Section 2

Ireland's Changing Spatial Structure

Main Points

- The spatial structure of Ireland is strongly influenced by the location of investment, which in turn influences where people work and live.
- The structure and patterns of employment in many sectors of the economy are changing, with future investment likely to depend increasingly on the strengths, facilities, talents and skills which areas can offer.
- The State has a population of 3.9 million, of which about 1.5 million live in the Greater Dublin Area.
- The Greater Dublin Area has experienced rapid development. This has driven much of the country's economic success. However, the form of that development has created acute pressures in areas like housing supply and traffic congestion.
- The successful aspects of the Greater Dublin Area's development need to be emulated in other areas to deliver a more even distribution of successful economic development. The growing strengths of Cork, Limerick/Shannon, Galway and Waterford suggest that the co-ordinated development of these cities has the potential to offer a counterweight to the pull eastwards on the island.
- Declining farm-based employment, and associated changes in rural areas, highlight the need for tailored policies to develop alternative employment in natural resources, tourism, enterprise and local services, as well as improved access to employment in or near urban areas.
- Without an NSS, three quarters of the country's projected population increase of half a million people, or possibly significantly higher than that, over the next twenty years is likely to happen in or near the Greater Dublin Area, making congestion even more difficult to deal with. At the same time, many other parts of the country would remain less developed.
- The NSS provides an alternative to this by promoting the development of the potential of all regions through identifying and prioritising policies that must be put in place to attract and generate investment and jobs and encourage more people to live in every region. As this happens, the rate at which the Greater Dublin Area is increasing its national share of population will lessen. Other regions' share will start to increase.
- As the pace of regional development accelerates, particular additional requirements for housing will arise in certain areas.

2.1 Ireland - the Global and All-island Contexts

2.1.1 Ireland in the European and Global Economies

It is likely, subject to trends in the global economy, that the recent exceptionally dynamic phase of expansion in Ireland will be followed by growth patterns more comparable with those of other mature economies. Maintaining these patterns will require prudent macroeconomic, budgetary and other strategies (ESRI Medium Term Review 2000 – 2005).

The structure and pattern of employment will continue to be influenced by changing global and European trends. Employment in some of the more traditional sectors in which Ireland is no longer competitive will continue to fall-off. Enterprise will need to continue to shift into more knowledge intensive sectors.

Efficient movement of people and goods, coupled with effective energy and communications networks, waste management facilities and other services will be essential to bring out the innate potential of places and promote balanced regional development. This will require spatial co-ordination to maximise the benefits.

Agriculture will continue to be an important component of the economy. Advancing technology and farm consolidation will increase output and continue to reduce agriculturally based employment. The challenge will be to support agriculture and at the same time find alternative employment in or close to rural areas to sustain rural communities.

Marine and natural resources, including inland fisheries, sea fisheries, aquaculture, forestry and mining, have an important role to play in providing sustainable alternative sources of employment in rural areas. For example, forestry will expand in line with Government policy to increase forest cover from 9% of the land area at present to 17% by 2030. This expansion will provide the basis for sustainable additional employment in forestry and forestry related industries.

Ireland must continue to trade on its 'green' image, a mark of quality, which is attractive not only for tourism, but for all investment. Protecting this environmental quality will be crucial.

In the context of current European and world economic development trends, strong indigenous growth will be sustained, and mobile international investment will be attracted, to an increasing extent, by factors such as

- stable macroeconomic and budgetary policies
- a business friendly and efficient operating environment
- excellent quality of life
- extensive educational opportunity in a life long learning sense
- good quality physical infrastructure
- a high quality environment
- reliable access to energy.

Financial incentives and grants will have less influence than in the past on the choice of locations for investment.

Business is likely to align itself closely with local strengths, facilities, talents and skills. This can be facilitated in important ways through good links between business and third level institutions. Clusters of similar or interrelated overseas and Irish-owned businesses will tend to form and consolidate in particular geographic areas because of the advantages available locally and the resulting synergies. Spatial policy must take account of this if it is to broaden the range of locations in which business can be done successfully in Ireland.

The ability of Greater Dublin and some other areas to attract large-scale inward investment is clearly associated with their perceived advantages of being significant urban areas with international transport connections, third-level institutions and other educational and research facilities, business services, cultural and entertainment facilities.

To achieve balanced regional development, the challenge in generating indigenous investment and in winning internationally competitive mobile investment will be to ensure that access to such advantages is offered at a wider range of attractive locations. This requires the targeted assembly at strategic locations, at the required scale, of the factors critical for success.

Ireland's spatial context is closely related to the wider global context. Throughout the world, regions of international economic importance have emerged based on agglomerations of strong enterprise activity, innovation and the assembly of factors critical to economic success. Within the EU, the strongest region of global economic importance is the area encompassing London, Paris, Amsterdam/Rotterdam and Frankfurt.

Effective connections to and from this region and to wider world are essential, if Ireland is to remain in a position to capitalise on its proximity in terms of contributing to and benefiting from a competitive EU economy. Figure 2.1 illustrates Ireland's international spatial context in broad terms.

2.1.2 North-South Relations

The establishment of the North/South Ministerial Council, the six North/South Implementation Bodies and the identification of areas of co-operation provided an opportunity for North/South economic activity to realise its full potential and for the mutual benefits of strategic co-operation to be fully explored for the first time. Both the Regional Development Strategy for Northern Ireland 2025, *Shaping Our Future,* and the NSS provide planning frameworks that enhance the potential for such joint strategic co-operation.

A report on enhancing competitiveness in the all-Island economy, commissioned by the North/South Ministerial Council, highlighted the challenges, including long-standing regional imbalances and disadvantaged border regions, facing both economies. The report advocated strategic economic co-operation to take advantage of economies of scale and facilitate the adoption of co-ordinated approaches to capital and infrastructure investment.

Trade between the two economies has grown significantly in recent years. However, there are barriers that need to be addressed including

- greater regulatory harmonisation
- exploiting of potential synergies in education and training provision and in research and development
- improving the existing knowledge base in order to facilitate the development of appropriate policy initiatives, and
- monitoring and evaluation of existing policy.

Labour mobility is one of the keys to economic development both in Ireland and at European level. The North/South Ministerial Council Study of Obstacles to Cross-Border Mobility on the Island of Ireland identified four main categories of barriers - regulatory, administrative, infrastructure and information. The advancement of this labour mobility agenda is an example of the range of possibilities for future North/South economic co-operation.

The institutional arrangements provided for in the Good Friday Agreement provide a framework for enhanced co-operation on the island of Ireland to the mutual advantage of both North and South. The key areas where such co-operation can be of most benefit are being identified. The challenge for the future is to harness the potential synergies and to work together to overcome the barriers to fulfilling our social and economic potential.

Co-operation and co-ordination of spatial strategies North and South will be pregressed as far as possible having regard to the prevailing circumstances.

2.2 Key Development Trends Within Ireland

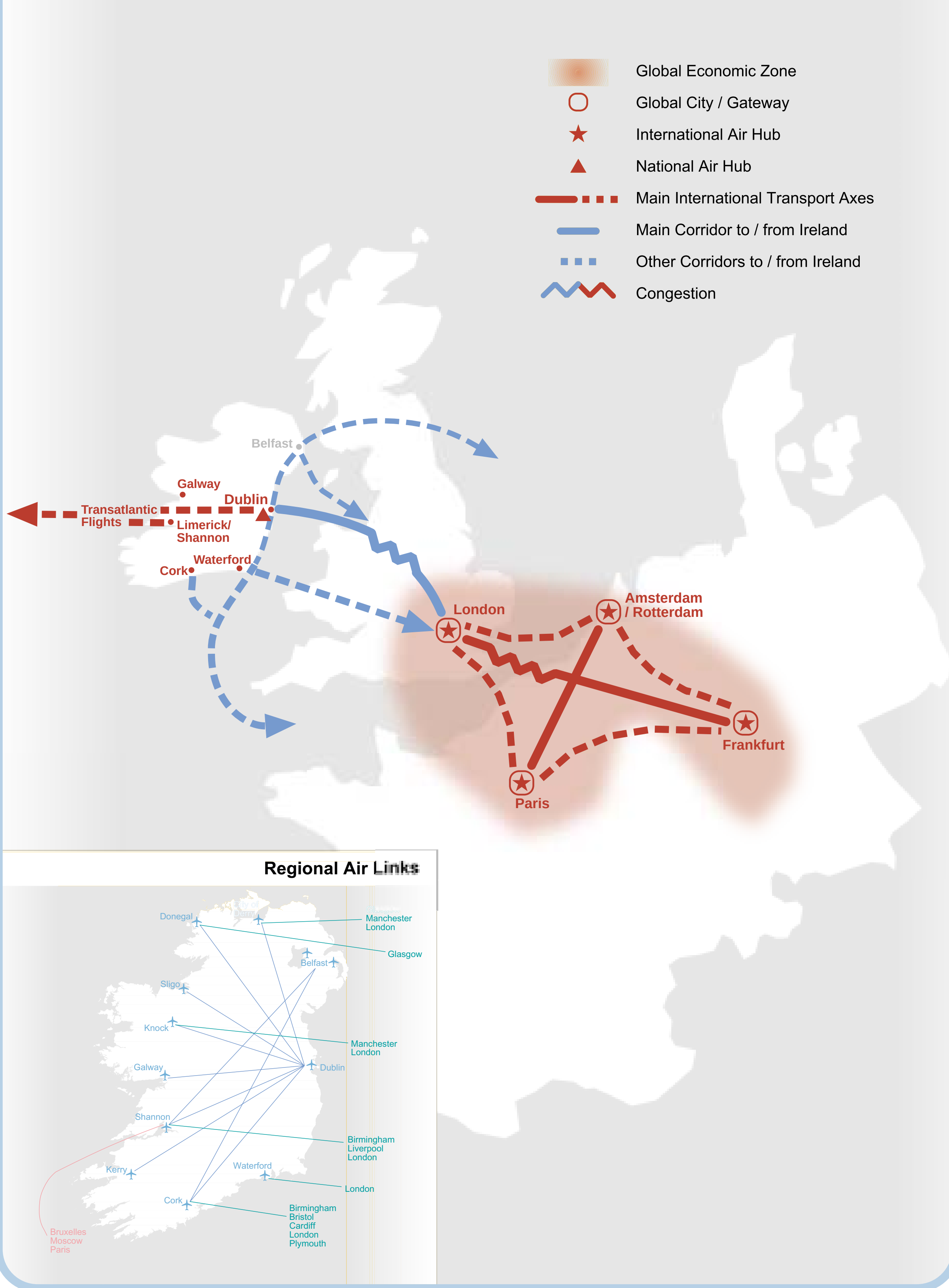
To identify a basis for future spatial policy in Ireland, it is useful to understand how Ireland's economic and spatial development patterns have been evolving over the past ten to fifteen years and how these patterns are likely to evolve in the future, unless good spatial policies are adopted. Extensive research was carried out for this purpose. The relevant reports may be found at www.irishspatialstrategy.ie. This section presents a brief overview of development trends and the reasons behind them.

The island of Ireland is relatively small in European and world terms. Since accession to the European Union in 1973, the Irish economy has become highly integrated into European and global markets, with profound impacts on national development and economic progress.

The island has an overall population of 5.6 million, of which 3.9[3] million live in the State. The State is characterised spatially by a relatively dispersed population with about 58% living in urban areas with a population of more than 1,500, and about 42% living in rural areas (based on 1996 census). Dublin City and suburbs[4] (2002 population estimated at between 1 and 1.1 million) is very much larger in population than any other city in the State.

3 2002 Census Preliminary Report
4 This refers to the census enumeration area, which includes Tallaght, Lucan, Clondalkin and Blanchardstown but not Swords, Portmarnock, Malahide or Bray.

Figure 2.1 Ireland - International Spatial Context



But Dublin is medium sized in European terms and relatively small in global terms compared with cities like London, New York and Tokyo.

In addition, the total combined population of the cities and suburbs of Cork, Limerick, Galway and Waterford in 1996 was 38% of the population of Dublin city and suburbs. Irish towns in the next tier below these cities, i.e. those in the 10,000 to 40,000 population category, are generally concentrated in the East and South East, with many of these being quite close to Dublin. In more western areas there are only four towns in the 10,000 to 40,000 category. Towns below 10,000 population and especially below 5,000 in population are more evenly spread. (see Figure 2.2)

The following are the most notable recent trends in this spatial structure.

The Greater Dublin Area (GDA) has experienced rapid development, which has driven much of the country's economic success in recent years and delivered vital national benefits.

The performance of the GDA is pivotal to the overall economic well-being of Ireland. Looking at the value of the goods and services produced in terms of the economic indicator known as Gross Value Added (GVA)[5], Dublin City and the surrounding three Dublin counties accounted for 38.9% of the national total in 1999. Combining the total for Dublin with Meath, Kildare and Wicklow, the GVA of the Greater Dublin Area represented 47.9% of the national total in 1999.

However, the pace and form of growth in the GDA has resulted in a particularly heavy burden of development pressures, such as housing supply difficulties and traffic congestion, on the city and its surrounding area.

There is strong evidence that Dublin is becoming a 'Dispersed City' demonstrated by the fact that the hi-tech industries located around the city's edges are drawing their workforces from places up to and beyond 80 kilometres away, but within about an hour's drive of peoples' workplaces. New hotels, major industrial parks, technology campuses, out-of-town shopping centres, suburban business and office parks, improved roads, relatively low road fuel prices, higher car ownership and availability and use of certain commuter train services have created an increasingly dispersed form of growth in the GDA and beyond.

Significant population growth has taken place in the GDA over the last ten years. The 2002 Census Preliminary Report indicates that the population of the GDA in 2002 stood at just over 1.5 million, an increase of over 185,000 in the eleven years since 1991 when the GDA's population was 1.35 million. Continuing population growth in the GDA into the future will require planning and infrastructure responses based on a strategic approach that seeks to manage population growth more effectively.

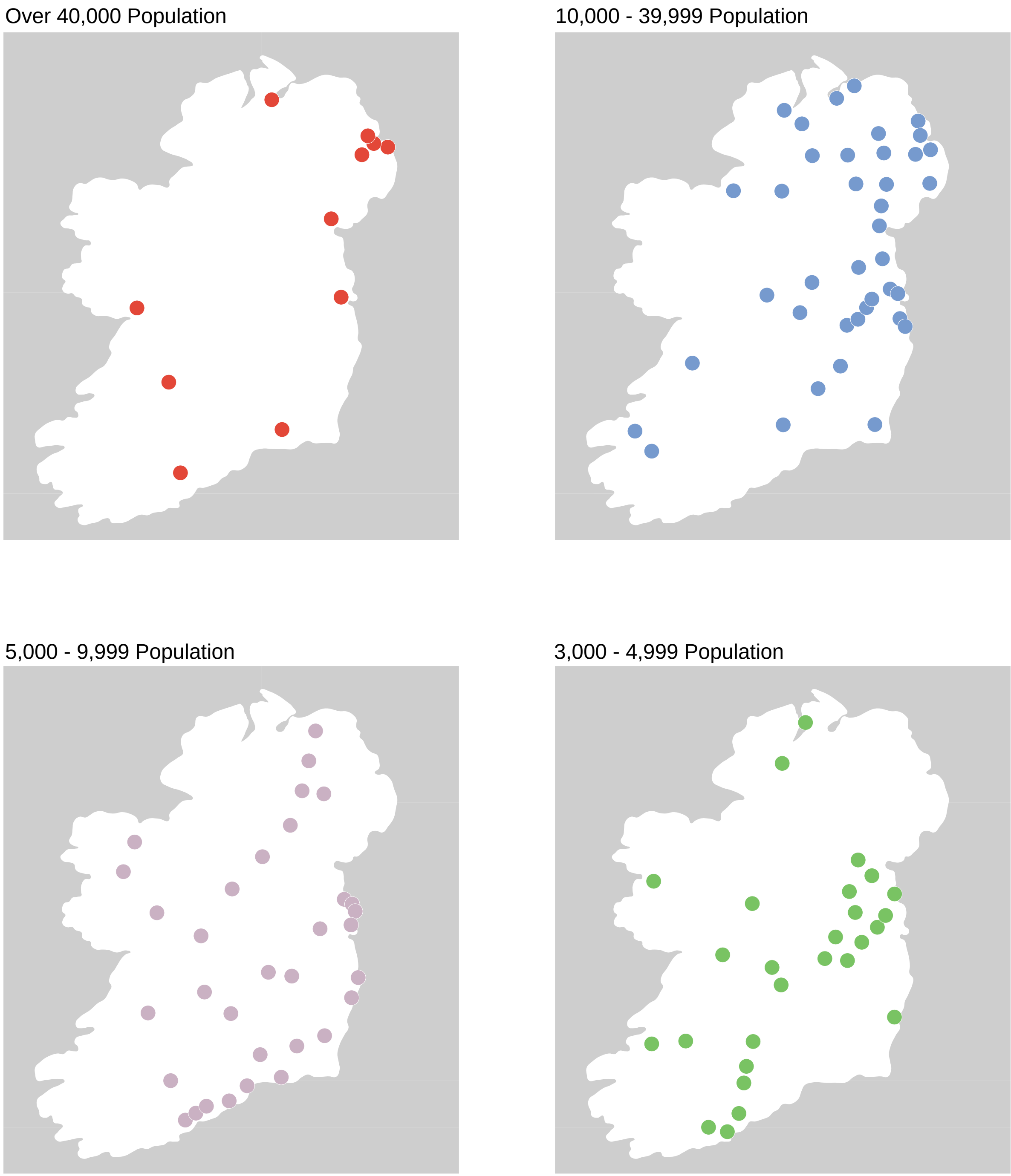
Many other parts of the country have also advanced economically, but the rate of growth has not been as high as experienced in the GDA. These areas have yet to achieve self-sustaining growth, by offering competitive and sustainable locations for large-scale economic activity. There is a need to emulate the competitiveness that the Dublin area has achieved in other parts of the country in order to deliver a better spatial distribution of national economic and social development.

There has been significant, positive development along the Dublin-Belfast economic corridor, assisted by improvements in transport and communications and growing confidence in long term investments North and South. While this is very welcome, it is tending to reinforce the eastwards pull of the spatial distribution of development and population on the whole island of Ireland. This North/South dynamic needs to be sustained but, at the same time, strategically and spatially counterbalanced.

The growing strength of the other existing Gateway cities of Cork, Limerick/Shannon, Galway and Waterford suggest that there is potential for seeking their concerted and co-ordinated development as a counterweight to the pull eastwards on the island. In the longer term, the dynamics of certain other cities and towns, particularly in the Northwest, point to ways in which this counterweight could be strengthened further.

5 Gross Value Added at basic prices is a measure of the value of the goods and services produced in a region (less the materials and services used which come from outside the region) priced at the value which the producers received minus any taxes payable and plus any subsidies received as a consequence of production or sale.

Figure 2.2 Cities and Towns on the Island of Ireland



Source : Census of Population 1996

In rural areas, the pattern of change has varied. These variations have depended on interaction between

- the changing role and re-structuring of agriculture
- the degree to which the rural economy is diversifying
- nearness to or remoteness from major urban areas, and
- an area's possession of natural resources, including high amenity landscapes.

The nature of rural change points to the need for tailor-made responses to the various development issues facing different types of rural areas.

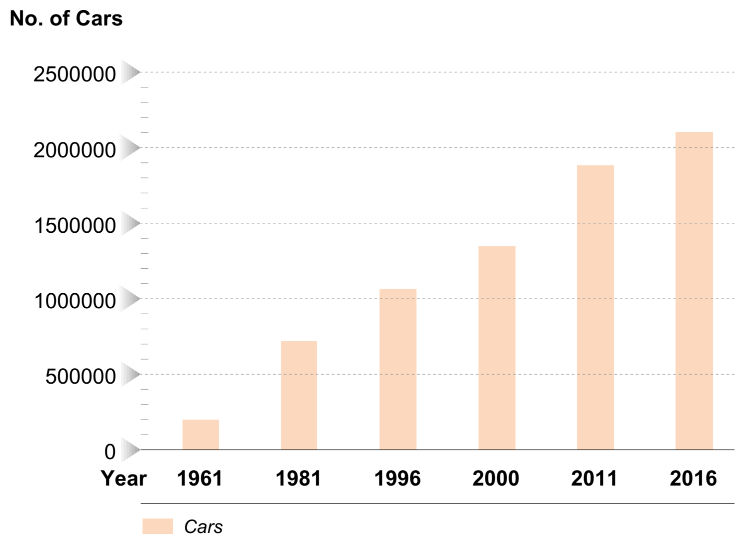
Current and continuing investment in Ireland's road and public transport systems under the National Development Plan will enhance potential for regional development. To further enhance this potential in the future on an all-island basis, more emphasis will need to be placed on developing an improved network of road and public transport linkages. Building on the completion of the radial routes to and from Dublin, Ireland's road network, public transport system and international access points, such as ports and airports, will remain key components around which development will need to be structured.

Current trends in spatial development are likely to adversely affect more and more people's quality of life, the quality of the physical environment and overall national economic competitiveness. Some of these trends will add to regional and global environmental problems. For example, the manner in which some major urban areas, particularly Dublin, are tending to develop is making the provision of necessary infrastructure such as public transport expensive and difficult. Coupled with this, the manner in which major economic development is tending to concentrate in the Greater Dublin Area means that the potential of other areas is systematically under-realised, particularly that of some of the regional cities.

The NSS research indicates that some of the consequences of current trends could become even more significant, in the light of the following projections.

- The population of the State is growing. It is likely to increase by over half a million over the next 20 years, with a possibility that the population could rise by a significantly higher figure than that.
- On the basis of recent trends, up to four-fifths of the population growth in the State could take place in or in areas adjoining the Greater Dublin Area over the next twenty years. With the exception of the West region, whose share of the national population could remain broadly static, all other regions would experience further decline in their shares of the national population.
- The number of cars using our roads could double over the period 1996 - 2016. (see Figure 2.3)
- In relative terms, use of sustainable transport modes like walking, cycling and public transport is falling and could continue to fall. (see Figure 2.4)

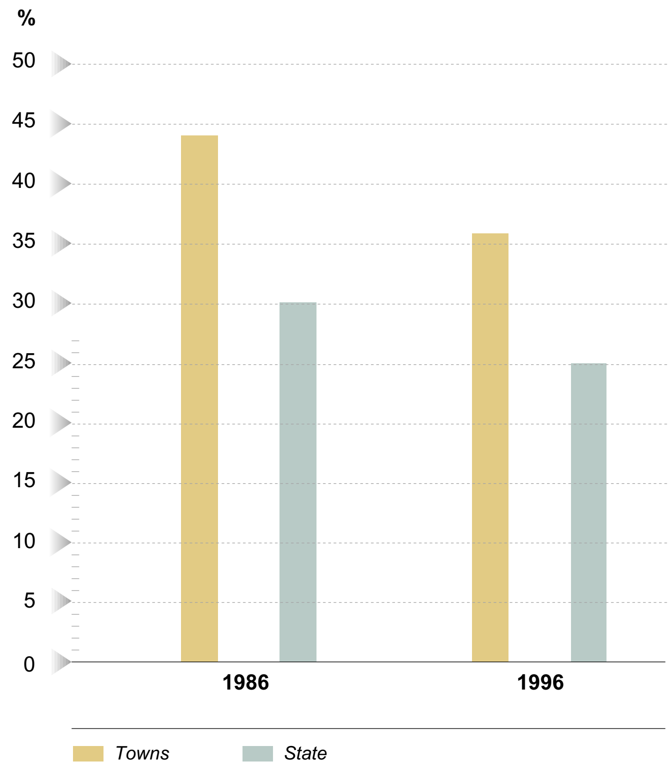
Figure 2.3
Projected Growth in Car Ownership



Source: Spatial Planning Unit Research Report No.17 - Transport Demand

- A substantial amount of new house building is taking place outside urban areas. In many cases this tends to place greater distance between people and their work, increases dependence on the car, limits the effectiveness of public investment in providing utilities and services and threatens the quality of the rural environment in some areas.

Figure 2.4
Trends in % of population travelling by Public Transport, Cycling and by Foot



Source: Census of Population

2.3 Successful Regional Development in Today's Europe

Today's processes of economic integration and globalisation suggest that regions have an economic potential at the national or international level that can be substantially developed. However, this can only happen if various strategic components within such areas, like cities, large towns and associated rural areas, collaborate more closely on jointly promoted and mutually beneficial strategies for development. As a consequence, it is increasingly recognised that through mutually beneficial co-operation, an 'added value' can be realised for regions over and above what would happen if individual places go separate ways in their promotion and development.

At a European level, this type of regional and spatial planning has taken three forms:

- urban clusters of neighbouring cities, in many cases across borders, entering into strategic alliances and enlarging their economic advantages and strengths to the benefit of their joint territories e.g. Copenhagen-Malmo
- urban networks between more distant cities or towns co-operating on economic, social or cultural issues
- urban - rural partnerships which recognise that urban and rural areas are dependent on each other. This is based on the complex flows of people and services between urban and rural areas and the internationally acknowledged fact that cities and towns in more rural parts of a country will play an ever more important role in the development of rural areas.

Many of these projections and trends indicate that the geographical or spatial distribution of future economic progress could continue to be unbalanced. The consequences of this — for example even greater congestion in some places — could adversely affect our international competitiveness by lessening the attractiveness of areas for business and workers.

2.4 Current and Future Population – Main Issues

The key issues relating to Ireland's current and future population distribution for the NSS are

- The role of population growth in achieving balanced regional development
- The levels of overall national population that need to be planned for
- The implications of recent population trends for the approach to be taken by the NSS
- The population share of the Greater Dublin Area
- The degree to which current population trends can be altered.

2.4.1 Population Growth and Balanced Regional Development

A strong economy — nationally, regionally and locally — establishes conditions that help to sustain and expand employment and population levels. A growing population is in turn a key asset that can be harnessed in working towards balanced regional development.

The 2002 census preliminary report shows population growth being driven by the natural rate of increase, but also by significant net migration into Ireland. Net migration has been driven by economic growth, and the consequent demands for labour and skills in a rapidly developing economy.

Balanced regional development will require the creation of the dynamic and competitive economic and other conditions. These conditions will support the ability of areas and places to retain their existing population and cater for increasing population. Balanced regional development also depends on building up a strong urban structure to give areas the economic strength to support a more balanced distribution of population growth across the country.

This Strategy addresses the strategic planning necessary to support more even patterns of population growth. It does not envisage or propose large-scale movements of population from one part of the country to another.

Good spatial planning at regional and local levels is also essential to ensure that where population growth occurs, the consequent needs and demands in terms of affordable and good quality housing, ancillary social facilities, efficient transport and proper amenities are effectively responded to.

2.4.2 Planning for Ireland's Future Population

In 2002, the population of the State was approximately 3.9 million people. In projecting population levels forward over the next 20 years, assumptions regarding demographic (fertility rates, mortality rates and migration) trends[6] must be made, while the potential effects of economic performance also have to be taken into account.

Using assumptions in this regard, two broad types of projections were prepared as part of the initial research for the NSS. The first type of projections — "current trends scenarios" — were based on indications of likely demographic trends. The second type — "economic growth scenarios" — were based on expansion in employment levels over the period of the Strategy.

6 The NSS projections were based on the 1996 census. See also Appendix 11 regarding the assumptions and methodology used in making projections.

The projections based on current demographic trends indicated that the population of the State could rise to 4.4 million over the next 20 years. See Table 2.4.2 (a) below.

Table 2.4.2a Population projections based on current trends

Year	1996	2000	2010	2015	2020
Population	3,626,087	3,787,000	4,157,000	4,286,000	4,391,000

The results in table 2.4.2 (a) were derived from assumed demographic trends in mortality, fertility and international migration. The assumptions made in relation to mortality, fertility and international migration are summarised in Appendix 11.

There are indications that recent growth in the population supported by rapid economic growth has proven to be somewhat faster than was anticipated by the projections based on current demographic trends. If, therefore, the economic and demographic momentum established since 1996 is sustained in the long-term, the value of basing this strategic planning framework solely on population projections based on current demographic trends would be questionable.

The economic growth based projections required an indication of the possible effects on population of sustained economic and employment growth. Accordingly, the employment forecasts for basic manufacturing and traded services to the year 2015, set out in the ESRI Medium Term Review 1999-2005, with further extrapolation of these forecasts to the year 2020, were built into the NSS population projection model. As shown in table 2.4.2 (b) below, this produced significantly higher results than the projections based solely on current demographic trends.

Table 2.4.2b Population projections based on strong economic growth

Year	1996	2000	2010	2015	2020
Population	3,626,087	3,787,000	4,508,000	4,766,000	5,013,000

However, current economic conditions which have shown a sharp reduction in recent high rates of economic growth, suggest that the high growth population scenarios set out in the above table must be approached with caution.

Looking forward over the next 20 years and bearing in mind the continuing impact of the momentum created by Ireland's strongly growing economy of recent years, it is likely, as the above projections show, that Ireland's national population over the next 20 years will rise to at least 4.4 million. There is a possibility that it could rise significantly beyond that level, subject to an upper limit of around 5 million. However, it would appear at present, in the light of current economic conditions, that the lower projection of 4.4 million is the more likely one.

This Strategy is not about setting a population target as such for 2020. However, it is important to be satisfied that this 20-year spatial framework is sufficiently robust to deal with population growth that could vary depending on demographic and economic/employment growth trends. The spatial framework set out under this Strategy has the capacity to cater for Ireland's population whether it grows over the next 20 years to the lower projection of 4.4 or to the higher figure of 5 million.

Estimates of regional populations and household distributions for 2020 are given later in this section of the Strategy on the basis of both types of population projections carried out in preparing the NSS.

One of the primary means of implementing the NSS will be through the making of regional planning guidelines under section 21 of the Planning and Development Act, 2000. These guidelines cover a period of 12 years and in general will be reviewed every 6 years. Within the overall framework of the NSS therefore, and taking account of the range of population sizes which the different types of projections produced, the regional guidelines will require that current population trends be analysed further. Such guidelines can then adapt to the pace at which development is likely to take place over the short to medium term. The short to medium term forecasting necessary for the purposes of regional planning guidelines will, therefore, enable longer term and short term forecasting to be reconciled.

The overall approach taken allows for planning frameworks at national, regional and local levels that are sufficiently robust and realistic to cater for different levels and rates of development depending on prevailing economic circumstances.

Ireland's population in 2020 will still be relatively small by international standards. However, the proportionate level of increase from the current base of 3.9 million in 2002, will be significant and represents a major challenge for strategic and local planning.

2.4.3 Population Trends: Implications for the NSS

Looking back over census of population results of the past 20 or 30 years, certain broad conclusions are clear

- The proportion of the country's population living in or near the Greater Dublin Area has steadily increased
- There have been some strong points of growth in the other regions, most notably associated with the main cities
- The proportion of persons living in rural areas has been falling, particularly so in remoter areas and areas with few towns.

The 2002 census confirmed that these particular trends are continuing, but with some variations

- All parts of the country experienced population growth, with migration into Ireland emerging as a strong driver of growth in some parts, while in other parts it was natural increase rather than migration which was responsible for the population increase
- The majority of national population growth in absolute terms (62%) took place in the Leinster area
- Within the Greater Dublin Area, population growth happened at a faster rate in the Mid-East Region, than in the Dublin Region
- Increases in population in Westmeath, Wexford, Laois, Louth and Carlow confirm a widening of the Dublin commuter belt, well beyond the Greater Dublin Area, as defined for the purposes of the Strategic Planning Guidelines for this Area
- The cities and some large towns in various parts of the regions also grew, suggesting that these have attained a threshold of development that has sustained economic growth
- While some remoter rural areas continued to experience population decline, there was strong population growth in rural areas adjacent to the main cities, in other large and medium sized towns and in some rural parts of the country that are diversifying in economic terms.

Looking at the recent trends in population growth and distribution, a number of common elements suggest the approach that needs to be taken if balanced regional development is to be achieved.

(1) Areas experiencing population growth share one key common characteristic. They have a strong urban structure, or a strong urban element within or associated with them. This has helped them to attain a critical mass in terms of population, which supports investment in necessary infrastructure, attracts or generates employment and sustains investment and development not only in the urban centre itself, but also in the wider rural hinterland. Movement of people to the areas where the investment and jobs are generated, or can be drawn to, as well as natural population increase, reinforces these areas' population base and fuels further population growth.

(2) Towns with populations in excess of 5,000 appear to have the ability to retain their populations and in some cases have shown significant growth. A more detailed discussion on the trends in this regard over the period 1966 to 1996 is contained in Appendix III.

(3) There is an increasing tendency for population growth adjacent to the Greater Dublin Area to occur at locations with access to the road and rail transport corridors radiating from Dublin to the regions. This pattern is replicated to some extent in the environs of other cities such as Galway and major towns around the country.

2.4.4 The Greater Dublin Area

In 2002, the Greater Dublin Area (GDA) accounts for just over 1.5 million people. This represents some 39.2% of the total population of the State. That proportion has been steadily increasing over time. Table 2.4.3 summarises the situation.

Table 2.4.3 Share of National Population in the GDA

Year	1971	1981	1991	1996	2002
% Share	35.7	37.5	37.7	38.3	39.2

Over the next two decades current trends indicate that without spatial policy, much of the possible national population increase could happen in, or in the counties adjoining, the Greater Dublin Area. The NSS current demographic trends based projections suggest a population in the GDA of 1.9 million by 2020, out of a national population of 4.4 million. The NSS economic growth projections suggest 2.2 million by 2020, out of a national population of 5 million. Both sets of projections estimate that without spatial policy, the GDA's population expressed as a percentage of national population will rise from its current level of around 39% to a proportion of up to 45% or 46% by 2020.

However, the 2002 census shows lower population growth in the GDA between 1996 and 2002 than was expected. While it is difficult on the basis of preliminary census results to be definitive about why this happened, it is possible that previous restrictions in housing supply, now being overcome, may have curtailed population growth in Dublin. This may have been due to certain inter-related issues i.e.

- restrictions in the supply of housing in Dublin compared with good supply of more affordable housing in counties outside Dublin
- demand not matching supply, resulting in upward pressure on prices in the Dublin area
- housing at greater distances from Dublin, becoming more affordable for people working in or near Dublin.

As housing demand and supply come into equilibrium, due to local authority housing strategies and increased residential densities, a pattern of stronger population growth in the Greater Dublin Area is likely to re-assert itself.

Population growth within, and in many areas adjoining, the Greater Dublin Area is being driven primarily by the dynamics of natural increase and high in-migration combined with a very high proportion of new jobs and investment continuing to be attracted to the Dublin area. The question that arises, however, is whether the objective of balanced regional development would be better served if more growth in population could be encouraged in other regions, while still nurturing and sustaining the successful dynamic achieved in Dublin.

2.4.5 Changing Current Trends.

Promoting real regional growth will entail a quantum shift in the capabilities of regional locations to become engines of growth at the national scale. The scale of the task confronting Ireland in trying to change current trends should not be underestimated. Economic opportunities outside the Greater Dublin Area would have to flourish at unprecedented levels to allow regional locations to grow faster than the GDA, make up ground and alter the scenario in which the Greater Dublin Area's share of the national population is likely to continue to increase. Substantial job creation will also continue to be required within the GDA itself both to offer employment to that area's own naturally growing population and respond to the natural process of economic restructuring that happens as traditionally strong sectors decline.

To stabilise the Greater Dublin Area's share of national population at its current level, around 75% of the jobs growth likely to take place in that Area in the manufacturing and key services sectors over the next 5 years, would have to take place instead in other regions.[7]

Such a scenario is clearly unrealistic for a number of reasons. Firstly, it pre-supposes that all investment is mobile, which is not the case. Secondly, this rate of growth would be extremely difficult to create in the regions, given their current levels of development. Thirdly and perhaps most importantly, diversion of this level of employment growth away from the Greater Dublin Area could damage the successful dynamic achieved in the GDA which is of vital national importance. In many cases, the choice for mobile international investment would then lie between locating in the Dublin area or elsewhere in the world.

For these reasons, maintaining the Greater Dublin Area's share of the national population at its current level of around 40%, or indeed reducing that share, is not a realistic objective. However, recalling the analysis in sections 2.2 and 2.4, it is equally unsustainable that an undue weight of future population growth in the State should take place in or adjoining the GDA.

The process of enhancing the competitiveness of areas through implementing the NSS will take time. It is likely therefore that the Greater Dublin Area's share of the State's population will continue to grow for some time. However, with the support of the NSS, this will happen at a slower rate than would otherwise be the case if Ireland had no spatial policy to enhance regional competitiveness. Such a scenario would see the GDA's percentage share rising into the low 40s and then starting to level off. As previously indicated, if regional competitiveness is not enhanced, it is possible that up to four-fifths of future population growth could take place in the Greater Dublin Area, bringing its share of national population into the mid 40s. This in itself could create the momentum for a continuing increase in this share beyond the 20 years covered by the NSS.

The fundamental approach of the NSS is to encourage greater spatial balance by strengthening areas and places in a structured way, rather than seeking to stop growth in Dublin. Ireland, therefore, needs to get to the position where a wider range of locations is seen as similarly attractive. The shifts in population growth resulting from the NSS may appear modest.

7 See Appendix II.

However over time, as the process of implementing the NSS continues and regional development intensifies, the tendency for the Greater Dublin Area to increase its share of the national population will level off. In that situation the population of Ireland's various regions would continue to grow, but more in step with one another.

Essentially therefore, the most realistic objective for the NSS is to seek to establish a position in which the regional components of the country grow at a broadly similar pace, rather than seeking unrealistic shifts between regions in their proportionate shares of population. The process of levelling off will be likely to occur over a period beyond the current NSS timeframe of 20 years and will need to be underpinned by the continued implementation of appropriate spatial policies and investments by the public and private sectors.

Given the timeframe within which the NSS is to be implemented, it is possible only to give an outline indication of what more balanced population would mean for different regions. Rather than interpreting these as prescriptive targets, the following discussion and tables should be seen as an indication of the lower and upper limits of a range of possible regional populations. These estimates form a background horizon for the shorter-term and more detailed forecasting required for the purposes of regional planning guidelines and other planning at local level.

2.4.6 Current Regional Population Distribution

Population distribution, based on 1996 data, includes seven broad regional components (2002 figures where available are inserted in italics)

- Around 1.4 million in the Greater Dublin Area *(1.535m)* of which 1 million lived in Dublin city and suburbs
- Around 540,000 *(581,000)* in the South West Region of which 325,000 lived in Cork city and its hinterland
- Around 407,000 *(432,000)* in the Border Region of which 30,000 lived in Dundalk, 18,500 in Sligo, and 12,000 in Letterkenny
- Around 352,000 *(380,000)* in the West Region of which 127,000 were located in Galway city and its hinterland
- Around 391,000 *(424,000)* in the South East region of which 111,000 were located in Waterford city and its hinterland
- Around 317,000 *(340,000)* in the Mid West region of which 214,000 were located in Limerick city and its hinterland
- Around 206,000 *(226,000)* in the Midland Region of which a combined population of 54,000 resided in the towns of Athlone, Mullingar, Tullamore, Longford and Portlaoise.

2.4.7 Future Regional Population Distribution

Starting with the current trends based NSS projection of 4.4 million by 2020, the regional breakdown was estimated as follows

- around 1.9 million in the Greater Dublin Area
- around 590,000 in the South West Region of which over 360,000 could live in Cork city and its hinterland
- around 390,000 in the Border Region
- around 445,000 in the West Region of which almost 180,000 could be located in Galway city and its hinterland
- around 440,000 in the South East Region of which 138,000 could be located in Waterford city and its hinterland
- around 370,000 in the Mid West Region of which 260,000 could be located in Limerick city and its hinterland
- around 210,000 in the Midlands Region.

The 2002 census preliminary report figures for the Border (432,386 persons) and Midlands (225,588 persons) regions exceeded the NSS current trends based population projections for 2020. In contrast to this, lower than expected population growth occurred in the Greater Dublin Area. Section 2.4.4 above outlines possible factors contributing to these results. Regional population projections will need to be reviewed when the full results of the 2002 Census are published in mid 2003.

Taking the NSS economic growth type projections of a national population of around 5 million by 2020, the regional breakdown was estimated as follows

- around 2.2 million in the Greater Dublin Area
- around 740,000 in the South West Region of which up to 450,000 could live in Cork city and its hinterland
- around 460,000 in the Border Region
- around 460,000 in the West Region of which almost 200,000 could be located in Galway city and its hinterland
- around 480,000 in the South East Region of which 164,000 could be located in Waterford city and its hinterland
- around 410,000 in the Mid West Region of which 280,000 could be located in Limerick city and its hinterland
- around 280,000 in the Midlands Region.

The foregoing projections are illustrative in nature and depend on assumptions which may or may not remain valid. As the preliminary results of the 2002 Census have shown in relation to certain regions, the actual population level reached can vary considerably from that previously projected. However, for the purposes of this Strategy, the main conclusion to be drawn from the projections is that implementation of the NSS will yield higher regional population growth than would be the case without a spatial policy framework.

Not all of the population growth will be contained in the main cities. There is potential for growth in other areas, provided this is supported by the promotion of an urban structure of appropriate scale and strength. Growth prospects for rural areas will be assisted by the degree to which settlements, including villages, smaller and larger towns can be strengthened to accommodate, sustain and drive various types and levels of development including residential, employment and commercial activities.

2.5 Household Formation and Housing Demand

Access to high quality and affordable housing in the right locations is an important spatial planning issue because of its quality of life, economic and environmental dimensions. Tracking trends in the rate of household formation provides indications of likely levels of housing demand into the future. Identifying future levels of housing demand also ensures that preparations can be made for the services and amenities needed to support future housing development. The issue of future housing demand is therefore an important one for the NSS.

In 2000, it was estimated that the number of households in the State was about 1.25 million. Taking the NSS current trends based projections referred to in Section 2.4.2, the number of households in 2020 is estimated at about 1.9 million, whereas on the basis of the NSS economic growth based projections the estimate is about 2.1 million households in the State by 2020.

Progress in achieving a better balance of regional development will give rise to greater increases in population in different parts of the country than would occur under existing trends. Such progress will also lead to additional demands for housing in different areas. These potential additional demands need to be considered carefully from a planning perspective.

The variables involved in setting out future housing requirements for different areas over the 20 years covered by the NSS make precise predictions difficult. However, there are a number of key trends that will influence future demand for housing.

In 2001 there were approximately 340 houses for every one thousand people in Ireland. In 2000 the EU average stood at around 450 houses per one thousand people. Housing provision in Ireland has some way to go therefore, to converge with EU standards.

Record levels of housing output have been achieved in Ireland over the past 7 years. These levels of output must be viewed against a historically small housing stock in relation to population. The proportion of houses being built in Ireland relative to our population is the highest in the EU at 13.5 houses per thousand persons.

Housing output reached a new record in 2001 at 52,602 units nationally and has more than doubled since 1993.

Between 1996 and 2002, there was an estimated increase of 8% in the population, with a 13.9% increase in the key household formation 25-34 age group between 1996 and 2001.

The average household size declined from 3.28 in 1991 to 3.14 in 1996, 3.04 in 1999 and to 2.97 in 2002 (CSO Quarterly National Household Survey). The average household size is expected to converge rapidly towards the current EU average of 2.63 by 2011, with a significant increase in the number of single person households.

The number of people in the main household formation age group is expected to rise by 141,000 by 2006, an increase of 27%.

It is also the case that demand for housing will be affected by future levels of economic growth, inflation, interest rates, disposable incomes and employment levels.

As the pace of regional development accelerates, this will create additional requirements for housing in the regions outside Dublin. These requirements will be particularly pronounced in the gateways, hubs and other strategic centres such as the county towns.

Within regions there will be marked variations in housing requirements with demand being larger, for example, where there are particular concentrations of population, such as the cities and larger towns. As and when county development plans and housing strategies are reviewed to take account of the spatial structure of the NSS, provision of an effective supply of high-quality and affordable housing in existing settlements will be a priority, particularly in the gateways and hubs identified in this strategy.

The Strategy gives an indication of the range of possible growth in housing demand over a 20 year time horizon. This provides a context for the making of regional and local plans and strategies. Under the Planning and Development Act, 2000 local authorities are required to ensure that sufficient land is zoned for housing over the period of their development plans. Local authorities in responding to additional housing needs must do so in a way that supports good planning practice. Such practice would include strengthening and sustaining existing settlements by focusing on their centres and then moving outwards as necessary in a planned way by identifying new development opportunities. Good planning practice must ensure the development of land for housing and other uses in pace with the provision of the necessary amenities and services.

The recently adopted housing strategies prepared by local authorities will provide sufficiently for housing demand during the initial years of implementing the NSS. However, as the process of achieving balanced regional development takes place, regional planning guidelines and strategies will need to be prepared or up-dated in good time to take account of the anticipated outcomes of the NSS. The further articulation at regional and local level of the NSS proposals through mechanisms such as Regional Planning Guidelines, will present opportunities to tease out housing demand in more detail to take account of regional and local circumstances.

The following tables work from the estimates of regional population outlined in paragraph 2.4.7 and break down the distribution of households by region.

Table 2.5 Regional Household Distribution Estimates

Region	1996 Households[8]	2020 Households Current Demographic Trends	2020 Households Economic Growth
GDA	436,000	839,000	916,000
Southwest	170,000	254,000	305,000
Border	127,000	175,000	196,000
West	110,000	183,000	184,000
Southeast	120,000	188,000	198,000
Midwest	98,000	160,000	169,000
Midlands	62,000	90,000	113,000
Total[9]	Circa 1.123 million	Circa 1.889 million	Circa 2.083 million

The additional numbers of households in 2020 over the 1996 figure in both of the NSS projections, represent very significant increases in all areas.

The overall approach of the NSS is to seek to accommodate these levels of housing need within existing settlement structures rather than seeking to establish new cities or towns. This Strategy is not proposing the development of new settlements, given the substantial scope for development within existing settlement structures.

The levels of increased demand for housing pose two key challenges

- ensuring that future development takes place in a way which avoids urban sprawl, achieves high standards of urban design quality and promotes more compact and public transport friendly urban areas and therefore maximises peoples' quality of life and the sustainability of future development

- harnessing these levels of growth and development to build up the urban structure in areas such as the West and Border regions, and thus sustaining current investment in jobs and services and creating the conditions that support opportunities for new investment.

Unmanaged, the projected growth in housing demand could lead to more urban sprawl and miss the opportunity to develop Ireland's urban structure in a more balanced way. This structure needs to be developed to a scale that will drive development within the wider regions and the urban and rural areas associated with strategically located centres

The strategic spatial structure provided for in the NSS will facilitate a managed and planned response to future housing demand.

2.6 How to Strengthen Areas and Places

Achieving competitiveness at national, regional and local levels, in an open and globally integrated economy such as Ireland's, is central to balanced regional development. Future living standards and capacity for progress will be determined by Ireland's ability to trade successfully in international markets and to capture an adequate share of mobile investment with its associated high-productivity jobs. Regions must be competitive – in terms of the factors that generate and win investment and underpin sustainable economic activity – if the objective of more balanced regional development is to be progressed.

8 2002 figures not available until mid 2003.
9 Differences in totals represent rounding of estimates.

The availability of a critical mass of labour and skills, underpinned by high quality business infrastructure is central to achieving competitiveness. This strategy for more balanced regional development must focus much effort on complementing the areas that are attracting or generating substantial investment by fostering critical mass at the small number of additional locations where this is feasible. Given that resources are not unlimited, attempts to create the requisite competitiveness on a widely dispersed basis would undermine Ireland's capacity to exploit the potential of centres where critical mass exists or can be promoted. Without having this at the heart of the NSS balanced regional development will not succeed.

International and domestic research and experience confirms that certain conditions must apply to support the increased economic activity and regional competitiveness which will be needed if more spatially balanced patterns of development are to evolve in Ireland over the next twenty years.

These conditions can be described as follows:

There is a need for a critical mass of population, a range of skills, an innovation capacity, as well as business and transport linkages in an environment attractive to people. This provides a competitive, sustainable and strong platform for business development responsive to domestic and world economic forces.

The potential for development of economic activity at the regional level must be driven by advantages derived from exchange of information, collaboration, innovation, adoption of best practices and mobilisation of finance and skills. Collectively this can be termed entrepreneurship. This establishes a forward dynamic that promotes diversification and sustains competitiveness and progress in regional development thus reducing disparities between areas.

Strong cities and towns are needed to support a competitive business environment, working in partnership with strong rural areas and ensuring an effective supply of employment opportunities and services. This enables areas to hold on to existing population, both urban and rural, and attract more people.

There are a number of specific elements within these factors, whose assembly at strategic locations in a targeted way, is vital to foster a wide range of enterprise activity and employment creation. These include

- integrated strategies for physical, economic and social development and environmental protection, to guide and promote sustainable development, particularly with regard to planning, land use and transportation
- sufficient numbers of people in the city or town and the wider area to which the urban area relates
- regional or national centres of learning
- clustering of businesses and firms, including those involved in inter-related activities and in high-growth, knowledge-intensive and technology–based specialisation
- a focal point for national, regional and local road and public transport systems, with good access to the national road and rail network and access to airports, with a range of well-timed and appropriate services facilitating business activity, and deepwater ports
- effective urban transport systems, including facilities for pedestrians and cyclists
- reliable, secure and cost-competitive energy supply
- effective telecommunications, including broadband
- access to healthcare facilities and facilities for persons with special needs
- regional cultural venues such as theatres/galleries/ arts and sports centres
- a high quality built environment, including parks, green spaces and other amenities
- adequate zoned and serviced land banks for uses such as residential and industrial development
- water supply, wastewater disposal systems, an environment capable of accommodating current water services requirements and major additional requirements into the future, and
- effective waste management structures and facilities
- the vision and enthusiasm of the key bodies and interest groups locally to move forward together.

A shift towards more balanced patterns of development will be achieved by meeting these requirements at the appropriate standard and scale to support significant industrial, enterprise and traded services development, at a limited number of key strategic locations. Cities and towns, linked to a wider network of urban and rural areas, must be central elements of any strategy that aims to extend the number of areas successfully attracting or generating investment and bring about more spatially balanced patterns of population, employment and economic output.

Attempting to assemble these elements at entirely new locations would involve unprecedented and unsustainable levels of investment and would undermine the capabilities of existing towns and previous investment in them. New cities or towns also often take considerable time to establish the strong community and entrepreneurial spirit needed to underpin their future. For these reasons, the NSS emphasises the importance of capitalising upon the strengths of and investment in Ireland's existing major urban areas.

National and international evidence also demonstrates that rural areas have a vital contribution to make to the achievement of balanced regional development. This involves utilising and developing the economic resources of rural areas, particularly in agriculture and food, marine, tourism, forestry, renewable energy, enterprise and local services, while at the same time capitalising on and drawing strength from vibrant neighbouring urban areas. In this way rural and urban areas are seen as working in partnership, rather than competing with each other. This urban — rural partnership model is in line with the approach taken in the European Spatial Development Perspective (ESDP).

Smaller towns and villages also have much potential that can be capitalised on. This is compatible with promoting critical mass at nationally and internationally competitive urban areas, if these urban areas are linked to the smaller centres and rural areas through physical connections such as good communications, energy, roads or public transport networks and through innovation, enterprise promotion and business links. The strengths of the smaller towns and villages lie in their capacity to accommodate employment, residential and other functions on the basis of their comparative advantage in terms of lower costs and a quality of life which is attractive to many people.

There are also rural areas that are particularly remote or with structural disadvantages that require strategic, targeted measures to support rural population growth. Targeted measures for these areas, specific to local circumstances, are compatible with the overall thrust of the NSS, given the role the Strategy recognises for continuing rural settlement and development.