The National Planning Framework and Regional Inequalities – Can these be addressed?

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June 2017
Outline

- Context – WDC, What we do
- What regional inequalities are we trying to address?
- Regional & rural development & implications of the NPF
- The role of the NPF in enterprise & employment strategies
- Relationship between NPF, infrastructure & capital spending
Western Development Commission (WDC)

- 7 county Western Region

- State body – Department of Arts, Heritage, Regional, Rural & Gaeltacht Affairs

- WDC Act 1998
  ‘….foster and promote the economic and social development of the Western Region’
WDC – What we do

- Inform policy-making through analysis of Region’s issues & needs (e.g. infrastructure, labour market)

- Promotion – [www.lookwest.ie](http://www.lookwest.ie)

- Development of region’s resources e.g. Creative sector, Tourism, Renewable energy

- WDC Investment Fund – Risk capital to SMEs
## Regional Inequalities – Population growth/decline

<table>
<thead>
<tr>
<th>Area</th>
<th>Population 2016</th>
<th>% Change 11-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clare</td>
<td>118,817</td>
<td>1.4</td>
</tr>
<tr>
<td>Donegal</td>
<td>159,192</td>
<td>-1.2</td>
</tr>
<tr>
<td>Galway city</td>
<td>78,668</td>
<td>4.2</td>
</tr>
<tr>
<td>Galway county</td>
<td>179,390</td>
<td>2.4</td>
</tr>
<tr>
<td>Leitrim</td>
<td>32,044</td>
<td>0.8</td>
</tr>
<tr>
<td>Mayo</td>
<td>130,507</td>
<td>-0.1</td>
</tr>
<tr>
<td>Roscommon</td>
<td>64,544</td>
<td>0.7</td>
</tr>
<tr>
<td>Sligo</td>
<td>65,535</td>
<td>0.2</td>
</tr>
<tr>
<td>Western Region</td>
<td>828,697</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td><strong>4,761,865</strong></td>
<td><strong>3.8</strong></td>
</tr>
<tr>
<td>Rest of State</td>
<td>3,933,168</td>
<td>4.4</td>
</tr>
</tbody>
</table>
## Population Change – longer term trends

### Population Density – 2016 as a % of 1841 pop.

<table>
<thead>
<tr>
<th>County</th>
<th>2016</th>
<th>1841</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leitrim</td>
<td>21%</td>
<td>101%</td>
</tr>
<tr>
<td>Roscommon</td>
<td>25%</td>
<td>106%</td>
</tr>
<tr>
<td>Mayo</td>
<td>34%</td>
<td>113%</td>
</tr>
<tr>
<td>Sligo</td>
<td>36%</td>
<td>194%</td>
</tr>
<tr>
<td>Clare</td>
<td>41%</td>
<td>361%</td>
</tr>
<tr>
<td>Donegal</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>Galway</td>
<td>59%</td>
<td></td>
</tr>
<tr>
<td>Western Region</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Louth</td>
<td>101%</td>
<td></td>
</tr>
<tr>
<td>Meath</td>
<td>106%</td>
<td></td>
</tr>
<tr>
<td>Wicklow</td>
<td>113%</td>
<td></td>
</tr>
<tr>
<td>Kildare</td>
<td>194%</td>
<td></td>
</tr>
<tr>
<td>Dublin</td>
<td>361%</td>
<td></td>
</tr>
</tbody>
</table>

## Persons per sq km

<table>
<thead>
<tr>
<th>County</th>
<th>1841</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leitrim</td>
<td>97.7</td>
<td>20.2</td>
</tr>
<tr>
<td>Roscommon</td>
<td>99.5</td>
<td>25.3</td>
</tr>
<tr>
<td>Sligo</td>
<td>98.4</td>
<td>35.6</td>
</tr>
<tr>
<td>State</td>
<td>96.04</td>
<td>70.0</td>
</tr>
</tbody>
</table>
What are the Regional Inequalities

- **Age dependency** - 21.1% of WR 0-14 yrs. Same as Rest of State = 21.1%, EU28 = 15.6%

- **But Pop of working age lower**: WR=63.5%, Rest of State=65.9% EU 28=65.5%

- **Elderly population (65+)**: WR 15.4%, Rest of State = 13%, EU28 = 18.9%

- **Age cohort 25-34 yrs** – evidence of outmigration. Greater levels of outmigration from WR. Jobs are key!
Regional & rural development implications of NPF

- NPF Issues paper – from ‘business as usual’... to developing other centres

- WDC Submission

- The primacy of Ireland’s capital is unusual compared to other advanced small countries.

  Either over or under [urban] concentration ... is very costly in terms of economic efficiency and national growth rates (Henderson, 2000).

- Ireland’s share of largest city in urban population an outlier in OECD countries – comparable to Argentina, Panama, Costa Rica, Chile, Korea, Thailand, the Congo, Greece and Portugal!!.

- A key goal of the NPF should be to effectively promote second tier cities.
Regional & Rural development - WDC Submission

- The 5 cities serve the East, South, Mid-West & West.... driving development in their regions.

- The North West needs a stronger urban centre, Brexit an additional challenge. Sligo & Letterkenny.

- Urban Growth in West: Galway the only built-up area which experienced consistent population growth greater than national av. – 96-2016, (41% v 31%)

- Why? Quality of life appeal, good employment opportunities, strong educational & health facilities ... Absence of a larger growth centre to the North

- Role of other towns – smaller towns in a largely rural Western Region perform functions of larger towns or cities in other regions.
Regional development – Implications of NPF

- The regional cities have capacity to ‘take the strain’ – if given the resources & more effective linkages between them

Sufficient Scale?

- Dublin competed successfully internationally, when it was much smaller in size.
- Galway, Cork and Limerick – smaller centres can & do successfully compete.
- Importance of intra-regional commuting – improvements in key parts of transport network.
- Significant linkages between rural areas & their urban centres.
Rural areas – Implications of NPF

- Important sectors – tourism, agrifood, creative industries, renewable energy.
- Higher self-employment in WR – Incl and excl agriculture. 22.9% compared to 15.2% national av.
  - BUT there can be too much focus on distinctive characteristics of rural areas
- More similarities than differences. Similar types of businesses (for the most part) & employment
- Rural-urban linkages: Importance of rural dwellers as a key element of labour supply of FDI – e.g. over ¼ of rural dwellers commuting to work in Galway city work in IDA business parks in East of Galway city (4,200+).
- Issues for planners – towns & villages – imp centres for employment, residence & service provision. Lack of investment in these centres. E.g. footpaths in vicinity of rural towns & villages
‘Rural’ employment – Jobs by Sector, Co. Mayo
(Census 2011)

- Wholesale & retail: 7,675
- Industry: 6,460
- Health & social work: 5,695
- Agriculture, forestry & fishing: 5,411
- Education: 4,190
- Banking, financial & real estate: 3,949
- Hotels & restaurants: 3,481
- Public administration & defence: 3,203
- Construction: 3,127
- Industry not stated: 2,200
- Other services: 1,988
- Transport, storage & communications: 1,697
The role of NPF in enterprise & employment strategies

- Ltd concept of work in Issues paper – Self-employment, e-working, gig economy, contract work
- UK Research - Policy can effectively influence the location of FDI in favour of the north.

Scale
- Size: Not all centres can or should compete for very large scale investments.
- City regions outside of Dublin, now focal points for internationally mobile investment.
- But smaller centres successful attracting FDI too.
The NPF, infrastructure and capital spending

- Transport investment promoted development of Dublin – road & rail networks developed in a radial fashion, motorways too.
- Poor connectivity between the other centres - constraining economic activity
  
  *Investment in national transportation infrastructure creates beneficial effects in spreading economic benefits throughout the regions, but a transportation system that centres on a single city will ultimately reinforce its dominance (Krugman, 1996).*

  Clinch & O’ Neill (2009) citing Krugman note that *The entire transportation system in Ireland is a radial one consisting of road, rail and airports links each with Dublin as the hub.*

- Regions without significant transport improvements become relatively inaccessible. E.g North west.
- Weaker links between regional centres: Cork – Limerick, Galway - Sligo - Letterkenny
- Capitalise on investments already made e.g.capacity at Shannon & Knock airports.
Accessibility – Motorway network and drivetimes

Motorways
Drive Time (Minutes)
1 - 15
16 - 30
31 - 60
61 - 120
121 and more

(providing insights on key issues for the Western Region of Ireland)
NPF, Infrastructure & Capital Investment – key considerations I

- Low pop. density BUT geographically small & compact, unchallenging terrain.
- Broadly dispersed, but infrastructure deployed coast to coast and serve the entire country in between.
- Cost of infrastructure higher in congested, brownfield sites.
- Infrastructure investment influences other infrastructure deployment e.g. broadband & motorways – a detrimental impact on unserved locations
- Transport investment by mode e.g. road & rail investment: cumulative effect on specific routes/regions not considered.
NPF, Infrastructure & Capital Investment – key considerations II

- Short term needs, long-term impacts. Investment decisions now have long term impacts.

- Investments by the ‘wider state sector’

- Appropriate Appraisal and Evaluation Methods. Traditional CBA (cost benefit analysis) naturally favours the larger population centres as the impacts affect a greater number.

- Need to revise methodology to support wider spatial balance and NPF goals.

- Consider Social Return on Investment (SROI) capturing a broader measure e.g. environmental and social value not currently reflected in conventional financial accounts)
Implementation of NPF

Necessary......but maybe not sufficient!?

- A single body with responsibility & designated budget
- All other spending, investment & policy decisions in line with NPF
- Currently sectoral policy & planning is driver of regional development
- Clear relationship between delivery of the NPF & the RSES in each of the three regions.
- ‘Buy in’ – all to have a stake.
Thank You

Q&A

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