

National **Rural** Development Conference 2008



‘Embracing Change’

Rural Economy Research Centre
Teagasc Mellows Campus
Athenry
Co. Galway

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Preface

Ireland has experienced tremendous change over the past two decades and the transformation looks set to continue. Rural areas are no exception – population growth and new settlement patterns, the rise of new and the decline of old sectors, changing patterns of land use, raised lifestyle expectations of people living in rural areas, and new policy regimes are only some of the key drivers of an ever changing rural Ireland. Teagasc and many other organisations are seeking to investigate and respond to such changes – in other words, to *Embrace Change*, the theme of the conference.

Against this backdrop, Teagasc through its integrated research, advisory and training services seeks not only to understand, but also to be an agent of change for rural development. Rural development is a multi-dimensional and complex process and a broad range of sectors and actors need to be focused upon in order for rural areas to confront the challenges presented by globalisation, economic and social restructuring and changing political realities.

The conference takes the theme *Embracing Change*, recognising that change represents not just challenges, but also opportunities. Embracing change is a challenge facing farmers, rural dwellers and the agencies which provide service for them. The conference is emblematic of the cooperation and partnership required to deliver improved outcomes for rural communities and our stakeholders bringing together a cross-section of agencies with a focus on rural development and within Teagasc through close cooperation of two of its operational arms within the advisory and research services.

This conference highlights some of the ways in which Teagasc is engaging with the broad challenge of rural development.

Research on important topics such as demographic change, innovation, and factors influencing rural inhabitants' embracing of change will be presented. More focused information on rural

development ventures and advisory activity will also be outlined, for example, on-farm tourism and off-farm employment opportunities.

In addition to presentations from Teagasc personnel, we welcome the participation of other critical agencies with a rural remit such as FÁS, Irish LEADER Support Unit, Pobal, Irish Rural Link and the Western Development Commission. Today we will hear their perspectives on the many facets of the changing rural economy and society, and the rural development challenges that such change brings forth.

We are also fortunate to have the Minister for Community, Rural and Gaeltacht Affairs, Éamon Ó Cuív who has kindly agreed to conduct a question and answer session in relation to his vision for the sector.

Next year is the 10th anniversary of the Rural Development White Paper and marks a timely opportunity to assess the progress made by the country in reaching its rural development objectives.

Teagasc plans to host a large scale conference in the Autumn of 2009 bringing together renowned national and international experts to discuss developments in this field and to look at directions for the future. It is clear that the overall vision of rural development programme - ***“the creation of employment opportunities - through the diversification of the rural economy - with the improvement of the quality of life and attractive places to live and work”*** (DG AGRI, 2007) - will require both the participation of rural inhabitants participating as stakeholders in the local development process, and cooperation between national agencies on issues relating to rural viability and development.

Kevin Heanue
Áine Macken Walsh
David Meredith
Cathal O'Donoghue
Gerry Scully

Contents

Rural Viability and the Teagasc Research Programme	1
Cathal O'Donoghue	

The Teagasc Advisory Service in a new Era.....	34
Gerry Scully	

Population and Settlement Change in the Republic of Ireland 1991 – 2006. Demographic Impacts and Implications for Rural Areas	41
David Meredith	

Innovation and Rural Development	62
Kevin Heanue	

Barriers to Change: a sociology of rural development.....	97
Áine Macken Walsh	

Walking and Rural Tourism in Ireland	116
Stephen Hynes, Maria Heneghan, Cathal Buckley and Tom van Rensburg	

Assessing the availability of off-farm employment and farmers' training needs.....	144
Mark O'Brien and Jasmina Behan	

Stimulating Rural Entrepreneurship.....	169
Paul McCarthy	

The Evolution of LEADER	183
Paul Keating	

Sustainable Rural Communities: Challenges facing Teagasc in their contribution to bring it about	201
Seamus Boland	
Supporting Communities	215
Aileen Gilchrist	
FAS and the Labour Market.....	220
Tony Barrett	
Regional Development Strategy	225
Pat O'Hara	
Axis 3 and 4 of Rural Development Programme.....	228
Pat Moynan	

Rural Viability and the Teagasc Research Programme

Dr Cathal O'Donoghue

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Introduction

The Irish rural economy is going through a period of immense change. The numbers employed in agriculture are declining. Within agriculture, the contribution of off-farm income to farm households is increasing as the proportion of the farming population engaged in other economic activities increases. For many farmers, diversification, entrepreneurship and innovation both on and off-farm are now key strategies for ensuring viability. Some sections of agriculture such as dairy and tillage are presently buoyant while others such as beef are under increasing competitive pressures. Moreover, new agricultural support mechanisms are changing the incentive structure facing all agricultural activities. More generally in the rural economy, employment options are ever more closely linked with urban areas.

High house prices and other factors such as improved transportation links have resulted in new settlement patterns which mean that rural areas are increasingly becoming part of urban hinterlands, resulting in different land use and ensuing environmental impacts. Evidence is beginning to emerge that for some rural residents especially the elderly and those with special needs, social exclusion, lack of access to services and isolation from the communities they inhabit are becoming increasing problems. More generally, the absence of childcare

facilities or curtailment of postal services or the presence of Gardai in rural regions undermines quality of life experiences.

All these features of rural areas have implications for the viability and sustainability of such regions. Therefore, as rural Ireland undergoes such substantial changes, the role of quality research monitoring, evaluating, analysing and forecasting these impacts becomes more important.

This paper describes some of the changing trends in the economic circumstances and policy environment of rural Ireland in recent years and details Teagasc's research response to these issues.

Changing Farm Structure

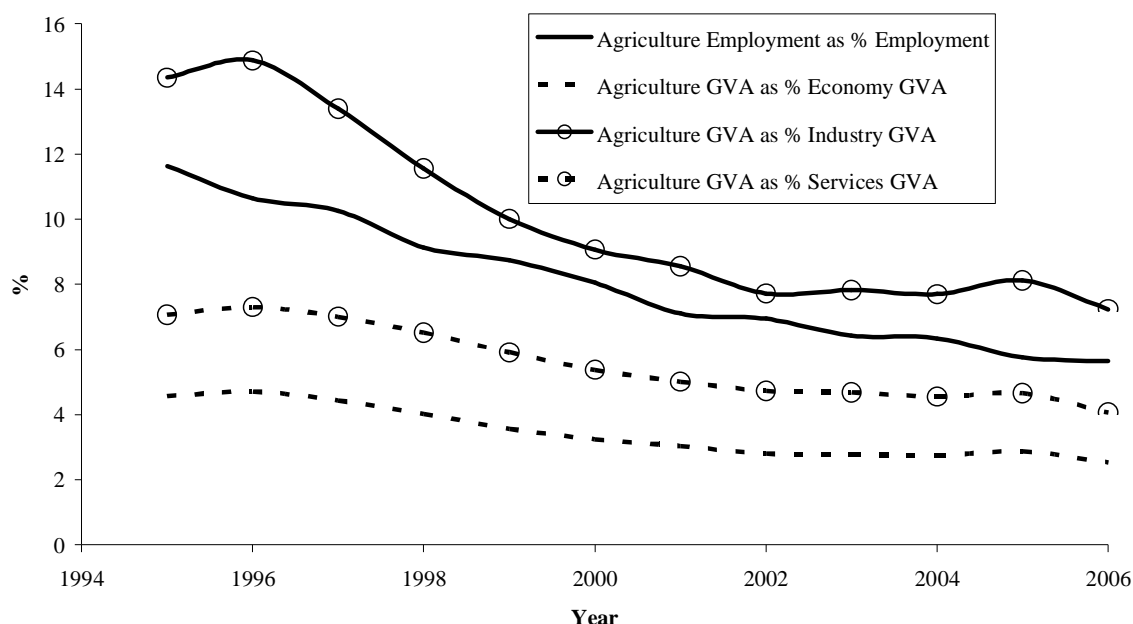
In this section we shall outline some of the changes that have been occurring on farms. In figure 1, we outline two key aggregate measures of the agricultural sector, the percentage of the work force employed in agriculture and the value added produced by the sector as a percentage of the economy.

Employment in agriculture, as a share of total employment remains higher than its share of contribution to national Gross Value Added (GVA), indicating that GVA per worker is lower in the sector. Figure 2 highlights the GVA per worker, with workers in industry having the highest GVA per worker. GVA per worker in the services sector is less than industry but higher than in agriculture. However we notice a trend in where GVA per worker of services has decreased from 91% of the industrial sector in 1995 to a low of 75% in 2004, before rising back to 78% in 2006.¹ Agriculture, although with a GVA per worker less than services, has seen some closure in the gap. Where in

¹ However it should be noted that output in the rest of the economy has been boosted by the favourable tax treatment of profits of multi-nationals, and that these to some degree overstate the productivity growth per worker in other sectors.

1995, GVA per worker in agriculture was 37% of that in services, by 2006 this had risen to 47%. This is due to the fact that although the size of the rest of the economy has risen more quickly, the decline in employment in agriculture has seen the GVA per worker increase at a greater rate.

Figure 1. Employment and Gross Value Added as a % of the Economy 1994-2006



Source: CSO

Part-time Farmers

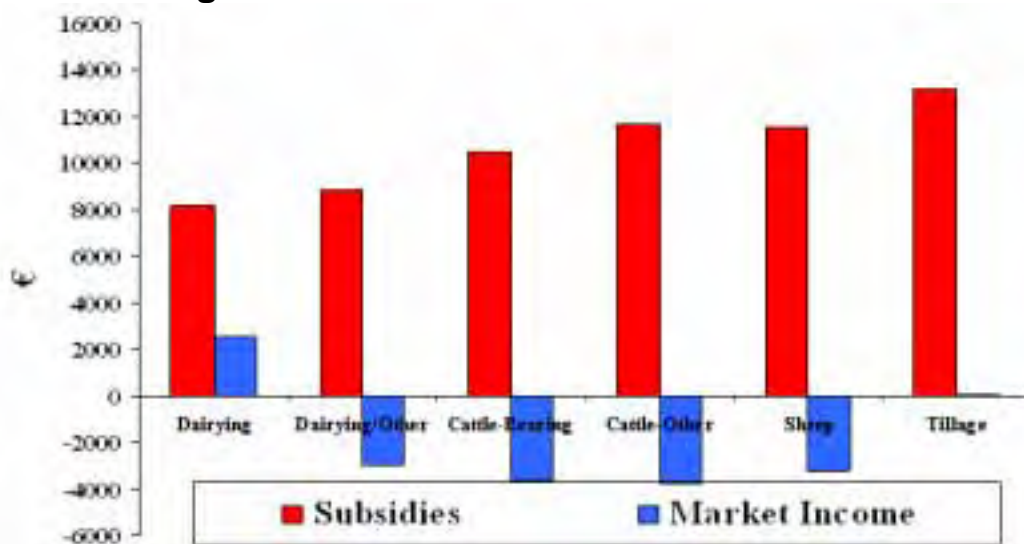
The changing economic climate over the last 15 years has seen a large rise in the proportion of part-time farms (less than 0.75 labour units). In 2006 around 60% of farms had non farm labour income, with nearly 90% of farms having incomes from other sources.

Table 1. Percentage of Part-time Farmers

	1993	1997	2001	2005
Holder or Spouse(%)	31.3	42.6	45.2	54.6
Holder (%)	23.7	29.3	32.9	38.1
Spouse (%)	12.2	21.5	24.1	32.4

Source: Connolly, Kinsella, Quinlan and Moran (2007)

Unsurprisingly, we see in figure 2, that subsidies are in relative terms, more important for these farmers than for full-time farmers, with only dairy farmers making a profit from the market.² However, this ignores the cost of compliance required to receive the single farm payment, where costs need to be incurred to be eligible for subsidies. Shifting costs from market incomes into net subsidies would change the picture slightly.

Figure 2. Incomes of Part-Time Farmers

Source: Connolly, Kinsella, Quinlan and Moran (2007)

² We must remember that subsidies received by dairy farms (full and part times) are understated when we only consider the direct payments. Because of the quota restriction farmers receive rents (subsidies from consumers). If support to different sectors was expressed in the OECD's Consumer subsidy equivalent (CSE) then support to dairy farmers we would expect would be higher than support for beef farmers. Beef and sheep supports are more transparent because their Common Market Organisations (CMO) have been reformed over the last 15 years while the dairy CMO hasn't.

Farm System

The observed trend in the increase in part-time farming and rise in off-farm employment can also be seen in the change in the type of system. In table 2, based on work done by Liam Connolly and the National Farm Survey team, we outline a number of different measures of the size of different sector, distribution of gross output, family farm income, land use and number of farms. Under each of the measures, we see a move over the period 1993-2005 into the livestock sectors. Given the lower income per hectare from these systems, the logical conclusion is that farmers have gravitated to these system types because they are more complimentary with off-farm employment. Given the difference in GVA per worker in agriculture and other sectors noted above, farmers are voting with their feet in favouring off-farm work to on-farm work. However this has the personal cost of commuting and double jobbing.

Table 2. Farm System 1993-2005

System	Dairying	Dairying + Other	Cattle Rearing	Cattle Other	Mainly Sheep	Mainly Tillage	All Systems
Gross Output							
1993	41	21	5	13	10	11	100
2005	31	16	13	19	11	10	100
Percentage of total Family Farm Income							
1993	42	20	5	13	12	9	100
2005	29	15	14	22	12	9	100
Percentage of UAA							
1993	23	18	10	21	18	10	100
2005	19	13	18	22	17	11	100
Percentage of farm numbers							
1993	35		17	28	16	6	100
2005	25		25	27	16	7	100

Source: Liam Connolly (2007) – AESI Presidential Address.

Farm Household Incomes

However, due to the prevalence of off-farm work, incomes from farming account only for a proportion of farm household incomes. In table 3, we highlight the trend in the sources of incomes by farm households. In 1987, 59% of the incomes of farm households came from farming. While this remained static until the mid-1990's, rapid changes occurred over the last decade so that now only 38% of farm household income comes from farm activity. In 2005 over 53% of farm household income came from off-farm employment, with 8% coming from other sources.

Table 3. Components of Household Direct Income by Source for Farm Households 1987-2005

<i>Income Source</i>	<i>1987</i>	<i>1994</i>	<i>2000</i>	<i>2005</i>
Wages/salaries (off-farm)	29	35	48	53
Farming	59	58	44	38
Other (e.g., pensions, investments)	12	7	8	8

Source: HBS 2004/5 & Commings (2003)

Farm household account for 5.6% of households in Ireland with incomes about 90% of urban households (61.8% of households) and slightly higher than other non-farming rural households (32.5%). This income disparity between urban and rural households results in a higher poverty rate amongst rural households identified in table 4, with farm households in particular experiencing health and housing disadvantage as indicated in the recent ESRI report on poverty and social disadvantage.

Table 4. Urban and Rural Household Incomes

	<i>Urban</i>	<i>Farm</i>	<i>Rural (Non Farm)</i>
Average Weekly Disposable Income	872	797	793
Share of Households	61.8%	5.6%	32.5%
Poverty Rate	16%		22.5%

Source: SILC 2005

Impact of Rural, and Regional Policy on the Rural Economy

In this section we critically assess the policy instruments described in previous sections to compare their intent with their actual impact. We will try to analyse in a general way the focus of policies with a rural focus in Ireland. The *Cork Declaration* in terms of EU policy and the *Ensuring the Future - A Strategy for Rural Development in Ireland - A White Paper on Rural Development*, in terms of Irish policy set the desired direction for policy in this area.

Balanced Regional Development

Balanced rural/regional development is a key objective both the Cork Declaration and the White Paper. The Cork Declaration set the objective rural development policy to “reverse rural out-migration, combating poverty, stimulating employment and equality of opportunity, and responding to growing requests for more quality, health, safety, personal development and leisure, and improving rural wellbeing”, while the White Paper argued a regional approach to development planning would be required to achieve a balanced spatial distribution of population.

An overall indicator as to whether rural and regional development policy has been successful is whether the level of economic activity in different regions is at similar levels or whether there at least has been convergence between regions. In Table 4, we highlight the spatial inequality of gross value

added (GVA) per capita. In 2004, there were clear spatial differences in economic activity with the Midland area only have 66% of the national average GVA per capita, together with other mainly rural areas in the Border, Midland and Western NUTS 2 Region being less than 80% of the average with the Mid-East region in the commuting zone around Dublin, being only slightly above this threshold. Dublin on the other hand had GVA per capita at 133% of the national average and 122% in the South West, due to the concentration of multi-national businesses in the Cork area. While it may be difficult to adjust this proportion in a short period of time, balanced regional development should at least deliver a convergence in this disparity. Comparing 1995 with 2004, we see a substantial increase in GVA per capita, even allowing for changes in price, especially by EU standards. However despite this, there has in fact been further divergence, with the regions that had above average GVA per capita in 1995, largely areas with large urban centres, increasing by 15 percentage points in the South West and by 5 percentage points in Dublin, while the poorest regions declining with the Mid East region falling from 92% of national GVA per capita in 1995 to 74% in 2004 and Border and Midland regions falling by 4-5 percentage points.

Table 5. Growth in Gross Value Added per Capita 1995-2004

Region	GVA per capita (1995)	GVA per capita (2004)	GVA per capita (State = 100; 1995)	GVA per capita (State = 100; 2004)	Growth Rate	Urban Pop as % of Pop.
Border	10494	24142	79	74	130	33
Midland	9288	21553	70	66	132	37
West	10145	24315	76	75	140	34
Dublin	16982	43314	128	133	155	
Mid-East	12273	23973	92	74	95	
GDA ¹	15801	37966	119	117	140	97
Mid-West	12650	30300	95	93	140	43
South-East	11345	26510	85	82	134	43
South West	14193	39734	107	122	180	55
State	13281	32501	100	100	145	60

Source: CSO – *County Incomes and Regional GDP 2004*.

Note: 1 Greater Dublin Area including Mid East and Dublin

Gross Value Added per capita is a measure of the extent of economic activity in an area. Household disposable income (market incomes plus transfers minus taxes) however is a better measure of the standard of living for people within a region. In table 6, we report the pattern and trend in disposable income per capita, where we observe again a regional disparity but much less pronounced than we observed when looking at GVA per capita. The poorest region in 2004 is the South East with 91% of the disposable income per capita of the State, compared with the richest region Dublin with 112% of the state's average. The gap between richest and poorest of the order of 21 percentage points in average incomes is still sizeable but less than the gap of 27 percentage points observed of GVA per capita. While the South East goes from the top of the poor group when GVA is measure to the bottom when disposable income is measured, the Mid-East region increases to nearly the national average in terms of disposable income.

Table 6. Growth in Household Disposable Income per Capita 1995-2004

Region	Disposable Income per capita (1995)	Disposable Income per capita (2004)	Disposable Income per capita State = 100 (1995)	Disposable Income per capita State = 100 (2004)	Growth Rate	Urban Pop as % of Pop.
Border	8371	17328	92	92	107	33
Midland	8241	17280	91	92	110	37
West	8386	17852	92	95	113	34
Dublin	10287	20988	113	112	104	97
Mid-East	8901	18427	98	98	107	
Mid-West	8924	18828	98	100	111	43
South-East	8272	17126	91	91	107	43
South West	8853	18301	97	97	107	55
State	9089	18781	100	100	107	60

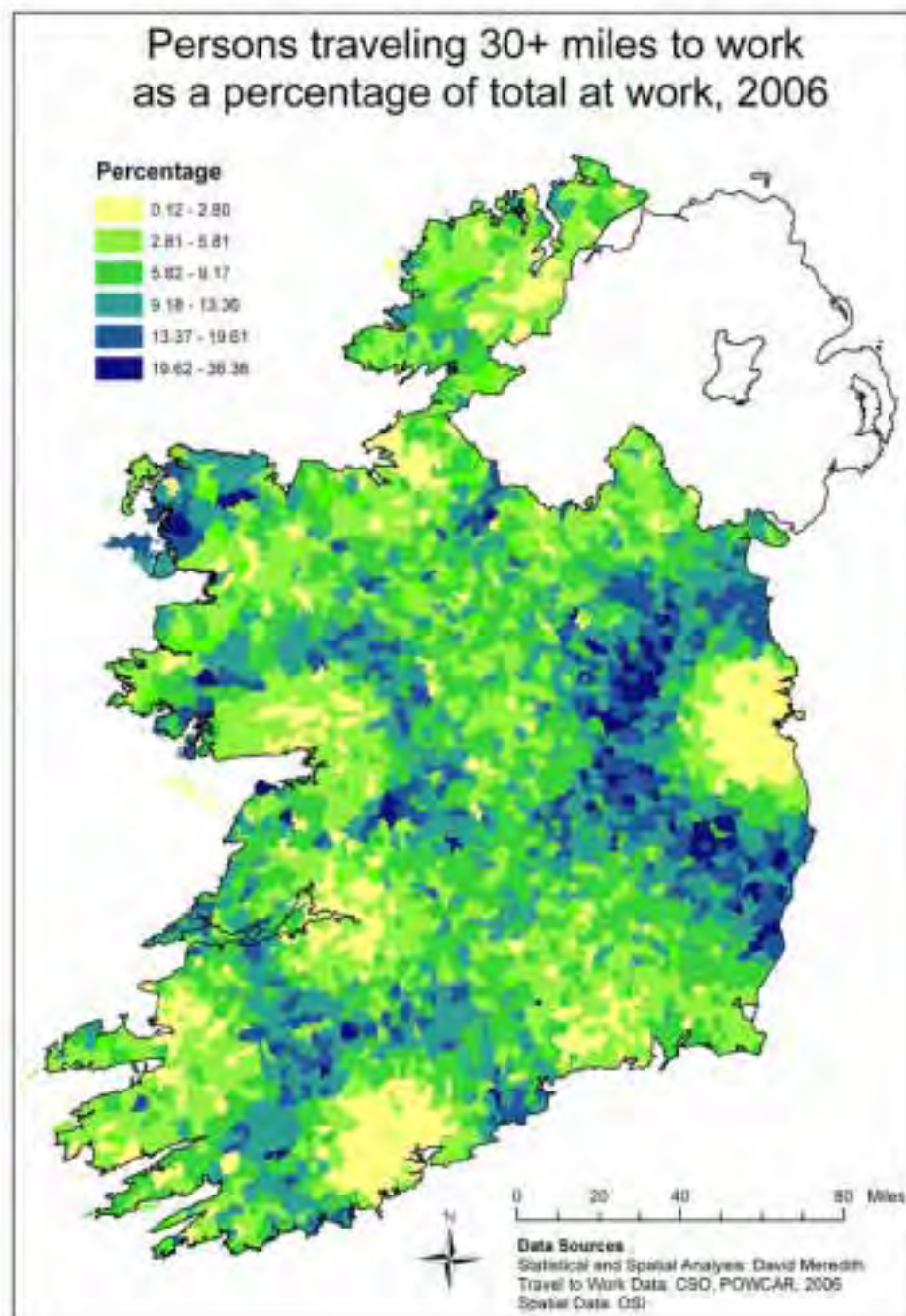
Source: CSO – *County Incomes and Regional GDP 2004*.

The growth rate in disposable income between 1995 and 2006 has been lower than the growth rate in GVA per capita indicating to some extent the rise in the level of expropriated

profits from the multinational sector. We notice however some evidence of very slight convergence in average disposable incomes over period with the richest region, Dublin growing slightly more slowly than the national average and the Western and the Midlands regions growing slightly higher than the national average.

One of the main reasons for this discrepancy is the difference between where people live and where people work. In figure 3, we highlight the commuting patterns observed in the 2002 Census indicating in the darker colours areas with 20%-40% of workers commuting 30 miles (50 km) or more to work each day, which may help to explain some of the discrepancy.

Figure 3. Commuting Patterns 2006



Source: Meredith, D. (2007) 'Changing Commuting Patterns in the Republic of Ireland' paper presented at the Regional Studies Association Scottish and Irish Section's Annual Conference. September 19th - 20th, 2007.

Similarly inter-regional transfers may help to explain some of these differences. In table 9 we report an analysis done by Edgar Morgenroth of the ESRI of the total revenues and expenditures in the different regions, where we see that the poorer Border, Midland and Western regions have net positive expenditure (i.e. expenditure higher than revenue) from the state to the order of 12%-21% of total expenditure in the region, while transfers from the richest two regions in Dublin and the South West have net negative expenditures of the order of 10%-12%, indicating the significant transfer of resources within the country.

**Table 7. Net Public Sector Revenue and Expenditures
(2004)**

	Total Revenues €million	Total Expenditure €million	Net Expenditure €million	Net Expenditure as % of Expenditure
Border	4819	5501	682	12.4
Midlands	2432	3082	650	21.1
West	4225	4880	655	13.4
Dublin	17897	15854	-2043	-12.9
Mid-East	4948	5463	515	9.4
Mid-West	4281	4175	-106	-2.5
South-East	4760	5155	395	7.7
South-West	8259	7511	-748	-10.0
State	51622	51622	0	0.0

Source: Edgar Morgenroth, *The Regional Dimension of Taxes and Public Expenditure in Ireland*

Therefore to conclude there has been a focus on inter-regional development as evidenced by the level of inter-regional transfers and the slight convergence in disposable incomes, we would question as to whether the net impact of rural and regional policies has been to enhance balanced regional development as the economic activity is very highly concentrated in urban areas. The maintenance of regional standards of living is dependent to a large extent upon very high levels of commuting and the pressures on personal and

family life this entails. While necessary public infrastructure developments in terms of roads and public transport are underway as part of the national development plan, and while they are important from the point of view national economic efficiency, they may not be a long term sustainable solution to commuting and congestion as international experience indicates that road development unless properly managed, grows traffic volumes and spreads commuting patterns further. Generating rural based high value added jobs is the only sustainable solution – requiring stricter adherence to the objective of balanced regional development.

Territorial and Sectoral Focus

Both the Cork Declaration and the White Paper on Rural Development argued for an increase in the territorial focus rather than a mainly sectoral focus on rural development, so in other words, although agriculture is and will continue to be an important component of rural economic activity, “rural development must address all socio-economic sectors in the countryside” (Cork declaration) and a greater focus should be on the rural space. The Cork declaration also argued that “rural development policy must be multi-disciplinary in concept, and multi-sectoral in application, with a clear territorial dimension”. It also advocated that development should be based upon “an integrated approach, encompassing agricultural adjustment and development, economic diversification ... the management of natural resources, the enhancement of environmental functions, and the promotion of culture, tourism and recreation.” The White paper stated that “Government is committed to integrating sectoral policies with a regional approach to development and to implementing policies which will address the wide range of possibilities for economic development”.

There have been a number of successful policy developments in this area including:

- The development of a National Spatial Strategy where rural issues have been considered as part of a wider spatial focused development programme
- Support for balanced regional development in the various National Development Plans
- Assigning a broader range of roles to Leader companies and linking LEADER companies to specific geographical areas

However when one examines the national planning frameworks that relate to rural development, there seems to be little change in focus. The Rural Development Programme 2007-2013 is the main policy vehicle for rural development describing the national action plan under the 4 axes of the CAP and the implementation of EU and national programmes. In terms of expenditure, the focus primarily has a sectoral dimension with 90% of expenditure going on axes 1 and 2 which focus on competitiveness of agriculture and on environment and land management that primarily relate to agri-environmental schemes. The language and analysis carried out in the programme also has a heavy sectoral focus. We note in table 8 that 22% of the analysis focused on agricultural issues, 29% on broader rural economy and society issues, with vast bulk of the analysis of environmental issues (49%) also relating to the farming aspects of the environment. An even higher proportion of the SWOT analysis focused on sectoral aspects relating to Agriculture.

Also in the section focusing on other rural enterprises, much of the focus related to traditional sectors or the difficulties faced by rural enterprises. Relatively little emphasis was placed upon knowledge economy based businesses, which the report noted “not always location dependent – though experience has shown that some have a preference for locating near large centres.” Although not the primary policy instrument for policy in this

area, very little thought or policy planning seems to have taken place in

In the context that natural resource based primary sectors account for less than 11.9% of employment in Rural Areas³ and in no region does the sector account for more than 5% of Gross Value Added⁴ and that the proportion of value added in the economy coming from the sector declining over time, relatively little focus has been placed on ways in which rural areas can diversify and strive to increase the proportion of value added being generated by the economy.

Table 8. Content of Analysis in Rural Development Programme (Section 3)

Area	Words of Analysis
<i>Agriculture</i>	
Off-farm employment	263
Agricultural structures	413
Performance of the agricultural, forestry and food sectors	1545
Total	2221 (22%)
<i>Rural Environment</i>	4907 (49%)
<i>Rural Economy and Society</i>	
Education and Employment Profile	559
Enterprise	675
LEADER	564
Tourism	626
Infrastructure and Services	427
Total	2851 (29%)

Multi-Sectoral Development Policies

As noted above, only limited impact can be achieved by single sector or single government department initiatives. The Cork Declaration and the White paper call for coordinated multi-sectoral policy making. The White paper detailed a number of

³ CSO Census (2002).

⁴ CSO County Incomes and Regional GDP (2004).

potential ways in which this coordinated approach might take place

- The establishment of a “lead” government department to “to provide the on-going policy focus for rural development”.
- The establishment of a Cabinet Sub-Committee and Interdepartmental Policy Committee to ensure a co-ordinated approach to policy
- Rural Proofing “of all national policies so as to ensure that policy makers are aware of the likely impact of policy proposals on the economic, social, cultural and environmental well-being of rural communities.”⁵

There has been some progress made on these objectives. A lead department was established, initially the Department of Agriculture, Food and Rural Development and more recently a dedicated department The Department of Community, Rural and Gaeltacht (DCRG) affairs. The DCRG however is a relatively small department with a budget in 2007 of €351m compared with the larger Department of Agriculture and Food with a budget of €1363m. Also while a cabinet sub-committee has been established, it has been created in a relatively diluted fashion, covering in addition to rural development, the areas of social inclusion and drugs. In addition while the main development ministries (Education and Science; Enterprise, Trade and Employment; Environment, Heritage and Local Government; Community, Rural and Gaeltacht Affairs), are represented on the committee, the focus is more on inclusion issues rather than development issues as noted in the

⁵ All quotes *Ensuring the Future - A Strategy for Rural Development in Ireland - A White Paper on Rural Development*.

committee's objectives, providing "an integrated basis for the Government's activities in the social exclusion area in general".⁶

Table 9. Analysis of Rural Proofing in National Policy Documents

Document	Result
The Irish Rural Development National Strategy Plan 2007-2013	No hits
The Rural Development Programme Ireland 2007-2013	Weatherproofing; stockproofing. Also in the context about proof of compensation payments
National Development Plan 2007-2013	Equality (of opportunity)* proofing
National Spatial Strategy for Ireland 2002 - 2020 People, Places and Potential	No hits
NESF (2006) Improving the Delivery of Quality Public Services Report 34	Equality proofing (one hit)
National Action Plan for Social Inclusion 2007-2016	Poverty proofing (now renamed as Poverty Impact Assessment); gender and equality proofing
Delivering Homes Sustaining Communities: Statement on Housing Policy 2007	'Sustainable community proofing'**

Source: Heanue (forthcoming)

Note:

*The equality proofing process seeks to identify any unintended negative impacts of policy on any category of persons protected by equality legislation.

** Sustainable community proofing will be introduced for all new projects.

However the objective of rural proofing multi-sectoral policies has had much less success. A plan was drawn up describing the steps involved in Rural Proofing.⁷ This involved the Preparation of:

- A Rural Exclusion Policy Statement
- Rural Proofing Plan

⁶ Office for Social Inclusion *Membership of Cabinet Committee on Social Inclusion, Drugs and Rural Development*.

⁷ 'Rural Proofing for the Local Development Social Inclusion Programme-Supporting Rural Communities' (ADM)

- Rural Impact Assessment
- Rural Proofing Review

The 1999, Programme for Prosperity and Fairness, (PPF) produced around the same time as the White Paper on Rural Development outlined that: “Procedures for rural proofing of all national policies are in place and will be supported by detailed guidelines for Government Departments early in the period of this Programme”.

However to the authors’ best knowledge little or no formal rural proofing took place, so that by the current round of national planning, the concept has been lost entirely from discussion (see table 9).

Another potential source of information on the rural proofing and the support of regional development can be found in annual reports and statements of strategy. As the concept of rural proofing seems to be off the agenda, it is referred to rarely if ever in these documents. However what may be more interesting is analysis the agency gives to rural and regional development within its objectives. Given the large range of national agencies, we cannot analyse them all, preferring here to focus on a small number of important agencies from the point of view of rural development: namely

- Enterprise Ireland/IDA Ireland
- Decentralisation Policy
- Tourism Ireland

Table 10. Employment by Enterprise Ireland Client Companies (% of Total)

	Employment	Gains	Losses	Population
Dublin/Mid East	42	41	38	39
Midlands	6	7	6	6
North East	11	14	5	11
North West	4	5	4	
Mid-West ¹				9
South East	12	10	12	11
South West	16	13	24	15
West	8	10	10	10
State	100	100	100	100

Source: Enterprise Ireland Annual Report & Accounts 2006.

Note: Until 2007, Shannon Development had responsibility for enterprise development in the Mid-West region.

Enterprise Ireland is the state agency with responsibility for the development of Irish companies to achieve strong positions in global markets. It has an explicit development focus including regional development in its mission statement. It's statement of strategy⁸, regional development is the primary focus of rural/regional development. In table 10, we see that the distribution of jobs in enterprises supported by Enterprise Ireland broadly reflects the population distribution, reflecting well at least the focus on regional development.

Focusing on IDA Ireland, the body charged with attracting foreign direct investment into Ireland, we see in table 11, the distribution of employment by IDA client companies across Ireland that although there is a regional spread in employment creation, the Eastern region has a disproportionate amount of these jobs. FDI based jobs tend to be very high value added

⁸ Transforming Irish Industry: Enterprise Ireland Strategy 2008-2010.

with average salaries in 2006 being €42000. Therefore the location of these jobs can be an important driver in rural and regional development.

Sean Dorgan, the CEO of IDA Ireland outlined in 2004⁹ some of the issues related to attracting FDI into regional gateways. He argued that in order to be able to compete internationally for this investment (high end manufacturing, internationally traded services projects, skills and technology-intensive firms) that these gateways must provide “a critical mass of skills, of supporting business services, of educational institutions, and of communications and other advanced infrastructure, ..., high quality infrastructure especially international accessibility, broadband and energy and a high quality-of-life rating... (and) provide a suitable population base and promote an environment conducive to cluster development and the social networks that underpin such phenomena.”

Table 11. Employment by IDA Client Companies

Region	Employment		Share (State = 100)		% Change	Population
	2001	2006	2001	2006	2001-2006	2002
North West	5861	5107	4	4	-13	11
North East	4286	3385	3	2	-21	
West	11858	12896	9	10	9	10
Mid West	11963	11746	9	9	-2	9
Midlands	5639	5383	4	4	-5	6
East	61318	64777	47	48	6	39
South West	19526	20840	15	15	7	15
South East	11077	11353	8	8	2	11
State	131528	135487	100	100	3	100

Source: Roads Source: IDA Ireland Annual Report & Accounts 2006.

⁹ Sean Dorgan (2004) “The Gateway concept and positioning to win FDI” Sean Dorgan Chief Executive Officer IDA Ireland at Midlands- Gateway to Opportunity and Investment Conference, Athlone

Decentralisation of government activities from the Dublin, the capital city to the regions can be a mechanism to enable the development of critical mass in regional gateways. For example Dorgan (2004) argued that decentralisation of government departments can have an important impact on the capacity to attract further inward investment as it “should bring a strong national strategic perspective (and) ... adds to the critical mass of substance and activity and provides the basis, for example, for better communications, hotels and business services in the region”. In December 2003, the Irish government announced a process of decentralising, involving the transfer of complete government departments to provincial locations, including a total of 8 (of 15) Departments and the Office of Public Works, with over 10,000 civil and public service jobs relocating to 58 locations throughout Ireland.¹⁰

This presented a very powerful opportunity to enhance the position and critical mass of gateway towns in Ireland facilitating regional development and the development of their rural hinterlands. However of the 10471 planned decentralisation posts, 16% are intended for gateways, with 5% to other hubs such as Waterford and Cork, with the remainder going to smaller towns around the country. In an article by the then Minister of Finance Charlie Mc Creevey¹¹ justified this effectively on the basis of administrative convenience. However many commentators^{12,13} have argued that the decentralisation resulted from short term local political pressures. While this wide dispersion will have a local impact on local economies, the plan loses the opportunity to create counter poles of

¹⁰ Progress Report of the Decentralisation Implementation Group (2007)

¹¹ Mr Charlie McCreevy, *Decentralisation*, 9 February 2004, Department of Finance Website.

¹² “Using public servants as political pawns” Frank McDonald, Environment Editor, The Irish Times AHCPs Annual Conference, May 6th, 2005

¹³ “Spatial plan a load of nonsense” Sunday, January 22, 2006 - David McWilliams

development to the capital and in the regions, counter poles to the regional centres and benefit from the increasing returns to scale that they would bring and thus reducing the potential benefit from the exercise.

Tourism does and can provide opportunities for economic development in rural areas. However there have been significant problems in the sector in recent years. While, “between 1999 and 2004 the number of nights spent by overseas visitors in Dublin had increased by more than 3 million to nearly 7.5 million, elsewhere in the country the number of bed-nights by such visitors fell by 2.5 million (to almost 16 million) over the same period.¹⁴ Also the number of local guesthouses and bed and breakfast accommodation declined 27% between 2001-2005, especially country homes and farmhouses, with the number of guesthouse and B&B’s Nights declining from 2.3 million (11%) to 1.8 million (7%) from 2000 to 2005. Tourism is also highly concentrated with five of the top counties for tourism attracting 69% of all overseas tourism revenue in the period while the bottom 5 counties, including some in the weak or transitional rural typography categories, earned just 2% of all overseas revenue.¹⁵

The Rural Development Programme notes that “the rural tourism sector lacks a cohesive strategy and is inefficient in that it takes the form of many unrelated, small scale initiatives at local level. The achievement of critical mass at the local level is essential to the establishment of a viable sector in the future. Successful community based rural tourism is dependent on the totality of community involvement and its interaction with its environment and visitors. If rural tourism is to represent a realistic sustainable development option, it will require a carefully planned and targeted strategy as well as a high level

¹⁴ Tourism Action Plan Implementation Group Third and Final Progress Report, March 2006

¹⁵ Rural Development Programme 2007-2013

of commitment, organisation and willingness to pursue objectives on the part of communities.” The report, therefore again highlights the importance of the achievement of critical mass and the alignment of the objectives of different actors in the public and private sector to increase the capacity of the sector to improve the regional balance and to provide local employment and enterprise opportunities in rural areas.

Partnership

One of main mechanisms espoused by the Cork Declaration and in the White paper was to make maximum use and gain from the scale economies that can be achieved through networks of public and private actors, “based on partnership and co-operation between all levels concerned (local, regional, national and European)”. Similarly, Dorgan (2004) in discussing the capacity of FDI as a driver of regional development said that “success, however, will utterly depend on all partners delivering their programmes - be it the providers of local services, infrastructure, access links, environment, education or new business expansion and growth...(and) will deliver balanced regional growth”.

National level partnership has provided an important framework for stability in the economy and successful solution of issues and conflict between the social partners. Similarly, the development of local area based partnerships through the LEADER programme has been a successful outcome of rural development policy frameworks.¹⁶

¹⁶ The capacity of LEADER as a vehicle to effectively diversify the rural economy in a way that is representative of local development stakeholders is accepted both at the National and EU policy levels, and considerable emphasis has been on mainstreaming the approach for the period 2007-2013 (see section 5 below). To date, three LEADER programmes have been implemented since LEADER I: (1991- 1995); LEADER II (1996-2000); and LEADER + (2001-2006).

As highlighted above, partnership has been less successful at the multi-sectoral/territorial level, with a general failure to implement effective coordinating and monitoring policies. Given the general economic buoyancy of the economy as a whole during the years of high economic growth, signs of a slowdown in the economy create some concerns about the capacity of public agencies to respond in a coordinated manner to deal with problems as they occur.

One particular area where partnership could be more effectively exploited is in dealing with the vacuum left by the expected decline in the importance of the construction sector. This is especially relevant for Teagasc given that it is an employment area where significant numbers of farmers have off-farm jobs. In the Border, Midlands and Western (BMW) region of Ireland for example, there is a very high dependence on traditional forms of income-generating activities, and 30% of males are now employed in the construction industry (O'Donoghue, 2007). Given that Forfás predict that 68% of jobs will require third-level qualifications between 2004-2010, a pertinent question is how rural dwellers (those who remain in rural areas) can compete for knowledge-based jobs into the future, and the extent to which state agencies and instruments are impacting on this situation (O'Donoghue, 2007).

Improving the jobs skills of this group to enable them to diversify into high skilled professions in the case of a downturn will require the partnership of multiple agencies including Teagasc, the National Agriculture and Food Authority which has very strong links through its advisory service to the sector and FÁS, the national Training and Employment Authority.

Many of these objectives and partnership arrangements are being delivered at the local level through partnerships between local agencies and businesses through the LEADER programme. It would seem that much could be learnt at the macro level to improve the coordination, impact and

effectiveness of national and macro level policies in rural development. While it is beyond the scope of this paper to propose how these regional and national level partnerships could be established, returning to the White Paper's original objectives of structured policy coordination and cooperation would seem to be a sensible direction to follow.

Rural Economy Rural Viability Research Programme

In this section we detail the response of Teagasc to the issues raised by rural viability questions. The Centre is currently divided into three Departments Farm Survey, Agricultural Economics and Rural Viability and Sustainability Department. In addition research units have been established and relate more to the organisation of the research and administration of the Centre.

Figure 4 describes in graphical form the main attributes of the Rural Economy Research Centre and how they link to Teagasc's strategic objectives of:

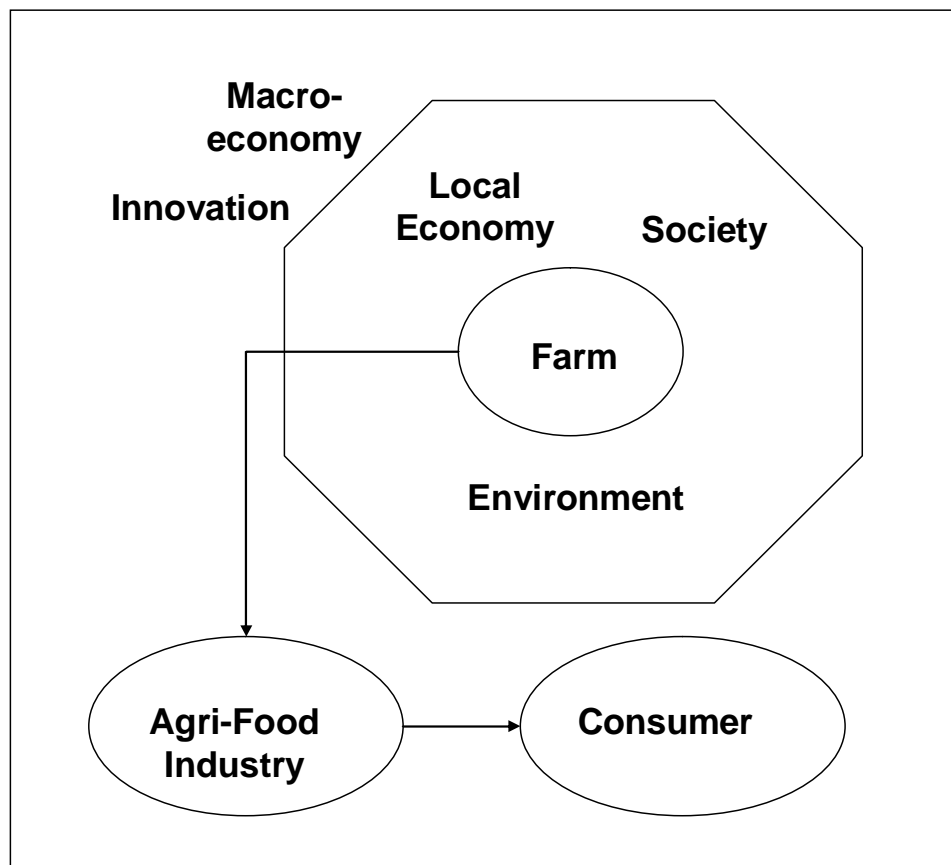
- Competitiveness and Innovation in Agriculture
- Sustainable Systems of Agriculture
- Rural Viability

The food chain is the core business of Teagasc, linking the producer, the agri-food industry and the consumer. However the food chain sits within a wider social, economic cultural, technological, political, and environmental context, both locally and interacting with the global economy. Developments in science and innovation also impact upon the competitiveness and productivity of the food chain.

Our mission is to produce high quality social science research and policy advice to improve the competitiveness and

sustainability of Irish Agriculture and to enhance the quality of life in rural Ireland, thus contributing to the achievement of Teagasc's key goals. In particular the objective of this programme will be to utilise advanced social science investigation tools to understand the linkages between the various forces affecting the Agri-food and rural economy to improve the quality of life in rural Ireland. An important focus is placed on policy relevant research that will help policy makers to design and implement better public policy.

Figure 4. Overview of Social Science Research Strategy



Strategy → partnership

While the agri-food industry undoubtedly remains an important component of maintaining the economic viability of rural areas, there have been many economic changes in recent times that have shifted the balance of agri versus non-agri employment and income sources. This programme will focus on issues relating to the interaction of the agri-food sector and the rest of the economy in maintaining rural viability and will explore the impact of recent economic, social and policy trends on viability in the broadest sense. In the following sections we detail some of the research being undertaken in the Centre addressing rural viability.

Agricultural Production

The largest research programmes in the research centre focus on agricultural production and the response of and impact on the agricultural sector of changes in the economic and policy environment. An internationally leading modelling programme of agricultural markets and farm behaviour has been developed in conjunction with the FAPRI institute in Missouri and partners in Ireland through the FAPRI-Ireland partnership. While the share of agriculture in the national and local economies has declined, it is still an important component in terms of employment, a consumer of local goods and services and as a contributor to economic activity in rural areas. Therefore while the focus of this research is on issues of competitiveness and sustainability, it implicitly has an important impact on the rural viability agenda of the organisation.

Barriers to Change

We are currently undertaking a qualitative research project focusing on the factors, conditions, processes and forces that determine different farmers' engagement with new rural development regimes and their adoption, or non-adoption of

new development options: i.e. who does and does not become involved and why. Qualitative in-depth research allows identification of a wide range of determinants on a case-by-case basis in order to profile factors that influence adoption and non-adoption of new rural economic (or lifestyle) options. The Farm Options service within the larger Teagasc Advisory Service also provides a case-study for this research. Designed to deal with changing rural development needs, the Farm Options service engages in a wide range of activities and offers information and support programmes to farmers interested in alternative rural economic ventures, such as tourism, organic farming, and farm diversification.

Multifunctionality Indicators

Research conducted in this area focuses on the concept of multifunctionality as a rural development policy instrument sensitive to economic, social, cultural, environmental and geographical contexts in an enlarged EU. The research part of an EU FP5 framework research programme, identifies and analyses multiple functions in a range of rural contexts, quantifying production relationships between related public and private goods and services, and assessing linkages between these multiple functions and development of rural areas and their quality of life and environment, and other important non-market functions and outputs. The research will suggest how payments related to non-market outputs, forming a key focus in the Rural Development Regulation and future reforms following the CAP Mid-Term Review, might be 'modulated' according to the likely production of such outputs in different farm, household and rural circumstances.

Infrastructure, Access to Services and Rural Development

The availability (or lack) of appropriate economic and social infrastructures are important ingredients in maintaining the viability of rural areas. Linking data collection and modelling

activities of the spatial unit, a capacity has been developed to assess the impact of these infrastructures. In particular, this research allows the Centre to carry analyses to meet the research needs of rural development stakeholders such as a rural proofing/audit exercise each year on a separate area of public and economic policy, or undertaking evaluation exercises of national rural development programmes.

Rural Audit

One of the objectives of the 1999 White Paper on rural development was to develop a mechanism for undertaking rural proofing of multi-sectoral government policies. As noted above, this objective has had a relatively limited implementation. In 2007, we initiated a research programme to develop a capacity in this sphere within Teagasc. Initial research is focusing on the nature of policy proofing and oversight and the development of methodologies for this purpose. We are currently piloting these methodologies in an analysis of rural housing issues.

Rural Recreation and Tourism

Recreation and Tourism is an important generator of income and quality of life resulting from the rural natural resource base, with opportunities to enhance the viability of rural areas. To assist this function we have created a research programme trying to understand the factors that influence the public's demand for different recreation pursuits in the Irish countryside and to identify further opportunities for rural tourism based activities.

Off-farm employment

As part of the farm behaviour research programme we have undertaken a programme to understand off-farm employment behaviour on farms. In particular we look at the economic influences, trends, employment sectors and skills gaps.

Rural-Regional Economic Projections

Another research gap identified by stakeholders is the lack of local area economic projections. Bodies such as the ESRI and Central Bank produce national economic projections in the short and medium term. However there is no disaggregation of this analysis into the impact on rural areas or on different parts of the country; information that is needed to aid policy making. Utilising new modelling methodologies, the centre is developing the capacity to provide a medium projection of the economic prospects in the agriculture and non-agricultural sectors on a regional and rural basis for the medium term.

The spatial distribution of economic activity, environmental attributes, settlement patterns and land use is becoming increasingly important with the concentrated development in Ireland over recent years, particularly on the east coast. The National Spatial Strategy is an attempt by the State to counter-balance this concentrated development. The strengths of the Centre can be of particular use in supporting national and local government in planning to meet the objectives of this strategy. The creation of the spatial analysis team in the Centre which focuses on spatial aspects of economic, social and environmental activity enhances our ability to participate in this area. To increase the capacity for spatial analysis by creating a spatial data archive in the Centre on which to base our analyses and research. Development of spatial-economic models can assist in the analysis of policy impact (whether agricultural, infrastructural, industrial or environmental) at county and sub county levels. This would include modelling the impact of policy changes on population, agriculture, incomes and labour force, and assessing how spatial factors affect growth and entrepreneurship.

Geographical information systems

While, the primary map production activities of the Centre will develop maps supporting the wider research programme of Teagasc, developing maps of soils, habitats and land use based upon satellite imagery and remote sensing. We coordinate our activities with the Department of the Environment's Landscape Character Assessment (LCA) which aims to identify and describe the landscape character of each part of the country i.e. its physical and visual characteristics, and evaluate its capacity to accept change. Maps are being developed for land-use planning and management purposes, informing targeting of landscape management initiatives and agri-environment schemes, deciding on location of major infrastructure projects incl roads, wind farms etc and informing programmes for environmental enhancement such as woodland expansion and farm diversification.

Spatial-economic analysis

Complementary socio-economic analysis at the spatial level will (a) identify and consider important drivers/forces of change in landscapes such as changes in the economic and policy environment on the local economy, and (b) providing information systems to assist in the development of alternative land uses such as forestry and non-food uses of crops.

Spatial projections

Drawing upon the datasets collected under the National Spatial Data Archive detailed below and the spatial microsimulation modelling infrastructure currently being developed, the Centre will carry out detailed micro level projections and what if policy scenario analyses at the local level on a range of local economic actors such as farmers, the labour market and local industry.

Aggregate land use projections. While a microsimulation methodology has been developed (Simulation Model of the Irish Local Economy - SMILE) for the purposes of micro-behavioural analysis, some local changes are either too complex or lack appropriate data to simulate the impact of policy and economic changes at this level. An example is modelling the changes in land-use of rural areas. We have plans to link our work with a more spatially aggregated model based in UCD to assist this.

Geo-Demographics and Quality of Life Indicators

The range of spatial analysis data sets and analytical tools allow the Centre to generate indicators and projections of small area population and quality of life indicators. The Centre will release local area population projections that complement national and regional projections produced by other agencies.

Innovation and Policy Evaluation

As Ireland increasingly becomes a knowledge based, high value-added economy, scientific innovation and subsequent added value realised becomes more and more important. As a large producer of scientific innovation and knowledge in the food and agricultural sphere, Teagasc is an important part of Ireland's scientific infrastructure. Economics as a discipline can try to quantify the economic impact of scientific innovation, helping to identify profitable or efficient directions for scientific investigation and to justify to funding organisations the economic rationale for the large current and planned research expenditures. While this has not been an area of significant research within the programme in the past, it has been identified as such for the future. RERC, being based in Athenry allows synergies to be exploited with the Higher Education Authority PRTL funded Centre for Innovation and Structural Change. In particular research projects will focus on evaluating the process by which Teagasc develops new knowledge,

transfers this knowledge to the sector and how the sector adopts the new technologies, using social science investigation tools.

New planned activity employs a distinct discipline within economics, evaluation. Evaluating policies can quantify the degree of success of policy interventions and assist in improving implementation and design. We have extended this role to facilitate colleagues within Teagasc such as the Advisory Service and Evaluation Unit in evaluating programmes such as the farm options programme, the business and technology service and monitor farms.

The Teagasc Advisory Service in a new Era

Gerry Scully

Programme Manager, Rural Development

Introduction

Rural Ireland continues to experience change. Indeed since the early 1900s, not a decade has passed without this metamorphosis continuing. However, the rate and type of change taking place over the past decade has been very different to previous decades. Ireland underwent a transformation, moving from an unemployment rate of 20 percent in the early 1980s to full employment by the end of the 1990s. Farmers were swift to take advantage of the opportunities presented by the expanding workplace, and took off-farm employment. (NFS, 2007).

The Agri Vision 2015 Report projected that total farm numbers will fall from 136,000 in 2002 to 105,000 in 2015. Of these, 40,000 will be economically viable but some 30,000 will be operated on a part time basis i.e. either farmer or partner will have an off-farm job. Some 45,000 will be economically non viable but there will be strong emphasis on off-farm work.

Today, about 55 percent of farm operators work off-farm.(NFS, 2007). This increased pressure on farm families, particularly in relation to the use of time. Workload is now almost as big an issue as income. Managing the land resource in the emerging bio-economy will continue to be central to the long term viability

of both farm households and the sustainability of the countryside.

New land owners

Currently, some 14 percent of farmers are less than 40 years of age (NFS, 2007). For many of this new generation of farmers, the workplace has been their first experience. This contrasts with older farmers whose first experience of making a living was farming, followed by off-farm work in later years.

There is evidence (LEADER, 2007) to show that experience in the commercial sector has an effect on the mindset of individuals. For example, a value is put on time, in that people get paid in Euros per hour. This in turn sets an expectation or benchmark as to how much money should be earned from activities such as farming.

Working in the service sector introduces a new awareness of the importance of customer demands and satisfaction. Any off-farm work brings experience of the competitive nature of modern business and both business acumen and efficiency become drivers in daily life.

The increase in the land asset value has run in parallel with increased opportunities to earn money off-farm. The most recent report from KnightFrank (2008) shows that land prices in the West and North West increased from €17,800 per hectare in 2003 to €37,700 in 2007 with similar trends reported for the rest of the country. This has resulted in a situation where farmers have seen their principal asset (land) double in value while their incomes have remained static.

A typical week for many of the new generation of land owners is comprised of 40 hours working off-farm for both the farm operator and his/her partner plus a further 15 hours devoted to farming activities (CSO). Such a workload is deemed not to be sustainable by many in this group. Teagasc advisers report an increasing level of frustration at the fact that asset value has doubled, very long hours are being worked and yet these land owners do not have increased disposable income because income from farming remains static.

A high proportion of off-farm employment is in the construction sector (Hennessey and O'Brien, 2007). Various economic forecasts now show this sector to be vulnerable which means that more focus is being placed on increasing income from the land asset.

A strong challenge to Teagasc comes from the new generation of land owners, regarding the optimum use of their land resource in the future. There is no detectable desire amongst this group to sell the land, as the area of land being offered for sale annually is at its lowest for many years (KnightFrank, 2008). This new generation has acquired business experience at a young age which has given them a confidence to seek out new ideas and implement change.

The Restructured Teagasc Advisory Service

The purpose of the Advisory Service is to *“lead and serve farm families and the wider Agri-industry to achieve excellence in all our enterprises providing them with a sustainable future”*.

In 2007, the Advisory Service underwent major restructuring. In the new structure, there are 18 area management units instead of the previous 28 county divisions. The service continues to operate from 80 locations throughout the country.

Each major programme area - dairy, drystock, tillage, environment, rural development and farm management - is led by a Programme Manager. Programme development and delivery are driven by business plans which are based on extensive consultation with stakeholders.

Programme fall into four broad categories:

- Business & Technology
- Good Farming Practice
- Rural Development
- Adult Training

Advisors are now deployed to specialised roles within the programme areas. Clients have been reassigned to advisors to facilitate the new specialisation of roles. This more focused role of the advisor will allow the service to remain effective and relevant to the industry in a changing environment.

The Options Planning Programme is the umbrella programme for all of the above listed advisory programmes.

The objectives of this programme are:

- To provide advice and support to farm families to enable those families to attain a viable family income.
- To help those farm families attain a better quality of life and to contribute to the attainment of viable rural communities

Over time all clients will be encouraged to participate in the Options Planning Programme and all Teagasc advisory events will incorporate an element of the programme. One feature of

this programme is a high level of engagement on a one-to-one basis between advisors and farm family.

The new, restructured advisory service is in a stronger position to respond to change. Some 35 percent of advisory staff is under 35 years of age so the service has a good blend of youth and experience in its ranks.

Rural Development Programme - Axis 3

Axis 3 of the Rural Development Programme 2007-2013 strongly promotes on-farm diversification to non-agricultural activities. Some €30 million in direct grant aid is being provided with the target group being any member of a farm household. This level of grant aid represents a payout of €27,000 for every working day over the next five year period to the end of the current programme.

The next tasks are to identify the farm dwellers with the capacity to avail of this support, to effectively promote it to them, and to determine the type of diversification projects they should be targeting.

The new land owners as described earlier are the primary target group who can use this funding support to the maximum advantage. They have varied skills and a confidence fuelled by their experience of a strong, vibrant economy. There is a challenge to Teagasc and the LEADER Companies to lead the implementation of Axis 3 in a partnership approach. This must include the development of strong market intelligence regarding the areas of diversification which will be successful.

Conclusion

Reliance on off-farm jobs in vulnerable sectors such as construction has to be reduced. Farmers and rural dwellers must be encouraged to look at diversification and new income generating opportunities. With the development of computerisation and broadband networks, rural isolation is no longer a major barrier to countryside business development.

A culture of entrepreneurship and innovation within the farm gate needs to be developed. The experiences gained by farmers and others from exposure to the commercial workplace must be harnessed. This will motivate people to examine the possibilities of working for themselves. Likewise, the experience gained by LEADER company staff in terms of what does and does not work, must be put together with the experiences of Teagasc staff regarding land use opportunities. Together, the two agencies can deliver practical solutions.

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Population and Settlement Change in the Republic of Ireland 1991 – 2006. Demographic Impacts and Implications for Rural Areas

David Meredith

Teagasc Rural Economy Research Centre

Introduction

Ireland has undergone a period of unprecedented economic growth that has transformed it from one of the poorer countries in Western Europe to one of the richest in the world. In line with economic growth the population has increased significantly; 20% since 1991. A number of drivers underpinned population change the most significant of which were reduced emigration and, more recently, increased immigration. Spatially, the impact of these developments was considerable, extensive and ultimately, uneven. Whilst most rural areas experienced rapid growth and change some continued to loose population.

These developments have socially and economically transformed rural places necessitating a comprehensive assessment of the changes that have occurred and their implications. This paper provides a review of settlement and population developments during the 1991 – 2006 period before considering the impact of these changes for rural development. Two basic questions are considered:

- a. Has recent population growth impacted on the extent of rural areas?

- b. How have these development impacted on the size, structure and composition of rural areas.

These questions formed part of a wider study recently completed that aimed to identify the drivers of rural population change, assess their impact on population trends and demographic structures and consider the possible policy implications. The research objectives centred on applying conceptualisations of rural change identified from the literature to the Irish context. Two related concepts, rural restructuring and counterurbanisation, were considered in detail and quantitative data from the Census of Population analysed to assess the scale and extent of rural population change and the degree to which this had an impact on the demography, economy and socio-economic profile of rural spaces. Results relating to the analysis of rural settlement and population change are presented in this paper. Following a brief consideration of the conceptualisation of rural space the analysis moves to assessing, quantitatively, the extent and evolution of these spaces over the period 1991 – 2006 before evaluating demographic trends and their implications.

Rural Change in Ireland 1991 – 2006: An Overview

This research is important as, until relatively recently, discourses concerning rural population and settlement changes were commonly framed in terms of flight from these spaces. The rapid development that transformed many aspects of Ireland's economy and society during the past 15 years reversed or substantially altered these trends. Today the dominant rural discourse is one of change, renewal and issues concerning barriers to development arising from the absence or lack of infrastructure. Central to this shift in perspective of rural areas is a re-conceptualisation of rurality and agriculture.

Within Irish and international contexts the term rural is frequently used; nevertheless it remains difficult to define (Woods, 2007). These difficulties stem from the recognition that rural spaces and places were heterogeneous and increasingly so (Halfacree, 2006). In Ireland, popular constructions of rural as a 'productive space' remained largely unchallenged and unchanged until relatively recently. The stability of this discourse reflects the local and national economic significance of agriculture as an employer of large numbers of people and the contribution the sector makes to the national exchequer through foreign revenue earnings (Lafferty et al., 1999). From the 1960s onwards, national economic development and the resulting population and settlement change saw the composition and structure of rural areas change, particularly those places proximal to urban centres. These were the loci of economic growth in the service, construction and, to a lesser extent, the manufacturing sectors. The increasing heterogeneity of rural populations, combined with the rapid expansion of the economy resulted in the repositioning of agriculture within the national policy framework. No longer were rural areas seen as the sole preserve of agriculture. The NESC report '*New Approaches to Rural Development*' and the White Paper on Rural Development published by the Department of Agriculture, Food and Rural Development in 1999 highlighted the broader role of rural areas within the national social and economic development framework. Parallel to these domestic trends were changes to EU agricultural and rural development policies. From 1992 onwards the EU increasingly disengaged, in line with global trade agreements, from direct market supports. The agricultural sector, increasingly exposed to greater global competition and increasing costs, has continued to adjust resulting in both a reduction in the number of farms and increases in farm size. Rural development policies, in an effort to offset the consequences of agricultural decline, aim to diversify the both agricultural activities and the rural economy whilst also improving the quality of life in rural areas.

Contemporaneous to the restructuring of the agricultural sector that followed from the 1992 McSharry Reforms was the expansion of the Irish economy. A combination of factors stimulated these developments with the result that emigration from Ireland slowed and was ultimately reversed towards the end of the 1990s. The population began a period of rapid growth. Initially this growth was largely limited to urban areas but became increasingly dispersed during the early years of the new millennium.

The cursory review of recent trends in the Republic of Ireland provided above, points to substantial changes in the structure, nature and functioning of rural areas. The next section of this paper explores how population growth and the consequent settlement patterns impacted on the structure of rural areas during the 1991 – 2006 period.

Identifying Rural Areas

Unsurprisingly, given the increasingly diverse nature of rural areas and their populations, defining rurality is a complex process. Cloke (2006, p.20-21) provides a review of three alternative theoretical approaches associated with the identification of rural space. These include functional, political economy and social construction theorisations. The latter two traditions hold significant advantages over functional definitions in that they emphasise the interconnection of rural spaces with regional, national and global processes and how a geographical space might be construed differently depending on one's social perspective. These approaches yield important insights into complex drivers of change and how their impacts and outcomes are constructed. However, from the perspective of this research it is necessary to adopt a functionalist approach which enables changes in population, settlement and demography to be quantitatively evaluated. This approach offers the possibility of

contextualising and assessing the dominant discourses that have emerged to describe and explain socio-spatial changes in Ireland. Whilst the limitations of adopting a functionalist perspective are recognised, defining rural areas statistically facilitates quantitative evaluation of social, demographic and economic changes.

Definition of rural areas in Ireland

There is an official classification of Urban Districts and Rural Areas (UDs and RAs respectively) in the Local Government (Ireland) Act 1898. In the most recent Local Government Act (2001) UD's are now referred to as Towns. Rural Areas were abolished following the establishment of the Free State and their administrative functions amalgamated with those of Local Authorities. Data is still provided by the Central Statistics Office at the UD – RA level in order to facilitate long-term analysis. However, as UD's have experienced substantial growth in recent years, resulting in their spreading outside officially designated boundaries into 'Rural Areas', these spatial units are of limited statistical use for the purposes of understanding contemporary changes in settlement patterns. As will be demonstrated, if one were to use this classification for statistical purposes the results would distort the number of people living in rural areas and thereby disguise important underlying demographic trends.

To overcome this issue it is useful to classify rural areas statistically. Approaches to do so include, delineating rural areas based on the number of residents, the proportion of people employed in the agriculture sector or the proportion of land given over to agriculture, distance from urban centres and population density. Whilst there are strengths and weaknesses to each of these approaches for the purposes of this research, population density, calculated as the number of inhabitants per square kilometre, is used. The Wye Report, undertaken on behalf of the United Nations Economic Commission for Europe

(UNECE), adopted the Organisation for Economic Cooperation and Development (OECD) definition of rural based on population density as this ‘... has the advantage of being policy neutral. It does not refer to any specific perception of rural problems and potentials. In an OECD-wide context rural cannot automatically be considered as in decline, poor, agriculture-based or peripheral.’ (Hill and Karlsson, 2002 p.III-5). This point is particularly true for contemporary Ireland where increasingly ‘rural’ areas challenge the traditional perceptions of rurality (Mahon, 2006). Furthermore, the OECD definition is dynamic allowing assessment of the transition of rural to urban areas over time enabling an assessment of the extent and impact of urban expansion.

Data and Methods

As outlined above, this research adopts the OECD classification of rural areas and applies it to the electoral division (ED) level. EDs, of which there are 3440, provide the advantage of being the lowest geographic unit of measurement for which Census of Population data is provided to the public by the Central Statistics Office (CSO). The OECD categorises an area as being rural if the population density is below 150 persons per Km². The population density for each ED was calculated and an urban – rural classification developed. Population change and demographic analysis was subsequently undertaken using these categorisations.

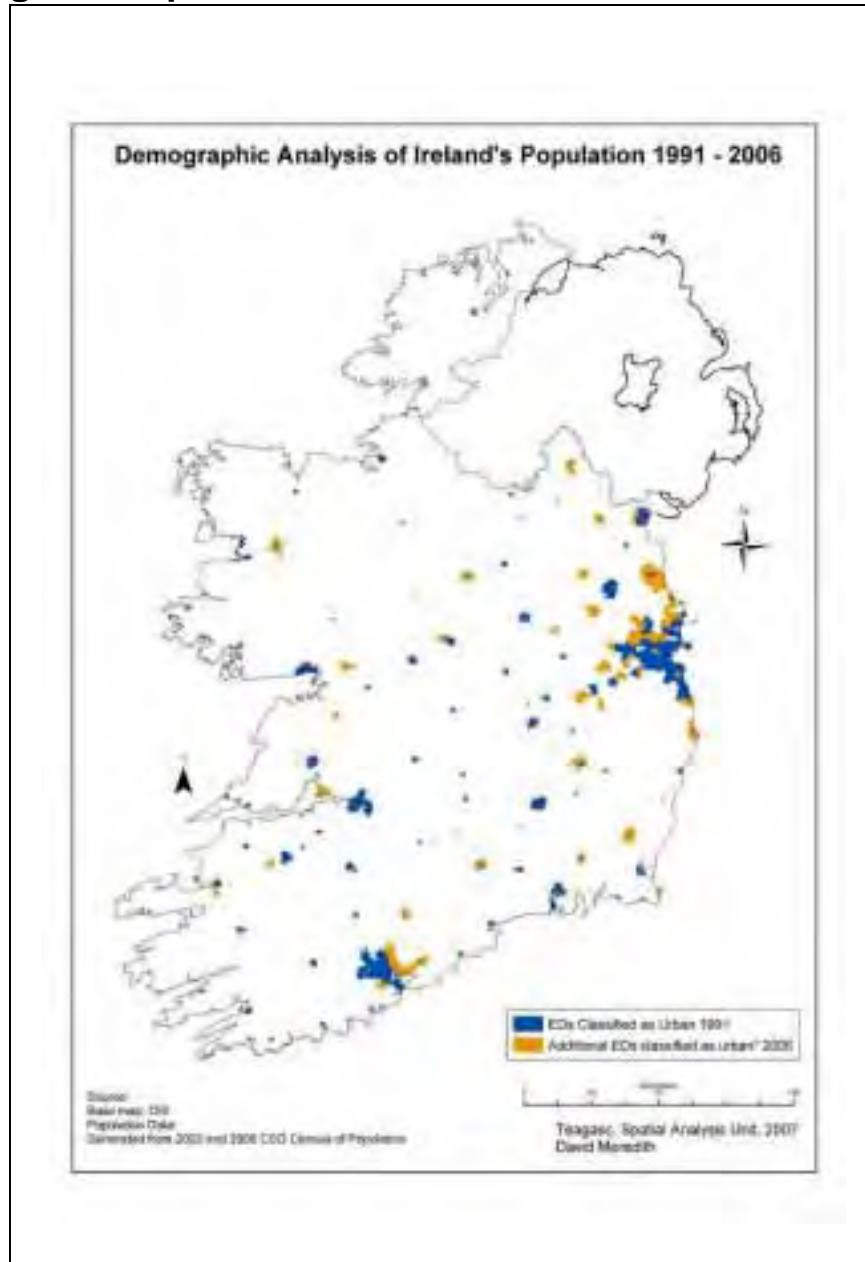
Data relating to population change and demographic structure was extracted from the 1991 and 2006 Census of Population and incorporated within a Geographic Information System (GIS). Analysis was undertaken enabling the urbanisation process to be assessed, settlement patterns observed and demographic changes in population to be mapped through the use of the Ordnance Survey of Ireland Electoral Division shapefile data.

Settlement and Population Change in the Republic of Ireland 1991 - 2006

Using the official rural – urban designation, unchanged since its introduction in 1898, approximately 2% of Ireland's land area is classified as urban. However, applying the OECD definition to distinguish urban from rural areas, indicates that the urban area is larger and accounts for approximately 4% of the total land area, having grown by 77% during the 1991 – 2006 period.

Figure 1 provides an overview of these developments showing EDs classified as OECD urban in 1991 and new additions to this category in 2006. Spatial assessment indicates that areas contiguous to urban EDs in 1991 experienced significant population growth with the result that they are no longer be classified as rural. The exceptions to this pattern, Abbyfeale (Limreick), Shannon (Clare), Gort and Athenry (Galway), St. Helens (Wexford), Kilcullan (Kildare) and Kinnegad (Westmeath), reflect the changing function of rural towns; an issue that requires further research. It is apparent, particularly around Dublin and Cork that linear urban forms are developing in conjunction to road infrastructure investment. This pattern emerges from infilling of land between towns and villages e.g. Saggart - Rathcool – Kill – Nass – Newbridge – Killcullan.

Figure 1. Spatial Extent of Urban Areas 1991 and 2006



Depending on the definition applied substantial and important differences in population change emerge. Under the official designation, the rural population is seen to grow by 29% whilst urban areas recorded a 10% increase (Table 1). These figures

suggest widespread and significant population growth, particularly in RAs. However, applying the OECD, statistically derived definition of rural space, changes the extent of rural population change. The OECD approach reverses the official figures indicating that EDs with population densities greater than 150 persons per Km², witnessing a 30% increase in population whilst rural areas saw 8.5% growth.

Table 1. Comparison of official and statistically defined areas and their populations

	<i>Official Classification</i>		<i>Statistical (OECD) Classification</i>	
	Urban	Rural	Urban	Rural
Area 1991 (Km ²)	1,339	68,870	1,685	68,523
Area 2006 (Km ²)	1,339	68,870	2,991	67,218
Change in Classified Area (%)	0%	0%	77.46	-1.91
Percentage of Total Area	2	98	4.26	95.74
Population 1991	1,641,991	1,984,096	1,887,595	1,637,963
Population 2006	1,804,426	2,430,499	2,462,633	1,777,215
Population Change 1991 - 2006 (%)	9.89	29	30.46	8.50

Looking at population densities for a moment, the OECD approach indicates that urban density declined by 26% whilst that of rural EDs increased by 11% over the 1991 – 2006 period (Table 2). The disparity in trends is explained with reference to

the substantial increase of 54% in the area categorised as urban. Unsurprisingly, EDs that made the transition from rural to urban, have lower population densities than those that have been classified as urban for longer periods. Indeed, EDs classified as OECD urban in 1991, recorded a 13% increase of their population density.

Table 2. Comparison of the population density of official and statistically defined areas

	<i>Official Classification</i>		Statistical (OECD) Classification	
	Urban	Rural	Urban	Rural
Population Density 1991 (Persons / Km ²)	1,227	29	1,120	24
Population Density 2006 (Persons / Km ²)	1,349	36	823	26
Change in Population Density (%)	10	22	-26	11

The analysis presented here demonstrates the impact contemporary settlement patterns are having on rural areas. Urban areas have expanded significantly and now account for an increasing proportion of the total population. The percentage of the population living in urban centres grew from 53.5% in 1991 to 58% in 2006, an increase of 8.50%. Notwithstanding these developments, the population of rural areas is growing and, as will be demonstrated below, this trend has positively impacted on the demographic structure of the rural population.

Demographic Assessment of Ireland's Rural Population 2006

Immigration of significant numbers of persons into rural areas is the primary driver of their changing demography over the past 15 years. Figure 2 and 3 depicts the demographic structure of urban and rural populations in 1991 and 2006. The urban data represents 58% of the total population and, demographically, reflects the 30% population increase that occurred between 1991 and 2006. Whilst the percentage of the population in the 5 – 9, 10 – 14 and 15 – 19 year age cohorts has declined, there was significant growth in the number of persons in all other categories. Comparison of the 1991 and 2006 rural data highlights substantial changes in demography. Although rural areas reflect their urban counterparts with declines in the 5 – 9, 10 – 14 and 15 – 19 year age cohorts, relatively, these declines were not as substantial (Table 3). Whilst the increases in population aged between 20 and 44 years are lower than urban areas, however growth in population between 40 – 60 outpaced those areas classified as urban. Furthermore, whereas urban areas have experienced significant growth in the number of persons over 65 years of age, rural areas have experienced a decline in the proportion of their populations between 65 and 80 years of age.

**Table 3. Percentage Change in Age Cohort Population
Distribution 1991 - 2006**

Age Group	Urban Areas	Rural Areas
0 - 4	10.45	10.37
5 - 9	-9.12	-9.89
10 - 14	-23.02	-19.43
15 - 19	-16.33	-9.13
20 - 24	31.24	22.84
25 - 29	61.68	32.74
30 - 34	48.03	28.76
35 - 39	37.74	32.30
40 - 44	32.64	34.66
45 - 49	40.59	54.01
50 - 54	46.69	72.67
55 - 59	51.13	66.97
60 - 64	35.66	34.34
65 - 69	18.71	0.21
70 - 74	22.47	-3.86
75 - 79	22.55	-1.83
80 - 85	37.45	25.65
85+	60.99	65.58

This development is significant for a number of reasons including:

- a. It represents a clear break with past trends that had seen the progressive ageing of the rural population.
- b. The growth in the number of persons between 30 and 40, a key period in family formation, is significant in that it points not only to the immigration of persons to rural areas but also the retention of existing population suggesting improved access to employment.
- c. Population growth in rural areas is being driven by immigration of persons who are likely, given their age profile, to have significant capital and human resources. These can be leveraged to support rural development. Immigrants to rural spaces are understood to be seeking more affordable and or larger housing accommodation and a perceived improvement in their quality of life (Keavney et al., 2007).
- d. Changes in the older cohorts (70+) reflect the impact of past emigration from rural areas which has resulted in a decline in the proportion of persons over 70 years of age.

Such have been the population developments in rural areas that the elderly dependency ratio (EDR) has declined substantially (Figure 4). The change in EDR, more so than any other indicator, points to the scale of developments affecting rural areas. This is associated with in migration of substantial number of persons of working age that, as outlined above, has altered the demographic structure of rural populations. However, spatial analysis demonstrates that it is those places that are proximal or accessible to urban centres that have seen the greatest falls in elderly dependency ratios. Areas where the EDR remains high are also the locations of population decline.

Figure 2. Demographic Structure of Urban Areas 1991 and 2006

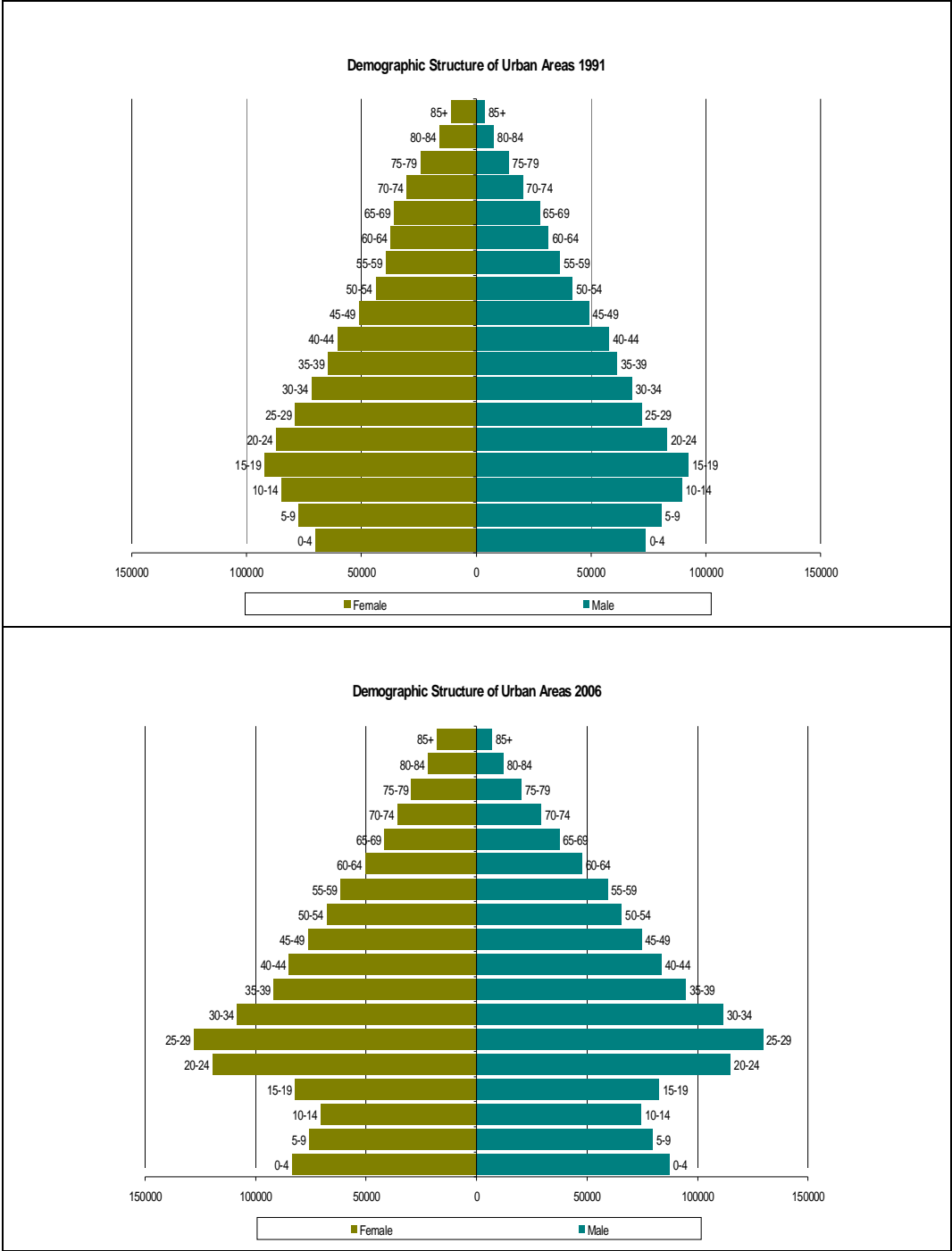
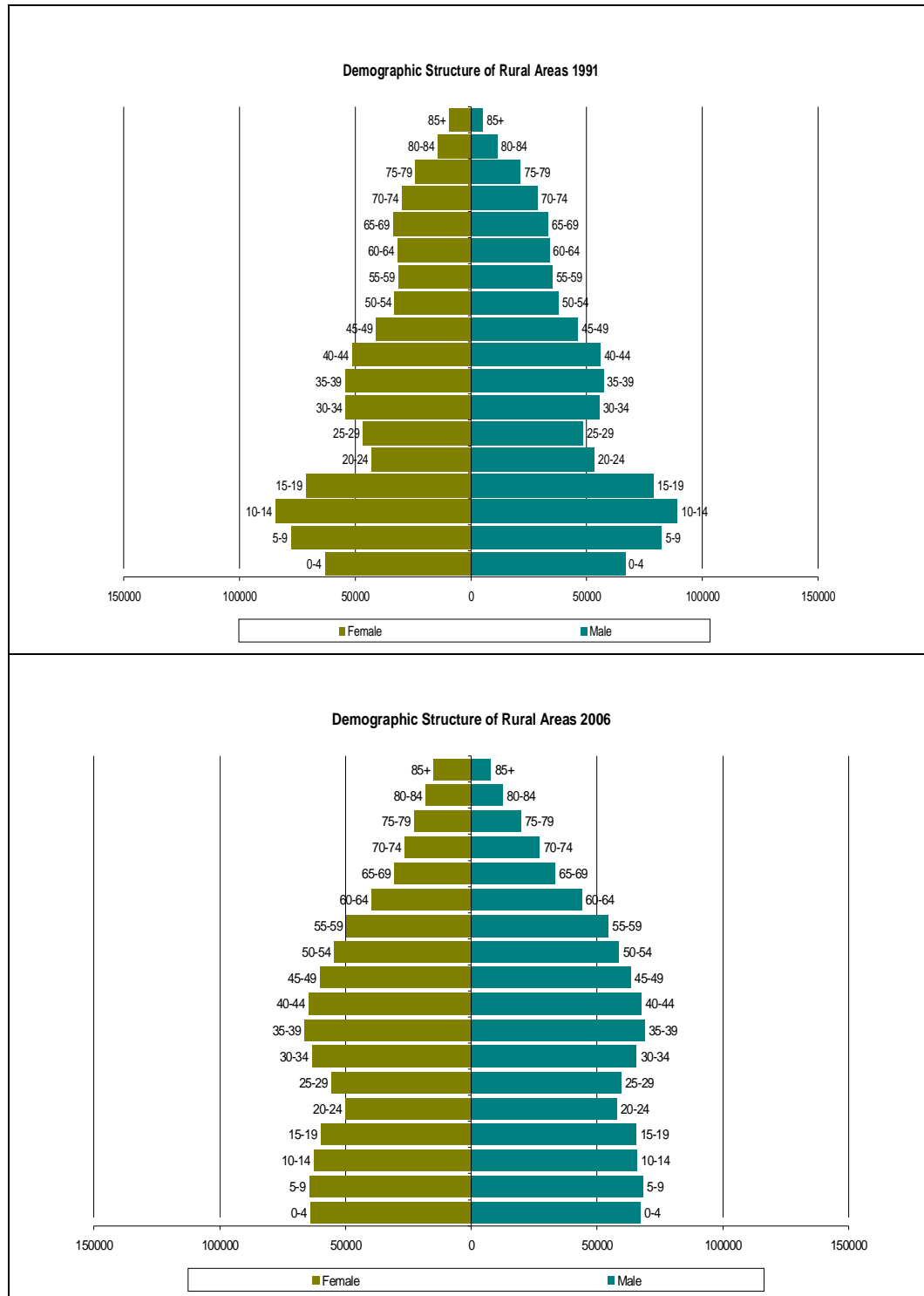


Figure 3. Demographic Structure of Rural Areas 1991 and 2006



Rural Population Decline 1991 – 2006

Though the paper has largely focused on population increases, population decline remains an issue for many EDs. Analysis shows that 1045 EDs, 30% of the total number, experienced population decline of 234,392 persons during the 1991 – 2006 period. Initial spatial assessment indicates that this phenomenon is a feature of western regions (Figure 5). This is somewhat misleading as statistical analysis indicates that urban areas accounted for in excess of 70% of the total population decline. Notwithstanding this the spatial data is highly instructive in that the influence urban centres on the demographic trends of surrounding rural areas is apparent. Dublin, Cork, Waterford, Limerick, Galway, Sligo, Letterkenny, Castlebar, Westport, Tralee – Killarney, and Ballina have distinct hinterlands within which most EDs have recorded increases in their populations. Figure 4 is useful as it indicates that areas outside the influence of urban agglomerations and their associated road networks are at risk of population decline. Demographic analysis of these EDs highlights the outmigration of persons in the under 50 age cohorts and increases, with the exception of the 65 – 69 group, for all other cohorts (Figure 5).

Figure 4. Demographic Dependency 1991 & 2006

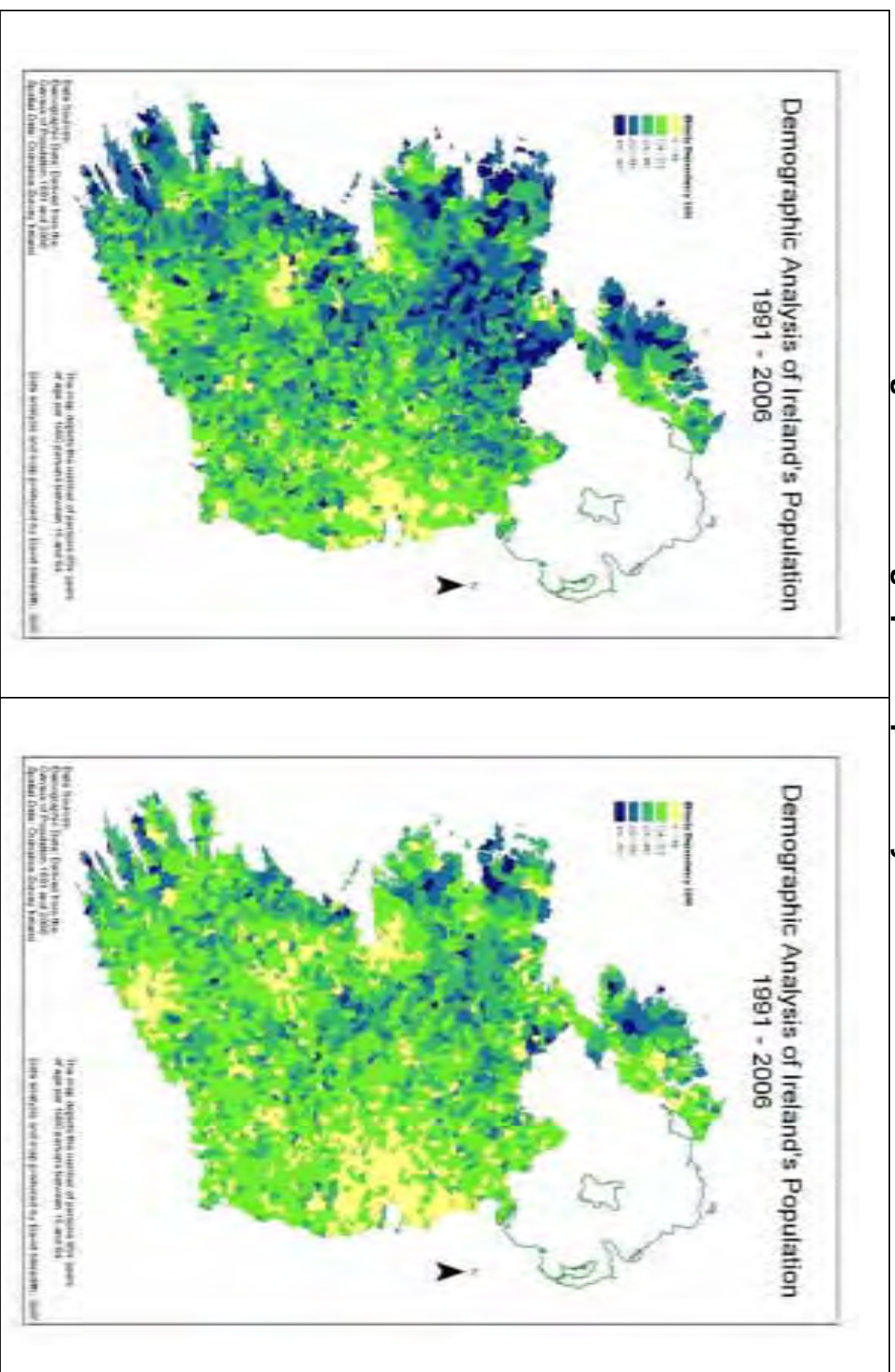


Figure 5. Electoral Divisions Experiencing Population Decline 1991 - 2006

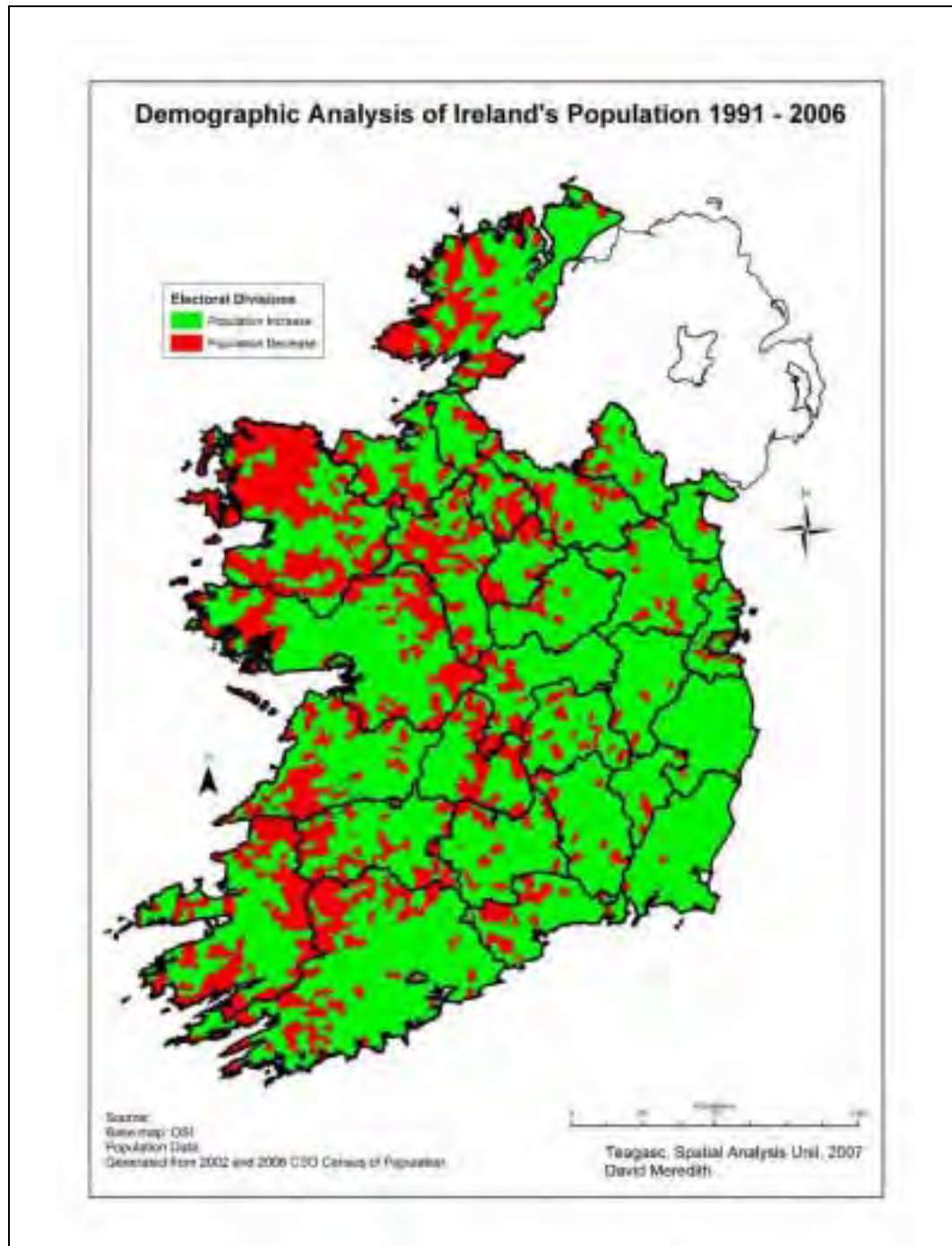
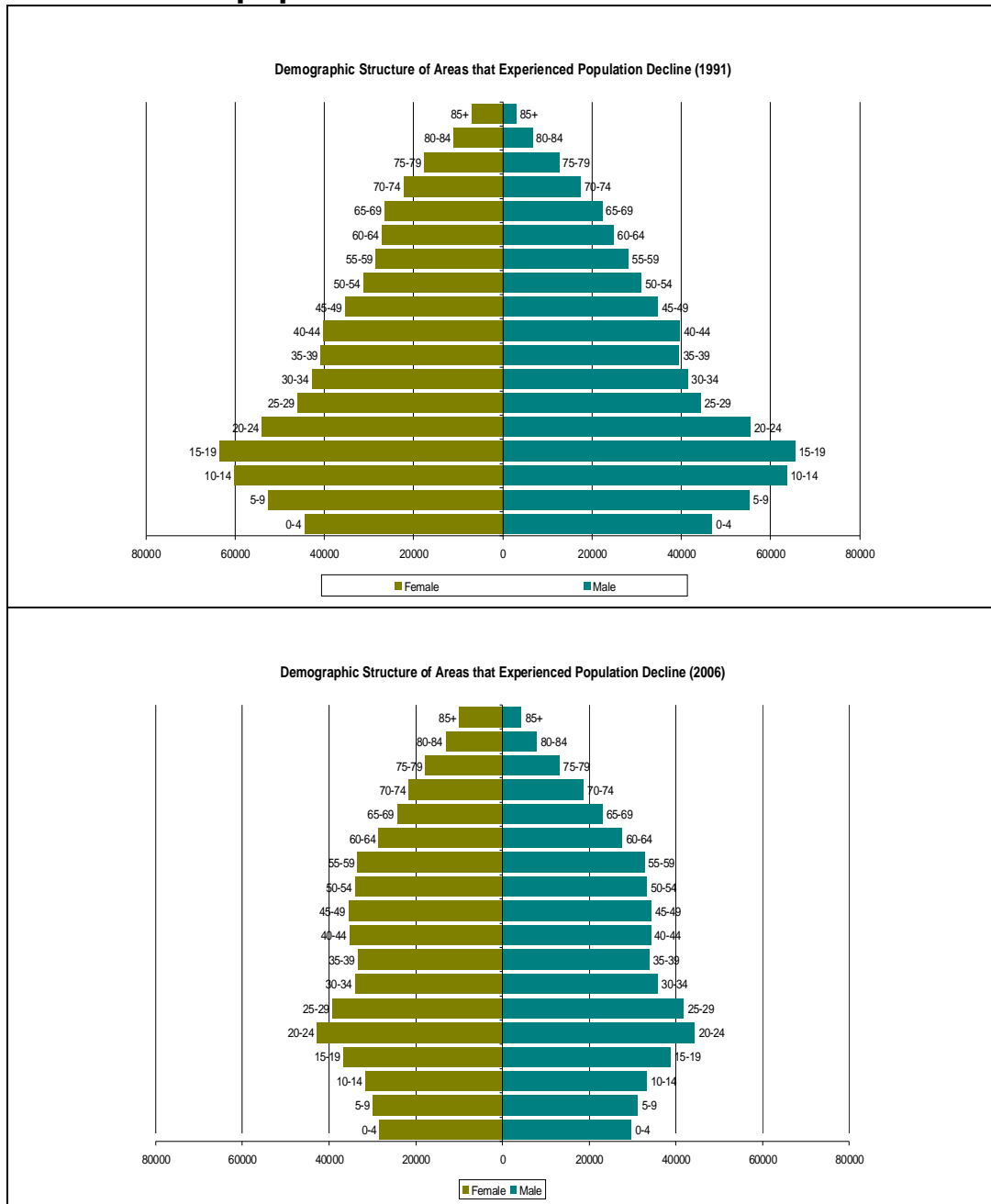


Figure 6. Demographic profile of areas experiencing population decline 1991 and 2006



Conclusions

The results of this research highlight the dynamic nature of many rural areas which are increasingly characterised by diverse populations as a consequence of immigration. Population increases combined with changing settlement patterns have given rise to substantial socio-economic developments that are reflected in the evolving demographic structure of rural areas. These new populations represent a valuable asset from a rural development perspective given that they bring with them experiences and knowledge that can be harnessed to support local social and economic development.

Though these trends are overwhelmingly positive they have given rise to substantial challenges. There are serious planning issues that need to be addressed if the quality of life of rural dwellers is to be maintained. The provision and upgrading of basic infrastructure including roads, water, waste, transportation and telecommunications is of great importance to the continued development of rural areas. Of no lesser significance is the need to support social, community and health services which may assist in the integration of new rural dwellers with established communities and facilitate rural development.

Population decline remains an issue, particularly for those areas distant from urban centres and indeed within the urban cores of Ireland's primary cities. These trends are driven by similar processes, namely the out-migration of younger age groups over time and, ultimately, natural decrease.

The European Union Rural Development Regulation, in addition to fostering the competitiveness of agricultural enterprises and environmental best practice, incorporates measures designed to support rural development and the improvement of the quality of life for rural communities. The implementation of these measures within Ireland's Rural Development National Strategy Programme 2007 - 2013 will make an important contribution to

the longer-term development of rural areas. The bottom-up focus of the LEADER programme will be of central importance in assisting rural communities embrace the challenge, opportunities and changes associated with contemporary trends.

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Innovation and Rural Development

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Introduction

The promotion of balanced regional and rural development in the context of a rapidly changing rural economic landscape is a key goal of government policy. In seeking to achieve this goal, a major challenge is that the income-generating options for many rural families are changing dramatically. Agricultural employment has declined from approximately 15% of total employment in 1985 to 6% in 2004 (Hennessy and O'Brien, 2007). For farm households, the proportion of households where the farmer and/or spouse has off-farm employment increased from about 32% in 1993 to 55% in 2005 (NFS, 2006). Unsurprisingly, therefore, for these households, off-farm generated income is increasingly providing a greater proportion of overall income (53% in 2005). In other words, non-farm activities are now the most important income generating sector even for many farm households. Without such off-farm employment, 70 per cent of farm families would be in a vulnerable position (Agri-Vision 2015)¹⁷. Therefore, the availability and sourcing of employment opportunities in rural areas is increasingly moving centre stage as being critical for the sustainability of farm households. Needless to say, such employment opportunities are also important for non-farming members of farm households and for rural inhabitants from a

¹⁷ Vulnerability in this sense is described as a non-viable farm, where viability describes as situation where neither farmer nor spouse work off-farm and a farm can; (a) remunerate family labour at the average agricultural wage, and (b) provide a 5 per cent return on non-land assets.

non-farming background. In this context it is worth noting that approximately 78% of the rural labour force is not involved directly in either the agriculture, fishing or forestry primary sector or the manufacturing sector most closely allied with this primary sector, that is the food, beverage and tobacco manufacturing sector¹⁸.

Therefore, there is a need to ensure a steady stream of off-farm employment opportunities – in innovative, competitive and dynamic rural enterprises – to absorb surplus labour from the farming sector and provide employment opportunities for part-time farmers (thereby increasing the viability of their farming lifestyles), their farming and non-farming family members and the broader rural community. Looking forward, this imperative is only going to intensify as increasing scale and efficiency within agriculture - an ongoing process linked to technological and process innovation – reduces the need for farm labour while simultaneously leading to an increase in farm size.

Against this background, understanding the factors and issues that contribute to the innovativeness, competitiveness and dynamism of rural enterprises is crucial. The National Competitiveness Council (2007) (hereafter NCC) outlines the need to reinstate Ireland's internationally trading firms in manufacturing and services as key drivers of growth. Of particular concern is the recent deterioration in the competitiveness of such firms. Building innovative enterprises is viewed by the National Competitiveness Council as one of the key areas that needs to be addressed in order to reposition Irish industry in such a way. Although the NCC specifically focuses on exporting sectors, it is clear that enterprises focused on Irish

¹⁸ Based on data derived from Census of Population 2006. The total employed rural labour force is 783,466 (according to the OECD definition of rural, cf Meredith, 2007), and there are 85,345 persons in rural areas involved in agriculture, forestry and fishing (according to the CSO definition of rural) and a total of 84,330 persons involved in the Food, Beverage and Tobacco sector (in both urban and rural areas).

local or regional markets and therefore subject to import competition also need to address competitiveness challenges. Focusing specifically on rural enterprises, the strategic need to upgrade Irish rural firms in order to build a commercially successful rural economy has already been recognised (Rural Ireland 2025, Foresight Report, 2005). As upgrading depends critically on innovation and technological change, it is imperative to understand the strategies that rural enterprises use to impact their innovative performance.

Why should Teagasc research these types of issues? First, as outlined above, the competitiveness and innovativeness of rural enterprises is increasingly important for farm households. Second, many of the enterprises in rural areas are small, or medium sized enterprises (SME's)¹⁹ in so-called low or medium technology sectors²⁰. These enterprises, although very important as employment providers and stimulators of economic activity, are often neglected in research and policy formulation carried out elsewhere. Third little is known either nationally or internationally about innovation in such enterprises, especially within micro enterprises – those employing less than 10 employees. As innovation is increasingly viewed as critical to the competitiveness and sustainability of economic activity, then it is important that we understand what drives, supports and encourages innovation in such enterprises. Fourth, given the broad structural changes that are occurring within Ireland with a greater proportion of employment and output emanating from the services sectors (see the analysis below), it is acknowledged that little is known about innovation in the

¹⁹ Small enterprises are usually defined as employing between 10 and 50 employees, with medium-sized enterprises employing between 50 and 250 employees.

²⁰ The definition of high, medium and low tech is based on OECD (1986; 1994) and Hatzichronoglou's (1997) classification of the technological intensity of manufacturing industries, i.e. the percentage of turnover allocated to R&D. For high tech it is greater than 5%; for medium tech between 0.9% and 5% and for low tech, less than 0.9%.

services sector generally (Forfás, 2006), never mind the particular challenges that may confront innovation in rural-based service sectors.

Fifth, over the past two decades the concept of rural development has been gradually expanded to focus attention on sectors other than agriculture and actors other than central government. As a result, rural development is now seen as a multi-dimensional and complex process incorporating both conventional economic development activity and a range of other actions aimed at enhancing the human capacities and powers of self-determination among rural people (Commins and Keane, 1994, p19). This new rural paradigm (OECD, 2006) broadens the range of sectors and actors focused upon as rural areas confront the challenges presented by globalisation, economic and social restructuring and changing political realities. Against this background, innovation is increasingly viewed as a critical driver of economic growth and development – whether in urban or rural areas – and indeed the notion of innovation is regularly invoked in the rural development literature and policy debates. The concept of innovation although not new within the social sciences, has experienced something of a renaissance in recent years, especially in terms of understanding what innovation means and generally what promotes or retards it. Even within public discourse and debate, the ‘need to be innovative’ is pervasive.

This paper draws on two key ideas from the innovation literature – ‘creative destruction’ and ‘modes of innovation’ – and applies them to a discussion of rural enterprise. The remainder of the paper is structured as follows. The next section defines innovation and what drives it. Another part outlines the notion of ‘creative destruction’ and uses it as a basis for discussing the structural changes taking place in the Irish economy. The third segment reviews what we know about alternative modes of innovation in different sectors and explores why this distinction is important. The fourth section reviews the implications of the

preceeding sectors for rural enterprise development. The final section contains concluding comments.

The aim of this paper is twofold. The first is to highlight the diversity of structural changes – the ‘creative destruction’ - that is taking place in various regions throughout Ireland, and forms the backdrop for income generating efforts. The second is to shine a light on the ubiquitous notion of innovation and to broaden understanding about the range, sources and complexity of activities and policy responses that make up innovation.

Innovation

What is innovation?

Innovation is novelty. For enterprises, the key feature of an innovation is that it confers a temporary monopoly on an enterprise relative to their competitors, which increases profitability at least for a period of time. In this sense it is distinct from invention. Invention is the generation of a new idea but innovation only occurs when the idea is actually put into practice, or from a business point of view, is commercialised. Joseph A Schumpeter, an Austrian economist who lived from 1883 to 1950 is credited with being one of the foremost thinkers about innovation²¹. His ideas are increasingly used in analysis and policy frameworks and in the following sections of this paper, many of the ideas about innovation that are discussed, originated with this Austrian Economist.

²¹ His main works include *The Theory of Economic Development* (1934: 1983); *Business Cycles: A Theoretical, Historical, and Statistical Analysis of the Capitalist Process* (1939) and *Capitalism, Socialism, and Democracy* (1942)

There are five different types of innovation that are considered important - the introduction of new products, new methods of production, expansion into new markets, incorporation of new sources of supply, or the development of new ways to organise business. In addition, following Nelson (1992), we are usually interested in such innovations as long as they are new to the particular firm that we are analysing, whether or not the products, processes, markets, raw materials supply or organisational forms are necessarily new to other firms in the same industry, or to the industry itself. This broad conceptualisation of innovation is now standard in much innovation related analysis, and is used by the EU Community Innovation Survey and forms the basis of the OECD Innovation Manual (1992; 1997).

Taken together, innovation in the form of products, processes or ways of organising is the novel application of economically valuable knowledge and includes all creative activities which contribute to diversity and therefore generate profits. This is the same whether we are talking about high-tech, medium tech or low tech firms. As discussed below, one of the main differences among high, medium or low tech firms is the type of knowledge they use to develop innovations.

Contrary to popular opinion, most innovations are not 'radical' or completely new products or processes that are a significant change on what existed previously. The majority of innovations in all firms are 'incremental' – small ongoing changes to the product or process - and the bulk of economic benefits come from such incremental innovations and improvements. It stands to reason therefore that most innovations are not incredibly news worthy or cutting edge developments. For example, the development of containerisation is credited as being one of the greatest innovations of the 20th Century – not exactly the type of innovation that warrants front page headlines!

What drives innovation?

Innovation research has expanded greatly over the past quarter century. However, most researchers acknowledge that there is still a lot that is not known about innovation activities and processes. Unsurprisingly, one of the key issues is what determines how and whether a firm engages in innovative activity or not, and how successful such activities are. There is, however, some agreement over the key criteria for successful innovation.

First and foremost, the *internal* resources of the firm – the stock of human skills and knowledge, physical assets and organisational routines – are important. The development and expansion of these resources over time is built on learning. Learning means the trial and error (accidental processes) and searching (intentional activities) that go into finding new ways of doing things and ways of determining what to do (to overcome problems and facilitate the generation of novelty). In fact, learning, rather than scientific discovery is increasingly placed at the centre of innovation. Such learning leads to the development of *capabilities* (functional strengths, e.g. marketing, production, human resource capabilities, research) and *competences* (cross functionally integrated and coordinated capabilities). A sub set of such competences, called *core competences*, is the basis for a firm's competitive advantage at any particular point in time and encompass what the firm is able to do better than others. The ability of a firm to continually recreate its competitiveness by changing these core competences is called the 'dynamic capability' of the firm. It is clear that the particular configuration of capabilities and competence within a firm are therefore a key determinant of its innovativeness.

However, it is accepted that in many cases there are limits to firm's internal resources, capabilities and competence, which means that they have to look *outside the enterprise* to help

develop innovation solutions. Terms such as “system” and “network” have been introduced to describe this phenomenon (Fagerberg, 2005). A network involves a form of associative behaviour among firms that helps expand their markets, increase their value-added or productivity, stimulate learning and improve their long-term market position (Bosworth and Rosenfeld, 1993). Networks are a means by which organisations can pool or exchange resources, access specialised assets, benefit from interorganisational learning and jointly develop new ideas and skills (Powell and Grodal, 2005). The external organisations may include other firms such as suppliers, customers and competitors or non-firm entities such as universities, schools and government ministries (Edquist, 2005). The relationships between the firm and these other organisations may be either formal or non-formal and can spatially be focused at a local, regional, national or even trans-national level. Table 1 based on the Forfas Innovation survey shows some evidence for innovation and innovation networking among Irish enterprises.

Table 1: Innovation & Innovation Networking among Irish Enterprises

	Co-operation partners					
	Enterprises with innovation activity, % of all enterprises	All types of cooperation with other enterprise or institution	Supplier	Client or customer	University or other higher education institute	Government / public research institute
				% of all innovative enterprises		
EU 27	42	26	17	14	9	6
Ireland	52	32	23	25	10	6
Finland	43	44	41	41	33	26
UK	43	31	23	22	10	8

Source: Derived from Forfás Innovation Survey (2006)

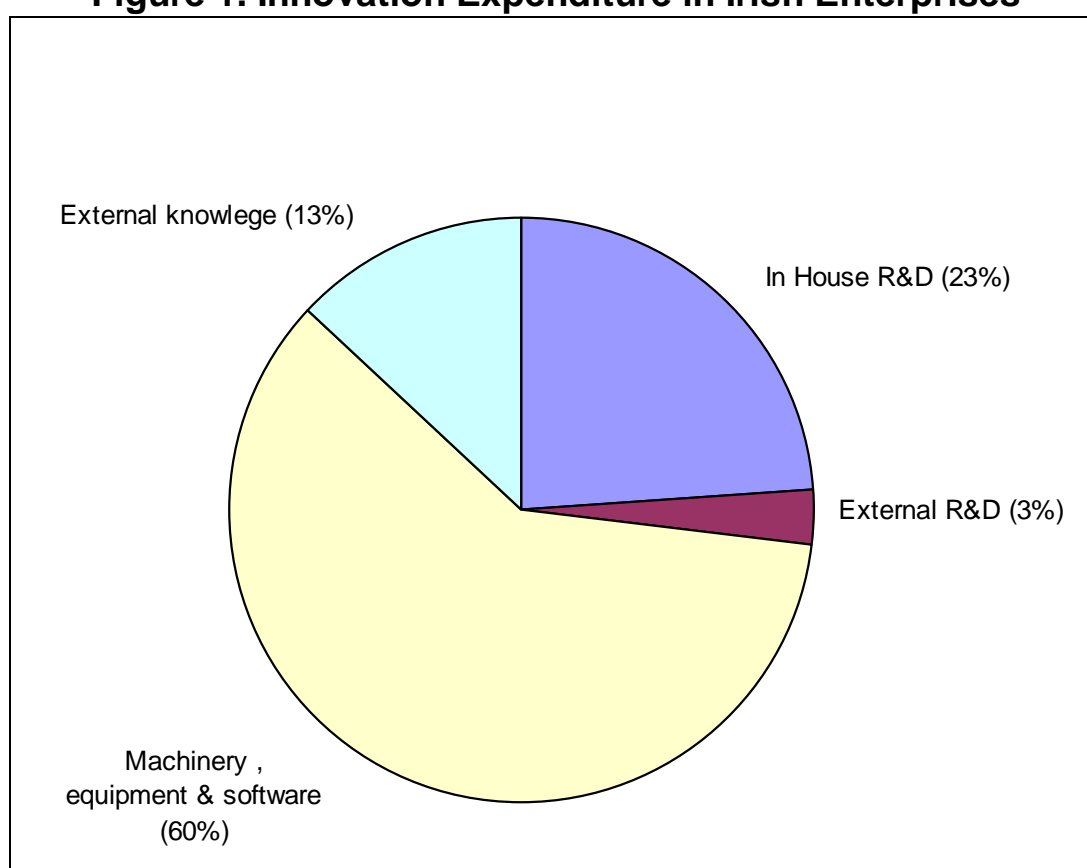
Whether focusing internally within the firm, or looking at its external connections with other actors *knowledge* is viewed as the most strategic resource for firms and learning the most

important process (Lundvall, 1994) for the production of innovations.

However, a variety of different types of knowledge contribute to the innovative activity of an enterprise. The linear model of innovation (the conventional view) directs attention to the primacy of R&D activity (what we might call science-based knowledge, particularly applied science) in generating innovations. This is indeed the case for some sectors such as biotechnology and information & communications technology, for example. However, it is increasingly recognised that *knowledge intensive does not necessarily mean science-based*. In addition to science-based knowledge there are a variety of other types of knowledge that underpin innovation. This diversity includes, for example, practical, engineering, design, marketing, logistics, production organisation, sales and distribution knowledge (Malerba, 1992; Faulkner, 1994) in addition to, or sometimes in place of, science-based knowledge. Moreover, models of innovation other than the linear model (e.g. the chain linked model of Kline and Rosenberg, 1986) do not see internally generated R&D and science-based knowledge as necessarily the foundation of innovation but instead place more emphasis on external sources of knowledge and show that the knowledge the firm uses in innovation may originate from other firms, customers, suppliers and other actors and that there are important knowledge feedback mechanisms from these external sources that are critical for innovative activity. For example, in low and medium tech (LMT) industries, there is usually little formal learning by science and technology, at least at the firm level, and instead innovation and adoption related learning activities operate in practical and pragmatic ways by doing and using (Von Tunzelmann and Acha, 2005; 417). Therefore, particularly for LMT firms, non-science-based knowledge and the capabilities that underpin them are viewed as being critical to innovative activity (see Hirsch-Kreinsen, 2005 and Laestadius *et al.*, 2005).

The Forfás Innovation Survey (2006) casts some light on these issues for Irish firms by examining innovation expenditure. As shown in the figure 1 below, across all industries, a total of 27% of innovation expenditure is on R&D, the remainder is on external knowledge or knowledge embodied in machinery, equipment and software²². Therefore, the majority of innovation related expenditure is not in R&D.

Figure 1. Innovation Expenditure in Irish Enterprises



Source: Derived from Forfás Innovation Survey (2006)

Of course, policy is also important as a means to stimulate innovation among enterprises. Many commentators argue,

²² The term 'embodied' is used to denote knowledge that is incorporated into machines or people, and transferred in that way, rather than knowledge that can be written down and transferred by exchange of documents.

however, that there is something of a “policy obsession” with science and research-based innovation and high-tech industries in general (Hirsch-Kriensen et al, 2005). From this perspective, scientific knowledge is extolled, while ‘lower’ forms of knowledge (like engineering and production know-how) are undervalued (Rosenberg, 1976). This has led to a neglect of non-research based innovation and other types of learning and LMT industries. Why this is important is that the suggested policy initiatives, instruments and programmes that flow from a high-tech bias may not necessarily serve the needs of LMT sectors.

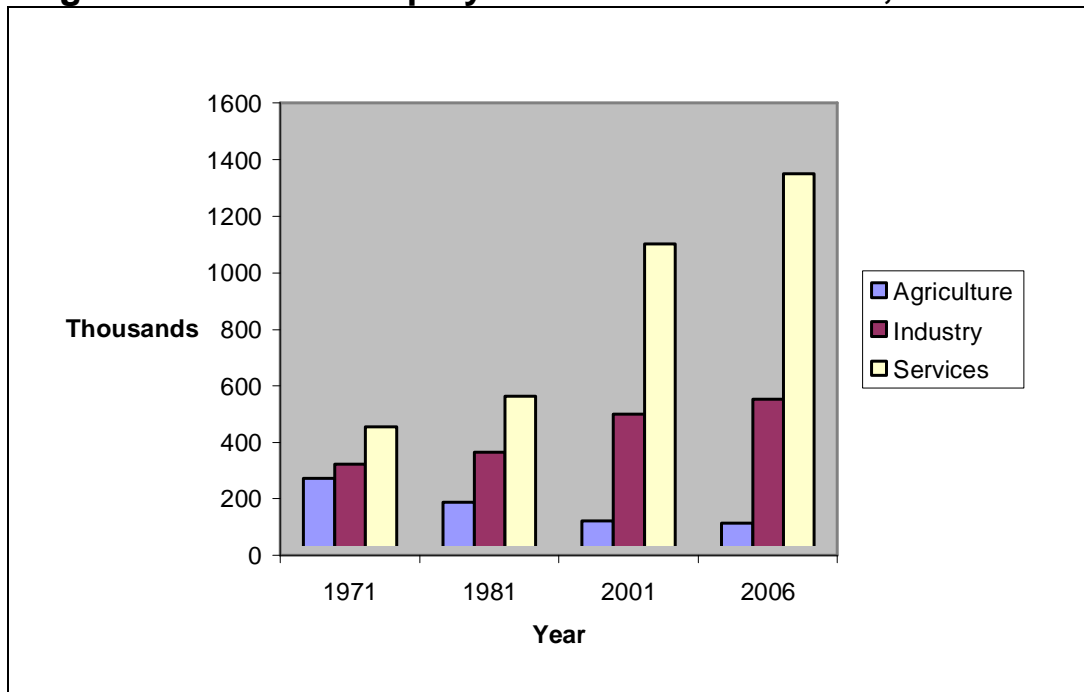
Creative Destruction

Joseph A Schumpeter’s view was that in modern capitalist economies the type of competition that promotes economic growth and development is based on innovation, not price competition. In other words those companies that are successful are those that offer new combinations of quality, service and prices (what Schumpeter called quality competition), not those that try to survive by competing on costs alone (price competition). Following on from this, one of his key ideas was that of “creative destruction”. What Schumpeter meant by this was that the essence of modern economies was the entrepreneur and the innovator – the risk-taker who makes new or more efficiently made new or old products - and therefore produces an economy that is in a constant state of change. Therefore, new products, new ways of doing things, new sectors and new competitors are constantly emerging in a modern capitalist society, and all this newness destroys old products, sectors and competitors. The process is labelled “creative destruction” because innovation which is critical for growth, wealth generation and development is at the centre of the process.

How is this notion appropriate to discussions of rural enterprise development? First, it is clear from the remainder of this section that the Irish economy has changed rapidly over the past 40 years. Part of this is driven by changes in internal demand and part by competition from external sources. For example, internally, Irish consumers are spending an increasing proportion of the income on services and less on food. Externally, Asian and other manufacturers have been innovative in targeting new markets within the EU and Ireland. For example, on a more specific level, it appears that within agriculture, dairy and tillage are viewed as increasingly profitable sectors for Irish farmers going forward – partially due to a mixture of increased global demand conditions and the emergence of new sectors e.g. bio fuels – a sector that did not exist a short time ago – changing the incentive structure for agricultural producers.

The key point is that the income generating opportunities within Ireland, whether urban or rural, are constantly changing both in terms of the dominance of broad sectors, the growth industries within those sectors and the successful firms within those industries. This 'creative destruction' may be interpreted as at least partially due to the fact that someone, somewhere, is either innovating, or not innovating enough.

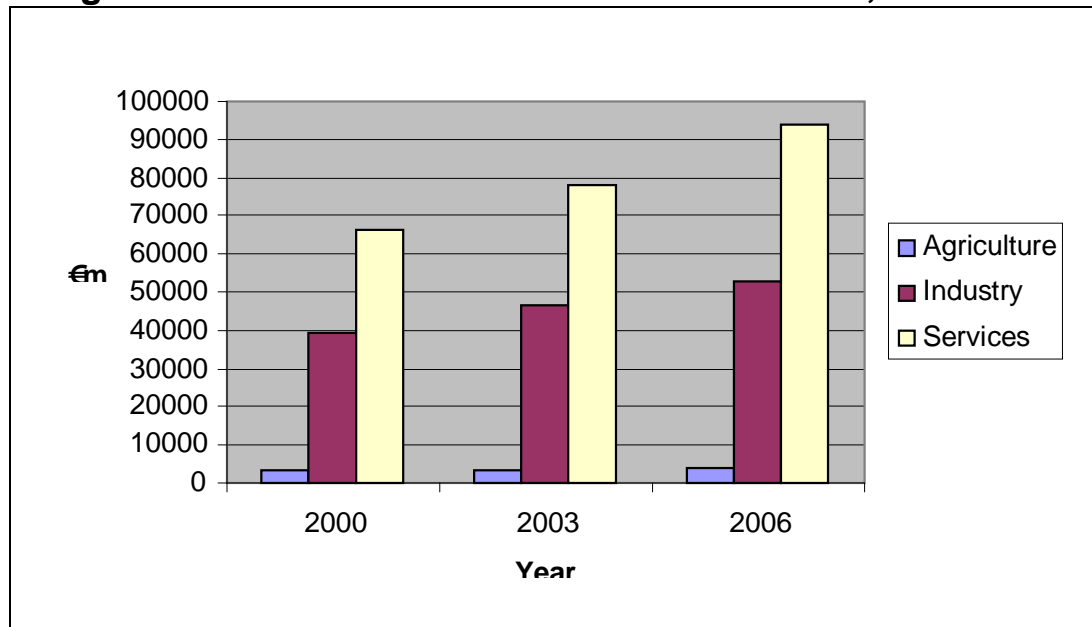
Figures 2 and 3 outline the changing structural composition of the Irish economy in terms of employment and value added.

Figure 2. National Employment in Broad Sectors, 1971-2006

Source: Table 2.3 Statistical Yearbook, 2007: Tables 33 and 36 Statistical Abstract of Ireland, 1980.

The emergence of the services sector as the primary source of employment and gross value added followed by manufacturing and the decline in the importance of agriculture is the main feature of these two graphics.

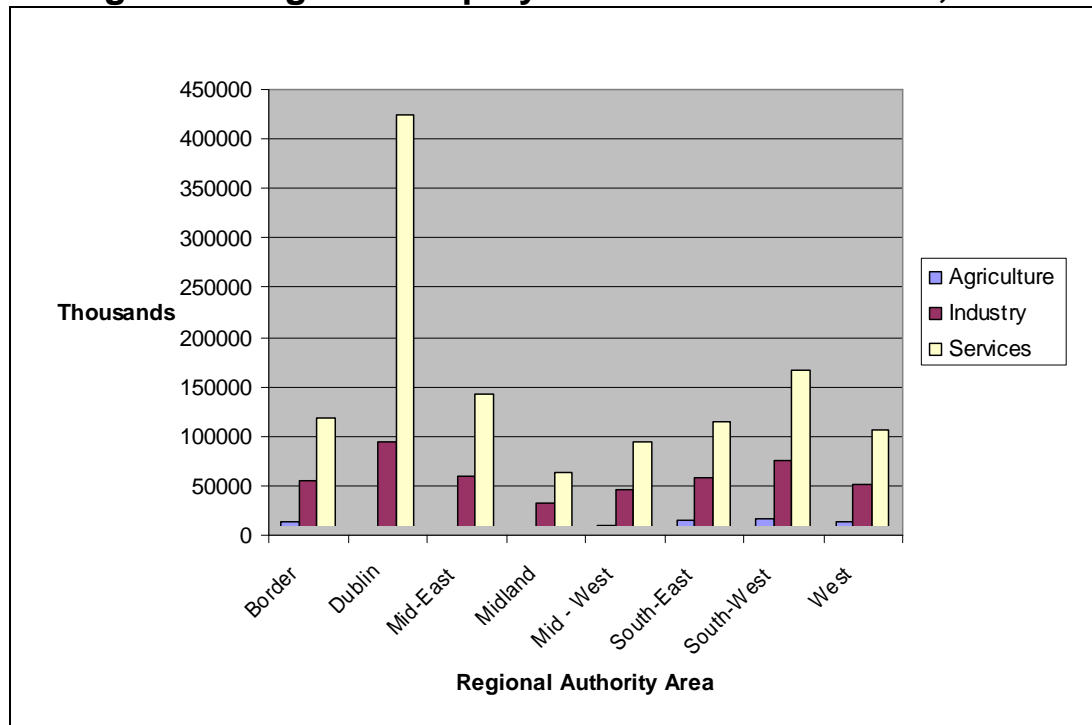
Figure 3. Gross Value Added in Broad Sectors, 2000-2006



Source: Derived from Table 9.3, Statistical Yearbook 2007

Exploring the pattern of broad employment provision on a regional level, it is clear from figure 4 that the service sector is not only dominant nationally but is also the pre-eminent employment provider in each of the eight regional authority areas in the country. In all regions, industry is the second largest employment provider. Across the regions the relative importance of agriculture is varied.

Figure 4. Regional Employment in Broad Sectors, 2006



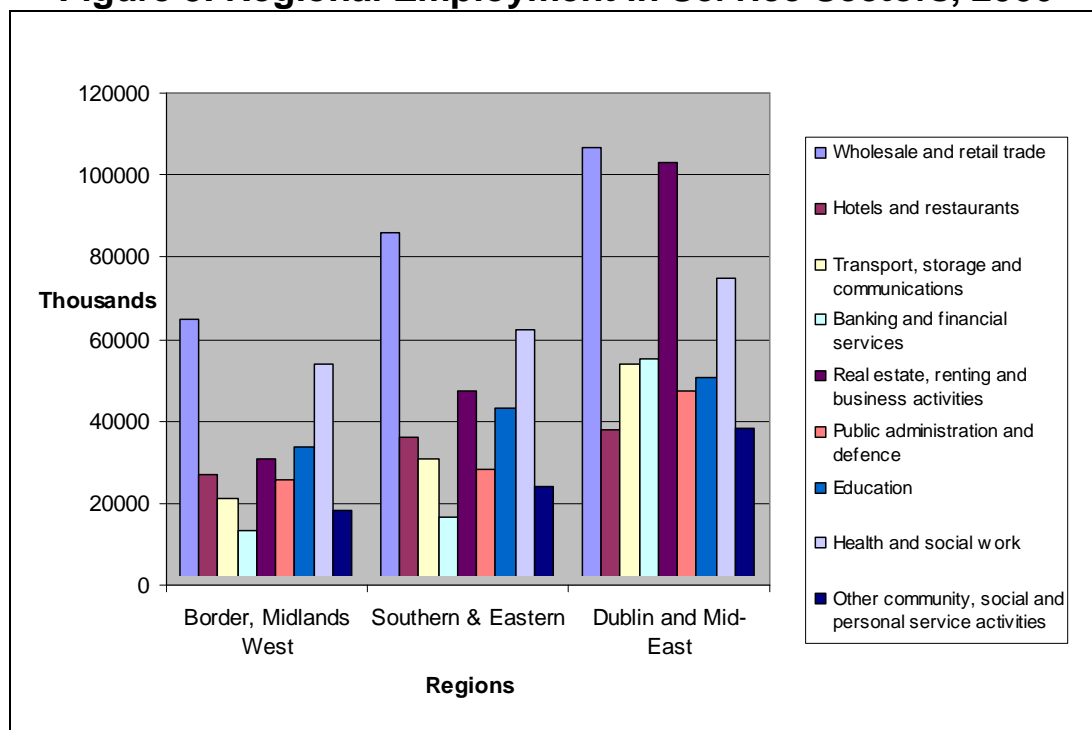
Source: Census of Population (2006) Vol. 7: Principal Economic Status & Industries

Figures 5, 6 and 7, scratch below this overall picture and look at the composition of the different broad sectors – services, industry (and within industry, manufacturing) in different regions. For ease of exposition, the analysis is confined to three broad regions – the BMW region, the S&E region and the Dublin and Mid-East region²³ instead of the eight regional authority areas in figure 3 above. As to be expected, the composition of each broad sector is different in different regions.

²³ A description of these regions is contained in Appendix 1

As shown in figure 5, Wholesale and Retail Services are the most important *service sub sector* in every region. In Dublin and the mid East, the second most important service sector is Real Estate, Renting and Business Activities whereas in the BMW region and in the S&E region it is Health and Social Work.

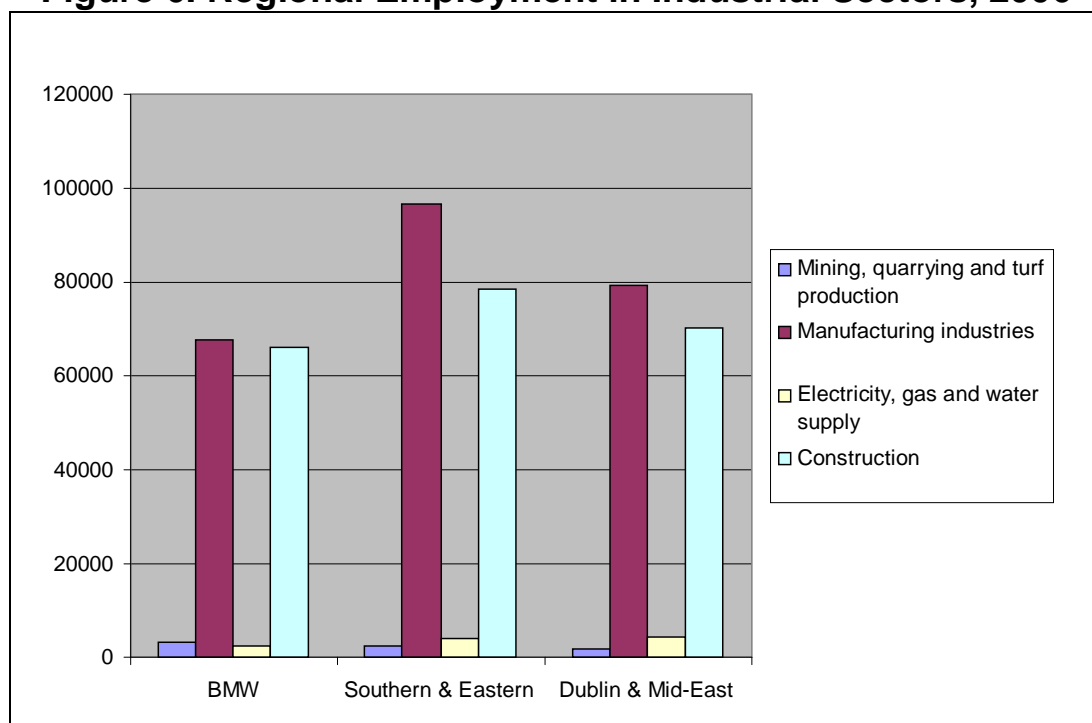
Figure 5. Regional Employment in Service Sectors, 2006



Source: Census of Population (2006) Vol 7: Principal Economic Status & Industries

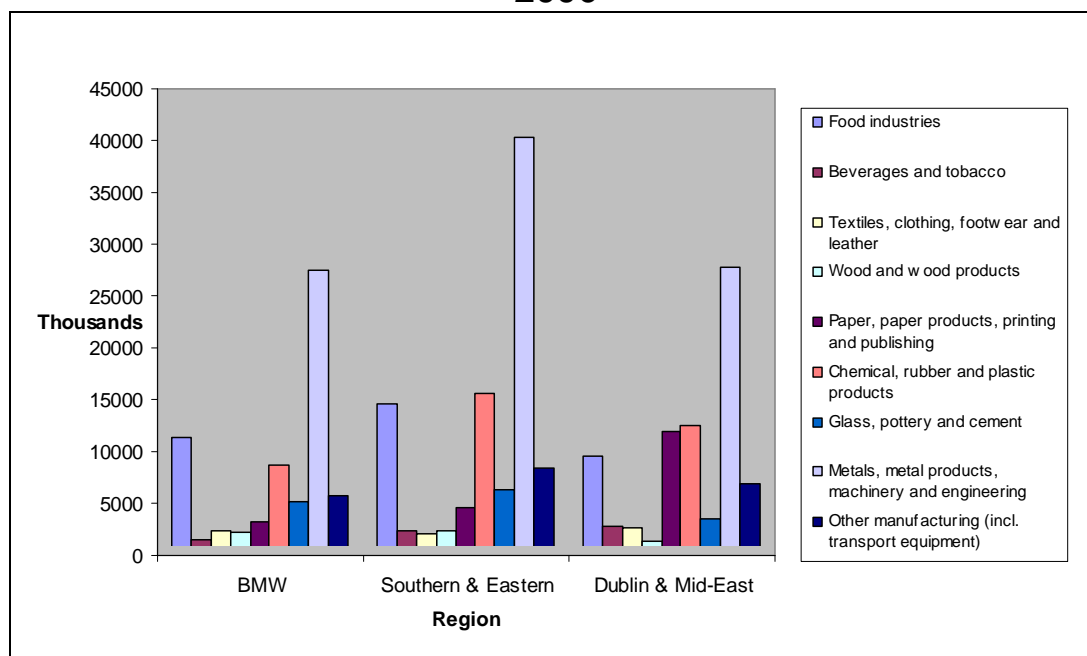
Within *industry* there are also regional differences. As shown in Figure 6, manufacturing is the largest single employment sector in each region, followed by construction. However, in the BMW region and the Dublin and Mid-East region, the gap between the two sectors is less than in the S&E region. The fact that such a high proportion of employment is accounted for by construction is surely of concern given the emerging slow-down in building activity and rise in redundancies in this sector.

Figure 6. Regional Employment in Industrial Sectors, 2006



Source: Census of Population (2006) Vol 7: Principal Economic Status & Industries

Figure 7. Regional Employment in Manufacturing Sectors, 2006



Source: Census of Population (2006) Vol 7: Principal Economic Status & Industries

Within *manufacturing*, the sub sector metals, metal products, machinery and engineering is the largest contributor to employment in all regions. This is followed by the food sector in the BMW region and chemicals in the S&E region and in the Dublin & Mid-East region. The chemicals category includes pharmaceuticals sub sector²⁴. The paper, paper products, printing and publishing sector, the third largest in the Dublin and Mid-East region, includes software. It is of interest that the food sector is the third largest contributor to employment in the S&E region just behind the contribution of chemicals and it is the fourth largest contributor to employment in the Dublin and Mid-East region, not far behind the paper, paper products, printing and publishing sector. It is clear that the agri-food sector is still very important. The Food and Drink sector is Ireland's largest indigenous manufacturing sector and accounts for 8% of total

²⁴ Ireland has 13 of the top 15 global pharmaceutical companies.

GDP and 22% of Gross Value Added in Irish manufacturing. Moreover, the vast majority of the sector is based in rural areas.

Of course, this picture of sectors is not static. Both within and between these sectors there is continual change as new firms emerge and old ones disappear. Such 'creative destruction' is evident across all sectors from high to medium to low tech. For example, in the first weeks of 2008, low and medium tech companies such as Grove Turkeys in Smithboro, Co. Monaghan and Merriot Radiators in Clonmel, Co. Tipperary and Jacobs Fruitfield in Tallaght, Dublin laid off 130, 90 and 220 workers respectively. Around the same time, high tech companies such as Allergen in Arklow, Co. Wicklow made 360 workers redundant, and there are increasing fears that Dublin-based jobs in Yahoo! - the internet company - are under threat, as are 140 jobs at ICT Europe (a customer service and business processing company) in Belmullett, Co. Mayo. Counteracting these closures, IDA Ireland is confident that it has sufficient new FDI backed jobs in the pipeline to ensure continuity of employment opportunities. Other agencies such as Enterprise Ireland, County Enterprise Boards, Udaras na Gaeltacha and LEADER actively focus on the promotion of indigenous Irish enterprise.

To summarise, structurally the Irish economy is changing, with a greater proportion of employment being provided by the services sector. This is true for all regions of the country. Within the service sector, Wholesaling and Retail Services are the most important employment provider in every region. Within the industrial sector, manufacturing is most important followed by construction. Within the manufacturing sector, metals, metal products, machinery and engineering is the largest contributor to employment in all regions. Chemicals and paper, paper products, printing and publishing are also important. The food sector is still a very important provider of employment in each region.

So these are the sectors and sub-sectors that currently and for the immediate future provide the bulk of employment opportunities for people living in rural areas. For farm families, we know that most off-farm employment by farmers is in traditional sectors such as agriculture, construction and manufacturing whereas for farmers spouses, we know that they are most employed in the service sector (Hennessy, Behan, and Rehman, 2005). This off-farm employment pattern confirms just how important these sectors are. Therefore, looking forward, the critical issue is what do we know about innovation in these sectors and therefore how they can continue to be competitive, dynamic and a continuing source of employment into the future.

Modes of innovation

Jensen et al (2007) contrast two modes of innovation – the Science, Technology and Innovation (STI) mode and the Doing, Using and Interacting (DUI) mode. The STI mode is based on the production and use of codified (written down) scientific and technical knowledge, whereas the DUI mode relies on informal processes of learning and experience-based know-how. The reliance on the different modes of innovation is different in different sectors. However, Jensen et al (2007) argue that firms combining the two modes are more likely to innovate new products or services than those relying on either one mode or the other. (This perspective is particularly important for the agri-food sector as will be discussed below). Nevertheless, one mode usually predominates in a particular firm or sector. Table 2 outlines some indicative features of these two modes of innovation in terms of types of learning, outcomes, typical knowledge and policy implications.

Table 2. Characteristics of Modes of Innovation

	<i>Doing, Using & Interacting</i>	<i>Science, Technology & Innovation</i>
Type of learning	Informal processes of learning and experienced based know-how	Formal processes of R&D
Outcomes	Competence building often with tacit elements	Production of codified scientific and technical knowledge
Typical knowledge	Practical (Know –how Know – who)	Science-based (Know-why Know-what)
Policy Implications	Promotion of interactive learning, networking; facilitating internal and external training	Emphasis on benchmarking variables relative to STI and focus on instruments such as tax subsidies to R&D, training

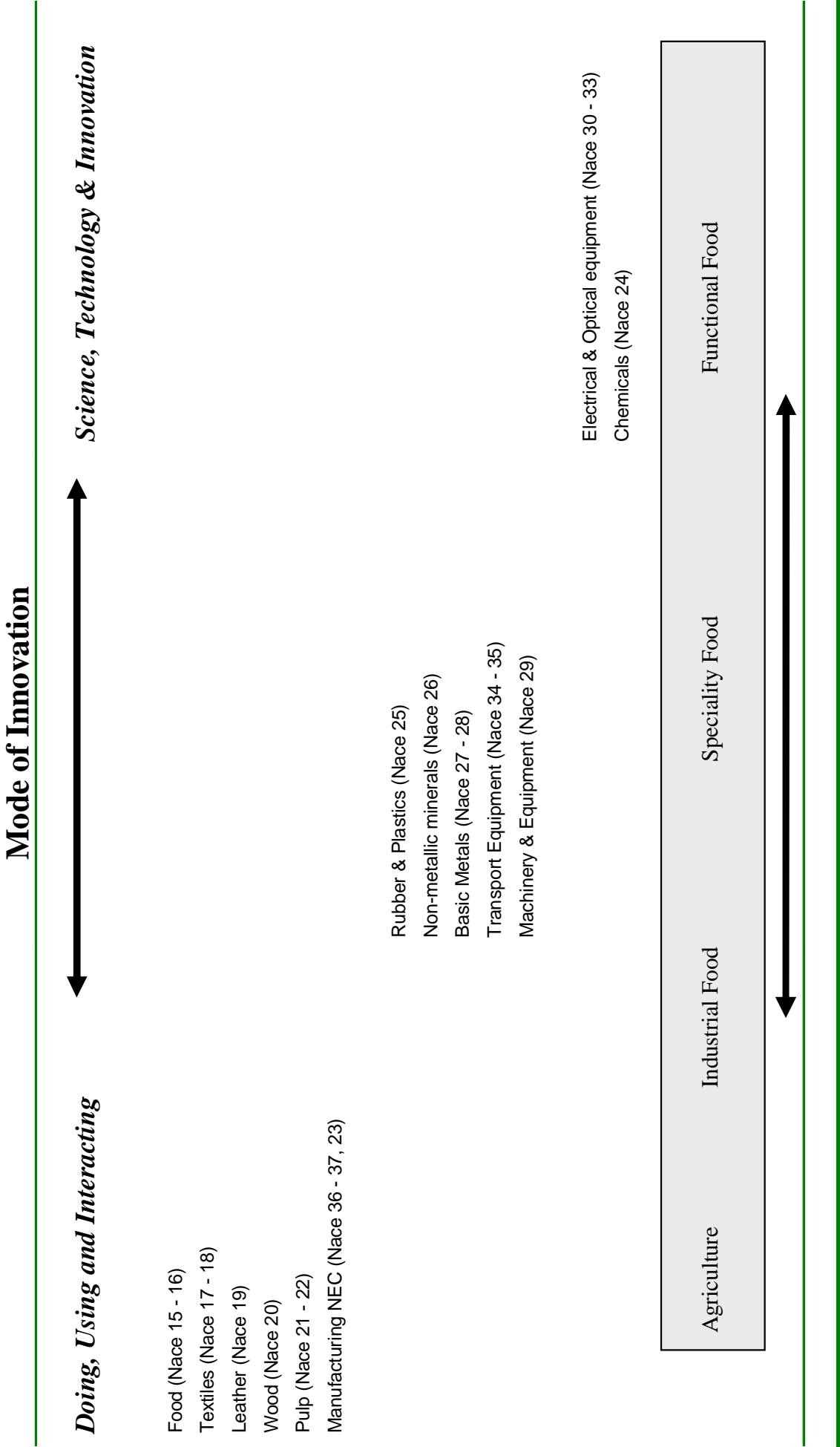
Source: Derived from Jensen et al (2007); Heanue and Jacobson, (2005)

There is tension between these two modes of innovation. Both modes play a role in most sectors although the relative importance of a mode is different in different sectors. For example, it is reasonable to assume that the role of STI in innovation is less in retailing than it is in pharmaceuticals, and that DUI may be more important in furniture manufacturing than

in the medical devices sector! This tension must be reconciled at firm, sector, region and national level.

To illustrate this point, Figure 8 provides an overview of modes of innovation in relation to different manufacturing sectors. Although both modes of innovation may take place within a particular firm and sector, the dominant mode of innovation is fairly accurately indicated. As a generalisation, the sectors on the left hand side are typically characterised as low tech, those in the middle as medium tech and those on the right as high tech. The agrifood sector is singled out as one example of a sector that spans across this distinction although different activities within the sector rely predominantly on different modes of innovation.

Figure 8. Modes of Innovation in Different Manufacturing Sectors



It is informative to explore the agri-food sector in a bit more detail. The agriculture sector is characterised by the DUI mode of innovation. As shown in Tables 3, 4 and 5 most innovation in agriculture is of the organisational and process type.

Table 3. Percentage Innovation on Irish Farms

	<i>Product</i>	<i>Process</i>	<i>Organisation</i>	<i>Markets</i>	<i>Off-farm activity</i>
Yes	5.66	10.2	15.3	5.35	3.13
No	94.34	89.8	84.7	94.65	96.87

Source: NFS Supplementary Survey, Autumn 2007

Moreover, the sectors where most of this innovation is carried out are the dairy and tillage sectors.

Table 4. Percentage Organisational Innovation by Farming System

	<i>Dairying</i>	<i>Cattle</i>	<i>Sheep</i>	<i>Tillage</i>
Yes	25.22	11.38	10.03	25.91
No	74.78	88.62	89.97	74.09

Source: NFS Supplementary Survey, Autumn 2007

Table 4 confirms that most organisational innovation is carried out on both dairy and tillage farms while table 5 shows that most process innovation are carried out on tillage operations.

Table 5. Percentage Process Innovation by Farming System

	<i>Dairying</i>	<i>Cattle</i>	<i>Sheep</i>	<i>Tillage</i>
Yes	14.98	8.41	2.47	29.01
No	85.02	91.59	97.53	70.99

Source: NFS Supplementary Survey, Autumn 2007

Obviously, science-based knowledge has an input into agriculture in terms of issues like genetics etc, but the predominant innovation mode is still most likely to be DUI. This

diversity of knowledge and modes of innovation that underpins the agri-food sector highlight the complexity of understanding and providing support for efforts to develop this part of the knowledge bio-economy.

Functional foods are more reliant on the STI mode of innovation. Industrial food (food processing) and speciality food probably come somewhere along the continuum between the two modes. There is some information on innovation in food processing. To take just one example, in a study of Irish food processing SME's Mahon & Pitts (2005) found that 85% of firms undertook some form of innovation, and innovation was related to the youth of manager, of the firm, investment in staff training, R&D, numbers of qualified staff. Contacts with equipment suppliers, with customers and R&D agencies were also important in stimulating innovation

Of course, individual firms can change their predominant mode of innovation as well. One recent example is Jacob Fruitfield, the Irish-owned biscuit manufacturer that recently made 220 people in their Tallaght manufacturing operation redundant. The company is the biggest player in the Irish biscuit market with 34% market share and annual sales of approximately €110 million. It plans to enter joint ventures with overseas rivals after deciding to close its manufacturing plant in Dublin. The bulk of production will now be outsourced. However, it plans to establish an innovation centre to research and develop new products. It will still employ 120 people in Ireland including 50 in manufacturing.

Moving away from the agri-food sector there is other data on modes of innovation in rural enterprises. A rich source of information comes from the findings of a European Commission 5th Framework Project with the acronym PILOT – Policy and Innovation in Low and Medium Tech Industries. This three-year research project which gathered information on forty-three case studies in a selection of LMT industries in eleven European

countries examined the factors that contributed to, and the various processes underlying, innovation activities in LMT firms. As part of the project, in-depth case-studies were carried out on four Irish rural LMT enterprises – two in the furniture industry and two in the fabricated metal products industry. For both sectors, one of the firms was in the BMW region and the other in the S&E region. All the firms were SME's.

The predominant mode of operation in all the firms was DUI. However, two of the firms (one furniture firm and one fabricated metal enterprise) also undertook some R&D, at times, although this was very much of an applied nature. Unsurprisingly, there was diversity in the focus of their innovative activities. For both of the furniture firms, international networking was very important: one firm had an Eastern European partner, the other sourced a large proportion of their products from partners in China. The key competences of the firms were for one, an ability to outsource non-critical areas of the business while maintaining design and marketing capabilities. For the other firm, its competitive advantage was built on logistics and customer service. Both of these innovative strategies had evolved in response to competitive pressures.

For the fabricated metal producers one of the firm's main strengths was its capability to integrate the inputs from a wide variety of engineering subcontractors into their products. For the other firm, its core competence was its ability to produce components at very high quality levels more efficiently than its competitors, based on an extremely high level of practical skills and knowledge of its workforce. Both of these firms sold mostly to multinational companies based in Ireland.

What are the implications of this for rural enterprise development?

What does all this mean for policy makers or for support agencies trying to encourage and stimulate innovativeness among such firms? One source of answers to these questions is the findings from the PILOT project mentioned above. The project also investigated the policy requirements – what type of policies, from the perspective of the firms - could best support their innovative activities (and what type of policies impact on innovation and knowledge formation in LMT firms and industries, and how?)

In relation to policy, PILOT found that there was a combination of low level of knowledge about policy among LMT firms and a disproportionate attention on the part of policy makers to science and research-based innovation and especially R&D. Moreover, despite some improvements in the sense of cross-fertilisation between academics and policy makers, at the level of policy the difficulty in measuring the type of innovation most prevalent in LMT firms tends to result in less attention being focused on it.

In relation to the Irish furniture companies, the firm in the BMW region outlined that it wasn't really aware of policies that impacted its company. However, after probing it was acknowledged that there were at least two main areas that impact directly on the company – industrial policy and immigration policy. For the furniture company in the S&E region, the need to encourage linkages between companies and management development programmes were considered crucial. Therefore, programmes such as World Class Management run by Enterprise Ireland were considered essential. Existing R&D policies initiatives were not considered appropriate to the firm's innovative needs.

The fabricated metals products company in the BMW region has won numerous national awards for quality assurance. This company suggested that the support agencies need to take a more strategic development approach to the sector that should then inform its specific support activities. In other words, existing programmes were too generic and not sector specific enough. In addition, for this company, existing R&D initiatives were not considered appropriate for the firm's innovative needs. For the fabricated metal products enterprise in the S&E region it had availed of existing R&D initiatives from Enterprise Ireland. One particular area where they saw a shortfall was in the provision of strategic market information on what is happening in their customers sectors. The lack of financial support for upgrading or purchasing new equipment, employment of young engineers, new market entry was identified as a particular gap. In these areas, there is a long time gap before any return is seen on any of these investments although they are critical for innovation in this firm.

Concluding comments

In the rural context, strengthening indigenous enterprise will generally be more successful in the long term rather than attracting large scale inwards investment and rural areas will also be more sustainable if they can support local jobs and services (White Paper on Rural Development, 1999, p.43). To be sustainable, such enterprises must be innovative. Innovation is predicated on high-skill, knowledge-intensive activities.

This paper has tried to explore that innovation, high-skill and knowledge intensity exists in many sectors. Across sectors the type of knowledge and skill that are important for driving innovation varies. In some cases it is science or research based, in other cases it is not. In sectors such as agri-food (and

many other sectors) some sub sectors innovate using science whereas others do not. The agri-food sector is a good example of the difficulties of generalising for a particular sector – although agriculture innovates in a particular way based on a specific mode, other parts of the industry such as functional food innovates using a different mode of innovation. Yet other parts of the sector use elements of both modes of innovation. The brief profile of this sector outlined above highlights the difficulties of trying to devise generic innovation policy initiatives, applicable for a particular sector, without a deep understanding of the innovation processes within that sector. Such a need was also highlighted by the manufacturing firms in the PILOT project. The forthcoming examination of the agriculture innovation data recently collected by the National Farm Survey Department of Teagasc will provide valuable innovation related analysis for that component of the agri-food sector.

In trying to build sustainable, innovative rural enterprises and to devise policies and initiative to support and encourage innovation in such firms, detailed knowledge of the innovative activities and processes of rural enterprises and a deep understanding of the strategic needs of those sectors is critical.

The debate should not be about whether high tech or low tech sectors are more appropriate but rather how to build high value added activity in all sectors. This is also confirmed by the findings of the PILOT project. It found that future industrial development in Europe does not depend on making a choice between high-tech and LMT industries (Heanue and Jacobson, 2005). Rather, all these sectors are inextricably linked. For example, the so-called LMT industries are crucially important as customers of high-tech sectors. This relationship means that the continued viability of the high-tech sector is inevitably linked with the on-going vitality of LMT industries; this is a symbiotic relationship that is often overlooked.

This paper briefly reviewed some of these types of issues in relation to some sub sectors of rural manufacturing. Less is known about innovation in rural services and the policies that are needed to support that activity. As services tend to be considerably less R&D intensive than manufacturing, where does this leave the prevailing argument that policy such concentrate predominantly on the promotion of R&D based activities? As the services sector is increasingly important in terms of employment and value added in rural, we need to improve our understanding of how innovation takes place in that sector and how we can support and encourage it.

Appendix 1

Definition of Regions

<i>Border, Midland & Western Region</i>		<i>Southern & East Region</i>		<i>Dublin & Mid-East</i>	
Regional Authority (NUTS3)		Regional Authority (NUTS3)		Regional Authority (NUTS3)	
Border	Cavan Donegal Leitrim Louth Monaghan Sligo	Mid-West	Clare Limerick City Limerick County North Tipperary	Dublin	Dublin Dun Laoghaire-Rathdown Fingal South Dublin
Midland	Laois Longford Offaly Westmeath	South - East	Carlow Kilkenny South Tipperary Waterford City Waterford County Wexford	Mid-East	Kildare Meath Wicklow
		South West	Cork City Cork County Kerry		

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Barriers to Change: a sociology of rural development

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Introduction

This conference paper focuses on the contemporary EU-wide rural development agenda and the cultural, political and social undercurrents that determine rural inhabitants' engagement with this agenda. Insights are presented on the challenges that the introduction of a partnership-based 'integrated' rural development policy agenda can bring for rural society, and for its different social groups. In attempting to identify the implications of this rural development agenda for rural society in the EU generally, and highlighting the case of Ireland, this paper focuses on what constitutes the challenge of rural development and presents an understanding of some of the sociological factors that determine the position of Irish rural inhabitants in responding to this challenge.

It is significant that with the broader rural development agenda comes a transition from a 'top-down' to a 'bottom-up' (partnership-based) approach that prioritises the participation of local stakeholders in the development process. The stakeholders, coming from the rural business, NGO, and state sectors, are expected to contribute to a "transverse inter-sectoral debate" for the achievement of a more integrated, diverse, and a higher value-added development outcome. There are two interfaces that are integral to understanding the rural development challenge: the rural development agenda itself (what is the challenge?); interchanged with the rural

society, and its various social groups, that are intended to implement the agenda on the ground (whose is the challenge?).

Rural Development: the nature of the Challenge

A document published in 1988 “The Future of Rural Society” (CEC, 1988) represented a significant turning point in the focus of EU rural policy in that it recognised the need to go beyond agricultural structural interventions and address broader rural development opportunities and social issues. Indicative of changed conditions and potential opportunities in EU rural areas, the Future of Rural Society document broke the CAP’s long-standing conflation of rural areas and their economies with sites of agricultural production. The document put forward a view of EU countryside’s broadened role, stating that rural society “refers to a complex economic and social fabric made up of a wide range of activities: farming, small trades and businesses, small and medium-sized industries, commerce and services” (CEC, 1988).

In the formulation of programmes that would encompass this broadened concept of rural areas and respond to correspondingly wider development needs and opportunities, there was a move from a solely sectoral (agricultural) approach to include an inter-sectoral (rural development) approach. There was an acknowledged need to provide for the representation of different sectoral stakeholders in decision-making processes on rural development issues so as to reflect the local spectrum of potential economic activity. The ‘partnership’ approach, through, for example, the LEADER²⁵ Programme, was expected to provide a modus for achieving effective (integrated) rural development, representative of different sectoral stakeholders by facilitating their participation in the development process. LEADER was oriented towards “enabling a better understanding of the area and its living strength” (CEC, 1988)

²⁵ Liaisons Entre Actions de Development de l’Economie Rurale.

and is described as “an innovation and a lever of innovation” (LEADER European Observatory, 1997).

Globalisation and the EU Rural Development ‘Product’

The application of the governance model in rural development is instrumental for a shift in emphasis at the EU policy-making level towards the valorisation of local resources through ‘niche’ high value-added production. Contemporary rural development perspectives at the policy-making levels emphasise the need to tap into broader rural economic opportunities by focusing on the “indigenisation of the local economy” (Ray, 2000) and through the “championing of local distinctiveness” (Moseley, 2003a) so as to encourage high value-added production.

This rural development ideology, placing significant emphasis on place-based distinctiveness, is to a large extent inspired by globalisation processes where new pressures for local autonomy “manifest themselves at the level of individuals and of territories. They are an outcome of the escalating awareness of, contact with and borrowing from, other cultures and polities as goods, people and ideas circulate on a global scale” (Ray, 2000, pp. 5). Lash and Urry (1994) see this as the paradox of globalisation: “it produces on the one hand, cultural and political cosmopolitanism and, on the other, an increasing awareness of, and wish to preserve, diversity, that is, ‘indigenisation’”. This ‘indigenisation’ is adopted by enterprises that “are able to attach lifestyle significance or political ideology to their products and services, replacing material and labour value with design value” (Ray, 2000, pp. 6). The term ‘indigenisation’ broadly reflects the principle behind new development manifestations of the localised approach. Contemporary rural development agenda are concerned with the marketing of local distinctiveness: Increasingly, local producers have to produce and market something a little different – something ‘differentiated’ from the competition - and this requires ingenuity both in appraising the local resource base with a view to exploiting any distinctiveness

and adding value to those resources in a way that will please an increasingly discriminating clientele. (Moseley, 2003, p. 48)

The Lisbon strategy recognises the LEADER programme as being a key instrument in the “restructuring of the agriculture sector” and in “encouraging diversification and innovation in rural areas” (CEC, 2007). The integrated rural development approach is seen as being in line with the Lisbon Strategy, in pursuing a route towards “a higher value added, more flexible economy” (CEC, 2007). The contemporary rural development agenda’s predominant emphasis on innovation, diversification, and high value-added ‘niche’ production inevitably raises questions in relation to the capacity and willingness of rural inhabitants to change (where necessary) and engage with the agenda.

Rural Development: Whose Challenge?

The LEADER programme employs a very specific development approach to development, purporting to represent a transition from ‘top-down’ to ‘bottom-up’ decision-making processes. According to official rhetoric, the responsibility for rural development issues is now decentralised from a sectoral approach at the state and EU levels, towards an approach in which local rural inhabitants are key participants.

Unlike ‘top-down’ development models that do not provide for the participation of civil society, the contemporary EU rural development agenda adopts a partnership-based approach. By involving the participation of local stakeholders in the development process, the model purports to provide a more accessible and democratic decision-making process in relation to rural development. The programme, subscribing to the principles of governance, operates on the basis of two principles: subsidiarity (decision-making taking place as close as possible to the site of implementation); and partnership (hierarchical decision-making structures being replaced by

mechanisms involving representatives from a wide range of governmental and non-governmental groups) (Osti, 2000, p. 172).

Arguments formed on the particular capabilities of the partnership model are dependent on the participation of local development stakeholders in the development process and their bargaining over development issues to give rise to a "transverse inter-sectoral debate" (LEADER Observatory, 1997). Local stakeholders' status as key participants in the design and implementation of local development action (see Ray, 1997), however, holds new challenges for rural inhabitants. Local development stakeholders are expected to have the skills, knowledge, and organisational capacity to represent and further their interests in the development process.

Determinants on the operation of participative development models reflect case-specific factors, for example the particular actors who become involved, and the characteristics of the local political, cultural, economic and social environment. Due to the governance and rural development model's dependence on each local context, inevitably there are inconsistencies in how the model operates on the ground and how it succeeds in representing local interests and generating effective local development

The Governance Approach: Representative and Effective Rural Development

Curtin and Varley (1997) sum up the rationale of the partnership approach to rural development when they state "The challenge in the new partnerships, as officially perceived, is essentially to invent new institutions which not only can mediate and get beyond conflict by providing representation to a wide span of local interests, but can be an effective means of developing local economies". Accordingly, there are two main arguments in

support of the partnership approach: that it is a means to achieving more representative and more effective rural development.

The EU LEADER programme is representative of the partnership approach to rural development and was formulated to “provide the European Union’s rural areas with a development method for involving local partners in the future of their areas (and) by adding to the practices of dialogue and consultation, to enable a better understanding of the area and its living strength” (Fischler, 1998). The main advantage associated with the LEADER approach is to find innovative solutions to rural problems that are suited to the specific conditions of diverse rural areas. DG Fischler (1998) acknowledged that “the formation of a partnership is increasingly becoming the necessary and almost inevitable prerequisite for bringing about processes of change and development at the local level which are not within the means of one actor alone, even an institutional one”.

It is claimed that partnership gives rise to more effective rural development because of its usage of different sectoral resources, both human and material. Bryson and Anderson (2000) for example, say that a multi-actor approach allows for an enhanced amount of information to be brought to bear on a problem, the building of commitment to problem definition and solutions, the fusion of planning and implementation, and the shortening of the time needed to bring forward policies, programmes, services and projects” (Bryson and Anderson, 2000, p. 143). It was envisaged that partnership, by providing a mechanism for the participation of a variety of sectoral stakeholders, would give rise to an ‘integrated’ approach, and thus would have the capacity to address the rural development problem more broadly. Curtin and Varley (1997) note that “the basic ideas behind these (partnership) schemes is that all the competent actors in the development process be brought together in a way that will allow them to pool their talents and complement each other over a set period during which, under

the stimulus provided by the partnership, a cycle of accelerated local development will occur” (Curtin and Varley, 1997, p. 142).

The governance and rural development approach is instrumental for delivering a particularly oriented development ‘product’ (discussed above). One of the main incentives behind the participation of local development stakeholders in EU governance and rural development relates to the benefits of locally-customised development agenda in an era when diversifying rural economic activity beyond agricultural production is emphasised. It is claimed that partnership and other governance models are not simply multi-tier versions of centralised policies but represent a chance for localities to focus on their individual attributes, resources, and forms of capital and exploit them (Walsh, 1995, p. 1).

By its emphasis on the participation of local actors in the development process, the partnership model is expected to provide a more democratic approach to decision-making, subscribing to principles of governance. Governance reconceptualises power as a matter of social reproduction rather than social control – “what is at issue is not so much domination and subordination, as a capacity to act and accomplish goals” (Stone, 1989, p. 229 quoted by Goodwin, 1998, p. 10) or “a power to, not a power over” (Goodwin, 1998, p. 10). Honing in on the participatory aspect of partnership, Hart et al. (2000) state that not only does it encourage integrated development, but it “is about making a holistic contribution to the alleviation of social exclusion, poverty and deprivation thus helping to build a more inclusive society”. By including different sectoral perspectives in the decision-making process, decisions are considered to be more likely to ‘stick” by virtue of having been influenced by different sectoral groups at the local level (Moseley, 2003, p. 2).

Echoing this are the officially perceived benefits of the partnership approach at the EU level according to an EC evaluation:

- Greater effectiveness in programme development and monitoring;
- More effective project selection;
- Greater legitimacy and transparency in decisions and decision-making processes;
- Greater commitment and ownership of programme outputs;
- Opportunities for reinforcing innovation and learning across organisational boundaries; and
- Development of institutional capacity at sectoral and territorial levels.

(CEC, 2001)

The operation of Governance and Rural Development in Practice

The operational design of the governance and rural development model depends on a scenario where all the local development stakeholders are willing to participate capably in the development process and to cooperate in working towards an integrated local development outcome. The operation of the model in practice is complex and is subject to a variety of case-specific factors that influence its operation and a number of threats to the partnership model's success are discussed in the literature

A compulsory partner in most partnerships is the state, representatives of which are found in cases to be the 'coordinators' and 'managers' of rural development activities (Murdoch and Abram 1998, p.41, Varley 1991). Curtin and

Varley (1997) state that in the case of Irish area-based partnership, “what the Irish state/EU have in mind in the area-based partnerships is not the simple handing over of responsibility to local actors. On the contrary, the expectation is that external actors must be centrally involved in providing resources, deciding what is required to be done, who is to be admitted as legitimate partners and how the partnerships are actually to operate” (p. 142). O’Toole and Burdess (2004) convey a similar view when they say “Higher levels of governance “steer” the self-governing processes of (funded) small rural communities, expecting them to “row” for themselves”.

Focusing on issues relating to participation at the level of rural communities, Mannion (1996) points to the danger of local development ending up “in the hands of a few”. It is a common phenomenon that only a limited number of local inhabitants become involved in local development initiatives, confining participation to “a very small number of enthusiastic members” (Armstrong quoting Breathnach, 1984). Curtin and Varley (2002) refer to a growing ‘professionalisation’ of local community representation for the purposes of local development work and Kovach and Kucerova (2006) discuss the rise of a ‘project class’ that is particularly skilled in engaging with new rural development opportunities.

On the other hand, it is noted in the literature that some traditional social groups in EU rural areas can become disenfranchised by contemporary EU rural development policy. Research conducted elsewhere in the EU discusses the positioning of farmers in relation to the contemporary EU rural development agenda. Osti (2000) notes that “local delegations of farming organisations are still bewildered by the disappearance of their traditional, privileged channels of influence” (p. 175). Case study analysis conducted in Italy finds that farmers have only a minor presence in LEADER partnership boards (i.e. LEADER Local Action Groups (LAGS))

in terms of their participation in decision-making and as project beneficiaries (Osti, 2000).

Contemporary Rural Development Agenda in Ireland: the issue of participation

Moving away from a sectoral to an inter-sectoral development approach, the contemporary EU rural development agenda relates to a diverse range of potential rural development actors. The environment for the operation of the rural development agenda is one that is characterised by change. Similar to rural areas in counterpart EU member states, Irish rural areas are experiencing a flux of physical, social, economic and cultural change. Irish rural social change is heightened by a growing proportion of commuters; the growing attractiveness of rural areas as places in which to live or holiday; the growing incidence of social movements that have a rural significance, for example the strengthening organic and rural health movements that attract newcomers and entrepreneurs to rural areas. Non-traditional forms of civil society organisations are appearing in reflection of the surge of new social groups in rural areas. There is a corresponding growth in the incidence of territorial contestations and conflicts, for example in relation to planning and environmental issues.

With rural social change, of significance is how different groups of rural inhabitants (for example, landholders, non-landholders, indigenous farming groups, and 'newcomer' entrepreneurs) come to see the countryside and how they (differently) perceive potential functions of the rural landscape. With the increasing emphasis on innovation and rural economic diversification, by necessity there is a shift towards the inclusion of a broader range of rural development participants. Entrepreneurs who engage in indigenising the local economy (tourism; organic and artisan producers) are the new pioneers, with traditional agricultural producers often in the position of having to adapt to new development rules in order to avail of an increasing range

of rural development funds. Reflecting the broader facets of the rural economy, there is an inevitable challenging of the position of traditional agriculture as the mainstay activity of the rural economy in Ireland and in other EU member states.

As discussed above, governance and rural development models, by design, constitute a local approach to rural development, open to the influence of local actors and local circumstances in each implementation environment. In the bureaucratic literature it is clear that problematic assumptions are often made about rural inhabitants', and different social groups', capacity to participate "competent actors in the development process" (LEADER European Observatory, 1997). It cannot be assumed that all groups within rural society are similarly positioned to participate in new contemporary development programmes. Rural inhabitants rank a wide range of social and cultural (lifestyle) factors along with economic factors in decision-making concerning the type of economic activity they are engaged in, and their willingness to change. A research project initiated by Teagasc in 2006 uses case-study analysis to explore the personal factors (life-experiences/exposure/education) and location-based environmental factors (household/farm and local) that impact on the willingness of rural inhabitants to engage with new (or, objectively, not so new) rural development ideas²⁶.

The farming community

Though farmers have traditionally been the main economic actors in the Irish rural countryside, there is scarce qualitative sociological analysis in the literature of the personal and environmental factors that influence farmers' (and farmers' organisations) adoption of alternative rural enterprises and their engagement in farm innovation and diversification. A

²⁶ Qualitative interviews were conducted in 2006 and 2007 in three case-study locations in Ireland. An overview of field research findings (relating to the farming community) is presented for the purposes of this conference paper. A final report of research findings will be produced in February 2009.

component of the research project 'Barriers to Change' initiated by Teagasc in 2006 focuses on resistance to change among members of the farming community, in the context that 'Farming is Changing' (Teagasc 'Farm Options' Programme). In light of evidence that there is resistance among farmers in changing to forms of production that are more economically rational (Teagasc Rural Development Commodity Group, 2005), the broader context of farmers' circumstances and their decision-making processes in relation to change was explored.

Interviews were conducted with members of the farming community who are engaged in viable mainstream agriculture; those who are engaged in non-viable mainstream agriculture; and those who have left mainstream agricultural production and are now engaged in diversified agricultural production or another rural enterprise. The interviews focused not only on farmers' attitudes to the contemporary rural development agenda, but also in relation to other 'rural development' and farm diversification opportunities i.e. sport horse production; free-range poultry production; goat farming; organic production that are promoted by Teagasc Farm Options Programme.

While determinants impacting on farmers' willingness and resistance to change varied between individual farmers and between case-study localities, a number of perspectives connected to resistance to change emerged consistently and are overviewed as follows. Narratives that reveal in-depth the wide range of factors that influence farmers' decision-making processes are produced through semi-structured qualitative interviewing conducted with farmers engaged in different kinds of farming and rural economic practices.

Many farmers pointed to lack of certainty regarding the future direction of farming and the future orientation of the rural economy. Scepticism was prevalent concerning the sustainability and long-term viability of the rural development options open to them e.g. organic farming, and in this context, farmers expressed a lack of willingness to invest and commit.

Many farmers expressed the view that similar to past investments and adaptations they had made in agricultural production, it was likely that returns from investment in a change in economic practice would not bring long-term returns or benefits. A certain estrangement was evident in the attitudes of farmers towards niche-based high value added production, for example, the opinion that rural development activities entrepreneurship are “not for farmers” and “not suitable for farmers”. Farmers expressed the issue of financial risk and fear of failure in terms of making a success of a new rural enterprise. Farmers expressed their difficulty in accepting that circumstances surrounding the viability of their current farming practices have changed. Many farmers put forward the view that their various agricultural production skills were not suitable for rural enterprise. A significant disappointment was evident among farmers in relation to the changed policy environment for farming, and featuring prominently in interviews conducted were references to farmers’ decreased autonomy in the management of their own farming practices. It was conceived by many farmers that agricultural policy has excessively dominated their farming practices, and dubiousness was expressed about the extent to which new rural development partnership arrangements could conceivably offer democratic means for farmers to participate in decision-making relating to rural development.

The issue of farm succession also emerged as a prominent determinant in influencing farmers’ adoption of rural development and farm diversification measures. New opportunities are open to heirs, particularly through the route of third-level education. In cases where the farmer interviewed had offspring, in the majority of cases, these offspring either had attained or were in third-level education. Rather than adapting production to a more viable and sustainable form, interviewees claimed that they were encouraging their offspring not only to disengage from the farm, but to leave the rural community

(particularly if the community was beyond commuting distance to suitable employment opportunities).

The rural development 'product'

Though different scenarios were evident among the three case-study locations, traditional local income generating practices (e.g. linked to farm-based agriculture and processing; sea-based aquaculture) did not feature prominently in rural development activities. In this light, it is important to consider the role of indigenous local knowledge in identifying and appraising the local resource base.

As discussed above, the contemporary RU rural development product is identified in the literature as emerging from the "championing of local distinctiveness" (Moseley, 2003). However, in each of the case-study areas where field research was conducted, it is apparent that extra-local influences feature prominently in rural development activities and many of the more successful non-mainstream food processing initiatives reflect cultural practices and skills that originate in other European countries (particularly in relation to artisan foods).

While through focusing on rural inhabitants and how associated personal and environmental circumstances impact on the incidence of engagement in rural development or diversification activities, attention must also be paid to the characteristics of the contemporary EU rural development 'product' and how different social groups identify with it. Increased responsiveness to local knowledge, including traditional rural social groups such as farmers, may help to extend the appeal of rural development schemes to a wider range of rural inhabitants. The central objective of the partnership model is to foster a localised development approach, denoting importance to the role of indigenous Irish rural cultural practices in stimulating rural entrepreneurship. Indigenous potential for high-value added

production must be investigated, as well as ways in which existing potential can be valorised.

Conclusion

Moving away from a sectoral to an inter-sectoral development approach, the contemporary EU rural development agenda relates to a diverse range of potential rural development actors. As rural areas are being seen as places not only for production but for consumption, new priorities for rural development emerge from national and international influences, involving a different set of actors to the traditional agricultural sector.

As governance and rural development programmes such as LEADER become mainstreamed, and with the increasing emphasis on innovation and rural economic diversification (Lisbon Strategy, 2007), there is a shift towards new rural development actors. Reflecting the view that rural society “refers to a complex economic and social fabric made up of a wide range of activities: farming, small trades and businesses, small and medium-sized industries, commerce and services” (CEC, 1988), local development stakeholders involved in LEADER must have diverse mandates relating to a variety of social, economic, and area-based community issues, ranging from rural enterprise groups (e.g. rural tourism groups), issue-based groups (e.g. farmers’ groups) and area-based groups (e.g. community groups).

The partnership model, fostered by the EU LEADER Programme, adopts a governance approach and is intended to represent a shift towards more a democratic form of local development, where the facilitation of local people “having a say in the development process” is emphasised. It is clear, however, that underlying the governance and rural development approach is the promotion of a particularly oriented rural ‘product’ and the participants required for the operationalisation of the approach must be appropriately skilled. In Ireland and in

the broader EU, there are indications that certain social groups' participation is dominant in rural development programmes, while there are obstacles to the participation of other social groups. This scenario inevitably holds implications for the operation of rural development partnerships, modelled on principles of governance in terms of how the partnership approach succeeds in representing and engaging a sufficiently wide range of participants in rural development action.

Processes of change and adaptation inevitably present challenges, and the research findings overviewed in this paper identify determinants on participation in governance and rural development programmes as being generated from both the type of rural development 'product' that contemporary development agenda promote; and from the personal and environmental circumstances of members of rural society who are expected to participate as "competent actors in the development process"²⁷. While environments for change vary from locality to locality, trends are emerging indicating that rural inhabitants with contrasting personal and environmental data are engaging differently with rural development initiatives. There is evidence overall of a greater reluctance among those engaged in agriculture to adopt alternative rural economic practices than among other professional groups. It is also evident in the case-study areas that rural development activity is often inspired to a greater extent by extra local influences than local by influences (in relation both to production and agencies).

Farmers have traditionally been the main landholders and 'custodians of the countryside'. Considering this, it is important that this primary social group is represented in rural development decision-making into the future. Economic incentives alone are not sufficient in encouraging change and it a significant challenge will be for rural interest groups in which farmers are prominently involved, and for institutions such as

²⁷ LEADER European Observatory, 1997

Teagasc (for example through its 'Farm Options' programme), to continue providing support farmers in engaging with changed rural economic opportunities.

As it gains prominence with mainstreaming and increased funding, the contemporary rural development agenda holds opportunities for all social groups in rural areas. It is important that traditional social groups, such as the farming community, are represented in the partnership processes that govern the development outcome in terms of its orientation and beneficiaries. At this important time of the restructuring of rural development funds, 17 years after the LEADER programme was initialised in 1991, it is important to review on the nature of the change the LEADER programme has effected to date and how the future benefits of the programme can be conceived in this light.

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Walking and Rural Tourism in Ireland²⁸

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Introduction

There has been considerable debate in recent years over the issue of walking in the Irish countryside and it is recognised that there are legitimate concerns for both landowners and users. The consumer driven interest in countryside leisure pursuits has prompted policymakers and academic researchers to investigate the demand and supply for rural recreation, especially walking. It is accepted that rural walking initiatives have the potential to generate significant tourism revenue in non-urban areas of marginal economic value and is increasingly proposed as a vehicle for rural and regional development. In this paper we examine the contribution that walking tourism makes to the Irish economy. Although we recognise that access for walking in the countryside is from a rural tourism perspective we also highlight the fact that for a rural walking initiative to be successful it is vital that it be 'bundled' with other activities and services to complete the holiday experience for the visitor. In what follows we review a number of case studies that demonstrate best practice in terms of supplying a product or service to the walking/hiking tourist in rural Ireland and review the factors necessary for a walking tourism product to be a

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success. Finally we examine the attitudes of landowners in rural Ireland towards the general public using their land for recreational walking.

Rural Tourism and walking in Ireland

Tourism is a major sector of the Irish economy due in no small part to the country's rural characteristics. It is a fact that in coming to Ireland, visitors are motivated by, *inter alia*, the perception of beautiful unspoilt scenery, opportunities for sightseeing, and the perceived relaxed pace of life (Report of the Tourism Policy Review Group 2003). Figures from the Central Statistics Office (CSO) highlight the fact that Ireland continues to be a popular destination for overseas holiday makers. According to CSO figures (CSO, 2007) there were 7,709,000 overseas visitors to Ireland in the year 2006, compared with 6,977,000 in 2005, an increase of 10%. CSO expenditure figures for the year 2006 show overseas visitors to Ireland spend €4,693m while staying here while the average length of stay of overseas visitors to Ireland during 2006 was 7.6 nights.

While all regions have benefited from a growth in Irish tourism in the last number of years, the regional distribution of revenue (overseas and domestic) continues to strongly favour Dublin and the South West (Table 1). The lowest growth rates were recorded in the more rural regions of the North West, the Shannon Region and the West region. Dublin's high growth rates are attributable to expansion in the promotable tourism segments of holiday visitors, conferences, language learning and especially to significant increases in the numbers of visitors taking 'short city breaks'.

Table 1. Regional distribution of tourist revenue (%)

<i>Region</i>	<i>1990</i>	<i>2002</i>	<i>2005</i>
Dublin	22	30	36
South West	18	19	23
Midlands/East	10	10	8
South East	10	10	8
Shannon	12	10	8
West	17	14	12
North West	11	7	4

Source: Derived from data in Tourism Review Group (2003) and Tourism Ireland (2007)

Domestic tourists is also a significant component of the tourism industry, accounting for almost half of all visitor numbers seeking accommodation in 2006, and reporting one-fifth of the overall revenue generated by tourism. Some 3.7 million trips were recorded for domestic tourists in 2006 with an estimated €872 million being spent (by Irish residents on Irish holidays as apposed to visiting friend/relatives or business trips). A key reason for many of these individuals in deciding to visit this country or for Irish residents to take a trip in Ireland is the opportunities for outdoors recreation pursuits in the Irish countryside.

Special interest activity tourism is recognised and targeted as a key development area by the Irish Tourism authorities (Tourism Policy Review Group, 2003). Within this category, walking is by far the biggest activity engaged in by overseas visitors in Ireland. In 2005, 280,000 overseas visitors partook in

walking/hiking activities (Golf being the next closest at 98,000). Failte Ireland estimate that of this number, 104,000 were specialist overseas walking visitors (Failte Ireland, 2007). These are defined as individuals who cited walking as a primary reason for visiting Ireland. These numbers were even larger in 2006 with an estimated 335,000 visitors enjoying walking activities in Ireland (Tourism Ireland, 2007). This represented an increase of 20% over the 2005. Total expenditure by overseas visitors engaging in walking/hiking activities in Ireland was estimated at €174 million in 2005. Coillte estimated that some 18 million people access the countryside through their forests, contributing more than €97m to the national economy in 2006.

Table 2 displays the numbers of overseas visitors engaged in outdoor recreational pursuits in Ireland in 2006. It is obvious from the table that within the Special Interests Tourism category “Walking Tourism” continues to be Ireland’s largest niche area delivering the highest numbers of visitors. For this reason, walking is considered to be the most important recreational activity in the State (Western Development Commission, 2005). Walking activity can be divided into two categories:

- Short walks lasting less than one day. These walks are usually not the main reason why tourists visit particular areas. Local residents also regularly complete short walks for health/lifestyle reasons.
- Walks taking more than one day to complete. These walks are usually undertaken by tourists both national and international. The walk is usually the main reason why tourists are visiting the particular area.

From a purely rural tourism prospective, access to the Irish countryside by recreational users is imperative as it is obvious from the above statistics that countryside pursuits will form the bed rock of any Irish Special Interests Tourism plans. The demand for outdoor recreation pursuits has increased

significantly in Ireland as well as other developed countries and this trend is expected to continue into the future. It's clear that access to the Irish countryside for walking (and recreation generally) is not as readily available as in other countries. This is potentially a serious constraint on the development of recreation and nature based tourism in rural Ireland as our competitors have no such constraints.

Table 2. Special Interests Tourism Activities enjoyed by Overseas Visitors in 2006

<i>Activity</i>	<i>Visitor Numbers</i>	<i>% of Visitors engaged in Activities</i>
Walking/Hiking	335000	5
Golf	169000	2
Cycling	78000	1
Fishing	106000	1
Equestrian	37000	0.4

Source: Tourism Ireland, 2007

In 2001, outdoor pursuits such as cycling, hill-walking and angling and golf were adversely affected by the Foot and Mouth controls in place at that time, but as Hunter et al. (2004) point out walking, cycling and angling were already in decline before then, and up until 2006 there has been no reversal in the decline. Tourism in rural areas is undoubtedly affected by other problems facing Irish tourism generally. These include falling customer satisfaction rating, especially in regard to good value for money, gaps in infrastructure, and the entry of new

competitors in the market place where Irish tourism traditionally competed (Failte Ireland, 2007).

Countryside Access for walking in Ireland

All land in Ireland is owned either by private landowners or the Irish government (or a state agency). Recreational users do not have a legal right of entry to land in Ireland; access is at the discretion of the landowner. While the great majority of Irish landowners continue to facilitate recreational users, in recent times there has been an increase in the closure of lands. There are various reasons underlying this change in farmers' attitude to recreational users on their land. These include fear of litigation, poor behaviour by some recreational users, a decline in the economic viability of smaller farms and frustration that the farming community or landowners are the one party not to gain any direct benefit from the increasingly commercialised recreational use of their land.

Government supported initiatives to promote public access to the countryside in Ireland include The Irish Sports Council's "National Waymarked Ways", the Slí na Sláinte walking routes under the Irish Heart Foundation and forest walks run by Coillte (the state owned forestry company). The National Waymarked Ways and Slí na Sláinte implement "wayleave" agreements between landowners, local development committees and local authorities. Coillte also has an open forest policy which encourages the use of forest walks. With a view to maximising the benefit of recreational activity to rural communities and providing a framework for the development of this sector, the Irish Department for Community, Rural and Gaeltacht Affairs, established Comhairle na Tuaithe in January 2004. Comhairle na Tuaithe is addressing three priority issues: access to the countryside; the development of a countryside code and the development of a National Countryside Recreation Strategy.

To increase supply of public access, one option is the legislative route. For example the Scottish Land Reform Act 2003 gave people the right to access almost all of the land of Scotland except land under crops, close to environmentally sensitive areas or farm buildings and dwelling house. A right to roam legislative approach is favoured by some (Keep Ireland Open). A legislative framework "Access to the Countryside Bill" was recently proposed by a member of the opposition in Dail Eireann (Quinn, 2007). The Bill proposed a right of access to land in excess of 150 metres above sea level and any open and uncultivated land, including moors, heaths and downs. It also suggests amendments to the Occupier Liability Act where persons would enter land entirely at their own risk. This Bill met with considerable opposition from the farm organisations who are opposed to any proposals that might lead to a diminution of property rights.

Comhairle na Tuaithe initiated a legal review to examine whether public access could be implemented by means of legislation without redress to the Irish constitution. A report on the finding of this review is reported not to have ruled out this option (Owens et al., 2007). The legislative approach is not favoured by government and the mainstream political establishment. Interference with property rights is unlikely given the history of land tenure in Ireland. In a parliamentary debate the responsible Minister, Eamon O'Cuiv is quoted as saying "I have repeatedly made clear my view that a local community-based approach is the best way forward where issues of access to the countryside arise" (O'Cuiv 2007, pg 26). Community based initiative have been recently been introduced by the Department for Community, Rural and Gaeltacht Affairs in this area and will be discussed below.

Walking Rural Tourism Initiatives in Ireland

When considering Ireland for a holiday, the figures quoted above show that the rural attributes of scenery, the natural unspoilt environment and the perceived friendliness of the people are very important factors influencing visitor's decision to come here. Getting them to stay longer in the rural area is a big challenge. It must be noted though that the tourist buys a *holiday experience* which at its most basic includes a place to stay and something to do. In a recent report on rural tourism published by the Irish Rural Tourism Federation, the need for the rural area to take account of a broader definition of rural tourism to include such elements as the quest for authenticity and a variety of real cultural experiences is emphasized. The report advises that while selling a 'hero' activity such as walking is very important it must be 'clustered' or 'bundled' with other activities to complete the holiday experience. The following case studies demonstrate how this is done.

Case study 1. Kilmaneen Farmhouse, Newcastle, Co. Tipperary.

The O'Donnells, Kevin, Ber and their family operate a Dairy Farm in Newcastle, Co. Tipperary. The need to supplement farm income and ensure a future for the next generation provided the background to the O'Donnell becoming involved in a rural tourism business. Having researched the potential for rural tourism on their farm, they learned that basically people buy a *holiday experience* made up of a place to stay and something to do. They took stock of their farm resources, personal resources and the potential of the locality to provide the package which they now sell successfully.

A start was made in 1994 with a B & B providing two standard rooms and one en-suite guest bedroom with Bord Failte (now Failte Ireland) approval. They recognised the uniqueness of their *farmhouse* and made every effort to ensure that the

character was maintained. In 1999 they upgraded to three en-suite bedrooms and extended into self catering through the *conversion of traditional buildings* adjoining the farmhouse. This innovative approach provided a choice of accommodation and flexibility to visitors. Guests staying in the self catering are welcome to eat breakfast in the farmhouse if they wish.

This rural tourism project developed by the O'Donnells, provides numerous attractions for a variety of visitors. They offer:

- Farmhouse is on a working dairy farm, surrounded by three mountain ranges - the Comeraghs, the Knockmealdowns and the Galtees
- Kevin has a *personal interest* in walking and has put his knowledge to work to promote walking holidays. Kevin is trained in mountain skills and leads walking groups. They provide books and maps on walking in the area. Kevin has a good knowledge of the mountains, he and Bernadette are keen walker and members of The Peaks Walking Club based in Clonmel
- There have laminated maps available of walking routes on the lower slopes of the Knockmealdowns which give information about historical sites and places of interest along the way. These walks are less strenuous than the Way-marked Routes and are very suitable for the casual walker.
- They take from about 1 to 4 hours to complete, depending on the route chosen.
- At Kilmaneen they can print out a copy of the day's weather forecast for walkers or it can be accessed at www.meteireann.ie. There are also trained guides locally.

- Kevin also has a keen interest in gardening and this has proved a relaxing space for guests who wish to ramble through a very interesting garden.
- *River Suir and Noir* bounding their farm which attracts fishing interests, they provide tackle and bait, fish storage facilities, drying rooms etc. Trout fishing on the Suir and on the farm is free (with a hut provided for tying flies, storing equipment and drying waders).
- The *farm* is a REPS dairy farm and is of interest technically to agriculturist from as far away as New Zealand and USA.
- A very interesting *landscape* provides the true rural experience.
- The *farmhouse* itself has a distinct farmhouse image, which has been enhanced and maintained providing a real farm holiday.
- Ber was a *good cook* and has also developed her *craft skills* to include some very unique and different crafts. She provides dinner to guests in the farmhouse and packed lunches to walkers and fishermen.
- The farm is accessible by visitors and has a farm map on display.

Networking with other providers in the locality to market and expand their product is essential for the O'Donnells. They aim to provide a complete *holiday experience* in a rural area. Their success story is has been recognised on many occasions as outlined below:

- In 1999 the O'Donnells won the *National Award for Rural Tourism*
- In 2005 the O'Donnell's won the *Georgina Campbell's Irish Farmhouse of the Year*
- In 2006/2007 the O'Donnell's farmhouse Kilmaneen was specially selected and featured in *The Rough Guide to Ireland*
- In 2006 *Karen Brown's Ireland - Charming Inns and Itineraries* stated that "The O'Donnell family's picturesque farmhouse has great appeal"

Case study 2. Fairymount Farm, Ballingarry, Roscrea, Co. Tipperary.

John and Linda Kenny run a 450 acre organic farm in Ballingarry, Roscrea, Co. Tipperary. They also have forestry, sheep and horse enterprises. They realised the tourism potential of Fairymount Farm almost by accident, which is often the statement made by successful entrepreneurs. In 1990 they were wondering what to do with a small apartment attached to the farmhouse. When they made it available for self-catering they discovered that visitors came in numbers and loved their farm. Located in Ballingarry, Co. Tipperary the Kenny farm is a beautiful place. Perched on the upper slopes of historic Knockshegowna, it has panoramic views of otherwise flat countryside. Their resources included an organic farm, woodland, a stream, a 25-acre lake and numerous remnants of prehistoric settlement as well as some tourism activities locally.

Since these early beginnings the Kennys have developed every aspect of the farm and aimed to maximise its tourism potential. Along with the first apartment they now have two other self catering units, a bungalow that can take up to eight people and a cottage that will take up to six. "From the time we started in 1990 we found we really enjoyed it," says an enthusiastic Linda.

“We entertain many of our guests in our own kitchen and, as far as possible we include people in the life of the farm.” According to John the farm can now be described as a mixed venture involving sheep, horses, forestry and tourism. They take pride in showing people the various aspects of the farm. “For instance our guests can watch horses being broken, shod and trained. They can even watch us round up the horses on horseback. They can see us tend to the flock of 450 ewes and are free to walk the 110 acres of hardwood forestry through the various walks we have put in.”

The walking routes are a major attraction for visitors to Fairymount. There are three main trails, each of which is visibly marked. Walkers can avail of an illustrated booklet with maps and explanations of the various points of interest. They provide farm, hill, woodland, heritage and hill walks. Three of walks are known as the

- Heritage Walk, 5.5 miles
- Hill Walk 1 mile and
- Lake Walk 2 miles.

Fairymount Farm is also a destination for non-residents. Individuals, groups and school tours can book in advance and avail of the walking facilities. A very well appointed reception area has been built for day visitors.

An added attraction to the farm is that it hosts one of the only cricket clubs and cricket grounds outside of Dublin. Along with playing in national competitions, the club also hosts mainly English teams who also tend to avail of the self catering facilities.

The apartment attached to the farm house along with the bungalow and the cottages have tremendous views of the surrounding countryside and are well equipped with all modern conveniences. Two of the units are on their own sites which affords the visitor great privacy.

Equally important for the business is the internet. Linda regards it as vital for promotion and for tying down concrete bookings. "The *Web* is such an appropriate name for the internet. Using the internet is like catching your customers in your own web," says Linda. "Every time I check the e-mail for internet enquiries, I reply immediately and establish a relationship by getting into conversation with the enquirer. This more often than not leads to a telephone call and a booking."

Planning ahead, the Kennys have a clear vision of what they want. "We want to expand, maybe in three years time, to four cottages. We want to continue to be professional in what we do and this means having an operation we can control," says John. "We want to integrate the tourism and the farm more and more and we look forward to handing it over to the next generation in good shape." Again they Kennys are very conscious of supplying a total *holiday experience* in there locality and as well as having developed a good business around walking. They make these walks available to guests of the cottages, the general public, walking groups, and tours. They welcome visitors throughout the year with every season bringing different aspects of interest and beauty. As this is a private enterprise, nominal charges apply. The Kennys have been awarded for their efforts in awards and positive reviews. These are outlined below:

- In 2004 Fairymount Farm were provincial winners of the *Rural Tourism Awards*

- In 2001 the Kennys got the RDS *All Ireland Farm Forestry and Wood Award*. This award was established to promote better forestry on farms and particular recognition is given where the environment has been improved, landscape enhanced, wildlife preserved and the integration of additional enterprises such as walks and trails.
- The trails are impeccably set out...I was very impressed with my visit.” *Michael Fewer, Walking World Ireland*.
- “Accommodation and walks were just beautiful and so central; it was perfect for exploring Ireland...we’ll be back!” *Tom & Angie Forester, Chicago, USA*.

Case study 3. Corkery Family, Gleninchaquin Park, Tuosist, South Kerry

The Corkery family run a 700 hectare hill sheep farm. Their most valuable resource turned out to be their sheep track which many people might have ignored as having potential. They have also made excellent use of other available resources such as wonderful scenery, 3 large lakes, mountains, rivers and waterfalls. The Corkerys have made mountain walking available to both the amateur and professional mountain walker/climber. Donal says that they constantly monitor what the visitor wants and have now developed a short half hour scenic walk for the elderly who often sat in the car and read while the more active youngsters took the 4 hour walk. They can also enjoy a picnic and purchase some home made scones from the farmhouse.

The story starts in 1992 when the Cookerys needed off-farm income and a future for a successor so with help from Teagasc and Leader they dug out pools, built bridges, created rest areas and opened the first walk on the farm charging £3 per person. Initial visitors totally 3,000. In 1998 this figure had increased to approximately 12,000 with a steady growth thereafter except for

a setback with the foot and mouth outbreak of 2001. A total of 6 walks have now been developed extending to 5 grades, ranging from a 40 minute walk to a 7 hour walk.

This idyllic valley is perfectly suited for day outings for the entire family. Ample parking facilities are provided close to the waterfall and picnic areas. The walking routes around the waterfall, cascades, streams, woodlands and lakes are accessible for all ages. Visitors are invited to feel free to bring their lunch basket or enjoy home baking, teas and coffee refreshments provided on-site.

The Corkerys were very aware when setting up that the Tuosist area could provide the other elements of the *holiday experience* and has many attractions for visitors of every age. The area offers a wide range of self-catering and bed and breakfast accommodation as well as two caravan and camping parks for those who prefer the outdoor life. The area has excellent fishing for salmon, brown, rainbow and sea trout, and sea and shore fishing for mackerel, pollock etc. It is renowned for its good walking facilities including both loop and linear marked walks. Other attractions include historic sites, stone circles, gardens, waterfall amenity area, swimming, horse riding and many festivals and events throughout the year. The Corkery family has won the *National Rural Tourism Awards* on two occasions.

Factors necessary for a successful walking tourism product

The above case studies are examples of micro industries where individuals have through their own initiative (and some public funding) developed a successful rural tourism business based on a nature based walking product. However, for specific locations in rural Ireland to develop a globally recognised rural walking product requires a number of additional factors that

take into account the fact that the visitor needs a “bundle” of auxiliary goods and services in addition to a suitable natural landscape in which to walk. Some of these most important factors are discussed below.

In a review of over 20 case studies of successful walking routes in Ireland, the UK and Mainland Europe, the Western Development Commission (2004) highlighted a number of key factors that were necessary for the establishment of a successful walking tourism product. The dominant success factor identified related to support structures. In most successful cases it was found that a tripartite partnership exists amongst public, private and community players, at both local and regional levels. The relevant authorities recognised the need for this partnership approach in the Irish case as well, and this belief led to the establishment of Comhairle na Tuaithe, which brought together farmers, walkers and relevant public officials to aid in the development of a National Countryside Recreation Strategy.

Secondly, for many of the successful walks attracting international tourists, resources were provided both in-kind and financially, primarily from the public bodies. Considerable variation existed however from country to country because of different public funding mechanisms. Thirdly, the public sectors in each case recognised and supported communities as the initial ‘drivers’ in the identification of the routes and negotiation of the lines of way. This was something that was recognized by the Minister for Community, Rural and Gaeltacht Affairs, Éamon Ó Cuív when he announced in 2007 that “the issue of walkways and access has always been very sensitive and it is one, I believe, which can only be solved by dialogue and by the active participation and support of not just farmers and walkers, but also the wider rural community”.

Fourthly, the public sector assisted the communities in the resourcing, development and marketing of routes, and frequently assumed management of the walks in the longer term. This was particularly well demonstrated in the UK and France, where there has been a strong tradition of state support for recreational walking since the 1950s. Fifthly, walk development, maintenance, marketing and sales, were properly resourced with dedicated personnel. The private sector provided services, such as accommodation, meals, transport, tours, drying and laundry facilities, maps, published guides, transfer from points of entry, luggage transfers, walker information points and good quality food. This is the key area from a rural tourism perspective. As Heneghan (2002) put it, rural area must aim to be a “destination” rather than a place to “stop-off”. A failure to achieve a critical mass, that is, a sufficient concentration of facilities, accommodation and attractions, means that a rural area lacks the ability to draw visitors to it for anything more than an hour or a day. It is in the interest of local providers to work together in order to create a critical mass of tourism products in the area if they are to achieve economic benefits from longer stays.

Finally, many of the successful international walks had dedicated staff such as route managers and rangers for the long term management, networking and marketing of the routes. In this regard, the Department for Community, Rural and Gaeltacht Affairs has appointed 11 Rural Recreation Officers in areas where there are clusters of suitable, accessible walks. The role of the Rural Recreation Officers is to coordinate and oversee the management of trails and assist in the marketing and promotion of trails in the region. The Rural Recreation Officer is to act as a contact person for walking tourists and provide a wide range of support and advice as well as liaising regularly with landowners to ensure that goodwill is maintained and concerns are addressed

Strong networks of product and service providers exist along the walk delivering a high quality product that specifically meets walkers' needs. This includes a range of accommodation, drying and laundry facilities, maps, published guides, transfer from points of entry, luggage transfers, walker information points and good quality food. For example, along the Beara Way, over a 100 approved service providers are accredited by the management team and display a logo to show that they are 'walker-friendly'. Each provider contributes €50 annually to be part of the scheme.

The economic benefits of Rural Walking Pursuits

Walking in rural Ireland has both market and non-market economic benefits to the local area and society as a whole. Market economic benefits refer to the situation where businesses are set up in the local area that offers a service or particular product to the walking visitors in that region. The expenditure generated from these goods or services is the direct market benefit from the walking tourism in the region. The revenue generated from "walking" tourists in local guesthouses, restaurants, pubs and shops as well as the revenue generated in the initiatives discussed in the last section are all examples of the direct market economic benefit of walking tourism. With total expenditure by overseas visitors engaging in walking/hiking activities in Ireland estimated at €174 million in 2005 (Tourism Ireland, 2007) the direct economic benefits of walking are not insignificant. It should also be noted that this figure does not include the expenditure of Irish residents who enjoy trips in Ireland for recreational walking purposes.

A number of studies have also examined the direct economic benefits of walking at specific locations within Ireland. Bergin and O'Rathaille (1999) carried out a study of recreation in the Irish uplands, estimating expenditure based on the summer of

1997. The study arrived at an estimate for the total expenditure per trip for overseas visitors of €420 compared to €94 for domestic Irish visitors. Another study by O'Donnell and Boyle (1999) looked at expenditure relating to way-marked ways in Ireland and focused on the Kerry way and the Wicklow way in order to do a comparative expenditure analysis. The study concluded that the mean spend for foreign visitors is greater than that of Irish walkers on all routes. It provided a breakdown of expenditure in Kerry and Wicklow in order to arrive at estimates for average spend over the walking season (March – September). Average spend per day by overseas walkers in Kerry was found to be €53 while that in Wicklow was estimated at €33.

The non-market economic benefit of walking is an estimate of the economic value which members of society receive from the use of natural resources. These resources cannot be efficiently allocated through markets due to their public good characteristics such as being non-rival and non-excludable. Yet walking in the countryside can provide an economic benefit to the individual even if a formal market does not exist to recognise this. Research currently being conducted by the Environmental Modelling Unit of RERC, Teagasc, investigating the non-market economic value associated with walking activities in rural Ireland is generating considerable interest in the relevant economic and policy making communities.

Methods of valuing non-market goods are usually categorised into stated and revealed preference approaches. In the former, respondents are asked to directly state their willingness to pay for recreational opportunities in the context of hypothetical changes in the supply or quantity of these opportunities. Revealed Preference (RP) models are the main alternative to Stated Preference (SP) techniques for modelling recreation. The RP methods of valuation are based upon data drawn from observations of behaviour in real markets from which inferences may be drawn on the value of a related non-market good.

Within the rural recreation project the stated preference technique known as the Contingent Valuation Method was used to estimate the value of walking across lowland and upland farm commonage while the revealed preference method known as the Travel Cost Method, which uses information on the distance individuals travel to carry out their recreational pursuits, was used to estimate the non-market value of small-scale forestry recreation in rural Ireland.

The results from the research indicated that the provision of a “way-marked way” walk through lowland farm commonage in Connemara, was worth, on average, €9.13 per walker per annum while for the equivalent walk in upland areas was worth on average €5.69. In terms of the travel cost study for forestry users it was found that the investment in a wildlife viewing hide at a small scale forest site in Co. Galway would increase average walker visits from 4.5 to a estimated 9.18 per person per year. This corresponds to an increase in welfare of €36 per person per year. The creation of a sculpture garden at the same site resulted in an estimated increase in welfare per forest recreationalist of €29.53 per year. Once again what these results demonstrate is that recreational demand and accompanying economic values associated with the recreational use of the Irish countryside is significant.

Although policy makers are aware of the economic benefits associated with open-air outdoor recreation activities, rational public decision making on financing the improvement of public access requires that the economic benefits associated with rural recreation pursuits should be clearly identified and valued. Furthermore, the provision of new schemes for walking also depends on the supply of public funds, which must be justified to the public exchequer, the European Commission and the public at large. The results of RERC’s programme of research in relation to rural recreation are informing this process. Some initial finding on this issue in relation to a survey of farmers

views on walkers using their land are outlined in the following section.

Farmers views on allowing people to access their land for walking activities

The Irish National Farm Survey (NFS) is collected as part of the Farm Accountancy Data Network of the European Union (FADN). The aim of this network is to gather accountancy data from farms in all member states of the EU for the determination of incomes and business analysis of agricultural holdings (FADN, 2005). In general there are approximately 1,100 farms in the survey each year³². The method of classifying farms into farming systems, used in the NFS is based on the EU FADN typology set out in the Commission Decision 78/463. The system titles refer to the dominant enterprise in each group based on Standard Gross Margins (SGMs). Within the NFS, the farm system variable is broken down into six different categories as follows: Dairying, Dairying and Other, Cattle rearing, Cattle Other, Mainly Sheep and Tillage Systems. In the autumn of 2007 farmers in the NFS were asked a number of additional questions in relation to their views on recreational walking on their land.

In particular they were asked if they were aware of how often the general public used their land for recreational walking. 80% of farmers indicated that as far as they were aware the public never used their land for walking on, 16% said the public

³² The weights used to make the NFS representative of the Irish farming population are based on the sample number of farms and the population number of farms (from the Census of Agriculture) in each farm system and farm size category. The sample number of observations by size/system is simply divided by the population number of observations by size/system to get the weights that make the sample representative of the actual farming population.

occasionally walked on their land and only 4% indicated that their land was often frequented by recreational walkers. As shown in table 3, these results vary slightly by farm system with 5.3% of sheep farmers recording that their land was often frequented by recreational walkers.

Table 3. Farmers perception of frequency of land use by walkers

<i>Farm System</i>	Often (%)	Occasionally (%)	Never (%)
Dairy	6.3	14.4	79.3
Dairy Other	0.98	20.45	78.57
Cattle System	1.53	13.73	84.74
Cattle Other	3.8	14.86	81.34
Sheep	5.31	16.46	78.22
Tillage	2.26	29.64	68.1

<i>Land Classification</i>	Often (%)	Occasionally (%)	Never (%)
Land with high agricultural usage value	2.2	18.1	79.7
Land with limited agricultural usage value	1.57	13.49	84.94
Land with low agricultural usage value	6.5	14.71	78.79
Total	3.56	16.08	80.36

Somewhat surprisingly, tillage farmers recorded the lowest perception of walkers never walking on their land at 68%. It is also interesting to note that the more marginal the farmland, from an agricultural usage perspective, the higher the perceived frequency of use for recreational walkers. This echoes the sentiments of Hynes et al. (2007) who previously pointed out that it is often the case that land of low agricultural value is the most valuable from a outdoors recreational viewpoint.

Within the NFS, farmers were also asked if a hypothetical 5 year walking scheme was introduced would they be willing to participate in such a scheme. The farmers were informed that this scheme would involve access being granted for walking in the form of a specific walking route adhering to a countryside code, that no permanent right of way would be established, that the landowner would be indemnified against insurance claims, that the initial set up and maintenance costs would be covered, and that some infrastructure (stiles, information boards etc) would be introduced. This scenario was framed based on an extensive pilot study which identified factors of concern to landowners.

Table 4 presents the results of this question. Farmers were split almost equally on whether they would participate or not. Of the 49% who said they would participate, just under half said they would participate for free (21% of the total number of farmers). Dairy and tillage farmers were the least in favour of such a walking scheme, while sheep farmers and farmers with more marginal land types were the most in favour of participation. For those who said they would not participate 8% said it was because of continued worries over *insurance and litigation* while 73% said it was due to the fact that the presence of walkers on their farm would be a *nuisance* to farm activity. The remaining 19% gave *other* reasons for non-participation.

Table 4. Farmers willingness to participate in hypothetical 5 year walking scheme

<i>Farm System</i>	Would not participate (%)	Participate free of charge (%)	Participate for payment (%)
Dairy	55.49	17.64	26.87
Dairy Other	53.73	25.66	20.61
Cattle System	49.48	25.21	25.31
Cattle Other	50.5	23.24	26.27
Sheep	45.99	12.85	41.16
Tillage	52.7	21.33	25.96
<i>Land Classification</i>	Would not participate (%)	Participate free of charge (%)	Participate for payment (%)
Land with high agricultural usage value	51.8	21.4	26.8
Land with limited agricultural usage value	51.36	24.96	23.69
Land with low agricultural usage value	48.75	18.86	32.39
Total	50.67	21.19	28.14

What these results demonstrate is that there is very much a mixed reaction amongst farmers in relation to the idea of the general public being allowed to use their land for recreational walking even when there is a scheme in place that alleviates the issues of permanent rights of way being formed and insurance worries. While this survey was being conducted a new Walkways Scheme was agreed at a meeting of the Comhairle na Tuaithe (forum of farmers, walkers and officials) in November 2007. Under the scheme, farmers will get €14.50 an hour if they carry out approved work such as building and maintaining stiles and paths, drainage, cutting back ferns and clearing litter on any section of a way marked way going through their land. This scheme is a significant step forward in sorting out the long-running debate over access to the countryside. This scheme is voluntary and as our results show it may be the case that 50 per cent of farmers would be willing to participate if a way-marked way was designated through their land. Any such scheme should facilitate the development of a network of walks which will enhance recreational tourism in rural areas and should lead to further rural tourism initiatives similar to those outlined in the previous section.

Conclusions

Rural tourism is a serious instrument of rural development. While the walking product has vast potential for rural areas, one 'hero' product does not constitute a destination. Other opportunities to create a destination must be fostered. Strategic development around/at existing walks routes must be contemplated if rural areas/farmers are to benefit. Other elements of the holiday experience for instance, a selection of places to stay (hostels; caravan and camping; B&B's self-catering); places to eat; cultural activities; other attractions and services must be considered under the next round of LEADER funding. The absence of a strategic development approach to

development around walkways has lead farmers to conclude that the main beneficiaries of free access to the countryside is or will be the mass tourism sector (hotels).

The supply of rural walking opportunities and services in Ireland is to a large degree dependant of supply side factors such as tastes and preferences of land owners, cost of provision of walking routes and the price of the walking commodity. If a landowner is ideologically opposed to the provision of improved public access, financial incentives, however significant may not be sufficient to encourage a landowners to provide improved access. If landowners incur costs from a change in land use by developing or maintaining a footpath or trail then these costs must be recoverable. This forms the basis of a recently launched scheme “walkways management scheme” agreed by stakeholders in Comhairle na Tuaithe where landowners would be compensated for walkway development and ongoing maintenance.

This scheme is in an embryonic stage and may have more relevance to existing walkways and its’ success in attracting new walking routes remains to be seen. Finally, it needs to be kept in mind that there is a strong linkage between recreational demand and a managed landscape provided by traditional Irish grazing livestock systems which underscores the importance of agricultural and rural development measures which support farming communities. Agricultural abandonment of the Irish countryside would change this landscape. This has already been sighted as a danger in a decoupled policy environment (NUI Maynooth et al. 2005). To maintain the farming landscape in the condition that outdoors enthusiasts expect when they visit the Irish countryside for recreational pursuits, policy instruments are required which integrate agricultural concerns with those of recreational demand on privately owned farmland.

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Assessing the availability of off-farm employment and farmers' training needs

Mark O'Brien³³ and Jasmina Behan³⁴

Introduction

During the Celtic Tiger era, a marked shift in the structure of the labour market occurred: the importance of agriculture and the traditional industrial sectors declined, while employment in high tech manufacturing and services grew strongly.

The number of farm households participating in the off-farm labour market increased significantly over the last decade, peaking at 54 percent of the farm households encompassed in the 2006 National Farm Survey (NFS). Empirical research conducted by Hennessy et al (2004) found that off-farm income assumed an integral role in sustaining farm households and insulating them from impoverishment: results showed that more than half of the farm households included in the 2004 NFS were safeguarded from an economically vulnerable position as a result of the farm household having an operator and/or spouse participating in the off-farm employment market.

In this paper we explore the position of farmers in terms of their prospects of securing off-farm employment. Specific objectives of the paper are:

1. to explore the skill profiles of farmers with off-farm employment.

³³ Teagasc Rural Economy Research Centre

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2. to estimate the probability of different farmer profiles securing off-farm employment.
3. to provide an outlook on off-farm employment for the existing farmer profiles.
4. to examine policy options in relation to training provision needed to increase the employability off farmers seeking off-farm employment.

The paper is divided into four main sections. The first section involves analysing the skill profiles of farmers with off-farm employment. In this analysis we used educational attainment levels and work experience as a proxy for the skill levels of farm operators. The data encompassed in this objective was gleaned from the second quarter of the 2006 Central Statistics Office Quarterly National Household Survey (QNHS).

In the second section of the paper we assess the economic position of the working age population and calculate the probability of individuals with different skills profiles attaining employment. This enables us to make inferences on the off-farm employment prospects of farm operators given their skills profiles.

In the third section we provide an outlook for the sectors synonymous with off-farm employment provision. This analysis incorporates work conducted by various research bodies in Ireland.

In the final section we investigate what policies have been implemented to increase the employability of farmers seeking off-farm employment, with particular emphasis on the 'Options for Farm Families Programme', which was established by Teagasc in co-operation with FÁS with the intention of assisting farm families in generating additional household incomes.

Section 1: Skill profiles of farmers with off-farm employment.

This section addresses the current skills profiles of farm operators. It is the first step in assessing farmers' prospects of securing off-farm employment and involves examination of their educational attainment and work experience.

Education attainment indicates skills and competencies acquired through the formal education and training process. It has a significant effect on the farm operator's ability to attain off-farm employment. Work experience allows us to identify the skills and competencies which farm operators have attained through previous employment and therefore provides an indication of their employability.

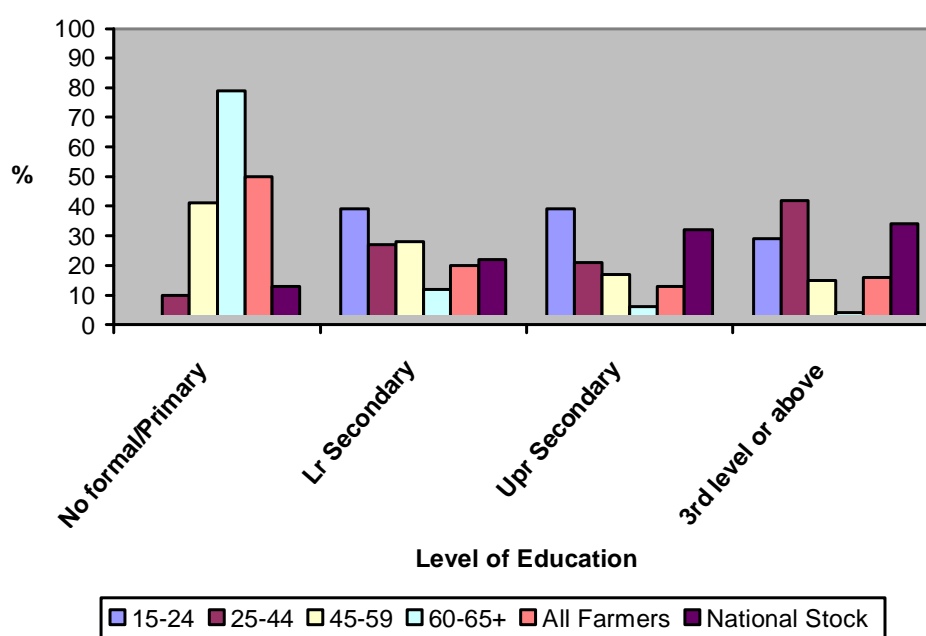
Education

Educational attainment refers to the highest level of schooling a person has attained through the formal education and training process. It indicates the level of knowledge, skills and competences a person is equipped with to enter the labour force.

Results from the 2006 QNHS showed that the educational distribution of farmers is skewed towards lower educational attainment (Figure 1): in 2006, approximately 70 percent of farmers had less than secondary education. Older farmers' education distribution has more pronounced negative skewness: almost 90 percent of the 60-65+ age category (45 percent of the farming population) have less than lower secondary education, compared to 65 percent of the group aged 45-59 (28 percent of farming population) and just over 38 percent of the 25-44 age grouping (24 percent of the farming population). Similarly, younger farmers are more likely to hold third level qualification: 22 percent of the 15-24 age cohort

holds at least a college certificate, compared to 2% of those aged 60+.

Figure 1: Age by Level of Education of Farm Operators and Working Age Population in 2006



Source: CSO-QNHS

When compared with the national stock, the proportion of farmers with low educational attainment levels is above the population average. Figures from the 2006 census show that approximately 34 percent of the working population (i.e. those aged between 15 and 64) have a third level qualification of some denomination, in comparison to 16 percent of the farming population. Approximately 54 percent of the working age population reported secondary level education to be their highest educational attainment; contrastingly 33 percent of farm operators had secondary education in 2006. While almost 13

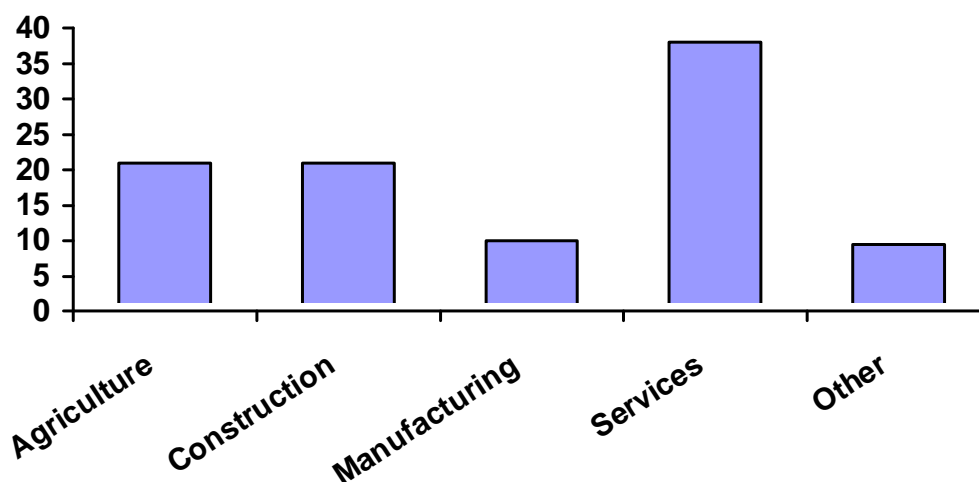
percent of the working age population had not progressed beyond primary level education in 2006, according to the QNHS, the number of farmers with no formal or primary only education has increased from 41 percent in 1999 to 50 percent in 2006.

Work Experience

Work experience data is taken from the National Farm Survey (NFS). The NFS provides data on off-farm employment in terms of sectors and occupations. The NFS classifies occupations into 37 categories, which we subsequently grouped into five broad categories: managerial, clerical, craft, high skill and low skilled.

The results (Figure 2) suggest that farmers who work off the farm tend to be employed in the traditional sectors of the economy such as, agriculture, construction and manufacturing.

Figure 2: Employment by Sector for Farm Operators (%)



Source: NFS, 2002

We also examined the sectors of employment for farm operators across regions. Results show that there is a regional variation in the sectoral employment of farmers. The services sector accounts for the largest percentage of off-farm employment provision for farm operators in the Mid West, South West and West regions. In excess of a third of the farm operators in the Mid East, Midlands, South East and South West regions are employed in the agriculture, forestry and fishing sector. While the building and construction sector accounts for approximately 40 percent of off-farm employment jobs in the Border region. If we combine the agriculture, forestry and fishing sector with manufacturing and building and construction, in excess of fifty percent of all farm operators across all regions are employed in these three sectors.

In relation to occupational classification, the largest proportion of off-farm employment for operators across all regions is in low-skilled jobs, which include occupations such as: drivers, postmen, sales reps, agricultural labourers (including forestry and fishing), construction labourers, production line workers, other manufacturing workers, shop assistants and hotel and restaurant workers: 75 percent of farm operators in the Midlands region are in low skilled occupations, in comparison to 56 percent in the Mid East region. The South East has the largest proportion of farm operators employed in high skilled occupations at 14 percent, these include occupations as: engineers, accountants, vets/AI, teachers, pharmacists, garda and nurses, in comparison to none in the Mid East. The Mid East region has the largest percentage (23%) of farm operators engaged in craft related occupations, such as: building tradesmen, mechanics, fitters and electrical maintenance and repair, in comparison to 4 percent of farm operators in the Border region. While the Border region has the largest proportion of farm operators employed in managerial occupation at 26 percent, in comparison to 10 percent in the West region.

Conclusion

The analysis suggests that farmers tend to have low levels of education and heavily rely on the availability of low skilled and craft related jobs primarily in traditional sectors of the economy. Our analysis suggests the absence of any major variation in the skill profile of farmers across regions in Ireland.

Section 2: Estimation of the probability of different skill profiles securing off-farm employment.

In this section we estimate probabilities of securing employment for a skill profile typical to farmers.

First, we use the principal economic status of the working age population (15-64 year olds) encapsulated in the 2006 QNHS, age and educational attainment levels to calculate the probability of individuals with different characteristics attaining employment. The skills profile, which is proxied by educational attainment levels and work experience, enables us to identify the skills and competencies of individuals, and thereby allows us to assess the prospects of these individuals finding employment. Examining data on the full working age population enables us to make inferences on the probability of farm operators obtaining off-farm employment given certain age, geographic and educational characteristics. The econometric technique encompassed in this analysis is the multinomial logit (MNL) model, whereby the dependent variable takes three states: employed, unemployed and unavailable for work. Explanatory variables are: age, gender, education attainment and region.

Second, we estimate the probability of obtaining employment for individuals located in different regions using data on regional unemployment rates. The unemployment rates provide an indication as to the availability of employment in particular regions.

The results of our model showed that the age, education and geographical location of an individual has a significant effect on their probability of being employed. Our results indicate that increased educational attainment increases the probability of an individual being employed. In relation to the effect of geographical location on the probability of employment: the results showed that residing in Dublin decreases the probability of an individual being employed, which was a surprising result in itself.

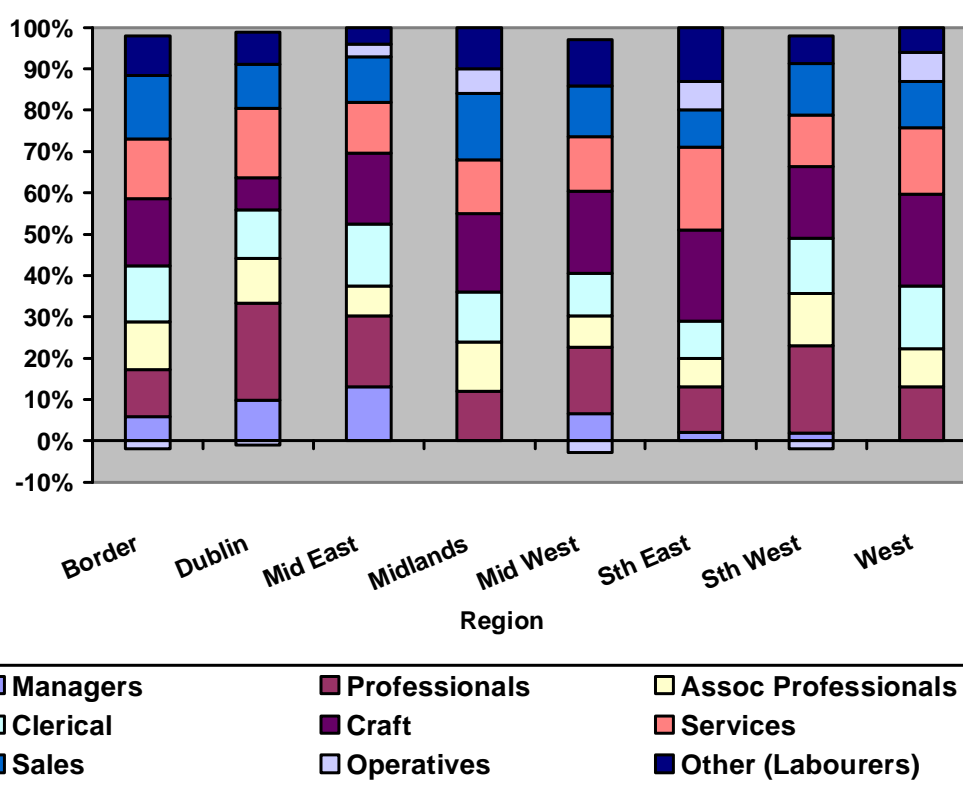
To investigate the validity of the models results on unemployment, we calculated the unemployment rates for regions. We found that the Mid East, Mid West and South West regions have the lowest unemployment rates of less than 4 percent. When we accounted for gender, males from the Mid East had the lowest unemployment rates of 3.1 percent.

The Border and South East have the highest unemployment rate of approximately 5 percent. Importantly, males residing in Dublin (and females living in the West region) have the highest unemployment rate of 5.6%. In relation to education, males residing in Dublin with less than secondary education have an unemployment rate of 9.9 percent. With regard to the age profile of an individual, the highest unemployment rate is attributed to the 15-44 age group from Dublin. The results, which are in line with the results from the MNL model, demonstrate that Dublin has one of the highest unemployment rates. This is due to the large pockets of unemployment in some Dublin areas which have persisted during the years of economic boom.

Overall, unemployment statistics would suggest that, in terms of employment growth, rural Ireland benefited greatly from the Celtic Tiger era. However, the analysis below shows that there was a significant difference in the quality of jobs created in Dublin region and outside. According to the QNHS, 513,711 additional jobs were created in the Irish economy over the period 1998-2006. However, employment growth within broad

occupational groupings has been unevenly distributed across regions as evidenced by Figure 3.

Figure 3 Regional distribution of employment growth over the period 1998-2006 by broad occupational group (% Share)



Source: QNHS 2006

Figure 3 shows that of the jobs created between 1998 and 2006; those created in the Dublin region are at the higher end of the occupational scale. The figure shows that 24 percent of the new jobs created in Dublin were professional, while only 11 percent in the South East were professional. Managerial, professional and associate professional occupations accounted for 45 percent of employment growth in Dublin since 1998, while these

occupations accounted for 22 percent of employment growth in the West region.

In relation to craft and lower skilled occupations, the results show that 30 percent of the jobs created since 1998 were in occupations such as craft, operatives and other (labourers). The results show that the proportion of operative jobs in the Border, Dublin, Mid West and South West regions have declined since 1998. When we examine the distribution of these jobs combined with craft and other occupation across regions, we find that these occupations accounted for 42 percent of the new jobs created in the South East region and 35 percent of the new jobs created in the Midlands and West regions, while these occupations represented 15 percent of the employment growth in Dublin since 1998.

Therefore, while unemployment rates are lower in regions outside Dublin, the jobs created in these regions since 1998 have been at the lower end of the occupational scale.

A Hypothetical example of two farmers

Incorporating the results of the econometric model, we calculated the probabilities of two farmers being employed given their educational attainment levels, age and geographical location.

Farmer A is male, aged between 15 and 24 and has a third level qualification or greater. While Farmer B is aged between 45 and 59 and has no formal or primary only education.

When we compared the employment rates of Farmer A across regions we found that a farm operator residing in the Mid West has a 76 percent probability of employment compared to 72 percent in the West region. In relation to unemployment, if farmer A resides in the Border region he has a 6 percent

probability of being unemployed compared to 3 percent in the Mid East region.

In relation to farmer B, our calculations showed that farmer B would have a 69 percent probability of employment in the Border region in comparison to 73 percent in the Mid West region. In the Border region there is a 9 percent probability of unemployment in comparison to 5 percent in the Mid East.

Therefore, if we focus on the Border and Mid East regions, farmer A is 3 percent more likely than farmer B to be employed in the Border and Mid East regions.

Conclusion

The results of our model show that increased educational attainment increases an individual's probability of securing employment. The results also demonstrated that the location in which an individual resides has a significant effect on their probability of being employed. We found that being located in Dublin increases the probability of an individual being unemployed, this statistic was substantiated by further calculations. However, while the unemployment rates may have been lower for rural regions, the quality of jobs created in the aforementioned regions has been at the lower end of the occupational scale. Therefore, given farmers' work experience in low skilled occupations coupled with their low levels of educational attainment, if a contraction occurred in these occupations, the probability of farmers attaining off-farm employment opportunities would be significantly reduced.

Section 3: To provide an off-farm employment outlook for the existing farmer profiles.

Introduction

The ability of farm households to attain and maintain off-farm employment opportunities is dependent on the vitality of the sectors in which they are employed and the farmers' skills profile. In this section we will draw on work conducted by the ESRI and the Expert Group on Future Skills Needs (EGFSN) to assess the long term outlook for the sectors synonymous with off-farm employment provision and to provide an indication of the difficulties farm operators may encounter when job seeking in the future.

Sectoral Outlook

According to the 'New Economy' theory, advanced countries are experiencing a remarkable growth in 'knowledge jobs', and standardised manual labour is being increasingly displaced by knowledge-rich employment.

In relation to Ireland, this theory was substantiated by Turner and D'Art (2005), who found on analysis of CSO data that between 1997 and 2004, job growth at the high end of the skills continuum exceeded growth in middle level occupations, with much of the job growth at the high skill level in managerial and administrative functions. Similarly, the *Tomorrow's Skills: Towards a national Skills Strategy* report by the Expert Group on Future Skills Needs found that between 1991 and 2001 'high skilled' employment increased significantly, while 'low skilled' employment declined.

According to the QNHS, between 1998 and 2006, 51,632 additional jobs were created in low skilled occupations such as operatives and labourers, with the latter accounting for 84 percent of these additional jobs. In contrast, there were 170,000

additional jobs created in managers, professionals and associate professionals occupations since 1998. These occupations accounted for 32 percent of the additional jobs created in the Irish economy since 1998, thereby illustrating a shift in the Irish labour market to more knowledge based jobs.

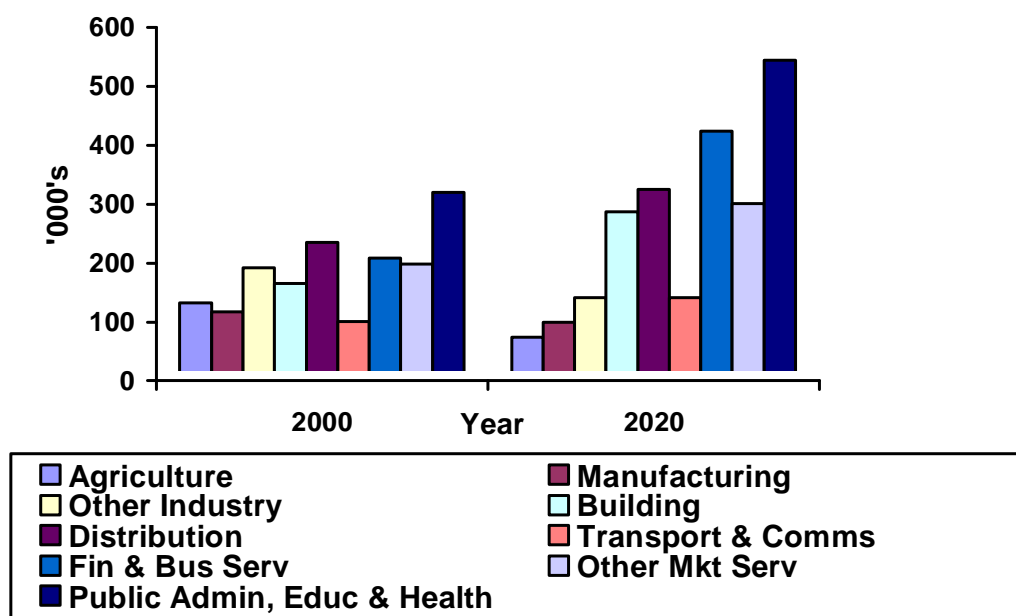
According to *The Current Trends in Occupational Employment and Forecasts for 2010 and 2020* report of the ESRI³⁵, the structure of the labour market is expected to be further transformed by 2020. In 2000, traditional industries such as agriculture, manufacturing and other production industries accounted for 442,200 jobs in Ireland (Figure 4); by 2020 these sectors will provide 314,600 jobs, a reduction of approximately 128,000 jobs: there will be 60,000 fewer jobs in the agricultural industry. These are the sectors historically associated with off-farm employment provision; therefore, the forecasted contraction is expected to result in decreasing employment opportunities.

One of the most significant developments in the labour market in the coming years is the expected contraction in the construction industry. The number of new houses which peaked in 2006 with 88,000 units completed is expected to decline significantly in the medium run. Any contraction in this construction sub-section will give rise to job losses. Some commentators suggest that as many as 70,000 workers could lose their jobs in the new residential sector in 2008. While this sub-sector is expected to resume positive growth beyond 2009, it is unlikely that the levels of activity recorded in 2006 will be reached by the end of the decade. Although the anticipated contraction in new house building in 2008 will, to some extent, be off-set by the job creation in other sub-sectors of the construction industry

³⁵ Based on Low growth scenario which assumes that the US economy begins a gradual adjustment process to a more sustainable growth path prior to 2010 (possibly as early as 2007), resulting in slower growth, with knock on effects on world economies.

(infrastructure, repair and maintenance and retail building), net effect in terms of employment will most likely be negative.

Figure 4: Percentage of total employment for each sector in 2000 and 2020



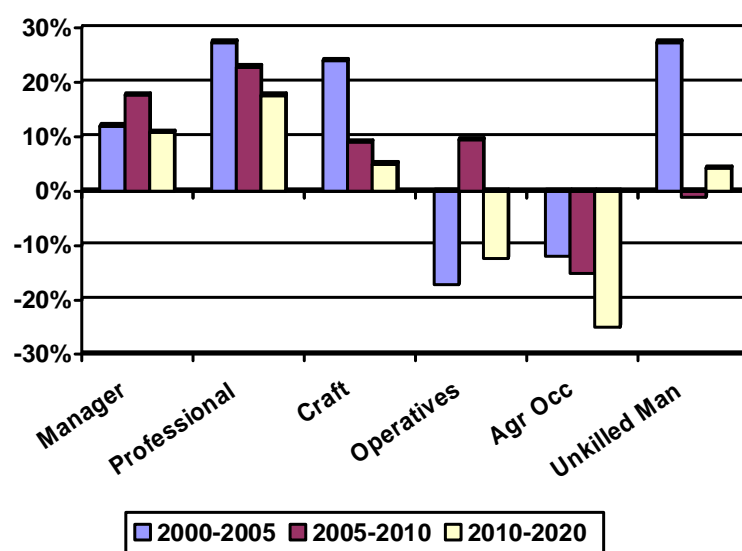
Source: ESRI, 2006

In contrast, the sectors associated with high educational attainment levels will account for a significantly greater share of total employment. According to the research conducted by the ESRI, between 2000 and 2020, the financial and business services, other market services and public administration, education and health sectors will employ an additional 543,100 people.

Occupational Outlook of Future Workforce

Figure 5 outlines the previous and projected occupational profiles of the Irish workforce according to the report by the ESRI. The graph illustrates a significant shift in the structure of the Irish Labour Market with an increased emphasis on knowledge based jobs. According to the ESRI, between 2000 and 2020, 81,700 people engaged in occupations such as operatives and agriculture will be redundant, however they predict that unskilled manual occupations will increase by 30,400. This projection may have serious implications for the farm operators employed off the farm. According to the 2002 NFS, approximately 61 percent of the farm operators participating in the off farm labour market are employed in low skilled occupations. In contrast, the ESRI forecasts that between 2000 and 2020 there will be 364,500 additional jobs in managerial, professional and associate professional occupations.

**Figure 5: Employment by Occupational Group 2000-2020
(ILO Basis)**



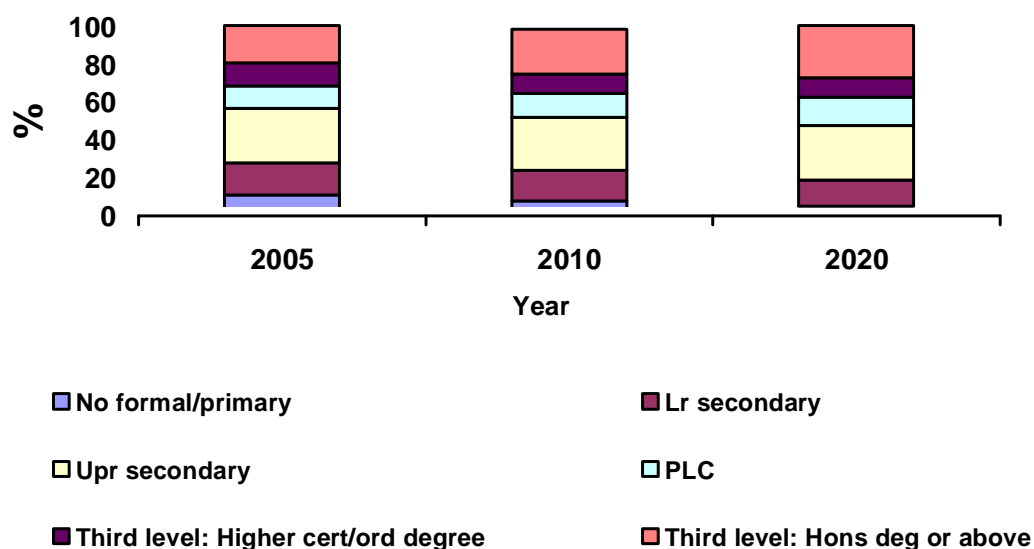
Source: ESRI, 2006

Educational Outlook

According to the labour force projections by educational levels of the EGFSN, by 2020 without policy change, there are expected to be labour force surpluses at the lower educational levels, with a large number of low-skilled individuals unemployed or inactive.

On the supply side, the EGFSN estimates that by 2020, 5 percent of the labour force will have no formal/primary level qualification and 19 percent will have below upper secondary education (Figure 6). This represents a stark contrast to the educational attainment levels of the working population in Ireland in 2005: 11 percent of the labour force with no formal/primary only education and 28 percent with less than upper secondary education.

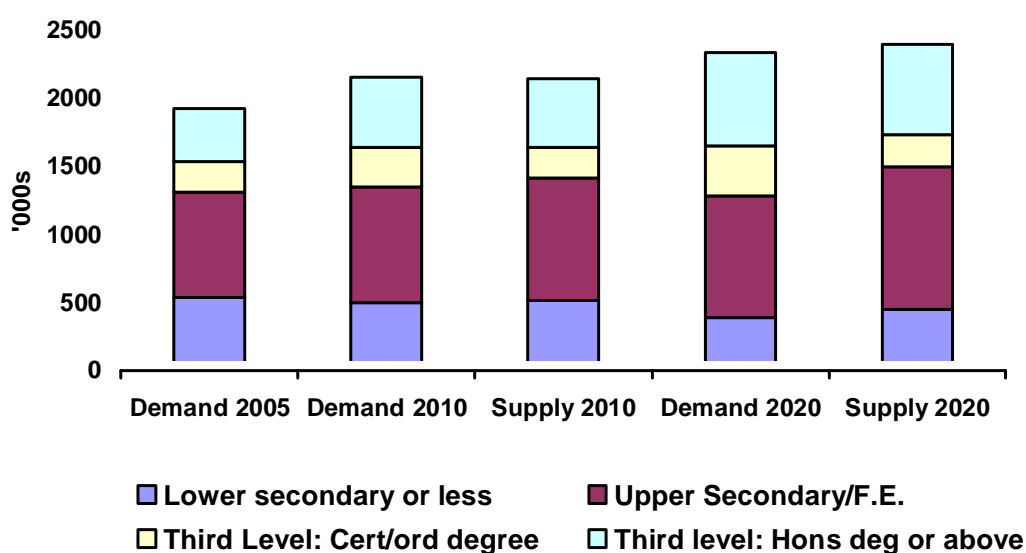
Figure 6: Labour Force Projections by Education Levels



Source: EGFSN, 2007

On the demand side, by 2020, the EGFSN predict that there will be demand for 390,000 individuals with lower secondary education or less, but that there will be a supply of 450,000 such people. In 2020, according to the comparison, there will be a gap at third level honours bachelor degree and above. A large deficit of approximately 139,000 at third level higher certificate/ordinary degree is also projected as employment demand will far outstrip labour supply. This suggests that there will be a shift in demand from low to high skilled individuals and that low skilled individuals could be unemployed or inactive in Ireland in 2020 (Figure 7). These projections mirror those produced by the ESRI.

Figure 7: Supply and Demand for Skills in 2010 and 2020



Source: EGFSN, 2007

Conclusion on Employment Outlook

Employment outlook for sectors where farmers tend to seek off-farm employment is gloomy: contraction is expected for agriculture, manufacturing and, in the short run, construction. Similarly, employment prospects for low skilled occupations are predicted to diminish as the demand for individuals with lower educational attainment levels decreases. Given that our research has shown that 61 percent of farm operators participating in the off-farm labour market were employed in low skilled occupations and that 70 percent of all farmers in 2006 had less than secondary education, farm operators will require upskilling in order to increase their probability of securing off-farm employment.

Section 4: The effect of policies on the employability of farmers seeking off-farm employment.

Introduction

The previous section outlined the problems which farm operators seeking off-farm employment may encounter given their skills profiles and the forecasted downturn in the sectors historically associated with the provision of off-farm employment opportunities. Given these difficulties, this section of the paper evaluates policies that have been implemented to assist and enable farm operators to overcome the aforementioned obstacles by enhancing their employability and increasing their probabilities of securing off-farm employment.

Options Programme

Changes within the agricultural community motivated the Teagasc Advisory Service to evaluate the services they provide. In 2001, the Opportunities for Farm Families programme was

implemented in collaboration with FÁS (Ireland's National Training and Employment Authority). The primary objectives of the programme were to help farm families generate additional household income and improve their quality of life and to examine future options both on and off the farm.

The original programme was free to families with less than 100 income units³⁶. The programme was divided into three stages. Stage 1 involved viability appraisal leading to the identification of a 'Way Forward Guide'. In Stage 2 specific measures to generate additional income and/or improve quality of life were identified by the family in conjunction with an adviser. It also identified the specific advice and training needs of the family and made appropriate referrals to other agencies, such as FÁS. While in stage three, the farm family implemented the actions specified in the 'Way Forward Action Plan' and would often involve both training for off-farm jobs and placement in employment, suited to their skills.

The programme was modified and re-launched as the Planning Post Fischer Programme in January 2004 and is currently referred to as the Options for Farm Families Programme. One of the most notable changes is that the programme is now available to all farm families and free to those with less than 150 income units. To date there have been 15,000 participants in the scheme.

Evaluation of Options Programme

While the programme may be deemed a beneficial one, there are a number of problems relating to the current structure of the Opportunities for Farm Families Programme. One of the key

³⁶ 180,000 litres of milk quota; 100 beef cattle; 600 sheep; 100 hectares cereals or equivalent. The first €19,046 of a farmer's off farm income is excluded in this calculation, as is all the partner's off farm income

problems involves capturing information pertaining to training and outcomes from training.

As mentioned previously, the Options Programme provides an off-farm employment appraisal worksheet. The worksheet asks the farm household members to state the employment areas in which they would like to work. If on completion of the appraisal worksheet, the operator decides that off-farm employment is worth pursuing, the Teagasc advisor refers the farm operator to the FÁS representative for that particular county. However, while there have been a large number of farm families agreeing to seek alternative sources of employment and engage in upskilling, there is limited information provided on:

1. the type of courses farm operators and/or spouses enrol in
2. the completion rate of FÁS training/courses undertaken by farm operators and/or spouses.
3. how successful the farm operator and/or spouse has been in attaining off-farm employment on completion of the FÁS training.
4. how off-farm employment has affected the farm household.

FAS courses records

FÁS through a nationally integrated database encompassing all FÁS centres, have an established mechanism by which to record detailed information pertaining to the characteristics of individuals, for example farm operators, enrolled in FÁS courses. The database records information regarding the characteristics of the individuals who are undertaking a particular course such as their gender, date of birth, residential addresses, educational attainment levels, working skills and

whether they have any prior FÁS or other qualifications, work experience etc.

In theory, FÁS course records database holds information necessary to ascertain the skill levels/profiles of the farm individuals and also providing us with an indication of how proactive farm households are in relation to increasing their employability. However, while there is a field which can be used to identify farmers on FÁS courses, filling this field is not mandatory and in most cases the field is unpopulated. The number of farmers identified in the FÁS database is too small that this information cannot be used to make inferences about the entire farmer population undertaking training.

In relation to upskilling, preliminary analysis of the FÁS database showed that records were poor and that farmers were not identified as distinct from other individuals. From the limited data it was possible to ascertain that farmers tend to seek training in fields of transport (e.g. warehousing, driving) and engineering (e.g. welding).

Conclusion on the Effect of Policies on the Employability of Farmers

A programme has been established to enable and assist farm operators in enhancing their employability. However, our analysis shows that problems exist in relation to data collection and in terms of the promotion of the Options Programme. The data collection method employed by Teagasc and FÁS makes it difficult to assess the demand for upskilling or the scale and areas of training undertaken.

We recommend that there is a better follow-through of participants in the Options Programme who show an interest in part-time farming. The linkages that exist between FÁS and Teagasc should be exploited more productively and the Options

Programme advisor should be involved in the selection of training courses and the job-seeking activity.

FÁS and Teagasc should establish better data collection procedures to facilitate the tracking of individuals through the stages of meeting the farm advisor, seeking employment training, job-seeking and final placing in employment. With better recording processes, it would be possible to evaluate the effectiveness of the training selected, the employment opportunities emanating from the training and the ultimate success in job seeking. In the absence of this data, it is extremely difficult to evaluate the current provision of training to farmers.

Conclusion

There have been an increasing number of farm households participating in the off-farm labour market. In 2006, over 54 percent of the farm households participating in the National Farm Survey had off-farm employment. Furthermore, off-farm income has assumed an integral role in insulating farm households from poverty.

The ability of a farm operator to secure off-farm employment depends not only on the buoyancy of the labour market but also the aptitude of the operators. The first section of this paper analyses the skill profiles of farm operators as proxied by their level of education and work experience. The analysis shows that approximately 70 percent of farm operators had less than lower secondary education. Furthermore, farm operators' work experience typically tends to be in traditional sectors such as agriculture and manufacturing and also in the construction sector. The jobs occupied by farm operators are generally at the lower end of the occupation / skill scale. Given the low levels of educational attainment and the accumulated work experience,

farm operators tend to have poorer skill profiles than the general population; however, while the research shows that farmers' skill profiles do not vary significantly across regions, the West region appears to have the lowest skills profile of all those examined.

This paper also quantifies the effect of education, age and geographical location on the probability of employment. The results from the MNL model show that education has a positive and significant effect on the probability of an individual securing employment. Therefore, the results enable us to quantify the effect of farmers' educational attainment on their probability of securing off-farm employment. The results also show that geographical location is significant. The analysis demonstrated a regional variation in unemployment rates, arriving at the somewhat unexpected result that regions outside of Dublin have lower rates of unemployment. This suggests that rural regions have benefited from the Celtic Tiger and are now areas of strong employment provision. However, while the unemployment rates have been in decline in rural regions, the data presented also shows that the quality of the jobs created outside of Dublin has been at the lower end of the occupational scale than those created in Dublin.

In 2004, more than fifty percent of the farmers that worked off farm were employed in traditional industries such as agriculture and manufacturing and the construction sector. These sectors are forecasted to contract. According to research conducted by the ESRI there will be 128,000 less jobs in the traditional industries such as agriculture, manufacturing and other production industries by 2020. In addition, a significant number of jobs are expected to be lost in the construction sector in the short term as the sector contracts.

This paper also summarises research that suggest that demand for low skilled workers will decline significantly in the coming years while demand for higher skilled workers will increase. Our

results show that farm operators have low levels of education attainment. This implies that farm operators, without enhancing their skill profiles, will struggle to secure off-farm employment opportunities in the future.

This paper shows that the existing skill profiles of farmers do not coincide with the projected demand for skills in the future and therefore policies need to be implemented to assist farmers in enhancing their employability. One such policy is the 'Opportunities for Farm Families Programme' which helps farm families to confront economic challenges and capitalise on the opportunities that will be presented in the coming years. In particular, it assists those farm households interested in participating in the off-farm labour market. However, we found that problems exist with regards to data collection by both Teagasc and FÁS makes it difficult to assess the upskilling efforts.

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Stimulating Rural Entrepreneurship

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Introduction

Some major changes in agriculture since the Mid Term Review 2003 have prompted a need for farmers to increase scale and improve efficiency at farm level just to maintain their incomes³⁷. An increasing number of farm families already have off farm employment (58%)³⁸ while others are looking at creating an on-site business enterprise in a bid to secure the family farm. The desire, and perhaps even the need, to create such an enterprise is coming to the fore now, with the slowdown in the construction sector and harsher economic climate.

Many opportunities exist to help farmers realise their entrepreneurial potential. They must assess and use all available resources, including land, buildings, location, skills and their own business acumen, and consider all possible options.

The Teagasc Options Programme takes farm families through a formal planning process, providing them with an opportunity to examine their overall farm businesses and potential direction for the future. In 2006, five thousand two hundred farmers participated in the Options Programme. of these six per cent indicated that they would like to develop a supplementary

³⁷ Fapri-Ireland Baseline 2007: Farm Level Analysis

³⁸ National Farm Survey, 2006

enterprise while ten per cent would like to secure full or part time employment.

From the Options Programme over 300 farmers have completed a Teagasc Rural Business Innovation Course at a Teagasc centre around the country. Following this, participants are challenged to complete a business plan for their business idea in order to gain FETAC accreditation. They are also offered follow-up business mentoring.

The general objectives of the Rural Business Programme are as follows:

- Encourage a flow of new ideas from the farming and rural community
- Offer practical help for individuals to develop a business idea into a reality
- Motivate individuals to take an innovative approach to new business

Areas of Enterprise

Farmers are diversifying into a wide range of business areas and types including:

Agri & Agri Services

- Fertiliser spreading
- Turfgrass
- Hedge cutting & laying for REPS
- Stone wall building

- Animal husbandry services
- Herd register / cross compliance services
- Producing Kerry Cow replacements
- Market gardening

Tourism

- Heritage farms
- Farm tours
- Self catering
- Guesthouse – B&B
- Mill - visitor centre
- Genealogy
- Boat marina
- Tourism websites

Manufacturing

- Woodwork – gates, kitchens, windows
- Metal/iron works
- Concrete moulds

- Toy farm sets

Retail

- Garden ornaments
- Farm shop
- Box schemes

Services

- Landscaping
- Computer training
- Rural taxi
- Handmade wedding stationary
- Boarding kennels
- Care of the elderly
- Childcare
- Re-enamelling old cookers

Equine

- Livery for horses
- Arenas, Cross Country Courses

Food

- Free range eggs
- Artisan cheese
- Party / family events catering service
- Ice creams and sorbets
- Yogurts
- Speciality breads & cakes
- Organic salad oils
- Soups
- Tray packed meats

Energy / Environment

- Wood chipping
- Timber & turf distribution
- Wood pellets
- Eco heat

The Innovation Awards for Rural Business

This Teagasc awards scheme was established in the knowledge that people respond positively to incentives. The Innovation Awards for Rural Business is now in its second year and actively encourage farmers and rural dwellers to develop fledgling business ideas. Existing competitions and schemes already targeted established business, but few were based on business development or business plans alone and none at all were aimed specifically at the farming community.

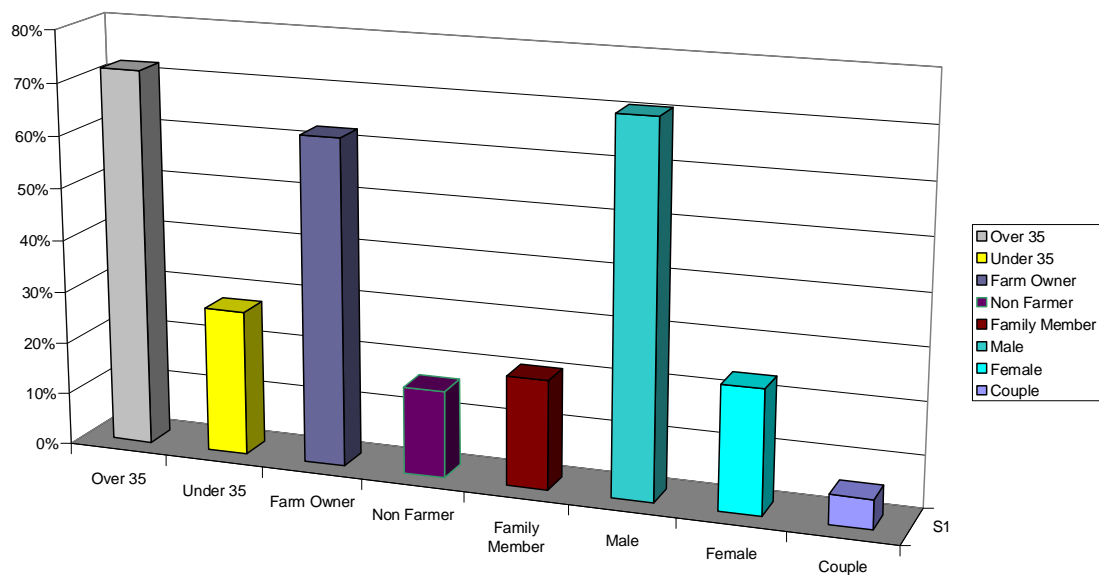
The Innovation Awards were open to both farmers and non-farmers with a business idea that would work in rural Ireland – North or South. Businesses always need to innovate and people with existing businesses could also enter as long as their idea would develop a new dimension to that business.

To encourage entries a generous prize fund was established, and as part of the process participants were offered an opportunity to pitch their business ideas to a judging panel and get useful feedback. All who attended were offered follow up business mentoring and for the vast majority the process of the competition moved their business idea closer to reality.

The seventy two entrants to the inaugural awards make a good study sample as they represent a cross-section of the farming community ranging in age from 18 to 65. The variety of situations included farming fathers and sons eager to avoid working off-farm; young and older farmers with ambitious plans for potential large scale business; and couples keen to maximise the viability of the farm through an additional enterprise.

We can glean some useful knowledge from their experiences and through studying the trends within this group.

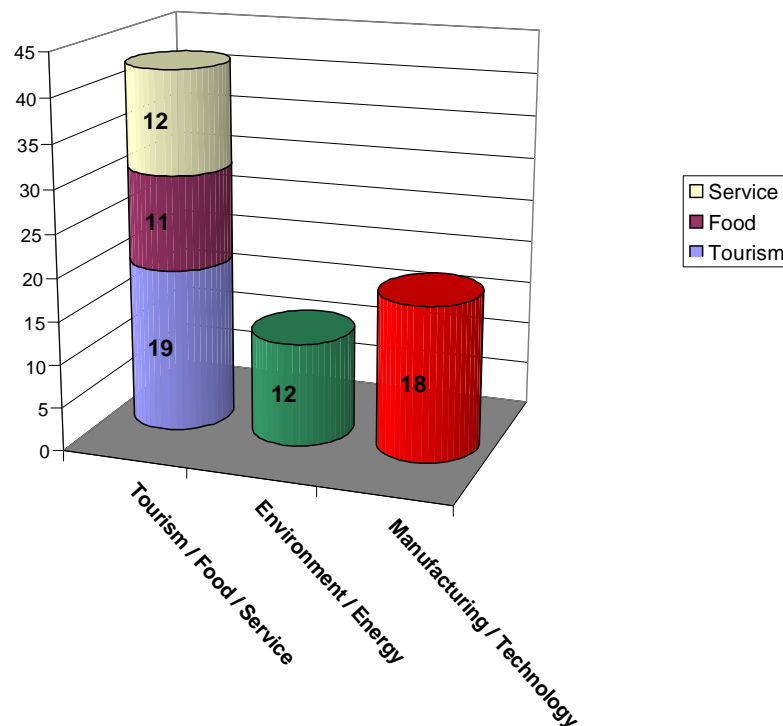
Figure 1: Profile of participants in Innovation Awards for Rural Business



Source: Innovation Awards 2006/7

Figure 1 shows the profiles of all entrants to the Innovation Awards. The majority of entrants were male, over 35 years and owners of the farm.

Figure 2. Entries to Innovation Awards for Rural Business



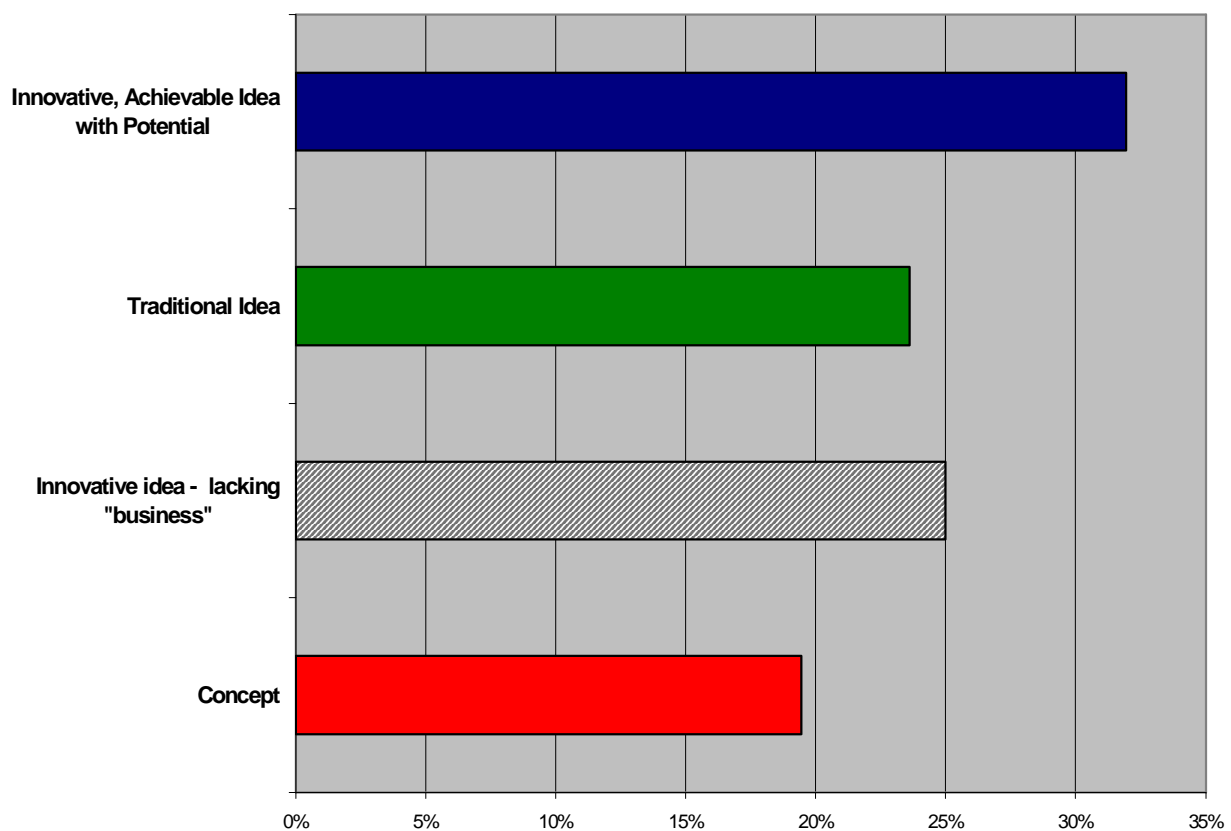
Source: Innovation Awards 2006/7

The Awards were divided into four categories and Figure 2 shows an analysis of entries to these categories. By far, the most popular category with forty two entries was Tourism / Value Added Food / Services. The chart also shows a further breakdown of entries in this category.

Stage of Business Idea

Examination of the entries in Figure 3 also shows that farmers' business ideas are at different stages of development.

Figure 2: Stage of Business Idea



Source: Innovation Awards 2006/7

Innovative, Achievable Idea and with Potential

There are many determined farmers out there developing innovative business ideas. They have identified an opportunity in the market place, they have researched it well and are in tune with consumer trends and the latest developments in the sector. In some cases they have a prototype or have tested the idea with a small sample. They have availed of training to upskill and have surrounded themselves with a network of contacts that can help bring their idea forward.

Strengths

Farmers as entrepreneurs have many strengths, they have good business acumen as they are already in business, they are multi-skilled in areas ranging from animal husbandry to building to administration. Many farmers have also developed new skills from working off-farm. They generally have valuable assets, low borrowings and access to capital. They think long-term and about the impact on their family.

Many have ideas about developing a traditional type of business which they have identified a need for in their locality. Examples are a self catering cottage, crèche, taxi service, book keeping service or boarding kennels. These can be solid business proposals and although the financial returns can be low they are relatively low risk.

Challenges

Whilst there are excellent examples of successful farmer entrepreneurs, many farmers also have a lot of challenges to overcome in becoming entrepreneurs. They tend not to be proactive in terms of writing down, generating and taking their ideas forward and they underestimate the time needed for further market research and developing ideas. They are weak on marketing and are not focused enough on the needs of the

consumer. They can also lack confidence in the area of finance and projections. The quest for grant aid can sometimes be too high a priority versus the business opportunity.

Many farmers have innovative “product” ideas but their business plans lack the steps needed to bring these products to the market. They tend to be weak in areas such as manufacturing at scale, identifying their target market and distribution.

Perhaps the greatest challenge is that in communities where there is not a culture of rural enterprise, farmers do not get exposed to rural business and feel that they are not in a supportive environment. Far too often viable business ideas are aborted due to lack of belief and confidence among farmers, especially when there is not a culture of rural business among their peers.

Farmers as Entrepreneurs

Overcoming the Challenges

Starting a new enterprise requires many new skills for the farmer including market research, product development, marketing, distribution, sales, finance and overall business planning. Many of these skills can be developed through training courses or bought in. As part of the Teagasc Rural Business Innovation programme we have developed a course which provides farmers with a good understanding and foundation knowledge of these skills. Research from as far back as 1970 has shown that farmers learn very well from other farmers³⁹ and so as part of the course participants either visit a diversified farm enterprise or a guest farmer entrepreneur

³⁹ Irish Farmers’ Uses of Information Sources (1970)

comes in to discuss their business experience. Leader and County Enterprise Boards play a vital role in farm enterprise development and Teagasc Rural Innovation Course participants are also introduced to the local contacts of these agencies and the supports they can provide.

Farmers need a lot of encouragement and support to create new innovative enterprises and the Innovation Awards for Rural Business go some way towards encouraging farmers to come forward with their ideas. There is also a need to support, promote and create awareness of other farmers who have successfully created enterprise at local level through courses, networks, organised visits, seminars and local media and also nationally through media and publications. This awareness creates a more positive and supportive environment for the farmer entrepreneur.

Farmers Markets

The growth and development in Farmers Markets provide a low cost distribution channel for produce and products. Many farmers also earn significant income from selling at the markets. Farmers utilising farmers markets benefit immensely in the area of product development through interacting directly with their customers and getting valuable feedback on products.

Local Clusters

Creating enterprise clusters throughout Ireland is an effective method of attracting more farmer entrepreneurs. Where a cluster of enterprises forms and is facilitated to develop, the support environment created through the synergies, sharing of knowledge and different skill sets of entrepreneurs can be harnessed to stimulate more enterprise. The formation of these into more formal clusters such as the West Cork Fuchsia Brands and Offaly Delicious are positive developments. In 2005, a study on the value of Fuschia Brands in West Cork showed

its contribution to total direct employment was 908 full time jobs and the value of output amounted to €106.97million⁴⁰.

Conclusion

Currently, many farm families are keen to create a viable enterprise alongside farming. Farmers as entrepreneurs have many strengths including business acumen, resources and commitment to projects.

Farmers also have many challenges to overcome on the road to being successful entrepreneurs. Starting a new enterprise requires many new skills for the farmer from market research to product development, marketing, distribution, sales, finance and overall business planning. Enterprise clusters represent a sustainable model for supporting and attracting rural entrepreneurs.

Teagasc have a major role to play in supporting entrepreneurs through research, advice, training courses, facilitating networking and introductions to other agencies that can assist. Research has shown that farmers are heavily influenced by other farmers. By raising awareness and promoting farmers who have achieved success, confidence grows among other potential rural entrepreneurs and also support for them among the wider community.

⁴⁰ The West Cork Regional Branding Initiative Fuchsia Brands Ltd. - An Economic Impact Study 2007

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The Evolution of LEADER

Paul Keating

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Introduction

The evolution of LEADER over the past 20 years has mirrored the evolution of Rural Development policy at national and at EU level. With its origins in CAP reform measures introduced by Ray MacSharry in the early 1990s, LEADER flourished in Ireland where we had a long tradition of rurally based development and a deep and widely felt need for initiatives to address unemployment and emigration. Partnership was a national priority throughout this period and the possibilities presented by such co-operation at local and national level were fresh and encouraging.

LEADER has achieved full national coverage, it has become a key local, national and European instrument to shape and deliver sustainable development supports to rural communities. It has become an important partner and resource to communities and civil society organisations working in rural areas in Ireland. As well as being a method for delivering rural development support, LEADER is a movement. Irish LEADER comprises 35 of over 893 EU wide groups and has engaged confidently on the EU stage as mentors and analysts to their peers and to civil servants and policy makers.

LEADER is currently undergoing a period of change. Not only is this as a result of the transition from the LEADER+ programming period to the EARDF programme (2007-2013), but it is also linked to the establishment of the new “Integrated Local Development Companies” which emerged as the

mechanism to deliver development supports arising from the interdepartmental cohesion process. These are radical changes for any community based organisation to absorb, especially one driven with the independent spirit and commitment which characterises many of the Staff and Boards of LEADER companies.

LEADER has played an important role in Rural Ireland over the past 20 years, the LEADER programme has a depth and breath of skills and experience which rural areas cannot afford to lose. It is important that LEADER emerges from the current institutional changes with its values and its passion intact and that it continues to provide the confident leadership expected of it locally, nationally and at a European level. In order to do this LEADER will need to change, not just in terms of its geographic boundaries, structures of governance and institutional relationships but there will need to be a further evolution in the LEADER approach whereby the documentation of practice, systematic research into needs inputs and impacts and the analysis of development priorities in rural areas becomes an integral part of the LEADER method. Furthermore LEADER must further develop its role as an articulate and informed advocate for rural areas at a policy and a practical level.

The Origins of the LEADER Programme

LEADER – ‘**L**iason **E**ntre **A**ctions pour le **D**eveloppement d’**E**conomie **R**urale’ is an EU-wide Rural Development Initiative part-funded by the European Union. First launched in 1991 by the then Commissioner for Agriculture, Ray MacSharry, it has evolved through a number of programming periods and has been included as a distinct and significant Axis in the European Agriculture and Rural Development Fund (2007-2013) across the 27 member states of the Union.

The problems of rural economic and social decline had been an EU-wide phenomenon in the decades since the Second World War. Numbers employed in Agriculture had halved across the community between 1965 and 1985. Migration from rural areas to the cities has been increasing with a parallel decline in infrastructural investment and services to the remaining rural population. This situation was most apparent in countries such as Ireland where there was a significant rural population with a high economic dependence on agriculture.

Within some parts of Europe and beyond, most notably GATT and subsequently the WTO, the policy trend in the 1980s and 1990s was to break away from production based agricultural payments.

In his analysis of the implementation of EU Agricultural reform, written at the time, Lucey (1992) presents an overview of EU policy which highlights the importance of the commission communication "Future of Rural Society" (EU Commission 1989). This document presented the need for an integrated response to rural development. It encouraged such a response to be rooted in the indigenous potential of local communities and emphasised the need to "dovetail" the various measures under the Community Support Frameworks and operational programmes.

In the early 1990s the first CAP reform programme which sought to reduce subsidies to agricultural production, was for obvious reasons, a very unpopular political issue throughout rural Europe. There was a genuine and well founded fear that the withdrawal of such support would further hasten the decline of Agriculture and the rural economy.



Figure 3 **Ray MacSharry**



Figure 4 **LEADER Logo***

Through the 1990s, in the period coinciding with the second LEADER programme, attitudes towards rural areas were changing. This was driven by the reality of urban congestion and environmental concerns faced in many Western European countries. EU support for rural services, enterprise and infrastructure was seen as a legitimate alternative to urban expansion. Agriculture was being presented as not only a means of producing food but also an important social cultural and environmental “good”. This view of farming was highlighted in the Cork Declaration- A living Countryside (1996) which has gone on to form the basis for subsequent Agriculture and Rural Development policy.

It was in this challenging and rapidly changing economic and political climate that LEADER I was launched as a pilot initiative aimed at facilitating economic and social regeneration through innovative local actions in rural areas. While the EU provided substantial core funding, national governments also contributed as did the private sector through the matching funding requirement for projects. This co-financing mechanism⁴¹ ensured both national and local commitment to the programme and to the individual projects.

⁴¹ Which varied according to the objective status of the region in question, averaged at 33%, 33% and 33% under LEADER I

Key dates in the development of EU rural development policy:

1988: Reform of Structural Funds and 'The Future of Rural Society';
 1991: Launch of the LEADER I Initiative: first experience of the approach in 217 areas
 1992: MacSharry CAP reform;
 1994: Launch of LEADER II : the approach is extended to 1,000 rural areas
 1996: First European Conference on Rural Development in Cork;
 1999: Agenda 2000 and the Rural Development Regulation;
 2001: Launch of LEADER+: the approach is deepened and extended to all rural areas
 2003: Second European Conference on Rural Development in Salzburg;
 2004: Commission proposal on rural development policy 2007-2013.
 2007: LEADER becomes part of mainstream policy

So what is LEADER?

Essentially LEADER is two things, it is a **method** and it is a **movement**. It is a way of doing things and a network of organisations in Ireland and across the EU who participate in European and National programmes which directly apply the LEADER method.

The LEADER Method

The nature of the LEADER approach to Rural Development has remained fundamentally unchanged over the past three programming periods and is based on what are known as the 7 specificities of LEADER.

The Seven Specific Features of LEADER

1. THE AREA BASED APPROACH

To achieve optimum economic and social development the geographic area within which LEADER Groups operate must be small enough to be cohesive and large enough to generate development from within the area.

2. THE BOTTOM UP APPROACH

The bottom-up approach of LEADER is its anchor tenet. By involving local communities in development, planning and implementation LEADER has planted the seeds of sustainability in rural communities facing unprecedented challenges.

3. THE LOCAL ACTION GROUP

The board of local LEADER groups must include representatives of all sectors in the region. Membership must be gender balanced and represent a good geographic spread. Structures must provide for regular rotation of board and sub committee members along with frequent training and development. The on-going development of the board is crucial to the success of LEADER.

4. THE INNOVATIVE APPROACH

Innovation delivers new solutions to old problems. In addressing many issues associated with rural decline LEADER groups have risen to the challenge to be innovative in their approach as well as in their projects.

5. INTEGRATION

Achieving integration between sectors and agencies involved in rural development is a fundamental aim of the LEADER Programme. LEADER groups have been instrumental in ensuring more effective and efficient delivery of services to rural areas by encouraging such integration.

6. TRANS-NATIONAL CO-OPERATION

The LEADER Programme is active throughout all rural areas in the EU. It is vital that the various national programmes establish cross-border relationships in order to share experiences and maximise learning opportunities. All LEADER groups have a transnational budget to encourage such learning.

7. FINANCIAL MEASURES

LEADER funding provides each LEADER group with the capacity to have an immediate impact on rural development. This funding has enabled many rural groups and individuals to initiate and accelerate the development of local initiatives, facilities and businesses.

At grassroots level the programme is managed by Local Action Groups or LAGs. Each LAG must define its geographic area of operation, encompassing a coherent region with between 10,000 and 100,000 inhabitants⁴², Such regions can vary in size from 477km² (ADRAMA in Portugal) to 14,425km² (PPKRY in Finland) with the most common geographic area being between 1500-2500km²

The board of management of the LAG must be comprised of a partnership of community, state and private sector interests. It is required to have a majority of non-state members and is free to establish its own structures for governance and administration. This has meant that the LAGs have evolved into different legal formats in different countries. Limited companies in Ireland non-profit consortia in Italy, inter-municipal associations and nature parks in France, but also cooperatives, associations and joint-stock companies in other parts of Europe. All LAGs operate to a pre approved strategic plan of their areas. These plans outline the objectives of the LAG with regard to Local actions, Co-operation Actions and Networking Actions or 1, 2 and 3 respectively.

Each LAG is required to compile a strategic development plan for their areas, the structure of these is clearly defined in the guidelines developed at European and national levels and is required to address a number of measures, those adopted in LEADER+ in Ireland are as follows:.

- Training
- Analysis and Development
- Innovative rural enterprises, craft enterprises and local services/facilities

⁴² These limits have been expanded to 5,000-150,000 in the next period

- Exploitation of agriculture, forestry and fisheries products
- Enhancement of natural/built/social/cultural environment
- Environmentally friendly initiatives
- Animation and capacity building

It should be noted that many countries have restricted these measures to reflect national or regional priorities and to complement other programmes they may have in operation.

Once the LAG had compiled and submitted the strategic plan they are evaluated by their managing authority, (in Ireland's case The Department of Community Rural and Gaelteacht Affairs.) This evaluation should ensure their compliance with the technical requirements of the programme, their capacity and competence as an organisation to deliver their plan, as well as their strengths when compared with other LAGs who may have submitted tenders to deliver the programme in the same region. Once awarded the contract LAGs are in a position to employ staff and award grants in accordance with the approved plan and subject to strict financial control and impact evaluation criteria.

In addition to their local action budget, LAGs were allocated funds specifically for the purpose of building partnerships. These partnerships can be between LAGs within the same country (interterritorial), between LAGs from different countries (transnational) or with similar groups in non EU countries (third country transnational). In Ireland there is specific funding earmarked for cross border cooperation with LEADER in Northern Ireland. The importance and the scale of this co-operation has increased over the lifetime of the three programme to the extent that under LEADER+ there are in excess of 300 transnational projects creating over 2000 working relationships between LAGs.

The third type of action under the LEADER programme provides funds for the establishment of National Network Units (NNU) in each country as well as a centralised European Network (European Rural Observatory). The role of the NNUs is to facilitate interterritorial and transnational co-operation, to support the organisational development of the LAGs and to provide information on the national programme to the EU commission.

The European LEADER Movement

Since 1991 LEADER has undergone three phases or programming periods: It has evolved from a small number of pre-LEADER pilot groups before 1991 to a movement of 893⁴³ registered LEADER+ LAGs in 27 member states. It is anticipated that this number will increase significantly in the coming years. The application of the LEADER method varies across Europe and the strength of the individual LAGs depends on their legal structure, governance and the scale of their funding. However the ongoing expansion of the programme and the extent to which it is becoming part of EU, National and Local strategies to address the needs of Rural Areas as well as the high level of commitment to the approach among its proponents would indicate that this is an important movement which is set to play an increasing role throughout the union. The establishment and ongoing development of a network of EU LEADER companies, ELARD further highlights the intention on the part of the more active national networks, Ireland, Portugal, Greece and Spain in particular to present a united voice at an EU level.

⁴³ When one adds national LEADER-Like initiatives this number increases to over 1200.

Table 1 shows the increased number of LAGs supported by the EU LEADER programme and the EU budget allocation for each of the successive programmes.

Table 1 Growth of the EU LEADER programme

<i>Programme</i>	<i>Period</i>	<i>LAGs involved</i>	<i>EU Budget</i>
LEADER I	1991-1993	217	€ 390million
LEADER II	1994-1999	906	€1,795million
LEADER +	2000-2006	893	€2,105million
Axis 4 - LEADER	2007-2013	N/A	€3,460million

The expansion of the LEADER programme beyond the EU.

Recent years have seen an adoption of the LEADER method in countries outside the EU. Many bordering or candidate countries such as Croatia, Serbia, Ukraine, Georgia, Turkey and parts of Russia are either experimenting with LEADER or have well developed programmes using the same language and methodology as LEADER. The World Bank, The United Nations Development Programme and EuropeAid all support national governments in developing LEADER like programmes. Researchers in Japan, the United States and many developing countries are actively looking at the model and its possible application outside of Europe. The value on a global level is seen in the fact that LEADER has become an established methodology with clear principles, structures, management tools and reasonable well documented experiences in a transnational and very diverse contexts and local applications.

LEADER I

The first programme, referred to as LEADER I, operated from 1991 to 1994 and even though it was experimental in nature, the ex-post evaluation highlighted the fact that 217 LAGs in 12 countries managed the delivery of €1.1Billion¹ (€0.4Billion of which was EU budget) to approximately 22,000 local projects, creating 25,000 full time job equivalents. The evaluation highlighted the achievements of the programme in building local partnership organisations and networks as well as promoting innovative approaches to participatory development.

LEADER II

LEADER II ran from 1994 to 1999 and saw an expansion to 906 LAGs in 15 member states administering a total budget of €5.4Billion (€1.8Billion from the EU) and creating or consolidating approximately 100,000 jobs. Again there was a strong emphasis within the evaluation on the quantitative impact of LEADER II and its value for money when compared with other funding mechanisms.

LEADER +

The third round, LEADER+ operated from 2000 to 2006 and could be said to represent a maturing of LEADER into a significant local and European-wide initiative. The total number of LAGs included in the programme was 893 administering approximately €5Billion (€2.1Billion from EU). While the final evaluation of LEADER+ has not yet been published the programme has been given a strong endorsement by the EU commission through the central role anticipated for the LEADER method in delivering the Agricultural and Rural Development Fund for 2007-2013. This vote of confidence has been reflected at national level where many countries have invested significant resources in funding parallel national “LEADER like” programmes.

LEADER Movement in Ireland

Ireland has participated in all three LEADER programmes. Under LEADER I, 17 “local action groups” (LAGs) were appointed to implement the programme. Under LEADER II, 17 new LAGs, were added as well as three collective bodies⁴⁴. This effectively extended the Programme to cover all rural areas of the country. LEADER+, saw 22 LAGs being funded. Areas not selected under LEADER+ received funding under the national rural development programme (NRDP) This is based upon the LEADER model, and includes 13 LAGs. Here in Ireland, the public funding for LEADER has increased from an allocation of €44m for the three years of LEADER I to an indicative allocation of ten times that in the coming six years.

During the 2000-2006 period, the Irish Operational Programme provided for public funding of approximately €73.7mn over the LEADER + Programme’s duration. This was made up of an EU (EAGGF) contribution of €47.9mn (65%), and an Irish exchequer contribution of €25.8mn (35%). The NRDP programme follows similar structures, with a total budget of €72 million, made up of €30mn from the EU and €42mn from the Exchequer. Most of the money is allocated to LAGs, to be spent on Action 1 measures outlined in the previous section or on co-operation projects under Action 2. Under the operational rules of the programmes administration costs may not exceed 15% of the LEADER + funding available to a group⁴⁵. The average staffing rate for the LEADER + / NRDP programmes is just over 4 staff units, with staffing ratios divided 60:40 between advisory and administration⁴⁶. Cognizance must be given to the fact that the majority of LAGs are in fact administering several programmes, and staff are not always solely responsible for any

⁴⁴ Irish Country Holidays, Irish Farmhouse Holidays and Muintir na Tire

⁴⁵ This will change to 20% for the next programme (2007-2013)

⁴⁶ These are approximate figures only and subject to change as budgets are reallocated

one programme / activity, with resources divided up according to programme budgets and requirements.

LEADER companies in Ireland had the capacity to expand and develop in line with their own ambitions and the needs of the areas they served. Many, as mentioned, did so and, in addition to delivering the LEADER programme, became key partners in the delivery of Social Inclusion, Rural Transport, Rural Tourism and Social Employment programmes as well as numerous EU and local initiatives.

There are nine LEADER/Partnerships companies and a further four LEADER Groups which jointly operate the LDSIP. The Rural Social Scheme has been managed successfully by the LEADER companies and has shown the value on the groups in delivering complex and ambitious national programmes into local communities.

LEADER companies provided much of the leadership, time and resources to drive forward the new committees and institutional which emerged from local government reforms in the late 1990s. The County Development Boards, Strategic Policy Committees, the SIMs committee, County Childcare, Sports Partnerships, County Tourism and many more have benefited from the participation of LEADER. With voluntary boards of management ranging from 15-30 members and several sub-committees and working groups in each LAG it is not unreasonable to suggest that the collective active participation in LEADER draws in over 1000 individuals from all sectors of Irish rural society.

Institutional Supports to LEADER (2000-2006)

Managing Authority

Prior to 2002, i.e. for the implementation period of LEADER I and II and the design period for LEADER+, the Irish Programme, similarly to all others in the EU, was managed by the Rural Development section within the Department of Agriculture. Since 2002 the Managing Authority for LEADER in Ireland has been the Department of Community Rural and Gaeltacht Affairs. This is unique in Europe and means that rather than being a minor element within a large ministerial portfolio, LEADER is now a significant component in the Departments brief.

Irish LEADER Support Unit

Tipperary Institute provided technical support for LEADER + under the name "Irish LEADER Support Unit"

Comhar LEADER na hEireann

Comhar LEADER na hEireann (CLE) is the membership based network representing the interests of LAGs. The role of CLE as an independent membership based organisation has been important in consolidating the position of LEADER as a movement in Ireland and in raising its profile across Europe.

The Continuing Evolution of LEADER in Ireland

With full geographic coverage in Rural Ireland, the 35 companies have accumulated considerable skills and experience over the past 3 phases of LEADER. €461m of public funding has been committed to the programme in the National Development plan for the period 2007-2013 and this is reflected in an enhanced role anticipated in the Delivery of Axis 3 (Diversification and Quality Of Life) of the National Rural Development Strategy for the same period. The LEADER method has been brought to the centre of EU Agriculture and

Rural Development policy and with the 2004 expansion of the EU, concerns of rural areas remain very much on the political agenda. On the European Arena Irish LEADER is seen as a model of best practice not only in terms of effectiveness but also in terms of its vision.

On paper at least it would appear that LEADER is in a position of strength and should be looking to the future with optimism. However, this is not necessarily reflected “on the ground”. LEADER is in a period of transition. This period coincides with the “gap” often experienced between the end of one programme LEADER+ (‘00-’06) and the operationalisation of its successor, in this case the EARDF (‘07-’13). This understandable disconnect is exacerbated by the difficulty experienced in the establishment of the new “which emerged from the cohesion process as the mechanism for the co-ordination of local development.

Cohesion Process

The Salzburg Conference (2003) placed a strong emphasis on the need for the simplification of the mechanisms for the delivery of Local development. This desire to simplify structures was echoed nationally, particularly so subsequent to the creation of the Department of Community Rural and Gaelteacht Affairs who took responsibility for LEADER and many of the other rural and urban development programmes. In 2003 an interdepartmental group was established to review local and community development programmes this consultation was known as the cohesion process.

The main thrust of the process has been to consolidate structures by creating one overarching organisation which would manage both the LEADER and LDSIP programmes. These Integrated “Local Development Companies” would also seek to rationalise the geographic areas covered by both programmes and avoid cross county groups.

Much has been written and spoken about the challenges, risks and benefits associated with cohesion and it is not necessarily useful to reopen the discussion here and now. However it is acknowledged that the process effects some LEADER groups significantly more than others and despite a long and well resourced process of consultation there is a degree of unease felt by many at the way the process has been “rolled out”.

The uncertainty which has prevailed for some time with respect to the local and national programmes has presented problems for LEADER. It is difficult to maintain staff and volunteer motivation in such an environment. It is equally difficult to plan and manage for the short term survival of a development organisation which by its nature must be generating projects and responding to the ongoing changes within the communities served by LEADER. Macro Economic slow down, changing social and settlement patterns, agricultural restructuring, rural service and infrastructural decline.

While some difficulties remain, there is little doubt that the next LEADER programme will be delivered through these new bodies and the challenge facing some LEADER groups is how to “incorporate” their values and approaches into a broader development agenda. Assuming that this will happen and that the LEADER movement will survive and grow in confidence within a consolidated structure, it is not unreasonable to anticipate increased funding and strategic importance for LEADER as a key player in the delivery of local national and EU rural development policy.

Documenting and Analysing

Hand in hand with this increased funding will go an increased requirement for fiscal and political accountability. Indeed it is not unreasonable to expect that LEADER will need to become even more proactive as advocates for rural areas and to back up demands for resources and policy changes with comprehensive

research and analysis. The recent process through which the National Development Strategy was compiled highlighted the need for comprehensive, thorough and contemporaneous information on the condition of rural communities and the impact of programmes such as LEADER. Impact not just measured in inputs and outputs but in impact and change. LEADER must apply itself to identifying, analysing and articulating the needs and ambitions of rural people and it is well positioned to do so.

Strategic Focus

The absence of evidence to inform the development of Rural Development Policy was highlighted in the recent NDP (2007-2013). The limited degree to which a rural development analysis is applied across national policy (in the way for example that social inclusion, environmental or equality issues are) needs to be addressed. The limited co-ordination of effort between the main actors in the rural development sector at national level weakens our potential impact. While it is not being suggested that it is LEADERs responsibility to ensure that all of these things happen, for it to remain relevant, LEADER must continue to do what it has been doing but it must also become visibly more strategic in its work.

LEADER needs to Lead

It may appear ironic that the reputation of Irish LEADER as an effective and progressive means to deliver rural development support is recognised outside of Ireland more so than it is here at home. The numbers of requests for support from new member states are increasing now, while the immediate future of the Irish programme is uncertain. In the current climate it may be difficult to generate enthusiasm, however this is what is needed, LEADER needs to lead. Once this current period of institutional change has past LEADER needs to continue to do what they do best, building relationships, building confidence

and building projects. They need to set the local development agenda in the coming years and also to look forward to 2013 and to ensure that National and European policy is informed by the reality of life in rural communities.

Sustainable Rural Communities: Challenges facing Teagasc in their contribution to bring it about

Seamus Boland

Irish Rural Link

Introduction

In considering the challenges facing Teagasc or any research and development organisation interested in new ideas which deliver rural sustainability, it is worth noting the mission as stated by the Rural Economy Research Centre. It states:

To produce high quality social science research and policy advice to improve the competitiveness and sustainability of Irish Agriculture and to enhance the quality of life in rural Ireland, thus contributing to the achievement of Teagasc's key goals:

Competitiveness and Innovation in Agriculture

Sustainable Systems of Agriculture

Rural Viability

Rural Viability

For many, rural viability is that which adds to the viability of agriculture. However, in certain instances structures at ensuring the viability of agriculture, if defined purely in terms of economic competitiveness with world agricultural production systems,

may produce anti rural outcomes and may contribute to the reduction of population in rural communities. The structure of rural Ireland with its main population living on small holdings, and increasingly dependent on part time jobs presents a unique dilemma to Teagasc and other agencies who see as a priority the maintenance of a competitive agricultural sector as the main requirement in the development of the rural economy.

This tension between the needs of a globally competitive agricultural sector and sustainable wider society is heightened by the increased diversification of rural household incomes and the experience of developing non-agricultural activities in rural areas. Rural viability in those circumstances is less dependent on agriculture than in the past

In addressing this dilemma it may be possible to take into account the need to achieve a range of outcomes which meet the growing consumer fears on food safety, food security and environmental protection including the problem of carbon emissions.

The Government White Paper on Rural Development defines rural viability in the following terms:

“There will be vibrant sustainable communities with the range of age, income and occupational groups, such as to allow them to adapt to on-going economic, social, cultural and environmental change and to enjoy a standard of living and a quality of life which will make them attractive communities in which to live and work; the maximum number of rural households and especially family farms, will be retained; there will be equity in terms of opportunity both between rural and urban communities and between communities in rural areas; individuals and families will have a real choice as to whether to stay in, leave, or move to rural Ireland;”

Clearly the aim to achieve rural viability must strive to achieve holistic improvement across a whole range of areas that affect the lives of rural dwellers.

In the Irish Rural Link study published as part of its strategic plan in 2007 the following key challenges for rural communities were identified:

- The narrow economic base of many rural Areas.
- The ongoing re-structuring of agriculture.
- Developing the potential of rural areas as a source of energy.
- Developing the potential of rural areas as a leisure destination.
- Role & effect of planning for and within rural areas.
- Regional inequalities and geographical peripherality.

These challenges as articulated by our members represent the huge desire on their part to remain living in their rural community. It also represents the diverse nature of the rural present population who are acutely aware of the need to find solutions to the problems, which in some way threaten rural sustainability.

Traditional role of the advisory service

It is arguable that the Irish agricultural advisory service reached its peak as a relevant service to the vast majority of Irish farmers in the period from early 70s to somewhere in the early 80s. In that period Irish agriculture transformed its activities from a rather backward high labour dependent industry to one which

would embrace the concept of modernisation with enthusiasm, hope and a sense of belief that farming was about to take its rightful place as the mainstay of rural communities.

Dissemination of research findings proven in exotic places such as Grange, Moorpark and Athenry would reach every farm holding through a mushrooming of night classes and a systematic farm visiting programme carried out by young eager advisors with the zeal of their missionary forbears labouring in the fields of Africa.

In simple terms the model aimed at maximising profit was based on having a modern farmyard supported by intensive farming systems to gain the maximum gallons per cow to the acre and an exponential increase in tillage, beef and grass yields.

Land reclamation, which meant the removal of traditional hedgerows, ditches and other landscape features continued apace until the introduction of the Rural Environmental Protection Scheme in the mid 1990s.

All of this was funded by the European Common Agricultural Policy, which sought to ensure a guaranteed cheap food supply across a Europe which was still emerging from the trauma of the Second World War.

The increase in farm income meant that rural towns and villages also did well. The increased activity meant that the wider community could avail of the service based opportunities now required by a well off growing industry. Young people who in previous generations took the emigration option as automatic could now get work in their own community in areas such as the construction industry, agricultural contracting and a host of allied farm services.

Rural sustainability had become synonymous with the fortunes of agriculture. So it was in the interests of everyone that Irish farming continued with its growing dependence on EU subsidisation and that the advisory service which evolved into ACOT then into Teagasc would maintain as its mission of agricultural modernisation despite the growing evidence that they were becoming less dependable in terms of achieving a respectable farm family income.

This renaissance period ended with the famous credit squeeze in the early 80s. The rising costs fuelled by the oil crisis led to a world wide recession, which saw huge increases in interest rates. Many farmers who had committed themselves to rapid intense modernisation programmes were heavily borrowed and were forced to sell assets as a means of achieving solvency.

Emigration was back, along with the traditional poverty so familiar to countless generations of rural families.

Added to this, EU political leaders had begun to question the sustainability of CAP. We were introduced to the term butter and beef mountains, milk and wine lakes and a host of other crop surpluses, which had to be dismantled. The mantra of the advisory service to produce more and more came to an almighty stop. Quotas were now the order of the day and the slow down in production would convey a subtle negative message to young farmers not to enter farming.

In the seventies agricultural colleges were full. By the late nineties most would come under pressure to remain open and a few succumbed to closure.

In 1996 the Combat Poverty Agency⁴⁷ produced a report, which examined rural poverty. It declared that the prevalence of rural poverty was real. The frightening aspect of their findings was that poverty in rural areas was invisible and difficult to deal with.

Farm income as successive Teagasc surveys show, rarely reached above half the average industrial wage. Among the wider rural community the decline in farm activity led to a decline in available employment and the consequent search for work in the cities or abroad.

Rural Development

What is clear from this is that the relevance of the advisory service as an agency impacting on the wider rural economy was significant, mainly because the agricultural sector was until the mid eighties a vibrant growing sector.

The concept of rural development reaching out to the wider rural community was enshrined in the famous Cork Declaration in 1996. This ten point programme, while including agriculture as the mainstay of rural sustainability shifted policy to include the wider rural population.

Point two is worth noting⁴⁸:

“Integrated Approach Rural development policy must be multi-disciplinary in concept, and multi-sectoral in application, with a clear territorial dimension. It must apply to all rural areas in the Union, respecting the concentration principle through the differentiation of co-financing for those areas which are more in need. It must be based on an integrated approach, encompassing within the same legal and policy framework:

⁴⁷ Rural Poverty in Ireland: Curtin, Hasse and Tovey

⁴⁸ Cork declaration www.inea.it/ops/ue/docsvilupporur/Corkdecl.PDF

agricultural adjustment and development, economic diversification - notably small and medium scale industries and rural services – the management of natural resources, the enhancement of environmental functions, and the promotion of culture, tourism and recreation.”

The Salzburg Declaration in 2003 reaffirming the Cork document added the following three points

1. Increasing the competitiveness of the agricultural and forestry sector through support for restructuring;
2. Enhancing the environment and countryside through support for land management; and,
3. Enhancing the quality of life in rural areas and promoting the diversification of economic activities through measures targeting the farm sector and other rural actors.

Since the advent of LEADER⁴⁹ in the mid nineties, rural development policy in terms of actions at local level has sought to create sustainability as outlined by the Cork and Salzburg declarations.

The success of LEADER, which is organized broadly on a county basis, is well documented. Initiatives ranging from the production of niche foods to a range of local crafts and tourism based products have been pioneered. Most leader companies have worked in some type of partnership with Teagasc who provided access to the expertise necessary to bring these initiatives to fruition.

Similarly the establishment of the many partnership companies in rural areas has allowed community development groups to

⁴⁹ LEADER (*Liaisons entre actions de développement de l'économie rurale*—links between actions for the development of the rural economy)

establish initiatives ranging from the provision of social care to the development of enterprise creation incubators. They have also pioneered work with small-holders again in partnership with Teagasc.

The advent of concerns over environmental protection has meant that rural communities are being asked to protect all aspects of the physical countryside. As a result farmers have been encouraged to enter the Rural Environmental Protection Scheme. Again and quite rightly the main responsibility in terms of support to farmers has come from Teagasc.

From an Irish Rural Link perspective the sustainability of rural communities may need a lot more resources than these initiatives allow. In a presentation to the Oireachtas joint Committees, Social Family Affairs, Rural Community and Gaeltacht and Agriculture. IRL were critical of the funding breakdown from the new Rural Development programme 2007-2016 as demonstrated in table 1.

Table 1. Break down of funding to Ireland from the European Rural development programme 2007-2008

<i>Environment and farm</i>	<i>Farming</i>	<i>Forestry</i>	<i>Rural</i>	<i>Amount</i>
For the Rural Environment Scheme (REPS) and Natura				€3 billion
	Disadvantaged Scheme			€1.8 billion
		Forestry		€968m
	Farm Restructuring			€481m
			Rural development	€425m
Total				€6.499 billion

Source: Department of Agriculture figures 2007

While the figure of €425m represents a threefold increase in rural development funding, it still forms just over 5% of the total Rural Development budget.

The decline in the number of farmers from over 250,000 in the mid 1960s to the current total of 135,000 has to be set against the fact that over 40% of our total population lives in dispersed rural settlements. Of that 135,000 farmers it is reckoned that at least 60,000 are engaged in part time farming. Many of those are effectively on an exit strategy and according to the Teagasc

Foresight report published in 2005 the number of full time commercial farmers in 2025 will be as low as 20,000.

Some have suggested that the recent developments of increasing demand for food and biofuel production will change these predictions and that farming will become much more profitable. However given the fact that farm incomes according to the Department of Agriculture and Food's own figures are dependent on almost 100% subsidies, the question must be asked: Will our current farm structure of small holdings be capable of meeting the new challenges?

There is considerable fear that achieving an income comparable with at least the average industrial wage will require a consistent rate of high price increases to farmers, which would have serious consequences for the consumer. Equally the significant rationalization of small holdings, with the consequent reduction in farm numbers might also achieve better incomes.

Current thinking would point to the fact that the new demands in terms of food and bio-fuel are more likely to benefit the larger farm holdings, who can rely on easier access to the capital required to meet the necessary new technology.

Equally there will be a huge requirement to access a range of new knowledge and training essential to farmers in this new scenario.

While the future for commercial farmers may at least look better than when the Foresight report was published, the future is less certain for the many part timers who have become dependent mainly on the construction sector for survival.

It is this issue of how to cater for the needs of those exiting farming along with the needs of the wider rural population which will determine the success or not of rural viability policies. In

policy terms, the use of rural development funding and in practical terms, the issues that will dictate Teagasc research.

Research Challenges

David Meredith⁵⁰ of Teagasc asks some pertinent questions which are worth noting:

How can policies be better integrated to support sustainable rural development across Europe, especially to promote a multifunctional approach to rural space management?

- How can the CAP be better integrated into other rural / regional development initiatives?
- Is rural development policy as presently constructed not too narrowly focused?

On agri structures and agri- environment.

- Is it necessary to revisit the aspirations of the Cork and Salzburg Declaration in extending the scope of a realistic EU rural development policy?"

If these questions are super- imposed over the Teagasc Rural Research plan, we may well be faced with some interesting challenges.

Irish Rural Link recognises the huge contribution that Teagasc have made to rural sustainability. However its present remit is largely directed to the improvement of farm practices rather than the enhancement of a wider rural economy.

⁵⁰ *Teagasc Rural Economy Research Centre Working Paper Series 07-WP-RE-13- David Meredith*

In the past I have suggested that Teagasc should divide its work into two parts;

The first would be to support the existing category of fulltime commercial farming. This is a group who require an extremely high level of technical and financial management advice. Indeed it is likely that this group would willingly pay for such a service.

The second part would come under the heading of a rural advisory service, incorporating the present small holder programme as well as developing programmes to advise farmers and the wider rural community to take advantage of the many rural based initiatives emanating from LEADER, Partnership Companies. This service would also in the main deliver the necessary learning on environmental matters.

From an immediate research point of view it is necessary to examine and verify some basic assumptions such as:

- Our use of land and the current attitudes of farmers and their successors, which would appear to be negative towards farming as a career.
- The increasing numbers of farmers engaged in part time work, which often is not complimentary to their farming practices.
- The relatively small size and structure of our farms, which still must compete with our friends in New Zealand, USA, Australia and South America.
- The constriction of production methods because of environmental and health concerns.
- The opportunities to develop alternative initiatives in terms of tourism, farm walkways, leisure and others.

A Rural Advisory Service

At present small holders engaged in part time farming are likely to be involved in farm enterprises that are unprofitable or are at least delivering low profit margins. The research required is based on changing that pattern or even re-examining ways that make the best use of the land as a resource.

This at least goes some way to dealing with one of Meredith's questions on the multifunctional approach to rural space management. It also allows small holders to make the best use of their land resource.

While much has been written on the development of alternative enterprises on small holdings, it would appear little has been achieved. LEADER may offer such opportunities, however the necessary advisory infrastructure is less apparent.

The current programme offered to small holders by local partnerships with the assistance of Teagasc should be developed into a fuller and more comprehensive rural advisory service.

Rural Enhancement

The research required under this heading relates to how rural communities can generate projects based on the strengths of their local area.

These strengths are likely to be the unique environmental, cultural or natural features of areas. Equally the uniqueness of rural villages and their potential in generating heat and energy systems would be worth investigating.

The availability of up to date training in terms of providing the community with the knowledge to establish local co-operatives

which would put real shape into the new movement of local farmer markets, would seriously allow the wider rural community to benefit.

The provision of training in this area requires the production of new materials that are up to date and can be disseminated by trained individuals.

In conclusion, it is clear that Teagasc has a huge role to play in assisting the overall growth of the rural economy. The significant involvement of the wider rural community in all things agriculture in the past has made it easier for Teagasc's involvement.

However the changes in rural demography now demand a different response in line with the policies on Rural Development espoused by the Cork and Salzburg declaration and in line with the many reforms of the Common Agricultural Policy.

Environmental requirements, along with the needs of diverse rural communities, along with new expectations of society in terms of food safety and access to rural generated leisure opportunities require that the rural population is fully equipped to meet these demands. It is only by equipping rural communities to take advantage of this broad range of opportunities that we can ensure that the rural communities have a sustainable future.

Teagasc should be at the heart of continued development of farming coupled with the development of a progressive rural industry and service sector.

Supporting Communities

Aileen Gilchrist

Pobal



Supporting Communities

Teagasc - Rural Development Conference
Galway
22nd Feb 2008
Aileen Gilchrist



Funded by the Irish Government and part-financed by the European Union
Structural Funds under the National Development Plan 2007-2013

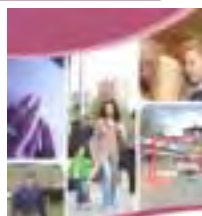


Brief History of Pobal

- ADM established in 1992 by the Irish Government in agreement with the EC to manage EU funding
- 2005 Review of Role by DCRAGA
- Pobal is a not-for-profit company with charitable status.

Mission

"The delivery and management of programmes, which promote social inclusion, reconciliation and equality through integrated social and economic development within communities"



On behalf of Government

17 Programmes for 7 Departments,
National Boards and the EU

- Will distribute €380m to local groups
- Will work with 4,400 communities & voluntary groups
- These organisations employ some 9,300 people
- Framework / service level agreements with Departments

Programmes by Ministry

Office of the Minister for Children & the Department of Health & Children	
• The Equal Opportunities Childcare Programme 2000-2007 (EU Co-Financed)	
• The National Childcare Investment Programme 2006-2010	€175m
Department of Community, Rural & Gaeltacht Affairs	
• Local Development Social Inclusion Programme	€56m
• Peace 2/InterregNorth/South (1 Measure EU Co-Financed)	€7.6m
• RAPID	€1.5m
• Dormant Accounts Fund	€47.7m
• Rural Social Scheme	€43m
• Grants for Locally Based Community & Voluntary Groups	€5m
• Community Services Programme	€52m

Programmes by Ministry cont.

Department of Justice, Equality & Law Reform	Approx 2007
• Equality for Women Measure (RAPID)	€3.8m
• Enhancing Disability Services Programme	€3.5m
• Community Based CCTV (Part RAPID)	€5m
• Interagency Fund for Projects in relation to the Traveller Community	€1m
• Migrants Programme	
Department of Transport	
• Rural Transport Programme	€9.85m
Department of Education & Science	
• Millennium Fund Access to Third Level	€2.1m

Role of Pobal

- **Intermediary Body**
- **Management & Monitoring of Finance & Performance**
- **Developmental and Strategic Support**
- **Supporting learning, analysis and evaluation – Policy**

What is Social Inclusion ?

- Goes beyond the issues of poverty /income
- Multiple level of disadvantage
- Arises from a lack of access to **education** and **employment** opportunities, **social networks**, **decision making structures** as well as a lack of **financial** resources.
- Quality of life issues
- Social Exclusion is cumulative in nature

Local Development Social Inclusion Programme (LDSIP)

- 1991 Pilot PESP
- 1994-1999 Local Development Programme
- 2000-2006 LDSIP 38 (18) Partnerships + 31 (25) Community Partnerships
- 2007 Full county and country coverage for new programme
- Social Inclusion Objectives with Clear Targeting aimed at Most Disadvantaged Groups
- Boards- Sectoral Representation
- Collective Effort / Partnership Approach/ Inclusive
- Target Group Participation
- Local solutions to local problems
- To Produce & Implement local Strategic Plan
- Pro-active Tackling Causes/Focused Interventions

LDSIP – Target Groups

- Long-term Unemployed and those at risk of LTU
- Under employed e.g. seasonal workers, low income farm families
- Travellers
- Early School Leavers
- Migrant workers, refugees and asylum seekers
- Disadvantaged women, men and young people
- Lone parents
- People with disabilities
- Lesbian, gays & bisexuals
- Homeless people
- Disadvantaged older people
- Ex-prisoners & ex-offenders
- Substance mis-users

Measures - LDSIP

- Measure A - Services for the Unemployed
- Measure B - Community Development
- Measure C - Community-based Youth Initiatives



Martin Murphy and Michael Gleeson, Farmer Support, EIRi Corca Baiscinn

The Smallholders Initiative

- To improve the viability of low-income farm families & sustain as many in rural areas
- To co-ordinate a targeted socio-economic service to small farm households in the most disadvantaged rural areas
- To develop practical ways of addressing hidden unemployment and social exclusion on the small-holding in rural Ireland
- To influence national policy through demonstrating workable models of regenerating the rural economy.

Local Level

- Rural Development Working Group
- Target- Low Income Farm Families
- Household/Socio-Economic Focus
- Rural Development Officer- Outreach/Engage
- Tailored Supports- One to one & Group
- Information and Guidance
- Training and Capacity Building
- Diversification & Employment Opportunities



Patrick McEntee with Brian Smyth, Drumshanbo Livestock Mart

Specific Interventions

- **Entitlements** - Farm Assist, REPS, Medical card, 3rd level support, RSS, Careers Allowance etc
- **On Farm** - Lo call help line, Producer/Discussion Groups, Teagasc 'Opp', Farm a/c, Time/ Debt Management, Milk recording/ soil & silage sampling
- **On-Farm Enterprise** -Business Planning, Access Finance, Farmers Enterprise Assistance, Farmers Markets, Alternatives i.e. Organic, Honey, Hort, Bog Oak, Repair vintage cars, Equine Hydro Pool
- **Employment** (FT/PT) Jobsclub, LES Mediator
- **Up-Skilling** - Literacy, Stonewall Building, HGV, IT, Welding, Forklift, Hospitality CERT.

Smallholder Initiative Impact / Indicators 2002 – Sept 2007

	Totals	Male	Female
• Caseload	10,112	7,235	2,877
• Job placements	1,103	793	310
• Educ / training	3,813	2,374	1,439
• Enterprise(pre-start)	546	375	171
• New Enterprise	464	331	133
• Referred (to other)	3,478	2,642	836

Rural Transport Programme

'To encourage innovative community-based initiatives to provide transport services in rural areas with a view to addressing the issue of social exclusion in rural Ireland which is caused by the lack of access to transport'

Dept. of Transport February 2007
Mainstreamed/National Coverage



Rural Transport Programme

- 37 projects
- Vary in size-parish/county/ regional/ 8 islands
- Partnership response
- local community/ statutory / transport sector
- Locally planned
- Local drivers
- Flexible routing & stops
- Pre-booked services
- 2007- 1m passenger journeys
- Since Nov '02 over 3.6m passenger journeys
- 75% journeys door to door basis
- Passenger assistant available 1/3 of projects
- 20% services demand responsive
- Free Travel Pass Dept. of Social & Family Affairs €1.5m

Models of Services

- Own & Operate their own Vehicles
- Subcontract to Other Transport Operators
- Car Sharing Schemes
 - Co-ordinated Hackney Services
 - Voluntary Car Scheme
- Pilot 7 Evening Services Scheme
 - Dept. of Community Rural & Gaeltacht Affairs
 - Access Social activities



Rural Social Scheme - AIM

- **Income support** to low income farmers and Fisherpersons/receipt primarily, long-term social welfare payments
- **Certain services of benefit to rural communities** by harnessing the **skills and talents** available among low-income farmers and fisherpersons
- 2,600 Participants
- On behalf of Dept. of Community Rural & Gaeltacht Affairs.

Rural Social Scheme

- Payroll Function/Administer Material Payments
- Leader/ Udaras- Manage locally
- Implement a Performance Indicator process
- 19.5 hours per week farmer/fisherperson
- Flexible arrangements e.g. week on week off, subject to the requirements/project.



South West RSS participants working on Mayo Abbey Organic Garden under the measure "Other appropriate community based projects"

FUTURE

- Cohesion Process
- Hold the Social Inclusion Agenda
- Significant Opportunities for complementarity with the rural development agenda
- Local Development Social Inclusion Programme
 - Expansion –National Coverage
 - Transition
 - Successor Programme/ Value for Money

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FAS and the Labour Market

Tony Barrett,

FAS West Region

FÁS THE TRAINING AND EMPLOYMENT AUTHORITY

- FÁS WAS ESTABLISHED IN JANUARY 2008 UNDER THE LABOUR SERVICES ACT. THE FOLLOWING PRESENTATION SETS OUT ITS FUNCTIONS AS LAID DOWN UNDER THE ACT

■ Tony Barrett, Regional Director, 22nd February 2008

FÁS VISION STATEMENT

“TO EXCEL IN PROVIDING LABOUR
MARKET SERVICES”

MISSION

TO PROMOTE A MORE COMPETITIVE AND INCLUSIVE
KNOWLEDGE-BASED ECONOMY,
IN COLLABORATION WITH OUR STAKEHOLDERS,
BY ENHANCING THE SKILLS AND CAPABILITIES OF
INDIVIDUALS AND ENTERPRISES

HOW

- TRAINING SERVICES
- EMPLOYMENT SERVICES
- SERVICES TO BUSINESS
- COMMUNITY SUPPORT SERVICES

TRAINING SERVICES

- APPRENTICESHIP
- OTHER SKILLS TRAINING IN CENTRES
- CONTRACTED TRAINING SERVICES
- SAFEPASS
- EVENING COURSES

EMPLOYMENT SERVICES

- IMPLEMENTATION OF THE EMPLOYMENT ACTION PLAN
- PLACEMENT SERVICES
- CAREER GUIDANCE AND CAREER OPTIONS VIA IT
- SOCIAL INCLUSION, EQUALITY AND DIVERSITY INITIATIVES
- JOBCLUBS
- JOB CLINICS
- JOBSBANK
- DISABILITY SUPPORT PROGRAMMES
- EURES

SERVICES TO BUSINESS

- TRAINING FOR THE EMPLOYED
- COMPETENCY DEVELOPMENT PROGRAMME
- ONE STEP UP TRAINING PROGRAMME
- APPRENTICESHIP TRAINING IN I.T.S
- EXCELLENCE THROUGH PEOPLE
- INDUSTRIAL CLUSTERS TRAINING
- CONSTRUCTION SKILLS CERTIFICATION SCHEME (CSCS/16K)
- SAFEPASS (161K)

COMMUNITY SUPPORT SERVICES

- COMMUNITY EMPLOYMENT
- COMMUNITY TRAINING CENTRES
- DISABILITY TRAINING PROGRAMMES
- LOCAL TRAINING INITIATIVE
- SUPPORTED EMPLOYMENT
- INDIVIDUAL LEARNING PLAN

OTHER ACTIVITIES

- LABOUR MARKET FORECASTING
- PLANNING AND RESEARCH
- FETAC AND HETAC CERTIFICATION
- FÁS SCIENCE CHALLENGE INITIATIVE
- NORTH-SOUTH CO-OPERATION
- LABOUR MARKET POLICY
- EUROPEAN AFFAIRS

CONCLUSION

- FÁS IS A MAJOR PLAYER IN IN LABOUR MARKET DEVELOPMENT AS CAN BE SEEN FROM THE FOREGOING PRESENTATION .
- FOR THOSE WISH TO FIND OUT MORE DETAIL ABOUT FÁS I REFER TO THE FÁS WEBSITE ADDRESS:
 - www.fas.ie
- Thank you for your attention.

Regional Development Strategy

Pat O'Hara

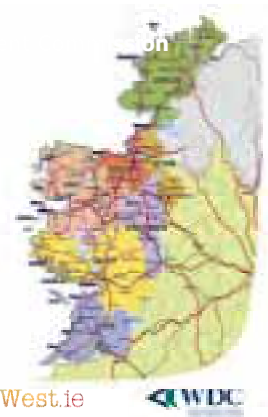
Western Development Commission



Western Development Commission

- ▶ State agency
- ▶ Seven-county Western Region
- ▶ DCRAGA
- ▶ Strategic remit
- ▶ WR mainly rural – 77% outside Gateways & Hub

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Presentation Outline

- ▶ Key trends in rural regions
- ▶ Challenges and opportunities
- ▶ WDC experience in rural development action
- ▶ Lessons from practice
- ▶ Research needs
- ▶ Policy approaches

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Challenges: Changing Economic Structures

- ▶ Regional variation in output and incomes
- ▶ Dependence on primary sectors, construction and local service jobs
- ▶ Spatial concentration in agriculture
- ▶ Industrial structure – how to move from old to new; innovation and 'knowledge'
- ▶ Skills pool
- ▶ Infrastructure limitations

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Challenges: Social Changes

- ▶ Rural areas 'multi-functional' and very diverse
- ▶ Population growth and changing social mix
- ▶ Value of rural lifestyle
- ▶ Uneven spread and quality of services
- ▶ Changing role of rural towns
- ▶ New forms of social exclusion and social isolation

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Challenges for Policy

- ▶ Impact of 'global forces' - deregulation, competitiveness,
- ▶ Cities increasingly seen as 'engines of growth' – 'critical mass', clusters, 'counterbalances'
- ▶ Need to 'prove' value and measure impact - lack of robust 'evidence' and indicators
- ▶ Planning and sustainability issues
- ▶ Cross government coherence
- ▶ Top-down coordination

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Opportunities

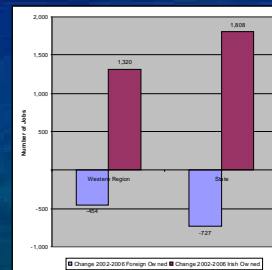
- ▶ In over 1/3 of OECD countries, a rural region has the highest employment creation
- ▶ Assets of heritage, amenities, renewable energy
- ▶ Diversification of farming – new products and processes, organics, food niches, local markets etc
- ▶ Businesses large and small are thriving but must have infrastructure
- ▶ Innovation and the Creative sector
- ▶ Appropriate policy systems and innovative service delivery using ICT

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Net cumulative job creation in agency assisted firms 2002-2006 –Western Region and State



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WDC and Rural Tourism

- ▶ **Blueprint for Tourism Development in the West: An Action Plan for Rural Areas**
- ▶ Western Development Tourism Programme established. Outputs include:
 - ▶ Green Box – Econ Tourism (cross border)
 - ▶ Walking in the West
 - ▶ Tourism Taste Trail – blueprint
 - ▶ Training – cross border
 - ▶ Super-region concept

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Organic Agri-Food

- ▶ **Blueprint for Organic Agri-Food Production in the West**

Outputs:

- Atlantic Organics:
 - New products developed under Rossinver Organics brand
- Western Organic Network:
 - Network of 160 producers;



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Renewable Energy

- ▶ **To Catch the Wind: Potential for Community Ownership of Wind Farms in Ireland**

- WDC facilitating a pilot project between community and private developer using a community investment vehicle

- ▶ **Wood Energy Strategy & Action Plan**

- Opportunity to exploit for job and wealth creation,
- Reduction on reliance on imported fuels
- Environmentally friendly and sustainable energy source

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WDC Investment Fund

- ▶ €27m invested in 75 projects
- ▶ 58% outside hubs and gateways
- ▶ Fund revolving
- ▶ Strong interest
- ▶ Successful hi-tech firms e.g. Eire Composites, Cora Systems,
- ▶ Community Investment e.g. Moyalley Resources

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LookWest.ie



The Look West Campaign

- ▶ Promote Western Region as a place to live, work and do business
- ▶ Direct people to www.lookwest.ie
- ▶ Provide useful information for individuals and enterprises thinking of moving
- ▶ 2,600 individuals & businesses have registered their interest
 - ▶ over half in the 26-35 age group and 80% with third level qualifications

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Lessons from Practice

- ▶ **Need for clear action model and roadmap for RD actors that involves**
 - ❖ Shared vision between partners
 - ❖ Solid information-based action plan
 - ❖ Ways of trying-out ideas and actions
 - ❖ Mainstreaming and renewal strategies
 - ❖ Expert support and advice (Teagasc?)

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Knowledge Gaps

- ▶ Dynamics of rural economy – especially service sector
- ▶ Changing role of towns in rural regions
- ▶ Understanding rural life-style preferences
- ▶ Recreation, and tourism potential of rural amenity assets
- ▶ Appropriate service delivery mechanisms for rural areas
- ▶ Social impact of economic changes etc, etc,

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Policy Approaches

- ▶ International experience suggests that a multi-sectoral focus on **place** and **investments** works best
- ▶ All levels of government and stakeholders must be involved with common purpose
- ▶ Need structures that facilitate knowledge-sharing and efficiency
- ▶ Political commitment
- ▶ Robust analyses of successes and failures
- ▶ Address research and intelligence gap for policy – especially indicators capable of measuring outputs

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Axis 3 and 4 of Rural Development Programme

Pat Moynan,

Department of Community Rural and Gaeltacht Affairs



Aims of presentation

- * Look at LEADER in Ireland up to now
- * Look at new Programme and update on timetable
- * Highlight opportunities
- * Answer questions

LEADER in Ireland

- * LEADER in Ireland since early 1990s
- * Very strong base in rural communities
- * 35 area based Groups
- * Groups an integral part of life in their areas
- * Growth to take on more and more Programmes both EU and national

Timetable

- * Programme approved on July 24th
- * Evaluators of business plans appointed
- * Request for business plans to issue shortly
- * New Programme to start in mid 2008

Priorities

- * Implementation of Countryside Recreation Strategy
- * Support rural enterprise
- * Support the development of the small food producer sector
- * Funding has almost trebled

Terms of Regulations

- * Council Regulation 1290/2005
- * Establishes the European Agricultural Fund for Rural Development (EAFRD)
- * Outlines general obligations and responsibilities
- * Expenditure cannot be linked with any other EU funding

Terms of Regulations

- * Council Regulation 1698/2005 establishes New Rural Development Programme funded through the EAFRD
- * Four axes
- * Axis 1 - Improving the competitiveness of the agricultural and forestry sector

Terms of Regulations

- * Axis 2 - Improving the environment and the countryside
- * Axis 3 - The quality of life in rural areas and diversification of the rural economy
- * Axis 4 - LEADER

Axis 3

- * Diversification into non-agricultural activities (indicative budget €16.66m)
- * Support for business creation and development (€48.26m)
- * Encouragement of tourism activities (€45.4m)
- * Basic services for the economy and local population (€49.61m)
- * Village renewal and development (€54.2m)

Axis 3

- * Conservation and upgrading of the rural heritage (€51.7m)
- * Training and information aimed at stimulating economic and social activity in all rural areas (€21.55m)
- * Skills acquisition and animation Training and information to include, studies, animation of Programme, staff training etc. (€34.63m)

Axis 4

- * LEADER
- * Area-based local development strategy intended for well-defined subregional rural territories
- * Delivered by LAGs, bottom-up approach
- * Innovative approach, cooperation projects, networking of local partnerships

* Any Questions?

