REGIONAL COMPETITIVENESS AGENDAS

Overview, findings and actions

Forfás

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1. Introduction

The National Spatial Strategy (NSS) launched in 2002 set out a 20 year strategy aimed at achieving more balanced regional development throughout Ireland. Successful enterprise development depends on a well planned spatial environment, which efficiently delivers the appropriate supporting infrastructures (both physical and soft) to create competitive and attractive locations for foreign and indigenous business investment.

This study assesses how each region[1] could build on its own potential, and continue to develop a competitive environment to support and stimulate enterprise development[2].

Global and national developments over the past year mean that regional competitiveness has become even more important. Ireland faces unprecedented challenges against the backdrop of a world recession. The Irish economy is operating within tough budgetary conditions and fiscal constraints. The Government's response includes its *Building the Smart Economy* which identifies the importance of returning to export-led growth[3], and budgetary steps taken in December 2009.

The downturn in employment is particularly marked in the construction, retail and manufacturing sectors and, given the reliance on these sectors, is being felt more starkly in the regions outside of Dublin and the Mid East in the immediate term. In this context, it is vital that we prioritise and make strategic investments now that pump-prime the potential of each of the regions to position them as key contributors to Ireland's national growth when the current downward economic trend comes to an end.

Objectives

The overarching objectives of the study were to:

- Highlight, from an enterprise perspective, how each region can continue to develop its competitive environment, build from its strengths and national and international networks, and address barriers to development;
- Provide the economic context to inform the update of the Regional Planning Guidelines (RPGs); and to
- Influence the refresh of the NSS being undertaken by Department of Environment, Heritage and Local Government and planned for completion early 2010 (DoEHLG).

Process

The process involved extensive collaboration with the Development Agencies[4], the Department of Enterprise, Trade and Employment (DETE), the Department of Environment,

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[1] NUTS III level: Dublin & Mid-East, Border, West, Mid-West, South-West, South-East, Midlands

[2] The study builds on previous reports including the Forfás *Regional Strategic Agendas* (2002 and 2006) and the *Gateways Investment Priorities*, (Fitzpatricks Associates, Consultants, DoEHLG and Forfás, 2004), and complements the NCC report: *Our Cities: Drivers of National Competitiveness*, as well as Forfás' range of infrastructure reports

[3] This document does not prescribe how national cost competitiveness issues might be addressed, but refers the reader to recent reports of the NCC. http://www.ncc.ie

[4] Including IDA, Enterprise Ireland, Shannon Development and Western Development Commission

Heritage and Local Government (DoEHLG) and the Regional Authorities, and consultation through in-region workshops, presentations and one-to-one meetings with Department of Transport (DoT), the business community and Higher Education Institutes (HEIs). The research, analysis and wide consultation broadened the original scope to encompass sectors outside of those supported directly by the enterprise agencies, including tourism and maritime.

Outputs

The outputs include:

- *Regional Competitiveness Agendas (RCAs) Volume I: Baseline and Data Analysis* for each region: provides a comprehensive analysis of the regions' status today across a range of competitiveness factors and was used to inform stakeholder consultation and workshops
- *Regional Competitiveness Agendas Volume II: Realising Potential* for each region: provides an overview of future potential and highlights actions specific to the region
- *RCAs : Overview, Findings and Actions* highlighting the key findings, differentiating factors and priorities for regional development.

The current focus on regional development provided a number of conduits to communicate the analysis both at national and regional levels.

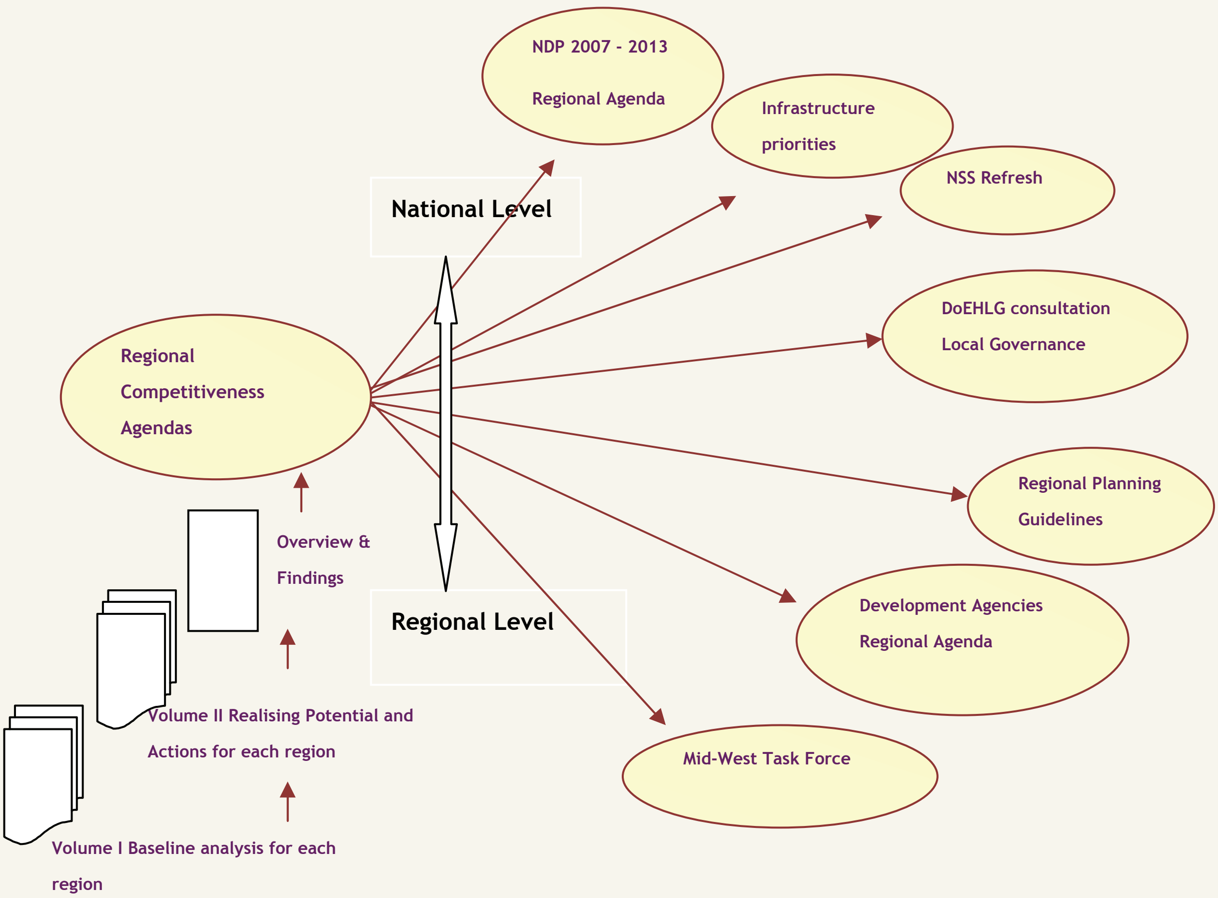
As illustrated in Figure (i) overleaf, the analysis has:

- Influenced the regional chapter of the NDP 2007-2013 and informed Forfás' contribution to the Department of Finance on the prioritisation of infrastructures;
- Influenced discussions with the DoEHLG Refresh of the NSS[5], so that it reflects the critical interplay between regional competitiveness and enterprise development
- Informed the regional economic strategies (RES) for the update of the Regional Planning Guidelines[6] (RPGs) and informed priority actions
- Developed a Regional Competitiveness Agenda in support of the enterprise development agencies and identified actions for enhanced collaborative action
- Provided the basis for Forfás' submission to DoEHLG's white paper on Local Governance and ongoing discussions with the DoEHLG to influence alternative mechanisms to drive regional development
- Informed the work of the Mid-West Task Force appointed by the Tánaiste and supported by Shannon Development.

[5] The DoEHLG is undertaking a refresh of the NSS which is due to be completed over the coming months

[6] The RPGs, first developed in 2004, provide a strategic framework at regional level to support a cohesive and integrated approach to land use, planning, development and implementation. The review of the RPGs will be completed in March 2010 and will now have a statutory basis.

Fig (i) Regional Competitiveness Agendas: Communications



2. Report Structure

Section 3	Provides background and context for the study and outlines the basis for analysis across factors of competitiveness, from an enterprise perspective
Section 4	Outlines the overarching findings arising from the study that have relevance at national level, and actions required
Section 5	Provides a synopsis of each of the Regional Competitiveness Agendas, highlighting actions specific to each region's needs
Section 6	Highlights a number of locally driven initiatives that provide examples of what can be achieved and/or instigated at a regional level through collaborative action

3. Background and Context

Balanced Regional Development: The Spatial Agenda

The National Spatial Strategy (NSS) was launched in November 2002 and presented a long term strategy to 2020 aimed at achieving more balanced spatial development throughout Ireland. Although there has been some progress since its publication (such as infrastructure roll-out, development of RPGs, and embedding the NSS within the NDP 2007-2013) implementation overall has been slow. There is also a tendency to misinterpret the NSS as a plan to distribute population to achieve economic 'equalisation' across the country. The plan is in fact more about realising regional potential rather than arbitrary redistribution.

This study does not seek to revisit the NSS itself. The concepts remain valid from an enterprise development perspective and arguably have increased in importance[7], in particular:

- **Gateways as key drivers:** International evidence shows that urban areas play a key role in driving the development of their hinterlands, and successful regions have a dynamic and vibrant city at their core[8]. Ireland's enterprise structure is shifting as services contribute a greater proportion to overall economic growth. Urban centres are attractors for knowledge intensive and services activities, and from an enterprise development perspective, the gateways take on an increasingly important role[9].
- **Realising potential:** The NSS defines balanced regional development as developing the full potential of each area to contribute to the optimal performance of the state as a whole – economically, socially and environmentally. It describes potential as *the capacity that an area possesses, or could in future possess, for development, arising from its endowment of natural resources, population, labour, its economic and social capital, infrastructure and its location relative to markets*. In knowledge intensive and service oriented economies, what actually happens at the level of the regions will increasingly account for the success of the national economy in the first place[10].

Sustainable Recovery and Growth: The Enterprise Agenda

The Government's *Building the Smart Economy* identifies the importance of returning to export-led growth and the enterprise agencies have a crucial role to play in leading and supporting that objective. Today, location decisions by companies (both foreign and indigenous) are not only considered in terms of the (relative) cost base, but also in terms of access to skills and talent, access to markets and customers (whether physical or virtual), the innovative capacity and capability of the locale and a dynamic environment offering an

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7 The concepts are outlined in Section 1 of the National Spatial Strategy 2002-2010 as: potential, critical mass, gateways and hubs, complementary roles and linkages

8 European Commission (2007) *State of European Cities Report*

9 This study views the Greater Dublin/ East Region as an important region in its own right, given Dublin's significance as an international city and its own challenges and potential in that context.

10 NESC (2008:178) *The Irish Economy in the Early 21st Century*

attractive quality of life for a mobile workforce. In light of this, the business environment in Ireland needs to continually evolve to meet the changing needs of companies.

Successful enterprise development and the creation of an attractive location are inter-dependent. Regions that support strong and dynamic enterprises are crucial to Ireland's return to overall economic growth.

Regional Competitiveness for Enterprise

Ensuring an optimum business environment 'on the ground' within the regions requires a specific focus. International research[11] informed the development of a framework of competitiveness factors that facilitated a comprehensive analysis of the Irish regions - to determine not only performance, but also to identify key regional assets and areas of enterprise potential (Table 1)[12].

Table 1: Competitiveness Factors

Enterprise Dynamic	assessing the enterprise structure, employment and GVA, the contribution from agency supported enterprises, and sectoral diversity and/or clustering
Skills & Education	an analysis of the skills, educational attainment and education resources
Knowledge and Innovation	research and development investment and activity, collaborations and inter-linkages between HEIs and firms, between firms and customers
Economic Infrastructures Access and Connectivity	transport and broadband infrastructures – recent investments and ongoing infrastructure needs
Quality of Life	based on factors relevant to the attraction of mobile investment and labour/talent.
Leadership and Strategic Capacity	outlining relevant organisations and indications of locally driven initiatives and outcomes.

Regional Boundaries

NUTS III[13] regions were used to facilitate systematic data analysis. Notwithstanding the arbitrary nature of these administrative regional boundaries, this study posits a role for regional level coordination and delivery of certain initiatives.

The main objective is that key assets and enterprise potential are optimised regardless of location

It is important that governance and leadership structures at the regional level are efficient and sufficiently flexible and open to the level of collaboration necessary to support cross-regional initiatives[14]

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[11] For example: Parkinson et al (2004); Blakely (2004); and Florida (2004)
[12] Refer also to Forfás (2009) Regional Competitiveness Agendas: Volume I (Baseline Analyses)
[13] East (Mid-East & Dublin), Border, Midlands, West, Mid-West, South-West and South-East
[14] e.g. river basin approaches to water supply

4. Overarching Findings

Overview

In the Regional Competitiveness Agendas (RCAs) (*Volume II - Realising Potential)*, we have highlighted physical infrastructure needs and proposed actions to focus efforts on realising potential and/or addressing barriers specific to each region. A number of common themes emerged across the regions that warrant consideration at a national level:

- **The overarching challenge is to translate national policy into effective regional action.**

  This challenge is evident for the National Spatial Strategy, Enterprise Strategy, the Strategy for Science, Technology and Innovation, the National Skills Strategy and enterprise agency sectoral strategies.

- **Not all regions can (or necessarily should) be the same.**

  Our analysis has demonstrated that the regions are different in terms of potential, critical mass, stage of development, nature of sectors, skills profile and innovative capacity. Each region faces challenges that are specific to it, and that require appropriate responses (e.g. a focus on increased productivity, and/or specific reskilling, and/or a step change in innovative capability) depending on their needs.

- **There is a strong interdependence between the planning, development and creation of an attractive environment (the NSS) and enterprise development.**

  We need to consider the roles of the Regional and Local Authorities and of the Enterprise Development Agencies, and how better collaboration could deliver greater impact, given the structures that are in place today. The existing structures are not constructed in a way that enables a strategic and coherent approach to the development of the regions.

These overarching findings have informed the following deliberations.

Planning, Development and Delivery – Infrastructures[15]

Regional and Local Authorities

Historically, and prior to the development of the NSS, land use and infrastructure investment decisions at county and city levels were not made in the context of a regional framework. The initial formulation of the RPGs in 2004 intended to provide a strategic planning framework at regional level (within the context of the NSS) that acknowledged the role of the gateways and hubs and that would guide planning and development decisions at local levels.

However, there were no mechanisms in place to ensure adherence to them.

[15] Forfás submitted a position paper to the DoEHLG to inform its deliberations on the refresh of the NSS. The paper considered implementation mechanisms at the national, regional and gateway levels

The Regional Authorities have been mandated to deliver an update of the RPGs by 2010. Under the provisions contained in the forthcoming Planning & Development (Amendment) Bill 2009, the RPGs will, for the first time, be statutorily based. This provides the Regional Authorities with the additional 'weight' to manage the update process effectively. However, there are still pockets of potentially conflicting priorities between certain local authorities within regions, and instances of low buy-in to the gateway concept.

The role of the Regional Authorities themselves beyond the publication of the RPGs is unclear. This leaves a potential gap in terms of designated regional leadership and authority to ensure adherence to the RPGs post 2010. It will also inhibit the regions in embracing opportunities for cross-boundary collaboration.

Actions

- Mandate the Regional Authorities to drive the implementation of the RPGs and to ensure adherence to them, and provide them with the necessary autonomy, authority and resources (staffing and financial)
- Regional Authorities should develop strong linkages with neighbouring regions in particular to harness services and/or leverage key 'national' infrastructures as appropriate (e.g. airports)

Accelerated Development of the Gateways - Governance

Gateways have a critical role in driving regional economic development. Whilst the DoEHLG has primary responsibility for gateways, their accelerated development requires strong local leadership. In many cases Gateway 'footprints' and their functional areas span a number of administrative boundaries. To date, this has negatively impacted on strategic and cohesive planning, development and delivery for the wider metropolitan areas.

It is important that one 'body' *only* is designated with responsibility for the strategic development of the gateways. Addressing the existing situation could range from boundary extensions, to the establishment of Unitary Local Authority structures, or other incentives to drive collaborative action. Such changes have wide-ranging implications for current and future funding mechanisms, political structures etc. Careful consideration is needed to find the optimum gateway-specific solution.

The Gateway Innovation Fund (GIF) was developed as a mechanism to encourage coordinated, innovative and strategic development initiatives in gateways. Its deferral has been a setback in terms of achieving 'visible' advances in accelerated gateway development. The deferral has also disrupted the momentum gained through the effective collaborative effort in developing GIF proposals[16].

[16] The Regional Assemblies have recently introduced, under their respective Regional Operational Programmes (2007-2013), an ERDF financed Gateway & Hubs development scheme. The total fund available to partially fund gateway (initially) development projects is approximately €28m (€11m S&E/€17m BMW)

Actions

- Re-align local authority structures so that one authority only has responsibility for the strategic development of the gateways' metropolitan areas.
- Prioritise and target investments (national, regional and local) in a coordinated and complementary way that accelerates the development of the gateways
- Re-instate the GIF at the earliest opportunity. A number of plans are already in place and could be reinvigorated in a short time frame (DoF, DoEHLG)

The Enterprise Development Agenda

Enterprise investment plays a crucial role in achieving balanced regional development. The enterprise development agenda comprises a suite of interdependent elements, which take on an added complexity when considered in the regional context:

- Sectoral focus
- Entrepreneurship
- Rising unemployment and reskilling
- The 'new' unemployed
- Innovation
- Supports for SMEs

A Sectoral Focus

The RCAs are premised on the fact that a main platform for the realisation of regional potential is based upon building on *existing* sectoral strengths as well as preparing to take advantage of new opportunities. It acknowledges that regional boundaries are 'fluid' in this context, and that often sectoral 'clusters' can grow scale and capabilities through wider national and international linkages.

The RCAs identify *specific aspects* of sectors which present greater potential within a region given the existing base of companies, research institutes and/or natural resource endowments. There are a number of regions which already demonstrate a 'clustering' effect where there is a strong base of companies and research activity (e.g. Pharma and Functional Foods in the South-West), and others where focused initiatives at regional level could stimulate increased networking to take advantage of convergence (e.g. West with Medical Technologies and Software). Other regions have potential to develop niche sectors, such as Creative Industries in the West. Others can benefit from marketing a combination of strengths as is the case in the South-West which markets food, tourism and craft under the regionally driven Fuchsia Brand initiative.

It is important that specialist sectoral knowledge within the enterprise development agencies is employed where necessary to support regionally based sector development initiatives.

Entrepreneurship

Our analysis has been based on an assessment of competitiveness factors which are critical influencers of businesses' location decisions. Often such analysis is interpreted as being of relevance only to FDI. However, entrepreneurs and indigenous SMEs also require an attractive and competitive environment from which to start and grow a business – enabled by access to markets, skills, facilities, (sector specific) supports and networks, services and R&D. Historically, many of Ireland's HPSUs have emerged in Dublin and the East region. Nevertheless other regions demonstrate strong entrepreneurial pipelines and capacity. It is important to leverage the investments made in the regions to date[17], and to harness the potential of the hubs, to realise a greater number of indigenous start-ups in the regions.

Rising Unemployment and Reskilling

The current economic downturn has resulted in a significant increase in unemployment across the country, primarily within construction, retail/hospitality and manufacturing activities.

FÁS and the VECs have the infrastructures in place to address the skills and training needs at local and regional levels, and to engage proactively with firms and the enterprise development agencies.

Having said that, concerns were raised in most (if not all) regions about initiatives to fast-track re-skilling of the unemployed and those in more 'vulnerable' sectors to meet the needs of growing sectors and services activities[18]. The current economic downturn, the pace at which unemployment has been increasing and uncertainty have exacerbated fears and a call for action. Many identified the need for a more in-depth understanding of the regional skills base in general, the skills of those more recently unemployed and the nature of future employment that would in turn inform the type of training and/or reskilling required.

Much of this has been addressed by a recent Expert Group on Future Skills Needs (EGFSN) report which acknowledged that regional skills differences do exist and highlighted challenges being experienced within regions[19]. These include non-formalised and ad hoc relationships between key stakeholders; reactionary rather than strategic collaborations; challenges in achieving buy-in from stakeholders; the requirement for effective leadership and management of expectations; and the need for a regional rather than county level approach to skills development. Although challenges exist, the report concluded that there was no need to establish formalised regionally based structures specifically to address them, given that the workforce is mobile (both nationally and internationally) and that information is generally available.

A more proactive regional approach to collaborative initiatives, within the context of a region's enterprise potential, would enhance the current position.

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[17] Including national road networks, research centres, incubation and community enterprise centres etc

[18] Although this section focuses primarily on the unemployed, and is based on the concerns raised at regional levels, Forfás contends that continued up-skilling for those IN employment is equally important

[19] FGS Consulting (2008) *Developing and Coordinating Skills at the Regional Level* (unpublished report)

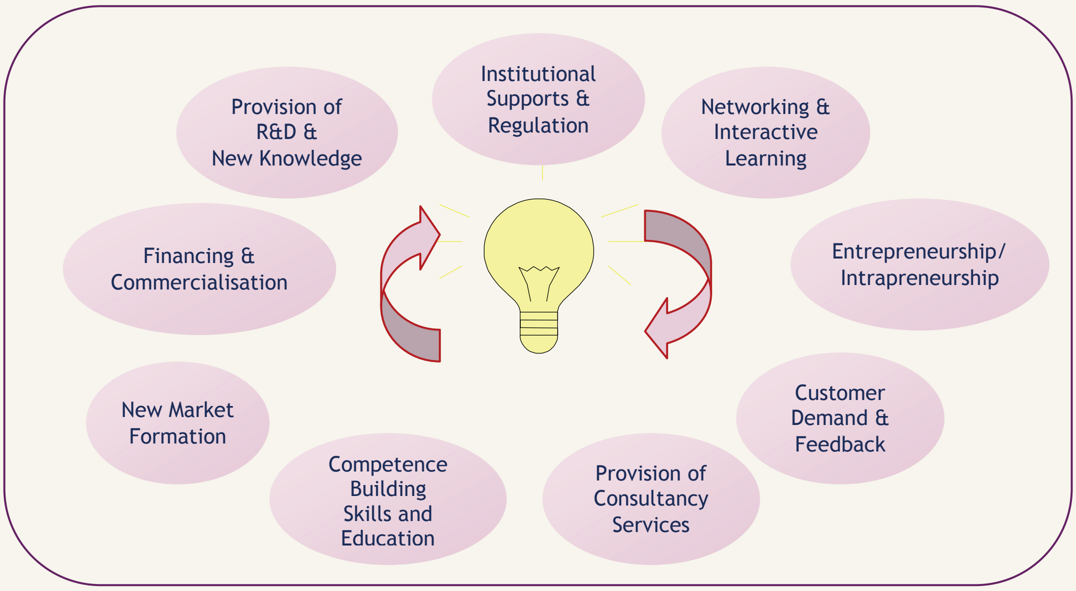
The 'New' Unemployed

All regions demonstrate that the more recently unemployed cohort includes a very different type of skills sets than heretofore. Many professional, highly qualified and experienced people are finding themselves without work and with uncertain prospects in the short term. The interest in entrepreneurship has increased significantly and EI/CEB/FÁS workshops are well attended. The agencies are considering how best to harness these available skilled individuals.

Innovation

Many of the regional stakeholders view HEIs as *the* primary source of innovation, although international research shows that it is one source only (and not a primary source)[20]. Discussion often focused on the 'disadvantage' of not having 'in-region' universities, and/or research institutes. In relation to the role of HEIs, stakeholders highlighted the real challenges for SMEs to access and absorb the 'appropriate' Intellectual Property. Some simple proposals put forward include: providing clarity on contact points; and redesigning websites so that they are searchable by technology/capability and not based on a 'research centre' promotion.

Fig (i) Activities that Stimulate Innovation



Source: Based on Edquist (2005) 'Systems of Innovation - Perspectives & Challenges' in Fagerberg et al (2005) *The Oxford Handbook of Innovation*

More importantly, there is a lack of appreciation regarding the paradigm of open innovation (customers, suppliers, partners, joint ventures, licensing etc), and the broad nature of innovation (ranging from incremental to disruptive). Given the fact that we were starting from a relatively low base, Ireland's R&D policy focus to date has been on the technology

[20] See Fagerberg et al (2005) *The Oxford Handbook of Innovation*; Edquist et al (2009) *Evaluation of Finnish Innovation System - Full Report*

'push' factors. It is now timely to complement this approach with a deeper understanding of the demand 'pull' factors of innovation. The current lack of a broader awareness hinders the development of an environment within the regions that stimulates greater company engagement - with each other, with customers, suppliers and markets to deliver on new products and services.

It is also worth noting that there is a difference in terms of innovation readiness in the context of the existing industrial structure across regions. In some cases the emphasis needs to be on increasing productivity and enhancing skills in the first instance, while in others it needs to be on strengthening innovative capacities and capabilities.

Supports for SMEs

In a number of regions SMEs perceive a lack of coherence in the provision of supports for entrepreneurs and start-ups. The establishment of a CEB Coordination Unit in Enterprise Ireland in 2007 is beginning to have impact, particularly in terms of consistency in approach across all of the CEBs. Nevertheless, there is still a perception amongst firms that there are a large number of State bodies offering similar supports, with differing eligibility criteria and support thresholds. This issue was also referred to in the McCarthy Report[21].

Enterprise Related Regionally Based Initiatives

As a developed economy (facing significant challenges in the current economic downturn) successful enterprise development is premised upon enhanced skills and innovation, leading to improved productivity and competitiveness.

The business environment is becoming ever more complex and requires local and global networking for companies to remain successful. Twenty-first century enterprise development requires a balance between the top-down (globally linked) national approach, *and* collaborative engagement at a regional level.

Our research has demonstrated that enterprise related actions are being taken at a regional or local level (Section 6). However, many regionally based initiatives rely on individuals whose 'day job' may be elsewhere and/or are under-resourced which makes the achievement of genuine impact more challenging[22]. There is also no mechanism to allow for planned dissemination of learnings and replication of successful initiatives to other regions.

These initiatives bring together a range of stakeholders, for a variety of reasons, for example: to respond to a particular need and/or crisis (e.g. *Túsnua*, Mid-West Task Force), to stimulate enterprise development (e.g. Spirit of Enterprise, South-East) or entrepreneurship (Young Entrepreneurship Programme, Kerry), to drive an increase in innovation (Regional Innovation Cluster, South-West), or to drive 'smart' energy usage (Dundalk 2020).

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[21] Particularly in relation to a number of agencies including Shannon Development, Western Development Commission and the CEBs (*Report of the Special Group on Public Service Numbers and Expenditure Programmes*)

[22] In some instances additional funds are sourced through EU programmes

Resources, energy and commitment could be more effectively harnessed at a regional level to deliver on a more strategic, consistent and cohesive approach to realising the potential of the regions and stimulating enterprise development. Duplication of efforts would also be minimised and impact optimised.

Our analysis raises the fundamental question as to how the enterprise development agencies themselves might best engage strategically at a regional level to drive the realisation of the RCAs and utilise resources to achieve the optimum outcome. The development agencies can also play a vital role in influencing investments in infrastructures specific to enterprise (and in some cases sectoral) needs. Much of this work is undertaken at national level, and cross-agency collaboration has been effective in this regard over recent years. Increased information flows from regional levels would further enhance this process as the national infrastructure programmes near completion.

Action

A mechanism needs to be established with the Enterprise Development Agencies and within the DoEHLG structure that harnesses the range of stakeholders required to deliver, at the regional level, on a cohesive and coordinated enterprise focused agenda.

- Establish a Regional Economic Forum[23] in each region to meet quarterly that brings together the appropriate expertise and competences, with responsibility to drive the Regional Competitiveness Agenda and to deliver on a cohesive and coordinated enterprise focused agenda, to include:
    - the enterprise development agencies
    - planning and development authorities (Regional and Gateway)

  The Forum should be action oriented, update on progress, identify and address barriers to development. They should also facilitate knowledge sharing and best practice, not only within the region, but also across regions and between regional and national bodies. (Development Agencies, DoEHLG).

Critical Infrastructure – Broadband

In every workshop and one-to-one consultation the need for access to high quality, competitively priced broadband infrastructures was cited as *the* main infrastructure barrier to enterprise development today within the regions. The changing nature of sectors, high data volumes and information intensity, the increased use of graphics and video, interactive web-sites, and increased 'e' enabled service delivery and supports highlight its fundamental importance to *all* sectors and activities going forward.

[23] It is envisaged that the strategic regional approach would have a greater potential for impact, and would replace the need for county level economic fora currently operating within the County Development Boards

From a regional perspective broadband is an enabler for enterprise to establish in locations outside of the main gateway centres and to create significant employment and regional dynamic[24], and is of vital importance if we are to realise the full potential of indigenous companies. Price differentials cited by firms of greater than 25% between Dublin and the regions also highlight the competitive disadvantage that many regions face in this regard.

The government's most recent broadband strategy, Next Generation Broadband, Gateway to a Knowledge Ireland (June 2009) pledges that there will be universal access to broadband by the end of 2010.

In order for adequate broadband[25] services to reach businesses and homes across the country, two things are required:

- Existing backhaul assets need to be managed in a coordinated way to optimise usage, and augmented to bridge gaps which exist at different points of the network[26] , and;
- Local access to networks for businesses needs and homes to be facilitated through local loop unbundling (i.e. using Eircom's copper wire infrastructure to connect the MANs to homes and other premises) or through the provision of fibre to the home (FTTH).

The slow roll out of broadband infrastructure to date suggests difficulties for private actors in supplying such a product to the Irish market. The dispersed nature of Irish population patterns makes returns on private investment more difficult to achieve. Recent measures by the European Commission[27] to facilitate public investment in broadband infrastructure acknowledge the wider spillover benefits for economic and social development and suggest that insufficient private investment in this area is not unique to Ireland. The broadband debate has been ongoing for many years in Ireland, and the issues above are not new.

Action

The pace of change in the Internet arena means that Ireland in general, and the regions outside of the Greater Dublin Area in particular, will be left even further behind competitor countries unless serious and realistic consideration is given to addressing the high speed, high quality, cost competitive broadband needs of enterprise as a matter of priority.

The government needs to develop an investment plan to deliver on its broadband strategy. The plan should explicitly state where and when government investment will take place to address market failure, particularly in the provision of:

- Augmenting gaps which exist at different points of the existing network/backhaul
- Delivering the 'last mile' and addressing local area access needs

[24] E.g. Fexco (Tralee) and Quinn (Cavan)

[25] Internet data transfer capacities are growing at a fast rate. Fibre or enhanced cable technology are considered the only technology solutions currently available sufficient to meet expanded bandwidth requirements of 100MBPs over the medium to long term

[26] Currently being progressed by the DCENR through the creation of a 'one stop shop' to provide service providers with integrated access to State-owned infrastructure.

[27] Commission Guidelines for Broadband Networks, 2009 (C 235/04)

Conclusion

Driving real change to deliver on building competitive regions is particularly challenging, not least because it requires commitment across a range of government departments and bodies to deliver on:

- A more coordinated and efficient approach to the delivery of national infrastructures
- An acceptance that not all regions can be the same, nor does each need *all* elements of infrastructures within regional boundaries
- Genuine buy in at local levels to the RPGs as strategic frameworks for regional development within the context of the NSS
- Accelerated development of the gateways, in a coordinated, strategic way that enhances their role as key drivers of economic development, and optimises the interaction with hubs and their immediate hinterlands
- A coordinated approach to driving the enterprise agenda at regional levels, and
- An awareness of the factors that influence enterprise investment decisions and prioritisation of infrastructure investments and actions that address the needs of enterprise.

The development of the RCAs, the interaction with the RPGs, proactive engagement with the DoEHLG, and the extensive consultation nationally and regionally has gone some way to defining the issues and to stimulating debate and ensuring that the enterprise agenda is firmly embedded in regional policy.

It is important that we continue to build on this momentum to develop a more coordinated and resource efficient approach and to leverage existing initiatives to deliver on the regional enterprise and planning agendas.

5. Regional Competitiveness Agendas

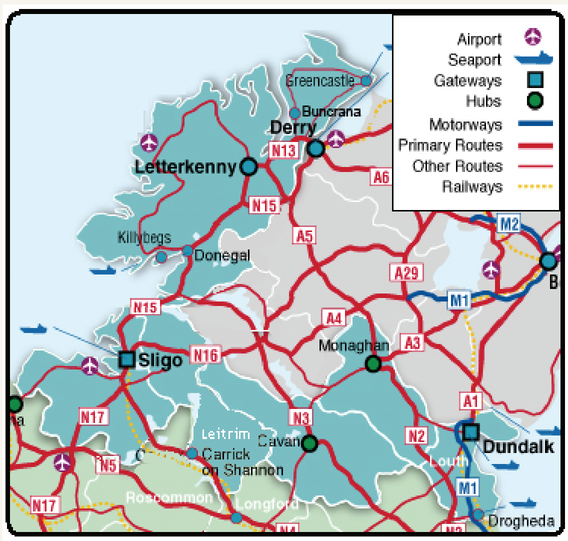
This section provides a summary of the RCA for each of the operational regions. The full versions of the RCAs (Volumes I and II) for each region are available through the Forfás website (www.forfas.ie). For ease of comparison across regions, data tables are provided in the Appendix.

Border

The Border region, which has a population of 502,000 (11% of Ireland's total population) is an amalgam of the six counties which are situated along the border with Northern Ireland[28]. For many years, the unstable political situation in Northern Ireland militated against optimum economic performance in the region, and was compounded by underinvestment in strategic infrastructure. More recent developments and investments have seeded the basis for change and future growth, although the challenges remain significant.

Points of Interest & Potential

- The configuration of the Border region and its physical geography sets it apart from the other NUTS III regions in that it does not benefit from a single urban area of relative scale and incorporates three independent gateways[29]
- Recent cross border efforts have resulted in a high degree of clarity in relation to strategic infrastructure priorities both North and South. However, there remains a real challenge to establish leadership and governance mechanisms to develop and deliver on a coherent enterprise strategy



- The region benefits from its ability to access EU and cross border development funds for investment
- There has been a reduction in the number of 'unskilled' within the labour force over the past decade and the situation has also improved in relation to early school leavers[30]

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[28] CSO *Population & Migration Estimates*, April 2009 – Border includes counties Donegal, Sligo, Leitrim, Cavan, Monaghan and Louth

[29] Sligo, Letterkenny-Derry and Dundalk-Newry (requiring linkages with Northern Ireland towns/cities)

[30] In both cases the level remains higher than the national average

- Productivity levels (using GVA[31] per worker as an indicator) are considerably lower than the State average
- 70% of agency supported employment is in indigenous companies: substantially higher than the national average of 50%
- Internationally traded and financial services have gained a foothold in the region over recent years. Recent connections into international broadband infrastructures are a positive development for realising future potential in these activities
- The food sector (including fishing) remains a significant employer, although many companies are engaged in lower value processing, and there is potential to further develop medical technologies and tourism sectors
- A number of regionally developed initiatives/strategies highlight the potential for the energy/environmental goods and services sector, although prioritised investments at a national level, as well as the need for community buy-in (e.g. in the grid infrastructures) may have implications for its timely realisation.

Key Data and Statistics - Border

	Border	State Average	Dublin
Unemployment (Q1 2009)	11.7%	10.2%	8.9%
Employment Growth 1998-2008	38%	33%	22%
GVA per worker (productivity)	€59,774	€76,799	€103,104
GVA per person	€26,566	€36,606	€51,596
Educational Attainment 3rd level	23.4%	29.1%	35.9%
HERD % of national total	0.8%	100%	50.0%
BERD % of national total	3.9%	100%	41.8%
Regional Differentiation:			
Marked decline in Mfg employment compared to national average (98-08)	-13%	-4%	-8%
More dependent on growth in retail and wholesale trade (98-08) for employment than national average	22%	15%	13%

[31] GVA – Gross Value Added – the value of the region's output less intermediate materials and services used in its production – latest available data is for 2006

Key Actions[32] (extract)

- Given the historic skills deficit and specific challenges facing the region, replicate the North-West Cross Border Workforce Development Forum in other areas of the region where appropriate to identify local skills needs and workforce development solutions[33]
- There is a view that the name of the region itself 'The Border' reinforces a negative perception of peripherality. A simple renaming could have a positive impact for marketing the region for enterprise development and tourism
- Proactively market the Forfás Productivity Guide and engage with firms - either on a one-to-one basis or in workshops (as appropriate) to raise awareness of actions that can be taken at firm level to improve productivity.

Infrastructure Priorities - Border

Roads	Improve N2, N4, N13, N16 and N14/A5 to North-West Improve intra-regional transport connections
Electricity	Upgrade local 110Kv electricity network (NW in particular)
Water/Waste Water	Address Water and Waste Water capacity deficits in Letterkenny

West

The West region comprises the counties of Galway, Mayo and Roscommon and has a total population of 431,400[34]. The region is the most sparsely populated of all regions in Ireland - although this is largely because of its rugged landscape. It is rich with natural resources and habitat, which combined with the benefits of dynamic urban locations, provides an attractive environment for enterprise investment, for tourism development and from a lifestyle choice perspective. The region has had strong economic performance, and the gateway of Galway is recognised as a dynamic, cultural and vibrant urban centre.

Points of Interest & Potential

- The West region has an extremely vibrant entrepreneurial culture with high rates of established entrepreneurs, new start ups and informal investments

[32] This is an extract of regional level actions included in the full report – it is noted that some of the regional actions could be replicated across other regions

[33] http://www.delni.gov.uk/workforce_development_forum_final_report_pdf.pdf

[34] CSO *Population & Migration Estimates*, April 2009

- Research competence in the region has been growing in the Life Sciences area with the flagship Regenerative Medicine Institute (REMEDI), the Network of Excellence in Functional Biomaterials, the GMedTech medical technologies research group at GMIT, and in ICT with the Digital Enterprise Research Institute (DERI)
- Comprising 13% of the total workforce, manufacturing remains an important part of the economy of the West. Manufacturing employment declined however over the 1998-2008 period in line with the decrease nationally
- Medical Devices is the most significant employer within the exporting sectors and continues to demonstrate strong employment growth. There is also a strong ICT (software) base and a growing creative sector and activities (including digital media). This 'combination' of sectors provides an excellent base for development within the context of increased convergence of technologies and sectors
- Aspects of the West's natural resources appear to be under-utilised and hold significant potential for future economic development within more rural and coastal areas. There is short term potential to harness opportunities in wind and wood energy and related technologies, and longer term potential in wave energy
- There is a strong recognition of the need to ensure that development is undertaken in a way that is harmonious with the local landscape and implemented in a manner consistent with habitat designations and directives. This presents a challenge from the perspective of an economic infrastructure development and in particular to the realisation of renewable energy potential.

Key Data and Statistics - West

	West	State Average	Dublin
Unemployment (Q4 2009)	11%	10.2%	8.9%
Employment Growth 1998-2008	37%	33%	22%
GVA per worker (productivity)	€58,922	€76,799	€103,104
GVA per person	€27,469	€36,606	€51,596
Educational Attainment 3rd level	27.5%	29.1%	35.9%
HERD % of national total	13.7%	100%	50.0%
BERD % of national total	12.5%	100%	41.8%
Regional Differentiation:			
Public Sector Employment	26%	23%	23%
Entrepreneurship (Early Stage as a % of the Population)	10%	8%	8%

Key Actions (extract)

- Harness the capabilities of the 'new' highly skilled professional unemployed to identify potential opportunities and to further develop innovative and entrepreneurial capacity (e.g. IP negotiations, developing business plans, identification of sources of finance, mentoring) (FÁS, EI)
- Harness the design and creative skills in the region through the establishment of skills based networks and application *across* sectors, and/or the holding of demonstration events
- Stimulate interactions *between* sectors - particularly where there are opportunities for convergence (e.g. medical devices and ICT), working with the relevant industry associations.

Priority Infrastructures - West

Roads	Complete N18 Galway-Limerick Galway Outer Bypass Continue Atlantic Corridor improvements to Tuam Improvements on N5 Castlebar-Dublin
Water/Waste Water	Address Water and Waste Water capacity deficits in Galway
Broadband	Build MANs in Tuam and Castlebar

Midlands

The Midlands region has a population of 270,600 and comprises counties Longford, Westmeath, Offaly and Laois[35]. Its strong population growth over the 2002-2006 period was primarily driven by in-migration and evidence suggests that a large number of people commute to the GDA to work. The Midland's central location and close proximity to Dublin give the region a natural advantage in terms of inter-regional and international accessibility.

The skills development and unemployment issues faced by the Midlands region mirror those which are being experienced nationally, although because of a historic skills deficit, the challenge is likely to be greater than in many other parts of the State.

Points of Interest and Potential

- The polycentric gateway that envisages strong linkages between Athlone, Mullingar and Tullamore presents a key challenge for the constituent local authorities and other relevant bodies, somewhat exacerbated by the lack of buy in from some within Longford

[35] CSO *Population & Migration Estimates*, April 2009

and Portlaoise. Important advances have been made including formation of the Midlands Gateway Implementation Forum.

- A relatively high proportion of the workforce is employed in manufacturing. Growth in the construction sector was at a rate higher than the national average over the period to mid 2008 - which is now having a significant impact on unemployment levels which at 11.7% (2008) is the highest in the State.
- The region has a relatively low proportion of exporting enterprises[36], high levels of early school leavers, and the lowest level of third level educational attainment.
- On a more positive note, recent major road infrastructure enhancements have helped to strengthen the value proposition for international services activity in the Midlands, and investments have been attracted to the region in recent years[37]. The region is also developing expertise in telecommunications and software development, and has a good base of medical devices companies.

Key Statistics and Data - Midlands

	Midlands	State Average	Dublin
Unemployment (Q4 2009)	11.7	10.2%	8.9%
Employment Growth 1998-2008	45%	33%	22%
GVA per worker (productivity)	€53,216	€76,799	€103,104
GVA per person	€24,496	€36,606	€51,596
Educational Attainment 3rd level	22.7%	29.1%	35.9%
HERD % of national total	0.3%	100%	50.0%
BERD % of national total	9.5%	100%	41.8%
Regional Differentiation:			
% of Employment Growth due to construction (1998-2007)	31%	26%	21%

- The engineering skill-sets and materials research capabilities in the region are key assets for the future of advanced manufacturing in Ireland.
- Fáilte Ireland's strategy seeks to develop and promote the Midlands as an outdoor activities region with a focus on the utilisation of waterways and cultural heritage.
- Athlone Institute of Technology continues to grow and develop in the region and is undertaking a number of initiatives to develop strategic research activities. Georgia Tech

[36] Using agency supported enterprises as a proxy

[37] e.g. Teleflex (shared services operation), Axa (customer support centre) and PPD (contract research organisation), joining companies such as Capmark Services (commercial mortgage administration)

Ireland represents a potentially important strategic resource for the Midlands region and in the national context.

Actions (Extract)

- Concerted and focused efforts are required to improve productivity within firms either through one-to-one engagement and/or through workshops by the agencies and/or IBEC to promote the recently published Forfás *Guide To Productivity*[38]
- A focused and targeted skills development programme to address the needs of those employees emerging from the declining construction sector in particular is required (FAS, Skillnets).
- Efforts should be made to encourage professionals who have been made unemployed within the region to reapply their skills within the locale in an entrepreneurial fashion. A coordinated approach by key agencies such as FÁS, CEBs and EI to stimulate such activity could be effective.

Priority Infrastructures - Midlands

Roads/Rail	Improve Intra-regional transport connectivity: N80 & N4 (Mullingar –Longford)/Examine potential for Mullingar-Athlone rail link
Water/Waste Water	Address Water/Waste Water Capacity Deficits in Athlone

South-West

The South-West region encompasses counties Cork and Kerry and has a population in the region of 648,000[39]. There is a strong contrast between the metropolitan area of Cork, the wider Cork County and Kerry in terms of GVA performance, disposable incomes and the nature of industry.

Discussions at the workshop and through one-to-one consultations demonstrated an understanding and 'maturity' across a wide range of stakeholders of the importance of innovation to the future growth of the region, and a demonstrated ability to work collaboratively to achieve objectives.

Points of interest and potential

- The South-West has a dynamic and broad enterprise sector with predominance in Pharmaceuticals, ICT (hardware and services) and Food (including functional foods), and

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[38] http://www.forfas.ie/publication/search.jsp?ft=/publications/2009/Title,4556,en.php

[39] CSO *Population & Migration Estimates*, April 2009

significant potential in tourism, medical devices, other internationally traded services and maritime

- The South-West derives a higher proportion of its Gross Value Added (GVA) from manufacturing than any other region in the country; a trait which is not seen elsewhere in the State[40]
- UCC attracted more research funding over the period 2005-2006 than any other third level institution in the country. The presence of important research centres at UCC, CIT and Moorepark contribute to make the region one of the best performing areas of the country in terms of Higher Education Research and Development (HERD)
- There are many initiatives underway within the region to stimulate innovation, and given the nature of its existing enterprise and research base the cross sectoral aspects may present real opportunity for differentiation capitalising on convergence opportunities (Figure ii)
- Kerry in particular has a strong entrepreneurial culture. Initiatives such as those driven by Jerry Kennelly (ex Stockbyte) in conjunction with Tralee Institute, a strong cohort of internationally trading indigenous firms (e.g. Fexco and Kerry Foods), and the significant tourism and maritime potential, provides an attractive proposition for high growth indigenous firms
- In a comprehensive study of water based tourism and leisure products for the country, Kerry and Cork were highlighted as having the highest potential of all regions[41]
- Initiatives such as the Cork Area Strategic Plan demonstrate the regional capacity and capability to work collaboratively to harness central funding for the benefit of the entire region.

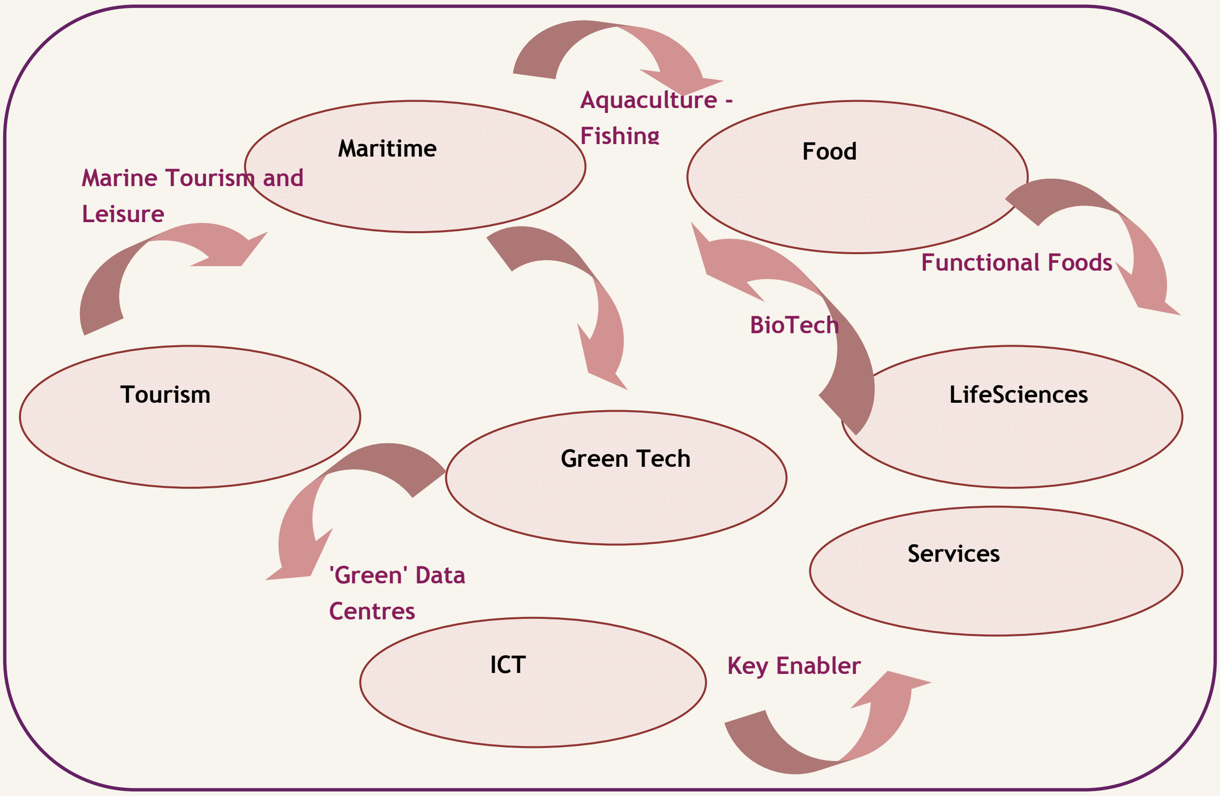
Key Data and Statistics - South-West

	South-West	State Average	Dublin
Unemployment (Q4 2009)	9.9%	10.2%	8.9%
Employment Growth 1998-2008	32%	33%	22%
GVA per worker (productivity)	€91,366	€76,799	€103,104
GVA per person	€42,961	€36,606	€51,596
Educational Attainment 3rd level	28.6%	29.1%	35.9%
HERD % of national total	20.7%	100%	50.0%
BERD % of national total	11.4%	100%	41.8%

[40] Although this is not surprising given the high proportion of companies engaged in high value added pharmaceuticals

[41] Marine Institute (2006) *Water-Based Tourism and Leisure Product Audit*

Figure (ii) Convergence Opportunities



Key Actions (Extract)

- Consider how best to enable companies (particularly small companies) to access technologies and research from HEIs, at a basic level such as:
  - Renaming Technology Transfer Offices, to something which is more intuitive to firms (e.g. Enterprise Connection Point) as currently, a 'push' approach is more often required to garner interest from firms to engage with research institutes, and/or acquire technologies
  - Restructuring HEI research websites so that they are more easily searchable in terms of technologies and their applicability - as opposed to by Research Institute/Centre
  - Providing a directory of providers (HEIs and Agencies) together with a simple 'road-map' outlining supports available, contact points, depending on stage of innovative capacity/development of the company
- Given that much research indicates that companies consider graduates would benefit from increased industry placements during their graduate programme, the current environment could provide opportunity to take a proactive, regionally based and creative approach in the short term. The Development Agencies should work with companies and

HEIs to consider work placement where students would take up opportunities in a flexible and cost effective way[42].

- Consider the benefit of extending/replicating the Young Entrepreneurship programme (Tralee Institute) in other institutes/colleges in County Cork, harnessing the commitment of an industry champion
- Taking into account the business environment requirements for entrepreneurship, undertake an assessment of existing infrastructures (both physical and soft) and identify ways in which they could be further enhanced and be more cost competitive (for example, consider level/approach to development levies in certain locations)

Priority Infrastructures - South-West

Roads	Upgrade N20 Cork-Limerick (Atlantic Corridor) Upgrade N28 to Ringaskiddy Upgrade Bandon and Sarsfield Road interchanges on Cork Southern Ring Road Upgrade N22 Cork-Killarney and Cork NRR
Broadband	Construct MAN in Mallow Extend Cork MAN
Waste Water	Address Waste Water capacity deficits in Mallow

Mid-West

The Mid-West comprises counties Limerick, Clare and North Tipperary and has a total population of 374,000[43]. Between 2002 and 2006, population in the region grew less in percentage terms than all other regions with the exception of Dublin.

Given its strong infrastructures and history (particularly in relation to the development of Plassey Technology Park and the Shannon Free Zone), the region appears to be underperforming in terms of innovation capacity and performance.

Key points of interest and potential

- The strategic development of the gateway, Limerick city, has been hindered by the fact that its metropolitan area falls across a number of local authorities, and the city also suffers from a negative image both nationally and internationally

[42] The IBEC coordinated Export Orientation Programme (EOP) Graduate Placement Programme indicates the potential in collaborative approaches between industry and the enterprise agencies in this area.
[43] CSO *Population & Migration Estimates*, April 2009

- The region has a higher proportion of its workforce employed in the manufacturing and industrial sector than any other region, a number of which are involved in high volume production
- Recent announcements by Dell will have a significant impact on the region, not only in terms of immediate job losses, but also in relation to its wider impact on firms providing third party services to the company[44]. The regionally based *Túsnua* initiative is focused on providing advice and supports to those impacted
- There has been a notable growth in ICT and other internationally traded services as well as the Medical Technologies sector, and the region recorded the highest number of EI supported high potential start-ups (HPSUs) of all regions during 2007
- Informed by employment trends and the existing enterprise base, the regionally based workshop highlighted potential in the areas of Medical Technologies, taking advantage of the increasing convergence with ICT, Logistics and Supply Chain Management, Energy and Environmental products and Services, Software and other Services, Food and Tourism

Key Data and Statistics - Mid-West

	Mid-West	State Average	Dublin
Unemployment (Q1 2009)	11.4%	10.2%	8.9%
Employment Growth 1998-2008	27%	33%	22%
GVA per worker (productivity)	€66,098	€76,799	€103,104
GVA per person	€31,859	€36,606	€51,596
Educational Attainment 3rd level	26.5%	29.1%	35.9%
HERD % of national total	8.9%	100%	50.0%
BERD % of national total	11.9%	100%	41.8%
Regional Differentiation:			
Manufacturing Employment	18%	14%	11%

- The proportion of people with a 3rd level degree or higher in the Mid-West is underrepresented compared to other regions such as the Mid East, West and South-West (with Dublin/GDA being an exception to all regions).
- Compared to the State profile, the Mid-West has higher concentrations of people with qualifications in the areas of Engineering, Manufacturing and Construction, Computing, and Education.

[44] Dell plans to retain approximately 1,200 people in employment in Limerick

- In terms of the total level of SFI funding (committed to June 2008), the University of Limerick lags considerably behind research bodies in the Dublin, South-West and West
- The level of business expenditure on research and development is relatively high (BERD) and is limited to a small number of large companies, but it does demonstrate some potential for improving HEI-industry cooperation to increase innovation in the region. However, overall, and given its strong infrastructures, the region appears to be underperforming in terms of innovation capacity and performance.

Priority Infrastructures - Mid-West

Roads	Complete N18 Galway-Limerick Upgrade N20 Limerick-Cork Upgrade N24 Limerick-Waterford
Broadband	Construct MANs in Shannon, Ennis and Thurles
Other	Advance Limerick Regeneration

Key Actions (Extract)[45]

- Develop the urban core of Limerick city in a structured and cohesive way, recognising its importance as a key driver of growth for the region. This requires, at a minimum, a coordinated approach by the relevant local authorities. Given its relatively low monetary scale relative to the potential positive impact on accelerated development of the regions, the reinstatement of the Gateway Innovation Fund should be strongly considered.
- Maintain the funding for the planned regeneration programme to help to change the fabric of the city and to address its negative image. It was anticipated that the funding required (of €3.2 billion) would come from both public and private sources, and mechanisms to ensure that it is realised should be put in place - to include a statement of commitment by Government.
- As companies increasingly network, it presents opportunity for the development agencies in the Mid-West to enhance their collaborative actions to facilitate companies in this environment, and to:
    - Provide clarity on the availability of business supports and the role of each regionally based agency and key contacts (see Section 6 for South-East initiative)[46].
    - Building on the *Túsnua* initiative, continue to develop a more structured approach for ongoing and proactive communications with the HEIs (in terms of innovation,

[45] This work has contributed to the deliberations of the Mid-West Task Force appointed by the Tánaiste earlier this year

[46] On-going inter-agency work on Enhanced Agency Collaboration will help to advance this action point in the short term, and consideration of and/or implementation of elements of the McCarthy Report may also have implications for regionally based agencies

technology transfer, skills needs etc), and with local authorities – focused on a clear agenda, objectives and actions (where appropriate).

South-East

Comprising of counties Carlow, Kilkenny, South Tipperary, Waterford and Wexford, the South-East region has a total population of 496,500[47]. The region has a distinctive settlement pattern with five relatively large centres of population distributed across it, and a gateway that has demonstrated limited impact to date. This has resulted in diverging and competitive dynamics within the region, but also presents an opportunity to work with this distinctive diversity through a more coordinated regional approach. In reality the northern parts of the region are more naturally 'drawn' towards Dublin.

Historically the region had a strong heavy industry profile, and although there have been developments in recent years the transition to a more knowledge intensive enterprise profile has been relatively slow.

Key Data and Statistics - South-East

	South-East	State Average	Dublin
Unemployment (Q4 2009)	11.4%	10.2%	8.9%
Employment Growth 1998-2008	40%	33%	22%
GVA per worker (productivity)	€57,864	€76,799	€103,104
GVA per person	€26,735	€36,606	€51,596
Educational Attainment 3rd level	23%	29.1%	35.9%
HERD % of national total	1.6%	100%	50.0%
BERD % of national total	4.4%	100%	41.8%
Regional Differentiation:			
Agricultural Employment	9%	6%	2%
Manufacturing Employment	17%	14%	11%

[47] CSO *Population & Migration Estimates*, April 2009

Key points of interest and potential

- The absence of a university within the region has been cited by regional stakeholders as a significant deficit and a formal application by WIT for upgrade to university status is currently with government
- The region has benefited from a strong international brands through the promotion of Waterford Crystal, Kilkenny Medieval City and Wexford Opera
- Agency supported sectors that experienced the most significant growth in the region over the last decade included pharmachem, medical technologies and ICT services industries. These growth sectors are dominated by foreign-owned firms
- Contributing 9% to overall employment, the agricultural sector remains a significant part of the South-East economy. Strong international players in the food processing industry provide a solid platform for future growth
- Although the performance of the region in terms of entrepreneurship has been comparatively low, regionally based initiatives such as the *Spirit of Enterprise* demonstrate local capacity and capability to stimulate a collaborative and regional approach to the development of indigenous enterprise
- The small portion of the total R&D spend in the higher education sector (HERD) underlines the importance of establishing linkages and networks, including with relevant HEIs and research institutes beyond the region (nationally and internationally). Significant developments such as the awarding of an SFI Strategic Research Cluster to WIT/TSSG (the first of the ITs to establish such a cluster) represent a key step in enhancing one aspect of research and innovative capacity within the region.

Key Actions (Extract)

- The enterprise development focussed *Spirit of Enterprise Forum* is an initiative that has brought together the relevant stakeholders over the past 3 years, and has had some success in developing a regional rather than county focus[48]. This forum has the potential to provide leadership and a cohesive approach to enterprise development throughout the region – although the role and engagement of the agencies in this context should be clarified
- A cross-regional Gateway Implementation Group should be established to garner proactive support for the gateway and to accelerate its strategic development, in terms of enterprise potential, infrastructures and the built environment
- Recognising the resources of potential entrepreneurs from the farming community, and given the business opportunities that are arising in the agri-business/environmental sectors, ensure optimal co-ordination of supports from relevant agencies such as Teagasc, EI, LEADER and the CEBs

[48] Including the development agencies, WIT, chambers of commerce, business representatives etc. See http://www.spiritofenterprise.ie

Priority Infrastructures - South-East

Roads	N11 (Arklow/Rathnew; Enniscorthy By-pass) N25 New Ross Bypass N24 Upgrade Limerick-Waterford
Waste Water	Address Waste Water capacity deficits in Wexford
Broadband	Extension of Waterford MAN

Dublin and the Mid-East (the East)

The East Region[49] comprises Dublin, Wicklow, Meath and Kildare and has a total population of 1,737,000 people, or almost 39% of the total of the State. Dublin City is the core of the region with a population of 505,739 (administrative area of the City Council). Approximately 40% of the population of Ireland lives within a 100 km radius of the Dublin City Centre.

In terms of economic activity, the most prominent sectors in employment terms are the public sector, the financial services sector, and the retail trade sector. Unlike most other regions in Ireland, the East's employment was not dominated by construction sector during Ireland's period of rapid economic growth.

Points of Interest

- With well over a third of Ireland's population, the East region is the most populous and densely populated region in Ireland.
- The region has experienced strong levels of population growth in recent years, which has been particularly evident in the counties of the Mid-East, boosted by growing levels of longer distance commuting to Dublin City

[49] The East Region comprises of the four counties: Dublin, Wicklow, Kildare and Meath. In the regional reports reference is also made to the two NUTS III sub-regions, 'Dublin' (Co. Dublin) and the 'Mid-East' (Kildare, Meath and Wicklow).

- The age profile of the East region is different to that of other regions particularly in terms of the larger proportion in the more economically active and demographically significant 25-44 age group
- The East region experiences high levels of in-migration amongst the younger 20-29 age cohorts, with a significant amount emanating most likely from other regions in Ireland
- The pattern of population growth and settlement patterns strongly reflect the influence of Dublin City far beyond its administrative boundaries and underlines the need for co-ordination of planning and development policies at the regional level
- Employment in the East (Dublin and Mid-East) grew by 32% between 1998 and 2008. However, unemployment has risen sharply over the last twelve months, rising from a rate of 4.6% at the end of 2007 to almost 9% in early 2009
- ICT services accounts for over a third of agency supported employment, and has seen the largest absolute growth over the ten years from 1998 to 2008. Other key sectors include the financial services, ICT hardware and the food and drinks
- Educational attainment to third level is higher than all other regions. Performance of the Dublin sub-region on this measure is considerably higher than the Mid-East
- Congestion and poor transport networks are considered a key competitiveness weakness of Dublin and the Greater Dublin Area. Future land use and transportation strategies should seek to avoid radial sprawl and remedy the negative result of this phenomenon in so far as possible
- The public transport network should be integrated in so far as possible to provide a more comprehensive, efficient and competitive service to users and potential users. The DART Interconnector and the Luas Green and Red Line link up are important projects for the integration of a large part of the city and the region's transport network.

Key Data and Statistics - East

	Dublin	Mid-East	State Average
Unemployment (Q1 2009)	8.9%	9.2%	10.2%
Employment Growth 1998-2008	22%	50%	33%
GVA per worker (productivity)	€103,104	€57,871	€76,799
GVA per person	€51,596	€28,387	€36,606
Educational Attainment 3rd level	35.9%	30.8%	29.1%
HERD % of national total	50.0%	4.1%	100%
BERD % of national total	41.8%	4.7%	100%

Priority Infrastructures - East

Transport	Advance provision of public transport in Dublin and the GDA Dart Interconnector Luas interconnection (Red/Green Lines)
Broadband	Provide for an open access next-generation broadband network in Dublin by 2010
Water/Waste Water	Address Water and Waste Water capacity deficits in Dublin

6. Regionally and Locally Driven Initiatives

This section provides a brief synopsis of locally driven initiatives. It is not intended to be exhaustive, but to act as a demonstration of what can be achieved through taking a collaborative and proactive approach to developing the region.

Túsnua

Túsnua (translated as 'New Start') is a response to the increasing number job cuts recently in Limerick and the Mid-West region. The initiative was launched by LIT, and includes UL, FÁS, Enterprise Ireland, IDA, the VECs and the City and County Development Board. It aims to retrain and educate those who have lost their jobs by providing comprehensive details about opportunities across the Mid-West. *Túsnua* opportunities are based on three pillars: Education, Enterprise and Employment. Its website presents a comprehensive overview of the range of supports available, enables on-line requests for meetings with relevant agencies, and/or registration to relevant information seminars, workshops and events.

www.tusnua.ie

Dundalk 2020

Sustainable Energy Ireland has engaged in a pilot programme in Dundalk that is intended to act as an exemplar of sustainable energy best practice. *Dundalk 2020* is a community project that is part of a pan European programme called Concerto.

Dundalk 2020 projects are concentrated in a defined four km^2 geographic area. The project involves all sectors, including housing, industry, education, healthcare, retail and leisure facilities. Initiatives include the introduction and use of smart metering, identifying and facilitating new modes of transport, and the development and operation of a biomass district heating system.

Initiatives are integrated at a local level and SEI is the catalyst in creating networks, action groups and in working with businesses, residential groups, state agencies and local authorities to put in place structures to help achieve goals and specified targets. Although the project is in its early days results are already evident, with a collective saving of approximately 5,000 tonnes of CO^2 and cost avoidance by industry of approximately €500,000 per annum since 2007.

www.sei.ie/dundalk2020

Spirit of Enterprise Forum

The Spirit of Enterprise Forum is an integrated, interactive group of all interested parties involved in the promotion and encouragement of enterprise and entrepreneurship in the South-East region. The Forum recognises that a critical element to the success of the South-East developing as an entrepreneurial region is to have cooperation, dialogue and common regional goals with and between the Regional Authority, Enterprise Support Agencies, Higher Education Institutions, Primary and Post-Primary Teaching, Research Organisations, Entrepreneurs, Industry Representatives (indigenous and multi-national), Local Government, Research Centres and the WIT Centre for Entrepreneurship. The Forum meets every quarter and one of its key achievements, now in its third year, has been the establishment of a Spirit of Enterprise Week: a week of intensive advice, inspiration and training to stimulate entrepreneurship and business growth, that includes a variety of events that are coordinated throughout the South-East region.

http://www.spiritofenterprise.ie/

The Young Entrepreneur Programme

The Young Entrepreneur Programme is the brainchild of businessman, Jerry Kennelly and has been developed by the Institute of Technology, Tralee and Shannon Development. Now in its second academic year, the programme targets second and third level students and aims to foster the entrepreneurs of tomorrow.

The programme has seen over 300 students submit business plans which are shortlisted to allow 15 finalists to pitch their business plans to the judging panel. Throughout the year, they receive mentoring from dozens of companies in the Kerry region and hear from some of Ireland's most influential business leaders.

http://www.youngentrepreneur.ie/

Regional Innovation Cluster

In the South-West locally driven efforts are being made to stimulate increased innovation in a more structured and systematic way. A Regional Innovation Cluster (RIC), led by the South West Regional Authority, has been recently established. The RIC is based on a 'triple helix' model, with the active participation of the third level institutes, the State bodies (regional and local government agencies) together with representatives of large companies and SMEs. It is focused on developing an environment within the region which is conducive to innovation through cooperation in joint action aimed primarily at building capacity, sharing knowledge and facilitating new company development and existing company growth.

Cork Area Strategic Plan

The Cork Area Strategic Plan is an excellent demonstration of collaboration across local governance structures to develop a strategic transport initiative that takes account of the gateway and its integration and connectivity with its wider hinterland. It is an inclusive and progressive plan, and the approach taken involved close engagement with the DoEHLG and obtained the budget allocation required to make it a reality.

Workforce Development Fora (Northern Ireland & North-West region)

The Department for Employment and Learning in Northern Ireland, sought to drive the implementation of their Skills Strategy through six regionally based employer-led Workforce Development Fora (WDF). The role of these fora was to identify and articulate the skills needs for the local economy and encourage and promote a strategic response from existing local public and private sector training providers. The WDF were complemented by Sector Skills Councils who provided sector specific expertise at a NI level (sector specific skills studies are undertaken by the EGFSN in the Republic of Ireland). The North-West WDF initiated a cross-border engagement that involved the enterprise development agencies in the Republic.

The initiative has had varying degrees of success across NI, with particular challenges in sustaining interest and involvement of industry throughout the process. At a practical level, and as the WDF developed, it became clear that there were two key areas of focus, and that the more effective WDFs concentrated on these two simple roles, linking them to practical action on an ongoing basis:

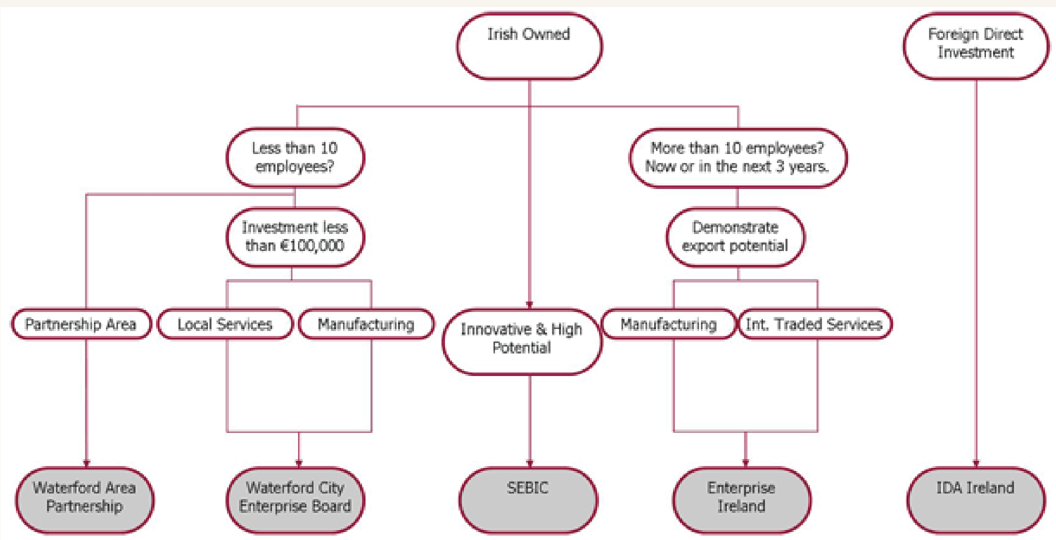
- As an Advisor – articulating local and sub-regional employment and skills needs to ensure that appropriate responses are planned and delivered across NI.
- As a Broker – identifying short-term skills needs (12-18 months) in the private sector and brokering local responses to meet these needs.

A report commissioned by the Department of Employment and Learning undertook a review of the WDF and outlines a clear mandate and recommendations to increase the effectiveness of the initiative throughout NI.

http://www.delni.gov.uk/workforce_development_forum_final_report_pdf.pdf

Information Portal for Business – Waterford City

Waterford City Development Board along with the enterprise development agencies has developed a website to provide a 'one-stop' information portal for businesses. It is a good example of what can be done locally and incorporates an excellent 'which agency can help me' chart (see below). Consideration should be given to developing a region wide approach of this nature. At the same time, it is acknowledged that the need for such initiatives highlights the complexity of the support 'system' for smaller companies – this complexity has been referenced in the McCarthy Report which recommends consolidation of a number of indigenous enterprise development agencies.



Roll-out of Broadband in Dundalk

'Last mile' connection issues continue to hamper the roll-out of broadband access to many SMEs and households. National level efforts will have to be made to provide an appropriate framework for the roll out of broadband to premises. However, local broadband access solutions are possible in the interim, as is demonstrated through Louth County Council's recruitment of a UK based company, H2O Networks (see link below), to provide a fibre connection from its buildings to the local MANs and backhaul infrastructure. H2O use existing waste-water infrastructure to obtain access to buildings for fibre connections, avoiding much of the cost and disruption of digging to lay fibre underground. Such novel connection techniques could be exploited in other areas to improve local broadband access in a cost effective way, in advance of a more comprehensive response to the issue from public or commercial interests.

http://www.h2onetworksdarkfibre.com/index.php

Appendix : Regional Statistics

A1. Demographics

Table A1.1: Population change and density by region in Ireland 2002, 2006 & 2009*

	2002 ('000)	2006 ('000)	2009* ('000)	% Change 2002-2006	% Change 2006-2009	Population Density 2006
Border	432.5	468.4	502.0	8.3	7.2	39
Midland	225.4	251.7	270.6	11.7	7.5	39
West	380.3	414.3	431.4	8.9	4.1	30
Dublin	1,122.8	1,187.2	1,211.5	5.7	2.0	1,295
Mid-East	412.6	475.4	525.5	15.2	10.5	79
Mid-West	339.6	361.0	374.0	6.3	3.6	46
South-East	423.6	460.8	496.5	8.8	7.7	50
South-West	580.4	621.1	648.0	7.0	4.3	51
State	3,917.2	4,239.8	4,459.3	8.2	5.2	62

Source: CSO, *Census of Population* 2002, 2006; *CSO *Population & Migration Estimates*, 2009

Table A1.2: Age Profile of the Regions, 2006

	0-14	15-24	25-44	45-64	65 & over	Youth Dependency (0-14)	Elderly Dependency (65 & over)
Border	21.8	14.2	29.3	22.6	12.2	33	18.5
Midland	22.3	14.3	30.6	21.8	11.0	33.5	16.5
West	20.1	14.9	29.5	22.8	12.6	29.9	18.7
East	19.6	15.6	34.4	20.7	9.7	27.7	13.7
Dublin	18.3	16.2	34.5	20.6	10.3	25.7	14.5
Mid-East (excl Dublin)	22.8	14.2	33.9	21.0	8.1	32.9	11.7
Mid-West	20.5	15.1	30.1	22.8	11.5	30.2	17.0
South-East	21.4	14.0	30.0	22.8	11.8	32	17.7
South-West	20.0	14.5	30.8	22.8	11.9	29.4	17.5
State	20.4	14.9	31.7	21.9	11.0	29.7	16.1

Source: CSO, *Census of Population*, 2006

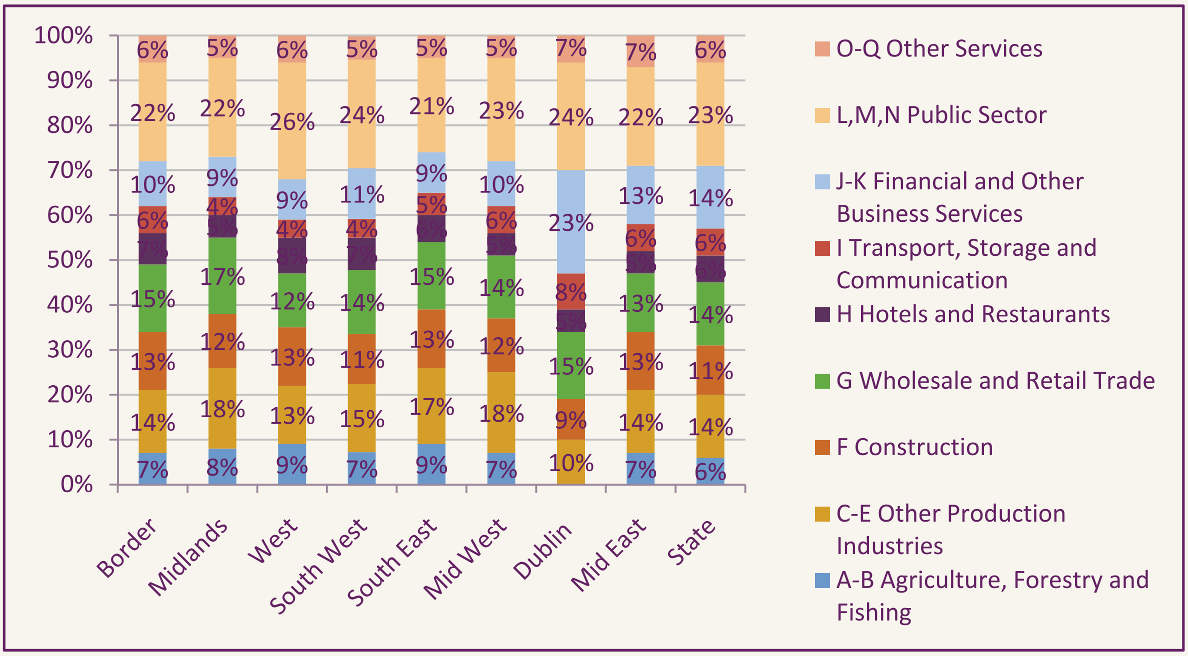
Table A1.3: Migration effects on specific age groups

	Population in age group			% of 1996 Age Cohort Remaining		
	15 to 19 1996	20 to 24 2002	25 to29 2006	15 to 19 1996	20 to 24 2002	25 to 29 2006
Border	38,448	30,929	34,572	100	80.4	89.9
Midland	20,108	16,109	19,962	100	80.1	99.3
West	33,381	29,268	32,529	100	87.7	97.4
South-East	37,259	30,885	35,243	100	82.9	94.6
South-West	50,856	46,397	50,574	100	91.2	99.4
Mid-West	30,613	28,048	28,713	100	91.6	93.8
Mid East	33,870	31,874	40,905	100	94.1	120.8
Dublin	95,001	114,824	130,580	100	120.9	137.5
State	339,536	328,334	373,078	100	96.7	109.9

Source: CSO, *Census of Population* 2006

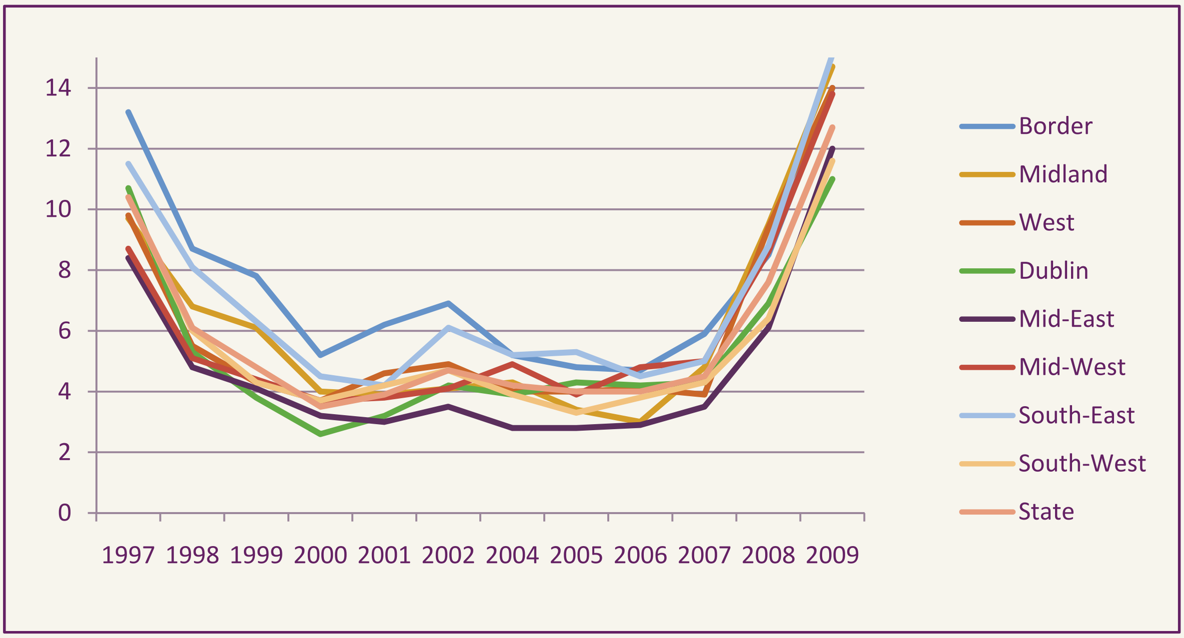
A2. Economic Performance

Figure A2.1: Employment by Sector and Region, Q4 2008



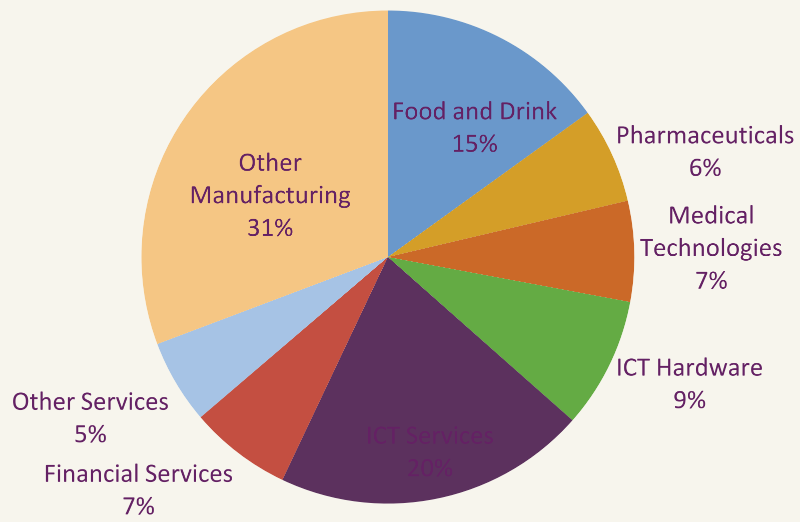
Source: CSO, Quarterly National Household Survey (QNHS) Database Direct

Figure A2.2: Unemployment Rate 1997-2009 (%)



Source: CSO, QNHS Database Direct (all Quarter 4 except 2009 which is Q3)

Figure A2.3: Employment in Enterprise Agency Supported Companies, Selected Sectors, 2008



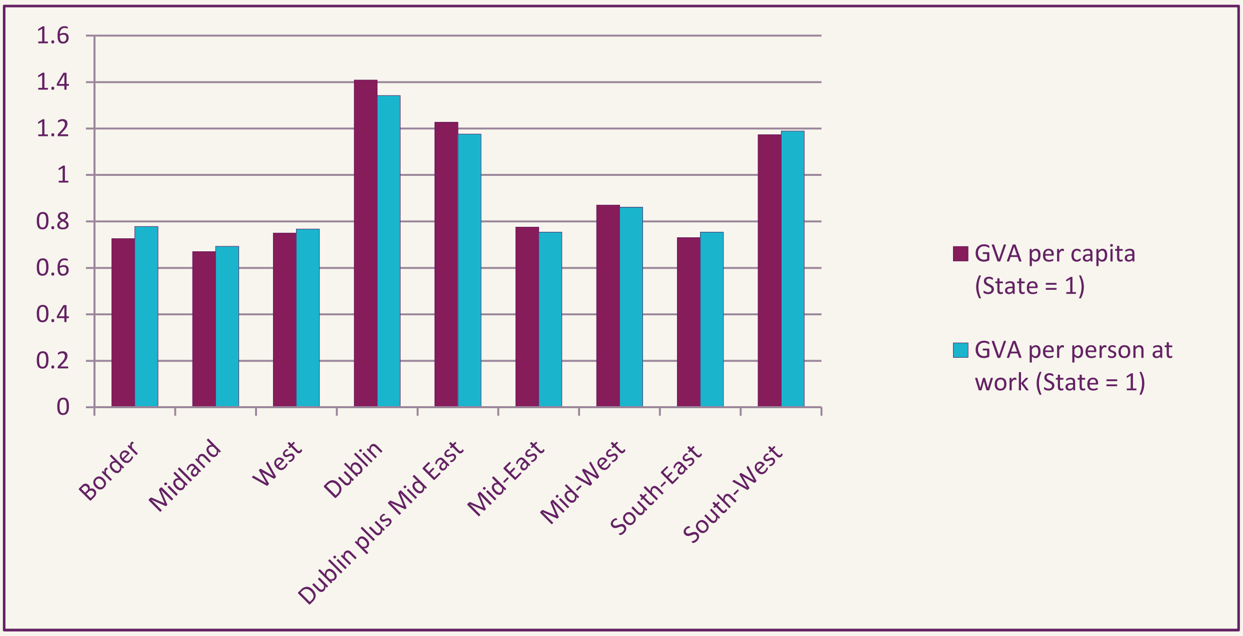
Source: Forfás Annual Employment Survey, 2008

Table A2.1 GVA Statistics by Region

	Distribution of GVA across Regions (%)	GVA per Person at Basic Prices (Euro)	Region as a % of State GVA per Person (State=100)	Region as a % of EU GVA per Person (EU=100)	% Change in GVA per Person 2000-2006
	2006	**2006**	**2006**	**2006**	
Border	8%	26,545	72.5%	106.9%	61.1%
Midland	4%	24,527	67%	98.8%	58.5%
West	7.3%	27,451	75%	110.5%	40.8%
Dublin	39.5%	51,588	140.9%	207.7%	57.4%
Mid-East	8.7%	28,366	77.5%	114.2%	38.1%
Mid-West	7.4%	31,855	87%	128.3%	39.3%
South-East	7.9%	26,745	73.1%	107.7%	30.8%
South-West	17.2%	42,952	117.3%	172.9%	50.8%
State	100%	36,608	100%	147.4%	48.7%

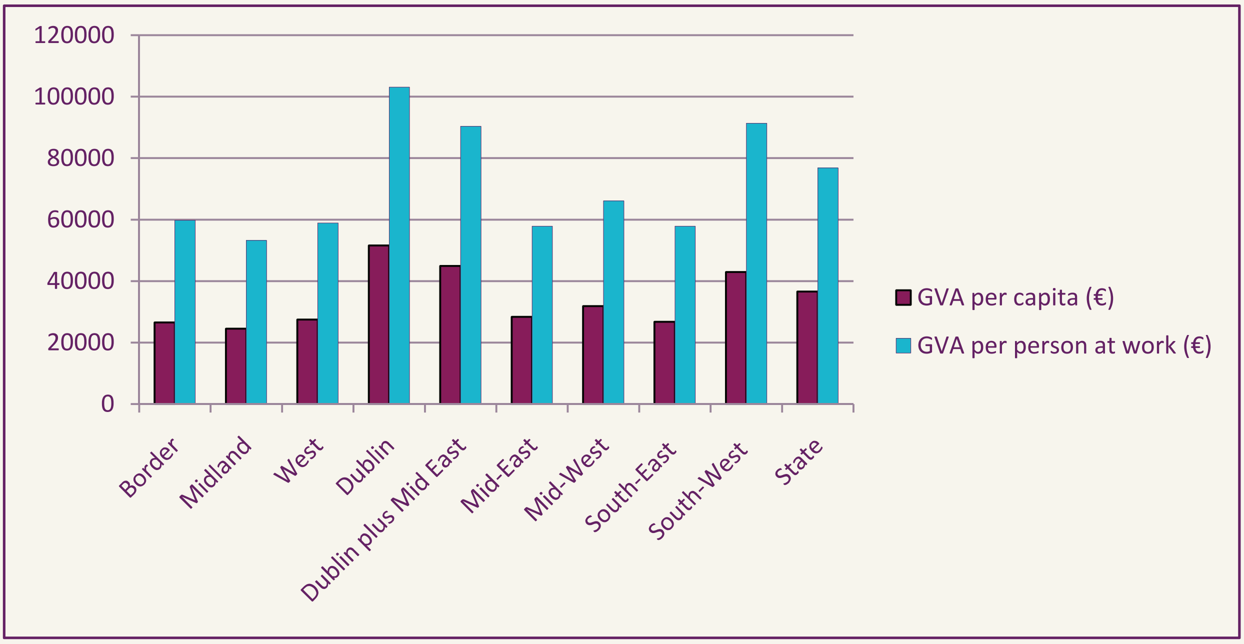
Source: CSO National Accounts, Database Direct

Figure A2.4: GVA per capita and per person at work, 2006 (State = 1)



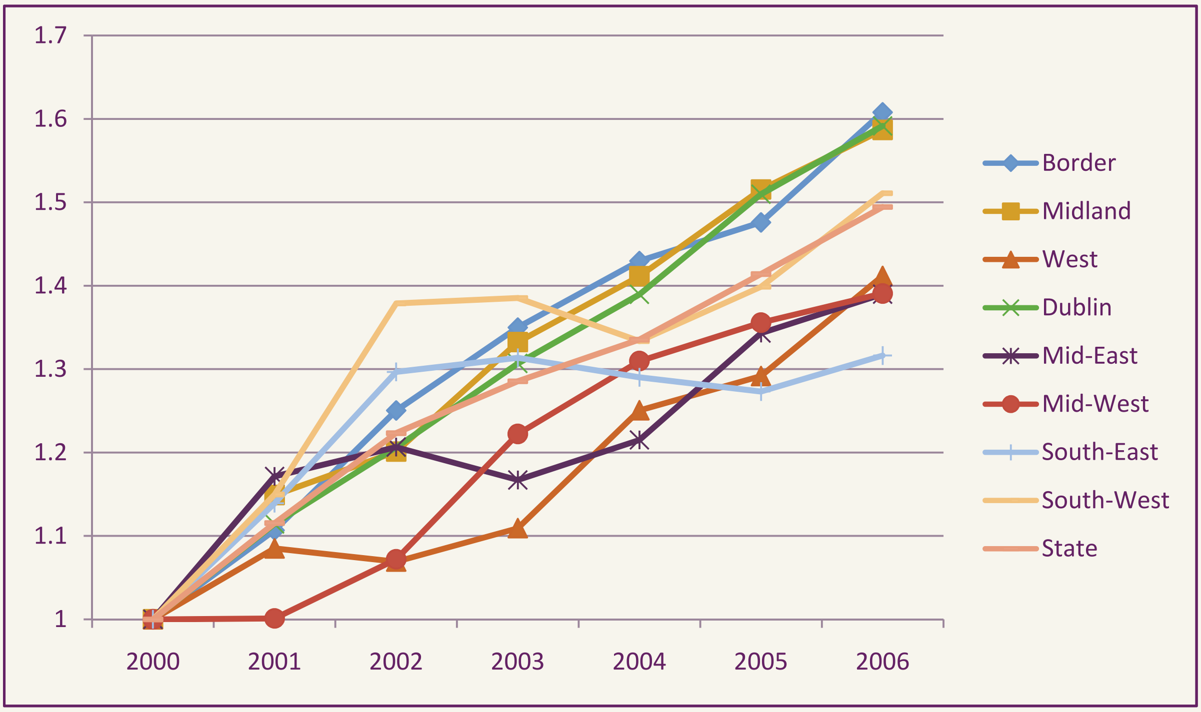
Source: CSO National Accounts, Database Direct

Figure A2.5: GVA per capita and per person at work, 2006 (€)



Source: CSO National Accounts, Database Direct

Figure A2.6: GVA per Capita Growth Performance by Region, 2000-2006 (2000 = 1)



Source: CSO National Accounts, Database Direct

Figure A2.7: Productivity Levels as measured by GVA per worker (State = 100%)

Source: CSO National Accounts, Database Direct

Figure A2.8: Disposable Income in All Regions (State = 100)

Source: CSO National Accounts, Database Direct

Table A2.2: Entrepreneurial Activity by Region (2004-2008)

Region	Expected to start a business in the next 3 years (% of Adults)	Nascent Entre-preneurs (% of Adults)	New Firm Entre-preneurs (% of Adults)	Early Stage Entre-preneurs (% of Adults)	Informal Investment Activity (% of Adults)
Border	12.8	5	3.1	7.9	2
Dublin	10.5	3.8	3.6	7.2	2.3
Mid-East	11.8	5.8	4	9.5	2.4
Midland	10.3	5.7	3.9	9.1	2.7
Mid-West	13	4.3	3.5	7.2	1.4
South-East	10.7	5.1	6.1	10.7	2
South-West	8.6	4.1	3.3	7.2	3.1
West	10.5	5.4	4.9	10	3.2
State	10	4.4	3.9	8.1	2.8

Source: Fitzsimons & O'Gorman (2008) Entrepreneurship in Ireland (Global Entrepreneurship Monitor – Report for Ireland)

A3. Skills

Table A3.1: Educational attainment as a proportion (%) of the total population aged 15+ whose education has ceased, by Region - 2002 & 2006

	2002			2006		
	Below Leaving Cert	Leaving Cert	Third level	Below Leaving Cert	Leaving Cert	Third level
Border	52.0	24.5	18.9	46.9	25.7	23.4
East	36.5	27.6	29.9	32.9	27.5	34.5
Dublin	35.3	26.8	31.3	32.2	26.4	35.9
Mid-East	39.8	29.9	26.0	34.8	30.3	30.8
Midland	48.2	28.3	18.3	42.2	29.7	22.7
Mid-West	44.1	29.3	22.4	39.0	30.1	26.5
South-East	48.6	28.3	19.0	43.7	29.4	23.0
South-West	43.0	28.0	24.3	38.1	28.8	28.6
West	45.1	27.9	22.7	39.7	28.9	27.5
State	42.6	27.6	24.7	38.2	28.2	29.1

Source: CSO, Census of Population 2002 & 2006

Table A3.2: Distribution of the population (15+) with a degree or higher across all regions, compared with distribution of the overall population (15+) - 2002 & 2006

	% of Pop 15+ with Degree or higher 2002 (a)	% of Pop 15+ years 2002 (b)	% of Pop 15+ with Degree or higher 2006 (a)	% of Pop 15+ years 2006 (b)	Index 2002 (Ratio a/b)	Index 2006 (Ratio a/b)
Border	7.5	10.8	7.9	10.9	0.69	0.73
Dublin	41.0	29.4	39.1	28.7	1.40	1.36
Mid-East	10.2	10.2	11.0	10.9	1.00	1.01
Midland	3.7	5.6	4.1	5.8	0.66	0.71
Mid-West	7.4	8.7	7.3	8.5	0.85	0.85
South-East	7.4	10.7	7.7	10.7	0.69	0.72
South-West	14.1	14.9	13.9	14.7	0.95	0.95
West	8.7	9.7	9.0	9.8	0.90	0.92
State	100	100	100	100	1	1

Source: CSO, Census of Population 2002 & 2006

Figure A3.1: Early School Leavers[50] as a percentage of all 18 to 24 year olds classified by region and sex 2002 and 2008

Source: CSO QNHS, Module on Educational Attainment, Q2 2002 – Q2 2008

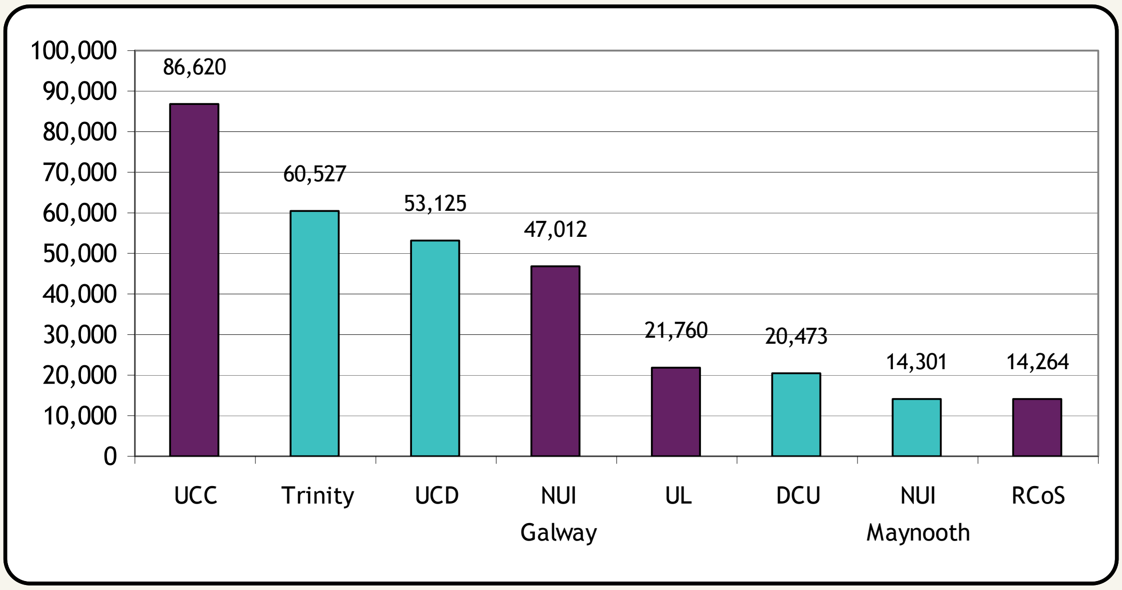
Table A3.3: Regional Performance in Expenditure on R&D (Percentage of National Total)

	Business Expenditure on Research & Development 2005	Higher Education Research & Development 2006
Border	3.9	0.8
Dublin	41.8	50.0
Mid-East	4.7	4.1
Midland	9.5	0.3
Mid-West	11.9	8.9
South-East	4.4	1.6
South-West	11.4	20.7
West	12.5	13.7
	100	100

Source: Forfás BERD and HERD reports 2005 & 2006

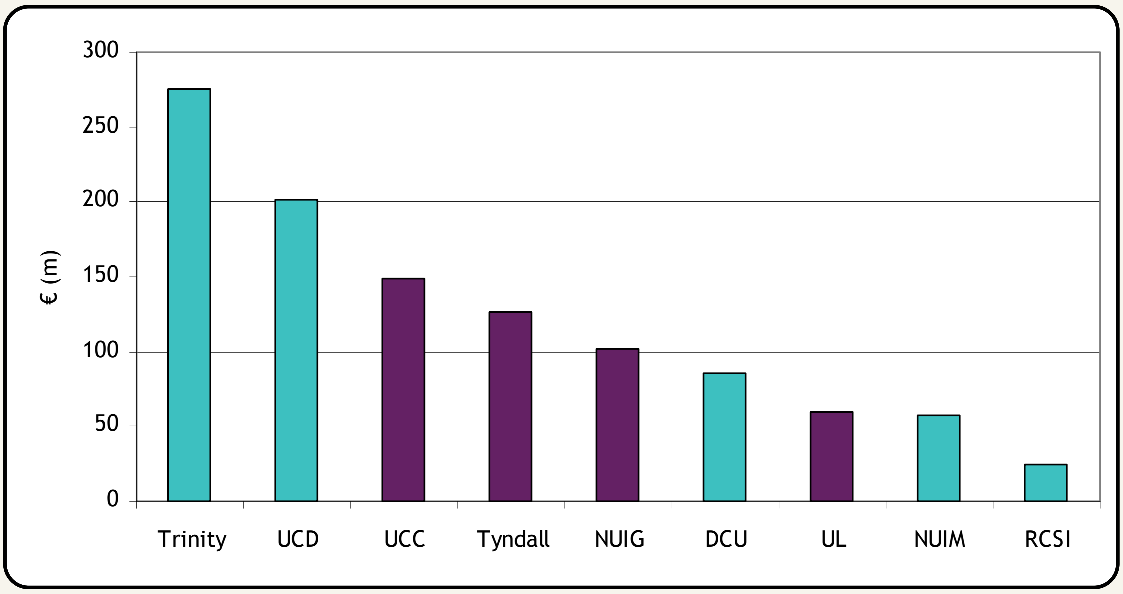
50 Early school leavers are defined as persons aged 18 to 24 whose highest level of education attained is lower secondary or below and have not received education (either formal or non formal) in the four weeks prior to the survey.

Figure A3.2: Research Income by Institution (2005/2006) (€'000)



Source: Forfás, Higher Education R&D Survey, 2006

Figure A3.3: Total SFI Commitment by Research Body to 30/06/08



Source: Science Foundation Ireland, 2008

Notes