



Border, Midland & Western
Regional Assembly
Shaping the Region



WESTERN DEVELOPMENT COMMISSION
COIMISIÚN FORBARTHA AN IARTHAIR

Dynamic Regions For a Dynamic Island

**Joint brief from the
Border, Midland and Western Regional Assembly
and
Western Development Commission to the
Review of Towards 2016**

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Key Priorities for T16 Review

Regional development should be an explicit element of Towards 2016.

Regional development should be a central focus in all national strategies.

Regional development policy decisions and investment strategies should be underpinned by robust regional level indicators in order to measure progress and outcomes.

Summary of Proposals

Role of Regional Development within Social Partnership:

- The review of Towards 2016 should recommend that balanced regional development become a core issue and central goal of the social partnership process.
- A regional development chapter should be added to the existing Towards 2016 framework in order to establish and articulate the commitment of social partnership to the achievement of balanced regional development.

Regional Competitiveness:

- Regional investment strategies should be designed to enhance the endowments of the regions which are fundamental to their competitiveness. Such endowments include physical and knowledge infrastructure, the skills level of the workforce and quality of life.
- The National Competitiveness Council should undertake the construction of regional competitiveness tables for Ireland in order to determine and benchmark the relative competitive position of the regions and identify investment priorities.
- Forfás, working with enterprise, education, research and business organisations, should lead the development of regional innovation strategies in each region.

Sustainability of Growth:

- To ensure a more sustainable distribution of population, and lessen the pressures on competitiveness, it is necessary to enhance economic activity in the regions to act as a counter-balance to Dublin, as set out under the National Spatial Strategy.

Growth of the Smaller Gateways:

- Appropriate investment strategies should be set in place to ensure that the smaller gateways can grow to fulfil the regional role envisaged for them in the NSS.
- A specific funding mechanism for the new, smaller gateways should be established. This could be similar to the Gateways Innovation Fund which currently is a competitive fund open to both new and established gateways.

Role of Rural Areas and Provincial Towns:

- A clear strategy for the role to be played by rural areas and provincial towns in the achievement of a more balanced spread of development across the country needs to be established. This should be done using the framework provided by the NSS.
- This strategy should be based on a clear articulation of the role of rural areas and provincial towns and set out appropriate policy initiatives to ensure they can fulfil these roles.
- The current White Paper on Rural Development (1999) should be reviewed and updated given the rapidly changing structure of the rural economy and society.

All Island Potential:

- There should be a prioritisation and acceleration of investment in infrastructure links to the North-West, such investment would not only be a catalyst in opening up cross-border market opportunities but would also act as a counterbalance to the Dublin-Belfast corridor.

Regional Policy Co-ordination at National Level:

- A government department needs to be given overarching responsibility for regional development and be provided with sufficient resources. This could ensure coherence among the individual departments in their investment decisions for the regions and thereby maximise the benefit that can be derived from those investments. The Department of the Environment, Heritage and Local Government, and in particular its Spatial Planning Unit, may be appropriate.
- The objective of achieving more balanced regional development should be incorporated into the project appraisal guidelines of all spending departments.

Measurement of Regional Progress Proposals:

- A basket of social and economic indicators of regional development should be devised and used to monitor development at regional level on an ongoing basis.
- Indicators relating to regional development should be incorporated into the new Annual Output Statements of all government departments.
- A forum on regional development should be established in order to review the data gathered through the NSS Monitoring System so as to incorporate the information within the decision making process.

Section 1

Background and Overview

This paper is a joint brief from the Border, Midland and Western (BMW) Regional Assembly and the Western Development Commission (WDC) setting out our priorities in relation to the review of Towards 2016, the Ten-Year Framework Social Partnership Agreement 2006-2015. Both organisations play an important role in promoting regional development and in ensuring that national policies take the needs of regions into account.

The current Towards 2016 document does not fully reflect the fact that balanced regional development and an effective spatial structure are fundamental to ensuring sustainable national growth and a more equitable society. **The BMW Regional Assembly and the WDC believe that the review of Towards 2016 should result in regional development becoming an integrated and explicit element of the social partnership process.**

The **BMW Regional Assembly** was established in 1999 to give effect to the division of the country into two regions for Structural Funds purposes. For the 2007-13 funding period, the BMW Region¹ no longer qualifies for objective 1 funding (having a GDP per capita above 75% of the EU average) and qualifies instead as a phasing-in region for objective 2 funding under the Regional Competitiveness and Employment objective.

The main roles of the BMW Assembly are to:

- Manage the BMW Regional Operational Programmes 2000-2006 and 2007-2013;
- Monitor the impact of all EU and Irish exchequer-funded programmes in the BMW Region;
- Promote the co-ordination of the provision of Public Services in the Region; and
- Ensure that national policies take regional issues into account.

Under the terms of the **Western Development Commission Act 1998**, the purpose of the WDC is to promote, foster and encourage economic and social development in the Western Region (counties Donegal, Sligo, Leitrim, Mayo, Galway, Roscommon and Clare).

The WDC works in co-operation with national, regional and local bodies involved in western development to:

- Contribute to balanced regional development by ensuring that the Western Region maximises its full potential for economic and social development by analysing economic and social trends and making policy recommendations;
- Promote the benefits of living, working and doing business in the Western Region, including through our **LookWest.ie** campaign;

¹ BMW Region: Border (Cavan, Donegal, Leitrim, Louth, Monaghan & Sligo)
Midland (Laois, Longford, Offaly & Westmeath)
West (Galway, Mayo & Roscommon)

BMW Regional Assembly & Western Development Commission

- Support the sustainable economic and social development of the rural economy through facilitating strategic initiatives; and
- Provide risk capital to SMEs and social enterprises by operating the WDC Investment Fund.

The geographic remits of the BMW Regional Assembly and the WDC overlap to a certain extent, with the BMW covering a larger area while the WDC incorporates county Clare. The statistics presented in this document mainly relate to the BMW Region as national statistics are routinely compiled for that region and as it is the larger of the two regions. To a great extent the experience of the BMW Region, as compared with the rest of the state, is mirrored in the Western Region.

In the following Section 2, we begin by setting out the socio-economic context for the BMW Region by highlighting existing challenges and opportunities and by identifying the regional disparities that persist within Ireland. It must be noted that many of the issues facing the BMW Region which are highlighted would also be applicable to the other regions of Ireland outside of the Greater Dublin Area, particularly the more rural regions. In Section 3 we put forward a set of issues and corresponding proposals which we believe are necessary to effectively address regional issues. More specific sectoral actions are detailed in the Appendix.

Section 2

Socio-Economic Context for Review of Towards 2016

Regional inequality continues to exist in Ireland. The National Development Plan 2007-2013 continues to commit the government to the goal of balanced regional development. However, the framework within which the NDP is to achieve this has changed; in the previous NDP 2000-2006 all expenditure was allocated on a regional basis between the BMW Region and the S&E Region. This regional division of spending commitments no longer exists.

The regional development element of the new NDP is framed in the context of the National Spatial Strategy and in particular the gateways identified in the NSS. The gateways are presented as the main drivers of development for their hinterlands. Expenditure committed under the new NDP is not allocated on a regional basis. This change means that the review of Towards 2016 is taking place in quite a different regional context from when it was first negotiated in 2006. This new context makes it even more imperative that regional development be explicitly incorporated within Towards 2016.

The purpose of this section is to highlight the current regional socio-economic context within which the review is taking place. It presents data on a wide range of factors which are fundamental to the achievement of balanced regional development. While the data presented mainly relate to the BMW Region, many of the issues raised would apply equally to other predominantly rural regions in Ireland.

Current Issues for the BMW Region:

1. Population Trends
2. Regional Productivity Disparities
3. Capacity to Attract Foreign Direct Investment
4. Innovation and Entrepreneurship Levels
5. Funding of Research Programmes in Third-Level Institutions
6. Higher Employment in Vulnerable Sectors
7. Regional Income Disparities
8. Higher Levels of Poverty
9. High Educational Participation but Poor Retention of Graduates
10. Infrastructure Deficit
11. Declining Regional Share of Overseas Tourists but More Domestic Visitors

2.1 Population Trends

Population growth in the BMW Region since 1996 has been above the national average, presenting a considerable opportunity for future economic and social development across the region. However, regional population projections to 2021² estimate that 45% of the increase in the national population will occur in the GDA (Dublin and the Mid-East Regions). A more even distribution of population growth across the regions would provide a more sustainable future for the country as a whole, including lessening congestion and infrastructure challenges in the east.

² CSO (2004). Regional Population Projections 2006-2021.

Table 1: Population Change and Projections 1996 - 2021

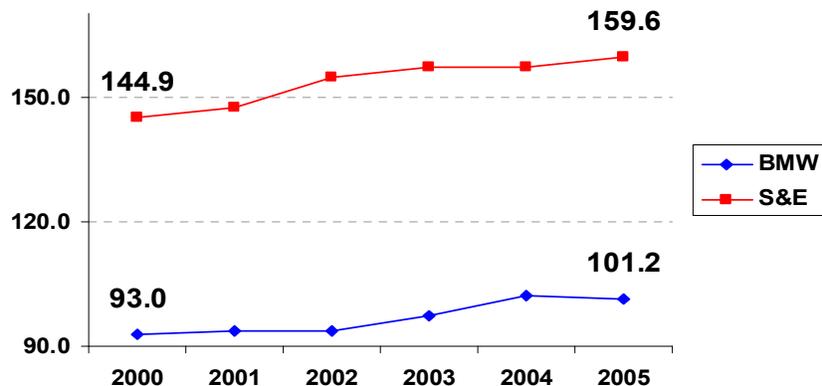
	1996	2006	% Change 1996-2006	Projections 2021	% Change 2006- 2021
	'000s	'000s	%	'000s	%
State	3,626.0	4,239.8	16.9	5,069.9	19.7
BMW Region	965.2	1,134.3	17.5	1,355.0	19.5
S&E Region	2,660.8	3,105.5	16.7	3,714.9	19.7

Source: CSO Census 2006 & CSO Regional Population Projections 2006-2021

2.2 Regional Productivity Disparities

Regional Gross Value Added (GVA)³ is the standard measure used by the EU to measure regional diversity. A large disparity persists in the level of productivity between the regions of Ireland, as illustrated in Figure 1. This graph clearly illustrates that the BMW Region has not closed the productivity gap with the S&E Region and that this gap is actually widening. This difference in the level of economic output is due to the more highly concentrated levels of economic activity within high-value added industries in the S&E Region, along with greater levels of foreign investment in that Region. By comparison, the BMW Region has a relatively higher proportion of its employment in low value-added industries.

Figure 1: GVA per person at Basic Prices 2000-2005 (EU 27 =100)



Source: CSO (2008) County Incomes and Regional GDP 2005

2.3 Capacity to Attract Foreign Direct Investment

The S&E Region, and in particular, the larger centres of Dublin and Cork, continue to outperform the more rural BMW Region in their ability to attract foreign direct investment. During the period 2000-2006 the BMW Region received 36% of the total IDA supported new 'greenfield' jobs from foreign investment. This is well below the

³ Gross Domestic Product (GDP) is the same measure as Gross Value Added (GVA) in that they both measure the goods and services produced within a region. They differ in how they treat product taxes and product subsidies; GDP includes taxes and excludes subsidies, GVA excludes taxes and includes subsidies.

50% target set out by the IDA for this period. In 2007, just 15.8% of new jobs created by IDA-supported firms were in the BMW Region⁴.

2.4 Innovation and Entrepreneurship Levels

A key factor in regions' potential to develop higher value-added industries is the skills and knowledge of employees and their capacity to understand and utilise innovations. The interaction between the third level sector and enterprises is another important element, as well as the capacity of each to avail of supports for innovative activity.

The Audit of Innovation in the BMW Region (2004) found an innovation deficit and showed it to be less entrepreneurial than the S&E Region. These findings are supported by the Forfás Innovation Survey⁵ which established that greater levels of innovation were occurring in the S&E Region. In the service sector for example 45.3% of all S&E Region firms were innovative compared to 38.4% in the BMW Region. The BMW Regional Operational Programmes⁶ and the BMW Regional Programme of Innovative Actions⁷ have piloted a number of initiatives aimed at enhancing the innovative capacity of the region.

2.5 Funding of Third-Level Research Programmes

More rural regions tend to be characterised by a weaker third-level infrastructure. In Ireland there is no university north of a line from Galway to Dublin. Current government expenditure on R&D in the BMW Region remains low, only 10.6% of funding available under competitive state research programmes was allocated to institutions in the Region between 2000 and 2007 with NUI Galway receiving the majority of this. One of the key issues is the low capacity of the Institutes of Technology (IoTs) in the regions to absorb research funding. Supporting the expansion of IoTs' research capacity is a necessary first step to increasing R&D expenditure in the regions, both by the public and business sectors.

2.6 Higher Employment in Primary and Construction Sectors

Employment in rural regions is characterised by higher dependence on construction and primary sectors. In the BMW Region 37.7% of men are employed in either agriculture or construction. Taken together, agriculture, forestry, fishing and construction account for 23.2% of all employment in the BMW Region. As these sectors decline, rural areas become more vulnerable to rising unemployment

⁴ Data supplied by the IDA.

⁵ Forfás (2006). Forfás Innovation Survey: The Fourth Community Innovation Study – First Findings.

⁶ The BMW Regional OP 2000-2006 provided funding of €14.74m for the provision of incubation centres in each of the IoTs in the Region. These will facilitate the commercialisation of research and development projects carried out by their personnel. A series of networking initiatives for Institute staff involved in the design and development of the Centres has also been established.

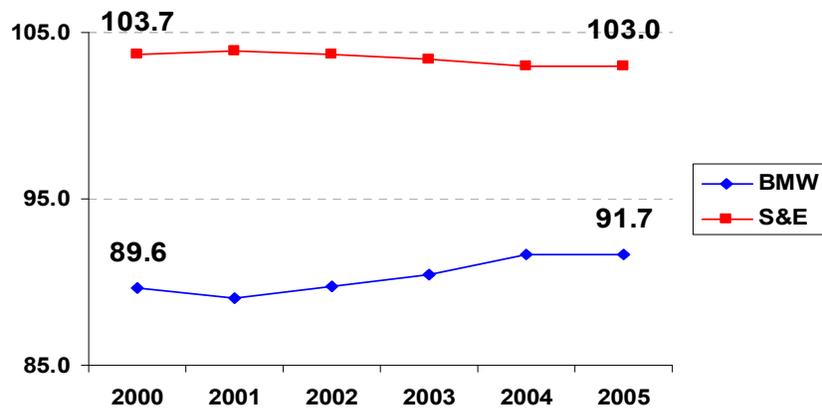
⁷ The BMW Regional Programme of Innovative Actions 2006-2008 valued at €1.8m is being rolled out under 7 key measures; (i) Research based briefings for high growth companies in the BMW Region; (ii) Technology partnership initiatives between research centres & industry both within and beyond the region; (iii) A Research Vouchers scheme whereby firms can apply for and avail of specific research services using an incentivised vouchers scheme; (iv) A Food Technology Programme providing technical support services to small and medium sized food businesses in the BMW Region; (v) An Innovation Management training initiative aimed at improving management and innovation planning skills among small business leaders; (vi) A Business Mentoring for Winners Programme; and (vii) Resourcing Innovation and Technology Transfer to SMEs.

compared to urban areas where a variety of higher skilled and service employment is more likely to be available.

2.7 Regional Income Disparities

The simplest means of measuring standards of living of people in a region is to examine income levels. As illustrated in Figure 2, the gap in disposable income between the BMW Region and S&E Region stood at more than eleven index points in 2005, despite the improvement that has occurred since 2000. It should also be noted that the gap between the regions' disposable income is less than the gap in GVA shown in Figure 1. Transfers from the state, which are higher for less developed regions, help to increase income levels and reduce regional disparity. While they do increase disposable income, such transfers do not enhance the productive capacity of the less developed regions.

Figure 2: Disposable Income per person 2000-2005 (State=100)



Source: CSO (2008) *County Incomes and Regional GDP 2005*

2.8 Higher Levels of Poverty

The BMW Region lags behind the S&E Region on all poverty indicators and the gap is widening. In the BMW Region in 2006⁸, 9.2% of the population were living in consistent poverty compared with 6.4% in the S&E Region. The region also performs poorly in terms of the proportion of the population at-risk-of-poverty – 26.2% in the BMW Region while the equivalent figure for the S&E Region was 13.7%. Other studies have found that the most rural counties tend to be characterised by higher incidences of poverty⁹.

⁸ CSO (2007). EU Survey on Income and Living Conditions (SILC) 2006.

⁹ Haase, T and Pratsche, J. (2005) *Deprivation and its Spatial Articulation in the Republic of Ireland*, ADM, Dublin; and Whelan, C., Watson, D., Williams, J. & Blackwell, S (2005), *Mapping Poverty, National, Regional and County Patterns*, Combat Poverty Agency, Dublin

2.9 High Educational Participation but Poor Retention of Graduates

The BMW Region (56.1%) has the highest admission rate of students to higher education surpassing both the S&E Region (53.1%) and those from Dublin (45.4%)¹⁰. The challenge for the BMW Region, and all regions outside of Dublin, is their ability to retain these students after they graduate by providing high quality employment opportunities. Figures from the Higher Education Authority¹¹ show that 42.9% of third-level graduates originally from the BMW Region take up employment in Dublin while the BMW Region retains 48.3% of its graduates. In comparison, Dublin retained 79.5% of its graduates in 2005.

These patterns are also reflected in the educational profile of regional labour markets, figures¹² show that 42.8% of those employed in Dublin have a third-level qualification compared to just 28.8% in the BMW Region, the equivalent figure for the S&E Region was 36%. Some of the factors contributing to the lower share in the BMW Region include the occupational profile which, as highlighted earlier, has a higher dependence on construction and primary sectors, as well as the older age profile within the Region.

The loss of highly qualified human capital is likely to persist without significant deepening and widening of the labour market. The high levels of third level admission point to considerable future potential for growing the region's skills base and its attractiveness for both indigenous and foreign enterprises.

2.10 Infrastructure Deficit

The under investment in infrastructure provision in the regions over many decades has led to a relatively lower level of infrastructural capacity in the regions. This presents a challenge for both national and regional competitiveness. Significant infrastructure deficits exist in road and international air access, broadband telecommunications and energy provision. These particularly impact upon the more rural regions. Specific examples and recommendations in relation to these are presented in Appendix 1.

2.11 Declining Regional Share of Overseas Tourists but More Domestic Visitors

Despite a continued growth in tourism nationally, the regional share of overseas visitor numbers has declined as illustrated in Figure 3. The North-West (NW) in particular has suffered a 30% decline in overseas visitors since 1999. This decline has been attributed to the growing popularity of short-break urban holidays, and the significant expansion of low-cost air access to Dublin¹³.

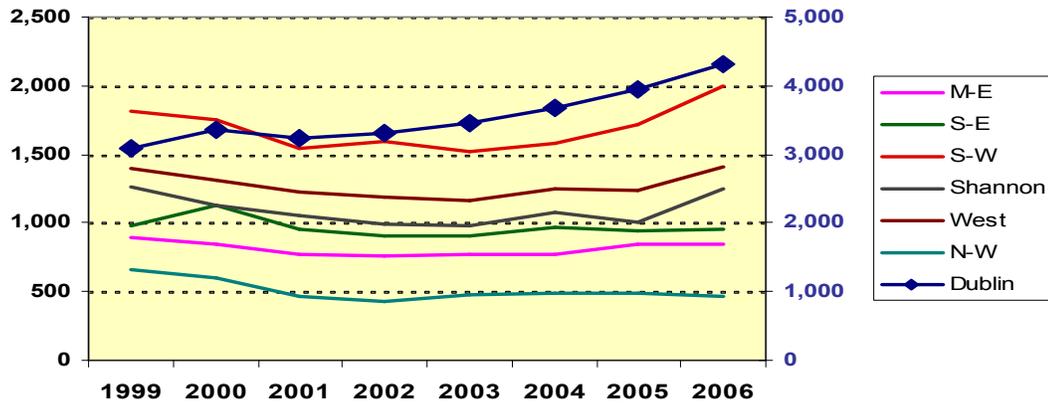
¹⁰ Figures compiled from data supplied in the Higher Education Authority Report: A Review of Higher Education Participation in 2003 compiled by Fitzpatrick Associates and Philip O'Connell, ESRI p.33

¹¹ Higher Education Authority (2007). What Do Graduates Do? The Class of 2005.

¹² CSO (2007). Quarterly National Household Survey, 2007 Quarter 3.

¹³ Irish Tourist Industry Confederation (2005). How Tourism in Ireland is Changing: Regional Distribution.

Figure 3: Overseas Visitors by Tourist Region (000s) 1999-2006



Source: Data provided by Fáilte Ireland

Note: Dublin is graphed using the differently scaled axis on the right hand side. All other regions are graphed using the left hand axis.

In parallel to declining overseas visitor numbers, there has been considerable growth in the domestic tourism market. This is particularly important in ensuring a more even regional spread of tourism revenue. The North West and West regions for example experienced a 27% and 30% increase respectively in domestic visitor numbers between 2000 and 2006. In 2006 domestic tourists accounted for 46% of all tourists who visited those two regions. While domestic tourism is helping to reduce the regional gaps, the revenue generated from domestic tourists is considerably lower than from overseas visitors.

Section 3

Issues and Proposals

Key Regional Development Issues and Solutions

The WDC and BMW Regional Assembly consider that there are eight key issues which affect the achievement of balanced regional development in Ireland. These are outlined below along with our proposals to address them.

1. Role of Regional Development within Social Partnership
2. Regional Competitiveness
3. Sustainability of Growth
4. Growth of the Smaller Gateways
5. Role of Rural Areas and Provincial Towns
6. All-Island Potential
7. Regional Policy Co-ordination at National Level
8. Measurement of Regional Progress

3.1 Role of Regional Development within Social Partnership

While balanced regional development is an increasingly critical policy issue for Ireland it has largely been ‘lost’ in the policy discourse of social partnership and has up to now not featured to the extent that it should. The social partnership process should take greater cognisance of the need to develop regionally differentiated policy and to recognise that a more even spatial dispersal of development is necessary.

We therefore strongly recommend that regional issues are given greater prominence in the review of Towards 2016 and should be treated as a core issue by all social partners who come to the negotiating table. This should be done not only in the interest of ensuring continued economic growth in a sustainable manner, and achieving greater social inclusion, but also as a means of ensuring a better quality of life for people living and working in different parts of Ireland, both rural and urban.

Role of Regional Development within Social Partnership Proposals:

- The review of Towards 2016 should recommend that balanced regional development become a core issue and central goal of the social partnership process.
- A regional development chapter should be added to the existing Towards 2016 framework in order to establish and articulate the commitment of social partnership to the achievement of balanced regional development.

3.2 Regional Competitiveness

Ireland’s competitiveness is the key to future economic growth. The components of national competitiveness are well understood as a result of the work of the National Competitiveness Council among others. However the role and functioning of regional competitiveness has not received as much attention in Ireland. There is ample empirical evidence that regions are potential arenas for competitive advantage and competitiveness is therefore intimately bound up with successful regional economic

development. It must also be recognised that the competitiveness of the state as a whole is comprised of the competitive strengths of its constituent regions.

Wide disparities between regions, such as exist in Ireland, are not conducive to either national or regional competitiveness. Improving regional competitiveness and tackling regional disparities requires that regions be in a position to attract inward investment and grow indigenous enterprises. The level of innovation within a region is intrinsically linked to its competitiveness. Thus, firms in regional locations, in order to compete in a knowledge-intensive global economy, need to be encouraged and supported to become more innovative. With the exception of the Shannon region there appears to be no coherent regional innovation strategies in place in Ireland's regions and no state organisation has responsibility for their creation.

To be competitive in regional locations, enterprises must also have access to infrastructural facilities that are at least on a par with their competitors, as well as access to a highly skilled workforce.

Regional Competitiveness Proposals:

- Regional investment strategies should be designed to enhance the endowments of the regions which are fundamental to their competitiveness. Such endowments include physical and knowledge infrastructure, the skills level of the workforce and quality of life.
- The National Competitiveness Council should undertake the construction of regional competitiveness tables for Ireland in order to determine and benchmark the relative competitive position of the regions and identify investment priorities.
- Forfás, working with enterprise, education, research and business organisations, should lead the development of regional innovation strategies in each region.

3.3 Sustainability of Growth

The spatial patterns that have emerged in Ireland as a result of rapid economic growth are clearly unsustainable. Excessive concentration of economic activity in the east, and the associated settlement patterns and population concentration that have emerged, have led to:

- massive growth in the use of private cars for transport and increased greenhouse gas emissions;
- longer commuting distances/times; and
- congestion leading to reduced efficiency and increased operating costs for businesses.

Ultimately both the quality of life of residents and the efficiency of businesses in the east region suffer as a result of this over concentration of growth, which in turn has a profound impact upon the country as a whole.

The completion of the five major inter-urban (MIU) motorways out of Dublin are likely to further exacerbate this trend, with increased population growth along these

corridors feeding into the Dublin region. This unsustainable pattern of urban sprawl is starkly highlighted by the fact that ‘*Dublin will soon occupy the same surface area as Los Angeles but with less than a quarter of its population*’¹⁴.

Sustainability of Growth Proposals:

- To ensure a more sustainable distribution of population, and lessen the pressures on competitiveness, it is necessary to enhance economic activity in the regions to act as a counter-balance to Dublin, as set out under the National Spatial Strategy.

3.4 Growth of the Smaller Gateways

The NDP 2000-2006 identified the five major cities as gateways (Dublin, Cork, Limerick, Galway and Waterford). When the National Spatial Strategy was published (2002) it recognised the ‘*need to redress the weaker urban structure in the West and North West*’¹⁵. Consequently four new gateways were identified (Sligo, Dundalk, Letterkenny¹⁶ and the Midlands gateway (Athlone, Mullingar, Tullamore)) all of which fall within the BMW Region.

It was recognised in the NSS that these new gateways were of a different scale to the existing gateways and noted that ‘... it is clear the new gateways identified in the NSS will also need to grow substantially if they are to play a similar role [to the existing gateways].’¹⁷ The *Gateways Investment Priorities* study (2005) noted that for some of the gateways playing the role envisaged in the NSS was an ambitious aim. The need to recognise this by providing particular supports to the new, smaller gateways is clear. This should be given effect by targeted interventions tailored to their specific needs to facilitate them to achieve significant sustained growth.

Growth of the Smaller Gateways Proposals:

- Appropriate investment strategies should be set in place to ensure that the smaller gateways can grow to fulfil the regional role envisaged for them in the NSS.
- A specific funding mechanism for the new, smaller gateways should be established. This could be similar to the Gateways Innovation Fund which currently is a competitive fund open to both new and established gateways.

3.5 Role of Rural Areas and Provincial Towns

The role of the gateways in achieving the objectives of the NSS has been extensively studied and expanded upon in the *Gateways Investment Priorities* study (2005), *Atlantic Gateways Initiative* report (2006) and with the Gateways Innovation Fund. Gateways are also the main focus of regional development within the NDP 2007-2013. In addition, the role to be played by the hub towns has also been examined in

¹⁴ Urban Forum (2007), A Better Quality of Life For All.

¹⁵ The National Spatial Strategy 2002-2020, p. 49.

¹⁶ Letterkenny is a linked gateway with Derry city.

¹⁷ The National Spatial Strategy 2002-2020, p. 50.

NSS Hubs: Development Issues and Challenges, and is reflected within the Regional Development Chapter of the NDP.

However, the functions of rural areas and small and medium-sized provincial towns, and their contribution to the achievement of the NSS objectives, have not been as clearly articulated. The BMW Region is a predominantly rural region and its urban structure is dominated by small and medium-sized towns. Such areas are often seen as residential locations from where workers commute to larger urban centres. However it is important that rural areas, and small and medium-sized provincial towns, develop in their own right and have the capacity to encourage enterprise development at their own scale.

Role of Rural Areas and Provincial Towns Proposals:

- A clear strategy for the role to be played by rural areas and provincial towns in the achievement of a more balanced spread of development across the country needs to be established. This should be done using the framework provided by the NSS.
- This strategy should be based on a clear articulation of the role of rural areas and provincial towns and set out appropriate policy initiatives to ensure they can fulfil these roles.
- The current White Paper on Rural Development (1999) should be reviewed and updated given the rapidly changing structure of the rural economy and society.

3.6 All Island Potential

The dividends of the peace process in Northern Ireland which have included the development of a stable political environment now underpinned by the re-establishment of the executive powers of the Northern Ireland Assembly provide an opportunity for the strategic re-positioning of the all island economy. The vision for the all island economy is one where *'all citizens throughout the island will gain from access to better markets, higher quality public services, economic growth and reductions in regional disparities'*¹⁸.

The potential to exploit these opportunities is most prevalent for the border counties. In recent times there has been a major strengthening and development of the Dublin to Belfast economic corridor highlighted by the enhancements to the M1 motorway. An example of growing all island collaboration along this corridor is the proposed Newry-Dundalk twinned gateway proposal. Such initiatives should be complemented by infrastructure investment where deficits along the border exist, most notably in the more rural areas of the border where the need is greatest.

We welcome the work that is currently being carried out on cross-broader projects, such as the re-opening of border roads, City of Derry Airport, the Ulster Canal, the North West Gateway Initiative, electricity interconnection and the single electricity market. It is however critical that regional development should be a fundamental

¹⁸ IntertradeIreland (2006). Spatial Strategies on the Island of Ireland: Development of a Framework for Collaborative Action p.84.

consideration in the development of all island strategies. We therefore also welcome the current work that is being jointly carried out by the Department of the Environment, Heritage and Local Government and the Department of Regional Development in Northern Ireland on cross-border spatial development which aims to achieve all island collaboration on the two jurisdictions' spatial strategy.

All Island Potential Proposals:

- There should be a prioritisation and acceleration of investment in infrastructure links to the North-West, such investment would not only be a catalyst in opening up cross-border market opportunities but would also act as a counterbalance to the Dublin-Belfast corridor.

3.7 Regional Policy Co-ordination at National Level

At present there is a lack of coherence in investment decisions which impact on the regions. Decision-making is concentrated at a national level and is done on a sectoral rather than spatial basis. Decisions which affect the various elements of regional development are not co-ordinated or integrated to ensure the maximum impact at regional level. Integrated regional development requires that a set of investments are made in a co-ordinated way to ensure the maximum effect, but currently there is no policy framework in which this can happen.

Regional Policy Co-ordination at National Level Proposals:

- A government department needs to be given overarching responsibility for regional development and be provided with sufficient resources. This could ensure coherence among the individual departments in their investment decisions for the regions and thereby maximise the benefit that can be derived from those investments. The Department of the Environment, Heritage and Local Government, and in particular its Spatial Planning Unit, may be appropriate.
- The objective of achieving more balanced regional development should be incorporated into the project appraisal guidelines of all spending departments.

3.8 Measurement of Regional Progress

There is a need for more focused attention on measuring outcomes, and social and economic indicators need to be devised and used to benchmark and monitor progress towards regional development. A basket of regional development indicators can then be used as an objective tool to benchmark progress in achieving the stated policy objective.¹⁹

Some progress has been made in this regard through the Annual Output Statements of government departments and especially through the NSS Monitoring System.

¹⁹ In 2007 the WDC outlined a proposed set of indicators in *Indicators, Balanced Regional Development and the National Development Plan 2007-2013* which can be downloaded from www.wdc.ie

However progress monitoring remains a key issue for regional development, especially in the absence of a clear regional demarcation of expenditure such as was used in the NDP 2000-2006.

In order to facilitate such regional development monitoring, there is also a need for more regionally disaggregated data provision.

Measurement of Regional Progress Proposals:

- A basket of social and economic indicators of regional development should be devised and used to monitor development at regional level on an ongoing basis.
- Indicators relating to regional development should be incorporated into the new Annual Output Statements of all government departments.
- A forum on regional development should be established in order to review the data gathered through the NSS Monitoring System so as to incorporate the information within the decision making process.

Appendix 1

Sectoral Policy Issues

1. National Roads Policy

The pattern of investment under the National Roads Programme over the past decade, concentrating on the creation of a radial motorway network of major-inter urban (MIU) routes out of Dublin, has strengthened the dominance of Dublin and contributed to increased urban sprawl. This needs to be counter-balanced by increased investment in radial networks around the other designated gateways and increased investment in secondary networks that link the gateways to their (predominantly rural) hinterlands.

Recommendations:

- ⇒ With the completion of the MIU network, national road policy should shift towards creating nodal networks emanating from the other gateways. Emphasis should be placed on creating inter-linkages between the gateways as well as linking gateways with their hub towns and rural hinterlands.
- ⇒ The government should bring forward the expected investment in the €400m cross-border road link set out in the NDP which would benefit the North-West region in particular.

2. Inward Investment Policy

Over many years, there has been a concentration of foreign direct investment in the S&E Region. The IDA is one of the few agencies that have set regional targets, but their target of securing 50% of new greenfield jobs for the BMW Region has not been achieved in any year since the target was set in 1999. This target however still remains valid and was reported upon in the Department of Enterprise, Trade and Employment's first Annual Output Statement in 2007.

Recommendation:

- ⇒ IDA Ireland should be asked to re-affirm its commitment to targeting at least 50% of greenfield investments for the BMW Region.

3. Science & RTDI Policy

Expenditure on R&D in the BMW Region is considerably lower than in the S&E Region. For example total expenditure in the BMW Region on RTDI under the NDP 2000-2006 was just under €300m or just 15% of national RTDI expenditure²⁰. Given the importance of RTDI as a driver of regional development, the low levels of expenditure that currently exist will not have a significant positive impact on the competitiveness of the region. In fact, without targeted intervention government-supported institutional research is adversely impacting on spatial imbalance by reinforcing existing concentrations of activity and disparities.

²⁰ Department of Enterprise, Trade and Employment. Annual Implementation Report 2006 for the Productive Sector Operational Programme 2000-2006.

Recommendation:

⇒ The Chief Scientific Adviser and the Office of Science, Technology and Innovation in the Department of Enterprise, Trade and Employment should be tasked with bringing forward proposals to achieve a better spatial distribution of public investment in Science and RTDI.

Suggested proposals are as follows:

- ⇒ The creation of a ring-fenced research fund for institutions in the BMW Region.
- ⇒ Undertake a territorial impact analysis of the Government's Strategy for Science, Technology and Innovation.
- ⇒ Improve synergies between national R&D policy and regional innovation policy.
- ⇒ Incentivise partnering and collaboration between strong and weaker institutions.

4 Public Transport Policy

Public transport in the BMW Region is underdeveloped. With investment, public transport has an appropriate role to play in facilitating intra and inter-regional access. This includes both rail and bus services.

Recommendations:

- ⇒ Support and expand bus commuter services in the principal gateway towns.
- ⇒ Continue to support and expand the successful rural transport pilot initiatives.
- ⇒ Deliver phase 1 of the Western Rail Corridor (Ennis-Athenry) on schedule in 2009; accelerate the timetable for completion of phase 2 to Tuam; advance the plans for completion of phase 3 to Claremorris.
- ⇒ Reassess the feasibility of completing the Western Rail Corridor link to Sligo.
- ⇒ Consider the feasibility of re-opening the Mullingar-Athlone rail link.
- ⇒ Increase the frequency and quality of bus services in the region.
- ⇒ Improve the integration of public transport systems and services (e.g. ticketing, scheduling, provision of park and ride facilities).
- ⇒ Re-open disused railway stations consistent with new settlement patterns and the growth of many smaller towns.

5. Tourism Policy

Given the decline in the number of overseas tourists visiting the region it is essential that investment in major tourist attractions and clusters of attractions takes place, as this has the capacity to significantly increase the number of visitors to the region.

Recommendations:

- ⇒ Develop flagship tourism projects in a number of areas in each region under the Fáilte Ireland Tourism Capital Investment Programme.
- ⇒ Deliver world class outdoor activity products e.g., walking, cycling, golf, equestrian and water sports and cultural products.
- ⇒ Develop strategic clusters to enhance the marketability of individual attractions.
- ⇒ Invest in an enhanced regional marketing campaign.

6. Aviation Policy

The main priority in relation to aviation policy for the BMW and Western Region is direct international air access. This is provided by Ireland West Airport at Knock, serving the north of the region and by Shannon airport serving the south. The growth in passenger numbers at these two airports is making a significant contribution to the development of tourism in the region and they play a significant strategic role as a gateway for business to the region, with Shannon clearly at a more advanced stage than IWA Knock. Increasing the international service levels at these two airports is key to the region's place in the global economy.

In addition to the two international airports, the regional airports also play an important role, particularly by providing daily links to Dublin airport. The stronger regional airports are also expanding their overseas connections.

The West of Ireland faces the following challenges in terms of aviation capacity:

- (i) To sustain year round services to key hubs that give world wide connectivity.
- (ii) To provide more services to attract more inbound traffic.
- (iii) To attract year round transatlantic services: the region needs to be strategically positioned to offset the impact of the 'Open Skies' Agreement on the West of Ireland.²¹

Recommendations:

- ⇒ Targeted investment to facilitate Shannon and Knock airports in particular to accommodate potential growth and enhance international connectivity.
- ⇒ Support the role of the other regional airports.
- ⇒ Develop an overarching international air connectivity policy for the region and ensure support for its implementation.
- ⇒ Provision should be made to improve the transport links serving existing airports in terms of bus, road and rail, including the Western Rail Corridor, this can effectively extend their respective catchment areas and provide greater choice for passengers which in turn will enable an increase in services. This will bring benefits for inward investment, indigenous enterprise and tourism.

7. Broadband Access

The universal availability of high-speed always-on internet access is crucial for the economic development of the BMW Region, from innovation, competitiveness, knowledge/learning and quality of life perspectives. Many parts of the region outside larger centres have no broadband access or services of very limited capacity. A significant issue is the high incidence of line failure in homes and businesses that, despite being within a broadband enabled area, are unable to engage the service due to the age/incompatibility of existing lines. It is noteworthy that the Chambers Ireland eBusiness Survey²² found that just 58% of businesses surveyed in the Midlands were connected to the internet compared with the equivalent figure for businesses in the

²¹ According to the Irish Tourist Industry Confederation (2007), Projected Short to Medium Term Impacts of Open Skies for Ireland report, this agreement will result in 'irreversible changes in the pattern of US holiday behaviour in Ireland' and will likely lead to a drop in US demand and expenditures in the West of Ireland.

²² Chambers Ireland. 2007. eBusiness Survey 2007.

Mid-East of 93%. Next Generation Networks (NGNs) require vastly superior speed and capacity to what is currently available in most locations in the BMW Region.

Recommendations:

- ⇒ The National Broadband Scheme should be rolled out as expeditiously as possible and it should be fully ‘future proofed’ in terms of capacity and speed.
- ⇒ The levels of service provided by broadband providers need to be addressed, particularly line failure within broadband enabled areas.
- ⇒ It is important that public investment in broadband infrastructure works to ensure that the spatial digital divide is not widened as investment in NGNs proceeds.

8. Energy Policy

Industry and consumers in towns in the BMW Region should have the same choices as regards energy supplies as those in other parts of the country, while gaining the same competitive advantages that accrue from having access to natural gas. There is an urgent need to invest in the BMW Region’s energy infrastructure in order for the region to achieve its potential.

Recommendations:

- ⇒ Continue to upgrade the electricity distribution system which is weak within some parts of the region.
- ⇒ Continue to expand the natural gas infrastructure across the BMW Region so the Region can take advantage of this natural resource.
- ⇒ Significant investment is required to enable the BMW to become a producer of sustainable energy from wind, wave and biomass sources.
- ⇒ Development of an all island energy network through appropriate cross-border investments would benefit the region.
- ⇒ Develop an enhanced role for local government in investing in sustainable energy heating systems and energy efficient public buildings and social housing.

9. Local Development & Social Inclusion

There is a continued need to put in place locally-based initiatives to address specific social inclusion issues targeted at low income groups. Given the diversity of target groups we believe that many of the existing initiatives and organisations should continue to operate, but within a co-ordinated approach with a clear role for the County Development Boards. The most recent CSO data indicates that the greatest level of social need exist in public housing estates in provincial towns, it is noteworthy that Ballina in Co. Mayo had the highest unemployment rate among large Irish towns with 15.8% of its labour force out of work at the time of the 2006 census.

There is also a continued need for investment in sports and recreational facilities, youth services, arts and cultural facilities at community level. The importance of social infrastructure is also stressed – education, health and social housing in order to provide essential services, promote inclusion and achieve a higher quality of life for all people in the region.

Recommendations:

- ⇒ Support measures to tackle urban and rural disadvantage, and early school leaving should be retained and developed.
- ⇒ An enhanced national social and affordable housing programme is required and additional supports are required in remote communities, particularly the inhabited off-shore islands.

10. Agricultural & Rural Policy

The region is exposed to adverse trends in the agriculture sector. In its 2004 report, the Agri Vision 2015 Committee examined prospects for agriculture in the coming decade. Given the anticipated fall in farm incomes due to recent reform of the Common Agriculture Policy and anticipated WTO agreement²³, as well as the increasingly competitive international environment, the report predicts a significant fall in the number of farms in Ireland between now and 2015. It states that the majority of this fall will be in small farms as these become less viable. Consolidation in the agricultural sector will have a significant impact on the BMW economy, more so than the S&E Region, given the importance of agriculture and the food processing industries in the region and the small size of farms.

Recommendations:

- ⇒ Increased supports should be provided for alternative land use strategies, e.g. biomass (grown fuel), organic production, niche foods, forestry and agri-based tourism as well as improved efficiency at processing level and expanding market access.
- ⇒ The current White Paper on Rural Development (1999) should be reviewed and updated given the rapidly changing rural economy and society.

²³ Members of the BMW Regional Assembly have passed a resolution urging the government to take a stronger line in relation to the current round of WTO agriculture negotiations to ensure that Irish farmers do not suffer under the current proposals by the Chairman of the WTO Negotiating Committee on Agriculture. Members of the Assembly expressed concerns about the scale and pace of reductions proposed for domestic supports to agriculture and the impact on access to EU markets for beef and other agricultural products.