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Mr. Robert Wiggins
Economic Policy Division
Department of the Taoiseach
Government Buildings
Upper Merrion Street
Dublin 2

13th March 2019

Re: European Semester 2019 – National Reform Programme

Dear Mr. Wiggins,

I refer to the letter from Mr. John Shaw dated 27 February 2019 regarding the 2019 Country Report for Ireland published by the European Commission as part of the European Semester Process. In that context the Southern Regional Assembly welcomes the opportunity to make a submission to assist with the preparation of the National Reform Programme.

The Southern Regional Assembly (SRA) welcomes the opportunity to respond to the 2019 Country Report (the Report) for Ireland. We acknowledge the three Country Specific Recommendations, particularly noting that which highlights the importance of ensuring timely and effective implementation of the National Development Plan (NDP).

Regional Disparities and the Irish NUTS 2 Regions

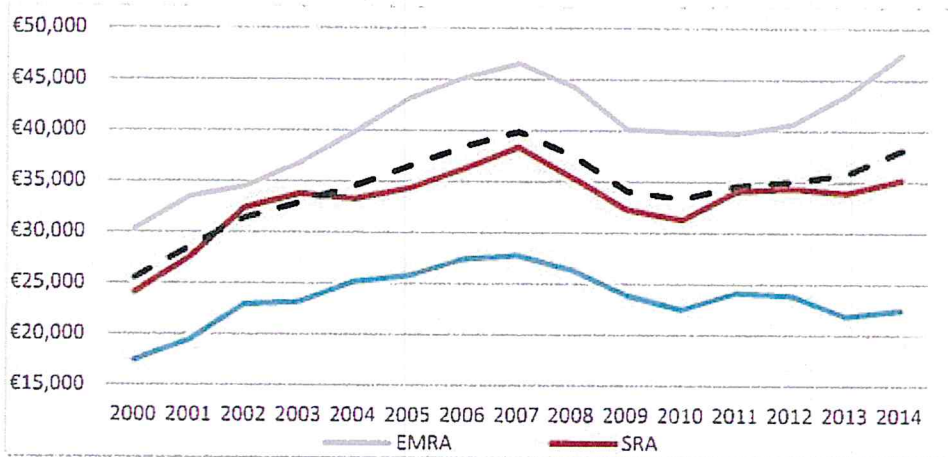
The 2019 Country Report for Ireland highlights that regional disparities in Ireland are significant and are higher than other EU Countries. This is due to the dominance of Dublin across a range of factors but in particular is influenced by the concentration of multinationals in Dublin, which tend to outperform domestic firms in terms of productivity. The Report specifically highlights regional disparities between the Southern & Eastern Region and that of the Border and Western Region.

In this regard, the SRA would like to highlight that focusing on the Southern & Eastern (S&E) and Border, Midlands & West NUTS regions does not give the full picture and in fact no longer accurately reflects the regional reality in Ireland. Under the Local Government Act 2014, the two NUTS 2 regions were realigned to create three regions namely: the Southern, the Northern & Western, and the Eastern & Midland regions. This prompted revisions to the NUTS 2 and NUTS 3 regions which were given legal status under Commission Regulation (EU) 2016/2066. These regional changes are reflected by the establishment of the Regional Assemblies in 2015 as part of the regional tier of governance in Ireland – Northern & Western Regional Assembly (NWRA), Southern Regional Assembly (SRA) and Eastern & Midland Regional Assembly (EMRA).

To more accurately reflect comparative disparities at the level of the Southern region, statistical analysis at the three NUTS II needs to be considered. The reliance on pre January 2018 NUTS II configuration is out of step with Ireland's regional geography.

In this context both the Southern Region and the Northern and Western Region perform below the Eastern and Midlands Region and in most cases the national level. GVA per person at basic prices shows that the Southern Region has performed below the national level since 2003. As expected, the Eastern & Midland region, containing Dublin, has consistently had a higher GVA per person of the three regions and is higher than the national figure.

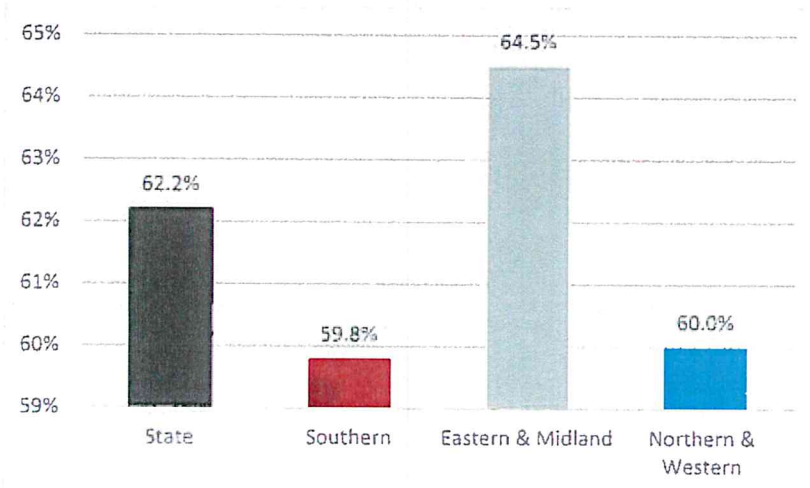
Gross Value Added (GVA) per person at Basic Prices (Euro) by Region and year



Source: Regional Assemblies, 2018/ CSO

The total labour force in the Southern Region in Quarter 4 of 2018 was 769,700 - a third of the total national labour force compared to 17% for the N&W region and over half the total for the E&M region. The total labour force participation rate in the Southern Region for the last quarter of 2018 was 59.5%, below the national rate and both the Northern & Western and the Eastern & Midland regional rates.

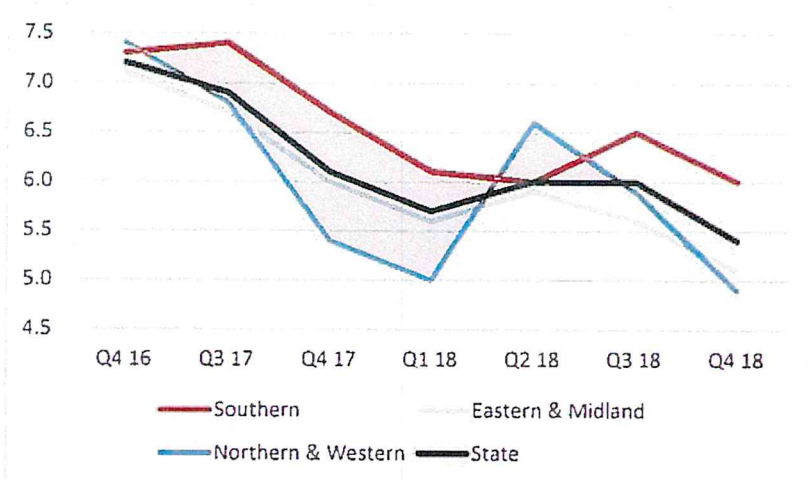
Labour Force Participation Rate - Q4 2018



Source: CSO Labour Force Survey 2018

According to the CSO, the unemployment rate among persons aged 15-64 was highest in the Southern Region at 6%, compared to 5.1% and 4.9% for the E&M and the N&W regions respectively in Quarter 4 of 2018.

Unemployment rate (%) – Q4 2018 (persons aged 15-74)



Source: CSO Labour Force Survey 2018

The National Reform Programme should recognize the need to reduce these regional disparities across the 3 regions and be linked to the Government objectives as set out in the National Planning Framework.

National Planning Framework and National Development Plan

The Country Report recognises the importance of the NFP and the NDP as key mechanisms to address the many investment challenges for Ireland. The SRA agree that the successful implementation of the NPF and NDP depends on cohesive cross governmental policy alignment, with an impetus to NPF-proof their strategic investment programmes. The NPF sets out a vision for the future growth of our country in particular developing a new region-focused strategy for managing growth. This regional focus is to deliver balanced growth between the three regions through the development of three Regional Spatial and Economic Strategies (RSES) for each of the Regional Assembly Areas. This is reflected in the way in which regional spatial planning and economic planning have been married together in the new regional strategies which is a new departure for the Irish regions.

Therefore, SRA regard the Regional Spatial and Economic Strategies as equally important to successful delivery of the NPF and NDP.

Regional Spatial & Economic Strategies

The RSES serves as a framework through which the NPF’s vision and related Government policies will be delivered at regional level by addressing economic and spatial growth. It is a strategic plan which identifies regional assets, opportunities and pressures and provides appropriate policy responses, will address key themes for the Southern Region - economy, environment, connectivity, quality of life, water and energy utilities as well as spatial planning for our cities, towns and villages.

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At this strategic level, it establishes policies and recommendations that will better manage regional planning and economic development throughout the Southern Region.

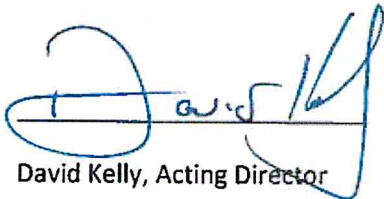
A key component of the RSES is to strengthen the settlement structure of the Southern Region, to capitalise on the individual and collective strength of our cities (Cork, Limerick and Waterford), metropolitan areas and our strong network of towns. The emphasis on urban growth is driven by the wider economic benefits of the RSES to the country and the Southern Region, but also for environmental reasons to make the most efficient use of urban resources.

The development of the RSES involved widespread consultation, commencing late 2017 and is currently at draft stage. The Draft RSES was adopted by the Members of the Southern Regional Assembly at its meeting in November 2018 to go to public consultation from December 2018 until March 2019. Over 200 submissions have been received which need to be considered and any consequent amendments presented to the Assembly for consideration and formal adoption of the Strategy during 2019.

As the RSES will set out a 12-year strategic development framework for the Southern Region its importance should be recognised in the National Reform Programme, along with the central importance of both National and EU investment in support of this regional policy.

Should you have any queries or would like to discuss any of the above in further detail please don't hesitate to contact me.

Yours sincerely,



David Kelly, Acting Director