

**REGIONAL COMPETITIVENESS AGENDA**

**Volume I - Baseline Data & Analysis**

**Midlands**

**Forfás**





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## Introduction

This report represents the first stage in the preparation of a Regional Competitiveness Agenda (RCA) for the Midlands region, based on a range of 'competitiveness factors' and associated indicators. The report has been used to facilitate consultation and workshops with a range of regional stakeholders to add 'on the ground' knowledge and to facilitate the development of *A Regional Competitiveness Agenda : Volume II - Realising Potential*.

This report (Vol. I) should be read in conjunction with:

*Regional Competitiveness Agenda: Volume II : Realising Potential : Midlands Region*, which provides an overview of future enterprise potential and highlights actions specific to the region; and

A final report : *Regional Competitiveness Agendas : Overview, Findings and Priorities*. This report highlights findings arising from our analysis of all regions, differentiating factors for the regions, and priorities for regional development.

## Competitiveness Factors

Based on the research undertaken for the gateways study (2006), the work of the NCC on cities' competitiveness, consultation with the DoEHLG and the Regional Assemblies<sup>1</sup>, a suite of both quantitative and qualitative indicators was developed to facilitate analysis across the following factors of competitiveness (Table 1). For some of the competitiveness factors, data is presented for all regions. This is to facilitate comparison and is not intended to make a case for 'equalisation'.

**Table 1: Competitiveness Factors**

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

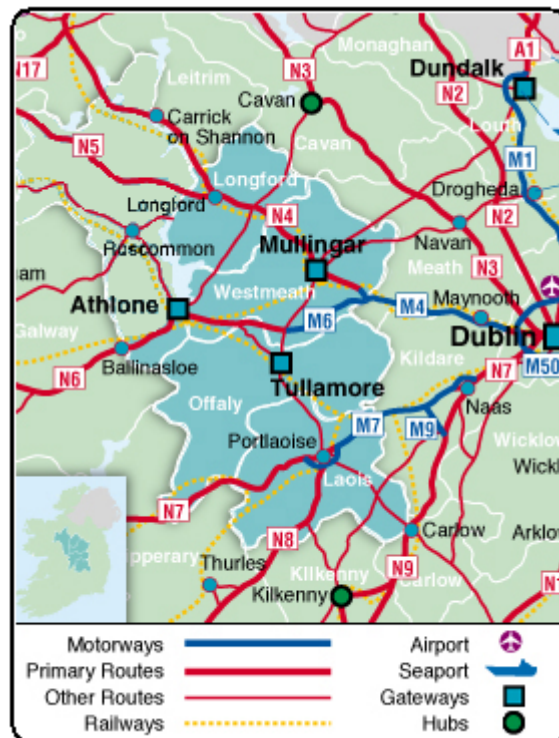
<sup>1</sup> Forfás, DOEHLG & Fitzpatrick Associates, *Implementing the NSS: Gateway Investment Priorities Study, 2006*; NCC, *Our Cities: Drivers of National Competitiveness, 2009*; Fitzpatrick Associates, *Preparation of a Gateway Development Index (Stages 1&2), 2009*

## 1. Midlands Region - Overview & Summary

The Midlands region comprises the counties of Longford, Westmeath, Offaly and Laois and accounts for 9.5% of the total area of the state. The population of the region is 270,000 which is 6% of the State total (CSO 2009 estimate). The Midlands central location and close proximity to Dublin give the region a natural advantage in terms of inter-regional accessibility.

The region does not have a dominant urban centre; however the towns of Athlone, Tullamore and Mullingar (ATM) have been designated a linked Gateway under the National Spatial Strategy 2002. Close proximity of the Midlands to Dublin has encouraged increased levels of commuting particularly in the region's eastern parts.

Map 1: Midlands Region



The public sector is the largest employer in the Midlands, representing 22% of the labour force, followed by manufacturing and wholesale/retail trade at 18 and 17% respectively. Manufacturing remains relatively strong in the Midlands region, significantly above the national average in terms of proportion employed. It comprises almost 90% of agency-supported<sup>2</sup> employment in the region. Construction activity in the region accounts for 12% of employment, having dropped from a high of almost 17% in 2007.

<sup>2</sup> Agency Supported/Assisted Employment is employment in companies that are clients of the enterprise agencies IDA Ireland, Enterprise Ireland, Shannon Development or Údarás na Gaeltachta

In terms of GVA, 65% is attributable to services activities, including the public sector. Manufacturing and construction collectively account for 32% of total GVA. The Midlands had a strong performance in terms of total GVA growth over the period 2000-2006<sup>3</sup>, but its GVA per capita remains the lowest in the country. It is difficult to ascertain the impact of the commuting population of the region on GVA data in the Midlands but it is worth noting that a certain portion of the population of the Midlands is contributing to GVA totals in the Greater Dublin Area (GDA) and not the Midlands region.

The key enterprise & development agencies operating at regional level in the Midlands include: Enterprise Ireland, IDA Ireland, Shannon Development (operating in south west Co. Offaly only) and the Midlands Regional Authority.

The most significant internationally trading industries in the Midlands are largely in traditional sectors, with food and engineering most prominent. Significant newer and higher 'value-add' industries include medical-technologies, of which there are ten companies which together employ over 1,800 workers (making it the third largest agency-supported sub-sector by employment, after food and engineering), and ICT services.

Athlone Institute of Technology (AIT) is the main provider of third level education in the region, and the Midlands also benefits from close proximity to other Institutes of Technology and Universities - for example: NUI Maynooth; Institute of Technology, Carlow; Waterford Institute of Technology; and their outreach facilities.

In terms of access, the Midlands region is well served, being traversed by a number of major national transport corridors (including the M4, M6, & M7 and rail from Dublin to Sligo, Galway, Limerick and Cork).

Intra regional transport connectivity has been enhanced considerably by development of the major inter-urban routes (M6 and M4); however some intra-regional road transport connections remain of poor standard (e.g. N80 Portlaoise to Tullamore).

## Summary of Main Findings

### Demographics

- There has been strong growth in population in the Midlands over the 2002-2006 intercensal period (the region ranks second of the regions to the Mid-East in this regard) and continued growth since then.
- Evidence suggests that there is a large number of people living in the Midlands and commuting to the GDA to work.
- Migration has played a strong role in the population dynamics of the Midlands accounting for over 70% of population change in the region over the 2002 to 2006 period (compared to 60% nationally).
- The region has been able to attract people in the 25-29 year age group, probably due to its proximity to the Greater Dublin Area (GDA).

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<sup>3</sup> GVA or Gross Value Added is the value of the region's output less intermediate materials and services used in its production. Latest available date is 2006

### Regional Economic Performance

- Employment levels in the Midlands grew more strongly than anywhere else in the country over the period 1998-2008, with the exception of the Mid East. However, over the past year there has been a significant rise in unemployment with the Midlands region now exhibiting the highest level in percentage terms amongst the regions.
- Over the past decade, the largest source of employment growth was the public sector, followed by wholesale and retail trade, and construction<sup>4</sup>. Growth in construction employment in the Midlands had been significantly greater than the national average until 2007.
- Despite the declining proportion of employment in the manufacturing sector, the Midlands still retains a proportionately larger share than is the case nationally (18% vs. 14%). In addition, despite a decline in actual employment in manufacturing overall in the State over the 2002-2006 period, the Midlands region exhibited an 3.5% rise.
- The (overwhelmingly indigenous) food sector is the region's most significant agency supported employer, providing 21% of agency supported employment in the region, followed by the (entirely foreign owned) medical technologies sector, which employs 13%.
- The med-tech sector is one of the largest employers in the Midlands (although it is reliant on a small number of large companies). In terms of new FDI and expansion activity, the sector (along with pharmaceuticals) has been the most active.
- Growth in internationally traded services in the region (as represented by agency supported companies in this sector) has been modest, and well below national levels. Employment in internationally traded sectors in the region remains mostly in manufacturing activity.
- GVA per capita remains among the lowest nationally, suggesting a predominance of lower 'value-add' economic activity in the region. However, GVA growth in the Midlands was among the strongest in the country over the period 2000-2006.
- It is difficult to ascertain the impact of the commuting population of the region on GVA data in the Midlands but it is worth noting that a certain portion of the population of the Midlands is contributing to the GVA totals in the GDA with the effect of reducing the per capita figures for the Midlands region.

### Skills and Innovation

- The Midlands region has the lowest level of educational attainment to third level compared to the other regions.
- Age cohort analysis provides evidence of an outflow of the population from the region of people in their late 'teens and early twenties. This may be due to migration to access third level education in other regions and perhaps a lack of employment opportunities for young graduates in the Midlands. The same cohort recovers somewhat in later years however - probably due to the increased incidence of commuting from the region to the GDA.

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<sup>4</sup> Construction employment grew the most strongly of all sectors until 2007 - the employment change figures mask the dramatic drop of about 25% in construction employment from 2007-2008

- The number of unskilled people in the region has dropped significantly but the region remains above the average for the State in this respect.
- Athlone Institute of Technology continues to grow and develop in the region and is undertaking a number of initiatives to develop strategic research activities. The appointment of a Director of Research is aimed at driving progress in this regard, particularly in the area of industry - academic linkages, which require further development in the Midlands.
- The Midlands Innovation and Research Centre is an important focal point for the development and strengthening of entrepreneurship activity in the region and for forging stronger industry - academic research collaborations.
- Georgia Tech Ireland represents a potentially important strategic resource for the Midlands region and in the national context.
- The Midlands accounted for 9.5% of total business expenditure on R&D in Ireland in 2005, comparing relatively well amongst regions outside of Dublin. However, the region accounts for a very low percentage of R&D expenditure within the Higher Education sector overall.

#### Access & Connectivity Infrastructures

- Inter-regional connections to/from the Midlands are good, situated as it is across a number of national transport corridors.
- Intra-regional tie-up has been greatly enhanced by development of the major inter-urban routes, however there are some weaknesses outstanding (for example, N80 Portlaoise-Tullamore route).

#### Quality of Life

- The Midlands possesses some unique environmental/natural heritage associated with peat lands, uplands and waterways, presenting an array of lifestyle and recreational options.
- Alongside the region's natural endowments, the Midlands offers a growing number and variety of cultural venues and cultural events, as well as sporting and recreational facilities.

#### Leadership and Local Capacity

- There are a range of local, and county level bodies and organisations responsible for various elements of regional economic development in the Midlands. In the context of developing the linked Gateway in the Midlands region effective co-ordination and coherence presents a particular challenge.

## 2. Demographic Analysis

### Regional Population Change and Distribution

The Midlands has a population of 270,600 which is 6% of the total population of Ireland (CSO, 2009). Between 2006 and 2009 the regional population grew by 7.5%, a growth rate ahead of the national average which was only exceeded by the Mid-East and South-East.

**Table 2.1: 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

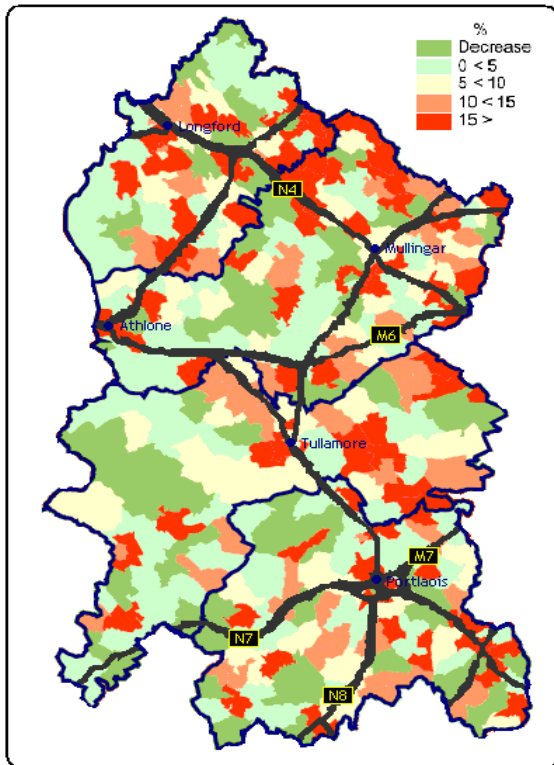
The five largest urban centres of the Midlands have all seen growth between 2002 and 2006. Mullingar has the highest population of the urban areas and their environs. Athlone, Portlaoise and Tullamore all follow closely with Portlaoise undergoing the largest growth in population between 2002 and 2006. Although Athlone, Mullingar and Tullamore (the Midlands Gateway) have a combined population of only 46,000, a sizeable catchment of c. 350,000 people is contained within a 40 minute drive-time of the three centres.

**Table 2.2: Principal urban centres in the Midlands Region 2002-2006**

	Persons 2002	Persons 2006	% Change
Mullingar and Environs	15,621	18,416	17.89%
Athlone and Environs	15,936	17,544	10.09%
Portlaoise and Environs	12,127	14,613	20.50%
Tullamore and Environs	11,098	12,927	16.48%
Longford and Environs	7,557	8,836	16.92%

Source: CSO, Census of Population 2002 & 2006

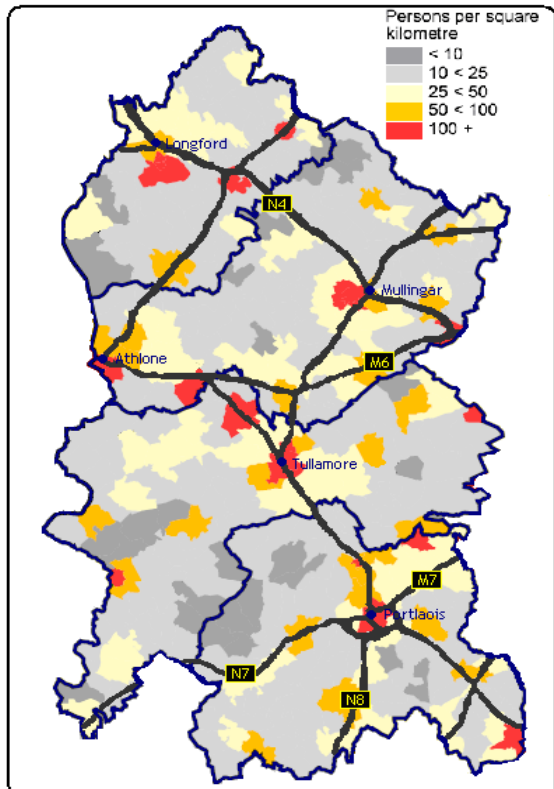
Map 2: Percentage population change of electoral divisions, 2002-2006



Map 2 shows the pattern of population growth in the region over the period 2002-2006. Much of the significant growth has taken place in the eastern parts of the region, around the main urban centres and also along the main roads. The pattern of growth suggests that a key driver of the strong population growth in the region over the 2002-2006 period was the increasing reach of the commuter catchment of the greater Dublin area (see also Map 4). Population decreases and very low increases have occurred in areas more remote from the main urban centres.

Source: CSO Census of Population; Ordnance Survey Ireland, 2006

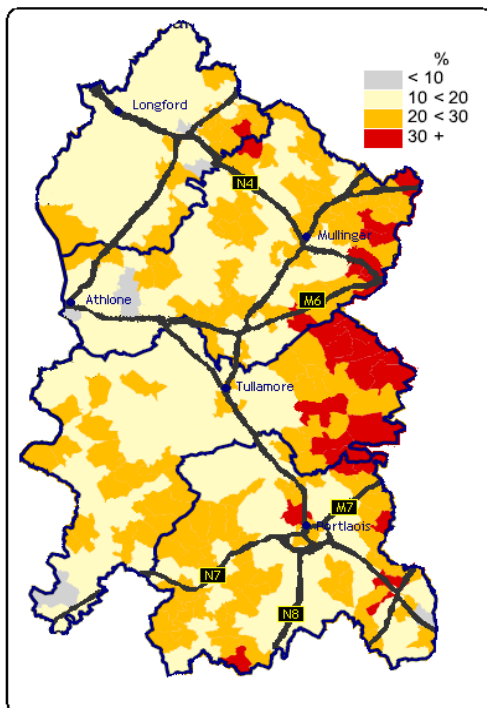
Map 3: Population density of electoral divisions, 2006



The average population density in the Midlands is relatively low at 39 people per sq. km. Densities are highest in and around the main urban centres and the main roads accessing these areas (Map 3). There are large expanses within the region where the density falls below 25 persons per sq. km. - these areas include uplands and areas where agriculture and peat production are the dominant activities.

Source: CSO, Census of Population; Ordnance Survey Ireland, 2006

Map 4: Percentage of population travelling 30km or more to work, 2006



Map 4 highlights the fact that a significant number of people living in the Midlands are not actually working in the region. As the map illustrates, within many districts located in the east of the region up to 30% of the workforce travel to the GDA each day.

A combination of lower cost base (particularly house prices) and a lack of employment opportunities within the Midlands have been key drivers of this phenomenon over time.

Source: CSO Census of Population, Ordnance Survey Ireland, 2006

## Age Profile

The age profile of the Midlands generally aligns with that of the State although with a slightly higher proportion of the population in the 0-14 age group. Dependency ratios in the Midlands are marginally higher than the state average. The Midlands has the highest youth dependency of all the regions.

Table 2.3: Age (as a percentage of total population) and dependency ratios (as a percentage of 15-64 age group) by region, 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
Midlands	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
Dublin	18.3	16.2	34.5	20.6	10.3	25.7	14.5
Mid-East	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

## Migration

Net inward migration has been strong in the Midlands, accounting for about 70% of the change in population in the region over the period 2002-2006. All four counties have seen significant net inflows. Those counties with better accessibility to Dublin have experienced highest levels of inward migration.

**Table 2.4: Migration in the Midlands by County, 2002-2006**

	Estimated Net Migration	Average Annual Rate per 1000 of Average Population
Laois	5,985	23.80%
Longford	2,506	19.10%
Offaly	5,179	15.90%
Westmeath	4,804	19.20%

Source: CSO, Census of Population, 2006

The data in Table 2.5 suggest that the Midlands has been able to attract (or attract back) residents in the 25-29 age group, having lost a significant portion of the cohort in previous years, probably for education and early career moves. Proximity to the GDA and lower cost of living in the Midlands compared to the GDA are key driving factors in this pattern.

**Table 2.5: Migration effects on specific age groups**

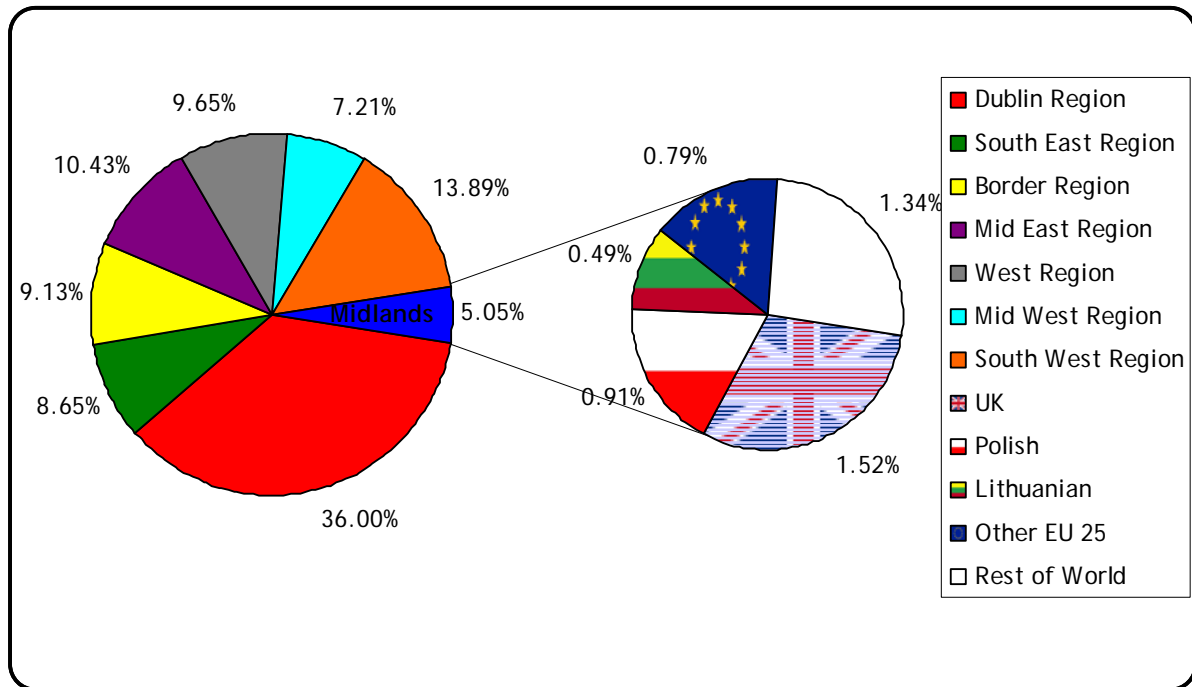
	Population in age group			% of 1996 Age Cohort Remaining		
	15 to 19 1996	20 to 24 2002	25-29 2006	15 to 19 1996	20 to 24 2002	25-29 2006
Border	38,448	30,929	34,572	100	80.4	89.9
Midlands	20,108	16,109	19,962	100	80.1	99.3
West	33,381	29,268	32,529	100	87.7	97.4
South East	37,259	30,885	35,243	100	82.9	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

## Non-national Population in the Midlands

In 2006 almost 22,000 non-nationals resided in the Midlands region, representing 5% (and the smallest share) of the total population of non-nationals in Ireland. The majority of non-Irish nationals in the region were from the UK and Poland.

Figure 2.1: Percentage of total non-nationals in Ireland by Region, 2006



Source: CSO, Census of Population, 2006

## Summary of Key Points: Demographics

- There has been strong growth in population in the Midlands over the 2002-2006 intercensal period (the region ranks second of the regions to the Mid-East in this regard) and continued growth since then.
- Evidence suggests that there is a large number of people living in the Midlands and commuting to the GDA to work.
- Migration has played a strong role in the population dynamics of the Midlands accounting for over 70% of population change in the region over the 2002 to 2006 period (compared to 60% nationally).
- The region has been able to attract people in the 25-29 year age group, probably due to its proximity to the GDA.

## 3. Regional Economic Performance

### Introduction

This section describes the economic base of the region and considers trends in employment, output<sup>5</sup> and sectoral features, over time and against the national performance.

### Employment

Employment levels in the Midlands grew more strongly than anywhere else in the country over the period 1998-2007, with the exception of the Mid East. However, over the past year there has been a significant rise in unemployment with the Midlands region now exhibiting the one of the highest rates of unemployment in the country (Q1 2009).

According to most recent data from the CSO Quarterly National Household Survey<sup>6</sup>, there were 109,900 persons at work in the Midlands in the first quarter of 2009. Unemployment in the region stood at 11.7% during the same period, compared to 10.2% nationally (ibid). Over the two years since Q1 2007, unemployment has grown by over 9,000 or almost seven percentage points. The regional participation<sup>7</sup> rate, at 59.4%, is lower than the national rate of 62.0%.

In terms of absolute employment levels<sup>8</sup>, the largest employer in the Midlands is the public sector<sup>9</sup>, which accounts for almost 25,700 jobs (or 22% of all employment compared to 23% nationally). This is followed by the manufacturing and retail and wholesale sectors, each employing about 20,000 people in the region, with construction the next largest sector on 14,400 jobs.

Employment grew by 44.7% in the Midlands between 1998 and 2008, well ahead of the national rate of 32.6% over the same period. All sectors recorded increases, with the exception of agriculture, and in each sector (with the exception of 'other services'), employment growth in the Midlands was ahead of what was achieved nationally.

The main source of growth in the region's employment came from the public sector, which expanded by 87.6% and accounted for 33.5% of the overall increase in employment. The next biggest contributor was the wholesale and retail sector, which accounted for 26.3% of new jobs in the region between 1998 and 2008. At a national level, construction, financial services and the public sector were the main contributors to employment growth. At its peak in 2007, employment growth in construction in the Midlands contributed a significantly higher share to the region's overall employment growth than it did nationally.

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<sup>5</sup> For the purposes of this analysis, gross value added (GVA) is the chosen measure of output

<sup>6</sup> 25<sup>th</sup> June 2009

<sup>7</sup> The participation rate is the labour force expressed as a percentage of the population aged 15 and over

<sup>8</sup> The latest available CSO data on the sectoral breakdown of employment at a regional level is from 2007. Comparable data for 2008 (i.e. QNHS 2008 Q2) will be incorporated when it becomes available

<sup>9</sup> Defined here as the sum of employment in public administration, defence, education and health

Table 3.1: Numbers employed in the Midlands and percentage change, 1998 &amp; 2008

	2008 Midlands	% Change 1998- 2008 Midlands	% Change 1998- 2008 National	% Of Total Employment Growth Accounted for Midlands 1998-2008	% Of Total Employment Growth Accounted for National 1998- 2008
Agriculture, Forestry and Fishing	9.3	-10.6%	-15.9%	-3.1%	-4.4%
Other Production Industries	20.5	3.5%	-9.1%	2.0%	-5.5%
Construction	14.4	75.6%	70.0%	17.3%	19.0%
Wholesale and Retail Trade	20.1	87.9%	36.3%	26.3%	15.5%
Hotels and Restaurants	5.5	22.2%	21.4%	2.8%	4.3%
Transport, Storage and Communication	5.2	67.7%	29.5%	5.9%	5.5%
Financial and Other Business Services	10.1	124.4%	55.7%	15.6%	20.2%
Public Sector (Incl. Administration, Education & Health)	25.7	87.6%	68.4%	33.5%	38.3%
Other Services	5.3	3.9%	40.1%	0.6%	7.2%
Total	115.9	44.7%	32.6%	100.0%	100.0%

Source: CSO, Quarterly National Household Survey (QNHS), 1998, 2008 (Q4)

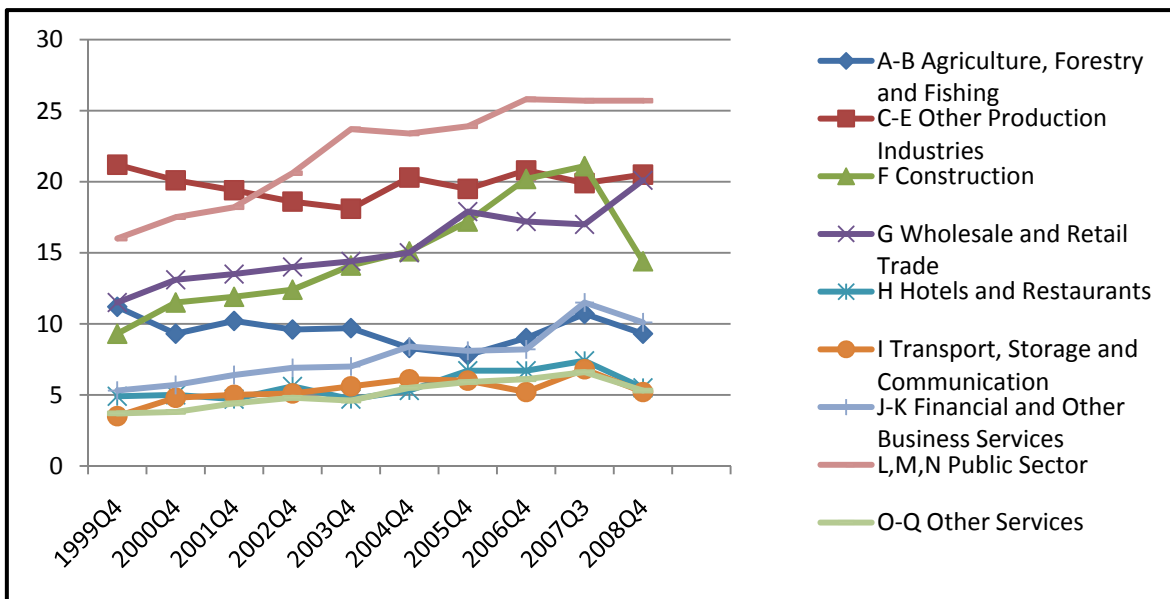
The financial and other business services sector was another high growth sector in the Midlands (up by 124% between 1998 and 2008), which contributed 15.6% to overall employment growth in the region.

The 'productive industries' (manufacturing) growth of 3.5% was impressive in the context of a 9.1% decline in the sector nationally. However, recent job losses in companies such as Iralco, Boston Scientific & C&D foods are illustrative of vulnerabilities within the sector.

It is difficult to ascertain what proportion of employment growth is accounted for by the commuting population in the Midlands, and what sectors are affected most. It is likely that employment in financial/business services activities could be boosted by accessibility to the GDA; likewise the Midlands could be a base for commuting employees in the public sector and manufacturing (for example Intel or HP in Kildare).

Figure 3.1 (below) shows the trend in sectoral employment from 1998 to 2008. The large decline in construction employment can clearly be seen.

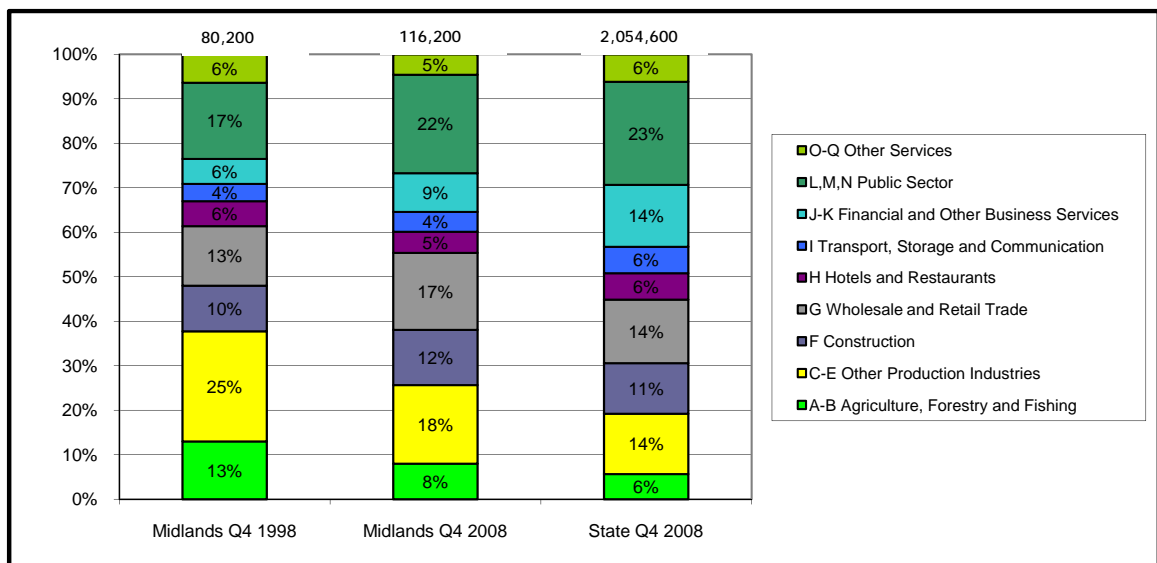
Figure 3.1: Sectoral employment trends, 1998-2008



Source: CSO, QNHS, Q4 1998 - Q4 2008

Figure 3.2 below shows how varying rates of employment growth across the different sectors have changed the sectoral composition of the region's employment. Of particular note is the relative decline in the proportion of people employed in the manufacturing ('productive industries')<sup>10</sup> and agricultural sectors, and the corresponding increase in the proportion employed in service and public sector activities. Despite its decline, manufacturing retains a proportionately larger share of Midlands' employment than is the case nationally (18% vs. 14%).

Figure 3.2: Distribution of employment in the Midlands by sector, 1998 & 2008



Source: CSO, QNHS, Q4 1998 - Q4 2008

<sup>10</sup> Even though employment in the productive industries/manufacturing has grown by 8% over the period, the proportion of total employment it accounts for in the region has declined

## Agency Supported Employment<sup>11</sup>

Agency supported employment represents the majority of employment in internationally trading (exporting) sectors, and is therefore a good base from which to analyse this aspect of the region's economy. In 2008, agency supported employment in the Midlands stood at 13,000, representing approximately 11% of total employment in the region (this compares to a national average of approximately 14.5%). Some examples of agency clients in the region are presented in the tables below.

**Table 3.2: Major IDA client companies in the Midlands and their activities**

Company	Sector/Activity
Covidien (Formally Tyco)	Medical Technologies
Elan <sup>12</sup>	Pharmaceuticals
Ericsson Systems	ICT
Abbott Laboratories	Medical Technologies
Cameron Ireland Ltd	Valves for Oil Wells
Capmark Services (Formally GMAC)	Financial Services
Alienware	ICT (High Spec Gaming PCs)
Taconic International	Teflon Coated Fabrics
Sennheiser Ireland	Mini Hi-Fi Headphones

**Table 3.3: Major Enterprise Ireland client companies in the Midlands and their activities**

Company	Sector/Activity
C&D Foods	Pet Food
Kepak	Processed Beef Products
C&F Automotive	Automotive Components
Athlone Extrusions	Extruded Plastics
Green Isle Foods	Consumer Foods
SIAC Butlers Steel Ltd	Steel Fabrication
Meadow Meats	Processing Beef
Enva Ireland Ltd	Healthcare/Pharma
Rosderra Meats	Meat Processing
Pat the Baker	Bakery
Dunbia Ltd	Prepared Foods

<sup>11</sup> 'Agency Supported Employment' is employment in companies that are clients of the enterprise agencies IDA Ireland, Enterprise Ireland, Shannon Development or Udaras na Gaeltachta

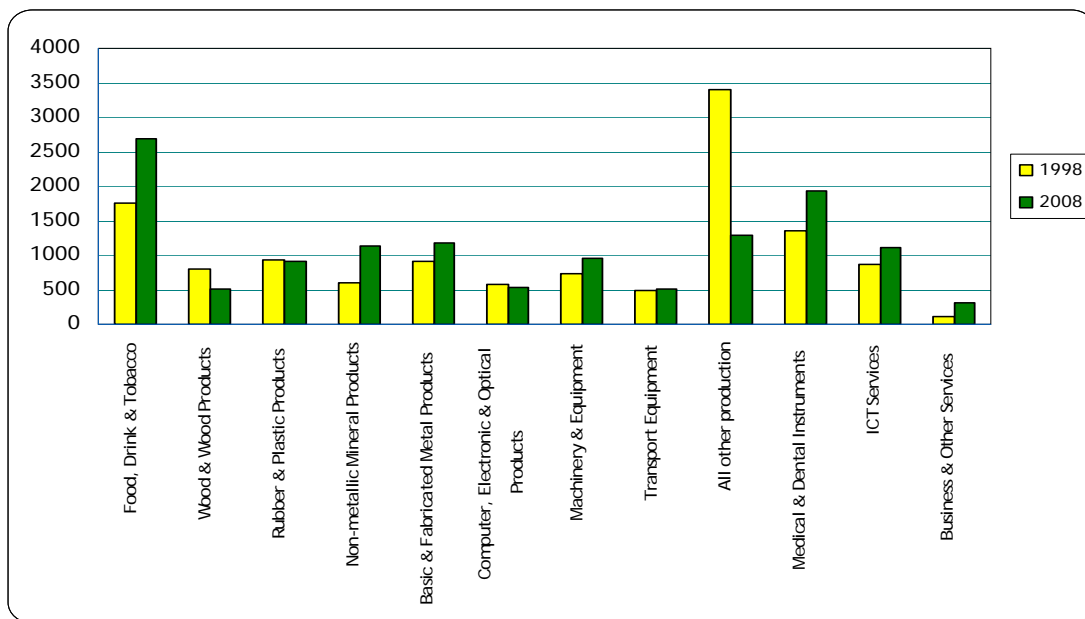
<sup>12</sup> Elan is located on the outskirts of Athlone but is actually located Co. Roscommon - it is therefore not included in the agency employment data for the Midlands region

Figure 3.3 shows a breakdown of agency supported employment by sector in the Midlands. The largest agency supported sector in employment terms, by a significant margin, is the food and drinks industry. This sector accounts for more than a fifth of all agency supported jobs in the region. Some of the large employers in the region include Glanbia Fresh Pork Ltd, C&D Foods, Dunbia, Pat the Baker and Kepak Longford. The next most significant sector, employing approximately 1,900 is the medical devices sector. Three other industries supported by the enterprise agencies employ more than 1,000 people; these are basic and fabricated engineering, non-metallic mineral products, and ICT services sectors.

The food industry, as well as being the largest sector, also recorded one of the highest levels of employment growth over the period 1998-2008 (see Figure 3.3 overleaf). Other growing sectors included non-metallic mineral products, medical devices and ICT services sectors.

The textile and clothing industry disappeared from the region over the period 1998-2008 (its decline is recorded here under the heading of 'all other production'), while the electrical equipment sector also lost significant employment (again recorded under 'all other production'). Employment in all other agency supported sectors remained relatively stable, with the exception of the wood and wood products sector, where activity also declined.

Figure 3.3: Agency supported employment, selected sectors, 1998 & 2008

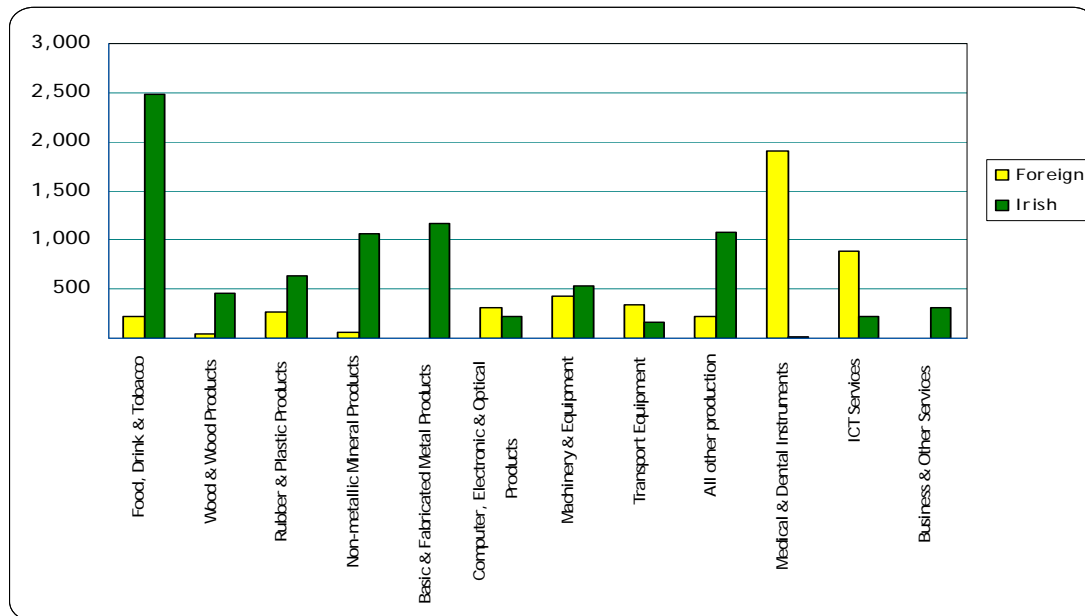


Source: Forfás, Annual Employment Survey, 2008

Manufacturing activities continue to provide the majority of employment in agency supported companies in the region, with service jobs representing 11% of agency supported employment in 2008, up from 8% in 1998. Nationally, employment in service sectors accounts for 33% of all agency assisted employment, up from 18% in 1998.

A breakdown of agency assisted employment between foreign and indigenous firms is shown below.

Figure 3.4: Agency supported employment by sector and nationality of ownership, 2008



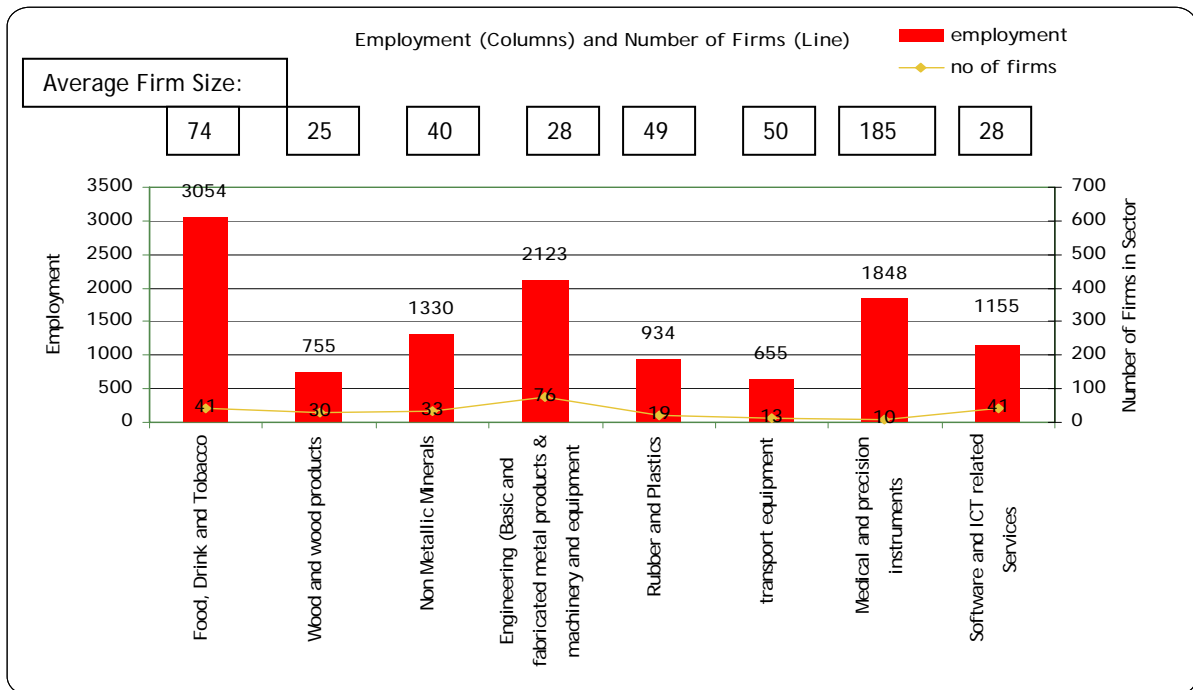
Source: Forfás, Annual Employment Survey, 2008

Close to 64% of employment in agency supported companies in the Midlands is provided by indigenous firms. This compares to approximately 49% nationally. The sectoral profile of employment in the indigenous sector is significantly different to that of the employment provided by foreign multinational companies (MNCs). Employment in foreign MNCs is overwhelmingly concentrated in two sectors; medical technologies and ICT services. These two sectors account for 56% of employment in foreign owned companies in the region. Employment in Irish owned firms is concentrated in the food, wood products, mineral products and basic and fabricated metal product sectors.

The chart overleaf (Figure 3.5) gives a graphic representation of the number of firms operating in each sector and the total numbers they employ. It may be a useful way of identifying existing and emergent sectoral clusters in the region and also where employment may be dependent on a small number of firms.

The lower ratio of companies to employees in the food and drinks, and the medical technologies sectors suggests a positive dynamic in these sectors in relation to employment growth. The medical technologies sector could be said to be reliant on a small number of large companies. The prevalence of smaller firms on average in the engineering and ICT related services sectors may indicate a combination of earlier stage companies and SMEs as well as some level of company downsizing.

Figure 3.5: Total employment and number of firms by sector, 2007



Source: Forfás, Annual Employment Survey, 2007

While the analysis does not reveal strong cluster formation in the region, growth in the med-tech/life sciences sector could be said to form part of spatial concentration of this sector extending from the West of Ireland. Recent Life Sciences foreign direct investment announcements in the Midlands include PPD, KCI, Abiomed and Teleflex. Other existing companies include Elan<sup>13</sup>, Abbott, Covidien (Athlone & Tullamore), and Isotron (contract laboratory testing and sterilisation). Indigenous companies in the Life Sciences sector located in the Midlands include; Steripack, Arran, Athpharma, Europharma Concepts and Pharmaplaz.

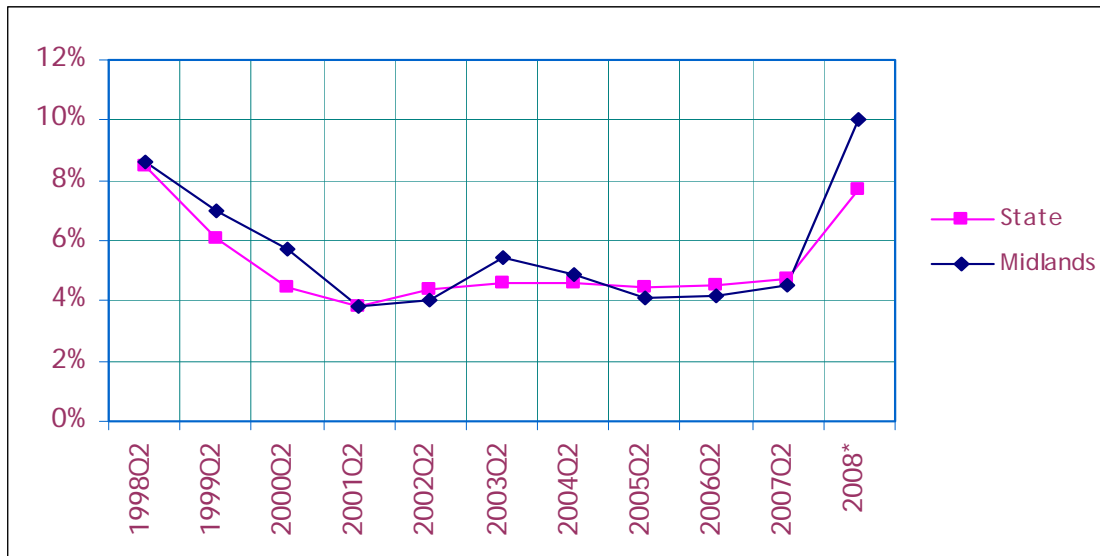
### Unemployment

Unemployment in the Midlands increased rapidly in 2008, as was the case nationally. Between 1998 and 2007, unemployment trends in the region had been positive however, falling from a high of 8.6% in 1998 to a low of 3.8% in 2001, after which it stabilised at a level between 4-5.5% for the following six years before rapidly doubling to 10% during 2008. As of November 2008, the Midlands had the highest rate of unemployment in the State at 10%.

In terms of actual numbers, unemployment in the Midlands fell from a high of 7,000 in 1998 to a low of 3,500 in 2001, from where it began to increase again to a level of 5,500 in 2007. This trend occurred over a period of increased levels of employment overall. Recent unemployment figures illustrate a dramatic increase in the level of unemployment in the region. In November 2008, numbers out of work in the Midlands stood at almost 13,000, the highest number in more than 10 years (in the context of a greatly expanded total labour force, however).

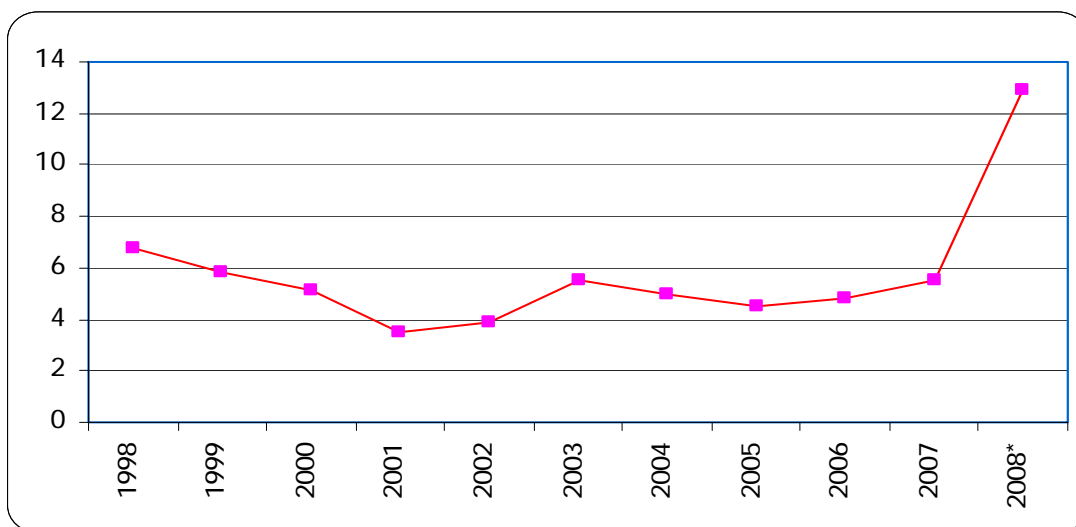
<sup>13</sup> Elan is located in Co. Roscommon and not included in the data in Figure 3.4

Figure 3.6: Unemployment rate, State and Midlands, 2000-2008\*



Source: CSO, QNHS Database Direct; (\*2008 figure is Q4 2008)

Figure 3.7: Total numbers unemployed in the Midlands, (2000-2008\*)



Source: CSO, QNHS Q2 (\*2008 figure is Q4 2008)

The early driver of the increase in unemployment nationally has been a decline in domestic construction activity and international demand for manufactured goods. It is likely that these drivers are similarly responsible for increasing unemployment in the Midlands.

## Overall Measures of Economic Performance

An examination of Gross Value Added (GVA)<sup>14</sup> can increase understanding of the output, or value-creating performance, of an economy. However, GVA is an imperfect value creation metric for a number of reasons, particularly because 'transfer pricing' by multi-national corporations can exaggerate the value of activity taking place at a given location<sup>15</sup>. Notwithstanding these issues, GVA is still the most appropriate output indicator available at a regional level, and by adopting a cautious approach to its interpretation, many important trends can be identified. The Midlands accounts for just 4% of the country's total GVA, the least amount of any region and just over half that of the next smallest contributor, the Mid West. This is at least partly explained by the fact that the Midlands is Ireland's least populous region, and also because the region has a relatively lower value-generating industrial base.

**Table 3.4: 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, County Incomes and Regional GDP, 2009

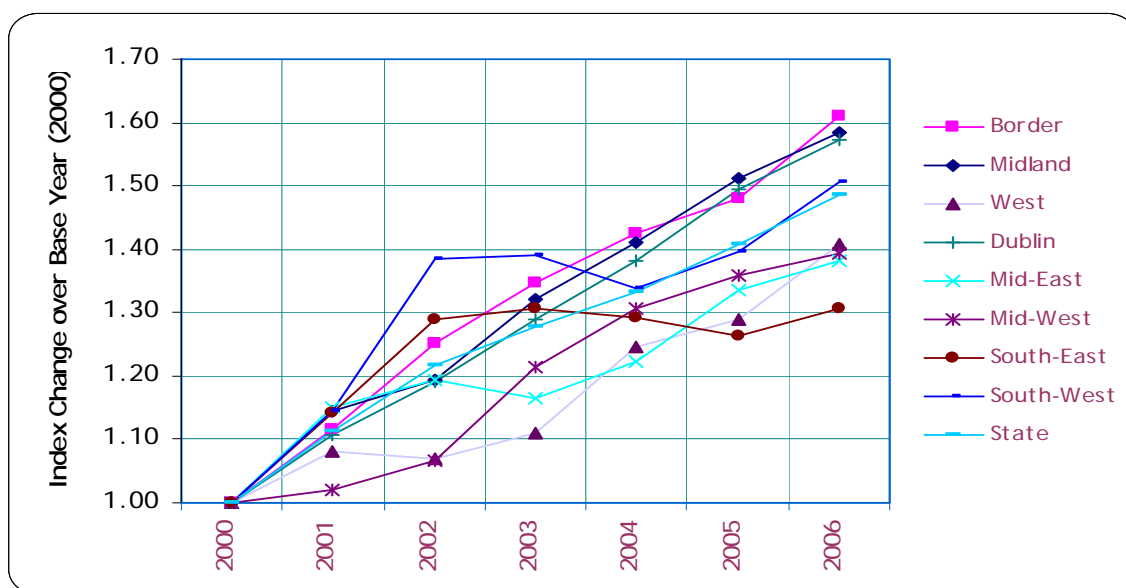
<sup>14</sup> The value of the region's output less intermediate materials and services used in its production. Latest available date is 2006

<sup>15</sup> Other reasons include the fact that increasing GVA does not necessarily indicate an increase in output; wage increases count towards a higher GVA, but may not always reflect increased work or output levels. Also, not all GVA growth can be considered positive. Some increases in GVA can be caused by activities which can have a negative impact on the economic structure in the longer run (credit/building boom, expansion of public sector), or from activities which society may consider unethical or undesirable (arms trade etc.)

The Midlands also performs poorly in terms of GVA per capita, at a level of 67% of the national average. The Midlands is the only region in Ireland with a GVA per capita less than the European average. A contributing factor to this performance may be the increased levels of commuting in the Midlands. It is difficult to ascertain the impact of the commuting population of the region on GVA data for the Midlands, but it is worth noting that a certain portion of the population of the Midlands is contributing to the GVA totals of the GDA, with the effect of reducing the per capita figures for the Midlands region itself.

As noted at the outset, the practice of transfer pricing by MNCs can distort GVA figures for some regions. As transfer pricing is more likely to distort the level, rather than the trend of a region's GVA, when analysing GVA it is perhaps better to focus on the latter. This paints a somewhat more positive picture for the Midlands, which had a growth in per capita GVA of 58.5% over 2000-2006, higher than all other regions with the exception of the Border. Figure 3.8 shows the growth of total GVA, excluding the effects of population change.

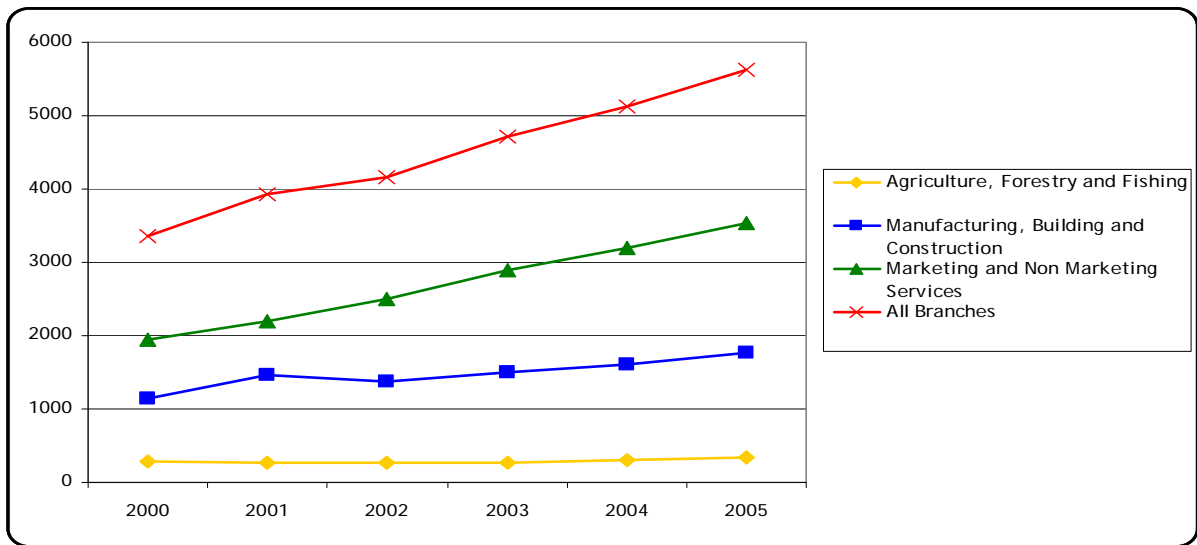
Figure 3.8: GVA per capita growth performance by Region, 2000-2006



Source: CSO, County Incomes and Regional GDP, 2009

Looking at GVA across broad sectors (Figure 3.9) 64.4% of output in the region is attributable to services (including public services) with manufacturing and construction accounting for around 32%. The agriculture sector accounts for approximately 3.6% of regional GVA. (This is compared to a sectoral GVA composition for Dublin of 75.4% services, 24.4% industry and 0.2% agriculture; the corresponding figures for the State are 62.3%, 35.7% and 2% respectively). In terms of growth, the services sector (including public sector) performed most strongly over the period 2000 to 2005 (Figure 3.9).

Figure 3.9: GVA contributions by sector in the Midlands, 2000 - 2005

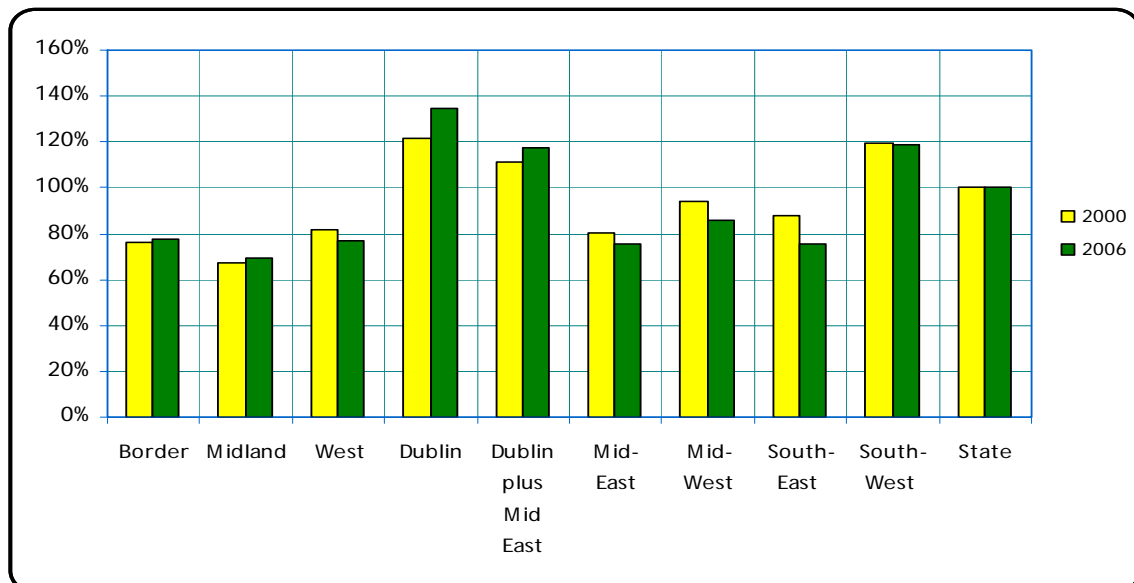


Source: CSO, County Incomes and Regional GDP, 2009

### Productivity Levels

Taking GVA per worker as a crude measure of productivity, the Midlands level is relatively low. GVA per worker increased marginally in the Midlands between 2000 and 2006. The poor productivity level relative to other regions may be explained by the type of industrial activity which takes place within the region (i.e. with a relatively lower level of value-added).

Figure 3.10: Productivity levels as measured by GVA per worker (State = 100%)

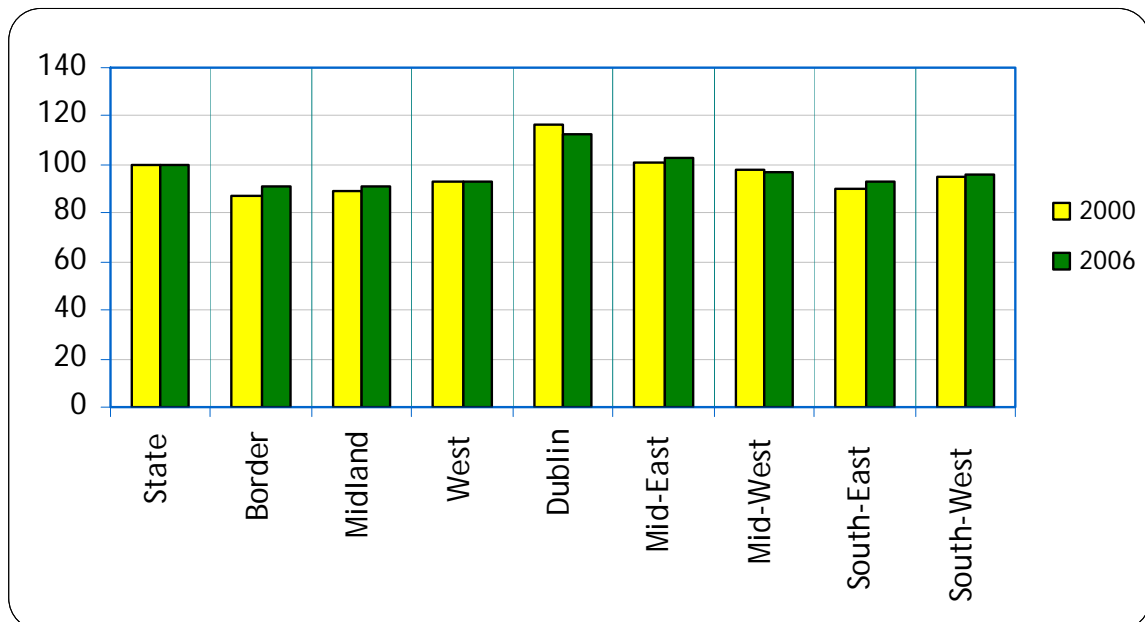


Source: CSO, County Incomes and Regional GDP/Database Direct, 2009

## Disposable Income

More 'productive' regions (as measured by GVA per worker, Figure 3.10 above) do enjoy higher levels of disposable income per head (Figure 3.11). However, the apparently large disparities in regional productivity do not appear to fully translate into similarly large disparities in disposable incomes. This may be for a variety of reasons, but it is probable that a significant proportion of the difference in levels of productivity, as measured by GVA per worker, are due to transfer pricing and therefore are not reflected in other areas of the regional economy such as, in this instance, disposable incomes. The Midlands records disposable income levels at 92% of the national average, reflecting a similar position to the West, Border and South East regions.

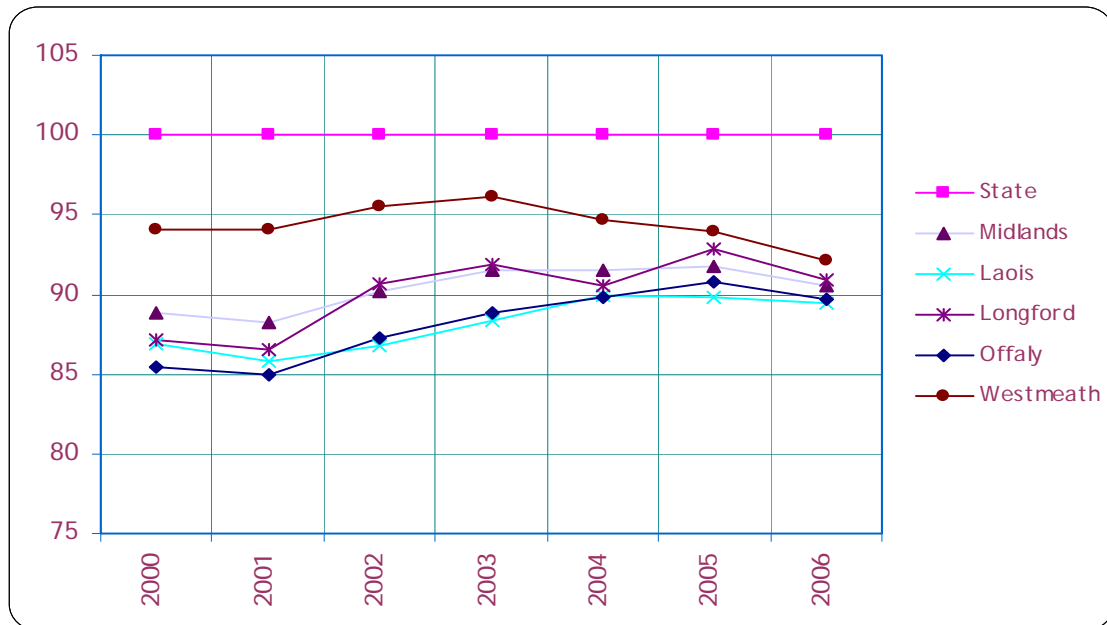
Figure 3.11: Disposable income in all Regions (State = 100)



Source: CSO, County Incomes and Regional GDP/Database Direct, 2009

Levels of disposable income per head are currently distributed in a relatively uniform pattern across the region after a period of convergence which saw the poorer counties of the region approach the levels of the richest, Westmeath (Figure 3.12).

Figure 3.12: Growth in disposable income across the Midlands, 2000-2006 (State = 100)



Source: CSO, County Incomes and Regional GDP/Database Direct, 2009

## Enterprise Development

Recent projects supported by the enterprise development agencies in the region provide an indication as to the type of enterprise activity the Midlands has been attracting over recent years, and may be instructive as to which industries represent growth opportunities in the future.

Table 3.5: Major IDA project announcements in the Midlands and their activities, 2007 - Oct. 2009

Company	Sector/Activity	Estimated Job Numbers
Abiomed	Medical Technologies	250
PPD	Pharmaceuticals	250
Intertek	Pharmaceuticals	-
Integra	Medical Technologies	65
Teleflex	Shared Services	150
KCI	Medical Technologies	250
Georgia Tech	Applied Research	50
Cooper Cameron	Industrial Engineering	140

Of the eight most recent major IDA supported investments in the region; three have been in the area of medical technologies, two in pharmaceuticals and one each in shared services, industrial engineering and applied research. It is anticipated that these announcements will ultimately create in excess of 1,155 direct jobs.

Enterprise Ireland supported seven new high potential start ups (HPSUs) in the Midlands region in 2007 and three in 2008. This was one of the lowest numbers supported in any region, but relative to its population size, the performance of the Midlands in this measure appears more positive. Of the ten companies which emerged over 2007-08, four were ICT/software related, while the other six were involved in various manufacturing activities including pharmaceuticals and high specification contract moulding.

### Tourism in the Midlands

Tourism is an important industry for all Irish regions. The enterprise agencies operating in the Midlands, EI and IDA, do not have a direct role to play in promoting the development of this sector, however, tourism promotion is an important consideration from an economic development perspective, and one which is likely to have positive spillovers into other aspects of the region's economy and society, such as quality of life improvements for the region's permanent residents, and increasing the attractiveness of the region for inward investment. The Midlands has underlying tourism strengths in terms of its natural environment and recreational amenities such as golf and water-based activities. The region also has an advantage by virtue of its location relative to Dublin. A number of high quality hotel/conference facilities in Athlone, Tullamore, Mullingar and Portlaoise have attracted national and international conferences to the region.

Fáilte Ireland is the primary state agency responsible for tourism development. In its most recent operational plan for tourism in the East & Midlands region, the agency sets the objective of achieving revenues of €505m in the region by 2010.

Joint promotion of the Lakelands and Inland Waterways by Fáilte Ireland and Waterways Ireland has commenced, and is a key action area for further development by these agencies. Related activities identified for further development include cruising, angling, golf and gastronomy. Other areas of focus in the operational plan include: the development and promotion of quality heritage and culture based tourism products; exploitation of the region's proximity to Dublin; and business enterprise and people support<sup>16</sup>.

### Business Networks

A report completed by Inter Trade Ireland in 2006 highlights the importance of networks in achieving critical mass and economies of scale in order to compete in larger, more diverse and competitive markets. Networks allow firms to share costs and risks which have become too high for firms working in isolation. The Midlands contains a number of networks that are exclusive to the region and these are listed in Table 3.5 below.

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<sup>16</sup> Fáilte Ireland, 2008 Operational Plan - East & Midlands

Table 3.5: Business networks in the Midlands

Business Networks in the Midlands		
Women in Business Networks	A business community for female business owners in each county, a perfect opportunity to network with experts, peers and opportunities to grow your business.	All Counties
Chambers of Commerce:	Chambers of Commerce are organisations made up of local business representatives who join together to promote the economic and social development of their community.	Athlone Mullingar Longford Laois Tullamore Midlands Gateway Chamber <sup>17</sup>
Offaly New Entrepreneurs Network O.N.E.	O.N.E. exists to 'encourage and enable people to succeed in entrepreneurship, enterprise or self employment'.	Offaly

Source: Adapted from ITI, *Business Networks on the Island of Ireland, 2006*

Skillnets supports the development of workplace skills as a strategic response to increase the competitiveness and employability in Ireland. Skillnets also publish a report of its enterprise-led networks by region in 2008; the networks exclusive to the Midlands are listed in Table 3.6 below.

Table 3.6: Skillnets networks in the Midlands

Skillnets in the Midlands		
BMW Smallholder Skillnet	Agriculture	To enhance the skills and knowledge base of the smallholder-farming sector within the BMW (Border, Midland and West) region and to promote an enterprise-led approach to providing customised, innovative and flexible training and networking opportunities.
BREN Skillnet	Mixed	To provide easy access to quality training and to develop a regional infrastructure for sharing ideas and finding common solutions to shared problems of enterprises located in the Border and Midlands area.
HPSU Skillnet	Mixed	To provide predominantly owner-managed, high-potential start-up companies with training in the BMW (Border, Midland and West) region.

<sup>17</sup> See also Section 8 for further information on the Midlands Gateway Chamber

Skillnets in the Midlands		
Future Leaders Skillnet	Mixed	To provide leadership, personal development and personal training to employees within all levels of organisations from all sectors of industry in the Midland region.
MBE Skillnet	Mixed	To provide low cost, quality training to isolated and vulnerable companies operating in the Border, Midland, and East regions.
MidMed Skillnet	Medical Devices	To ensure that people in the healthcare, pharmaceutical and medical device sectors are appropriately skilled and equipped so that the sectors remain competitive whilst facing ever increasing regulatory demands and pressures from lower cost economies.
Shannon Marine & Leisure Skillnet	Services	To provide Marine & Leisure companies along the Shannon River with training in a wide range of disciplines.
SLM Food & Drink Manufacturing Skillnet	Mixed	To develop enhanced skills, knowledge and competencies for food and drink manufacturing employees nationally.

Source: Skillnets, Directory 2008/2009, 2008

## Summary of Key Points: Regional Economic Performance

- Employment levels in the Midlands grew more strongly than anywhere else in the country over the period 1998-2008, with the exception of the Mid East. However, over the past year there has been a significant rise in unemployment with the Midlands region now exhibiting the highest level in percentage terms amongst the regions.
- Over the past decade, the largest source of employment growth was the public sector, followed by wholesale and retail trade, and construction<sup>18</sup>. Growth in construction employment in the Midlands had been significantly greater than the national average until 2007.
- Despite the declining proportion of employment in the manufacturing sector, the Midlands still retains a proportionately larger share than is the case nationally (18% vs. 14%). In addition, despite a decline in actual employment in manufacturing overall in the State over the 2002 to 2006 period, the Midlands region exhibited a 3.5% rise.
- The (overwhelmingly indigenous) food sector is the region's most significant agency supported employer, providing 21% of agency supported employment in the region, followed by the (entirely foreign owned) medical technologies sector, which employs 13%.

<sup>18</sup> Construction employment grew the most strongly of all sectors until 2007 - the employment change figures mask the dramatic drop of about 25% in construction employment from 2007-2008

- The med-tech sector is one of the largest employers in the Midlands (although it is reliant on a small number of large companies). In terms of new FDI and expansion activity, the sector (along with pharmaceuticals) has been the most active.
- Growth in internationally traded services in the region (as represented by agency supported companies in this sector) has been modest, and well below national levels. Employment in internationally traded sectors in the region remains mostly in manufacturing activity.
- GVA per capita remains among the lowest nationally, suggesting a predominance of lower 'value-add' economic activity in the region. However, GVA growth in the Midlands was among the strongest in the country over the period 2000-2006.
- It is difficult to ascertain the impact of the commuting population of the region on GVA data in the Midlands but it is worth noting that a certain portion of the population of the Midlands is contributing to the GVA totals in the GDA with the effect of reducing the per capita figures for the Midlands region.

## 4. Skills and Regional Innovation Capacity

### Introduction

The approach taken in this section involves the assessment of two broad dimensions relating to skills and regional innovative capacity: the first is focussed on the regional skills 'assets' reflecting what National Economic and Social Council (NESC) (2008) have referred to as the 'condition of possibility' or essential ingredients (resources) for regional competitiveness; while the second is concerned with softer factors relating to the role of innovation in a regional context - essentially, the interaction, linkages and collaborative actions taking place between key regional actors and organisations within and external to the region.

### Regional Skills & Education Resources

#### Educational Attainment

Just over 22% of the population in the Midlands had a third level education in 2006. There has been an increase since 2002, however the level is significantly lower than the state average and the Midlands lags other regions in this respect.

**Table 4.1: 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
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
Midlands	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

Compared to its share of population, the number of people with a third level qualification in the Midlands is significantly under-represented (Table 4.2) although the situation improved over the period 2002 - 2006.

**Table 4.2: Distribution of the population (15+) with a degree or higher across all regions, compared with distribution of the overall population (15+) - 2002 & 2006**

	Prop of Pop 15 + with Degree or higher 2002 (a)	Prop of Pop 15+ years 2002 (b)	Prop of Pop 15 + with Degree or higher 2006 (a)	Prop 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
Midlands	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	100.0	100.0	100.0	100.0	1	1

Source: CSO, Census of Population 2002 & 2006

#### Attractiveness of the Region for Recent Graduates

Table 4.3 below looks at the distribution of graduates in Ireland 9 months after they left college. The Midlands attracted a small proportion of these graduates, indicating fewer opportunities for young graduates in the region.

**Table 4.3: Percentage distribution of all employed graduates across all regions, 2006**

2006 Graduates	Level 8 Bachelor Degree	Level 9 Taught Masters	Level 9 Research Masters	Level 10 PhD
Overseas	8.3%	10.6%	10.8%	20.6%
Unknown Ireland	3.0%	1.9%	0.0%	0.2%
Nth. Ireland	0.5%	0.3%	0.0%	0.0%
Border	3.8%	2.8%	6.9%	1.2%
Midlands	2.5%	2.4%	0.8%	2.7%
Mid-East	4.3%	3.0%	3.1%	2.7%
Mid-West	6.9%	6.1%	14.6%	9.7%
South-East	4.8%	2.9%	8.5%	1.9%
West	9.2%	8.4%	10.8%	6.1%
South-West	13.7%	10.0%	16.2%	11.4%
Dublin	43.0%	51.6%	28.5%	43.4%
	100%	100%	100%	100%

Source: HEA, what do graduates do? Class of 2006 (First Destination Report)

### Subject Areas of the 3rd Level Qualified Population

Table 4.4 shows the breakdown of third level qualified people in the Midlands (and the State) in terms of the subject area in which they qualified. The Midlands has slightly higher proportions with qualifications in the more traditional areas of education, agriculture, health and manufacturing and is reflective of the economic profile of the region described earlier. The Midlands has relatively fewer people whose main subject area is in business, life sciences, humanities and computing.

**Table 4.4: Main subject area of 3rd level qualification of persons 15+ in the Midlands and the State (as % of all persons aged 15+ with a 3rd level qualification) - 2006**

Subject Area	Midlands	State
Education	9.3%	7.5%
Humanities and Arts	7.0%	10.0%
Social Sciences, Business and Law	16.8%	21.0%
Life Science, Physical Science, Mathematics and Statistics	4.4%	5.1%
Computing	6.0%	6.7%
Engineering, Manufacturing and Construction	13.1%	12.3%
Agriculture and Veterinary	4.2%	2.6%
Health	14.5%	12.1%
Social Services	4.1%	3.2%
Services	7.2%	6.1%
Not stated	1.4%	1.3%
Multiple subjects	12.0%	12.2%
Total persons	100.0%	100.0%

Source: CSO, Census 2006

### Occupational Skills Profile of the Regional Population

Table 4.5 overleaf illustrates how for the State as a whole, over the period 2002-2006, the number of people involved in higher skilled occupations has increased. As a proportion of overall growth in the labour force, the largest contributions were made by Skilled Manual, Non-Manual and Managerial/Technical occupational categories.

Table 4.5: Occupational skills profile of the labour force (Social Class) - State

State	2002	2006	% of Total Labour Force 2002	% of Total Labour Force 2006	% Change 2002-2006	% of Total Change in the Labour Force
Professional	119,260	145,181	6.6%	6.9%	21.7%	8.4%
Managerial & Technical	495,016	555,040	27.5%	26.3%	12.1%	19.5%
Non-Manual	360,477	424,482	20.0%	20.1%	17.8%	20.7%
Skilled Manual	339,008	409,345	18.8%	19.4%	20.7%	22.8%
Semi-Skilled	243,429	289,031	13.5%	13.7%	18.7%	14.8%
Unskilled	103,792	100,037	5.8%	4.7%	-3.6%	-1.2%
Other	139,951	186,382	7.8%	8.8%	33.2%	15.0%
Total	1,800,933	2,109,498	100%	100%	17.1%	100%

Source: CSO, Census 2006

The number of unskilled workers in the Midlands decreased by 1.6% between 2002 and 2006, which was less than the national average. The Midlands continues to have a lower percentage of professional workers, managerial and technical workers and non-manual workers and a higher percentage of unskilled workers than the State despite growth in these areas.

Table 4.6: Occupational Skills profile of the labour force (Social Class categories) - Midlands

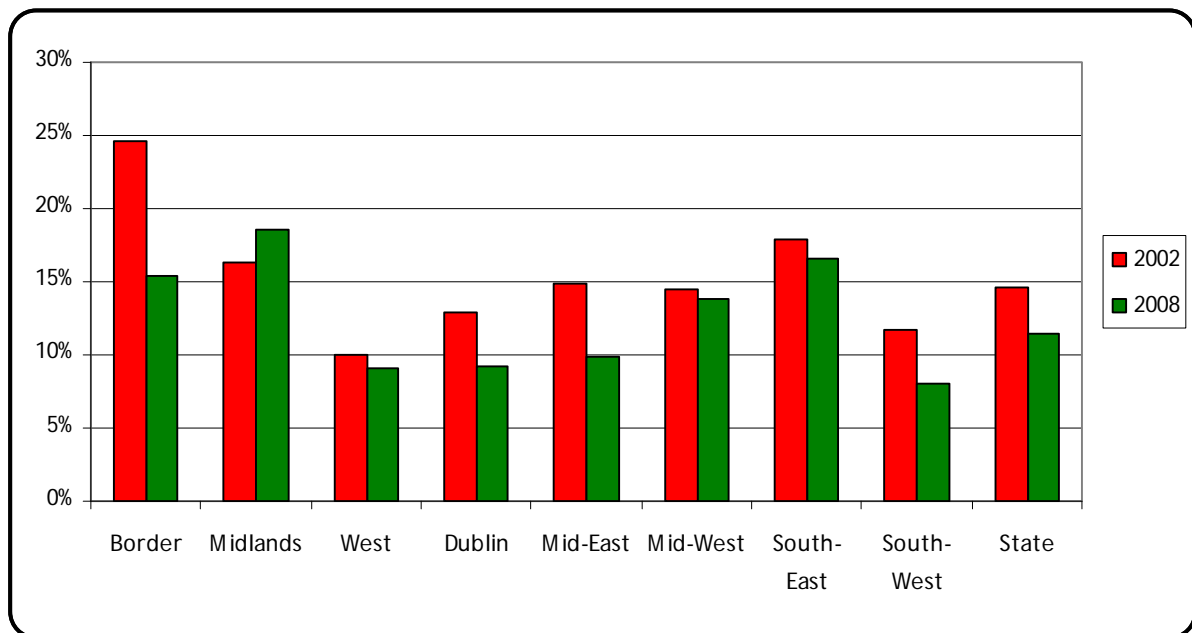
Midlands	2002	2006	% of Total Labour Force 2002	% of Total Labour Force 2006	% Change 2002-2006	% of Total Change in the Labour Force
Professional workers	4647	6110	4.7%	5.0%	31.5%	6.6%
Managerial and technical	24361	28470	24.5%	23.4%	16.9%	18.4%
Non-manual	19659	23893	19.8%	19.6%	21.5%	19%
Skilled manual	20914	26714	21%	21.9%	27.7%	26%
Semi-skilled	14853	17494	14.9%	14.4%	17.8%	11.8%
Unskilled	7004	6894	7%	5.7%	-1.6%	-0.5%
Other	8088	12251	8.1%	10.1%	51.5%	18.7%
Total	99526	121826	100%	100%	22.4%	100%

Source: CSO, Census 2006

### Early School Leavers

Of all the regions in Ireland, the Midlands currently has the highest percentage of people that leave school early of the regions in Ireland. It is also the only region that has shown an increase in the number to leave school early over the period 2002-2008.

Figure 4.1: Early school leavers<sup>19</sup> as a percentage of all 18 to 24 year olds classified by region and sex



Source: CSO, QNHS, Educational Attainment, Q2 2002 - Q2 2008

### Higher Education Provision in the Midlands Region

Athlone Institute of Technology (AIT) is the main provider of third level education in the Midlands. Additional provision within the region is delivered through outreach facilities at Portarlinton, Tullamore and Longford. Third level colleges in neighbouring regions - such as the South East (IT Carlow, Waterford Institute of Technology) Mid-East (NUI Maynooth) and West (NUI Galway) attract significant numbers of students from the Midlands region.

### Athlone Institute of Technology

Athlone Institute of Technology is the main provider of third level education within the region catering for 6,000 students. The Institute offers under-graduate and post-graduate degree programmes in the fields of Business, Accounting, Information Technology, Humanities, Hospitality and Tourism Studies, Engineering, and Science.

<sup>19</sup> 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

The Institute has developed rapidly since its foundation and to facilitate this growth, the original building has been extended on several occasions within the 45-acre landscaped campus.

AIT and Dublin City University recently adopted a Memorandum of Understanding under which both institutions committed themselves to the development of a strategic partnership.

### Midlands Skills Audit

The Midlands Gateway Implementation Forum has commissioned a detailed Skills Audit to examine skills base availability and capacity in the catchment of the Midlands Gateway.

## Regional Innovation Capacity & Potential

### Expenditure on R&D in the Midlands

Table 4.7 shows that the Midlands region accounted for 9.5% of the total business expenditure on research and development in Ireland in 2005, comparing relatively well amongst the regions outside of Dublin. However, the region's share of expenditure within the higher education sector is very low in relative terms. The disparity in these two measures may also be an indication that industry - HEI links in the R&D space are relatively weak.

**Table 4.7: Regional performance in expenditure on R&D (Percentage of national total)**

	Business Expenditure on R&D 2005	Higher Education R&D 2006
Border	3.9%	0.8%
Dublin	41.8%	50.0%
Mid-East	4.7%	4.1%
Midlands	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%

Source: Forfás and CSO, BERD and HERD Reports, 2005 & 2006

### Recent IDA announcements of R&D in the Midlands

Cameron Corporation of the US announced in April 2008 that it would be significantly developing and expanding its existing manufacturing and R&D facility in Longford. It is set to create 140 additional high quality jobs over the next five years in engineering and support activities.

PPD is to establish a contract research facility in Athlone which will initially include a cGMP<sup>20</sup> analytical testing laboratory. The facility will conduct testing for clinical and commercial programmes spanning all phases of drug development. With the support of IDA Ireland the company expects to invest €14 million in the facility and to create approximately 250 high value-added positions over a 5 year period for PhD level scientists, analytical laboratory staff and other clinical development professionals.

### Research Activity and Infrastructure at Athlone Institute of Technology

A Director of Research has been appointed at AIT and is leading a new research strategy for the Institute. Key initiatives under this strategy include:

- increased emphasis on the development of strategic research activities with the strengths of the Midlands Region, with a particular focus on three existing research institutes within AIT involved in software, materials & biosciences
- increasing the skills of researchers and the budget available to them
- the creation of a new research campus, to host phase two of the Midlands Innovation and Research Centre (MIRC) and the Institute's existing research institutes (the research campus will be the focus of AIT's submission to PRTL I V)
- continued exploration of joint research initiatives with other HEIs including Georgia Tech Ireland & Atlanta, and DCU, and with industry
- attracting researchers with exceptional international reputations.

The three research institutes at AIT are described in more detail below:

- Bioscience Research Institute (BRI)

The Bioscience Research Centre (formerly the Centre for Biopolymer and Biomolecular Research) was established with a €2.3 million PRTL I grant in 2000. Linking the disciplines of toxicology and polymer engineering, BRI's aim is to provide a research infrastructure in the areas of biopolymers and biomolecular research. AIT works in partnership with NUI Galway and the University of Ulster on this programme. BRI's investment in microthermal analysis facilities is among the first ten to be built worldwide.

- Materials Research Institute (MRI)

The Materials Research Institute (formerly the Centre for Nanotechnology and Materials Research) is located in the former Polymer Development Centre, an 18,000 sq ft building located in close proximity to the AIT East Campus. The MRI hosts an extensive analytical laboratory, micro fabrication facilities, clean rooms, a polymer processing hall, physical

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<sup>20</sup> cGMP - current Good Manufacturing Practice

and mechanical testing laboratory, surface analysis laboratory (AFM and MTA) and support infrastructure. The Centre is proactively engaging with industrial healthcare companies.

- Software Research Centre (SRC)

SRC's main research strand focuses on the delivery of middleware applications over Next Generation Networks. The centre has built a reputation for focused applied research in the wireless domain and has collaborated with start-up, SMEs and multi-national companies.

With the SRC, AIT's SUNAT Applied Research Centre, supported under Enterprise Ireland's Applied Research Enhancement (ARE) programme, is one of the first of its kind in Ireland and has already had considerable commercial success having negotiated 5 license agreements with companies in the Midlands region. SUNAT means the Seamless Use through Network Abstraction Technologies and the research team specialises in adaptive networking technologies; a niche research area with great potential for the mobile telecommunications industry.

### Georgia Tech Ireland (GTI)

Georgia Tech Ireland (GTI) was opened in 2006 at the IDA Business and Technology Park, Athlone. It is Georgia Tech's first applied research facility outside the US. GTI partners and collaborates with Georgia Tech Atlanta, Irish corporations, higher education institutes and research centres. The Georgia Institute of Technology is one of America's top research universities, and is consistently ranked in US news & World Report's top ten public universities in the United States.

GTI is currently developing research test beds and initiating work in four strategic research markets. These are:

- Sustainable energy
- Radio frequency identification
- Interactive television
- Health care technologies

In January 2009 GTI and AIT signed an agreement to explore collaborative research and educational opportunities. It creates the possibility of joint research programs, joint/dual undergraduate and postgraduate programs, as well as collaboration on ongoing development of the Midlands Gateway Research and Innovation Centre. The agreement envisages student and faculty exchanges between the US and Ireland.

### Campus Incubation Centres and Entrepreneurship Supports

#### Midlands Innovation and Research Centre (MIRC)

The Midlands Innovation and Research Centre was established by Athlone Institute of Technology (with the support of Enterprise Ireland) as a hub for innovation, research and enterprise in the Midlands. The MIRC provides incubation facilities for innovative and knowledge-based enterprise, an enterprise programme for entrepreneurs and start-ups, and makes available the resources and expertise of the Institute to support client companies. The MIRC assists and advises entrepreneurs and client companies (and provides access to its

enterprise network) at every stage of a project's development. It is home to 6 companies employing 33 staff in communications technologies, pharma-bio and consultancy.

### Summary of Key Points: Skills, Research & Innovation

- The Midlands region has the lowest level of educational attainment to third level compared to the other regions.
- Age cohort analysis provides evidence of an outflow of the population from the region of people in their late teens and early twenties. This may be due to migration to access third level education in other regions and perhaps a lack of employment opportunities for young graduates in the Midlands. The same cohort recovers somewhat in later years however - probably due to the increased incidence of commuting from the region to the GDA.
- The number of unskilled people in the region has dropped significantly but the region remains above the average for the State in this respect.
- Athlone Institute of Technology continues to grow and develop in the region and is undertaking a number of initiatives to develop strategic research activities. The appointment of a Director of Research is aimed at driving progress in this regard, particularly in the area of industry - academic linkages, which require further development in the Midlands.
- The Midlands Innovation and Research Centre is an important focal point for the development and strengthening of entrepreneurship activity in the region and for forging stronger industry - academic research collaborations.
- Georgia Tech Ireland represents a potentially important strategic resource for the Midlands region and in the national context.
- The Midlands accounted for 9.5% of total business expenditure on R&D in Ireland in 2005, comparing relatively well amongst regions outside of Dublin. However, the region accounts for a very low percentage of R&D expenditure within the Higher Education sector overall.

## 5. Access and Connectivity Infrastructures

The Midlands region is traversed by many national road transport corridors (the M4, M6, M7 & M8), as well as rail lines to Sligo, Galway and Limerick/Cork from Dublin which offers the potential for good quality inter and intra-regional transport links off the back of the national transport network.

### International Transport Connectivity

For international transport connections by air and sea, the Midlands region depends on access infrastructures in adjacent regions, to which it is well connected.

#### Air

Primary air access is through Dublin, however, the less congested Knock and Shannon airports provide alternative outlets, especially for Athlone - the closest of the region's main towns to the Western airports. Completion of the M6 to Athenry and the N18 from Athenry to Ennis has the potential to considerably reduce travel times between Shannon Airport and Athlone.

### Inter-regional Transport Connectivity

From an economic development perspective, links from the Midlands to other regions and Gateways are of vital importance, as they increase the mobility of labour and enable companies to access a wider range of relevant services and inputs from other companies in associated industries, sub suppliers, universities, etc.

**Table 5.1: Road links between the Midlands (Athlone) and selected Gateways**

Destination	Distance from km	Travel Time - Road	Road Type
Dublin	123	1hour 32 min	M6
Cork	212	3 hours 7 min	N62/M8
Limerick	116	1 hour 59 min	Regional Roads/N52/M7
Galway	91.4	1 hour 26 min	N6
Belfast	285	3 hours 22min	M6/M4/M1

Source: Google Maps, 2008

#### Roads

The typical drive time between the Midlands Gateway towns varies between 35 minutes in the case of Mullingar to Tullamore and 50 minutes from Athlone to Mullingar. Each of the Midland's towns is also less than a 2 hour drive from Dublin Airport and Dublin Port, and

Athlone is also close to 3 other regional airports. There is good access to the national bus network however there are limited internal bus service links.

Road access to the region (and within the region) is being improved considerably with many large-scale projects having been undertaken.

- The M/N4 between Dublin and Mullingar has been up-graded to motorway standard. The route is also being improved beyond Mullingar towards Sligo with work underway on the realignment of the road between Longford and Drumsna and the Edgeworthstown bypass.
- Work on the M6 between Athlone and Kinnegad has been completed, providing for a continuous motorway link between Athlone and Dublin. Work is ongoing to complete this motorway from Athlone to Galway. The Athlone to Ballinasloe section of this road is expected to be completed this year, with the remainder of the route to Galway expected to be delivered in 2010.
- While the road links between the gateway towns of Tullamore and Athlone, and Mullingar and Tullamore are good, the R390 linking Athlone and Mullingar is poor in comparison.
- The M7/8 has been completed to Portlaoise and all remaining sections to Cork (M8) and Limerick (M7) are under construction, with the entire MIUs due for completion by 2010.
- The Tullamore bypass opened in October 2009.

The enterprise development agencies prioritised a number of critical road infrastructure enhancements as part of the Regional Strategic Agenda (RSA) process in 2006. Forfás has again highlighted these projects in the recently produced Overview of the Main Infrastructure Issues for Enterprise, 2008 (Table 5.1).

**Table 5.2: Priority road projects**

Road Priorities	Status
Connecting linked Gateway of Athlone-Mullingar-Tullamore:	
N52 (Mullingar-Belvedere Section)	Upgrade complete
N52 (Carrick to Clonfad)	Preliminary design
N52 (Tullamore-Kilbeggan M6)	Preliminary design
N80 (Tullamore to M6 at Moate)	No Action

Source: Forfás, Overview of the Main Infrastructure Issues for Enterprise, 2008

## Rail

The region is relatively well-served with national rail services. National rail routes radiate out of Dublin and connect the capital with Longford and Mullingar on the Sligo line, Athlone and Tullamore on the Galway and Mayo lines and Portlaoise on the Cork Line. A number of

commuter services have been put in place including Athlone-Galway, Athlone-Dublin, Portlaoise-Dublin and Longford-Dublin. The re-opening of the Athlone to Mullingar rail connection has been mooted in the context of improving the connectivity within the Midlands Gateway.

## Intra-regional Transport Connectivity

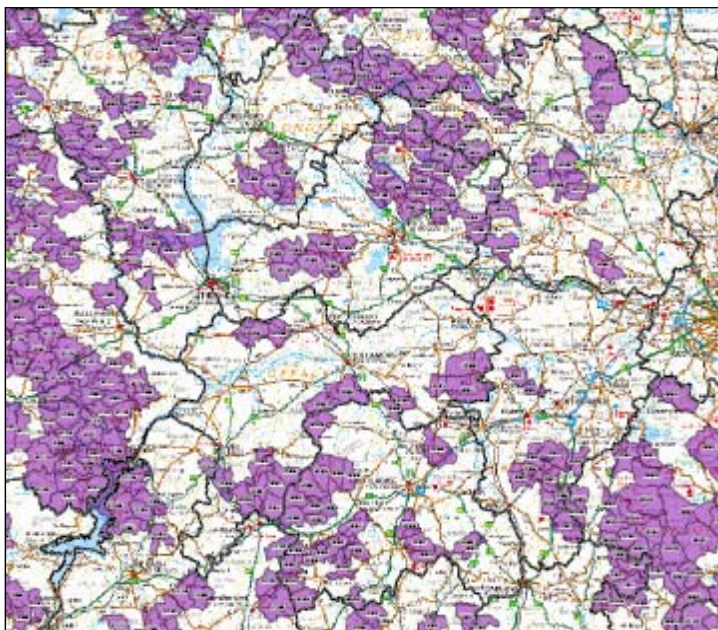
A recurring theme with regard to transport infrastructure in the Midlands is the high quality of the region's national transport links versus the poorer standard of intra-regional connections. If the NSS vision of a linked Gateway of Athlone-Mullingar-Tullamore at the heart of the region is to succeed, an improvement of intra-regional transport infrastructures is essential.

Some progress has been made: the Athlone to Mullingar link has been enhanced by a combination of the M6 upgrade with work on sections of the N52, and improvements have also taken place on the N80 Mountmellick relief road between Portlaoise and Tullamore. However, further work is required to bring intra-regional roads (particularly the N52, N55 & N80) to the standard which is necessary for the successful development of the linked gateway concept, as envisaged in the NSS, and its connectivity to other principal towns of Longford and Portlaoise.

## Telecommunications Infrastructure

### Broadband Coverage

As of June 2008, some form of 'broadband' internet access was available to a large majority of the region's population (See Map 6, below). Metropolitan Area Networks (MANs) are in place and operational in Athlone, Tullamore, Mullingar and Portlaoise. Phase two of the MANs project saw fibre networks installed around Longford town, Clara, Edenderry, Moate, Mountmellick, Portarlinton, Birr and Banagher. As of April 2009, these MANs are not yet operational, as negotiations with operators remain to be finalised.



Map 6: Broadband coverage in the Midlands (Purple indicates areas not currently covered to be addressed by the NBS)

Source: Department of Communications, Energy and Natural Resources, 2008

The Department of Communications, Energy and Natural Resources' National Broadband Scheme aims to extend coverage to remaining parts of the population currently without broadband services (estimated at 10%). The telecommunications company '3' (a Hutchison Whampoa company) has recently been announced as the preferred tenderer to deliver this scheme.

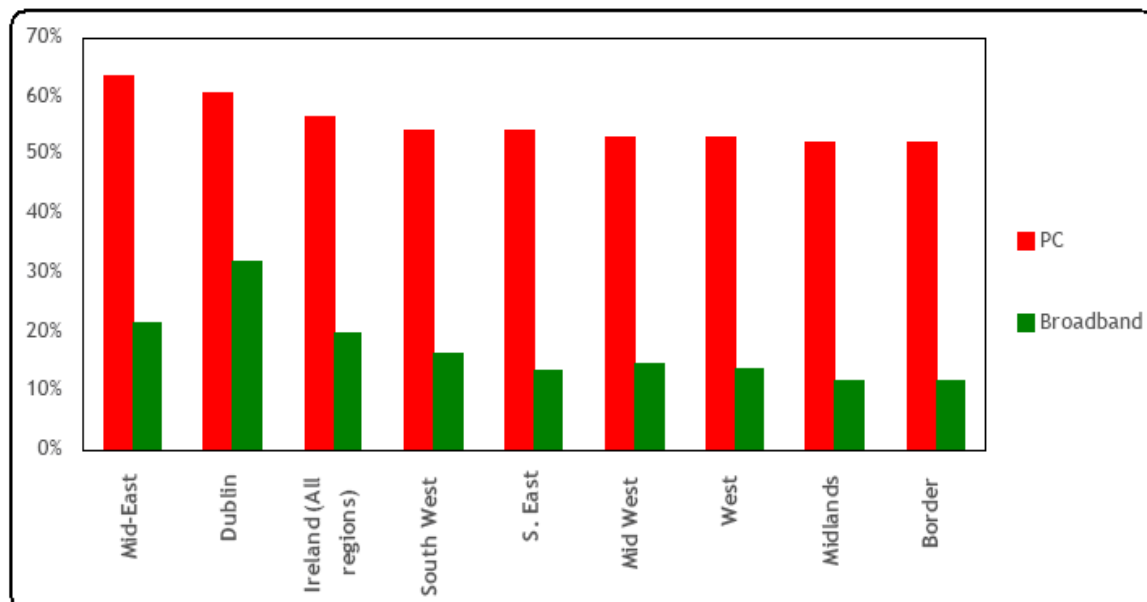
### Broadband Penetration

The 2006 Census provided information on PC and broadband take-up by region. It should be noted that since that data was collected in April 2006, broadband take-up has more than doubled<sup>21</sup>. However, the data provides a good indication of regional differences in PC and broadband take-up (Figure 5.1 below). In 2006, 52% of households in the Midlands had a PC, behind the national average of approximately 57%.

Of those households with a PC, 77% had some form of internet subscription (82% nationally). However, only 23% had broadband internet, compared to 35% nationally. Including households without PCs, only 12% of households in the Midlands had a broadband connection in 2006.

As noted at the outset, the rate of broadband penetration at a national level has increased dramatically in recent years. However, the degree to which this national increase has been reflected in regional levels of take up is difficult to ascertain at this point due to the unavailability of data at a regional level.

Figure 5.1: PC and broadband penetration by Region



Source: CSO, Census, 2006

<sup>21</sup> Comreg; Forfás, *Ireland's Broadband Performance and Policy Requirements*, 2007

### Broadband: Outstanding Issues

The availability of some level of broadband service does not appear to be an issue in the region. The quality, cost and appropriateness of broadband services to the region's users is an important consideration however.

Anecdotal evidence suggests that large scale users of broadband in the region do not have a problem in accessing an appropriate level of service to suit their needs. The suitability of available services for smaller scale users, such as SMEs or individuals (including business users who need home access to company systems outside of business hours or work from home) is less certain. These issues are not necessarily specific to the Midlands however, and remain to be addressed at a national level.

### Summary of Key Points: Access Connectivity and Infrastructures

- Inter-regional connections from the Midlands are good, situated as it is across a number of national transport corridors.
- Intra-regional tie-up has been greatly enhanced by development of the major inter-urban routes, however there are some weaknesses outstanding for example, Portlaoise-Tullamore route.

## 6. Utilities and Environment

### Power Infrastructure

Eirgrid, the national body responsible for the management of the electricity transmission network, gives the following description of the Midland's energy resources<sup>22</sup>:

The main Dublin-Galway gas transmission pipeline passes through the Midlands region close to transmission stations at Athlone, Edenderry, Kinnegad and Mullingar. There are modest wind resources available in the Midlands region. There are three peat-burning stations at Lanesboro, Shannonbridge and Cushaling stations.

By 2025, the demand in the Midlands region is expected to grow by over 40%. The region is expected to have up to 160 MW of wind energy capacity.

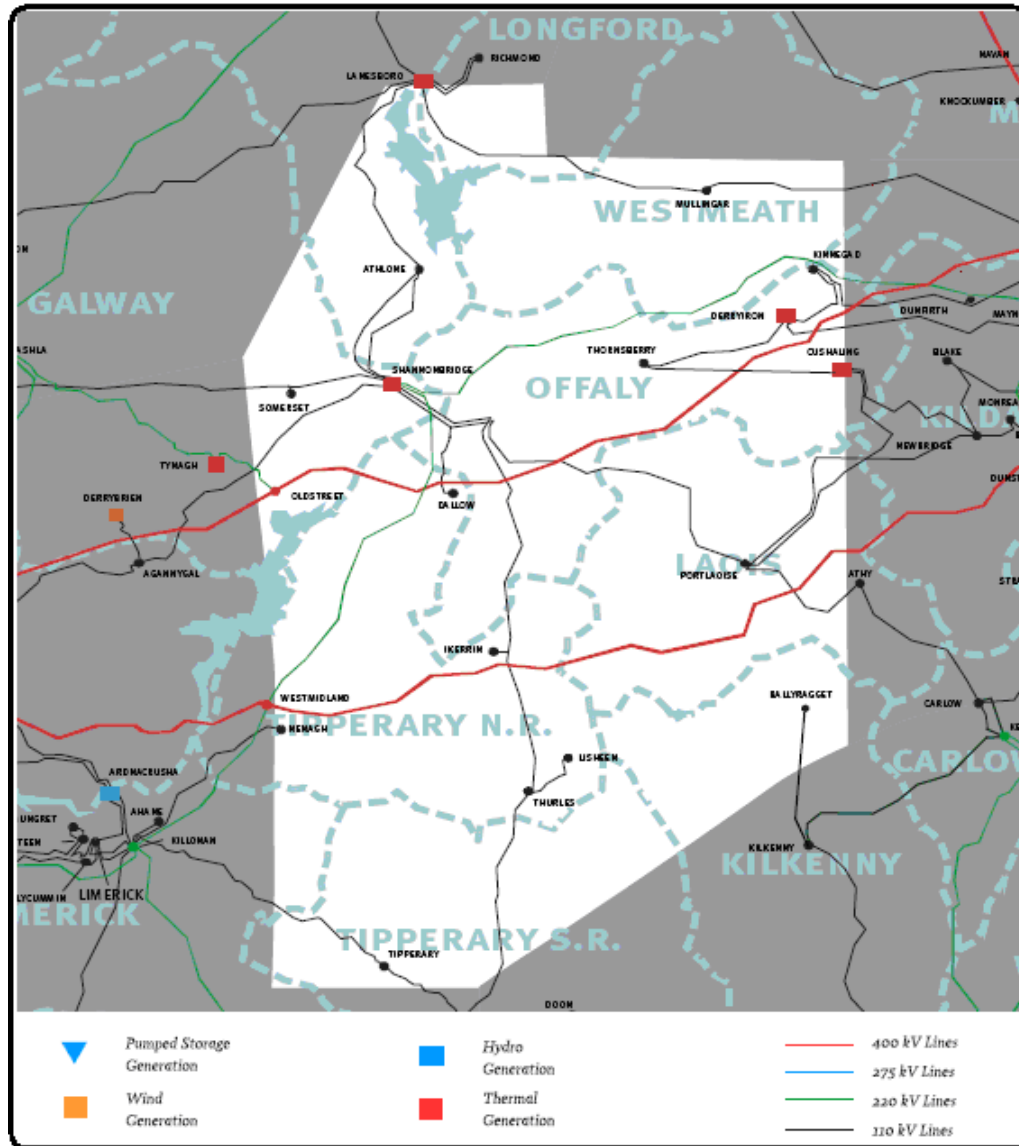
Eirgrid also states however, that without investment in the region's electricity transmission network;

- Over the next five to ten years, there will be no capacity in the network to cater for new customers and the reliability of supply to existing customers will fall below normal international standards;
- There will be no capacity in the network to allow further renewable generation to be connected.

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<sup>22</sup> Source: Eirgrid, *Grid25: A Strategy for the Development of Ireland's Electricity Grid for a Sustainable and Competitive Future*, 2008

Map 7: The Midland Region, as considered from an Eirgrid electricity supply perspective (North Longford and Westmeath are supplied from the North West and North East supply areas).



Source: Eirgrid, Grid25 Report, 2008

In order to avoid this scenario for the region, Eirgrid has planned the following key investments;

- An additional investment of approximately €310m through upgrading 225 km of transmission network and new circuit build;
- Tapping into the existing 400 kV line to strengthen the 110 kV network around Portlaoise providing capacity to supply the continuing strong growth in Kildare and Laois;
- Reinforcement to cater for continued demand growth in the gateway towns of Athlone, Mullingar and Tullamore;

- Upgrading will facilitate power flows from both renewable and conventional sources and maximise the use of existing power corridors.

Eirgrid suggests that the benefits resulting from these investments will include an increased security of supply to the region (for new and existing customers) and an improved network to allow for connection of renewable and small-scale thermal generation to the network.

## Waste Management

The quality, availability and cost of waste management solutions continue to be a key competitiveness issue for enterprise in Ireland. Enterprises continue to have concerns in relation to cost of waste management services and the lack of adequate waste infrastructure and services in Ireland to meet the demands from industrial, commercial and household waste generation.

There is currently a high level of uncertainty about the future direction of Irish waste policy. In particular, a decision on the regulation of the sector is pending. This uncertainty, which has serious implications for the provision of new services and infrastructure by the private sector and inhibits regional waste planning, is likely to continue for some time as the recently initiated review of waste policy by the Department of the Environment, Heritage and Local Government is not due to be completed until end 2009.

In addition to this uncertainty, the current scope of waste management strategies presents an issue. Existing regional waste management plans need to be coordinated at national level to attract investment in waste infrastructure in a way that maximises potential economies of scale, competition and enables the market to pass on the benefits to businesses and households<sup>23</sup>.

## Water and Waste-water

The provision of adequate and affordable water and waste water services is crucial to ensure the sustained growth and development of enterprise in Ireland. Access to secure and competitively priced water supplies, at appropriate quality levels, is core to the delivery of these services. Adequate waste water treatment capacity is essential for environmental sustainability<sup>24</sup>.

At present, treated water supply and sewerage treatment in the Midlands Gateway is primarily undertaken at a local level, with sources of water supply including Lough Owel and the River Shannon. Substantial investment in the region's water and waste water infrastructure has been undertaken in recent years through the individual local authorities. Continued investment in water services under the current NDP aims to address remaining capacity shortages.

In the recent Forfás (2008) assessment of water and waste water services from an enterprise perspective a number of issues were highlighted for the Midlands, including insufficient water and waste water capacity in Athlone by 2013, and capacity deficits in waste water treatment in Tullamore and Mullingar by 2013. It is expected that planned water and waste water infrastructure projects will address these deficits.

<sup>23</sup> Forfás, *Waste Management Benchmarking and Priorities Report*, 2008

<sup>24</sup> Forfás, *Statement on Infrastructure - Issues and policy priorities for enterprise development*, 2009

The Forfás report also examined non-domestic charges for water and waste water and it is notable that amongst the local authority areas with Gateways and Hubs, Offaly and Westmeath were third and fourth highest respectively in relation to their combined water service charges (Counties Laois and Longford were significantly above the average in terms of combined water service charges).

## 7. Quality of Life

The role of 'quality of life' factors in regional competitiveness is complex. They intertwine both the drivers and the outcomes of regional development and competitiveness. Furthermore, the notion of 'quality of life' is relative and highly subjective, with its various facets holding varying levels of significance for individuals depending on their individual tastes, disposable incomes, practical /fundamental needs etc.

Notwithstanding the above, by focusing on quality of life as a 'driver' of regional competitiveness (& enterprise development in particular) it is possible to identify some areas where its relevance is most pronounced, for example:

- creating the conditions to foster and support innovation, creativity, and knowledge generation/transfer
- attracting and retaining skilled people, particularly internationally mobile skilled labour
- attracting knowledge intensive internationally mobile foreign direct investment, including research and innovation activities

The Midlands region possesses some unique assets in terms of the diverse nature and quality of its rural environment, and the individual contributions of the main urban centres and smaller rural towns and villages. The region is easily accessible from all parts of the island and connectivity to the Dublin region and other key regional centres such as Limerick, Cork and Galway has been greatly enhanced through road improvements under the NDP.

A survey undertaken by Indecon in 2006<sup>25</sup> found that the quality of life in the Midlands is seen as a strength for employees in the region (79.5%). A smaller percentage indicated that perceptions of the Midlands as a place for investment and to live/work constituted a strength in the region. The underlying cost competitiveness of the Midlands in relation to other regions and its lower levels of traffic congestion are also seen as positive quality of life features.

### An Attractive Urban Environment/Urban Experience in Principal Urban Centres

The region's urban based population is dispersed amongst a number of centres, principally, Athlone, Mullingar, Tullamore, Portlouis and Longford, with none of these assuming a dominant role from a regional perspective. The NSS seeks to capture the joint capabilities of Athlone, Mullingar and Tullamore as a linked Gateway to achieve critical mass in support of the economic development of the region. Growing relationships between these centres, facilitated by better transport links and collaborative initiatives will permeate not only the

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<sup>25</sup> Indecon and Keith Simpson & Associates, *Strategic Development Framework for the Midlands Gateway*, 2006

economic sphere, but also the social and cultural arenas for mutual benefit. Individually too, the urban centres within the Midlands with their distinct character and surrounding rural amenities offer varied lifestyle options. Significant investment in enhancing the core areas of the larger towns, enhancing streetscapes and development of cultural venues etc has added to the attractiveness of these centres.

#### **Knowledge Capital - Learning Society (regionally integrated HEIs, accessible life-long learning)**

Athlone Institute of Technology has a central role in facilitating access to third level education and life-long learning within the region. The region has also much to gain from supporting closer relationships between the many education providers within the Midlands, and forging links with centres of education beyond the region. The Laois Third Level Centre at Portarlinton, while offering a limited number of courses, has partnered with a variety of educational institutes including NUI Galway, National College of Ireland and the Institute of Public Affairs (IPA). The Offaly Outreach Education Project has is adopting a similar approach.

#### **Cultural Capital, Cultural Amenities, Cultural Exchange**

The Midlands region possesses a wide variety of cultural amenities and offers numerous channels and venues for cultural events and cultural exchange. While a small number of cultural events have increased in terms of national profile, such as the Electric Picnic boutique music festival in Stradbally, Co. Laois, the Fleadh Ceoil in Tullamore, the National Livestock Championships at the Tullamore Agricultural Show, or the Athlone Triathlon, there is also a vast array of smaller scale events that are community based and family friendly. The region also boasts some excellent cultural venues including the Dunamais Arts Centre (Portlaoise), the Dean Crowe Theatre and Arts Centre (Athlone) and the Backstage Theatre & Arts Centre (Longford).

#### **Accessibility to a Diverse Range of Sporting and Recreational Amenities**

The Midlands possesses a unique landscape and heritage associated with peat boglands, uplands and waterways (incl. River Shannon, Slieve Bloom mountains, Grand Canal, Lough Ree, Lough Ennell, Lough Boora Parklands, Corlea Trackway, Shannon Callows, etc.) and offers a range of outdoor activities from hill-walking to fishing and leisure cruising. The region possesses some attractive and well regarded golf courses, including those at Glasson (Athlone), Hodson Bay (Athlone), Killenard (Co. Laois) and Tyrellspass (Co. Westmeath). The Heritage Golf Club in Killenard in County Laois is host to the Seve Trophy in 2009 having already hosted it in 2007. Development of sports centres such as the Athlone Regional Sports Centre and leisure centres at Portlaoise and Portarlinton are important additions to the choice of activities on offer in the larger towns within the region.

#### **Efficient Transport and Communications Networks (including public transport)**

The road transport infrastructure improvements ongoing within the region have already enhanced connectivity to the region and between the main centres within the region. With the expected completion of the Major Inter-Urban routes in 2010 there is a need to focus on remaining weaknesses and the development of an agreed prioritisation of key projects. The dispersed settlement structure within the region underlines the importance of not only

physical transport links but also strong telecommunications/broadband connectivity and again a focus on agreed set of key requirements is required to advance developments in this area

## Summary of Key Points: Quality of Life

- The Midlands possesses some unique environmental/natural heritage associated with peat lands, uplands and waterways, presenting an array of lifestyle and recreational options.
- Alongside the region's natural endowments, the Midlands Region offers a growing number and variety of cultural venues and cultural events, as well as sporting and recreational facilities.
- Accessibility to/from the region has improved substantially and is set to further improve with completion of the major inter-urban routes, offering increased potential for linkages and exchange across many dimensions of activity.
- A better understanding of the impact of quality of life issues, both in the context of the Midlands region and more generally from a regional development perspective, will be developed over the next phases of this project, which will involve extensive consultation with regional stakeholders and the interpretation of current international theory in this area for the Irish context.

## 8. Leadership and Local Capacity

### Overview

International research identifies the significance of local leadership in driving regional development. Local leadership can depend both on the institutions and personalities which operate within a region.

The Gateways Investment Priorities Study, produced by Fitzpatrick Associates, the International Centre for Local and Regional Development (ICLRD) and Brady Shipman Martin for Forfás and the Department of the Environment, Heritage and Local Government in 2006, identified the importance of local leadership in uniting the various 'elements' - infrastructure, economy, skills etc - that make a gateway work successfully. The report states;

*"The "packaging" at Gateway level, the bringing of the elements together, is an important element in a strategy to grow a Gateway and its environs/hinterland. Irish realities in this regard are distinct and, as elsewhere, governance in the Gateways is intertwined with governance in the country generally".*

*Various co-ordination mechanisms have been experimented with over the years to try to address the local co-ordination issue, both in individual areas, such as local development, and more widely.*

*It is critical that a mechanism be identified that provides invigorated Gateway leadership in a way that attracts cross-community and cross-organisational stakeholder buy-in, within the realities of the existing national and local governance structures".*

## Local Governance in the Midlands

There are a range of local, city, and county level bodies and organisations responsible for various elements of regional economic development in the Midlands (Table 8.1 below identifies these organisations and their remits). In the context of developing the linked Gateway in the Midlands region effective co-ordination and coherence presents a particular challenge.

Substantial progress has been made in the preparation of a Strategic Development Framework for the Midlands Gateway which was commissioned by Westmeath and Offaly Co. Councils and the formation of the Midlands Gateway Implementation Forum to oversee implementation of its recommendations<sup>26</sup>. In addition, the three Chambers of Commerce representing the constituent parts of the linked Gateway have formed a Midlands Gateway Chamber, representing over 700 business in the Midlands Gateway.

### Strategic Development Framework for the Midlands Gateway & Midlands Gateway Implementation Forum

In 2006, Indecon Economic Consultants in partnership with Keith Simpson and Associates, Planning Consultants were commissioned jointly by Westmeath and Offaly Co. Councils to prepare a Strategic Development Framework for the Midland Gateway.

The Strategic Development Framework for the Midlands Gateway prepared by Indecon & KSA identified ten 'Priority Areas' to be addressed to achieve effective Gateway development as follows:

- Achievement of rapid population growth and critical urban mass
- Improving infrastructure and connectivity
- Addressing the productivity gap and building on developing strengths in internationally traded niches
- Upgrading Third and 'Fourth' level infrastructure
- Enhance educational attainment and skills base
- Development of tourism sector
- Development of retail and distribution Activities
- Maintaining quality of life in Region
- Ensuring cost competitiveness
- Developing effective marketing and branding to build identity and visibility for the Gateway/Region

The Midlands Gateway Implementation Forum (MGIF) was established to implement the above recommendations. The Forum has been very active since its establishment, and in addition to its core task in implementing the Strategic Framework, also facilitated the preparation of the Midlands Gateway submission to the Gateway Innovation Fund. As part of the Gateway framework a logo was designed and launched for the Midland Gateway.

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<sup>26</sup> Indecon Economic Consultants in partnership with Keith Simpson and Associates

The MGIF has formed a small number of sub committees focused in the following areas:

- Skills Audit Sub-Committee
- Branding of the Gateway Sub-Group
- Midland Ambassador Sub-Group
- Cost Competitiveness

### Midlands Gateway Chamber

The Midlands Gateway Chamber was given its mandate by the three town Chambers of Athlone, Mullingar and Tullamore in 2007, bringing together the strengths of the three growing urban centres to form a combined force in the Midlands Gateway. The combined Chamber represents over 700 businesses in the region. The Chamber has two main goals:

- To promote the region as a competitive and attractive option for business and population growth
- To work hand-in-hand with the public sector to drive further investment in infrastructure, enterprise, and quality of life projects so the Gateway can secure its position as an attractive location to invest and live.

**Table 8.1: State planning and development organisations operating in the Midlands**

Organisation	Remit/Function/Mission	National Co-ordinator
<b>Local/Regional Authorities, Bodies</b>		
Border, Midlands and West Regional Assembly	Established in 1999 following the designation of Ireland as two regions for the purposes of EU Funding; Functions include; Manage and monitor the EU Regional Operational Programme 2007-2013; Promoting the co-ordination of public services in the region; Monitoring & making proposals in relation to the general impact in the region of EU funding; Making public bodies aware of the regional implications of their policies & plans;	Dept. of the Environment, Heritage and Local Government (DEHLG)
Border, Midlands and West Regional Assembly		
Midlands Regional Authority	Preparation of Regional Planning Guidelines (Planning and Development Act 2000) Monitor the delivery of EU Structural Fund assistance in the Midlands Promotion of co-ordination in the provision of local services in the region. Reviewing the overall development needs of the region and the making of statements on them as appropriate, and keeping under review the provision of public services in the region Reviewing the Development Plans of local authorities in the region and in adjoining regions	DEHLG

Organisation	Remit/Function/Mission	National Co-ordinator
<b>Local/Regional Authorities, Bodies</b>		
Westmeath County Council	Responsibility for certain local services such as sanitation, planning and development, libraries, collection of motor taxation, local roads and social housing.	DEHLG
Longford County Council	Responsibility for certain local services such as sanitation, planning and development, libraries, collection of motor taxation, local roads and social housing.	DEHLG
Laois County Council	Responsibility for certain local services such as sanitation, planning and development, libraries, collection of motor taxation, local roads and social housing.	DEHLG
Offaly County Council	Responsibility for certain local services such as sanitation, planning and development, libraries, collection of motor taxation, local roads and social housing.	DEHLG
County Development Boards	Established to prepare and oversee the implementation of a ten year county/city Strategy for Economic, Social and Cultural Development, which will provide the template guiding all public services and local development activities locally; in effect bringing more coherence to the planning and delivery of services at local level	DEHLG
<b>Enterprise/Skills Development Agencies</b>		
Shannon Development	Shannon Development is a regional development company dedicated to promoting and developing the Shannon Region of Ireland. Shannon development owns and manages an industrial property portfolio in the region.	Department of Enterprise, Trade and Employment (DETE)
Enterprise Ireland	Enterprise Ireland (EI) is responsible for the development and promotion of the indigenous business sector.	DETE
IDA Ireland	IDA Ireland (Industrial Development Agency) is responsible for securing new investment from overseas in manufacturing and internationally traded services sectors. It also encourages existing investors to expand and develop their businesses.	DETE
County Enterprise Boards	Stimulate economic and entrepreneurial activity at city/county level and to develop local indigenous enterprise potential in the micro-business sector.	Enterprise Ireland

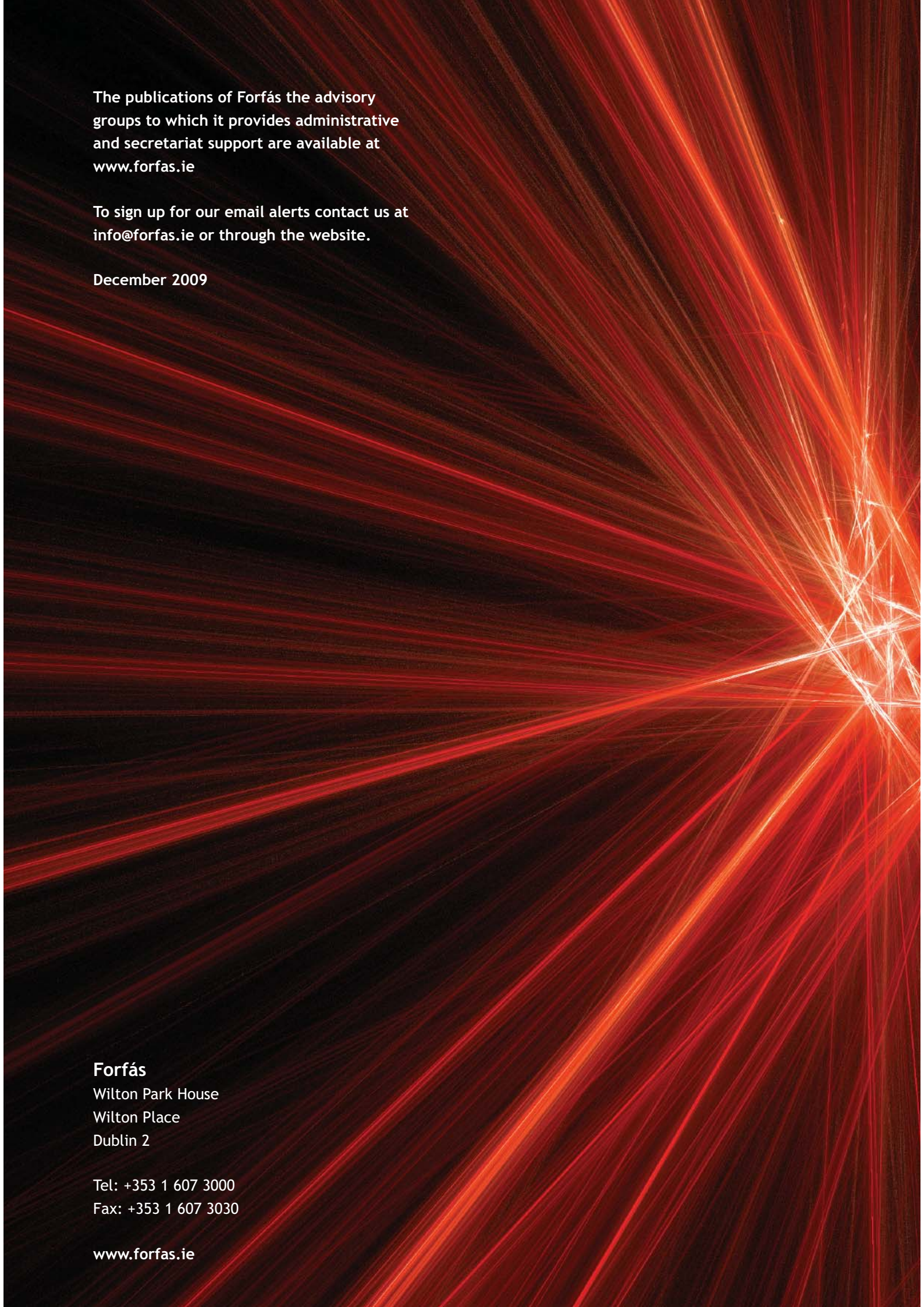
Organisation	Remit/Function/Mission	National Co-ordinator
<b>Enterprise/Skills Development Agencies</b>		
FÁS	FÁS is the National Training and Employment Authority, who is responsible for anticipating the skills and training needs of, and responding to, a constantly changing labour market	DETE
<b>Higher Education Institutes</b>		
Athlone Institute of Technology	Contribute to the technological, scientific, commercial, industrial, social and cultural development of the State with reference to the particular region, to provide balanced education to the highest international standard and provide learners with flexible higher learning opportunities.	Higher Education Authority
<b>Integrated Local Development Companies &amp; Employment Pacts</b>		
Laois Partnership Company	These local development bodies are responsible for the disbursement of significant public funds under a wide range of programmes in the NDP - including the Local Development Social Inclusion Programme & LEADER <sup>27</sup> .	DCRGA
Longford Community Resources Ltd		
Offaly Integrated Local Development Company		
Westmeath Community Development Ltd		
Westmeath Employment Pact		DCRGA
<b>Other regionally based development/co-ordination bodies in the Midlands</b>		
Midlands and West Enterprise Programme 2009 (MWEP)	One year programme that provides high potential entrepreneurs and innovative start-ups with the business skills, networks, facilities and supports necessary to navigate the business start-up process from concept to successful commercialisation.	Midlands Innovation and Research Centre (AIT) & Innovation in Business Centre (GMIT) (with EI)
Midland Energy Agency	The Midland Energy Agency was established in November 2007 and is currently reviewing energy usage in 4 county councils: Westmeath, Laois, Longford and Offaly. Its aim is to promote energy conservation, to raise awareness of energy issues, and to develop long-term energy policies for the region.	County Councils

<sup>27</sup> In 2007, new more coherent arrangements were put in place to have one integrated local development company providing a single access point for local communities. Nationwide the number of local development organisations were reduced from 106 in 2003 to 55 by the end of 2007

Community Enterprise Centres (CECs)
Athlone
Longford
Mountmellick
Mullingar
Granard
Portarlinton
Edenderry

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