish-owned companies was highest in the West (32.4 per cent) and the Mid-West (26.9 per cent). Nonetheless, the East's share of employment growth in Irish companies (46 per cent) was slightly higher than its share of the growth of overseas companies (43.2 per cent). The particularly strong employment growth of the last three years has seen a further increase in the East's share of this growth to 54.1 per cent. This is due to a rise in the East's share of employment growth in overseas companies to almost 60 per cent while its share of the employment growth in Irish manufacturing has declined to 44.5 per cent.

In addition to changes in the regional pattern of growth over the past decade, there have also been changes in the balance between urban areas and other areas (see Table 3.10). Almost 71 per cent of the net increase in manufacturing and internationally traded services employment between 1986 and 1996 took place in the East region and the other four counties containing the main urban centres, although the growth in the case of Waterford was marginal. This is the opposite to the pattern of the 1970s. Over the past decade, the highest growth of this employment has been in those regions with a large urban centre. Thus, the highest growth rates were in the East (Dublin), the South-West (Cork), the West (Galway) and the Mid-West (Limerick). Furthermore, within these regions, apart from the East, employment growth has shifted to the counties containing the urban major centres. This concentration in urban areas has increased

TABLE 3.10

Change in Total Manufacturing and Internationally-Traded Services Employment

	1973-79 (Percent of total)	1986-96 (Percent of total)	1993-96 (Percent of total)
East region	-1791	19098	16879
Cork county	152	5323	2594
Galway county	2541	3553	2852
Limerick county	790	2694	2197
Waterford county	1290	191	401
East and above 4 counties	2982 (14.5%)	30859 (70.9%)	24923 (79.9%)
Other counties	17523 (85.5%)	12681 (29.1%)	6279 (20.1%)
Total	20505 100.0%)	43540 100.0%)	31202 (100.0%)

Source: Calculated from Industrial Database of the Department of Enterprise, Trade and Employment.

in the most recent three year period, from 1993 to 1996, although in the case of Cork its growth rate has fallen below average.

(iv) Reasons for Changing Location Patterns

The dispersed pattern of much overseas investment in Ireland until recently has been examined by O'Malley (1994) who argued that the spatial pattern of investment was related to the type of investment:

The willingness of many of the firms concerned to locate in less industrialised regions reflects the fact that they were relatively 'mobile' types of operation, not requiring advanced labour skills or close contact with suppliers or specialised services. Nor, since they were generally highly export-oriented, did they require to be located close to the markets of the principal Irish population centres. Part of the attraction of an Irish location, compared with more advanced countries in Europe, lies in Ireland's relatively low labour costs and investment grant incentives. Thus, it made sense for the more mobile type of operation to go to the smaller towns and rural areas where higher grants were generally offered, as a matter of policy, and where labour costs were somewhat lower and the traditions of labour organisation were weaker than in the main urban centres (O'Malley, p.18).

This explanation suggests that while the provision of incentives played a role in influencing the internal location of overseas investment, it only affected this in the context in which other circumstances favoured a particular location. These circumstances are now changing. The most significant effect is probably the operation of local labour markets. The demand for advanced labour skills by both overseas and domestic investors has been rising. The larger urban centres are in a better position to meet these requirements. Those with the required skills are attracted to urban areas as such areas can provide a range of potential employers. The growing importance of the high technology sectors also encourages location in urban areas. O'Malley (1994) has pointed out that firms in the modern high technology sectors seem to have a particular preference for location in the more urbanised regions and they tend to be disproportionately concentrated in these regions, unlike

typical pattern of foreign firms in other more mature sectors. The growth of the internationally traded services sector also appears to favour urban areas. Finally, although multinationals import a large share of their inputs, the availability of infrastructure, subcontractors and suppliers of services also tends to encourage investment in urban centres.

Environmental considerations also influence the location of some industries. Certain industries need advanced facilities to mitigate the impact of their activities on the environment. This is an example of a specialised service which can only be economically provided in the vicinity of an urban area.

The Distribution of Human Capital

The availability of advanced skills is an increasingly important factor for investors so it is worth considering the distribution of human capital. Walsh (1995), used the SAPS data from the 1991 Census to profile the regional distribution of educational qualifications of males and females in employment in 1991, based on the new regional boundaries. The share of male workers with of third level qualifications was highest in the Dublin region at 26 per cent, and lowest in the Midlands, at 12 per cent compared to 19 per cent for the state. The regions with the highest proportions of males with lower levels of formal educational attainment – none, primary or lower second level – were the South-East at 57 per cent, the Midlands at 59 per cent, the West at 60 per cent, the Border region at 68 per cent. The national rate was 52 per cent and the Dublin rate was 40 per cent.

The distribution of unemployment in all regions was skewed towards those with least education, but more so in the Border and Midlands regions, and least so in the Dublin region, while the largest concentrations of unemployed graduates were in regions with universities. This pattern suggests that graduates, even when unemployed, or seeking work, tend to remain in the larger urban centres, rather than return to their locations of origin.

These figures suggest that, even at the regional level, there are quite discernible differences in the skill content of the working population, and indeed in the skills of the unemployed population, favouring the areas of more concentrated population. This supports the argument that proportionately greater concentrations of more

qualified labour can be accessed in those regions with larger towns and cities, and particularly where third level institutions are located. It also indicates that the development of employment with a high skill content is easier to achieve in certain more metropolitan regions.

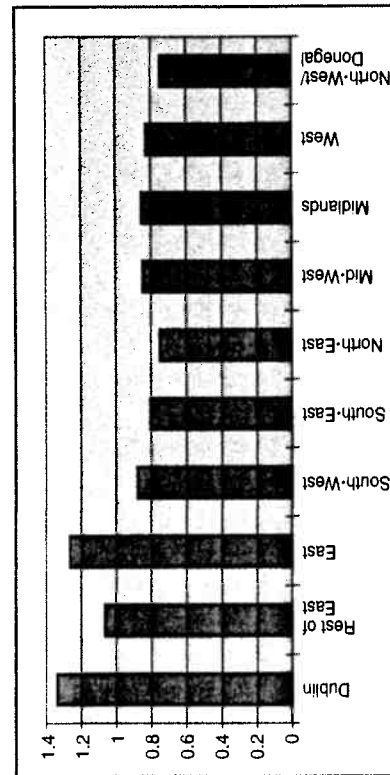
5. SERVICES

(i) Trends in Employment in Services

The previous section has shown that the greater relative concentration of manufacturing employment in the East region has been eliminated, although in recent years the growth of manufacturing employment has favoured the East region. Services employment continues to be concentrated in the East region. This is illustrated in Figure 3.1, which shows the ratio of each region's share of services employment relative to its share of the population. The ratio for the East region is 1.27, indicating that this region's share of services employment is about 27 per cent greater than its share of population.

FIGURE 3.1

Regional Distribution of Services Employment Relative to Population 1996



Source: CSO, Labour Force Survey.

Most of the gain in employment over the past decade has been in services. Dublin accounted for 40 per cent of the growth of services employment between 1986 and 1996, while the Rest of the East (i.e. the Mid East) accounted for a further 15 per cent. Hence the East region as a whole accounted for 55 per cent of the growth of services employment over the past decade. The growth rate of services employment in percentage terms is shown in Table 3.11. This confirms that services employment has grown faster in the East region than elsewhere. Nonetheless the growth of services employment, as with non-agricultural employment generally (see Section 1) has not been dramatically above average in the East region – a growth rate of 36.5 per cent between 1986 and 1996 for the East region compared with a national average of 31.6 per cent. Given that the East region accounted for 55 per cent of the growth of services employment one might expect the growth rate of such employment to be substantially above average in this region. The explanation for this is that the East region's share of services employment was already high in 1986, at 47.7 per cent. This had

TABLE 3.11

Regional Trends in Service Employment
Total Percentage Change

Regions	Percentage Change	
	1984-1996	1993-1996
Dublin	32.1	14.2
Rest of East	58.0	31.2
East	36.5	17.2
South West	29.7	13.5
South East	25.9	14.3
North East	29.5	9.4
Mid West	28.4	21.0
Midlands	34.9	20.0
West	24.5	14.0
North West/Donagel	14.4	-3.2
State	31.6	15.3

Note: Special tabulation provided by CSO for 1996.

Source: CSO, Labour Force Survey.

increased to 49.4 per cent in 1996. Given the initial large concentration of services employment in the East region, even if services employment had grown at a similar rate in all regions, the East region would still account for approximately half of the growth of services employment.

There was substantial growth of services employment in most regions. Outside the East region, the growth of services employment between 1986 and 1996 was highest in the Midlands (34.9 per cent), South-West (29.7 per cent) and North-East (29.5 per cent). The growth of services employment over this period was lowest in the North West (14.4 per cent) and the West (24.5 per cent). During the most recent period of rapid growth between 1993 and 1996 the highest growth rates for services employment did not occur in the East, but in the Mid-West (21 per cent) and the Midlands (20 per cent), although in 1997 there was a decline in services employment in the Mid-West. The lowest growth rates occurred in the North-West, where employment declined by 3.2 per cent and the North-East (an increase of 9.4 per cent).

(ii) Sub-Sections within Services

The services sector embraces a wide range of economic activities and there are substantial regional differences in the growth rates of the different components of the services sector. The Labour Force Survey provides a regional disaggregation of services in terms of five sectors:

- (i) Commerce, insurance, finance and business services;
- (ii) Transport, communication and storage;
- (iii) Professional services;
- (iv) Public administration and defence;
- (v) Other services.

Of these, professional services is the largest, comprising employment of almost 239,000 or 30 per cent of total services employment in 1996. Over the past decade, employment in professional services in the East region (43.6 per cent) has been substantially above the national average (31.4 per cent). The East region accounted for around 60 per cent of the national employment growth in professional services. Employment growth in commerce

and business services has also been concentrated in the East region, which accounted for almost 66 per cent of the national employment growth in this sector between 1986 and 1996. The International Financial Services Centre in Dublin contributed to the above average growth in this sector in the East region.

Growth of employment in the transport and communications sector was more evenly distributed. The highest growth rates occurred in the Mid-West (42 per cent) and the Midlands (50 per cent) but the numbers employed in these regions in this sector is small in absolute terms.

Employment in public administration and defence in the East region grew by 6.6 per cent between 1986 and 1996 which was below the national average of 7.8 per cent. Outside the East region, employment growth in public administration over the past decade was above average in the following regions: the Midlands (23.4 per cent), the Mid-West (23.9 per cent), the North-East (10.3 per cent) and the South-West (8.1 per cent). The above average growth in this sector in certain regions probably reflects the effects of reallocation of government offices. The increase in employment in this sector between 1986 and 1996 nationally was quite small, at around 5,500. However, reallocation of employment of this nature can have a very substantial effect in particular towns.

The residual category – other services – is quite a large sector, comprising over 16 per cent of total services employment. It covers a wide range of personal services, including hotels and restaurants. Employment growth in this category between 1986 and 1996 was below average in the East region and above average in all other regions. The strong employment growth outside the East region in this category was important in enabling most regions to achieve reasonably strong growth of employment in the services sector as a whole.

(iii) Information Technology

Developments in telecommunications and information technology create possibilities for employment outside major urban centres. For example, Fexco, an Irish financial services company, uses information technology to provide services to both Irish and overseas customers from its base in Killorglin in Kerry. A number of towns including Loughrea and Castleisland provide back-office

services to international customers. However, Commins and Keane (1994), in a report on rural development for the Council argued that there are good grounds for caution against any undue optimism about the contribution of information technology and telecommunications to rural development. They quoted a study on the role of telecommunications in overcoming the remoteness of the Highlands and Islands of Scotland which found that most of the associated inward investment had gone to the more central locations. Another study quoted by NESF (1997) showed that most of the new employment associated with new information and communication technology was in Dublin. The reasons given were the availability of skills and the necessary infrastructure. NESF (1989) concluded that 'it is too simplistic to infer that radical technical, telecommunications and transport improvements, because they technically reduce the significance of distance also reduce its economic significance'. The effects of information technology are highly complex and depend on very specific features of the industry.

(iv) Tourism

National Performance

There has been strong growth in tourism over the past decade. The number of overseas visitors increased by 160 per cent between 1986 and 1996. The number of holiday visitors has increased almost fourfold over this period, while the number of business visitors has more than doubled. Revenue from overseas tourism in nominal terms has increased almost threefold over the past decade. This is in contrast to the period prior to 1987 when Irish tourism was relatively stagnant despite rapid growth in world tourism. Growth rates over the past decade have been well above the OECD average. In 1996, tourism accounted for over 6 per cent of GNP. Employment supported by tourism, including indirect employment, was estimated to be 108,700 in 1996.

The Regional Dimension

There is an important regional dimension to tourism as is indicated by the patterns outlined in Tables 3.12 and 3.13. While the largest

share of tourism revenue is captured by the Dublin region (24.9 per cent), revenue for this industry is disproportionately concentrated (relative to the distribution of population) in other regions.⁴ The combined western regions account for 43 per cent of the population, but captured 55 per cent of the revenue from this industry in 1996. Hence revenue per capita from tourism is above average in a number of the poorer regions (the South-West and West). This is not universally true: in particular the relatively sparsely populated North-West region has below average revenue per capita from tourism.

There is a significant difference in the regional distribution of overseas and domestic tourism revenue. The largest concentration of overseas tourism revenue is in the Dublin region, which accounts for 30.4 per cent of such revenue. This is followed by the South-West, which accounts for almost 20 per cent of overseas revenue and the West, which accounts for 13.3 per cent. By contrast, Dublin's share of revenue from domestic tourism is much lower at 12.3 per cent: this reflects the importance of Dublin as the primary market for domestic tourism. The South-West and the West also have a concentration of revenue from domestic tourism, but on the

TABLE 3.12
Regional Distribution of Tourism Revenue and Population,
1996

	Overseas	Northern Ireland	Domestic	Total	Population (%)
Dublin	30.4	19.1	12.3	24.9	29.2
Midlands - East	9.8	2.5	10.1	9.6	17.0
South East	9.3	6.0	15.2	10.8	10.8
South West	19.7	5.1	20.8	19.4	13.2
Mid West	11.3	11.4	12.1	11.5	11.4
West	13.3	13.9	16.8	14.3	9.7
North West	6.3	42.1	12.7	9.5	8.7
Total	100.0	100.0	100.0	100.0	100.0

⁴ Note that the regions for the organisation of tourism are different from the planning regions and those used by the new Regional Authorities (see Chapter 4).

TABLE 3.13

Tourism Revenue Per Capita, 1996

	Overseas	Total (£)
Dublin	417.1	500.7
South-East	344.2	584.9
South-West	595.6	859.3
Mid-West	396.2	591.5
West	547.0	860.2
North-West	290.9	642.3
Midlands/East	232.2	332.5
Total	400.7	586.2

Source: Bord Fáilte, *Tourism Facts 1996* and CSO, *Census of Population*.

whole domestic revenue is much more evenly distributed across regions. Revenue from tourism in Northern Ireland has its own distinctive regional distribution pattern. This revenue is highly concentrated in the North-West (42.1 per cent) which presumably reflects the proximity of this region to the border. The other large concentration of Northern Ireland revenue is in Dublin (19.1 per cent). The distinctive concentration of Northern Ireland tourism in the North-West is a recent phenomenon. Strong growth of this market in the North-West in 1996 resulted in this region doubling its share of revenue from this market. Before 1996, the South-East also accounted for a large share of revenue from Northern Ireland.

There are also substantial differences in the regional distribution of revenue from different overseas markets. Revenue from the European market is heavily concentrated in Dublin, which accounted for 41 per cent of this revenue in 1995. Revenue from the British market has a more even regional distribution although the largest concentration is again in Dublin at 23.6 per cent. The North American market is in an intermediate position in terms of regional concentration, with Dublin accounting for 30 per cent of the revenue from this market in 1995. Revenue from other overseas markets is the most concentrated, with Dublin accounting for almost 50 per cent. This category, however, represents a small percentage of total revenue, although the potential for growth could be considerable, if problems of access can be addressed.

Regional Growth Rates

The strongest growth of total tourism revenue between 1991 and 1996 was in the North-West, although this was from a low base. After the North-West, growth of total tourism revenue was strongest in Dublin which experienced growth of 36 per cent between 1991 and 1996, substantially above the national average. Revenue growth in the strong tourist region of the South-West was equal to the national average, while it was below average in the West.

Growth of overseas tourism revenue in the 1990s was dominated by Dublin and the South-East. Overseas revenue growth in the Midlands/East region was also strong, probably reflecting an overflow from Dublin. Growth of overseas tourism revenue in all other regions was below average.

The strong relative performance of the North-West reflects growth in revenue from the domestic and Northern Ireland markets, at a time when domestic tourism revenue was in decline nationally. There are substantial year-to-year fluctuations and the North-West's strong performance between 1991 and 1996 is influenced by

TABLE 3.14

Growth of Tourism Revenue by Region 1991-1996
Percentage Change

	Overseas Tourism Revenue	Total Tourism Revenue
Dublin	99	36
South-East	91	22
South-West	47	29
Mid-West	47	17
West	64	26
North-West	44	37
Midlands/East	79	31
Total	69	29

Source: Bord Fáilte, *Tourism Facts 1996* and *Perspectives on Irish Tourism: Regions 1991-1995*.

particularly strong growth of domestic and Northern Ireland revenue in 1996.

While growth of tourism revenue during the 1990s has favoured the east coast the position in 1996 was different. Total tourism revenue in 1996 only increased marginally in Dublin (growth of overseas revenue was offset by a decline in domestic revenue) while the largest increases were in the South-West, Mid-West and North-West. The strong performance of the North American and British markets would appear to have supported growth in the western regions in 1996. An increase in domestic revenue in 1996 also assisted the South-West and North-West.

TABLE 3.15

Growth of Tourism Revenue by Region 1995-1996
Percentage Change

	Overseas Tourism Revenue	Total Tourism Revenue
Dublin	5.3	0.7
South-East	10.6	9.4
South-West	22.8	16.3
Mid-West	24.4	17.2
West	22.2	5.6
North-West	3.6	22.6
Midlands/East	9.4	3.4

Source: See Table 3.14

An important issue to consider is why, for most of the 1990s, overseas tourism is growing more rapidly on the east coast in comparison to other regions. A key factor has been the improvement of access through Dublin airport and seaports in the Dublin area. Improved access to Dublin has enabled it to benefit from the international trend towards urban tourism. Likewise, Dublin has also benefited from the trend towards shorter breaks. Dublin has also benefited from other specific factors, such as Dublin's current popularity, urban regeneration and an expanding tourism infrastructure. A key problem identified in many reports on

tourism is the pronounced seasonality of demand. Dublin has been more successful than other regions in attracting visitors outside the peak season. A larger share of business travellers facilitates a less seasonal pattern of demand. In short, a range of factors have contributed to strong growth of overseas tourism on the east coast and, in particular, in Dublin.

6. REGIONAL INCOMES AND OUTPUT

GDP and GNP are the most widely used measures of economic performance at national level. Until recently, there was no comparable information at sub-national level. Over the past year, the CSO has published information on output for each region, as measured by Gross Value Added (GVA), which is closely related to

TABLE 3.16
Regional Accounts, 1991 and 1993

Region	Index of GVA Per Capita 1991=100	Regional GVA Per Capita as % of EU Average 1993 EU15=100
Dublin & Mid-East*	116.2	114.7
Dublin	131.1	131.0
Mid-East	69.0	64.4
South West	107.1	111.3
Mid-West	95.8	93.7
South-East	89.1	92.2
West	75.9	71.7
Border	82.2	83.1
Midlands	77.0	77.4
State	100.0	100.0
		82.8

* The combined Dublin and Mid-East regions are shown in this table because the latter region is unique as a high proportion of the workforce residing there work in the Dublin region and, as a result of this, GVA per capita in the Mid-East is artificially low.

Source: CSO, Regional Accounts, 1993. EU comparisons have been calculated on the basis of GDP per capita in Ireland being equal to 82.8 per cent of the EU average in 1993.

GDP, for 1991 and 1993. The main results on output per capita by region are presented in Table 3.16 below.

The combined Dublin and Mid-East region had the highest level of GVA per capita in 1993, around 14 per cent above the average for the state. The South West region had the next highest GVA per capita, 11 per cent above the State average. Apart from the Mid-East region, in which GVA per capita is artificially low, because a lot of the workforce of this region produces value-added in the Dublin region, the regions with the lowest GVA per capita were the Midlands, Border and West.

Comparisons between 1991 and 1993 are not necessarily indicative of any long-term trend as the period involved is so short. This period was also one of fairly slow growth nationally. The ranking of regions in terms of GVA per capita was unchanged over this period. There was a slight relative decline in the relative GVA per capita of the combined Dublin and Mid-East regions and a larger decline in the relative position of the West.

The recent Regional Accounts include revisions to estimated regional GVA for 1991 which had been published earlier. The most significant revision is for the West region. The GVA per capita for the West region had earlier been estimated at 82.6 per cent of the national average in 1991 while the revised estimated was 75.9 per cent. The relative GVA per capita for the West region subsequently fell to 71.7 per cent of the national average in 1993.

The ratio of regional GVA per capita to the EU average is shown in the final column of Table 3.16. This has been calculated by applying the GVA per capita of each region to Ireland's GDP per capita relative to the EU, which was 82.8 per cent in 1993. In 1996, Ireland's GDP per capita was close to 100 per cent of the EU level. However, information is not available on the growth of regional GVA since 1993.

Differences in output per capita do not necessarily reflect differences in productivity. Differences in output per capita could also be explained by differences in the share of the population at work, which in turn could reflect either differences in unemployment or labour force participation. It is possible to combine the information from the regional accounts with the Labour Force Survey to calculate regional productivity. It emerges from this calculation that differences in output per capita are in fact mainly explained by differences in productivity.

It is important to note that GVA is a measure of output so the usual caveats which apply to GDP are also relevant in this context. Regional *income* per capita will differ from regional output per capita. Regional income will be affected by factors such as profit outflows to non-residents of the region, including persons abroad, as well as the distribution of taxes and transfer payments within the State.

Estimates of per capita regional incomes for the years 1960 up to 1977 have been published by NESC (1980). These estimates revealed a pattern of convergence of regional incomes from the mid-1960s up to 1977. There was a steady decline in the relative income position of the East region, partly reflecting the strong population growth of this region. In 1960, the income per capita in the East region was 24.2 per cent greater than the national average; by 1977 this differential had fallen to 15.4 per cent.

More recent estimates of regional incomes are available from the CSO's Household Budget Survey (HBS). The HBS provides estimates of average weekly disposable household income for each region but these are not directly comparable to the earlier estimates of regional per capita income. Estimates of household income by region are available at seven-yearly intervals for the years between 1973 and 1994/95.

Over the period 1973 to 1994/95, there was a slight increase in the relative disposable income of the East region, from 11.5 per cent of the national average in 1973 to 13.2 per cent of national average in 1994/95 (see Table 3.17). Nonetheless, a measure of dispersion of regional household incomes – the coefficient of variation – indicates that on the whole there was a narrowing of the extent of disparities in household incomes by regions over this period. There was a marked improvement in the income position of what were the poorest regions in 1973: the West, Donegal/North West and Midlands regions. The increase was most significant in the case of Donegal/North West; this region's income was about 30 per cent below the national average in 1973, while by 1994/1995 it was only 8.6 per cent below the national average. Apart from the three poorest regions in 1973 and the East, average household disposable income in all other regions declined in relative terms (although not of course in absolute terms). The relative decline was largest in the South-East, followed by the North-East.

TABLE 3.17

Deviation from National Average of Regional Household Income

Region	1973	1980	1987	1994/95
Eastern	11.5	14.1	8.9	13.2
South-East	7.9	-10.4	-5.7	-12.2
South-West	2.0	1.1	0.7	-6.1
Mid-West	-5.0	-5.3	0.9	-9.4
Western	-13.6	-14.6	-4.6	-0.7
Donegal & North-West	-30.5	-24.1	-16.1	-8.6
Midlands	-18.3	-4.6	-16.5	-5.6
North Eastern	-2.6	-11.3	-10.1	-12.2

Source: CSO, *Household Budget Survey*.

The evidence on regional incomes indicates that there has been a long run trend toward regional convergence since 1960. On the other hand, in the most recent period, household disposable income in the East region grew more rapidly than the national average. This could be a temporary fluctuation but it could also represent the beginning of a new trend of above average income growth in the East region.

Taxes and transfer payments help to reduce the disparities in disposable income by region. Regional differences in direct income (i.e. before taxes and transfers) are much greater than the disparities in disposable income. Nevertheless, the long run trend towards convergence of regional disposable income is reflected in a similar trend of regional direct incomes.

An important caveat to bear in mind when considering inter-regional income comparisons is that income differences within regions are much larger than those between regions. Income differences between regions can only explain a small proportion of inter-personal income differences.

7. REGIONAL PERFORMANCE UNDER THE COMMUNITY SUPPORT FRAMEWORK

Previous sections have examined economic performance under a range of different indicators. A recent report by Fitzpatrick Associates combines a number of different indicators of regional performance in an examination of the regional dimension of the Community Support Framework (CSF). Fitzpatrick Associates examine performance over the period 1993 to 1995 or 1996 and use the regional boundaries of the new Regional Authorities. This Chapter has mainly used the former planning regions, to facilitate analysis over a longer period.

The six indicators used in the review by Fitzpatrick Associates were as follows: growth of employment, reduction in unemployment, change in long-term unemployment, growth in new private car registrations, growth in company R & D expenditure and growth of out-of-state tourism revenue. Regions were ranked on the basis of their relative performance in terms of these indicators and an overall ranking was calculated as the average of these six indicators (see Table 3.18). According to this composite index, the Midlands performed better than the other regions. The Mid-East and Mid-West performed relatively well. The weakest performers were the West, Border and South-West.

The strong performance of the Midlands region reflects substantial reductions in unemployment and long-term unemployment. Net out-migration was an important factor here, although the region appears to have benefited in a real way from the spreading of growth from the East.

A comparison was made between the original socio-economic position of each region at the beginning of the CSF period and each region's performance under the CSF. The comparison did not reveal any systematic tendency towards either convergence or divergence.

Fitzpatrick Associates also compared expenditure per capita and performance under the CSF. The rankings for both these variables are shown in Table 3.18. The correlation between expenditure and performance is positive but statistically insignificant at the 5 per cent level (Honohan, 1997, p. 116). The Midlands and the Mid-West are ranked relatively highly in terms of both expenditure and performance. Dublin performs relatively poorly in both expenditure and performance. The Mid-East had a strong performance despite

relatively low expenditure per capita. Conversely, the Border region had the highest expenditure per capita but performed relatively poorly.

TABLE 3.18

CSF Expenditure (1994 and 1995) and Relative Regional Performance

	Expenditure per Capita (£)	Expenditure Rank	Performance Rank
Dublin	825	8	5
South-East	898	6	4
South-West	1,034	4	6=
Mid-West	1,083	3	3
West	971	5	8
Border	1,236	1	6=
Midlands	1,181	2	1
Mid-East	861	7	2

Source: Fitzpatrick Associates (1997)

While the picture of relative regional performance that emerges from this analysis is quite complex, Fitzpatrick Associates point out that it is nevertheless clear that all regions are sharing in the considerable economic growth in Ireland during the 1990s.

8. CONCLUSION

A description of economic development at sub-national level has been presented in this chapter. For the most part we have used regional data. The use of the regional unit is partly for reasons of data availability and also reflects the fact that many state agencies use a regional division. There is, however, an element of arbitrariness in the use of any spatial unit and it needs to be borne in mind that regions are not internally homogenous entities in either economic or social terms.

There has been an ongoing gradual increase in the proportion of national employment located in the East region. This is significantly influenced by the decline in agricultural employment which has

partly offset the growth of employment in other regions but has only marginally affected the East. The decline in agricultural employment can be expected to continue, since the share of agricultural employment continues to represent a significantly higher share of total employment in Ireland compared to other EU countries.

The regional pattern of non-agricultural employment growth has differed from that of total employment. During the 1970s, the western regions and the Midlands had substantially faster growth rates of non-agricultural employment. In the case of the West, non-agricultural employment growth was almost double the rate for the East. Over the past decade the growth of non-agricultural employment has been more similar across all regions; the more rapid growth in non-agricultural employment in the western regions and the Midlands that characterised the 1970s is no longer evident. The growth of non-agricultural employment in two regions, the North-West and the South-East, was considerably below the national average over the past decade.

It was the distinctive regional pattern of manufacturing and internationally-traded services employment growth in the 1970s which enabled some regions to achieve substantially above average growth of non-agricultural employment. For the most part, this growth took place outside major urban centres. Over the past decade, the growth of employment in manufacturing and internationally-traded services has become far more concentrated in the East and other urban centres. As a result of the regional industrialisation of earlier decades, the share of manufacturing in total employment is similar across all regions.

Services employment continues to be disproportionately concentrated in the East region. All regions have benefited from the growth of services employment over the past decade. The growth of services employment has been somewhat above average in the East region but over the last three years, the fastest growth rates of services employment have been in the Mid-West and Midlands. Tourism represents a rapidly growing source of employment within services. The economic significance of tourism is greatest in some of the western regions. During the 1990s, however, the fastest growth of overseas tourism has been on the east coast.

There has been a long-run trend towards regional convergence of

unemployment since 1960. While some of the lowest rates of unemployment are in rural counties, unemployment in such counties tends to be understated due to underemployment. Differences in the nature of unemployment between urban and rural areas needs to be taken into account in the planning of employment services.

Income per capita has also shown a long-run tendency towards convergence since 1960. However, since 1987, disposable household income in the East region grew more rapidly than the national average. This may be a temporary fluctuation but it may also represent the beginning of a new trend of above average income growth in the East region.

A composite index of regional performance under the CSF found that since 1993, the strongest performing region has been the Midlands, followed by the Mid-East and Mid-West. The regions with the weakest relative performance were the West, Border and South-West. However, all regions have benefited from economic growth during the CSF period.

The most significant economic and social differences, however, continue to exist within rather than between regions. The growth of employment has been strongest in or around major urban centres. The research cited in Chapter 2 shows that there is a distinct geographic pattern to the distribution of affluence and deprivation, but this pattern is not 'regional' in the sense of following any regional boundaries. Regional variations account for a relatively small proportion of inter-personal variations in income.

The changing pattern of economic activity in Ireland appears to reflect changes that are taking place elsewhere. Location patterns in the European Union have been analysed in a European Commission report, *Europe 2000 +: Co-Operation for European Territorial Development*. During the 1970s, places outside large cities, which the *Europe 2000* report defined as having a population in excess of 500,000, grew more rapidly than the large cities. During the 1980s, large cities began to grow more rapidly than smaller cities and towns. The report put forward the following explanation of the influence of economic factors on the growth of large cities:

Economic developments over the past decade and more – in the form, in particular, of the growth of service activities relative to manufacturing (even within manufacturing industry itself), the

growing internationalisation of the economy and the increasing degree of competition, the rapid rate of product development and of changes in the production process under the influence of technological advance and the increasing sophistication of products, coupled with the shift away from mass production to tailoring the product to consumer demand – has in virtually all cases tended to increase the attraction of being located in – or within easy reach of – a large city rather than a smaller one. These developments have served, in other words, to put a premium on producing in the most efficient location where external economies, in terms of infrastructure, the provision of business and public services, education and training, skilled labour force and access to research and development facilities, technical know-how and information about market developments, both at national and international level, are at their greatest (European Commission, 1994, p.97).

In the case of overseas investment, given the relatively low linkages with the rest of the economy, the role of some external economies may be somewhat less significant in Ireland. Nonetheless many of these factors are undoubtedly relevant. In particular, the availability of labour skills is a key factor. The demand for advanced labour skills by inward investors has been rising. The larger urban centres are in a better position to meet these requirements. Infrastructure and the availability of specialised services of various kinds can also encourage the location of investment within larger urban centres. It was the relative lack of importance of external economies which O'Malley (1994) identified as the reason why it was possible to have a highly dispersed pattern of inward investment in earlier decades. The current changed circumstances would not favour such a dispersed pattern of investment although of course many enterprises can operate successfully in smaller centres. The constraints on the location requirements of inward investors points to the importance of considering other options. The growth of employment in indigenous manufacturing and internationally traded services has been strongest in the West and Mid-West. Policies for the development of indigenous industry and other parts of the economy are discussed in Chapter 4.

APPENDIX

TABLE A3.1

Employment in All Manufacturing and Internationally-Traded Services (Percentage Change)

	1973-79	1979-86	1986-96	1993-96	1973-96
Dublin	-6.9	-24.8	19.9	20.0	-16.0
Kildare	23.1	-31.4	85.1	56.1	56.2
Meath	15.6	-13.2	24.0	11.7	24.4
Wicklow	39.7	-32.6	31.9	12.8	24.2
EAST	-1.8	-25.3	25.7	22.0	-7.8
Cork	0.5	-19.6	21.5	9.4	-1.8
Kerry	31.4	-11.3	11.1	-2.7	29.5
SOUTH-WEST	4.5	-18.2	19.7	7.3	2.3
Carlow	57.5	-22.6	-10.6	-6.2	8.9
Kilkenny	22.6	-21.7	5.5	2.7	1.3
Tipperary S.R.	14.3	-1.2	10.1	22.5	24.4
Waterford	13.8	-14.2	2.1	4.6	-0.3
Wexford	15.0	-11.9	19.3	10.1	20.8
SOUTH-EAST	20.6	-14.2	5.5	6.9	9.1
Cavan	43.1	-11.9	-0.8	0.4	25.0
Louth	-13.0	-31.1	14.2	2.3	-31.5
Monaghan	2.8	5.1	16.7	10.3	26.0
NORTH-EAST	-1.2	-19.3	11.2	4.1	-11.3
Clare	35.5	-13.2	25.7	10.8	47.7
Limerick	10.2	28.4	24.6	19.2	76.4
Tipperary N.R.	19.9	-13.3	38.0	8.5	43.4
MID-WEST	21.1	4.3	26.9	14.5	60.3
Laois	54.6	-18.9	-18.3	-1.0	2.5
Longford	67.6	8.1	-10.9	14.7	61.4
Offaly	15.5	-22.2	21.2	16.5	9.0
Roscommon	78.4	-24.0	46.5	19.1	98.7
Westmeath	64.7	-6.5	15.4	8.5	77.8
MIDLANDS	50.0	-13.5	9.5	11.6	42.1
Galway	42.7	15.0	36.4	27.2	123.9
Mayo	61.8	-15.8	25.8	11.2	71.4
WEST	50.1	2.1	32.7	21.5	103.4
Leitrim	74.4	-0.7	-16.3	-4.1	44.9
Sligo	38.4	-26.1	45.7	19.3	49.0
Donegal	15.8	36.1	33.4	5.2	110.1
NORTH-WEST AND DONEGAL	28.4	10.5	30.3	7.6	84.9
TOTAL	9.1	-16.1	21.1	14.3	10.9

Source: Calculated from the Industrial Database of the Department of Enterprise, Trade and Employment.

TABLE A3.2

Employment in Irish Manufacturing and Internationally-Traded Services (Percentage Change)

	1973-79	1979-86	1986-96	1993-96	1973-96
Dublin	-8.9	-30.3	7.2	10.6	-31.9
Kildare	18.7	-39.0	15.9	31.6	-16.0
Meath	14.2	-23.0	26.6	10.0	11.3
Wicklow	17.1	-34.4	31.9	12.1	1.3
EAST	-4.3	-30.8	11.0	11.9	-26.4
Cork	-3.9	-22.9	5.6	6.9	-21.7
Kerry	23.6	20.4	29.4	5.9	92.7
SOUTH-WEST	-1.6	-18.2	9.4	6.7	-11.9
Carlow	22.8	-37.1	-7.1	-2.3	-28.2
Kilkenny	10.9	-23.9	13.8	5.5	-4.0
Tipperary S.R.	5.8	-13.6	-12.9	2.7	-20.4
Waterford	7.8	-23.6	-17.6	6.4	-32.1
Wexford	-2.7	-7.1	7.6	3.9	-2.7
SOUTH-EAST	8.3	-21.7	-5.6	4.0	-20.0
Cavan	25.1	-12.6	-4.1	-1.1	4.9
Louth	-11.9	-18.1	0.5	1.4	-27.4
Monaghan	8.1	8.3	18.8	9.3	39.0
NORTH-EAST	1.0	-9.3	5.5	3.6	-3.3
Clare	11.8	-21.0	12.2	8.4	-0.9
Limerick	11.6	-9.6	17.0	18.5	18.1
Tipperary N.R.	16.8	-27.3	50.6	3.2	28.0
MID-WEST	12.9	-17.4	22.6	11.4	14.3
Laois	18.3	-17.2	-23.7	0.1	-25.3
Longford	39.6	0.7	-5.6	15.4	32.8
Offaly	-2.9	-31.9	12.4	25.1	-25.6
Roscommon	63.8	-15.9	7.9	3.6	48.7
Westmeath	-8.2	-3.9	17.3	37.0	3.5
MIDLANDS	15.4	-16.8	1.8	15.7	-2.3
Galway	26.9	10.1	32.3	23.5	84.9
Mayo	-3.8	5.1	22.9	11.0	24.3
WEST	13.5	8.3	28.9	18.9	58.4
Leitrim	52.9	-11.5	-18.7	-6.2	10.0
Sligo	-6.4	-16.6	28.1	21.7	0.0
Donegal	6.4	25.7	-1.5	6.8	31.8
NORTH-WEST AND DONEGAL	8.2	11.5	1.1	8.0	21.9
TOTAL	1.6	-20.6	8.7	9.8	-12.3

Source: Calculated from the Industrial Database of the Department of Enterprise, Trade and Employment.

TABLE A3.3

Employment in Overseas Manufacturing and Internationally-Traded Services (Percentage Change)

	1973-79	1979-86	1986-96	1993-96	1973-96
Dublin	-3.2	-15.6	37.7	32.3	12.5
Kildare	31.0	-19.0	170.6	73.1	187.2
Meath	30.4	78.6	13.4	20.0	164.1
Wicklow	140.8	-28.7	32.0	14.1	126.6
EAST	3.2	-15.4	47.5	35.8	28.7
Cork	8.8	-14.1	45.3	12.3	35.9
Kerry	37.0	-31.6	-9.7	-13.9	-15.4
SOUTH-WEST	14.5	-18.3	34.3	7.9	25.7
Carlow	863.3	20.4	-16.2	-12.1	872.5
Kilkenny	131.8	-11.5	-26.4	-11.6	51.0
Tipperary S.R.	40.9	28.2	46.5	49.8	164.7
Waterford	38.1	15.3	43.5	2.5	128.5
Wexford	62.2	-19.7	41.0	20.3	83.8
SOUTH-EAST	74.7	6.1	27.7	11.5	136.8
Cavan	119.9	-10.3	7.1	3.9	111.2
Louth	-14.1	-44.4	34.6	3.4	-35.7
Monaghan	-17.1	-10.5	4.5	17.9	-22.4
NORTH-EAST	-4.5	-35.4	24.2	4.9	-23.4
Clare	59.8	-7.6	33.9	12.1	97.8
Limerick	8.5	78.1	29.7	19.7	150.6
Tipperary N.R.	30.9	30.5	15.8	22.6	97.8
MID-WEST	32.4	29.7	30.0	16.9	123.3
Laois	169.9	-21.2	-10.4	-2.4	90.8
Longford	143.2	19.5	-17.8	13.6	138.9
Offaly	426.7	18.0	42.3	3.0	784.0
Roscommon	154.8	-51.3	271.7	59.6	361.4
Westmeath	208.0	-8.1	14.3	-4.0	223.6
MIDLANDS	194.4	-8.0	20.8	6.9	227.2
Galway	64.9	20.4	40.4	31.0	178.7
Mayo	222.7	-31.1	29.1	11.5	187.1
WEST	113.6	-3.6	36.6	24.1	181.3
Leitrim	167.3	25.9	-12.2	-0.4	195.4
Sligo	99.3	-32.2	59.5	17.8	115.6
Donegal	60.8	69.0	115.5	3.7	485.6
NORTH-WEST AND DONEGAL	88.5	8.8	81.2	7.3	271.6
TOTAL	24.4	-8.5	38.9	19.8	58.1

Source: Calculated from the Industrial Database of the Department of Enterprise, Trade and Employment.

TABLE A3.4

Employment in All Manufacturing and Internationally-Traded Services (Change in Numbers)

	1973-79	1979-86	1986-96	1993-96	1973-96
Dublin	-5,889	-19,845	11,976	12,021	-13,758
Kildare	1,483	-2,486	4,619	3,610	3,616
Meath	662	-648	1,023	555	1,037
Wicklow	1,953	-2,243	1,480	693	1,190
EAST	-1,791	-25,222	19,098	16,879	-7,915
Cork	152	-6,014	5,323	2,594	-539
Kerry	1,420	-670	582	-162	1,332
SOUTH-WEST	1,572	-6,684	5,905	2,432	793
Carlow	1,672	-1,035	-377	-208	260
Kilkenny	836	-983	196	97	49
Tipperary S.R.	568	-53	452	907	967
Waterford	1,270	-1,491	191	401	-30
Wexford	718	-656	937	532	999
SOUTH-EAST	5,064	-4,218	1,399	1,729	2,245
Cavan	1,255	-496	-30	16	729
Louth	-1,585	-3,310	1,041	192	-3,854
Monaghan	105	197	683	447	985
NORTH-EAST	-225	-3,609	1,694	655	-2,140
Clare	2,162	-1,091	1,840	877	2,911
Limerick	790	2,418	2,694	2,197	5,902
Tipperary N.R.	566	-455	1,123	318	1,234
MID-WEST	3,518	872	5,657	3,392	10,047
Laois	1,138	-608	-478	-22	52
Longford	934	187	-272	286	849
Offaly	474	-784	585	472	275
Roscommon	1,117	-609	899	455	1,407
Westmeath	1,397	-232	513	301	1,678
MIDLANDS	5,060	-2,046	1,247	1,492	4,261
Galway	2,541	1,278	3,553	2,852	7,372
Mayo	2,356	-974	1,343	660	2,725
WEST	4,897	304	4,896	3,512	10,097
Leitrim	605	-10	-230	50	365
Sligo	1,011	-952	1,231	634	1,290
Donegal	794	2,101	2,643	527	5,538
NORTH-WEST AND DONEGAL	2,410	1,139	3,644	1,111	7,193
TOTAL	20,505	-39,444	43,540	31,202	24,581

Source: Calculated from the Industrial Database of the Department of Enterprise, Trade and Employment.

TABLE A3.5

Employment in Irish Manufacturing and Internationally-Traded Services (Change in Numbers)

	1973-79	1979-86	1986-96	1993-96	1973-96
Dublin	-4,895	-15,213	2,523	3,586	-17,585
Kildare	774	-1,917	478	836	-665
Meath	551	-1,022	909	394	438
Wicklow	689	-1,623	987	442	53
EAST	-2,881	-19,775	4,897	5,258	-17,759
Cork	-783	-4,394	836	1,017	-4,341
Kerry	443	474	822	200	1,739
SOUTH-WEST	-340	-3,920	1,658	1,217	-2,602
Carlow	636	-1,271	-152	-47	-787
Kilkenny	363	-887	390	168	-134
Tipperary S.R.	175	-434	-355	62	-614
Waterford	577	-1,875	-1,069	300	-2,367
Wexford	-94	-240	239	128	-95
SOUTH-EAST	1,657	-4,707	-947	611	-3,997
Cavan	593	-371	-107	-28	115
Louth	-720	-967	24	63	-1,663
Monaghan	243	267	656	352	1,166
NORTH-EAST	116	-1,071	573	387	-382
Clare	365	-727	334	237	-28
Limerick	502	-463	742	797	781
Tipperary N.R.	372	-706	954	89	620
MID-WEST	1,239	-1,896	2,030	1,123	1,373
Laois	290	-323	-368	1	-401
Longford	400	10	-79	179	331
Offaly	-85	-908	241	438	-752
Roscommon	764	-311	130	62	583
Westmeath	-117	-51	218	400	50
MIDLANDS	1,252	-1,583	142	1,080	-189
Galway	937	447	1,570	1,223	2,954
Mayo	-103	134	628	333	659
WEST	834	581	2,198	1,556	3,613
Leitrim	349	-116	-167	-48	66
Sligo	-97	-236	333	270	0
Donegal	266	1,138	-81	348	1,323
NORTH-WEST AND DONEGAL	518	786	85	570	1,389
TOTAL	2,395	-31,585	10,636	11,802	-18,554

Source: Calculated from the Industrial Database of the Department of Enterprise, Trade and Employment.

TABLE A3.6

Employment in Overseas Manufacturing and Internationally-Traded Services (Change in Numbers)

	1973-79	1979-86	1986-96	1993-96	1973-96
Dublin	-994	-4,632	9,453	8,435	3,827
Kildare	709	-569	4,141	2,774	4,281
Meath	111	374	114	161	599
Wicklow	1,264	-620	493	251	1,137
EAST	1,090	-5,447	14,201	11,621	9,844
Cork	935	-1,620	4,487	1,577	3,802
Kerry	977	-1,144	-240	-362	-407
SOUTH-WEST	1,912	-2,764	4,247	1,215	3,395
Carlow	1,036	236	-225	-161	1,047
Kilkenny	473	-96	-194	-71	183
Tipperary S.R.	303	381	807	845	1,581
Waterford	693	384	1,260	101	2,337
Wexford	812	-416	698	404	1,094
SOUTH-EAST	3,407	489	2,346	1,118	6,242
Cavan	662	-125	77	44	614
Louth	-865	-2,343	1,017	129	-2,191
Monaghan	-138	-70	27	95	-181
NORTH-EAST	-341	-2,538	1,121	268	-1,758
Clare	1,797	-364	1,506	640	2,939
Limerick	288	2,881	1,952	1,400	5,121
Tipperary N.R.	194	251	169	229	614
MID-WEST	2,279	2,768	3,627	2,269	8,674
Laois	848	-285	-110	-23	453
Longford	534	177	-193	107	518
Offaly	559	124	344	34	1,027
Roscommon	353	-298	769	393	824
Westmeath	1,514	-181	295	-99	1,628
MIDLANDS	3,808	-463	1,105	412	4,450
Galway	1,604	831	1,983	1,629	4,418
Mayo	2,459	-1,108	715	327	2,066
WEST	4,063	-277	2,698	1,956	6,484
Leitrim	256	106	-63	-2	299
Sligo	1,108	-716	898	364	1,290
Donegal	528	963	2,724	179	4,215
NORTH-WEST AND DONEGAL	1,892	353	3,559	541	5,804
TOTAL	18,110	-7,879	32,904	19,400	43,135

Source: Calculated from the Industrial Database of the Department of Enterprise, Trade and Employment.

CHAPTER 4

SPATIAL ASPECTS OF ECONOMIC DEVELOPMENT POLICY

1. INTRODUCTION

The purpose of this chapter is to examine the spatial dimension of economic development policies. Economic development policies are for the most part not primarily spatial in nature, but they obviously have spatial implications. Some authors distinguish between sectoral/functional policy on the one hand and territorial policy on the other. In its report on rural development, the Council rejected an excessively strong distinction between territorial policy and sectoral/functional policy. The Council pointed out that most elements of economic and social life had both a sectoral and territorial dimension (see NESCS, 1994, p.121-124).

Section 2 traces the evolution of the spatial dimension of economic development policy since 1950. This is followed by a discussion of the spatial dimensions of current industrial policy as reflected in the activities of the IDA, Forbairt, SFADCO and Udarás na Gaeltachta. The spatial dimension of industrial policy remains significant for both IDA and Forbairt, although the spatial pattern of inward investment has changed significantly. There is a need for a greater focus on indigenous investment if a more spatially balanced pattern of development is to be achieved. The evidence reviewed in this section suggests that the experience of regional devolution to Shannon Development and Udarás na Gaeltachta has been broadly positive. Recognising that industrial policy is only one element of the spatial distribution of economic activity, Section 3 focuses on agriculture, fisheries and tourism. Agriculture naturally has a more extensive spatial distribution than industry, although the type of activity and the economic prospects for agriculture vary depending on location. Tourism and fisheries also represent sectors which can be developed outside major urban centres. Fisheries is important in sustaining employment and population in some coastal regions, but there are a number of constraints on further development of this sector. The largest share of tourism revenue is generated in the Dublin region but other regions, especially the Western regions,

earned 55 per cent of total tourist revenue in 1996 and tourist revenue is of greater relative importance in these regions than in the East. The relocation of government offices represents another way of promoting a more dispersed spatial distribution of economic activity; this policy is discussed in Section 4. Investment in infrastructure is a key influence both on national economic development and in the distribution of economic activity between different areas. This issue is discussed in Section 5.

The second half of the chapter shifts focus to institutional issues and possible lessons from other countries for the spatial distribution of economic activity in Ireland. In Section 5 the Regional Authorities structure, dating from 1994, is outlined as are issues leading to the establishment of the Western Development Commission. This is followed by a discussion of recent developments in the area of local development. In Section 6 the focus is on identifying lessons from regional policy in other European countries. This is followed by a discussion of the policy lessons that can be drawn from the NESc study on dynamic European regions.

2. ECONOMIC DEVELOPMENT POLICY¹

(i) Historical Background

Concerns about the problems of particular areas were reflected in the enactment of the Undeveloped Areas Act in 1952. This act provided for grants to encourage industrial development in less developed areas. Subsequent legislation during the 1950s had the effect of moderating the preferential treatment of the Undeveloped Areas. Other regional policy initiatives in the 1950s were the establishment of Gaeltara Eireann in 1957 to promote the development of Gaeltacht areas and the establishment of the Shannon Free Airport Development Company in 1958.

There was a vigorous debate on the merits of concentration and dispersal of industrial development during the 1960s. An important contribution to this debate was a study by Buchanan and Partners, *Regional Studies in Ireland*, published in 1968. This study advocated a concentrated pattern of industrial development, focused

¹ The first part of the section, that is the outline of the evolution of economic development policy, draws on Bannon and Lombard (1996).

on Dublin, Cork and Limerick/Shannon. As a 'compromise', it also recommended a number of regional growth centres (Galway, Dundalk, Drogheda, Athlone and Waterford) and local growth centres (Letterkenny, Cavan, Castlebar and Tralee). The reasons put forward for this concentrated approach included the availability in large centres of people with a wide range of special skills and qualifications, the easier access to customers, associated companies, government departments, financial institutions, research organisations and various professional and commercial organisations. Other advantages cited were the availability of specialist services and companies able to act as subcontractors. For these reasons, it was argued that development in a large centre would be more likely to grow fast and develop further on its own momentum.

Regional Development Organisations (RDOs) were established in the late 1960s. These organisations were non-statutory bodies and their chief objective was to co-ordinate programmes for regional development in each region. Other regional policy developments in the 1960s included the establishment in 1964 of eight regional tourism organisations. Each region was to be responsible for developing and promoting tourist facilities within its own area. In 1965, a Regional Development Committee was set up to advise on regional policy.

The government's response to the issues raised in the growth centre debate was most clearly set out in a government statement of 1972. The government's view was that:

An overall regional strategy should not merely seek the attainment of required national growth rates but should also provide for the maximum spread of development, through all regions, giving an increased and wider range of economic and social opportunities and so minimising population dislocation through internal migration.

The statement envisaged strategy over the following twenty years as follows:

- (a) Dublin development to be such as to accommodate the natural increase of its existing population;
- (b) Expansion of the Limerick/Shannon/Ennis area, Galway, Dundalk, Drogheda, Sligo and Athlone and in and around Cork city;

(c) Development of county or other large towns of strategic importance in each region, including relatively large expansion in towns and areas remote from existing major towns;

(d) Continuation of special measures for the development of the Gaeltacht.

The statement outlined population ranges for the areas mentioned above for 1991. The IDA was the primary instrument for achieving the goals of regional policy. The government statement endorsed the IDA's plans for regional industrialisation.

The severe economic problems experienced in the first half of the 1980s contributed to regional issues receiving less attention. Unemployment increased in all regions, including the Dublin region. The Regional Development Organisations were abolished in 1987, in the context of widespread cuts in public expenditure. The need for a regional structure soon re-emerged in the context of the preparations for the first Community Support Framework 1989 to 1993. Sub-regional review committees were established for consultation on expenditure in their regional area. This function is now the responsibility of the Regional Authorities which were established in 1994. The boundaries of the new Regional Authorities differ slightly from those of the former planning regions used by the Regional Development Organisations. These differences are outlined in Chapter 3.

The remainder of this section considers the spatial dimension of current industrial policy. The two national agencies responsible for industrial policy, IDA Ireland and Forbairt are first discussed. This is followed by an examination of the role of two regional agencies, Shannon Development and Údarás na Gaeltachta. The primary responsibility of these regional agencies is the promotion of industry and internationally traded services in their respective regions.

(ii) IDA Ireland

IDA Ireland is the agency responsible for the promotion of inward investment in Ireland. During the 1960s and 1970s, inward investment had a very significant impact on regions lacking traditional industrial centres and rural areas. This investment was

attracted to Ireland on the basis of lower labour costs and was flexible in terms of its location requirements. In recent years, investment has become more concentrated in the major urban centres. The type of investment which is now being attracted to Ireland is different to the investment of the 1960s and 1970s. Current investment is highly concentrated in a small number of high growth sectors, and a large share comprises internationally-traded services. The availability of skilled labour has become a critical factor for inward investors. Investors have a larger pool of labour skills to draw upon in large urban centres (see Chapter 3). Such centres are also in a better position to provide the specialised services and infrastructural requirements of inward investors. The competition for mobile investment has also become more intense which makes it more difficult to achieve a particular regional dispersal.

The requirements of inward investors are not uniform. Large investment projects, of which there have been several in recent years, will generally not consider locations outside the five main urban centres. With smaller projects, location outside these centres can be a possibility, although many small projects also go to larger centres.

IDA Ireland continues to offer additional incentives for investors to locate outside the major urban centres, although the number of locations which it now promotes has been reduced from a high point in the 1970s. IDA no longer has a substantial budget for the development of industrial sites or advance factories. However, it works with the private sector to try and promote investment in advance factories. There is a limited Business Expansion Scheme (BES) for investment in advance factories. Provision of suitable property for inward investors involves partnership between the IDA, the private sector and local authorities.

Local communities can play a significant role in the promotion of inward investment, by making their areas attractive for such investors. IDA Ireland is willing to work with local communities to achieve this. Local communities which have contributed to the attraction of inward investment have a clear understanding of the competitive process involved. In some cases local communities have been involved in the provision of property for investors. Millstreet and Fermoy are examples of smaller centres in which the

initiative of local communities has been significant in achieving inward investment.

(iii) Forbairt

Following the Culliton Report (1992), Forbairt was established as the national agency with responsibility for Irish-owned industry and internationally-traded services, in order to achieve a greater focus on the indigenous sector. It also has responsibility for all firms (Irish and overseas) in the natural resources area. The former science and technology agency, Eolas, is also part of Forbairt.

Forbairt has a statutory responsibility to promote regional development. Forbairt has a network of regional offices for the delivery of its services on a regional basis. Decision-making in its small business programme is devolved to regional level.

The National Linkage Programme seeks to promote the development of suppliers for multi-national companies. Following a successful pilot programme in the West, this programme has now been regionalised. Regionalisation involves greater participation by small firms in this programme. Not all the small companies interested in participating are in a position to meet the requirements of the multi-national purchasers.

Forbairt promotes interaction between the third level sector and Irish industry at national and regional level. Particular initiatives at regional level involve supporting the development of a number of technology centres in the RTCs to provide specialist services to industry. There are 22 such centres in operation around the country and the focus is on particular technological strengths which each college possesses and on the needs of local enterprise.

Forbairt works to develop each region's potential. It has supported the establishment of enterprise centres in many smaller towns. It seeks to work with the characteristics of each region and then seeks to define what can be done to change the position. Forbairt regional offices are in the process of developing regional strategies which take into account the specific characteristics of each region. The idea is that these strategies will build on individual regional strengths by taking into account their educational, sectoral and infrastructural resources.

(iv) Shannon Development

Shannon Development is responsible for promoting economic development in the Mid-West region. Its responsibilities include manufacturing, international services, tourism and rural development. It represents the most significant exercise in regional devolution in Ireland.

An important question to consider is whether the regional devolution in the Shannon region has contributed to innovation and a better socio-economic performance. An OECD report of some years ago commented favourably on decentralisation in the Shannon region:

A new climate has been created in the region, characterised by remarkable entrepreneurial dynamism (OECD, 1987).

More recent research by Andreosso-O'Callaghan, an economist based in the University of Limerick, has examined to what extent the region represents a 'local system of innovation'. A national system of innovation can be defined as a set of specific learning mechanisms, of domestic institutions and of policies whose interactions determine the technological performance of firms in a nation (Andreosso-O'Callaghan and Jacobson, 1997). Analysis of a local system of innovation is concerned with how such mechanisms operate at a sub-national level.

Andreosso-O'Callaghan points out that the region has a number of specific institutions which potentially could foster a local system of innovation. The Shannon free trade zone was created in the 1950s, and represented the first modern version of a free trade zone. It was initially established as a manufacturing industry base, but its activities now include international services and the aviation sector. The University of Limerick was established in 1972 and has developed strong links with the local and regional business community. The major impact of the University is felt in terms of its provision of adequate skills for the region in particular and for the country as a whole. The Plassey National Technological Park was established in 1984 as the first Irish science and technology park, with the University at its core. There are 90 companies established here, including both multinationals and indigenous companies. The Innovation Centre was established in 1980 to provide services for new technology based start-up firms. The major findings of her

research into the innovation system in the Shannon region are as follows:

Manufacturing firms in the Shannon region devote a higher percentage of their turnover to research (narrowly defined) than manufacturing firms in the country as a whole. Also, when assessed on the basis of the percentage of their turnover devoted to R&D, skills and age of equipment, the indigenous firms in the electronic and mechanical engineering industries systematically outperform their foreign counterparts. The emergence of a strong electronics and mechanical pool of indigenous innovation driven firms in the Shannon region is proof that a technical culture, albeit confined to some types of industries and firms, is gradually appearing in this region (Andreosso-O'Callaghan, 1997, p.18).

Andreosso-O'Callaghan does not specify the specific factors which encourage the emergence of this pool of indigenous innovation driven firms. 'Whether this emergence is due more to the pragmatic building up of research and training structures (the University) or to the presence of multinationals in these advanced sectors is debatable'. She argues that the Shannon region can be regarded as having a local system of innovation, but this local system of innovation is weak. One weakness is the lack of local financial structures. Second, the level and depth of interactions and synergies between firms and research bodies are tenuous. Multinationals have very thin links with the local economy and there are still numerous cultural barriers between the indigenous business and the research communities in this region and elsewhere.

A recently launched programme, the 'Regional Innovation Strategy' involving the Shannon region with 19 other European regions may be a first step in addressing the problem of cultural barriers between business and research communities. The Regional Innovation Strategy seeks to build a partnership and develop consensus among regional actors, in particular, between the public and private sectors in order to promote innovation.

The trend in employment provides a more direct measure of performance of the Mid-West region. The Mid-West has a clear superiority to other regions in terms of employment in Irish-owned manufacturing firms. Between 1986 and 1996 the rate of growth of employment in indigenous manufacturing in the Mid-West was

three times the rate of growth of such employment in the rest of Ireland. It cannot be proved that this superior employment performance is due to regional devolution, but this does provide positive circumstantial evidence that regional devolution has been beneficial in this region.

In a report on regional performance under the Community Support Framework (CSF), Fitzpatrick Associates used a range of indicators to construct a composite index of regional performance (see Chapter 3). Under this composite index, the Mid-West had the third best performance, after the Mid-East and the Midlands. They also categorised regions on the basis of their socio-economic position at the beginning of the CSF period (i.e. around 1993). The Mid-West was characterised as having a relatively high socio-economic position. The Mid-West was the only region which was characterised as having an original relatively strong socio-economic position and which performed above average during the CSF to date.

(v) *Údarás na Gaeltachta*

Údarás na Gaeltachta is responsible for promoting economic, social and cultural development in Gaeltacht areas. The agency has developed modern industry in peripheral locations. Údarás na Gaeltachta supported industries include textiles, engineering, electronics, agriculture, other natural resources, the audio-visual and telecommunications industries. One in every three of the Gaeltacht labour force is employed either full-time or part-time in an Údarás na Gaeltachta assisted enterprise, making the Gaeltacht one of the most industrialised peripheral regions in the EU. There was an overall increase in employment of 22 per cent in Údarás assisted industry between 1990 and 1995. This comprised an increase in full-time employment from 5,600 in 1990 to 6,800 in 1995 and an increase in part-time and seasonal employment from 1,900 to 3,940. In part, the increase in employment reflects the general economic upturn since 1994.

Notwithstanding the progress that has been made in economic development, many of the companies in the Gaeltacht in low technology sectors face growing competitive pressures. There were gross job losses of 712 in 1995. The Gaeltacht has lost some business to low cost locations in Central Europe. Údarás na

Gaeltachta is seeking to address the competitiveness problem by helping companies to develop new markets, new products, new technology and strategic relationships. It is assisted by the EU research and development initiative, Measure 1. Údarás na Gaeltachta is engaged in ongoing R&D activity in aquaculture. The industry benefits from association with research in this area in University College Galway.

Údarás na Gaeltachta appears to have had a favourable impact on the economic and social development of Gaeltacht areas. The cost of a job in Údarás assisted companies is generally in line with the national average for small to medium sized industries and the average level of grant approval per job has been declining in recent years (NESF, 1997).

(vi) Conclusion

During the 1970s, the IDA managed to promote significant inward investment in areas outside major urban centres. In recent years, however, the nature of inward investment is such that in most cases the requirements of investors can only be met in major urban centres although the IDA continues to offer additional incentives for smaller regional locations. The prospects of achieving a more dispersed pattern of investment are greater for indigenous industry. Forbairt uses a range of measures to promote regional development, including regionalisation of the National Linkage Programme and support for technology centres in RTCs. Shannon Development appears to have had considerable success in promoting the development of indigenous industry in the Mid West. Údarás na Gaeltachta has been able to develop modern industry in peripheral locations.

3. AGRICULTURE, FISHERIES AND TOURISM

This section discusses policy issues in a number of sectors which support employment and population outside major urban centres.

(i) Agriculture

The decline in agricultural employment has a major impact on settlement patterns in rural areas, particularly in areas lacking an

urban structure. The pressure on the agricultural sector derives from a combination of supply and demand influences. On the supply-side the potential output of food grows rapidly, driven by technological progress. The growth of demand for agricultural output tends to lag behind the growth of supply. This places downward pressure on prices and tends to result in excess capacity in the agricultural sector.

It is possible to identify three strategic responses to the problem of excess capacity in agriculture:

- (i) Price and markets policy;
- (ii) Competitiveness policies;
- (iii) Rural development (Matthews, 1991).

Price and markets policy is implemented in the EU through the Common Agricultural Policy (CAP). The CAP has contributed to moderating the decline in employment in the agricultural sector. However, previous reports of the Council have pointed out that the CAP has accentuated the dualistic structure of Irish agriculture. In a position paper for the Council, Sheehy (1992) found that on average nominal farm incomes increased by 30 per cent between 1984/85 and 1990/91. However, the best performing group achieved an increase of 85 per cent in nominal terms while the worst had a decrease in their nominal incomes of 58 per cent over the same period. In another paper for the Council, Commins (1992) observed that 'as is now well known, the impact of CAP price policy was to widen the farm income gap between the larger and smaller producers' (Commins, 1992, p.193).

The CAP is subject to ongoing reform. Sheehy (1992) has pointed out that real agricultural prices have been falling since 1977. The reform of the CAP in 1992 introduced the principle of providing compensation in the form of direct payments for price reductions. The Commission has stated that it proposes to deepen and extend the 1992 reform through further movement from price supports to direct payments, as well as developing a coherent rural policy to accompany this process.

Competitiveness policies, which seek to assist farmers in adjusting to market pressures, have long received far less attention compared to prices and market policy. This has changed somewhat in recent years. Current competitiveness policies for Irish agriculture are

mainly contained within the Operational Programme for Agriculture, Rural Development and Forestry (1994-1999). This programme provides support for on-farm investment, structural improvement, farm diversification, research, training and forestry. However, by far the largest element of this programme is compensatory headage payments, which have accounted for over 50 per cent of expenditure in this programme to date. These payments help to maintain farm incomes in areas designated as disadvantaged. However, a review of the Operational Programme was critical of these payments as they do not contribute to long-term structural reform.

Since the late 1980s, the Commission has recognised the need for a broader rural development policy to respond to the problems of rural areas. Some support for rural development is provided under the Operational Programme as noted above. In addition, support is provided under the LEADER Programme which promotes enterprise in rural areas. Other local development organisations also assist development in rural areas (see Section 8 below). There is no conclusive evidence on the effectiveness of the various rural development measures in terms of employment or population stabilisation. It is difficult to quantify these impacts, since many are geared towards improving the supply-side of the rural economy in the longer term. However, over time, the supports introduced should deepen the enterprise culture within rural communities, and help these communities to harness the support and assistance of state and local agencies.

It is clear from Chapter 3 that employment in agriculture will continue to decline. Only 23 per cent of farms are economically viable on a full-time basis. At the same time the CAP is subject to ongoing reform and cannot solve the problem of low income farmers. Commins (1992) has shown that the household economy of smaller farms is not primarily dependent on CAP price policies, but on non-agricultural employment, state transfers and compensatory payments. There is some scope for farm diversification and the development of specialised food businesses. The Department of Agriculture and Food is currently preparing a White Paper on rural development; rural development is a very significant part of the EU's Agenda 2000 as the critical proposals involve further movement from price support to direct payments to farmers.

(ii) Fisheries

The fisheries sector covers sea fishing, aquaculture and inland fishing. This industry is of vital importance to a number of coastal regions. In these regions the industry not only provides direct employment in landings, aquaculture and, in some instances, processing, but also sustains indirect employment in net making, boat repair, etc. Brophy *et al* (1991) estimate, for example, that fishing supports approximately 17 per cent of the total workforce in Donegal. This compares to a figure of roughly 1.5 per cent of the national labour force. Many of the areas in which the fisheries industry is important are also areas which have difficulties in attracting other forms of investment.

Bord Iascaigh Mhara (BIM) is the state agency with primary responsibility for the development of the seafood industry and also has responsibility for aquaculture. BIM's responsibilities include provision of financial support for the industry, education and training, marketing and technical services.

In 1995, the value of sea fish landings was £129 million, while exports in the same year were valued at £213 million. The aquaculture industry has achieved considerable growth in recent years, and now accounts for over 25 per cent of total fish production. Output was valued at £49 million in 1995. Total employment, including full-time and part-time, in sea fisheries and aquaculture is 15,500. The main economic value of inland fisheries is in tourism angling, with over 150,000 tourist anglers a year visiting Ireland and generating estimated annual revenue of over £50 million (Department of the Marine, 1997).

Given its status as an island economy, Ireland has a surprisingly underdeveloped fisheries sector. The sector's economic importance is at present limited by the existence of various structural and institutional constraints on the expansion of the sea fishing industry, including low quota entitlements for some fish species and the obsolescent nature of parts of the fishing fleet. In contrast to sea fishing, fish processing and aquaculture have become increasingly important in employment terms over the last decade. The Department of the Marine is currently undertaking an overall review of marine policy.

(iii) Tourism

Bord Failte is the primary agency responsible for implementing tourism policy in Ireland. It markets Ireland internationally and also provides grant aid for investment in tourism facilities. It operates through a network of Regional Tourism Authorities.

Tourism has a number of attributes which make it attractive as an instrument of regional policy. Many of the less developed areas are those of outstanding natural beauty. In many of these areas, opportunities for industrial investment are limited. Many tourism enterprises are relatively small scale and can facilitate widespread participation. Tourism contributes to higher living standards for the inhabitants of many rural areas by supporting the provision of infrastructure and other facilities that might not otherwise be viable. Tourism is also a high growth industry (Walsh, 1995).

The largest share of tourism revenue is captured by the Dublin region (24.9 per cent), but revenue for this industry is disproportionately concentrated in other regions relative to population. The combined western regions account for 43 per cent of the population, but captured 55 per cent of the revenue from this industry in 1996. Hence, revenue per capita from tourism is above average in some of the poorer regions (see Chapter 3).

Sustainable growth of the industry requires addressing problems of regional concentration and seasonality. For tourism growth to be sustainable, it is important that due recognition be given to an area's carrying capacity and the provision of funds to new enterprises. In its latest *Strategy* the Council recommends that a greater emphasis be placed in future on overcoming weaknesses in lagging areas (NESC, 1996).

4. RELOCATION OF GOVERNMENT OFFICES

The movement of government offices to locations outside Dublin is often termed 'decentralisation', although this term is not entirely appropriate since the offices relocated perform specific centralised administrative functions (e.g. processing of V.A.T. returns) from another location. Nonetheless, whatever the terminology, the relocation of government offices brings benefits to the towns concerned. Over 11,000 out of a total of around 29,000 civil servants are now employed outside Dublin. Since 1989, approximately 4,000 Civil

Servants have been transferred or are planned to be transferred from Dublin to 19 provincial locations. The numbers transferred to each location are listed in Table 4.1 below. The locations involved include the other cities as well as several medium sized towns. However, the impact extends beyond the towns directly concerned to smaller places within commuting distance of the towns involved. Civil Servants taking up residence in smaller centres can help in maintaining the viability of public services in such centres, through, for example, maintaining the requisite number in a primary school.

TABLE 4.1

Total Numbers of Staff Relocated Since 1989 or in the Process of Being Relocated

Town	Number
Athlone	200
Ballina	122
Cavan	114
Cork	378
Dundalk	150
Ennis	146
Galway	189
Kilkenny	150
Killarney	126
Letterkenny	176
Limerick	554
Longford	178
Nenagh	220
Portlaoise	331
Roscommon	50
Sligo	319
Tullamore	324
Waterford	180
Wexford	550

Source: Department of Finance.

The objectives of the relocation programme are:

- (a) promotion of regional development and reduction of pressures on the Dublin region;
- (b) spreading public sector jobs more evenly.

Relocation of civil servants helps to economise on the use of office space in the Dublin area. Since 1989, it has not been necessary to lease any significant amount of office space in Dublin. Demands for new space have been met by reallocating existing space, including space released through relocation.

The programme of relocation appears to have been successful. However, it is now proving difficult to find staff willing to relocate from Dublin.

5. INFRASTRUCTURE AND UTILITIES

Settlement patterns are a key influence on the need for investment in infrastructure. On the one hand, strong population and employment growth in the East region is creating problems of congestion which require considerable investment in infrastructure, particularly in public transport, if growth is to be sustainable. On the other hand, the highly dispersed nature of Irish settlement patterns generally creates significant diseconomies in the provision of infrastructure and results in a greater need and demand for road transport infrastructure in Ireland (Operational Programme for Transport 1994-1999).

(i) Transport and Logistics

Logistics

Transport infrastructure is one element of the transport and logistics dimension which is becoming increasingly significant for competitive advantage. The importance of transport and logistics is highlighted in a recent Forfás (1996a) report, *World Class to Serve the World*. Logistics has been defined as 'the strategic process of managing efficiently and economically the flow and storage of materials and the information necessary to meet customer requirements' (Rioja, 1994). The Forfás report emphasises that transport is only one element of logistics. In addition, it also

includes warehousing and distribution facilities and systems, inventory control and materials management, information technology, telecommunications, purchasing and invoicing, order assembly and, perhaps most importantly, the overall integrated management of all these components. Logistics is becoming more important due to the application of advanced telecommunications and information technology and due to the demands by purchasers for shorter delivery times and tighter specifications regarding precisely what, when and how goods and services should be delivered. The implication of these trends for Ireland is that sustaining and enhancing competitiveness requires continued improvement in (i) transport infrastructure, (ii) transport services and (iii) rapid achievement on the part of both the industrial and transport sectors of world class capability in the area of logistics management.

Urban Transport

The most serious capacity constraints in terms of infrastructure arise in the area of urban transport, particularly in Dublin. Following a process of widespread consultation, a strategy for transport in the Dublin area was prepared under the aegis of the Dublin Transport Initiative (DTI). The DTI strategy recommended a major investment in public transport in the Dublin area including construction of a light rail transit (LRT) system, the provision of substantially enhanced bus services particularly through the introduction of Quality Bus Corridors (QBC), the upgrading of passenger services on existing suburban railways, the introduction of integrated ticketing on public transport and the introduction of a network of park and ride sites close to the C-ring serving DART, LRT and QBCs. The DTI also recommended the upgrading of the national road system in the Greater Dublin Area but it recommended no increase in radial road capacity within the C-ring except where justified on environmental or safety grounds or to support economic development. An emphasis on improved management of the transport system was recommended, including enhanced traffic management and enforcement systems, better sign-posting and road markings, improved facilities for cyclists, pedestrians and mobility impaired and disabled people and traffic calming measures in the City Centre and residential areas. Other recommendations included increased parking restraint within the C-ring to reduce the attraction

of commuting by car, improved access to Dublin Port and the preparation of strategic land use planning guidelines for the Dublin area.

Implementation of the most high profile element of the DTI strategy, the construction of a light-rail system has been delayed. This is now the subject of a consultancy study to examine whether or not an underground system would be preferable. However, this is only one element of the DTI strategy. Given the current problems it is vital that progress be made on the implementation of the other elements of the strategy.

Some aspects of public policy appear to have contributed to the problem of traffic congestion in Dublin. As Honohan (1997) points out, 'some tax incentives have implicitly – and inadvertently – subsidised urban car usage by promoting provision of the off-street car parks'. This is contrary to the DTI recommendation of parking restraints. In addition, the rules of benefit-in-kind taxation implicitly encourage commuting by car. While the tax advantage of company cars has been eliminated, the provision of free parking by employers does not attract benefit-in-kind taxation while provision of a bus pass does. Hence, city centre employers in Dublin do not provide free bus passes to their employees but do provide free car parking (McCarthy, 1997, p.10). This illustrates that the solution to the urban transport problem not only requires major infrastructure investment but also demands a consistent approach across a range of public policy areas.

Road Infrastructure

The public authorities are currently engaged in a major programme of infrastructural investment, co-financed by the European Commission. The most significant element of this in terms of physical infrastructure is investment in roads, which accounts for over 10 per cent of Structural Funds expenditure. It is the government's objective to complete the development of the national primary network by the year 2005 at a standard which will permit an inter-urban travel speed of 80 kmph to be achieved. From the perspective of regional development, the upgrading of the primary road network is very significant since a reduction in travel time reduces problems associated with peripherality and helps ensure the

benefits of growth spread to all regions. Investment in regional airports and the railway network also contributes to this objective.

Notwithstanding considerable general investment in infrastructure, there are significant deficiencies in infrastructure in rural areas which need to be addressed. Both the Report of the Rural Development Policy Advisory Group (1997) and the recent Mid Term Review of the Structural Funds by the ESRI (Honohan, 1997) argued that public policy in relation to rural areas had placed too much emphasis on income support measures to the neglect of essential elements of economic infrastructure. The increased competitive pressures in terms of logistics may compound the difficulties of firms in rural areas and reinforces the importance of quality infrastructure for such firms.

The most significant deficiency in rural physical infrastructure is the quality of non-national roads in many parts of the country. In 1995, it was estimated that about 30 per cent of all regional and county roads could be regarded as deficient, or critically deficient, in terms of pavement structure and/or surface. Most regional and county roads were not designed to carry heavy lorries and the other kinds of traffic generated by industrial, forestry and tourism development, and by the changes in agriculture, agribusiness and the rural economy generally which have come about in the last 15 years. Increased vehicle weights have caused enormous damage to roads. In addition, wider vehicles plough up road margins, compress and block roadside drainage and break down pavement edges (Department of the Environment, 1995). The poor quality of roads makes it more difficult for towns to act as local growth centres for their rural hinterlands. Most of the investment in roads supported by the Structural Funds is in national primary and secondary roads, although limited support is provided for specific grants for improvements in non-national roads. In 1995, the government recognised the need for additional investment in county and regional roads, and a ten year restoration programme for improvements in such roads was launched. By its nature, this programme is orientated towards rural areas. Over the first eighteen months of this programme, 9.5 per cent of the network of regional and county roads have benefited. For 1997, £93 million has been allocated to the restoration programme while total central government grants to local authorities for non-national roads were £173 million.

The Rail Network

There are significant deficiencies in the rail network due to past under-investment. Much of the track and signalling infrastructure on the network is obsolete. In 1993, it was estimated that the investment needs for the entire railway network were approximately £800 million over a 30 year period. The upgrading of the rail network is being supported by the Operational Programme for Transport with the focus on the key rail corridors emanating from Dublin.

The share of freight carried by rail has fallen steadily (Barrett, 1991, p.112). Between 1990 and 1995 the volume of goods carried by rail increased by just 2 per cent (measured in tonnes) which implies a continuation of a decline in market share. The number of passengers carried by rail between 1990 and 1995 increased by over 8 per cent. In Europe the market share of rail for carrying goods has also been subject to long-term decline. However, governments across Europe are now promoting the use of rail in order to relieve congestion on motorways and for environmental reasons. British Steel is an example of one corporation which has recently moved freight from road to rail (*Financial Times*, 07/10/97).

(ii) Utilities

Public utilities include services such as electricity, telecommunications, water, energy, waste management all of which require large scale investment and planning. Efficient public utilities are a critical component in the modernisation of all aspects of economic activity.

Until recently, the provision of utilities has generally been dominated by monopoly providers, monopoly state providers in the case of Europe and monopoly private companies in North America. In many parts of the world, there has been a general movement towards the introduction of competition in the provision of utilities (i.e. liberalisation). It is generally agreed that liberalisation can achieve improvements in economic efficiency and thus provide aggregate social gains. However, it is also the case the impact of liberalisation is generally not distributionally neutral.

The distributional impact of liberalisation arises through the threat of 'cream-skimming':

This arises because the incumbent state firms are required to

provide services on terms which make it uneconomic to do so. Rural customers, for example, do not bear the full cost of being linked to the network but are cross-subsidised by other consumers. In such circumstances the removal of restrictions on entry may cause new entrants to concentrate on those segments of the market where the costs of providing services are lowest and where they will be able to undercut the price of the incumbent firm since they do not have to cross-subsidise operations elsewhere (Massey and O'Hare, 1996, p.18).

The distributional implications of liberalisation arise not only between different geographic areas but also between different social groups. The more marginal urban consumers may also be adversely affected. This can arise, for example, through the balance between fixed and variable charges. The fixed cost of delivering electricity, for example, is considerably higher than the marginal cost of a unit of electricity. Competition is likely to bring prices more in line with costs, which is likely to result in lower variable and higher fixed costs. This may result in higher costs for those users whose consumption is low. Research on the impact of deregulation of the energy sector in the UK has shown that 'energy forms a large share of the budgets of the poor, and that both the level of charges and the precise nature of the charging structure can have significant distributional effects' (Burns *et al*, 1995, p.20).

Opinions differ on the appropriate response to the distributional implications of liberalisation. One approach emphasises the distinction between efficiency and equity, and argues that the regulation of utilities should be based solely on efficiency considerations. If there are concerns about the equity implications of this, then according to this approach these should be addressed through the tax and social security system, rather than through the pricing structure of utilities. However, it has also been pointed out that in practice a separation of equity and efficiency is not straightforward: 'any change in taxation and benefits affects the structure of incentives and has the potential to distort efficiency' (Hancock and Price, 1995, p.83).

One possible mechanism to address the distributional implications of competition would be to ensure that charges (on new entrants) for access to the transmission and distribution networks reflect the cost of providing uneconomic services in order to prevent cream-skimming (Massey and O'Hare, 1996, p.18). The issue is somewhat

analogous to that of competition in the health insurance market. In this case, arrangements have been put in place to maintain the principles of open enrolment and community rating and by levying new providers who stand to benefit from a younger client base through the use of a 'risk equalisation fund'.

As a result of actual or pending EU directives, there will be considerable liberalisation of utilities markets in the years ahead. While the EU Directives define the broad regulatory framework, there is a need for the national authorities to implement the new regulatory regime. A regulator for telecoms has recently been appointed and there is a need for new regulatory arrangements in the energy sector. It is important that the regulatory authorities address the efficiency and equity implications of competition in a transparent way.

While regulation must address the maintenance of existing patterns of the provision of utilities, there is also the question of investment in major new networks. In the case of telecommunications, a number of reports, including Forfás (1997) have pointed to the urgent need for an early investment by Ireland in a broadband telecommunications network² if Ireland is to compete successfully in a range of knowledge intensive sectors. While access to the basic telephone network is by no means universal, there is the danger that the development of new forms of communication may contribute further to social and geographic polarisation. The Forfás report suggested that access to broadband telecommunications in remote areas could be best addressed by 'wireless' technology. There is also a need for investment in the electricity network, particularly in rural areas, to address problems posed by the age of the existing network and the rising demand for electricity in rural areas. This investment is being undertaken by ESB and represents significant investment in rural development.

6. REGIONAL AND LOCAL INSTITUTIONS

There are a number of institutions which seek to promote the coordination of state agencies and other actors at regional and local level. These institutions can influence economic development

² Broadband telecommunications networks can link people around the world in real time, facilitating the exchange of huge amounts of data, including image and voice. (Information Society Steering Committee, 1996).

policy within their areas. The experience of these institutions is discussed in this section.

(i) Regional Authorities

Regional Authorities, as referred to in the National Development Plan, came into operation in 1994. The country is divided into eight regional areas for this purpose. The primary function of the authorities is to co-ordinate the provision of public services in their regions. Each of the authorities has produced a regional report; these reports are reviewed in Appendix 1 below. The Regional Authorities also have responsibility for reviewing the implementation of the CSF in their areas and making recommendations to the monitoring committees.

The effectiveness of the regional review process in the CSF has been examined by Fitzpatrick Associates (1997). They identified many problems with the review process. These problems include a lack of clarity as to what reviewing the implementation of the CSF at regional level means; the very large and diverse nature of the CSF and the large number of organisations involved makes the process difficult; many of the members of regional authorities found the information supplied to them unsatisfactory. They characterised the overall position as follows:

The overall picture emerging, therefore, is of a series of mutually reinforcing difficulties. This in turn is giving rise to a degree of confusion and disillusion at both ends of the system, with Regional Authorities frequently regarding their attendance and input as pointless and government department representatives regarding the regional review process as time wasting and meaningless (Fitzpatrick Associates, 1997, p.15).

They made a number of recommendations to improve the regional review process. These include the preparation of a set of clear guidelines on the review process, the initiation of a process of institutional building for regional authorities; provision of increased technical assistance to enable Regional Authorities to carry out some regional research and a review of the information requirements of the Regional Authorities.

The issue of the performance of the regions under the CSF is distinct from the difficulties encountered in the regional review

process. Regional performance under the CSF was discussed in Chapter 3. It is worth noting here that Fitzpatrick Associates found that all regions are performing well under the CSF.

A report on reform of local government, *Better Local Government: A Programme for Change* was published by the Department of the Environment in 1996. This document outlines the following measures to be taken with regard to Regional Authorities:

- (i) Many of the services provided by local authorities have spill-over effects in respect of other local authority jurisdictions. Such functions will remain with local authorities but the regional authorities will become the focus for strategic planning for these services. County/City Managers of the Local Authorities will be required jointly to prepare periodic reports for submission to the Regional Authority, with specific proposals for co-ordinating local government services in the region;
- (ii) A County/City Manager will be assigned overall responsibility for the Regional Authority to provide better co-ordination and linkage with local authorities;
- (iii) The other public bodies represented on the Operational Committees of the Regional Authorities will be required to make modest financial contribution to the Authorities and to submit periodic reports of their activities in the region and of future plans;
- (iv) The Government has already decided that the Dublin and Mid-East Authorities should play a role in drawing up strategic planning guidelines for the greater Dublin area;
- (v) Important new responsibilities are to be given to the regional authorities in the promotion of sustainable development;
- (vi) Regional boundaries (particularly the Border and Dublin/Mid East regions) are to be reviewed when planning for the next round of Structural Funds gets underway;
- (vii) A review of the current organisational requirements will also be carried out and implemented in the context of the next round of Structural Funds.

These changes would suggest a strengthening of the role of regional authorities.

(ii) Western Development

In 1994, a report on development of the West, *A Crusade for Survival*, was published. The preparation of this report was initiated by the Bishops of Connacht and Donegal. This report was considered by a Government Task Force which in turn produced a report containing many recommendations for national policy. The report of the Government Task Force led to the establishment of the Western Development Partnership Board. The Western Development Partnership Board has produced an Action Plan for Western development.

The Action Plan proposed the establishment of a Western Development Commission, reporting to the Department of the Taoiseach. The Western Development Commission would replace the Western Development Partnership Board. Another recommendation was the establishment of a programme, the Programme for the Identification and Linkages of Opportunities and Innovative approaches and Technologies (PILOT). The idea of the programme is to co-ordinate the role of all the key players leading to the establishment of new enterprises in five strategic sectors. The programme would link the activities of the state agencies, educational institutions, financial institutions and the private sector. It was proposed that a sectoral advisory Council be established for each of the following sectors:

- (i) Natural resource-based products;
- (ii) Manufacturing;
- (iii) The marine;
- (iv) Tourism, Arts and Heritage;
- (v) Information Technology and Telecommunications.

The Action Plan also recommended the establishment of a Western Investment Fund. Local Enterprise Networks (LENs) should be established as a self-sustaining economic development system on the basis of spatial areas of approximately 20,000 population. A Regional Social Development Unit should be established to co-ordinate a parallel social development programme for the region

through Local Partnership Networks (LPNs) and other organisations.

The government accepted the recommendations on the establishment of Western Development Commission and a Western Investment Fund (WIF). This new Commission is now in place. It considered that the functions of the proposed PILOT Programme could be best discharged as part of the management of the Western Investment Fund. The government indicated that further consideration would be given to the proposal for a Social Development Unit for the West. It also accepted the recommendation that NESF be requested to undertake a study of settlement patterns.

(iii) Local Development

The main devolution of power to sub-national level in recent years has not been to regional level but to local level. Local development bodies seek to achieve development based on partnership between statutory agencies, social partners and community groups. Most of the local development initiatives are part of the Operational Programme for Local, Urban and Rural Development. This Programme comprises three sub-programmes:

- (i) Local enterprise. County Enterprise Boards provide support for small enterprises. Unlike the mainstream agencies, their support is not confined to the manufacturing and internationally-traded services sectors;
- (ii) Integrated development for disadvantage. This sub-programme provides support to Area-Based Partnerships to tackle social disadvantage;
- (iii) Urban and village renewal. This sub-programme provides support for the improvement of the physical environment in both large and small urban areas.

The LEADER Programme is not part of the Operational Programme but also uses a partnership approach to support enterprise in rural areas. Local development initiatives at county level are co-ordinated by County Strategy Groups. The purpose of these groups is to ensure a coherent approach to local development within the county and to avoid confusion and duplication.

An OECD study group led by Sabel has recently undertaken a review of Ireland's experience of local development. This review

found that the preliminary results of this effort to foster development are extraordinary promising, if still inconclusive:

Some local partnerships have used methods of organisation usually associated with advanced multinational enterprises to construct programmes to retain and place the long-term unemployed in potentially self-sustained firms that provide both training and jobs for transferring marketable skills to vulnerable groups and communities, unexpectedly providing the opportunity for them to participate in the kinds of activity broadly characteristic of the modern sector of the economy, from the which they are normally excluded, while addressing fundamental problems of day-to-day survival (Sabel, 1996, p.8).

However, despite the achievements to date, Sabel identified a number of threats to the continued vitality and expansion of this approach. First, the survival of the initiative in its present form outside the context of EU funding is uncertain. Second, there are concerns about proliferation and duplication of local development initiatives. Third, vulnerability arises from the partnership's anomalous character. Finally, it is unclear what lessons the central offices of government agencies and social partner associations or the local partnerships themselves are drawing from the successful partnerships:

But if successes are not generalised through some combination of national reform and local adaptation, it will be impossible to test whether, taken together and extended, the innovations can make a large enough improvement to the well-being of communities to justify the substantial engagement of volunteers on which their progress until now has depended. If local business groups and community associations despair of progress, their representatives will stop volunteering, the local consensus that animates the partnerships will weaken and co-operation will turn to opportunism (Sabel, 1996, p.9-10).

The Mid-Term Evaluation of the Operational Programme has recently been completed by Goodbody Economic Consultants, in association with a number of other consultants. The experience of the Operational Programme is also discussed in the ESRI's overall Mid-Term Evaluation, based on the evaluation by Goodbody, although not always sharing the same conclusions.

Expenditure on sub-programme 1, the County Enterprise Boards, is around £0.5 million per annum. Most of the expenditure is on grants to small entrepreneurs and in most cases the grant expenditure was around £4,000 per job. The targets in relation to new enterprise and job creation have been exceeded. The evaluation by Goodbody identified the need to develop the proactive, strategic role of the County Enterprise Boards. This would involve working with local business, identifying local business opportunities and achieving more impact by influencing the activity of other relevant agencies, both public and private.

One of the concerns that arises in the evaluation is dead-weight (i.e. grant-aiding activity that would happen in any event). The Goodbody evaluation considered that the use of repayable grants would help reduce potential dead-weight. 'This would support a more strategic and targeted orientation by Boards, allowing them to support a limited number of larger scale projects and to recycle funds' (p.vii). The ESRI evaluation was also concerned about dead-weight but raises the question as to whether the use of loans rather than grants would undermine the activities of credit unions. The Council's previous report on local development recommended greater use of loans rather than grants but envisaged that these could be administered by a local credit union. The role of credit unions in supporting local business merits further exploration.

The second sub-programme seeks to tackle social disadvantage by supporting Area-Based Partnerships and to a lesser extent, other community organisations. This sub-programme is an extension of the original pilot programme initiated under the Programme for Economic and Social Progress (PESP). The pilot programme was limited to twelve areas. The areas covered by partnership companies now represent more than half the population. This wider geographical coverage is consistent with a focus on disadvantage, since research indicates that disadvantage is geographically widespread (see Chapter 2).

The evaluation by Goodbody noted that limitations on the availability of data meant that a full review of the effectiveness of this sub-programme was not possible. Hence, they retained an open mind about its effectiveness. A new performance monitoring system is now in place which should facilitate later evaluation. The effectiveness of the partnership approach clearly depends on the willingness of other organisations to support the initiative. As was

the case with earlier evaluations of the pilot programme, Goodbody found that the co-operation of the statutory sector continues to be uneven: 'There are a number of very positive examples, (but) there is scope for improvement' (p.xi). Goodbody recommended that Area Development Management (the intermediary body responsible for this sub-programme) and the Department of the Taoiseach should take initiatives to ensure maximum commitment from all elements of the state sector to the partnership model of local development.

The final sub-programme supports urban and village renewal. Funding is provided for the Temple Bar Area, five flagship projects in major urban centres and investment in a wide range of towns and villages. The evaluation by Goodbody recommended that greater funding be considered for urban improvements, given that county towns function as key centres for the rural economies of each area. It was noted that there is a strong case for ensuring that the level of funding made available to each county relates to the evidence of need, as well as to the quality of the action plans which local authorities were required to submit to obtain funding. The ESRI evaluation acknowledged that the funding for local authorities for urban and village renewal had been beneficial, but considered that this was an inappropriate way of funding what should be the normal responsible of local authorities. It was recommended that these measures should be terminated as soon as adequate funding arrangements for local authorities generally have been accomplished.

The general recommendations of the Goodbody evaluation seek to address the concern raised by Sabel about the necessary arrangements if lessons are to be drawn from the experience of local development. It is recommended that a new objective be adopted by the Monitoring Committee as follows:

To discover and share, through a process of learning by monitoring, new and more effective ways of achieving local development and of impacting on mainstream activities.

To achieve this objective, Goodbody recommend that the Monitoring Committee support the national implementing bodies in providing incentives to support such a process of learning and innovation.

At present, elected local authorities have a limited list of functions,

less than they had in the decades following the foundation of the state. As a consequence, recent initiatives in local economic development have so far evolved outside the local government structure. Consideration must be given to the relationship between local economic development and local administration of services. This subject is discussed in more detail in Section 5 of Chapter 5.

7. REGIONAL POLICY IN EUROPE

There is growing interest in regions as economic and political entities in Europe and elsewhere. The involvement of the European Union in regional policy has been growing. This section reviews recent trends in regional policy in EU countries and then identifies lessons from successful European regions, drawing in particular on the Council's recent report on dynamic European regions (NESC, 1996).

(i) Regional Policy in EU Countries³

Traditional forms of regional policy are in decline in most Northern member states. In Germany for example, regional incentives in the West have been cut back in order to focus on the problems of the Eastern regions. In the Netherlands, regional aid has been restricted to a small area in the North of the country. However, regional policies in the Southern member states have been more stable and even expanded in recent years. Overall, there has been a narrowing of the range of regional incentives available, with an increased focus on capital grants. In the past there was a greater diversity of regional incentives in terms of labour subsidies, soft loans, tax concessions and so on, although some of this diversity still remains. Regional policy has become targeted more specifically on job creation through start-ups, extensions or relocations. Projects designed to safeguard employment have become subject to very stringent conditions. Since the late 1980s, supports for investment in fixed assets have been complemented by other 'softer' supports, such as company development through consultancy. Regional policy has generally not provided much support for services. While producer services are now generally eligible for support, regional policy continues to offer restricted support to the services. Greater

³ This sub-section draws on Bachtler and Michie (1993).

selectivity in regional incentives is also evident in the range of areas supported by regional policy; in Northern member states, regional policy incentives are being restricted to fewer areas.

Bachtler and Michie (1993) have identified a number of common factors underlying these changes. First, there has been a downgrading of the importance of regional policy in Northern member states, associated with a reappraisal of the role of government. Secondly, there has been a widespread devolution of policy responsibilities to regional and local levels. Third, governments have become increasingly concerned with performance and cost effectiveness and this has led to a move from regional aid being available on an automatic basis to the provision of aid on a more discretionary basis. Finally, the European Commission has exercised a growing influence on regional policy, both directly and indirectly. There has been greater involvement by the Commission in controlling the availability of aid in richer member states, while the less developed EU member states have been given more freedom to offer high levels of aid. The nature of EU regional policy is examined in NESC (1997).

(ii) Policy Lessons from Dynamic European Regions

The Council has recently published a comparative study of enterprise support policies in those European regions which have achieved dynamic, high employment economies. Careful consideration was given to the selection of regions. Regions from which Ireland may usefully learn are not those in which large, world leading, corporations are dominant, nor those whose success is based primarily on expensive, fundamental, research and development. The regions of most relevance for comparative study of policy from Ireland's point of view are those in which SMEs predominate. Based on these considerations, the following were chosen: Emilia Romagna (Italy), Baden-Württemberg (Germany), Denmark, Wales and Steiermark (Austria). The general lessons which emerged from these case studies were as follows.

The Role of the Co-Operation in Competitive Advantage

The most important finding of the five case studies is that co-operation between firms, and co-ordination between agencies, can

play a significant role in enhancing the competitive advantage of enterprises and regions. The development of co-operation is perhaps at its most advanced in the industrial districts of Emilia-Romagna. An industrial district is a network of small firms, each specialising in various stages of a particular product. In these industrial districts, firms interact through dense networks of sub-contractors. The supportive *milieu* in which the firms operate allows the district to be competitive on international markets, despite the small size of the individual firms. While most SMEs do not operate in industrial district type settings, the benefits of co-operation and networking transcend the specific industrial district context (Axelsson and Easton, 1992; Grabher, 1993).

Co-Operation can be Encouraged by Policy Action

The second most important finding of the case studies is that the level of co-operation between enterprises can be enhanced by business associations and public policy action. Indeed, encouragement of co-operation between firms and agencies is the most consistent theme in enterprise support policies in the five study regions. Experience from a number of the other case studies shows that it is possible to consciously support inter-firm co-operation in different contexts. For example, this was done in Denmark with the introduction of a Network Programme. The Programme provided support for firms to form networks to co-operate in specific areas of activity, such as marketing. Network brokers played a key role in identifying opportunities and bringing firms together. The Danish experience has informed the development of networking programmes in several other locations, including Wales and a number of states in the US.

Learning and Innovation are Key Attributes

The case studies show that regions which succeed in the turbulent modern economy are those in which learning and innovation are effective. While some innovative firms and regions undertake extensive and advanced R&D, economies dominated by SMEs tend to rely on inter-firm collaboration. The advanced division of labour, facilitated by close inter-firm collaboration, facilitates innovation and flexibility, by allowing extreme specialisation (Amin and Robins, 1990). Co-operation also facilitates innovation, by sharing

costs and risks which are inherent in innovation. Collaborative relations between users and producers also facilitate innovation. Indeed, this user-producer, or interactive, view of innovation is a major theme in emerging research on innovation (Lundvall, 1992; Dosi, 1988). This form of innovation does not preclude acquisition of advanced forms of technological knowledge from research institutes or foreign sources.

The Importance of Clusters

The case studies confirm that clusters are an important feature of successful economic development. A cluster is a set of industries connected through vertical and/or horizontal relationships, in interaction with public and private enterprise support services. It is clear that different types of clusters can exist. They range in scale from some of the Italian industrial districts to Baden-Württemberg's regional engineering clusters.

Clusters can be Built Around Inward Investment

The case studies, and wider research, show that while Porter's seminal work on clusters emphasised the role of domestic firms, clusters can be developed around FDI. Two clusters of this type have emerged in Wales, in automobiles and electronics. What distinguishes a cluster based on FDI, from FDI in general, is the extent to which FDI is embedded in the local economy. The Welsh FDI clusters comprise the core enterprises, supply chains, related and supporting industries, private and public sector support infrastructure and public and private R&D in each cluster.

The Role of Business Associations

Another striking feature of successful economic development is that actions of a public nature to encourage development are not the sole responsibility of state organisations. For example, the Business Service Centres of Emilia-Romagna are supported financially by both private and public bodies, including the Regional Development Agency, local authorities, chambers of commerce and trade associations. This is partly for financial reasons, but the inclusion of these different organisations also helps to establish the commercial

credibility of the centres. In Steiermark, a number of business support programmes, in the areas of marketing and innovation, are provided by the chambers of commerce. In the 1990s in Wales, the role of the state in development has been reduced, while industry itself plays a greater role through clubs, partnerships, supplier groups and consortia. A number of different terms are used to describe this form of policy making and implementation. While some use the term 'partnership', others describe it as a 'negotiated' approach, 'associative governance', or 'private interest government' (Amin and Thomas, 1996; Hirst, 1994; Schmitter and Streeck, 1985).

Implications for Ireland

The immediate policy priority identified by the Council was the introduction of a pilot network programme in Ireland, to support co-operation among firms. A network is a group of firms who agree to co-operate in certain activities for mutual gain. The development of networks among firms was regarded as providing the basis for the subsequent development of clusters.

There is general agreement that it is not feasible for regions to try and replicate the industrial structure of successful regions such as Emilia-Romagna. However, what can potentially be replicated is the creation of a broad-based regional productivity coalition (i.e. a regional partnership of business state agencies and trade unions) and the adoption of regional strategies tailored to the special needs of the region's economy.

The consultant's comparison of Ireland with five selected regions led him to characterise Ireland as having 'a model of state led modernisation' and, in comparison to other regions or countries, 'there continues to be a heavy reliance on state agencies to address collective problems in Ireland, and that the role of private association and co-operation by companies is underdeveloped' (Cooke, 1996). The Council supported the Consultant's argument for a further move from state responsibility and state provision to a partnership or network approach.

The absence of regional identity in Ireland and the limited effectiveness of the regional authorities might suggest that the potential for the emergence of genuine regional productivity coalitions is limited. However, there is other evidence which

suggests there may be potential for this approach. Shannon Development has expressed an interest in such an approach. The Chief Executive of Shannon Development has stated that 'regional development programmes, when adapted to the specific needs of local industries, have a vital role to play in building a strong Irish-owned industrial sector'. He argued that policy should focus on a wide range of development sectors with growth potential through a 'truly co-ordinated and partnership approach' (Irish Independent, 27/7/95).

Regional Innovation Strategies (RIS) are an EU pilot project designed to promote innovation on the basis of a decentralised partnership model. RIS seek to promote co-operation between SMEs, the research community and public administration to assess technology requirements and to audit local needs, capabilities and potential with a view to improving the innovative capacity of a region. The scheme relies on:

- (i) An analysis of firms' research and technological development and innovation needs and demands, including those which are latent;
- (ii) Building partnership and the development of consensus among regional actors, between the public and private sector in particular;
- (iii) The exchange of experience between participating regions (Landabaso 1996, p.16).

One of the pilot regional innovation strategies is taking place in the Shannon region. This pilot project could offer valuable lessons on the potential of a decentralised partnership approach to development in Ireland.

8. CONCLUSIONS

The spatial dimension of economic policy which receives most attention generally is the location of new inward investment. There is some basis for the attention given to FDI. Even though IDA jobs account for a relatively small proportion of total employment, the attraction of a large inward investment project to an area probably has more impact than any other single initiative. During the 1970s, inward investment had a major impact on rural areas. However, as argued in Chapter 3, the current nature of inward investment makes

it very difficult to achieve a similar pattern of dispersal. The key decisions with respect to inward investment, both whether to locate in Ireland or elsewhere and where to locate within Ireland, are not within the control of Government or the IDA. The IDA continues to offer more favourable incentives for investors to locate outside major urban centres and continues to promote inward investment in towns outside these centres. There is evidence to suggest that local communities can play a role in attracting inward investment to smaller towns.

Apart from inward investment, what are the other options for towns and rural areas? The prospects of achieving a somewhat more dispersed pattern of growth is greater in the case of indigenous industry. While employment growth in indigenous manufacturing and internationally traded services is also concentrated in major urban centres, it is noteworthy that over the past decade the strongest growth of employment in this sector has been in the West and Mid-West, as shown in Chapter 3. Forbairt seeks to promote indigenous development in all regions. Forbairt is helping smaller firms to become suppliers to multi-nationals through the regionalisation of the National Linkage Programme. It promotes interaction between the third level education sector and Irish industry at both national and regional level. Forbairt is preparing regional development strategies which take into account the specific characteristics of each region. The idea is that these strategies will build on individual regional strengths by taking into account their educational, sectoral and infrastructural resources. The development of a network programme, as discussed in the Council's report on dynamic regions (NESC, 1996) could be of considerable benefit to indigenous industry. The idea of a network programme is to encourage smaller firms to co-operate with other firms in specific activities in order to overcome some of the disadvantages of small scale. Shannon Development and Údarás na Gaeltachta appear to have had considerable success in promoting indigenous manufacturing and internationally traded services in their respective regions. A group of innovative indigenous firms in electronic and mechanical engineering has emerged in the Shannon region. The pilot Regional Innovation Strategy being undertaken by Shannon Development could offer valuable lessons on how innovation can be supported at regional level. New proposals for regional policy in a recent report by Shannon Development are presented in Appendix 2.

Investment in infrastructure is critical both for national development as well as regional and rural development. Transport infrastructure is one element of the transport and logistics system which is a key factor in maintaining competitiveness. The most immediate problems on this area arise from deficiencies in urban transport. There is a need to put in place appropriate regulatory mechanisms to manage the deregulation of utility markets in an efficient and equitable way.

There is a range of other national and EU policies which seek to promote development in rural areas and towns. These include policies for agriculture, forestry, fisheries and local development policies including local partnerships, County Enterprise Boards and LEADER groups. The development of tourism is also of particular benefit to some areas outside major urban centres. Clearly a wide range of responses is required to promote development in an extensive and sustained way. Local area based partnerships offer the prospect that policy instruments can be made appropriate to the needs of different areas.

APPENDIX 1

Reports of the Regional Authorities

Each Regional Authority has recently produced a Regional Report, as required under the Establishment Order by which they were set up. A review of these reports provides further insights into the current position on regional policy. The terms of reference which the Regional Authorities were required to follow in the preparation of these reports were as follows:

- The Regional Report must review the overall needs and development requirements of the regions;
- It must review the development plans of local authorities in the region and, if relevant, the development plans of local authorities in adjoining regions;
- It must review the provision of public services in, relating to or affecting the region, and the need for, adequacy of and possibilities of improving co-ordination of the provision of such services or any one or more of such services.

The reports could also consider other related matters as the authority considered appropriate. These three elements of the terms of reference are directly reflected in the contents of most of the reports. Typically, the reports also include a profile of the region. The reports cover the main policy areas, such as agriculture, tourism, industrial development, transport, the environment, settlement patterns, local development plans and so on and typically make many policy recommendations in these areas. The issue of EU funding and the Community Support Framework features prominently in the reports. All of the reports, except the South-East and West devote a section to reviewing EU Structural and Cohesion funding in their region.

All of the reports give considerable attention to promoting economic development in their regions. Several discuss the possibility of developing 'clusters' based on regional competitive advantage and refer to the commitment to this approach in the National Development Plan.

A core responsibility of the Regional Authorities is co-ordination of public services in their regions. This subject is addressed in all of

the reports, as required by the terms of reference. The authorities undertook surveys of the co-ordination of public services in their regions. Most of the reports contain a matrix of policy areas and agencies with responsibility in each area. These matrices illustrate the complexity of achieving co-ordination.

The reports identify several obstacles to effective co-ordination. Most of the reports explicitly mention that inconsistency of regional boundaries is a problem. For example, it is stated in the Dublin Regional Report that:

Chief among the barriers to effective public service co-ordination is the fact that not all agencies operate within the same regional boundaries. The co-ordination of public services in the Dublin region is complicated by a lack of consistency among regional boundaries of public service providers within the region. Common boundaries are essential for collecting data, for planning and for relating the activities of different agencies to each other (Dublin Regional Authority, 1996, p.35).

Several of the reports identify the absence of an overall regional policy framework as an obstacle to co-ordination. Other obstacles to co-ordination identified in various reports include the over-centralised nature of government and the increasingly competitive environment in which most public agencies operate.

One approach taken to the complexity of the challenge of achieving co-ordination is to focus efforts on a number of discrete projects. This approach is taken in the Midlands and South-West Reports. The Midlands Report emphasises that the aim in each of its planned projects is a tangible 'product', rather than a report. Examples of the projects outlined in the Midlands Report are the promotion of the Midlands health care cluster, the promotion of alternative settlement patterns and the promotion of flexible transport systems. The South-West Report identifies four priority projects as follows: establishment of scenic landscape bureau for the region, a pilot village/rural community development programme, co-ordination of energy generation initiatives in the region and the creation of a database containing information on recipients of grant and other assistance provided by public agencies in the region.

APPENDIX 2

New Proposals for Regional Policy: A Report by the Regional Policy Advisory Group to Forfás

Strategic Options

A report on regional policy was recently published by Shannon Development as an input to the preparation by Forfás of *Shaping our Future – A Strategy for Enterprise in Ireland in the 21st Century*.

The report considered three broad strategic options regarding regional policy. The first option is one of non-intervention. This approach argues that the issue of increasing employment and incomes is best addressed by national programmes. This approach would rely on the market for allocating activity spatially. A second approach is solely concerned with *redistribution*. This strategy emphasises the use of policy instruments to divert investment and economic activities from more favoured to less favoured areas on the grounds of equity and fairness. The third strategic option identified by the report is that of *selective intervention*. This approach envisages a role for regional policy in overcoming market failure and building on particular regional strengths. The Shannon Development report rejects both the non-intervention and redistribution perspectives. It rejects the non-intervention strategy on the grounds that 'national development policy requires a spatial approach, and that such a spatial approach is justified on the basis of overcoming market failure, contributing to higher national output'. It rejects the redistribution approach on the grounds that 'the whole of Ireland experiences relatively high unemployment and low incomes, and that diversionary strategies will not add to the national stock of wealth or jobs'. The report favours the selective intervention approach for the reasons mentioned above.

Location Strategy

The report identifies an emerging settlement hierarchy in Ireland as follows:

- large city regions;
- embryonic city regions;
- more favoured rural areas;
- less favoured rural areas;
- remote areas.

The large city regions in this hierarchy are Dublin and Belfast. It is pointed out that the location structure of the island of Ireland is dominated by an urban corridor of Belfast, Dublin and intermediate towns. The report sees potential for strong growth along this corridor as trade intensifies and complementarities develop between the two cities. It sees benefits arising from this process:

Ireland has never experienced large growth centres of international scale capable of competing in the face of the London/Milan axis. The Belfast/Dublin area, with over 2 million population, offers such an opportunity. The positive possibilities need to be grasped. A planning and action framework to do this should be created, in the context of inter-regional co-operation between adjacent EU member states (Shannon Development, 1996, p.21).

However, difficulties are identified in this scenario. These difficulties are the problem of congestion in the East and the depletion of the skilled population in the West, which could reduce national output.

A second tier of regional policy would focus on exploiting the competitive strengths of the emerging city regions which are identified as Cork, Limerick/Ennis/Shannon, Galway, Derry, Waterford and other (unnamed) appropriate centres. The third element in this approach is a regional rural policy.

Institutional Arrangements

At national level, it is recommended that an inter-departmental committee for regional policy be established to develop and oversee a national framework for regional strategies and policies. At a regional level (to be defined), it is proposed to establish a limited number of Regional Development Companies (RDCs). Each RDC would have the objective of initiating and supporting economic

development in its area. It would have development functions in the areas of industry, tourism, trade, technology and training. It would deliver the majority of grants to Irish-owned enterprises in these sectors.

The local level of this proposed institutional structure would focus mainly on the provision of information. It is recommended that County Enterprise Boards be developed as local 'one-stop shops' for information and advice. County Enterprise Boards would be resourced to achieve this through support from the RDCs.

CHAPTER 5

ISSUES RELATED TO THE SPATIAL DISTRIBUTION OF PUBLIC SERVICES

1. INTRODUCTION

Public services comprise a wide variety of types of services with varying degrees of complexity. In this chapter we define public service provision to include not only services provided by statutory and semi-state agencies but voluntary, non-Governmental agencies involved in the provision of publicly financed services and also that private commercial provision which involves some statutory support. For example, most schools and many hospitals are in the voluntary sector, although they provide a public or universal service that is funded in full, or in major part, by the state. The provision of public services cannot always meet the same criteria of efficiency that apply to the production and distribution of marketable commodities. Nevertheless, public services can and should be efficiently provided. Indeed the rationale for public funding of certain services is based on a combination of efficiency and equity arguments, as for example in the case of health care funding (NESC 1990, Report No. 89 Chapter 9).

Public service provision includes social services, such as health, education and housing, and utilities, such as electricity, gas, water, refuse and sewage disposal services. In addition to social services and utilities there are public services which are aimed specifically at the development and maintenance of enterprise and economic development. These different categories of public services entail different types of issues in the context of their geographic distribution.

The purpose of this chapter is to examine the interplay of economic, social and spatial dimensions of public service provision, that is to examine spatial aspects of public services in the context of efficient and equitable provision. Public services targeted to enterprises and infrastructural services and utilities were examined in the previous chapter, as part of economic development policy, and will be referred to here only where they have a bearing on the discussion of other public services.

In Sections 2, 3 and 4 we examine issues related to the spatial distribution of public services. In Section 2 we discuss those related to health care, social services and education and, in Section 3, those related to housing and transport. In section 4 we examine innovative approaches to matching public services with the distribution of need. Section 5 considers the issue of institutional innovation, with particular reference to devolution and regional co-ordination and their relationship to settlement patterns. In Section 6 we examine key issues relevant to the relationship between public service provision and settlement patterns in a more general context. Section 7 outlines the main conclusions and policy implications of the analysis.

2. SPATIAL ISSUES IN HEALTH AND EDUCATION SERVICES

Different public services require different distributions between head office and front-line functions. The civil service provides a national service whereas some public services are inherently local. The issue of where to locate head office or central functions and the scope for decentralising them is quite distinct from the provision of community level services such as health care, primary education or Gardaí. The location of headquarters functions in smaller urban centres is motivated not by a local need for these services but by supply-side considerations such as providing employment in regional centres and county towns, stimulating demand for housing and local consumer services and providing opportunities for the dispersion of qualified people in smaller or peripheral centres. Additionally, it can be justified on social grounds in providing opportunities for some people, who have migrated from areas of population decline, to re-locate nearer to their place of origin. To some extent the decentralisation of headquarters functions depends on available supply of such candidates. Data on this aspect of decentralisation were considered in Chapter 3. In contrast, the location of the social services has to be driven by patterns of distribution of need and demand among local populations. In this section we analyse distributional issues related to two key public services: education and health.

(i) Health and Social Services

Regional and Local Organisation

Demographic characteristics, and by implication settlement patterns, have provided a starting point for health service planning and distribution. The Health Act, 1970, provided for eight regional health boards, which, with some exceptions, comprise groups of counties. These regions are sub-divided into community care areas, 33 in all, which usually also comprise one county, except in a few instances where a region takes in part of a county, and in Dublin, which is subdivided into eight community care areas (CCAs). Each CCA has an average of 100,000 population, though, by definition, this is as variable as county population levels. Below this level are sub-divisions described as districts (e.g., in the care of the elderly) or sectors (in the psychiatric services); the latter are sub-county divisions, but are not rigidly defined. The specification of regional, CCA and district levels provides the basis of an implicit hierarchy of provision whereby certain services will be provided at a given level. The district concept is, perhaps, more useful in areas where population is dispersed than in areas where population density is higher. For example, the North Western Health Board (NWHB) has a strong district level structure whereas, in the Eastern Health Board (EHB), the community care area tends to be the focus of organisation, despite the implicit use of sectors and districts. This suggests that, in discussing regions or sub-regions for the purposes of service provision, both population size and the degree of population dispersion are important.

Health service provision is multifunctional, covering many specialised fields. Likewise, the organisation of health services in Ireland has followed functional lines, usually with divisions between acute hospital services, special/psychiatric hospital services and community care services. Each of these services or programmes exists at the level of the regional health boards, but is implemented at different spatial levels. The satisfactory blending of area based and functional lines is very important to the success of health care provision. The problems that most frequently confront health service organisation and planning include how to bring about co-ordination across functional lines. Functional divisions in health services can be particularly invidious because, given the demand for services, there is pressure on each functional division to spare its

own resources by defining more narrowly its responsibilities. In the last ten to fifteen years, for example, a difficult re-division of responsibilities between community based and hospital based provision has been taking place. This applies in the case of psychiatric services, and general hospital services, and also in relation to services for dependent elderly people.

The extent of population density and its growth in the EHB area, which is much larger than the other boards, has led to the planned restructuring of the EHB on the basis of three area based authorities. This should provide an opportunity to redesign both the functional and area dimensions with a view to improving scope for coordination between services in acute, community care or other service sectors.

In contrast to the challenge of population density in the EHB area, some health boards cope with very dispersed populations, many of whom as noted in previous chapters, are elderly people and frequently living alone. In the past, this has led to a reliance on institutional care, where general medical and nursing services can be combined with day to day social services. Now, with a stronger emphasis on the promotion of independent living there are greater pressures to provide these services in a domiciliary setting. Health Boards face particular difficulties in providing such services to scattered populations.

Acute Hospitals and Community Care

The location of acute general hospital services was the subject of the Fitzgerald Report. This Report, named after the Chairman, Dr. Patrick Fitzgerald, was produced by the Consultative Council on the General Hospital Services (1968). It commenced in November 1967 and reported in 1968. It recommended a selective regional approach to acute hospital development on the basis of 12 general hospitals and 4 regional hospitals with more specialist functions; two in Dublin, one in Cork and one in Galway. The controversial aspect of the Report, which met with considerable political resistance, and was ultimately rejected, was that county hospitals which were not to be upgraded would also be re-classified as "community health centres" (Hensey 1988).

It was some time before the principle of regional centralisation of certain services was implemented. Political factors, driven by local

pressures, may have been particularly important in delaying this rationalisation. To some extent, the resistance to rationalisation was prompted by a concern to maintain employment in particular areas, rather than by health criteria. It was only in the context of the fiscal pressures of the 1980s that some of the most difficult aspects of rationalisation were addressed.

An important corollary of rationalisation of acute care is the development of community care services to enable more people to receive medical care in ways that minimise the disruption of their lives as well as to contain the cost arising from lengthy admissions to hospital. Since the 1970s, a range of community health services has emerged at local level. However, it is important to emphasise the interdependent roles that community and acute hospital services must perform. Without this it would not be possible to achieve safe increases in the provision of day hospital procedures and reduced average length of stay. But, clearly, community based health services are more widely dispersed than hospital based services. Therefore, in addition to the complementary role of acute and community services there are differences in their spatial organisation. It is necessary to achieve functional integration both at each spatial level and between different spatial levels. That is, there is a need for a spatial hierarchy of health care provision whereby central, regional and local service provision is co-ordinated around shared objectives.

Effectiveness of Health Care

The Health Strategy (1994) approaches health policy from a different perspective, with the emphasis on the attainment of a series of outcomes constituting health and social gain, as opposed to a given ratio of service provision to population at different spatial levels. The Strategy, therefore, while acknowledging the continued importance of demographic factors as a basis for planning levels of provision, places even more emphasis on the measurement of health and social gain in assessing the effectiveness of services.

Accepting the aspirations set out in the Health Strategy does not imply that resource allocation need not follow a spatial hierarchy. In addition to the traditional focus on the size, structure and distribution of population it builds into health policy a much stronger recognition of economic and social influences, lifestyle

factors and indicators of health status on the demand side, and of efficiency and equity on the supply side. These factors have come to the fore in recent decades, and have implications for how the effectiveness of health services is judged. They also provide the platform for a much stronger focus on the concept of health promotion, in addition to curative measures.

Ageing Population Structure, Health Care and Pension Provision

The issue of population ageing has been cited as having major implications for health and social services, as well as for pensions. In relation to health care, it is important to acknowledge that ageing has not, historically, been the greatest influence on medical cost increases. Supply side factors, rising expectations, wider coverage, ability to pay and new technological possibilities all combine to inflate cost.

Fahey (1995) has argued, that health care consumption in recent decades throughout the OECD was not principally related to ageing, but has depended on what societies and individuals – through insurance and tax funded arrangements – can afford and choose, at political and individual levels, to provide for themselves. The attempt to reform health care systems has less to do with ageing populations than the achievement of efficiencies in a service, the cost of which tends to expand for reasons other than demographic change. However, ageing is of increasing importance. Apart from the fact that populations are living longer and the proportion of older people is everywhere on the increase, the focus of medical research and treatment is increasingly on diseases associated with old age. While there are countervailing factors such as improved health among the retired population, there are several factors, along with ageing itself, that will put increasing pressure on health care budgets – both individual and collective (National Council for the Elderly, 1995).

In relation to pensions, Fahey and Fitzgerald (1997) have argued that concerns about a “pension timebomb” could be exaggerated, on the grounds that the prospect of demographic ageing in Ireland is more distant and less dramatic than is the case in most other EU or OECD countries. They suggest, therefore, that the pressure on the pension system will not be as great as elsewhere.

The recent publication of the first of a series of 5-yearly Actuarial

Reviews of Social Welfare pensions attempts to quantify the implications of population ageing in Ireland for Social Welfare pensions (Irish Pensions Trust 1997). The Actuarial Review attempts to quantify the scale of ageing and its implications for pensions up to 2056. It confirms that the cost pressure due to ageing will be greatest from 2006 onwards.

The comparatively favourable demographic position of Ireland in the medium term should not lead to complacency. The pension system relies on a mixture of public and private provision. Public provision – both for social welfare and public service pensions – is based on the ‘pay as you go’ principle, and private provision on the funded principle. Inevitably, rising earnings will create further pressures to increase and improve the level of flat-rate old age and retirement pensions in line with rising incomes. In addition, failure to expand private provision sufficiently over the next few decades would add to existing pressures on public pension provision. The National Pensions Policy Initiative (NPPI) is currently analysing ways to promote increased take-up of private and occupational pensions, and is expected to report in 1998.

Furthermore, many countries are now faced with the prospect of costly long term care provision for dependent or ill elderly people. The health services, the social welfare system and most pensions are not designed to meet this prospect. The issue of financing long term care in old age, therefore, must be addressed.

Below the national level, population density and age profile may differ across regions in such a way as to influence the planning of health care services. Sparsely populated regions with high rates of out-migration and a weak urban structure tend to have older age structures, and this both calls for extra formal support on age grounds while informal sources of support and potential voluntary sector involvement may be depleted. Even the provision of day services, day hospitals and day care centres, which are often a more efficient approach than delivery of services to households, may be difficult because of time-consuming journeys on poor roads. The logic of service provision is affected by such patterns, and calls for innovative approaches.

While accepting that certain services must be provided in central locations at regional or county level, it has been noted by several researchers that the cost of transport, or its availability, has often

prohibited access to services (see 3(ii) below). In addition, the issue of discomfort sometimes experienced by ill or elderly people on long journeys must be acknowledged. Others have pointed out that insufficient attention has been paid to the spatial dimension of service provision. Yet, several innovative approaches to local service provision in areas of low population density can be identified.

Social Services

In the case of social services, the need for provision at local level is self-evident in that these services usually aim to support the continued residence of a range of vulnerable groupings in their own homes and communities (e.g. elderly people, children, mentally handicapped or physically disabled people). While these constituencies are very different in some respects from each other a common factor is the need to achieve a working partnership or complementarity between what individuals and family members, or carers, can provide for themselves and what should be provided through formal or paid social services personnel.

However, as pointed out previously by the Council, complementarity between formal social service provision and informal sources of care is only one element of community based provision (1987: Report No. 84). In addition, in order to promote community based continuing care as against institutional alternatives, there must be an incentive structure that encourages the community based option. This is a function that is most appropriately dealt with at national level through eligibility and incentive structures that apply to all health board regions and areas and through defining specific service entitlements for those requiring assistance in living at home or in the community. Recent research on the home help service, for example, reveals quite varied, unclear and often *ad hoc* eligibility criteria, with access varying by health board region or community care area (Lundström and McKeown, 1994). Currently the Department of Health, which has responsibilities for most statutory social service provision and the support of voluntary and private provision, is reviewing these issues in relation to the home help service.

As with the health services, there is a hierarchical aspect to the delivery of social services. Such services need to be planned, organised and co-ordinated at and between different area levels with

health services such as community nursing, general practice, day or respite services, acute services in general hospitals, continuing care (long stay), and specialist services. This has given rise to a recognition of the need for a concept of teamwork between social service and health service providers. Co-ordination and teamwork may be considered in area or district terms or in terms of providing a package of services to support individual cases – known as case management.¹

The concept of teamwork entails horizontal linkages between different service lines which may have their own managerial or organisational hierarchies. This is an issue which, as noted above, has been the focus of much debate in the health services but it applies equally to the planning and delivery of social services.

Voluntary Social Services Bodies

An additional aspect of social services is the stronger input of voluntary bodies and quasi-volunteers, for example, in meals-on-wheels services or carer support groups. This can lead to difficulties in rural areas, in particular where the voluntary social services sector may be quite minimal. In effect, voluntary action may be hard to differentiate from informal neighbourhood care in rural situations, a factor which may lead to a higher rate of institutional admissions for certain categories (such as single elderly people in rural areas).

There has been much concern about voluntary – statutory arrangements for funding and the representation of the sector as a whole. Within this, the voluntary social services sector is distinguished from other voluntary activity in the community development sector by its strong 'government orientation' and dependency on state grants. But these grants are allocated on an *ad hoc* basis and are a source of ongoing debate (Jaffro, 1996). Under the health strategy, *Shaping a Healthier Future* the concept of contracting out was given some support. However, this is not defined in the same way as it has been defined in recent years in the UK. That is, competitive tendering and a strong contract culture whereby responsibilities for

¹ Sometimes, as in the US and UK, case management can take the form of case managers who are also budget holders, for example, social workers or community nurses. In Ireland, there are, as yet, only embryonic elements of a case management approach in existence.

service delivery and purchase are split between statutory (purchaser) and non-statutory (provider), is not a likely prospect in Ireland. Due to the uneven character of social services provision the continued role of statutory provision is inevitable. The concept of achieving greater efficiency through contracting out assumes that the main problem is inefficiency in statutory as opposed to voluntary provision. There is little evidence of this as an issue in social service provision in Ireland.

The prospects for developing statutory-voluntary co-ordination in Ireland may be more satisfactorily addressed through 'service agreements' defined in the context of an evolving partnership between sectors. This would imply putting funding on a sounder footing and identifying genuine channels through which voluntary service providers can make an impact on planning or policy. The recent Green Paper on *Supporting Voluntary Activity* has summarised some of the developments in relation to voluntary social services but has a much wider orientation and a strong focus on the role of community development organisations (Department of Social Welfare, May 1997). The voluntary social services sector needs to be examined more fully in the context of health and social services planning at national, health board, community care area and local district level.

Comparative Costs of Community and Institutional Care

The comparative costs of community care, with its greater social-service requirement, and institutional care of the elderly, has been the subject of research in the early 1990s in Ireland, as well as elsewhere (Blackwell *et al.*, 1992). These comparisons do not always suggest that institutional care is the cheaper option – much depends on whether hidden inputs of informal carers are identified, measured and valued. However, there are philosophical as well as economic grounds for promoting community care. So, even if the real costs are similar there may be a preference for community based alternatives which promote independent living. There are few who would argue that the input of informal carers can be adequately recompensed in financial terms, even though there is now some recognition of such an entitlement in the form of a Carer's Allowance. The cost of caring to carers is more adequately captured in terms of emotional, physical and psychological stress, as research on informal care of dependent elderly people in Ireland reveals

(Blackwell *et al.*, 1992; O'Connor and Ruddie, 1988). Therefore, the provision of a set of supports for informal carers, as distinct from those they care for, has come to the fore in recent years, with the renewed focus on complementarity (Finnucane *et al.* 1995). Fears that further formal social service support will lead to a decline in informal care do not appear to be borne out. What appears to happen is that informal care becomes more focused on certain activities and is less physically stressful and isolated while the time devoted to caring is not radically affected (Blackwell *et al.*, 1992).

Because the delivery of social services are or may be domiciliary, e.g. home help, meals-on-wheels, or social work, the issues of mileage costs and time wasted on travel by professionals and service providers arise. Implementing recommendations for domiciliary occupational therapy and physiotherapy services too would involve additional transportation costs. This increases the cost of providing social services in rural areas, and poses the question of whether day centre provision might be a more effective approach in some instances.

(ii) Education and Training Services

Each level and type of education service has its own distinct settlement and spatial requirements. Primary education must be provided in a very decentralised way, principally because primary school pupils must be living with their parents or guardians. With older age groups this constraint becomes less important. Also, the resources for primary education can be provided in a dispersed way. They are less specialised and capital intensive than those required for higher levels of education.

The different constraints which arise at each level of education imply distinct trade-offs in relation to the spatial level of provision and choice of location. In addition, each level of education will tend to be faced with different dilemmas, even after achieving some degree of optimality. In the case of primary education, which must be provided extensively, the issue of very small schools, even one teacher schools, and their ability to provide a satisfactory standard of education for age groups between four and twelve years who would theoretically be in six to eight different classes, comes into question. In the case of secondary education, the requirement of specialist teaching skills necessitates resource concentration in

larger schools. This creates a supply side influence and either requires commuting or settlement within easy reach of the necessarily smaller number of secondary schools. On the plus side, such schools may, in addition to their educational role, provide accommodation for and/or a stimulus to other activities such as adult education, and local social and community activities.

Secondary and primary education, nevertheless, are relatively divisible as compared to third level education, whether vocational or university. The specialities which are required at third level tend, inevitably, to be unevenly distributed with some regions having to specialise and complement other regions. A further issue is that vocational and university education centres need to be in locations capable of sustaining the transient student population as well as the more permanent professional staff and resident, commuting student population.

The above analysis of spatial aspects of the distribution of education services implicitly takes account of the constraints upon and possibilities for economies of scale in education. In another sense this distribution is also an expression of equitable provision, which is most obvious at the primary level. The issue of equitable provision of third level education, since it cannot be addressed in the form of spatial dispersion, must be addressed in other ways, particularly in the form of subsidies to students requiring transport and/or accommodation. Such measures make it possible to combine equity and efficiency as objectives.

Apart from the constraints of responding efficiently and equitably to education demand, education services may have a supply side role in shaping local settlement patterns due to their economic or employment effect in local areas. It is a moot question whether, in addition to the educational functions served by secondary schools, there is also an economic/employment function. In schools in the larger towns and cities, the residential patterns of teachers may differ considerably from the location of schools. This may be less true of smaller towns – but one would expect the economic effects overall to be of minor significance. At higher levels, technological colleges or universities might also be a stimulus to local enterprise or magnets for inward investment. Consequently we examine at some length recent work on this issue undertaken on behalf of the Department of Education.

The Location of Third Level Institutions

The location of third level institutions is a complex subject, and is often a contentious matter. A steering committee to advise the Minister for Education on the future of higher education was established in December 1993. It set up a technical working group to study anticipated trends and patterns in third level participation, including mature students and second chance participation, participation of the socially and economically disadvantaged, part-time student participation, specialist teacher training requirements at second level, and the regional dispersion of needs and provision. The technical working group also considered certain specific requests for expanded higher education facilities, specifically in the South-East region, County Mayo and within the Dublin area.

The Technical Working Group considered regional education provision both from the supply-side and demand side perspective. On the supply side, it asked whether or how the location of higher education institutions might be expected to influence particular regions and, specifically, to what extent the provision of higher education facilities influences or determines regional development, and hence, by implication, settlement patterns. On the demand side, the technical working group considered the extent of regional disparities in access to higher education. In this context they were interested in questions such as whether regional variations in the rate of applications for third level places ultimately influence admissions, whether the rate at which places are offered to potential students varies by region and, finally, whether regional factors then influence the acceptance of offers by potential students. It is acknowledged by the Technical Working Group that regional variations in applications or acceptance rates may mask or proxy other factors such as area related variation in the quality and volume of existing second level educational provision, or the socio-economic profile of a region.

Two possible supply-side effects were identified in relation to the location of higher education institutions. These were:

- The direct economic effect through a re-distribution of resources and employment between regions;
- The effect of an institution in stimulating regional economic development and enterprise.

The group rejected the re-distribution argument as a basis for

locating higher education institutions on the grounds that there are other, more effective ways to re-distribute resources. In relation to colleges as stimulants to enterprise, the group suggested that the developmental impact of such institutions takes considerable time to become established. Also, the effectiveness of an educational institution will depend on the state of regional development already attained. Although the group accepted that the presence of an institution can improve the image or attractiveness of a region to entrepreneurs, they referred to their own detailed sectoral analysis which failed to reveal any systematic relationship between business start-ups during the 1980s and the distribution of higher education facilities. However, this should not lead us to dismiss the supply-side influence of educational investment on regional economic development over a longer time period.

On the demand side, in relation to access and admission to higher education and basing their analysis on the 1994 Regional Authorities, the group's analysis of the origins of students found that the pattern of demand was, not surprisingly, a complex reflection of social and spatial factors. Principally:

- The West region had the highest admission rate for degree or diploma/certificate courses, influenced by above average leaving certificate enrolments;
- The West, South-West, Mid-West and Dublin had higher admission rates for degree courses than other regions;
- The Dublin region had relatively low certificate/diploma admission rates, a fact influenced by particularly low rates in disadvantaged areas of the region;
- There was considerable internal migration, across regions to avail of all types of third level places.

The last of these findings led the committee to consider regional quotas for the provision of diploma and certificate courses provided by RTCs and the DIT. It did not apply the same thinking to degree courses, arguing instead that universities usually fulfil a national as well as a regional role, by virtue of unique strengths in certain specialist fields.

The group, therefore, concentrated on demand side rather than supply side factors as more relevant to decisions about the location of further education institutions. Not only regional factors, but also

sub-regional factors and, in the urban context (particularly within Dublin), more detailed locational factors, such as variations in unemployment rates, were considered to be important and were taken into account.

The group made specific recommendations for:

- Increased provision at diploma/certificate level in Dublin and the east in disadvantaged areas on the fringe of the city, particularly around Finglas, the Crumlin/Ballyfermot/Clondalkin area running westwards, and the south-east area covering Sallynoggin, Ballybrack, Shankill and Bray. Parts of these areas will be satisfied by existing facilities, for example the new RTC in Tallaght, and the group recommended a differently calibrated response to needs in each area;
- Additional degree level facilities in the South-East region, specifically an upgrading of the RTC in Waterford to a technological institute, though not to a university, since the objective would be to provide additional and sufficient diploma/certificate courses;
- The case for an additional RTC in County Mayo was rejected because admission rates are already high in the West region and scope for expansion is therefore limited;
- A proposal for a new type of college in Tipperary was considered to be outside the group's terms of reference because the scope of the institute would go well beyond that of a conventional RTC, and therefore would involve Government departments other than education.

The group also considered the participation of socially and economically disadvantaged students in third level education. Their recommendations here were not specifically regional or spatial in character, but concentrated on the impact of prior educational history as well as socio-economic conditions and cultural factors in influencing eventual participation in third level education. In this context, they argued that the existing level of maintenance grant is inadequate. They recommended a quota of reserved places for students from disadvantaged backgrounds and the provision of access courses to facilitate the take-up of these places.

Skills, Training and Regional Development

In relation to the development of human capital, and its potential for attracting investment into urban centres at regional level, it is important to avoid concentrating human resources investment in types of education which serve purely as a conveyor belt for those who can afford it to leave the region. The development of skills is not confined to regional colleges. It is necessary, therefore, to assess the adequacy of training provided by FÁS in responding to skill shortages by providing appropriate skills within different regions. FÁS's own regional structure and its participation in the Skills Shortages Monitoring Group provide important mechanisms at both regional and national levels in addressing these issues. This must complement the improvements in general education, higher education and technological skills if the full potential of regions is to be realised.

Provision of Educational Facilities

The provision of educational facilities entails inherent spatial hierarchies, involving selective location of higher level colleges on a regional basis, related to actual or achievable settlement patterns. However, the strategic location of third level colleges needs to be exploited through the development of linkages with companies which may have specific requirements if they are to invest in a region.

Another important issue is the extent of linkages and flows between centres of higher education and specialist learning, on the one hand, and more dispersed, "universal" primary and secondary educational services, on the other. The notion of a regional and sub-regional hierarchy of services could be relevant in making such linkages a reality. Closer ties between the regional institutions and the first and second level schools of the region could possibly contribute to stronger attachment to a region among school leavers. Moreover, regional colleges could promote an interest in the courses they have on offer, particularly where there might also be career openings in the regions for graduates of such courses.

In addition, as O'Shea (1996) points out, life long learning and adult education is increasingly a necessity but remains an inadequately recognised and poorly developed feature of the education system. Greater out-reach provision and openness, in higher education, to a

broader, adult education approach might entail further spatial adaptation. Here, the sharing of resources, such as buildings and tele-communications equipment for educational purposes, could be explored in order to achieve efficiencies without sacrificing local services.

At the same time, distance increases the cost of providing special facilities, pre-school facilities, remedial teaching facilities, and indeed certain basic facilities in national schools. Other aspects of education, particularly adult education, also tend to suffer. These problems point, once again, to the need for innovative solutions, with, in particular, the development of a local structure or mechanism to achieve the best outcome through a partnership between community interests and the providers of education and training services.

3. HOUSING AND TRANSPORT

(i) Housing

Housing and settlement are inextricably bound up with one another. Every time a new household is created a need for accommodation arises. To what extent is accommodation need a function of population growth or distribution? In spatial terms the provision of new accommodation must respond to the process of urbanisation. Changing population size, however, in towns and cities, is not the only factor driving housing demand. In the 1960s and 1970s the fastest growing type of household comprised married couples with children. Housing provision, and the provision of publicly funded housing in particular, tended to be defined relative to this growth pattern, which largely reflected population growth. The main options were owner occupation or local authority rental of 'standard' units. More recently, the pattern of housing provision has become more complex, with an increasing number and proportion of small households, comprising single parents or single persons. In addition to standard housing provision by local authorities, to meet the needs of 'standard' families, new types of social assistance or support towards the provision of accommodation in various forms is now important. Responsibilities of housing authorities, as previously defined, need to be adapted to provide support for new

types of tenure, such as are provided for in the 1988 Housing Act and more recent housing policies.

The constituency in need of social housing is changing. Many, who once occupied local authority rented housing, have now purchased their homes, while many in need of accommodation, such as the homeless, Travellers, people with transient needs for temporary accommodation, or those with short term financial difficulties, require new and varied kinds of assistance. However, not all social housing need is adequately identified or obvious to providers. Fahey and Watson (1995), in their analysis of social housing need in Ireland, have suggested that it is wrong to view housing need and social policy as "distinct and sequential entities". They suggest that housing need has tended to be defined narrowly because of the segmentation of responsibility for the subsidisation or provision of such housing. They, therefore, argue for a broader definition of housing need which, in turn, requires a more co-ordinated needs centred response. The spatial aspects of this diversity of urgent need inevitably cut across regional and sub-regional areas. However the provision of housing is in addition a very local responsibility: there are almost 90 statutory housing authorities throughout the state. This creates another dimension to the problem of meeting need in a comprehensive and co-ordinated way.

Urban Housing Costs

Housing problems associated with urban settings arise due to rapidly increasing prices which particularly affect young first-time buyers. This problem is acute in the East region and is to be the focus of a study for the Department of the Environment. This is an important initiative since the house price boom may well pose problems in relation to sustaining high rates of economic and employment growth.

Regulations governing zoning density and the supply of zoned land are frequently identified as contributing to the radical increase in new housing prices. The supply of zoned land is not merely a matter of rezoning additional land; it is important to consider the constraints on the development of land that is *already* zoned for residential use. If it is considered that further rezoning is required, this should be done only in the context of a strategic plan in which the development of new housing is co-ordinated with the supply of

public and private services, public transport and access to employment. In the East region this needs to be done on a regional basis, given the interdependencies between the counties involved (see Section 5 below).

Housing Dispersed Population

Housing presents particular problems for policy in open country areas. These are particularly acute when housing is occupied by people in dwindling socio-demographic groups, for example single elderly farmers on small holdings with very old and poorly serviced housing. Furthermore the prospect of poor housing or inadequate facilities is a deterrent to settlement. The upkeep of housing in rural areas may be important in preserving some aspects of a valued way of life in the long-run, or in the adaptation of such areas.

Innovative approaches have been applied, with some success, to the problem of maintenance and repair of old housing, often accommodating elderly people, in rural areas. The Task Force on Special Housing Aid for the Elderly, for example, by bringing together local authorities, health boards, FÁS and community interests, has contributed significantly to the improvement of the housing conditions of thousands of elderly people in private accommodation.

More recently, the promotion of social housing on the basis of public subsidies to voluntary and co-operative housing organisations, has provided a platform for diverse solutions to housing need among vulnerable social groups, such as elderly people, people with disabilities, single parents etc. The success of such schemes in rural and urban areas is worthy of specific exploration. Hardly in existence prior to the mid 1980s, the voluntary and co-operative housing sector has grown up in a wide variety of areas of special need and has the potential for further development.

(ii) Transport

Poor access to transport is as often as much a function of low income and diminished resources as of physical remoteness. Access to transport exemplifies the fact that deprivation in rural areas is cumulatively based on social, economic and demographic – as well

as – spatial factors. As summarised in Chapter 2, Jackson and Haase (1996) described several zones. They showed that, in addition to the more affluent fringes of urban centres, there are also transition zones, extending well beyond the immediate environs of urban centres but within reasonable range of an important urban borough. Obviously, many of those with adequate transport living in these areas are within striking distance of places of employment or service provision in bigger urban centres.

From another perspective, Fahey and Murray (1994) surveyed almost 1,000 people aged 65 or over during 1993, and compared their findings on access to and usage of private and public transport with a previous survey in 1977. Among people over 65 in rural areas, 44 per cent had no car in the household, 48 per cent had no public transport available and almost 22 per cent had neither a car nor access to public transport. In urban areas, by contrast, only one per cent had no access to public transport, while 57 per cent had no car in the household, and less than one per cent had neither car nor access to public transport. Much higher percentages of urban (56 per cent) than rural (17 per cent) respondents reported using public transport for most journeys.

When the issue of equitable access to public services is considered in a spatial context it leads to a discussion of transport because transport is a key means to accessing public services. However public transport is also itself a public service. That is, access to transport is provided by public transport services. This gives public transport a critical social dimension, apart altogether from the specific purpose or destination of the user. Specific issues in relation to public transport that require creative solutions include how to combine the criteria of efficiency and equity of access to public transport. This arises in various guises, including the necessity of efficient public transport as a means to achieving equitable and acceptable standards of provision, which is very important to the quality of life of both urban and rural commuters.

Transport problems in urban areas arise less in relation to availability or access than in the context of traffic congestion, the efficiency of public or private transport and environmental consequences. There is an issue of equity here too in the sense that people are entitled to expect a reasonable standard of public transport, and not merely a reasonable availability. Linking quality of outcome into the definition of public service provision is

applicable to transport, as in other services. Efficiency in public transport in larger urban areas is also a key to their competitive advantage as locations and their attractiveness to investors and commuters. In this context, the outcome of current CIE Proposals for light rail in Dublin and the review of alternative options currently underway will have important long term effects on commuting and settlement patterns in the region.

Transport problems in rural areas are a recurrent theme. Several studies (O'Mahony, 1986; Byrne, 1991; Cawley & Stephens, 1986 and Lightfoot, 1995) have drawn attention to the impact of dispersion and transport costs on access to services and centres of service provision. Harvey (1994) has identified the lack of an integrated approach to rural transport policy as a key policy deficit, particularly as successful models have been developed in other countries. Lightfoot (1995) argues that the cultural context of organisations influences their perception of what constitutes a rational solution. The development of a rational transport policy must address issues of efficiency from the perspective of actual locations and settlement patterns as well as that of the transport sector, or national transport companies. Indeed, most forms of public transport require subsidisation. The issue is how to translate such subvention into part of a coherent approach that is sensitive to practical problems of access and mobility in rural areas.

Efficient solutions to problems of unequal access, as for instance in rural areas, are also possible. Solutions to the transport of people in rural areas could become more efficient if they took more account of local possibilities and requirements. This requires local level problem solving with the fullest involvement and co-operation of the relevant national provider organisations. Without this there is a real danger that 'rational' solutions are defined with regard only to national economies of scale, and without sufficient attention given to the scope for local level economies to be achieved in a way that also furthers equity. LEADER Groups and rural Partnerships could play an important role in promoting innovative transport solutions in rural areas.

4. INNOVATIVE MEASURES TO MATCH PUBLIC SERVICES AND SETTLEMENT PATTERNS

(i) Piloting New Solutions to Service Delivery in Areas of Low Population Density.

Public service provision in rural areas poses special difficulties. Many service providers have argued for, or implemented plans to achieve, greater scale economies and efficiency. These measures are justified on grounds of falling population density, declining use of existing services, or simply a lack of viability of existing service distribution. Against this, local representatives and those concerned about particular groups such as older people, those without private transport, those who need social services etc., argue that such measures can lead to a depletion of the already limited range of services, harmful welfare effects and even further population decline.

Increasingly, this type of challenge has posed the need for new solutions whereby the costs to providing agencies can be pooled in some way. The sharing of resources, such as a premises, may facilitate bringing together the services of several national agencies (health services, information services, grants for local development, retail, banking or postal services, social welfare payments etc.), at reduced cost. The Council, in its report on rural development, recommended that experiments along these lines be piloted in rural areas (NESC, 1994, Report No. 97). On foot of this recommendation the Minister of State for Western Development at the Department of the Taoiseach implemented a pilot programme to "actively explore the most appropriate model for a unified location based approach to integrated service provision in rural areas with declining population". (Communication from Department of the Taoiseach, 1997).

The pilot programme – "Rural Renewal: An Integrated Approach to the Provision of Public Services" – is based on a number of proposals selected, following a consultative and advertising process, by a Steering group from the Departments of the Taoiseach and Transport, Energy and Communications, and a consultant from Maynooth College. The Committee will oversee the implementation and evaluation of the selected projects, each of which will be

supervised by a local Management Committee representing both public service providers and users.

The seven projects covered under the pilot programme are listed Table 5.1. There was also a proposal to have a rural transport project, not included here. They are regionally dispersed and

TABLE 5.1

Projects under the Pilot Programme for the Provision of Public Services in Rural Areas

Name	Agencies Involved	Purpose
Sligo Rural Renewal Project	NWHB, Sligo Co. Council, Sligo Leader, ADM, Teagasc, Dept. SW.	Public Services Information
Feakle / Cranny Community Service Project	Clare CEB, Rural Resource Development Ltd., Feakle Community Council, Clare LEADER Programme.	One stop shop offering services to enterprise, animation and social & public services to communities within 10 mile radius.
Rural Post Office Project, Kilimihil Co. Clare & Ballyheigue, Co. Kerry	An Post, Irish Postmasters Union, Regional and Local Level Public Service Providers.	Using post office premises to enhance and expand service provision such as information, bill payments, banking services, community services, tourist information.
Aiséiri, Lisacul, Co. Roscommon & Killmovee, Co. Mayo.	Statutory Agencies, Community & Voluntary Organisations and Service Users.	Integrated & co-ordinated supply & delivery of public services in the area.
Islands Distance Learning Project on the Galway Islands.	Local Community, Statutory Bodies.	Distance learning for adults & second level students on the Galway Islands.
Kells (Information) Project, Co. Meath	Meath Co. Council & Others.	Provision of Local Authority & other types of service information at locations throughout the county.
Public Service Initiatives Directory.	Maynooth College.	Provision of a directory of initiatives being undertaken by public authorities, state agencies or voluntary bodies in response to the challenge of providing public services in remote rural areas.

include a wide range of initiatives, for example, information and education services and initiatives directed to enhancing the provision of public services locally.

An Interim Evaluation Report has been delivered to the national steering group recently, which points to the strengths and weaknesses of the pilot programme. This evaluation points to the need to grasp the importance of achieving economies through coordinated action across the statutory and community sectors. As in other contexts, the pilot projects point to the difficult but unavoidable task of bringing about better partnership between statutory and voluntary/community interests at local level. The report points to the danger of such projects becoming tokenistic exercises in what are seen to be declining communities rather than as an opportunity for rural renewal and a clear focus on the self sustainability of such projects.

(ii) **New Initiatives in Deprived Urban Areas: URBAN**

URBAN is one of several Community Initiatives co-funded from the current tranche of Structural Funds up to 1999. It was ratified by the Commission in June 1994 and, like other Initiatives, URBAN is distinct from funding under the Community Support Framework. The URBAN Initiative is predicated on the observation that social problems such as unemployment, poverty, low educational status and decaying infrastructure are frequently highly concentrated in local areas – even in otherwise affluent cities and towns. The purpose of URBAN is to support the piloting and evaluation of innovative projects for economic and social rejuvenation in depressed urban areas in cities with populations over 100,000 as part of integrated action plans for those areas. Under its own operational programme it provides for grant aid and expertise in support of local business development, skills training, social service provision, drug rehabilitation, local crime prevention, environmental and amenity improvement.

Following the launch of URBAN the Irish government, through the Department of the Taoiseach, successfully proposed that the Initiative be implemented in three locations, two in Dublin and one in Cork. A special operational programme was proposed to the Commission by the Department in 1996 covering the following three areas:

- Finglas, Darndale and particularly the Ballymun area of North Dublin;
- The West Tallaght/Clondalkin area in South Dublin;
- The North side area of Cork city.

The total funding for the three projects over the 1995-99 period is projected at £21 million, of which 25 per cent is funded by the Irish government and the remainder by the European Social Fund and the European Regional Development Fund. Each of the areas selected produced an action plan in January 1997, which identified needs, set out aims and objectives, outlined a strategy and itemised a series of actions and responsibilities with a view to implementing the initiative and reviewing progress and achievements.

An important aspect of the URBAN initiative in the Irish context is that each area has drawn up its action plan following consultations between local authorities, area-based partnership companies, county enterprise boards and other interests. Given the limited remit of local authorities in Ireland, as compared with other EU member states, the prior establishment of the area-based partnerships in particular would seem to be critical. They constitute a mechanism for co-operation and partnership between public, private voluntary and community sectors with an interest in local development and their experience of applying an area-based approach has pointed up the need for targeted initiatives in the worst affected parts of the catchments for which they were responsible.

A feature of the URBAN action plans, which distinguishes them from the Area-Based Partnerships, is a much stronger emphasis on neighbourhood development and a consequently greater emphasis on the active involvement of the local authorities. This is particularly important, given the profile of urban neighbourhood deprivation outlined in the CODAN studies and described in Chapter 2. In one of the action plans, the profile of the URBAN project area is characterised by 73 per cent unemployment among principal earners, 26 per cent lone parenthood, 100 per cent living in local authority housing, inadequate physical environment with bleak 'prairie style' public spaces/green areas, high levels of crime and vandalism, households which are mainly young, new families, over 35 per cent in the under 15 age group, a substantial and disadvantaged Traveller population, widespread educational disadvantage and a lack of social, health, sports and cultural

services, and rundown shopping centres with empty units (South Dublin Urban Initiative Group, 1997).

Thus, the URBAN initiative, in addition to targeting the most socially disadvantaged urban groups, provides a context for addressing their needs in a more rounded way, that is not merely in attempting to promote employment but also through a wide range of other local activities. Eligible actions are classified under the headings:

- Employment/Enterprise Development;
- Training and Education;
- Community Infrastructure;
- Children and Youth;
- Environment;
- Community Development.

The three areas selected under the URBAN initiative in Ireland also illustrate the importance of specific circumstances which differ between deprived urban areas. The Tallaght/Clondalkin area is a recent development, the Ballymun/North Dublin Area dates from the 1960s at least and has a unique environment comprising modernist flat complexes, while the North Cork city area comprises several communities which have evolved over a longer time period including inner city and suburban developments. Thus, while there are certain shared defining characteristics that differentiate these from other urban areas, there are also unique features: a locally concentrated approach offers the possibility of addressing such problems in a way that is sensitive both to the needs and possibilities of these different communities.

(iii) Rural Resettlement Ireland: From the Particular to the General?

It is evident that although there are common features to poverty and deprivation in both urban and rural areas the precise characteristics of such deprivation vary. In the typical deprived urban area the population is relatively young, there are high levels of unemployment, schools are full but there is a high level of non completion of second level education. The areas in which

unemployed and poorer people typically live are dominated by local authority housing, poorer amenities and in many cases a high level of crime or vandalism. By contrast, poverty in rural areas tends to be associated with a loss of the younger and more educated cohorts of working age, a demographic structure which is characterised by high levels of old age dependency, a growing imbalance between educational services such as primary schools and population due to high levels of out migration and dispersion, with a consequent difficulty in filling schools or justifying the provision of public services.

Rural Resettlement Ireland, founded in 1990, has sought successfully to transform these contrasting sets of needs into complementary sets of possibilities. Having observed a tendency over previous decades of resettlement by skilled craft workers from urban centres to rural, coastal or western areas, the founders of Rural Resettlement sought to promote this trend by availing of the stream of accommodation which becomes available due to death or emigration in rural areas. By providing such accommodation rural resettlement has made it possible for many young families to migrate from relatively deprived urban environments to what for them is a generally attractive rural environment. Thousands of people have applied for places under the scheme, and some three hundred families have been accommodated since the scheme began. In this very direct way a resettlement scheme has contributed in a small way to alleviating the problems experienced by some families in urban areas while also helping to sustain rural communities suffering from population decline, for example by enabling schools to remain open and providing some additional demand for services in rural areas.

The rural resettlement scheme may also stimulate the movement of people with special skills to rural areas, although these would not, perhaps, require the support of a scheme and would, to some extent at least, depend upon the existence of a market for their goods and services. Thus, in a sense, the rural resettlement programme works precisely because there are contrasting problems arising from rural population decline on the one hand and urban deprivation on the other: the silver lining of a cloud.

While it would, of course, be utopian to suggest that policies can be devised to reverse the broader trend of migration from rural to urban areas, there may be some potential for promoting resettlement of

other groups, for example emigrants wishing to return to Ireland, who are quite numerous. Once again, however, returning migrants tend to respond to pull factors in the labour market, and to that extent are drawn to centres of employment. Retirement migration, which represents another part of Irish counter-migration, has been found to be relatively limited if stable over recent decades and, in so far as older people may require more health services than others, these returned emigrants may also be drawn to larger population centres. Another possibility is that, apart from the attractions of rural Ireland for craft workers, new technology allows the establishment of 'micro companies', that is companies which offer services via computers and computer networks. While these would appear to be no more than a diverse group of niche markets, collectively they might contribute in small but locally significant ways to rural development.

It has been argued that policies should actively intervene to bring about a slowing down, stabilisation, or even reversal, of the tendency of population to accumulate in the 'East' at the expense of the 'West'. Proponents of such policies usually highlight the kinds of contrast also identified by Rural Resettlement Ireland, but do so with a view to changing overall settlement patterns, such as achieving a cessation of population growth in parts of the East and a return to population growth in parts of the West, particularly to sub-regions or sub-county areas, which have suffered population decline. Caution is necessary in relation to these ideas. As stated in Chapter 1, the evolution of settlement patterns is subject to complex processes involving the decisions of households and enterprises, and it would prove extremely costly and possibly utopian, for a Government to attempt to cut against the grain of these processes in any sweeping fashion.

There are, of course, many things which Government policy should address, for example in relation to achieving coherence in the matching of infrastructural development and settlement patterns, and in industrial development policy. Also, in the context of cities, where the problem of traffic congestion and excessive demand on infrastructure is frequently highlighted, there are obvious diseconomies and negative consequences for the quality of life which must be addressed. Indeed it may well be that current policies pertaining to the development of infrastructure in urban areas and transportation planning in general must go further if they are to

respond to anticipated needs. However, there are also potential diseconomies and inequities entailed in the planning of infrastructure premised on the belief that this will substantially change centralising patterns and trends in settlement and the location of industry. There must of course be a regional dimension to infrastructural planning but even in the context of tackling regional population decline the solutions will inevitably involve considerable redistribution of population share from rural areas to urban centres and in particular to some more rapidly growing regional or county towns.

The policy of Rural Resettlement Ireland, therefore, is instructive not only in so far as it shows how some contrasting rural and urban needs can be transformed into opportunities but also because it is in many senses an exception that proves the rule. Even within counties within the West there are contrasting population movements, with the city and county areas of Galway representing one of the clearest contrasts. The imposition of incentives and disincentives or the application of regulations have validity, but even these must seek to cut with the grain, and sometimes this will mean the growth of a county or regional centre at the expense of its hinterland.

5. DEVOLUTION AND CO-ORDINATION

The previous section concentrated on a range of micro-level initiatives to achieve more effective matching of need and resources. Here we review and consider the issues of institutional innovation arising from proposals to devolve more responsibility from national to regional and local level.

The thrust of the Devolution Commission agenda is to establish as much public service planning, administration and control at the most appropriate level and as close to the service user as possible. This flows from the principle of subsidiarity, which has both a philosophical and economic content. Its philosophical content involves local self-reliance, control and responsiveness tailored to local needs, while its economic content derives from avoidance of unnecessarily centralised bureaucracy, the concentration of resources on front-line service delivery staff, possibly involving a sharing of overheads on an area basis between different local service providers. Its principal objectives are greater local enfranchisement, improvements in services and cost savings arrived

at through greater local co-operation between service users and providers.

The Devolution Commission

A government statement of July 1995 announced the establishment of a Devolution Commission to examine the possibility of enhancing the role of local government. The Devolution Commission was requested to examine the scope for devolving functions from national to local level and for developing co-ordination between local government and local development initiatives. The Interim Report of the Commission, (1996), focused mainly on the issue of the interaction between local government and local development and recommended the establishment of an integrated local government/local development system, with effect from the year 2000 (when the current round of Structural Funds ends). It recommended that the new integrated system should operate at three levels:

- Regional level – where authorities would have mainly co-ordinating functions which could be broadened to take account of developments in the regionalisation of public services and the progression of the Devolution Programme;
- County level – where, under agreed government policy, the County Councils would continue as a primary unit of local government with an elected membership and a broader remit covering devolved functions, the local development function and other public functions that impact on the counties;
- Area level (below the County level) – where organisations would have community related development functions in their own right, a requirement to take account of county level plans, and membership to include relevant local councillors, participants from community organisations, and relevant social partner representatives from the area.

The Commission recommended that authorities at all levels should operate on the basis of an integrated development plan prepared on a rolling basis and to coincide with the National Development Programmes and the EU Structural Funds Programmes. It is stated that all relevant agencies and bodies receiving public funding should contribute to the drawing up of these plans.

These recommendations would appear to leave the regional authorities primarily with a co-ordinating function but would imply significant changes in terms of local development by enhancing the role of local government in local development at county level. Other organisations would continue to have a community development function below the county level.

The government statement in response to the Interim Report requested that the Devolution Commission accelerate its analysis of additional powers and functions which might be transferred to local authorities. At the same time the Minister for the Environment was asked to make recommendations on how to express the distinct role of elected members relative to the officials of local authorities engaged in public service delivery and socio-economic development at local level. The Minister was also asked to draw up frameworks for partnership and co-operation between local authorities and local development organisations. Other government departments were asked to consider devolving additional functions to local authorities as part of the Strategic Management Initiative.

The Second Report, considered by the Government in August 1997, followed a period of consultation with Government Departments about functions that might be devolved. It proposed that the focus should be on developing existing local authorities into multi-purpose bodies responsible for an extended list of functions and service administration, at county level in particular. The objective would be to bring together, under an accountable local administration with a 'cabinet' style of operation, all those functions and services which are organised and provided at this level but which currently are run from separate, central agencies or Government Departments.

The Second Report of the Commission did not reach conclusions on precise functions to be devolved. Instead, in order to extend the range of functions, a phased approach is envisaged, through, firstly, the piloting of one-stop shops in five areas; secondly, fostering a local input to policy in relation to all services being administered locally; thirdly, the sub-contracting of service administration to local authorities by national bodies and, finally, the transfer of full responsibility to the local level. In its response of 29th August 1997, the Government endorsed this central recommendation and the phased approach proposed by the Commission, but subject to the need for central policy-setting on certain matters.

The implications of the Devolution Commission reports for a more integrated local development strategy could be particularly significant in achieving better co-ordination and resource management in those counties which tend to suffer most from the local fragmentation of services and functions and the local power vacuum created by centralised and functionally separate decision-making. In terms of devolution the obvious attraction of the local authorities is the existence of an established system of direct election and public accountability which does not exist at other levels, such as regional level. The issue then ostensibly becomes how to devolve functions – as distinct from powers – to this level of the political system.²

Devolution and Co-Ordination in the East Region

Despite the continued validity of the principles underlying devolution, its application is somewhat different in a built up region where the main urban centre exercises an ongoing influence on areas outside the county boundaries, and expands into other countries. At that point other counties have an interest in influencing planning in the county with the main town.

The East region in particular is characterised by this complex situation. Indeed, the distinctive character of settlement patterns in Dublin city and its built-up suburbs and surrounding areas distinguishes this region from the remainder of the state. Such a phenomenon is not unique by international standards. Recent research funded by the European Commission comparing London, Lisbon and Athens, for example, highlights similarities between the problems of capital cities and their environs, which are relevant to Ireland (Mottershead 1994). The common concerns identified in this comparative research have been grouped under several headings: the labour market; housing and land prices; transport; environment, and social problems. In one way or another the research confirms that none of these aspects could be addressed satisfactorily without concerted and strategic planning for the city

² Attempts have been made to distinguish between powers and functions, for example, on the basis that powers imply local discretion whereas functions involve no local discretion. In practice, it is more complex than this. For example, the presence of political authority at local level does not imply that local authorities necessarily have discretion in relation to the services which they administer.

and the surrounding region as a whole. Most surrounding local authorities in these regions tend to be forced into a reactive mode, subject to the powerful effects of bordering the busy hub of national life. The research identifies the need to address the problems faced by regions such as these in two ways: by developing strategies to meet the needs and aspirations of these surrounding areas themselves; and by giving more influence to the surrounding areas in relation to the planning of the region as a whole. The objective would be to change a relationship of dependence into one of interdependence between the surrounding localities and the central city. It is difficult to see how any major issue of economic development, service provision, infrastructural investment or town planning in such regions can be devolved without regional co-ordination of the sub-regional authorities.

Applying these insights to Dublin and the East region would require that we acknowledge the unique regional character of the capital city and its surrounding areas and counties. It forms, for example, a single major labour market with an expanding commuter belt. The road networks and transportation system are largely radial in character, reflecting the central location of business and employment for the many commuters who reside in the surroundings. Rising property values in the city tend to propel commuters to move further outwards and also exercise upward pressure on house prices in the surrounding areas. This puts increasing demands on local authorities in the surrounding counties to facilitate such expansion and provide services, but sometimes without much control over events. The infrastructural demands of the capital city region are considerable. Rigorous co-ordination is essential in order to avoid investment in services that might either lie idle or rapidly become congested.

It might be argued that such a co-ordinated strategic regional approach would further exacerbate the dependence of the surrounding localities on the centre as, for example, might result from the apparent subordination of local town and county plans to the regional plan. However, this need not follow, as long as all surrounding areas have a direct influence on an accountable regional planning, development and administrative authority. In fact, the prospect for improved provision in the surroundings should be enhanced. For example, transport within and between suburbs remains considerably underdeveloped, largely arising out of the radial patterns generated by the capital city itself. In addition, the

promotion of the surrounding areas as alternative locations for economic activity could counter the tendency for them to function mainly as dormitory towns. Furthermore, a range of health, education, social and leisure services tends to be skewed towards the centre in capital city regions like Dublin. A strategic approach to the region could ensure that a number of satellite locations in each surrounding county would be promoted more actively as focal points for economic activity and public service provision. These would, in addition to providing a rational approach to service distribution, also provide the necessary bedrock for the survival of valued local identities.

The East region is deeply interdependent and must be governed, developed and serviced as such. This does not mean the absorption or merger of local authorities but developing a much stronger regional co-ordination apparatus for the region as a whole. For the local authorities in the sub-regions of the East there must be a greater influence on the regional planning process as a whole. But once the regional guidelines are agreed they should be adhered to locally, at county and sub-county level.

6. PUBLIC SERVICE AND SETTLEMENT PATTERNS

In this section we attempt to draw together some of the general issues that have arisen in the context of specific public services. We first comment on the reciprocal influences between service provision and settlement patterns. Then, with the main focus on the responsiveness of services to settlement and need, we explore spatial aspects of achieving an efficient and equitable distribution of public services.

(i) Reciprocal Influences of Settlement and Public Service Provision

The spatial distribution and organisation of public services may be considered both from the perspective of their influence on settlement patterns (supply-side) and as a response to existing settlement patterns (demand-side). From the perspective of settlement, certain forms of public service provision may be more readily considered in terms of their importance to the supply-side or demand-side. Although it is possible to divide public services into those which

mainly respond to existing settlement patterns and those which shape such patterns, this is usually a matter of degree and most services should, in principle, be considered from both perspectives. This is particularly the case with a range of infrastructural services such as roads, electricity and other initiatives. The issue of whether supply or demand is more relevant depends on the specific nature of the service. From the perspective of influencing regional development and settlement patterns, supply side influences are of interest in that they may be viewed as, in part at least, instruments of regional or local policy. An example of services with a definite supply-side relevance is regional development agencies, such as SFADCO and Udarás na Gaeltachta.

On the other hand, in so far as geographical organisation of services is a response to demand for these services, the issue of influencing regional development would appear to be less important than that of equity and effectiveness in organising services to respond to local demand. From this perspective, settlement patterns and the pre-existing level of regional development influence the location of public services. Examples of services with demand-side primacy include education, health and community care services for dependent people, and transport services. The effect of these services is mainly on the welfare (e.g., health or education) of users.

(ii) Efficiency, Equity and Location

A major issue in relation to the spatial distribution of public services is the need to meet two simultaneous demands between which a conflict is often perceived. These are:

- Equitable and just distribution of services, regardless of location;
- Efficient use of resources, which dictates certain economies of scale.

Tension between efficient and equitable public service provision usually tends to arise in relation to those very visible services which respond, or are perceived to be failing to respond, to the needs of existing population distributions, that is basic education, health and social services, housing, public amenities and a range of public quasi-consumer services such as postal, post office, public information and advice, and transport services.

In the context of rural development policies, Commins and Keane (1994) have suggested that there is a relative dearth of empirical studies of services in rural areas, particularly on the trade-offs between efficiency and equity, and a scarcity of information on the dynamics governing the provision of certain services at one spatial level rather than another. As a consequence, it is often difficult to arrive at persuasive conclusions on the most appropriate trade-offs.

The problem of social service provision in rural areas has been explored by O'Shea (1996) in the context of a review of poverty issues in rural areas. He notes that the consideration of service provision in rural areas usually centres on the inevitable trade-offs between efficiency and economies of scale, on the one hand, and, on the other, considerations of equity – in this context spatial equity. While accepting that efficiency is a key consideration, he argues that efficiency considerations tend to be given automatic consideration, while the issue of equal access is often relegated, without sufficient attention.

O'Shea argues principally, although not exclusively, on equity grounds, for a review of service provision in rural areas, and suggests that people in rural areas are at a disadvantage from the outset in having fewer choices available to them: frequently they do not have the range of health or educational services or the same opportunity as urban dwellers to choose between alternative providers of health or social services; they often have to contend with the historical legacy of their rural location, and with limited access routes; they may be bypassed by public transport services; they may live in very old housing stock which is sometimes lacking in basic amenities, and, while ostensibly sharing in national schemes that confer entitlements on certain categories of people regardless of location (such as free travel, medical cards or free education), they may not be able to avail equally of such entitlement due to their location. While accepting the necessity for efficient use of resources, he concludes that innovative approaches should not be foreclosed on the basis of narrow assumptions regarding the benefits of centralisation. This is an important conclusion that calls for an imaginative approach to problems of population dispersion and access to services.

Equity: A Social or Spatial Issue?

Equity pertains to the provision of equal access to public services, usually on the grounds that many such services are basic requirements or entitlements that people should not be without and that define social inclusion. Access to public services is rarely denied solely on grounds of geographical distance. It is typically a combination of distance and other circumstances such as old age, poverty, ill health, lack of income or other resources, such as private transport, that denies someone in a rural area access to public services. It may be more appropriate to treat distance from services in rural areas as one facet of a cumulative process of social exclusion.

As was shown in Chapter 2, several studies of poverty and deprivation confirm that it has a very complex spatial expression. The efficient provision of public services should be pursued in conjunction with appropriate measures to counter inequality of access. This may require policies which, in addition to countering the effects of social exclusion, also address the spatial complexities of such exclusion. Thus, many choose to live at some distance from workplace or services but, because they have the resources to overcome the problem of distance, such "remoteness" presents no problem and may be valued. Conversely, there are many examples of people living in close proximity to services or sources of employment who, for want of other resources, are unable to access them, as applies to people in many deprived urban areas.

An important issue in relation to public service provision is the notion that services ought to be provided on the basis of need rather than ability to pay. This rationale may underpin forms of cross-subsidisation that may exist, between postal, telecommunications and water services users in different locations. In the post-World War II decades, utilities such as electricity, gas, water, telephone services, health care and education were seen as goods to be made available to all on the basis of a common payment structure. Indeed the recent tendency towards privatisation of such utilities in some countries, most notably in the UK, the attempt to make prices more reflective of the economic cost of providing a service to a particular user, and the deepening of competition in such areas through the EU, draws attention to how much we have previously accepted that those who do not live within easy reach of such goods and services should not necessarily be obliged to cover the additional costs

associated with remoteness. This issue was explored in Chapter 4 in relation to telecommunications where it was shown that marginal users in high density areas as well as those in rural areas could be affected by liberalisation.

Efficient Public Services: Economies of Scale and Scope

A key principle of economics is that the production of goods or services on a large scale can prove more efficient than production on a small scale to the extent that the same fixed overheads are spread across more units of output. In other words, scale economies depend on the full potential of fixed capacity being utilised. Economies of scale arise even where the issue of distance and space does not. However, distance and space might be considered in terms of economies of scale too. Delivery costs are affected by the cost of transportation of goods, which varies directly with distances and terrain. These costs might be reduced by lowering the cost of delivery or improving the efficiency of transport. Alternatively, the problem can be addressed by effectively shortening the distance between service producers and users. Thus, economies of agglomeration may cut out much of the delivery problem, simply by reducing distances to be covered by transport and other infrastructural networks.

Other infrastructural costs can also be reduced by shortening the distances between producers and consumers, workers and workplaces, and between firms. For example, lower telecommunications overhead costs can be expected where there are shorter underground ducts, able to carry greater densities of lines to more customers. The same applies to the infrastructure needed to provide electricity, natural gas and water to households or to provide waste collection and sewerage processing services.

In addition to the cost savings from economies of scale, research findings on high skill, high technology service provision suggest that quality of outcome improves with volume. For example, more frequent provision of certain specialised surgical procedures by the same team enhances quality by improving the success rate. This, too, suggests that it is better to centralise such services than to provide them in several centres where the procedure is carried out infrequently. Furthermore, it has been noted that where such services are dispersed there are considerable variations in the level

of delivery. Thus, not only the reliability of outcome but also the reliability with which need for a procedure is identified can vary when provision is dispersed (Luft et al., 1990; Rohrer et al., 1997). These are very important arguments for the strategic location and fullest utilisation of specialist services. Moreover, it should not be assumed that availability of services at a sub-regional or local centre is always more effective and equitable than provision in a regional or national centre. The former applies only to those services whose quality and accessibility is improved by being located near to the service user.

Effectiveness, a term which usefully combines the ideas of efficiency and equity in public services context, may be achieved not only based on economies of scale but also through economies of scope. Apart from being consistent with the equity objective, economies of scope can be achieved by broad-based collaborative problem-solving. Such creative methods of generating economies could prove as valuable as the somewhat one-sided traditional view that economies of scale must be addressed by passing on the costs to the small scale or distant user, and the benefits to the heavy user. This is particularly relevant where the choice facing providers and users is between small scale service provision or none at all, as is often the case in rural areas.

7. CONCLUSIONS

In this chapter we have examined issues related to the spatial aspects of public service provision with a view to exploring the relationship between distribution and settlement patterns, or the distribution of population. We argued that the nature of public services is varied. This has the further implication that the mechanisms which might be used to bridge the equity gap between ability to pay and efficient provision of public service may be correspondingly varied.

It was argued that the distribution of public services for individuals and households may be considered both in terms of its influence in shaping settlement patterns and in terms of its efficiency and equity in responding to existing patterns of need. We suggested that the influence of public service provision was most obviously of the shaping variety in the context of those public services or other instruments of public policy which are geared to the development of

enterprises and which were discussed in the previous chapter. We concentrated most attention in this chapter on the provision of services geared to individuals and households, with a particular focus on health and social services, education, housing and transport.

This focus led us to consider the issues of equity and efficiency in the provision of public services. It was argued that there is a case on efficiency as well as on equity grounds for public service provision. We argued that the effectiveness of public services must be understood in a long-term perspective and more broadly than other types of goods and services bought and sold on purely market principles. Their production and distribution is often justified by the needs of society and economy as a whole or on the basis that there are certain social or normative standards that are regarded as the minimum requirements for social inclusion.

Applying this thinking to the geographical aspects of public service provision led to the proposition that efficient public service distribution is compatible with equitable provision and distribution. This argument was explored separately in relation to spatial issues as they arise in the context of equitable distribution of services, on the one hand, and the relationship between the problem of economies of scale and scope that might be applicable in public service provision, on the other. This was explored in some detail in the context of health and education and more briefly in other instances.

In relation to equitable access and geographical population dispersion we argued that geographical factors were seldom solely responsible for the denial of a necessary public service to individuals or households, and that it is not possible to identify social inequality solely on the basis of regional or sub-regional division of the state. As demonstrated in Chapter 2, inequality of access involves a complex interaction of social and spatial factors. A number of pilot or innovative approaches to matching service provision and need were considered in Section 4 of this chapter. They include the Rural Resettlement scheme, a variety of Rural Renewal pilot projects, and the URBAN programme.

This has important policy implications. It implies that solutions to problems of public service provision, even ones that are apparently spatial in character such as access to transport in rural areas, require

a complex approach that targets the spatial expression of social need. This calls for an approach to policy that brings together the relevant specialist providing agencies, public authorities, local actors and representatives of service users, in order to address public service effectiveness problems in a creative manner.

This approach is relevant in a broader policy context. Achieving quality outcomes, as distinct from measuring service inputs and outputs, is now articulated as a guiding principle of the Strategic Management Initiative and has been adopted by several government departments. To realise these kinds of aspirations, however, is not easy. The greatest difficulty, perhaps, is to achieve a change of ethos. The issue of promoting an ethos of co-ordination now confronts policy-makers in the context of local devolution. The Commission on Devolution reports seek to address these issues. Evidently, achieving economies of scope is essential to the success of local devolution. However, at the regional level, too, particularly in the East, the issue of co-ordination is fundamental if effective public service distribution and economic development are to be achieved.

Such an approach must also inform local experiments in service provision in relation to transport, and attempts to devise creative answers locally to problems through collaborative action between agencies and service users, where previously there might have been a "retreat to the trenches" because of segmentation of responsibility at national level. While this perspective can easily evaporate into rhetoric it can also be translated into feasible objectives. It has also informed the local area partnerships as acknowledged by the OECD (Sabel, 1996), and one of the key recommendations of the OECD report is to grasp the principles that have been applied in these experiments and apply them more extensively. That means achieving new types of creative approaches to effective provision of public services through collaborative learning and problem-solving.

CHAPTER 6

OVERVIEW OF FINDINGS AND PERSPECTIVES FOR POLICY

1. INTRODUCTION

In Section 2 of this chapter we draw together the main findings and conclusions of the study. Section 3 assesses different perspectives on the role of public policy in relation to settlement patterns and sets out a number of facets to the approach taken by the Council.

2. SUMMARY OF MAIN FINDINGS

(i) Settlement Patterns

Two approaches are used to describe the settlement patterns in this report. First, settlement patterns are described in terms of regions and sub-regions. The inclusion of a regional analysis reflects the fact that regions constitute an important reality for policy-makers in several sectors, such as training, tourism and the co-ordination of local authorities. At the same time, the report does not adopt the position that regions constitute distinct economic entities. On the contrary, the differences within regions are emphasised. The second approach examines population trends in terms of urban and rural areas and distinguishes different types of urban areas.

The trend in national population is a key influence on regional and rural population. Internal migration has a modest influence on regional population levels: the key influences are natural increase and external migration. Hence, all regions have a strong interest in policies which maximise national economic growth and the recovery of national population.

This report analyses settlement patterns since 1951. The East region has had a continuation of the trend of population growth which had been ongoing in this group of counties since 1891. In all of the other regions the turning point came later. Population growth resumed in 1962 in the South-West and Mid-West, in 1967 in the North-East and South-East, 1971 in the Midlands and 1972 in the West and

North-West. This new trend of growth in all regions during the 1970s was interrupted by a wave of emigration in the late 1980s, when all regions experienced some population decline. There was a recovery of population growth in all regions in the 1990s.

The East region stands out from other regions in terms of its 30 per cent share of population in 1951 and since then its increasing share, which was almost 39 per cent in 1996. However, it is significant that there appears to be a stabilisation of the rising share of the East's population. Much of the increase took place prior to 1981. Between 1981 and 1996 the share of population in the East only increased from 37.5 per cent to 38.8 per cent. All the other regions experienced a decline in their share of population, with the greatest proportional decline taking place in the West. The converse of the stabilisation of the rise in the East's share of population, is that the decline in the proportion of all the other regions has also shown signs of slowing down. It is noteworthy that the proportion of the population living in the West region increased slightly between 1991 and 1996, in contrast to all other regions except the East.

There is greater diversity in population performance at county compared to regional level. Seventeen counties experienced a growth in population between 1951 and 1996. However, a number of counties had very substantial population losses. Counties with a population loss in excess of 20 per cent were Leitrim, Roscommon, Mayo and Cavan. Eight counties had population growth of over 20 per cent. These were Kildare, Meath, Wicklow, Dublin, Louth, Waterford, Cork and Carlow. Not all western counties suffered a loss. Galway and Clare each grew by between 15 per cent and 20 per cent.

There are significant differences in the age dependency ratios between counties. The four counties with the highest dependency rates were the same four counties which had the largest decline in population. These counties had high old age dependency ratios. Differences in dependency ratios are important in understanding the different types of problems faced by the most urbanised and most rural counties. Typically urban areas have larger working age populations with a greater problem of unemployment, while the most rural areas have less favourable age structures but lower rates of unemployment.

An important finding of this report is the key influence of

urbanisation on settlement patterns. The four counties with the lowest urbanisation rates in 1996 are the same four counties which experienced the largest population decline. Those counties lacking a large urban centre (with a minimum of 5,000 population) all experienced a substantial decline in population. On the other hand, urbanisation has helped other counties which suffered considerable population decline in earlier decades to achieve a demographic recovery over the past twenty-five years. Counties with this experience include Galway, Clare, Donegal, Longford and Kerry. Counties which have strong urban centres or are in a position to urbanise are also in a position to hold population, including counties on the Western seaboard.

(ii) Economic Factors

The principal influences on settlement patterns arise from changing patterns of economic activity. The most obvious expression of this in Ireland has been declining agricultural employment and increasing non-agricultural employment. Throughout much of this century, declining agricultural employment has not been successfully counter-balanced by the growth of non-agricultural employment, hence emigration, sometimes on a mass scale. The last thirty-five years, however, have seen increasing success in the promotion of non-agricultural employment, in manufacturing and, increasingly, service industries.

The ongoing increase in the share of population of the East region is associated with the relatively small role of agricultural employment there. The decline in agricultural employment has partly offset the growth of employment in other regions has only marginally affected the East. The decline in agricultural employment can be expected to continue, since the share of agricultural employment continues to represent a significantly higher share of total employment in Ireland compared to other EU countries.

The restructuring of non-agricultural employment has come to the fore in influencing settlement patterns. Broadly, we identify two key periods in this restructuring of non-agricultural employment over recent decades. First, the abolition of protection in the 1960s and entry to the EEC in the 1970s, resulted in the shake-out of many established industries, which tended to be located in Dublin and other urban centres spread along the coast in the North East, East,

South East and South West. As employment suffered in these industries, new investment in manufacturing industry which was suited to the new trading conditions was attracted. American companies, in particular, which were eager to penetrate the emerging European market availed of the opportunity afforded by Ireland's economic repositioning. In many instances, the new manufacturing companies did not require advanced skills, and wages, while relatively low by European standards, were attractive in the context of people who could continue to live within their region or county of origin, possibly even continuing with part-time farming. For policy-makers this created an opportunity to stem out-migration near its source. This was effected through the special incentives for designated areas and the provision of advance factories in many small towns throughout the 1970s.

Since the 1980s, the circumstances in which inward investment takes place have changed. New sources of cheap labour elsewhere have diverted this type of corporate investment from Ireland. However, the demand for advanced labour skills by both overseas and domestic investors has been rising. The larger urban centres are in a better position to meet these requirements. Those with the required skills are attracted to urban centres as such areas can provide a range of potential employers. The growth of the high technology sectors and the internationally-traded services sector also appears to favour urban areas. The availability of infrastructure, sub-contractors and suppliers of services also tend to be greater in urban areas.

Over the same period, there has been an expansion of third level education, particularly through the establishment of Regional Technical Colleges and university centres outside the traditional locations. This expansion of third level education has resulted in the emergence of graduate populations in all regions, thereby creating the opportunity to attract some of the investment in high skill employment that might otherwise be concentrated in one or two centres. The growth of regional third level education centres and the new focus of investment in more highly skilled employment may combine to provide a stimulus to relatively large urban centres. Although this may appear, in the short-term, to be at the expense of smaller urban centres, it would seem to provide a sounder basis for the spatial distribution of the benefits of economic growth in the long-run. It should be complemented by adequate development of skills at regional level, through FÁS, in particular.

Indigenous industry may now offer the prospect of achieving a somewhat more dispersed pattern of growth than foreign investment. While employment growth in indigenous manufacturing and internationally traded services is also concentrated in major urban centres, it is noteworthy that over the past decade the strongest growth of employment in this sector has been in the West and Mid-West, as shown in Chapter 3. Forbairt uses a range of approaches to promote indigenous development in all regions. Forbairt is preparing regional development strategies which take into account the specific characteristics of each region. The idea is that these strategies will build on individual regional strengths by taking into account their educational, sectoral and infrastructural resources. The development of a network programme, as discussed in the Council's report on dynamic regions (NESC, 1996) could be of considerable benefit to indigenous industry. The idea of a network programme is to encourage smaller firms to co-operate with other firms in specific activities in order to overcome some of the disadvantages of small scale. Shannon Development and Udarás na Gaeltachta appear to have had considerable success in promoting indigenous manufacturing and internationally traded services in their respective regions.

Infrastructure and utilities are essential to achieving economic development at national and sub-national levels. The current Community Support Framework provides support for infrastructural development, particularly roads. This is particularly necessary given the historically underdeveloped state of indigenous infrastructure, partly the outcome of a century and quarter of population decline. While the CSF has contributed mostly to the transformation of the major arterial routes, and thus to increasing cohesion between Ireland and other EU states, investment in the maintenance and development of infrastructure at regional and county level is essential to narrowing the gap between the most developed and least developed areas within the state. Also, logistical aspects of the supply and distribution of goods and services require that special attention is given to the co-ordinated development of infrastructure and enterprise. In addition to the need for developing infrastructure, the liberalisation of public utilities is now a reality, which requires regulatory policies both to ensure efficiency and a fair distribution of services to users in all regions.

There is a range of other national and EU policies which seek to

promote development in rural areas and towns. These include policies for agriculture, forestry, fisheries and local development policies including local partnerships, County Enterprise Boards and LEADER groups. The development of tourism is also of particular benefit to some areas outside major urban centres. Clearly a wide range of responses is required to promote development in an extensive and sustained way. Local area based partnerships offer the prospect that policy instruments can be made appropriate to the needs of different areas.

(iii) The Spatial Distribution of Public Services

The enterprise support policies discussed above can have an influence on settlement patterns. With public services generally, the major issue is one of the efficiency and equity in responding to existing patterns of need, although such services can also have an influence on settlement patterns.

In relation to equitable access and geographical population dispersal, it is argued in this report that geographical factors are seldom solely responsible for the denial of a necessary public service. Inequality of access involves a complex interaction of social and spatial factors. At the same time, it is argued that the efficient provision of a range of public services cannot be based solely on economies of scale. While a focus on scale economies makes sense from the perspective of the providing organisation, the implications of this approach for citizens should also be taken into account. Effectiveness in public services in this context may be achieved not only through economies of scale but also through economies of scope. The relevance of economies of scope here is that the organisation of a range of services in a given area in an integrated way may be more effective than a situation in which all services are provided in isolation. This calls for an approach to policy that brings together the relevant specialist providing agencies, public authorities, local actors and representatives of service users, in order to address public service effectiveness problems in a creative way. This should be a guiding focus for the Strategic Management Initiative and for the more effective geographic organisation of services.

While the implementation of this collaborative approach is difficult, a number of examples which demonstrate its potential were cited in

Chapter 5. Local experimentation is obviously relevant to developing this approach, although there is a danger of such local projects becoming tokenistic exercises. One of the key recommendations of the OECD report on Ireland's experience with local partnerships is to grasp the principles that have been applied in these experiments and apply them more extensively.

Experimentation through area partnership approaches to long-term unemployment and economic development at local level has also contributed to a new impetus towards local devolution. We view this as an important type of institutional innovation, but one requiring a change of ethos at national and other levels and a much greater emphasis on integrated local service planning and provision. We also stress the importance of achieving co-ordination between localities and sub-regions that are closely interdependent. This applies particularly to the East region.

3. PERSPECTIVES ON SETTLEMENT AND PUBLIC POLICY

The starting point for policy-makers in relation to settlement patterns is the constraints under which they must operate. The first type of constraint arises out of existing settlement patterns and trends, which have been long in the making and characterised by:

- Distinct regional and sub-regional imbalances.
- Distinct imbalances in patterns of urban organisation and urban hierarchy.
- Continuing trends of population decline at sub-county, and in some cases county level, despite regional and national population increase.
- Continuing trends towards further extension of the suburbs, environs and satellites of major or large urban centres.

The different components of population change can be mutually reinforcing, for example out-migration depletes fertile age groups disproportionately and this reduces the natural increase. Conversely in-migration is likely to increase the fertile age cohort and therefore the rate of natural increase, and future labour supply. Public policy cannot counteract these trends. At the very least, however, it should

seek to protect vulnerable social groups from the negative aspects of the process.

A different type of constraint, as we have seen, arises from the nature of economic activity itself and the changing pattern of economic activity. Even where public policy seeks to attract investment to certain locations through grants or improved education and training in a region, its effectiveness will be constrained by the corporate strategies of investors. Moreover, although patterns of economic activity cumulatively affect these patterns, the location of specific projects does not always have an immediate effect on these patterns. Therefore, public policy is at one further remove from influencing settlement patterns.

The presence of these constraints implies that public policy has a limited role to play in shaping settlement patterns at regional or sub-regional level. Nevertheless, through regulatory and planning functions, policy-makers may have some direct influence in promoting more harmonious development where population is increasing rapidly, or indeed promoting alternative locations. This would be particularly relevant where several local authorities are affected by the same process of population growth as, for example, in the East region. The Council has previously emphasised the importance of co-ordinating planning in this context and does so once again.

Given the nature of the constraints on public policy, how can public policy 'cut with the grain' of independent influences on settlement patterns in its interventions? One perspective is to treat settlement patterns as an issue that is outside of the scope of government intervention, whose principal focus should be the maintenance and growth of national population, leaving the question of internal population distribution to market forces. Such a non-interventionist approach would leave issues of equity to be dealt with on an individual basis only. This view effectively side-steps the spatial implications of changing economic patterns. However, public policy has an important regulatory function in relation to the operation of markets, for example, in relation to external diseconomies such as pollution or urban congestion which may arise from unregulated economic activities. Hence, some public intervention is required if only for regulatory purposes.

Opposed to the unregulated market view is a perspective that views

public policy as comprising redistributive activities and the transfer of resources from richer to poorer regions. This perspective also has shortcomings. Firstly, it may lead to diseconomies and the diversion of enterprise from regions offering the best prospect for success. Secondly, as a method of redistributing from the rich to the poor, it could be argued that redistribution between individuals is a more effective device. Social inequality, low income and unemployment have quite a complex spatial expression and certainly cannot be simplified in terms of regional or sub-regional divisions. Also, the fact that one area or region is, on average, less affluent than another does not imply that all people in this region are less affluent.

Evidently, public policy must strike a balance between these positions on the basis of a commitment to a regulatory environment that fosters economic activity whilst curtailing external diseconomies, without ignoring the need for some redistribution of resources. An alternative approach, therefore, would be to define the role of public policy as developing the economic potential of all regions in the context of maximising national performance in relation to both economic and social well-being. There are several facets to this approach.

First, the settlement pattern is evolving not simply in terms of movement from West to East, but from rural to urban. Moreover, Dublin and other county boroughs shape not merely settlement patterns in their immediate suburbs and surroundings, but much wider zones for which they provide services and from which many more now commute. As urban centres have been identified as increasingly pivotal to the sustenance of more dispersed populations making up their hinterlands, policies should be developed focused on those centres which could contribute to the economic regeneration of the most marginalised rural areas. The measures which might be pursued would amount to geographically tailored versions of the policies considered in this study, that is economic development policies, infrastructural policies, human capital measures, and measures to deliver public services more effectively.

Second, while increasing proportions of the state become more closely connected to Dublin or one of the secondary urban centres, a number of areas have clearly fallen outside these extending zones of influence. We have identified certain counties, and parts of other counties, which remain relatively non-urbanised, continue to lose population, have unfavourable age structures, fail to gain access to

an adequate share of new investment and experience certain extreme forms of marginalisation. Clearly, these areas require particular attention. There are several aspects to the development of these areas, including the application of area-based approaches to local development, infrastructural improvement, tourism, institutional change such as devolution, and, in some cases, cross border co-operation. In addition to innovative measures at the local level, it is necessary to consider other possible ways of supporting these areas, through economic and social policies.

Third, poverty and economic decline are not exclusively rural or urban phenomena – they exist to varying degrees and in varying manifestations in both urban and rural environments. There is no one correct approach to combating these problems. In implementing policy, local conditions and resources must be acknowledged and built on. There is now considerable evidence to support the appropriateness of an area-based partnership approach to economic and social development in both urban and rural areas in Ireland (OECD, 1996) and such an approach is strongly advocated by the European Commission in its recent document on territorial employment pacts (European Commission, 1997). The advantages of such an approach include the effective design and delivery of programmes undertaken by national agencies and the potential for co-ordination of activities in a way that is tailored to the needs of particular local communities which could be identified as micro regions. In conventional approaches to regional planning the existence of a network of areas which constitute micro-regions can be overshadowed by the traditional regional focus. Throughout this report we emphasise the need to recognise intra-regional diversity – this does not preclude constructive approaches to economic and social development in areas with similar characteristics within and across regions. The planning framework should be flexible enough to recognise these micro-regions and to facilitate appropriately targeted approaches. A key objective of public policy should be to monitor and consolidate successful initiatives and adapt and develop the insights gained on a wider basis.

Fourth, education and vocational skills are increasingly decisive. Since the late 1960s educational policy at second and third level has been radically reshaping the labour supply in the direction of a high skill jobs market. The development of human capital constitutes a major successful policy intervention dating from the late 1960s.

Since the late 1970s and, increasingly, in the 1980s, labour demand and labour supply patterns began to be transformed from lower to higher skill levels. This policy focus has undoubtedly contributed to lifting current Irish economic performance beyond what most commentators would have dared to predict throughout the 1980s. However, compared with the spread of new FDI in the 1970s, there was a re-emergence of the tendency towards geographic concentration of economic activity in fewer, but more strategic, locations, in the 1980s. Much of the skilled and educated labour that has been a key input to Ireland's recent success and is the basis for its future potential is concentrated in the East. But parts of the South-West, Mid-West and West have already gained from investment in high value projects which draw on their supplies of graduates and more skilled workers. The regional expansion of third level education and the provision of vocational training and skills at regional centres is a critical resource. Existing colleges and those already approved by Government should be used to develop the potential of regions.

Fifth, infrastructure is critical. Despite the current growth of output and employment, the recovery in investment and the decline in unemployment, there remains concern about Ireland's infrastructural development. EU structural funds have aided the development of the main arterial routes. The main objective underlying this has been to bring about greater cohesion between member states. In reviewing the progress made under the CSF we should anticipate the need to develop infrastructure a step down the urban hierarchy. This could create the conditions for developing regions and sub-regions in a sustained way. Infrastructural issues also arise within the larger urban centres, particularly in Dublin and the East. Moreover, judicious development of the physical infrastructure and amenities in and around the secondary urban centres could promote their attractiveness to investors, enabling their graduate populations to remain in, and contribute to, the development of their regions of origin. Finally, given the potential of new information technology for bridging distances, it is vital to develop telecommunications networks to the fullest extent possible.

Sixth, the wave of rapid and sustained economic growth has also propelled a boom in property prices, particularly in the East region, potentially threatening its attraction as a location for labour and investment, even for high skilled, highly paid labour. In addition,

the upward pressure on housing prices in the East and other urban regions intensifies the problems faced by the unemployed, those on low incomes, first time house buyers, etc. The challenges posed by the interdependent character of urban expansion in the East require mechanisms for strong regional co-ordination of development and planning.

The task now is to build on and develop what has been achieved over several decades of economic growth and restructuring, taking into account the several facets we have discussed above. In the 1970s, as Ireland tapped into new foreign investment, there was a swing from traditional centres to a more dispersed pattern of semi-skilled employment growth. From the 1980s, there was a shift towards more skilled labour, as investment followed a more concentrated pattern. Ireland has developed a competitive advantage in the East and a few other major urban centres, based on human capital, new infrastructure, and investment in advanced industries and services. Now, in addition, there are some important possibilities emerging, mainly at the level of other larger urban centres in all regions, which can be fostered through enterprise policies, infrastructural development, education and training policies and regulatory measures. In terms of a functional hierarchy of towns and settlement, the redefinition of policies along these lines would be cutting with the grain of inevitable patterns of urban-centred growth. These centres would stimulate economic activity in their hinterlands and counteract the diseconomies that arise from extremely polarised settlement patterns.

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<i>Title</i>	<i>Date</i>
1. Report on the Economy in 1973 and the Prospects for 1974.....	April 1974
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