

Ireland

Key facts and issues

Ireland is a unitary country (with two jurisdictions) and a population of 4.6 million. With only 9.4% of its public expenditures conducted by subnational governments, it is the 2nd least decentralised country in the OECD with regards to public spending. It is also in the lower range of the OECD in terms of urbanisation, as only 28% of its population is living in predominantly urban areas.

Ireland's GDP per capita of around USD 65 100 is 58% above the OECD average. However, Ireland has some of the highest GDP per capita disparities among its small regions (TL3), as measured by the Gini index, and these have grown at a fast pace since 2000. Between 2008 and 2013, the gap between the top and bottom 20% in terms of GDP per capita grew by almost 30%. The gap grew because the GDP per capita of the bottom 20% decreased at a faster rate than that of the top 20% of regions. Ireland has below average performance in terms of unemployment, even though the gap in unemployment rates between regions has shrunk since 2001. Even the Irish region with the lowest unemployment rate still had above average unemployment compared to the OECD average in 2014. Ireland has the lowest life expectancy gap among its regions in the OECD. Productivity performance shows solid catching-up trends by the Border, Midland and Western region, and a narrowing productivity gap between regions. GDP growth is still mainly driven by the Southern and Eastern region that includes Dublin, which is responsible for more than 80% of GDP growth between 2000 and 2013.

Ireland: regional, urban and rural development policies

Policy Area	Enabling Document, Strategy, or Framework	Strategic Objectives and Means	Lead Ministry, Agency or Committee
Regional	National Spatial Strategy (2002-2020) Action Plan for Jobs 2016 includes elements of regional policy	Commitment to support competitive regions' through business support schemes and competitive funding for regions	Department of Environment, Community and Local Government
Urban	No over-arching framework	Ireland participates in EU programmes of URBACT and ESPON programs, and uses ERDF funds for sustainable urban development at the 5 percent threshold. Ireland's newly elected Government seeks to commence new urban initiatives to lead to a national urban policy	Department of Environment, Community and Local Government
Rural	White Paper on Rural Development (1999) Rural Development Programme for Ireland 2014-2020	Economic development supported by service and infrastructure provision while protecting the environment and social policy to address disadvantage and social inclusion needs in a sustained manner	Department of Agriculture, Food and the Marine (including CAP Pillar II)

Notes: 1. Additional information added based on reports from European Policy Research Centre (2014) "Policy Reform under Challenging Conditions: Annual Review of Regional Policy in Europe", EoRPA Paper, 14/1, EPRC, Glasgow.

General policy approach

While there is no national regional development policy per se, there is a national planning strategy and elements of regional policy in the Action Plan for Jobs. The 5th Action Plan released in 2016 notes the importance of stimulating regional growth through 8 regional plans. In addition, the 3 elected regions manage operational programmes for the use of EU regional policy funds. There is no overarching urban policy framework, albeit Ireland participates in several EU programmes with a focus on regions and uses ERDF funds for sustainable development. In terms of rural policy, the previous national guiding document dates back to 1999 and a new rural development strategy is under development. In addition, there is a Rural Development Programme for use of related EU funds.

Recent policy changes

- The Local Government Reform Act of 2014 replaced the 8 regional authorities and 2 regional assemblies by 3 new regional assemblies as of 1 January 2015.
- The same reform also dramatically reduced the number of local authorities (from 114 to 31) and as a result the number of elected councillors. Municipal districts replaced the dissolved councils, and local authorities have expanded responsibilities.
- The aim of the new assemblies is to co-ordinate, promote and support strategic planning and sustainable development and promote effectiveness in local government and public services. Their main function will be to establish regional spatial and economic strategies in conjunction with the various enterprise and economic development agencies.
- The Action Plan for Jobs, initially issued in 2012, was updated in 2016. As part of the plan and to support regional growth, 8 regional plans will each be overseen by a Regional Implementation Committee, comprising enterprise champions from the region, local authorities, local enterprise offices and other key stakeholders and agencies.
- A new Action Plan for Housing is a major priority of the new government in 2016 is under development.
- A Rural Charter for Ireland with 10 commitments for sustainable rural development was launched in January 2016. A new rural policy framework development process started in 2016. A central policy forum for rural policies will also be created.

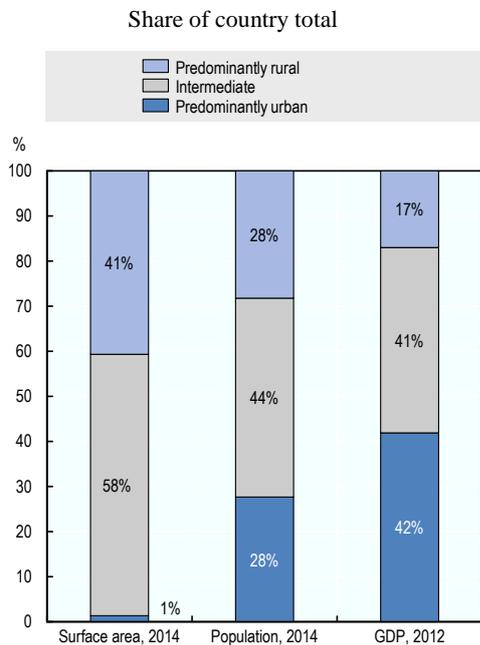
Ireland: Main regional, urban and rural development policy tools

Policy Instrument	✓	Examples
Transport Infrastructure investments and systems of cities	✓	Action Plan for Jobs contains initiatives to strengthen transportation infrastructure.
Other Infrastructure investments	✓	Operational Programmes target the provision of high-speed internet, also to rural regions. Action Plan for Jobs contains initiatives to provide infrastructure such as health and education equipment as well as flood mitigation investments; ports, airports and networks (energy and data) are contained in the document
Service delivery (subsidies for public services)		
Business development/ innovation support	✓	Operational Programmes target mainly SME competitiveness and innovation strengthening Action Plan for Jobs supports businesses through the provision of infrastructure and framework conditions (tax levels and ease of doing business) as well as access to financing for SME. Most initiatives in the Action Plan for Jobs are not explicitly place-based
Urban renewal	✓	The Living City Initiative is a tax relief offered for the refurbishment of property in certain neighbourhoods in the main cities of Ireland. A series of new urban initiatives are proposed in the Programme for Partnership Government, published May 2016, to build on existing initiatives
Urban form and land use		
Sustainability policies	✓	Operational Programmes are focusing on promoting a low-carbon economy Rural Development Programme
Rural-urban linkages		
Clusters/technology platforms/ centres of expertise	✓	Action Plan for Jobs contains a cluster policy for Ireland
Special economic zones		
Rural landscape preservation	✓	Rural Development Programme has set rural resource preservation has a priority.
Skills/training programmes	✓	Action Plan for jobs contains measures on providing skilled labour to the economy; not explicitly place-based.
Capacity building for subnational governments	✓	<i>Regional:</i> In response to the Local Government Reform Act 2014 , the government is offering training to help the newly elected councillors succeed with their broader role. This training is offered regionally by the new Association of Irish Local Government (AILG); a second phase is under development to be provided over the five-year term of councillors

Note: Two regions are managing EU Cohesion funds, with their own Operational Programme with its own instruments, objectives and budgets. For the complete list of regional policy programmes, see:

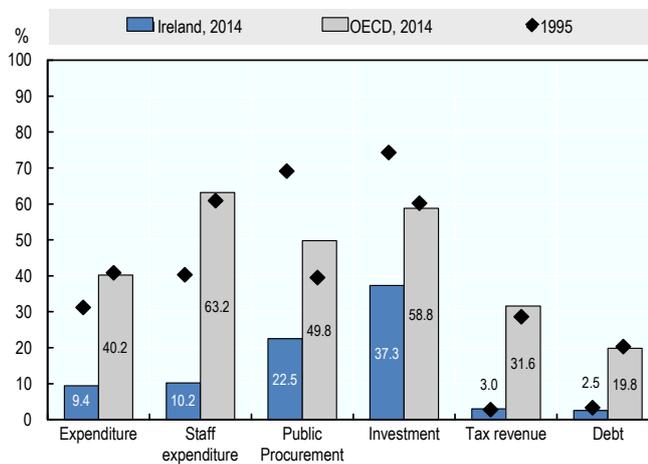
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Land, population and economy in rural and urban regions



Subnational government role in public finance

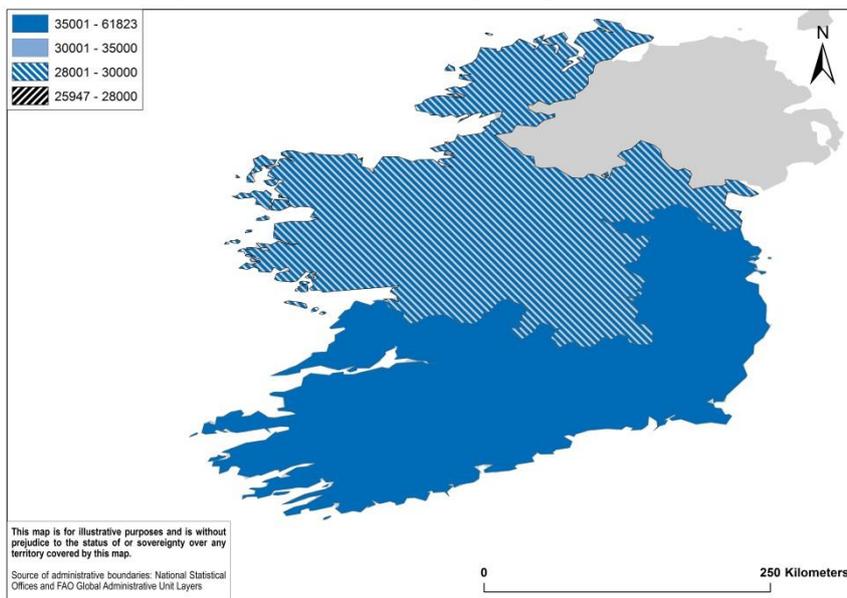
Share of general government



Number of subnational governments

Level	Number
Municipal level	31
Intermediary level	
Regional or state level	
Total	31

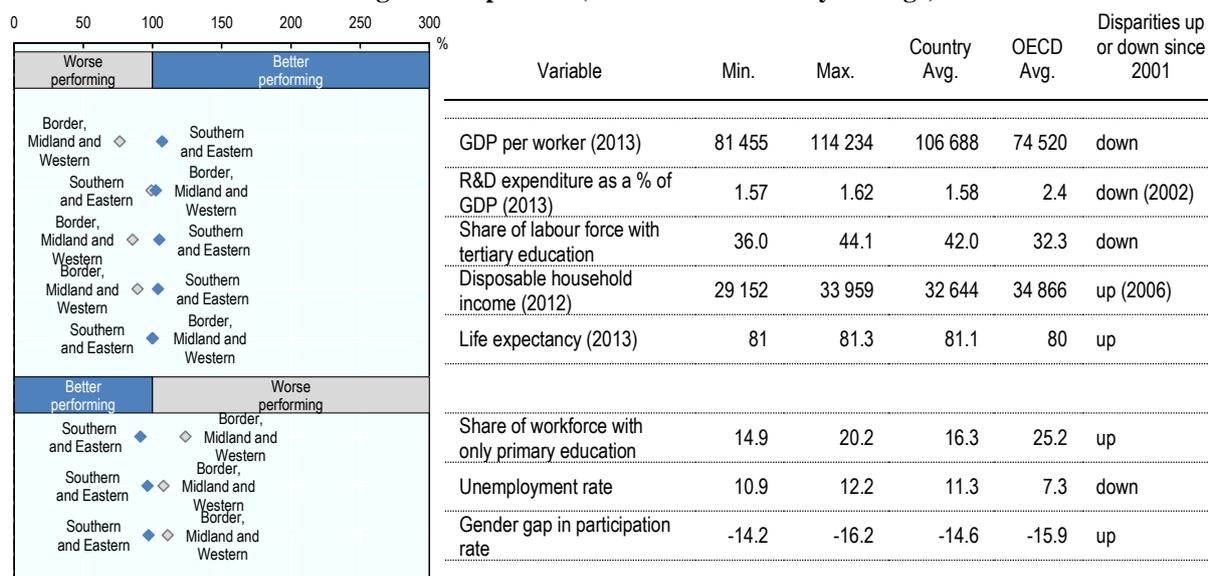
Regional differences in GDP per capita levels, 2013



Note: GDP per capita in constant prices and constant USD PPP (base year 2010).

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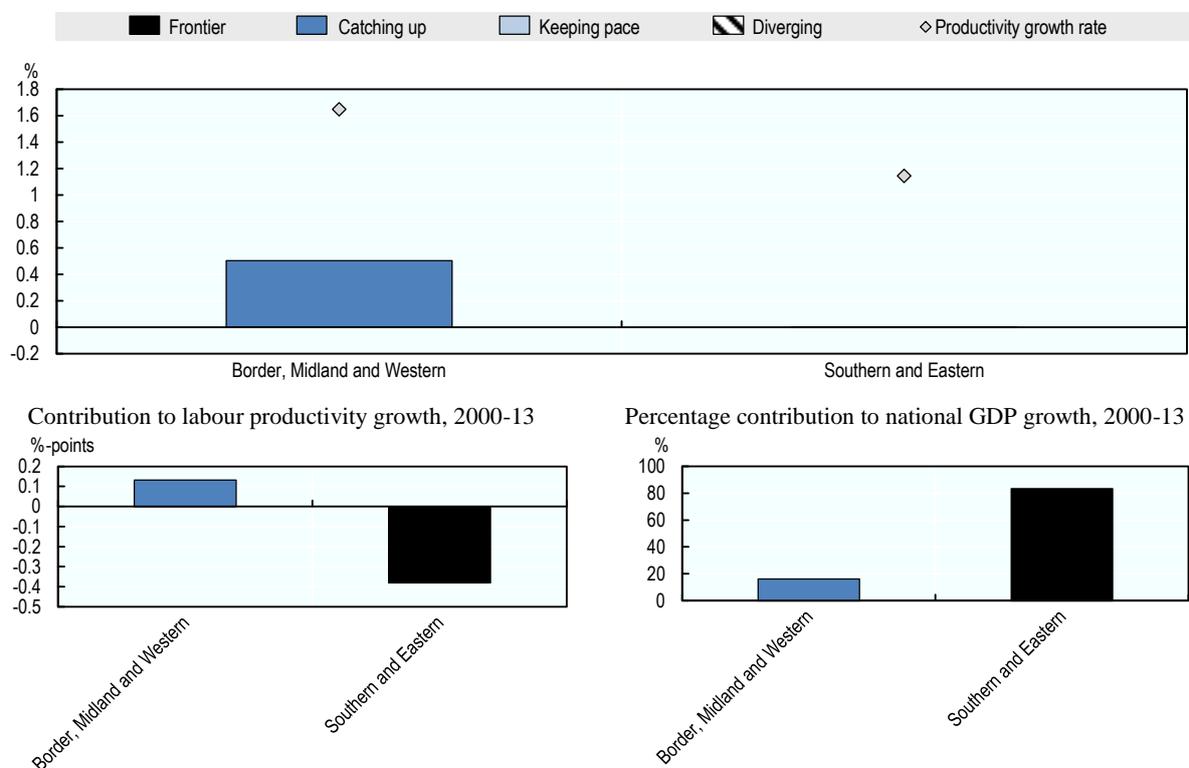
Inter-regional disparities (as a % of the country average)



Note: Each diamond represents a TL2 region. Unless specified, all data are for 2014. Disparity is measured as the difference between the top and bottom region in the country.

Productivity and catching-up trends among regions

Average annual labour productivity (GDP per worker) growth rate [diamonds] and deviation from the growth rate of the country's productivity frontier [bars], 2000-2013
See country page notes for classification of regions



Note: Difference between national labour productivity growth as calculated with and without the indicated region.

Note: The contribution is the product of a region's GDP growth rate by its initial share of GDP.

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Country page notes

Main indicators

OECD average	represents the weighted average of OECD country/region values for the given year or closest year available.
OECD Regional Well-being framework	considers a combination of individual characteristics and local conditions in eleven dimensions that shape people's material conditions (income, jobs and housing) and their quality of life (health, education, access to services, environment, safety, civic engagement and governance, community, and life satisfaction).
Gross domestic product (GDP); GDP per capita; and labour productivity (GDP per worker)	is the standard measure of the value of the production activity (goods and services) of resident producer units. Regional GDP is measured according to the definition of the System of National Accounts (SNA 2008). To make comparisons over time and across countries, it is expressed at constant prices (year 2010), using the OECD deflator and then it is converted into USD using purchasing power parities (PPPs). For regional labour productivity, GDP (gross value added for Turkey) is divided by the number of workers (at place of work) or, for GDP per capita, the number of residents. For comparisons of current (per capita) GDP across countries, GDP for 2015 is converted to USD using PPPs for 2015.
Subnational government role in public finance	is mainly derived from the OECD National Accounts, harmonised according to the new standards of the System of National Accounts (SNA 2008), with the exception of Chile, Japan and Turkey, which are still under SNA 1993. General government includes four sub-sectors: central/federal government and related public entities; federated government ("states") and related public entities; local government i.e. regional and local governments and related public entities, and social security funds. Subnational governments are local (regional and local) governments and state governments (in countries with a federal or quasi-federal government system).
Gini index (regional income inequality)	The Gini index is a measure of inequality in terms of GDP per capita among all regions of a given country, with equal weight for each region. The index takes on values between 0 and 1, with zero interpreted as no disparity.
R&D expenditure	is the total gross domestic expenditure on research and development by the government, higher education, business, and private non-profit sectors.
Household disposable income and poverty rate	is the income generated directly from market transactions, adding all current transfers from the government, except social transfers in kind, and subtracting current transfers, such as income or regular wealth taxes and social contributions. It is expressed in USD Purchasing Power Parities (PPP) at constant prices (year 2010) and using a standard equivalised size for households across the OECD. Due to a lack of data, the indicator is expressed in per capita terms for the Czech Republic, Estonia, Hungary and New Zealand. The poverty rate is here taken as the percentage of people with disposable household income per capita of less than half the country median.
Participation rate, unemployment rate, youth unemployment and NEETs	The (labour force) participation rate is the ratio of the labour force (employed and unemployed) aged 15+ to the population (15+). The gender gap is the difference between the participation rates for women and men. Unemployed persons are defined as those who are without work, are available for work, and have taken active steps to find work in the last four weeks. The unemployment rate is defined as the ratio of unemployed persons to the labour force. Youth unemployment considers the unemployed and the labour force aged between 15 and 24. "NEETs" refers to 18-24 year-olds who are neither in employment nor in education and training (as a percentage of the population of 18-24 year-olds).
Primary and tertiary education	Primary education includes primary education, pre-primary education and lower secondary education (ISCED 0-2). Tertiary education includes both university qualifications and advanced professional programmes (ISCED 5-8). Shares are defined with respect to the labour force aged 15 and over.
Elderly	are those aged 65+. The elderly dependency rate is the ratio of the elderly to the working age population (15-64).
Air pollution	is the 1km ² grid cell population weighted average of satellite-based estimates of small particulate matter (PM _{2.5}).
Life expectancy	measures the number of years a newborn can expect to live, if death rates in each age group remain constant.

Typology of regions with respect to productivity

Frontier	is the region leading its country in terms of labour productivity, measured by the real gross domestic product per employee. In some countries the leading region accounts for a small percentage of the total workforce. Where this is the case, the frontier is the weighted average of regions with the highest labour productivity levels accounting for 10% of the country's total employment.
Catching-up regions, diverging regions and regions keeping pace	is a classification of regions based on their labour productivity growth relative to the frontier. It is based on the growth in labour productivity between 2000 and 2013 (or closest year available). Regions where labour productivity grew/dropped by at least 5 percentage points more/less than in the frontier over the period are classified as catching-up/diverging regions (about 0.4 percentage points annually), with regions that are keeping pace falling within the +/- 5 percentage points band.

Typologies of regions with respect to population or other functions

Regions (TL2 and TL3)	are classified by the OECD into two territorial levels that reflect the administrative organisation of countries. OECD's large regions (TL2) represent the first administrative tier of subnational government. OECD small (TL3) regions are contained within a TL2 region. Reference to the 20% richest/top or poorest/bottom regions, indicates the top/bottom-performing regions according to the indicator accounting for 20% of the (relevant) population.
TL3 typology (urban, intermediate, rural)	TL3 regions have been classified as: predominantly urban (PU), intermediate (IN) and predominantly rural (PR) based on the percentage of regional population living in rural communities, combined with the existence of urban centres where at least one-quarter of the regional population resides. The terms "urban", "intermediate" and "rural" refer to these categories.
Metropolitan area	is a functional urban area with 500 000 or more inhabitants defined by population density and commuting flows.

Further details and information: OECD (2016) *OECD Regions at a Glance 2016*, http://dx.doi.org/10.1787/reg_glance-2016-en.