

## *A Survey of Industrial Movement in Northern Ireland between 1965 and 1969*

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DISCUSSION of the economic situation of Northern Ireland has been dominated by persistently high rates of unemployment. Since 1936 these rates have been higher than in any other region of the United Kingdom. Since the war unemployment rates have not fallen below 5 per cent, local area rates have been as high as 20 per cent and long-term unemployment has accounted for over 50 per cent of registered unemployment in a number of areas. Unemployment figures of over 7 per cent in 1971 and over 9 per cent in 1972 are inflated by extraordinary national and regional economic circumstances. However, they clearly reflect an adverse underlying situation.

The most important policies designed to remedy this situation have been those associated with the attraction and stimulation of manufacturing industry. In Northern Ireland these have been operated since 1932. A considerable amount of industrial movement into Northern Ireland has taken place since 1945.<sup>1</sup> It is not clear to what extent this movement has been influenced by, or is consequent upon, regional incentive schemes. A considerable body of literature suggests that the availability of incentive schemes may not be of primary importance in determining movement. Information specific to Northern Ireland is severely

1. See R. S. Howard, *The Movement of Manufacturing Industry in the United Kingdom 1945-65*, HMSO, 1968.

limited on this issue.<sup>2</sup> This is to be regretted not only from the point of view of the Northern Ireland economy but because Northern Ireland has had a wider range of incentives available than the Development Areas of Great Britain and provides a working model of such schemes. The importance of the differences may be judged from the calculation that Northern Ireland has been able to offer assistance to new projects at a rate of 62.9 per cent of capital costs compared to 50.6 per cent in a Development Area and 34.1 per cent in the rest of Great Britain.<sup>3</sup>

Bearing these considerations in mind this article presents the results of a study of manufacturing industry in Northern Ireland. The study was designed to provide more adequate information on the role played by financial inducements in location decisions involving Northern Ireland in the period 1965-1969.

### DESIGN OF THE STUDY

The study was based on response to a postal questionnaire sent out to firms listed as having either established new units of production in Northern Ireland between January 1965 and December 1969 with the co-operation of the Ministry of Commerce, or having announced an intention to establish new factories.

A total of 117 firms were sent a postal questionnaire and, where replies were not forthcoming, two subsequent questionnaires. By the end of this process, 71 completed questionnaires, a response rate of 61 per cent, had been returned.

An important aspect of this study is an attempt to identify factors leading firms to decide against movement to Northern Ireland. No information was available to make identification of firms which had made such a decision. However, it was felt reasonable to assume that some proportion of firms which moved to Development areas in Great Britain in the same time period had considered Northern Ireland. Many companies intending to expand or move would be likely to consider the relative merits of sites in different areas. As Government inducements were comparatively high in Northern Ireland this assumption might seem well founded.

Consequently, in order to provide a basis for comparison between firms which moved to Northern Ireland and those which decided not to do so, a questionnaire similar to that sent to companies in Northern Ireland was sent to companies which established in Development areas in Great Britain in the same time period.

Considerable difficulties were experienced in identifying these companies. As a result of this and other problems the response rate ranged from 26 per cent, in the south-west, to 45 per cent in the Northern region. Although this response

2. The only available analysis is D. Law, "Industrial Movement and Locational Advantage". *The Manchester School*, No. 2, May 1964, pp. 131-154.

3. *Northern Ireland Development Programme, 1970-75*, HMSO, 1970, pp. 44-46, 78-79.

rate is clearly not adequate for many purposes it represents positive responses by 184 firms, and is a valuable source of information. In addition to these features it is important to take note of the initial limitations of surveys of this type.<sup>4</sup>

The questionnaire drawn up for this project was modelled on that used by G. C. Cameron and B. D. Clark in their study *Industrial Movement and the Regional Problem*.<sup>5</sup> In analysing the response to the questionnaire we have identified different groups among the firms moving to Northern Ireland where this is appropriate. After excluding those companies where movement originated within Northern Ireland 41 respondents were identified. It is this group which is of greatest interest. Of these 41 firms, 17 moved to Northern Ireland as a "second choice" location. This group of "reluctant movers" are referred to separately on occasion.

## RESULTS OF THE SURVEY

### (a) *Characteristics of firms involved*

Of the 41 firms moving to Northern Ireland from outside the province 8 fell into the category of engineering and electrical goods manufacture, 6 in textiles and 5 in clothing and footwear. With the exception of vehicles manufacture this pattern conforms with that identified by Howard for the peripheral areas as a whole.<sup>6</sup> The industrial distribution of new companies in Northern Ireland clearly reflects not only these trends but the traditional strength of textile and engineering industries and weakness of industries requiring high inputs of raw materials. Although many new manufacturing concerns require skilled labour the concentration outside the Greater Belfast area of large units of production requiring only a limited amount of skilled labour is evident. In spite of restrictions on development in Belfast new firms are mainly concentrated in this area. The other main centre is Londonderry (County Borough and County). The distribution of new manufacturing is not uniform throughout Northern Ireland. The performance of the west of the province in attracting new firms is unremarkable and confirms other evidence to this effect.<sup>7</sup> However, it is notable that a high proportion of movers to the West in this survey are identified as "reluctant movers". From this it would

4. See, for example, the comments in D. Keeble, "Employment Mobility in Britain", in M. Chisholm and G. Manners, *Spatial Policy Problems of the British Economy*, Cambridge University Press, 1971.

5. G. C. Cameron and B. D. Clark, *Industrial Movement and the Regional Problem*, University of Glasgow Social and Economic Studies, Occasional Papers No. 5, Oliver and Boyd 1966.

6. R. S. Howard, *op. cit.*, p. 33.

7. R. Common, "Some concerns of Regional Geography: With illustrations from Northern Ireland." *Scottish Geographical Magazine*, vol. 87, No. 3, 1971, pp. 166-185.

appear that there are two separate problems: first, the attraction of industry into the region, and second, influencing the distribution within the region. Where firms have a first choice preference for Northern Ireland they are more likely to select areas in the east of the province. In many cases, for example, where the firm desires to make use of the area as a market this preference is inevitable. In other cases it is likely to be influenced by labour supply factors, industrial linkage or superior infrastructure. However, in some cases an eastern location is likely to be preferred even though there are no evident advantages and the site may objectively not be the best available. Reluctant movers would appear to be more willing to move to the west of the province.

One factor which is of importance here is that reluctant movers are more likely to have larger pay rolls. This is especially true of longer established units. It may be that larger units, especially where these are subsidiaries of large companies, are established after more thorough economic investigation.

Further information related to this was provided by the survey. Only 2 of the 41 units of primary importance identified themselves as transferred undertakings. Of the rest, 22 were branch factories, 11 new companies and 6 divisions of existing companies. The distinction between these last three categories is not sufficiently precise and a larger proportion than is immediately evident may be subject to the problems associated with branch development. Equivalent figures for firms which moved into the development areas provide a considerable contrast. Of positive responses to this part of the survey 41 were transferred undertakings, 52 branch factories, 46 new companies and 28 divisions of existing companies (the remainder of the 184 in this group could not be categorised from the answers given).

These figures should be considered in the light of evidence that branches are more likely to be self-contained when they are some distance from the parent company.<sup>8</sup> This offers a partial explanation of why reluctant movers are more likely to be larger self-contained units less closely tied to the established industrial structure of the east. A full explanation would initially have to take the effects of IDC control and distance factors into account.

#### *(b) Reasons for Movement*

The reasons given for seeking a new location are nearly all associated with positive production innovations. In very few cases do they represent difficulties with established units, or congestion in the area concerned and, therefore, decisions to transfer production. There are widely differing reasons for expanding or reorganising production activities. Shortage of labour for example would not be a significant factor for a company whose aim in expanding production was to make use of the new area as a market. Table 1 indicates the reasons for seeking a new location that were given.

8. D. Law, *op. cit.*

TABLE 1: *Response by all Northern Ireland companies to question "Was your search for a new location influenced by":*

Introduction of a new product? ... ..	14
Expansion of existing product? ... ..	44
Introduction of a new process? ... ..	6
Reorganisation of productive capacity? ... ..	8
Reorganised or newly formed company? ... ..	10
Shortage of labour? ... ..	20
End of lease? ... ..	3
Planning controls at existing site? ... ..	2
Inadequacy of existing site? ... ..	1
No answer ... ..	1

(c) *Reasons for first preference for site in Northern Ireland*

Table 2 indicates the reasons given by the 41 Northern Ireland movers for selecting their first choice site.

TABLE 2: *Reasons given for first preference for site*

Premises were immediately available ... ..	7
Adequate supply of trainable labour ... ..	6
Financial inducement of Government ... ..	4
Most economic factory buildings and sites ... ..	4
Administrative convenience ... ..	3
Most economic organisation of production ... ..	3
To make use of the area as a market ... ..	2
To supply a producer in the area ... ..	2
TOTAL ... ..	34*

\*Excluding those who did not answer or to whom question not applicable.

These would seem to indicate that the emphasis on advance factories and the availability of labour are at least as important as cash inducements in attracting industry to Northern Ireland.

Most of the companies identified in the survey were not severely limited in their choice of site. Few indicated strong locational preference in order to make use of the area as a market or because of dependence on transport, power, labour or amenity.<sup>9</sup> However, the lack of such industries seems to indicate that firms with strong locational preference did not seriously consider Northern Ireland.

9. This pattern should be compared with the *Survey of Grant-aided Industry*, Prl. 117, Dublin, Stationery Office, 1967, which presents results for the Irish Republic. This report found that availability of labour was the most important single factor that attracted industrialists to the Republic. Market accessibility and grants were the next factors in order of importance as a primary attraction.

This may represent less an accurate assessment of production possibilities than miscalculations and lack of knowledge. Luttrell has argued that some two-thirds of all manufacturing industry in Britain is potentially mobile, although at any time the proportion actively seeking a move will be small.<sup>10</sup> Alonso has argued that there is good reason to believe that technical developments are making more industries foot-loose.<sup>11</sup> Keeble comments that manufacturing movement is highly restricted and is most clearly linked to differences in growth rates between industries. No less than 86 per cent of all movement in the period 1952-65 was in expanding industries. Keeble has also noted "firms which move tend to be significantly bigger, more virile and more export-oriented than the population from which they are drawn".<sup>12</sup>

Mobile companies, as this study indicates, are drawn from the field of expanding industry and have clear characteristics of size and organisation. As is referred to later they also have clear tendencies in patterns of movement. These are not solely determined by cost factors but involve concepts of distance, and the practice of companies in seeking and assessing information. It is most probably these features of firms which may limit the extent to which new producers are being attracted successfully. In this situation, Northern Ireland is competing with other regions for mobile firms. Although it may be able to offer higher inducements, this may not overcome the "prejudices" operating in location decisions. Where it is not clear that there are indisputable commercial disadvantages, other factors are behind location decisions. Northern Ireland has been able to attract experimental factories, firms asking to make use of EFTA markets, firms attracted by the concentration of man-made fibres production, or agricultural raw materials. However, none of these establish a base to predict future movement.

High unemployment figures do not indicate a relative abundance of productive factors. However, it is clear from responses to our questionnaire that a large number of companies were influenced by the supply of labour, and that the view that an inaccurate assumption of high labour costs may act as a deterrent to location is not confirmed.<sup>13</sup> This finding is consistent with studies in Britain which have identified labour availability, government controls and inducements and local markets as the most important locational influences.<sup>14</sup> These results would seem

10. W. F. Luttrell, *Factor Location and Industrial Movement*, Vol. I. National Institute of Economic and Social Research, 1962, pp. 241-348.

11. W. Alonso, "Location Theory", in L. Needleman, ed., *Regional Analysis*, Penguin Books 1968.

12. D. Keeble, *op. cit.*, pp. 28-29.

13. Competitive labour cost assessment was discussed in Cmd. 446. *Report of the Joint Working Party on the Economy of Northern Ireland*, 1962, pp. 4-5. A useful comment on this is N. Cuthbert and W. Black, "Regional Policy Re-examined", *Scottish Journal of Political Economy*, February, 1964, pp. 1-16.

14. See references in D. Keeble, *op. cit.*

to confirm other studies which have stressed the importance of the availability of factories and labour, both in enabling dispersal from Belfast and in attracting industry to Northern Ireland.<sup>15</sup> Although too much should not be read into these tabulations they are consistent with an interpretation that, for certain products, an over-riding consideration will lie in access to markets, suppliers or joint producers. However, where these are not primary factors they are unlikely to be of great importance. Firms which have a range of alternative locations open to them will be more influenced by government grants, labour supply and training, and opportunities for expansion.

(d) *Second-Best Decisions*

The reasons given by "reluctant movers" for preferring some other region are presented in Table 3.

TABLE 3: Responses to question "What were the main reasons for this (first) preference?" (15 respondents)

Premises were immediately available ... ..	7
Adequate supply of trainable labour ... ..	6
Financial inducement of Government ... ..	4
Economic factory buildings and sites ... ..	4
Administrative convenience ... ..	3
Production savings ... ..	3
To supply a producer ... ..	2
To make use of the area as a market ... ..	2

Only the last two factors noted here imply strong locational preferences. Most firms with such preferences who are forced to look beyond their area of first choice will not ultimately move to Northern Ireland. Administrative and production convenience are features closely connected with distance factors and keeping units of production together. The four most important factors are, as would be expected, factors which Northern Ireland can offer sufficiently to be a desirable second choice area.

Table 4 presents the reasons given by firms which failed to achieve their first preference for this failure.

15. D. Law, *op. cit.*, and P. D. McGovern, "Industrial Dispersal", *Planning*, Vol. XXXI, No. 485, Feb., 1965.

TABLE 4: Response to question "Which of the following reasons prevented you from achieving this (first) preference?"

	N. Ireland	Final area of location				Wales	S.W.
		Scotland	N.	N.W.			
Failure to obtain IDC <sup>16</sup> ...	4	3	6	2	6	3	
Problems with premises currently used ... ..	0	1	1	1	1	3	
Problems over premises in area of first preference ... ..	6	2	2	2	1	4	
Inability to obtain labour ... ..	7	3	3	1	3	3	
Problems over finance ... ..	1	0	0	0	0	0	

This gives some indication of the extent to which firms which had alternatives in siting were persuaded to move to Northern Ireland. In a considerable number of cases firms which subsequently moved to Northern Ireland did so because their area of first preference could not offer adequate premises or labour. Although negative controls through IDC's did benefit Northern Ireland this was not as important as in other regions. This may indicate that for many firms the refusal of an IDC leads only to short moves. Evidence that this may be the case can be found in questionnaire responses. For example one company chose to expand in the area which was "geographically the nearest Government assisted area to our then existing locations". Companies which desire to develop in areas where IDC's are required will probably have locational reasons which do not suggest Northern Ireland as an alternative site. A structure of differential inducements relating to this situation would be impossibly complex and would almost certainly conflict with current regional policy objectives. Again all that can be stressed is that decisions by companies refused IDC's should be made in full knowledge of the facts. Looking at figures for all the Northern Ireland companies involved, over 50 per cent did not consider any other area for a new establishment. Of fifty seriously considered developments elsewhere the details were as in Table 5.

16. Under the Town and Country Planning Act of 1947 the Board of Trade in Britain was empowered to require industrialists erecting any factory building of over 5,000 sq. ft. to receive an Industrial Development Certificate (IDC) which was to be awarded only where the development corresponded "with the proper distribution of industry". This mechanism has been modified but has continued to be used to encourage movement out of the more prosperous areas of the United Kingdom.



TABLE 5: Response to question "Did you seriously consider any other development areas?"  
Northern Ireland companies

Scotland	13
North East	11
Wales	8
Republic of Ireland	7
North West	6
South West	5
No other development areas	55
Total	105

This evidence supports the view that of the minority of firms which do look at more than one area an important aim is to minimise distance. Whether firms did ultimately undertake production in Northern Ireland or not their alternative considerations were more likely to be in Scotland or the North East of England. This is not solely because of aspects of distance but also, most probably, industrial structure.

Some confirmation of this pattern is indicated by Cameron and Clark whose study identified six companies from the South East and Midlands which considered Northern Ireland. Three of these ultimately located in Scotland, two in the North East and one in Wales.<sup>17</sup>

This evidence may imply that there is a considerable shift in costs if companies move to Northern Ireland—but empirical study does not support this. One fundamental consideration in this has been the cost of transport. Estimates of the extent to which transport costs in large self-contained branch factories exceeded those of the parent factories range from 1½ per cent of all overheads (Luttrell),<sup>18</sup> between 2 and 3 per cent of costs (Wilson)<sup>19</sup> and an even lower average figure (Law).<sup>20</sup> In addition these costs, and for example the costs of extra stockholding, may be offset by other factors such as the efficiency wage of labour or government aid. There is no clear evidence that for at least a large sector of foot-loose industries the development areas and Northern Ireland could not offer a favourable site.

Some discussion of the stated reasons for not considering a Northern Ireland location is valuable here. The most regularly indicated factor was that of distance. This often was not elaborated to indicate an assessment of costs. In this sense distance minimisation is, as Keeble has remarked, "a surrogate for various important influences upon locational choice, including ease and speed of search,

17. G. C. Cameron and B. D. Clarke, *op. cit.*, pp. 147-148.

18. W. F. Luttrell, *op. cit.*, p. 314.

19. Cmd. 479, *Economic Development in Northern Ireland, 1967*, p. 61.

20. D. Law, *op. cit.*, p. 139. For 15 firms experiencing higher transport costs Law states that in 6 cases the increase in total production costs was negligible, in 4 cases less than 1 per cent, in 3 cases less than 2 per cent and in 1 case 2½ per cent.

the need to maintain contact with the parent factory, existing suppliers and customers and feasibility of persuading key workers to settle in the new location".<sup>21</sup> Distance minimisation will relate to cost or revenue factors especially where the production is such that transport costs are high or regular or short-notice delivery will be affected by accessibility. Smaller firms and separated units may be unable to ensure standard delivery charges or reduce incremental costs. Hence firms producing in Northern Ireland are more likely to be large self-contained units where these disadvantages can be minimised. However, as has been stated, disadvantages vary between companies and could be offset by other factors. The emphasis placed by firms on distance will most likely be determined not by a simple equation of bulk or scale of production but by a complex of distance considerations not necessarily measurable. Certainly one potential location with inferior "economic" merits may be preferred for an apparently arbitrary distance factor.

The responses to this questionnaire suggest that attention should be concentrated on the reliability, regularity, and accessibility of transport-factors rather than on costs as narrowly conceived.

In addition to transportation the two most quoted drawbacks referred to in connection with Northern Ireland were labour problems and political difficulties. Reference to labour problems concerned speed of work, output levels and skills. The views of these firms conflict with those of firms which did undertake a move to Northern Ireland. It would be valuable to develop an explanation for this difference.

#### (e) *Information Sources*

It is important that firms are encouraged to assess the dis-economies of their present sites and evaluate possible new sites. This is especially important to encourage complete rather than branch transfers. Government services could be used to aid this.

Some indications of the amount of information at present gathered by companies is provided in Table 6.

Perhaps the most significant feature indicated here is that over 50 per cent of companies which changed the spatial distribution of their productive capacity in this period made no consideration of Northern Ireland. Of those which did receive information and subsequently did not move to Northern Ireland the majority did not graduate beyond information offered by UK Government Agencies such as the Board of Trade.

Clearly in the majority of cases Northern Ireland was ruled out at an early stage. It is possible that the Board of Trade was less enthusiastic in pressing the advantages of Northern Ireland, especially in a period of rising unemployment in the regions of Great Britain. However, there is no evidence to support this. Alternatively this may represent a breakdown of companies which for production

21. D. Keeble, *op. cit.*, p. 44.

TABLE 6: *Information sources used concerning Northern Ireland*

	<i>Northern Ireland</i>	<i>Total Other Regions</i>
UK Government Agency	4	6
Board of Trade	8	38
NI Government Agency	6	12
NI Ministry of Development	20	7
NI Ministry of Commerce	57	6
Local Authorities	8	3
Persons/Companies in Northern Ireland	19	11
Cost Surveys, Analysis of Visits to Sites	33	22
Other agencies	3	7
None	—	120

reasons accurately reject Northern Ireland. It seems likely, however, that it indicates either a lack of information or incorrect information influencing managers at an early stage.

Thirty-eight of the 41 companies responded to a question about avoidable procedural hold-up in the advancing of government and local authority inducements. Of these only two experienced any hold-up; in one case delay in acquiring a site and in the other a delay by the Ministry involved.

#### (f) *Rejected Moves*

Some of the most important information to be gained from companies which reorganised productive capacity in the period 1965-69 but did not establish production in Northern Ireland, is provided by those companies which considered Northern Ireland sites but eventually rejected them. The reasons given for rejecting sites in Northern Ireland are presented in Table 7.

TABLE 7: *Most important factors in decisions to reject a Northern Ireland site*

Access to main market	25
Transport facilities for goods	6
Social and political discontent	6
Access to main suppliers	1
Supply of trainable labour	1
Ready built factories	1
Transport facilities for personnel	1

This table indicates very clearly the importance of geographical distance in deciding against establishing production in Northern Ireland. The importance attached to "social and political discontent" was probably not significant in decisions when taken. It probably reflects hindsight—influenced by distance—4 of the 6 were companies in South West England.

It is important to relate this tabulation to the study by Cameron and Reid of major factors of importance in selecting sites other than sites considered in Scotland. The rank order of factors in their study was supply of trainable labour, accessibility to main markets, local authority co-operation, transport facilities for goods, factory rent, fully serviced site and labour relations.<sup>22</sup> This represents a considerable range of factors none of which are as predominant as the geographical factors noted in Northern Ireland. While the results are similar the pattern is considerably clearer in Northern Ireland.

Again the implications of this are either that potentially mobile firms are very few and that policy is probably effectively selecting these or that adverse decisions are being taken because of inaccurate assessments.

Mobile firms are more likely to move outwards from their original factory in a radial pattern, influenced by communications and proximity to urban areas.<sup>23</sup> This tendency clearly is a severe limitation on Northern Ireland. The dominant types of movement undertaken by mobile firms do not favour Northern Ireland. Only a finely selected limited number of large self-contained branch units are ultimately involved in such movement. The significance of a distance factor in movement, however modified by accessibility and perception of distance, seems certain to operate against Northern Ireland for the majority of British moves emanating from the Midlands and South East. Moves from other regions of Britain and particularly outside the United Kingdom may be more likely.

It is interesting to note the answers of those companies who responded positively to a hypothetical question "would you consider Northern Ireland as a site in the future?".

TABLE 8: *Future movement to Northern Ireland*

	Yes	No
Scotland	5	29
Northern	15	28
N.W.	1	17
Wales	8	17
S.W.	3	23

These figures would seem to support the view that for whatever reasons the majority of mobile firms are unlikely seriously to assess the pros and cons of movement to Northern Ireland.

22. G. C. Cameron and G. L. Reid, *Scottish Economic Planning and the Attraction of Industry*. University of Glasgow, Social and Economic Studies, Occasional Paper No. 6. 1966.

23. D. Keeble, *op. cit.*

## CONCLUSIONS

This survey permits the identification of two separate abstracted models of industrial movement to Northern Ireland.

1. New movement by firms whose first choice was to site in Northern Ireland. These units are likely to be smaller, to prefer location in the east of the province and to be influenced only to a limited extent by direct government inducements.
2. New movement by firms who chose Northern Ireland as a "second-choice". These firms are more likely to be affected by both government controls and inducements. They are more likely to be large units with plans for expansion and will find the advantages of less congested areas in the west attractive. They are more likely to be self-contained branch factories employing labour with only a limited skill requirement.

These two distinct models are important in assessing the impact of regional policy in attracting industry. However, in both cases these represent firms which have made some commercial assessment of Northern Ireland.

Calculations of those firms who do make some assessment of Northern Ireland will include basic economic assessments as well as consideration of direct government inducements. In considering these factors there are no grounds for confidence that accurate assessments can be carried out or are made. In this it would seem probable that government policy can influence decisions at some stage although they will rarely, if ever, be of primary importance. Arguably government's role in disseminating information will be as important as the offer of cash or premises. Although it may be that many industrialists are not presented with information of such a nature as to question initial assumptions about Northern Ireland our investigation does not indicate that changes within regional policies as at present conceived would achieve very much. Short of massive increases in financial assistance there is no evidence that policies administered differently would be more effective.

It would appear that a considerable number of firms are influenced by constraints and inducements. Although the sub-regional and industrial distribution of these is not as broad as is desirable there is little reason to believe that changes in inducements will affect this. Similarly it appears likely that large, self-controlled branch establishments probably using capital intensive techniques will continue to predominate among mobile firms. The availability of labour and factory space are of great importance in attracting firms. Regional policies are severely limited by national economic circumstances and cannot ensure that management, in working beyond the area of first choice, will assess the next most economic location.

It seems unlikely that changes in inducements, constraints or information services will alter company preferences for short moves. Whether the disad-

vantages of Northern Ireland are real or imaginary, regional policies do not challenge assumptions and are limited by the decision-making procedures of companies. Too little is at present known about these procedures. However, regional policies must be developed in full awareness that these procedures will prove a more severe limit on job creation and industrial movement than economic advantages. Considerations of this nature reinforce doubts about the prospect of existing policies reducing unemployment significantly in the foreseeable future. In view of this, three points of importance emerge. First, should there be a greater emphasis on improving the infrastructure? This is especially important if the distribution of industry within the province is to be altered especially among first preference moves who might respond to the attractions of areas less congested than the Belfast area if these attractions were more evident. Secondly, should policy concentrate on firms which experience suggests are particularly suited for development in peripheral areas? Thirdly, should industry be more directly sponsored by state agencies? This would seem to be particularly important if a balanced development of industry by type, size of unit and regional distribution is to develop and if linkages, labour skills and infrastructure is to be appropriate for future growth sufficient to reduce levels of unemployment. What is clear is that regional policy must be extended to embrace a broader regional development planning strategy. Targets to achieve full employment must be embraced and resources mobilised to achieve these within defined sub-regions. Where private investment is unlikely to provide sufficient employment growth public action must extend beyond incentive schemes and improvement of the infrastructure. The report of a subcommittee of the Northern Ireland Economic Council "The Feasibility of State Industry"<sup>24</sup> must be more seriously considered especially in view of recent trends in investment.<sup>25</sup> Its relevance is clearly not restricted to the area covered by its terms of reference.

*New University of Ulster.*

24. Northern Ireland Economic Council, *The Feasibility of State Industry in Northern Ireland*, HMSO, Belfast 1971.

25. See for example Cmd. 564, *Review of Economic and Social Development in Northern Ireland*. Report of the Joint Review Body, HMSO, Belfast, 1971.