
SM/BC

Final Report

**County Wexford: A Strategy for
Economic Development**

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EXECUTIVE SUMMARY

1. The next *National Development Plan*, covering the period 2000-06 is expected to contain a much greater emphasis on securing a more balanced distribution of growth in the future. Economic theory in relation to regional development is not clear-cut. Nor are there widely accepted policy prescriptions to achieve a pattern of balanced development. In fact, it is now widely acknowledged that economic growth has been heavily concentrated. A negative outcome of this is infrastructure bottlenecks, traffic congestion and spiralling house prices, especially in the Dublin region.

2. The recently published report "*National Investment Priorities for the period 2000-2006*", compiled by the ESRI proposes that the larger medium sized centres should be the focus of concentration in the future. These centres, it is argued "already possess the necessary initial conditions to be actively promoted as suitable development nodes for their regional hinterlands". The ESRI plumb for Cork, Limerick, Galway and Waterford as centres which have the potential to become hubs for trade and industry, and to become internationally competitive and realistic alternatives to Dublin. The implications of this approach are obvious for areas not selected as nodes. Development of these latter locations is seen as deriving from the success of the node, rather than from their own dynamic. This view of the development process can be characterised as "picking winners". The inherent problem with the approach is not that selected areas will not develop, but that the potential of others is denied.

3. There is another complicating factor for future development of County Wexford. At a national level, two regions are being distinguished for future support: An Objective 1 Region, comprising 15 western counties and An Objective 1 Region in Transition, comprising the rest of the country, including County Wexford. Greater support will be available to the Objective 1 Region. However, as discussed below (see Section 1.2, Table 1) Gross Value Added in County Wexford is amongst the lowest of any county in Ireland. In these circumstances it is appropriate that a review of economic performance of County Wexford should be undertaken. This can highlight features of past performance and more importantly provide a basis for ensuring that County Wexford participates fairly in future economic development.

4. A comparative analysis of economic indicators of income and employment for County Wexford and the rest of the country shows a number of areas for concern. In particular, there is a very high dependence on the agriculture sector, with 17.7 per cent of the labour force engaged, compared with just over 10 per cent nationally. The sector has experienced increasingly difficult economic conditions and the likelihood is for significant consolidation and a substantial reduction to take place in the share of employment, which this sector can support in the medium term. Industrial employment is concentrated in traditional sectors, such as metals and engineering, where productivity growth is weak. Foreign direct investment has been comparatively weak and there has been no investment in internationally traded services activities. Tourism is an important sector. While there have been significant developments in this sector in the shape of a three year marketing plan and greater cohesion between industry operators, significant weaknesses remain to be overcome in terms of the tourism product and market focus of the sector.

5. A successful strategy for the future economic development of County Wexford in the medium term will need to seize opportunities for future growth, build on inherent strengths, overcome current weaknesses, and address potential threats. A first step should be to maximise the economic contribution to development from existing locally based public initiatives aimed at promoting growth and development at the county level. There are a number of these, including the Wexford Enterprise Board, Area Partnerships, Wexford Organisation for Rural Development (WORD), FAS, the VEC and the programmes pursued by national development agencies like IDA Ireland, Enterprise Ireland, and South East Regional Tourism Organisation (SERTO). It is beyond the scope of this report to comment individually on the role of these organisations. However, it would clearly be misguided to ignore the potential contribution in the future of existing programmes and initiatives being pursued through these agencies. Furthermore, their commitment and support are vital to any future strategy for development.

6. Turning now to future strategy, it is proposed that the cornerstones of success revolve around:

- Attracting a larger share of Foreign Direct Investment, especially in internationally traded services;
- Developing the tourism product;
- Realising the economic potential of the Rosslare Europort
- Securing critical mass in decentralised public services.

The initiatives proposed in relation to these sectors need to be supported by required infrastructure developments and other public policy initiatives. Finally, it is argued that fully realising potential economic development requires achievement of greater education attainment in the longer term. The actions required now to give effect to this strategy are set out below.

7. *County Wexford is well placed to attract a larger share of Foreign Direct Investment, especially in internationally traded services. It is well known that good telecommunications is an essential requirement for the attraction of this type of project. Wexford's broadband telecommunications infrastructure is excellent and should be regarded as a key resource for leveraging future economic growth in the digital age. Within Wexford county broadband access at up to 155Mbit/s is expected to be available by end-March 2000 within a five mile radius of the key towns of Gorey, Enniscorthy, Wexford town, Kilmore Quay and Wellington-Bridge. Wexford's comparatively good county coverage is very much due to its strategic location as a key national landing point for International telecommunications cables into the Country at Kilmore Quay with onward connections north through the county to Dublin. Wexford's international connections are illustrated in figure 2. These include the landing of two Telecom Eireann cables, the SOLAS cable that connects with Oxwich Bay in the UK with speeds of up to 2.5 Gbps and the CELTIC cable that connects with Lands End at up to 5Gbps. Esat is also deploying an international cable from Kilmore Quay to Lands End with capacity speeds of up to 2.5Gbps. Lands End is one of the key telecommunication interconnection nodes and transfer of international traffic for the US, UK and backhaul to Europe and Wexford's excellent connectivity could be a source of advantage.*

8. The emergence of the Internet is leading to the rapid convergence of the information technology, telecoms, media, broadcasting and publishing sectors into a digital industry. Key growth sectors that should be targeted therefore are telecommunications network services, the electronic commerce multimedia sectors, on-line data/information services sectors, mirror sites, support activities to the digital industries, e.g., animation, computer graphics and pre and post production services. There are a sufficient number of new entrants onto the labour market to be confident that skilled labour would be available in sufficient numbers if

internationally traded services were to locate in the county. Furthermore, it is considered that there are Wexford people in other counties of a sufficient educational level who would be willing to return. Therefore, in order to attract a larger share of Foreign Direct Investment, it is recommended that:

- It would be most appropriate for IDA Ireland, with support from the County Council to develop an appropriate marketing strategy for Johnstown Castle as a Flagship location for attracting international services businesses. The benefit of attendant advanced telecommunications services on foot of the roll out of broadband infrastructure is an additional attractive feature of the proposed location. The aim should be to attract medium skill international services businesses in the first instance.
- At the same time, necessary authorisations should be obtained to use the site for the purposes proposed.
- An assessment should be made of any infrastructure and refurbishment work required to make the venue effective as a centre piece of a marketing strategy to attract international services business and arrangements should be made to ensure that any required investment is undertaken.

9. With regard to tourism, several initiatives need to be advanced in terms of the existing tourism based product and new market developments focussed on developing (regaining) a significant share of business based visitors. The main steps that are needed to develop the existing tourism product and which are recommended include:

- Developing the tourism product to meet identified competitive gaps. For example, through investment and industry-based support for State of the Art activity products in the areas of golf, equestrian, hill and coastal walking, angling and marine and other field sports;
- Implementing an effective, professional marketing plan of the tourism products and facilities available in the County;
- Promoting a training plan for personnel in the industry to include re-training and in-service training;
- Conducting an appraisal of the within county signage and access signage, from the point of view of meeting tourism objectives.

10. The most appropriate course to realise the objective of developing a significant position in the business related visitor market is to focus and achieve a significant presence in the business conference market. While County Wexford gets some conference business, there is evidence to suggest that it has lost out significantly, to greater competition elsewhere. For example, it was estimated that County Wexford held a 4 per cent share of the market in the mid-1980s. However, more recent research suggests a much smaller presence. Given its location, within 1 1/2-2 hours drive time of Dublin and Cork, the two largest population and business centres in the country, the County would appear to be well placed to regain a significant position in this growing market.

11. It is recommended that an Action Group comprising industry and local authority interests should be established to determine the extent to which:

- Improvements and synergies could be developed jointly between tourism businesses and local authorities and development agencies in terms of

achieving private and public commitment to relevant investments in product development, infrastructure support and marketing County Wexford effectively in this sectors considered above;

- Scope exists for achieving improvements in attractiveness of towns, villages and public facilities from the point of view of facilitating development of this market.
- There may be scope for joint public private developments of tourism infrastructure or attractions or facilities to enhance the attractiveness of County Wexford as a premier destination for development of business conferences and meetings
- There are approximately 1.5 million visitors to the country who come through Rosslare. These visitors, as has been noted many times in the past, are an obvious potential market. Therefore a review should be undertaken of the shortcomings of previous initiatives to capture this market and if necessary a renewed marketing drive should be directed at them to increase the numbers visiting the county and increasing their length of stay.

12. It is considered that there is considerable potential to develop the Rosslare Port area in terms of valued-added shore based economic activity. This would contribute substantially to the economic development of County Wexford. It is recommended that the focus should be to develop the Port and surrounding area. The logistics business is identified by Forfas as having great potential and there is an objective of establishing Ireland as a European Centre for Logistics. Given its strategic location and with good and continuously improving road links with Dublin, Cork and other major economic centres, Rosslare appears to be well placed to develop a presence in this growth sector. The absence of Port congestion at Rosslare and the comparatively easy access to the M50 Motorway, by comparison with Dublin port would appear to represent unrealised competitive advantages. Therefore, it is recommended that the following steps should be undertaken as an integral package to secure economic development of the Port along the lines outlined:

- Consultations should take place with the development agencies, both Enterprise Ireland and IDA Ireland, to promote, market and encourage enterprises to locate suitable activities in the distribution/logistics sector or other sectors for which the Port would represent a competitive location.
- The Local authority should ensure that adequate land is zoned to facilitate future industrial development around the Port. In this context, it should be made clear that this is the most appropriate economic use of land around the Port. At present only unserviced industrial land is available in the area and the terms do not appear to be remotely competitive with other locations, e.g. Ringaskiddy, Co Cork. Therefore, it is recommended that consideration should be given to increasing zoning for industrial use of lands with access to the Port with the aim of ensuring a competitive market in industrial land.
- Access roads to the Port need to be developed to cater for goods traffic. It would be appropriate that lands surrounding such a road development would

be zoned for industrial use and that serviced industrial sites would be provided on competitive terms.

- The Port authority of Rosslare is Iarnrod Eireann, part of the CIE Group. It is considered that a dedicated Port Authority, along the lines of Dublin and Cork, would be the most appropriate structure to ensure future development of the Port. CIE has made considerable investments in the Rosslare, substantially funded by EU funds. Looking ahead, it is clear that the long-term development of the Port in port infrastructure will require adequate capital resources. This will require CIE taking a more active role in the further development of the port in concert with local developments. However, considering the large investment programme in core business facing Iarnrod Eireann it is difficult to envisage that CIE will be well positioned to take a driving role. For this reason it is believed that the option of a dedicated Port Authority, with adequate capital financing is preferred and should be pursued.

13. Decentralisation of public services can have beneficial effects in both recipient and donor regions, and has been extensively adopted in Ireland. There may also be opportunities for decentralisation of some private companies. Congestion in the Dublin Region has led many companies to locate at the periphery of the city, and with good communications, and some central government aid this could be extended. It is generally acknowledged that County Wexford is a popular destination and it is understood that there has been some over-subscribing of transfer opportunities in the Governments Decentralisation Programme. Given its relatively easy access to Dublin and Cork this is unsurprising. In addition, there appears to be a good stock of quality rented accommodation available, following strong investment in recent years. In addition, it is not considered that a critical mass has been established in County Wexford, by transfers that have already taken place or are underway, in terms of generating adequate social and recreational infrastructure and other social infrastructure services, like childcare. Therefore, it is recommended that renewed efforts should be made to achieve further transfers, focussing on quality of life aspects of living and working in County Wexford.

14. Availability of a competitive modern infrastructure is a prerequisite for sustainable economic development. In total if all the infrastructure proposals in relation to County Wexford were sanctioned total expenditure (including port development at Rosslare and New Ross) would be just over £300 million over the period of the forthcoming *National Development Plan*. In itself this expenditure would give a significant demand boost to the county, but more important, would lay the foundation for increasing the supply capacity of the local economy. However, as noted earlier, the extent to which development occurs at a local level depends on how constraints are overcome locally i.e. on how at the local level national policies translate into profitable opportunities directly or through induced effects. In this regard, it is recommended that a review of zoning of industrial land should be undertaken around the main urban centres in County Wexford. The aim should be to ensure that adequate infrastructure is available to support enterprise development around these towns. Expansion of economic activity is likely to be reinforcing, with growth generating additional demand for locally provided goods and services. It is very important that appropriate space is provided for the development of locally based businesses, focused on these urban centres.

15. Furthermore, it is recommended that the local authority could play a greater leadership role in helping to achieve external economies across a wide range of economic life. For example, it could seek private partnership to develop public car parking facilities. The proposal by Dunloe-Ewart to construct a multi-story car park, currently the subject of an appeal to An Bord Planala, is an example of what could be done. Similarly, it could play a facilitative role with private transport operators to determine if greater private provision of regular public transport connections between Wexford and other towns in the County could be developed. This could use as a model the current initiatives to provide transport within Wexford town. In addition, it would be of benefit if all-day shopping were generally available in towns, rather than as at present where a significant proportion of retail and consumer businesses close at lunchtime. Other improvements also appear possible. For example, the encouragement of businesses to engage in early morning/late night deliveries to assist with traffic flows in towns. Indeed, there is a need to manage traffic flows, not just in Wexford, but in other towns in the County, such as Gorey in the summer, Enniscorthy and New Ross. Individually, initiatives like these may have only a small effect. However, the cumulative impact could be significant. In the final analysis decisions to invest in one location over another are decisions that are taken at the margin and in which the kinds of effects being discussed here can have a bearing. To promote a systematic approach and help to stratify priorities it is recommended that the Local authority management should engage civic and business representatives in dialogue to determine a public private partnership approach to promoting external economies and an efficient and dynamic environment in the County and its towns.

16. Analysis of demographic trends in County Wexford concludes that:

- The population is relatively old;
- Participation in the labour force is less than in the rest of the country; Unemployment is higher;
- Average family size is greater, and
- The level of educational attainment is lower.

The importance of education in development cannot be overstated. Research has established that differences in income between persons are almost entirely due to differences in the level of educational attainment, and differences in income between countries are due to similar factors. In the case of Wexford it has been established from official data that income levels are among the lowest in the country, and that educational attainment is similarly low.

17. There are several dimensions, which require to be addressed by a strategy to increase educational attainment. One is the backlog, what may be termed the education deficit. This is the most fundamental problem as it affects the population as a whole to a certain extent. It is considered that a set of measures aimed at improving life-long learning and directed both at those in work, and the unemployed is needed to address this. There are both supply and demand issues involved here. It is difficult to see how the supply can be achieved without an initiative to provide third level training and education with a staff dedicated to developing education for the local community. Wexford needs to expand on its relationships with third level education

institutions. It is acknowledged that there has been a considerable development of Post Leaving Certificate (PLC) courses, provided principally through the VEC. There are now some 700 students participating in these, the majority of which are linked to third level institutions. However, it is considered that there is considerable scope for developing these relationships further both in depth and breadth. It is recommended that further steps should be taken to deepen these links and in particular, consideration should be given to:

- The establishment of a Postgraduate Studies Centre. This might be focussed on Environmental Sciences, given the presence in the County of the EPA and the soils testing division of Teagasc. Alternatively, it could be related to the development of an international services businesses in the County as recommended in relation to Johnstown Castle. Other possible curricula and disciplines should be considered also.
- The establishment of a Centre for Cultural Studies and Performing Arts. This should include primary degree facilities, based on performing arts and linked to the Wexford Festival Opera and County Wexford's strong tradition of amateur drama. A considerable amount of work has been undertaken in this area already. For example, a comprehensive and innovative programme entitled the "arts in the Classroom Initiative" has now commenced in primary schools in the County. This is funded jointly, by Wexford County Council, the Department of Education and Science and the Arts Council. 'Accent', a modular Performing Arts Training Programme, funded by the Ferns Diocesan Youth Service and the Community Initiative 'Intereg' and accredited by the NCVA also commenced recently. The Programme is aimed at 18 to 25 year olds and covers Dance, Music, Production, Acting and Technical Skills. Finally, Enniscorthy Vocational College last year commenced a PLC course in the Performing Arts (Music) and Media Studies.

18. Another issue is early school leavers. In practice this covers those who left school with only primary education or without certification at second level. There are programmes, which provide "Second Chance Education". These include VTOS, Youthreach and PLC schemes, which are available in the county. However, it is considered that they require more active marketing by education establishments locally, and input from the Department of Education in relation to courses, target groups, and pedagogy.

19. The International Adult Literacy Survey revealed that Ireland as a whole scored poorly in relation to adult literacy. It is difficult to believe that Wexford, which has a low level of educational attainment, does not also have an adult literacy problem. The solutions to this problem are not obvious. Therefore, it is recommended that institutions should be encouraged to propose and adopt a range of approaches, to this problem including experimental ones. In this latter regard the scope for formulating Pilot programmes should be considered in the context of any funding which may become available under this heading in the next National Development Plan.

20. It is considered that curriculum reform may also provide the framework for retaining some of those who drop out of the educational system at present. This matter is primarily a responsibility of central government. However, it is believed that there

are benefits to be realised locally by being at the forefront in this area, and by showing willingness to adapt new programmes, and to evaluate existing ones.

21. The forthcoming National Development Plan and associated Community Support Framework of Structural and Cohesion Funds may very well provide funding for developments in the areas discussed above. Therefore, it is recommended that those involved in education in the county, at government and voluntary level, should be encouraged to generate a series of individual programmes designed to benefit the maximum number of people at risk of early school leaving.

22. Existing programmes, such as the Leaving Certificate, Leaving Certificate Applied and the Leaving Certificate Vocational Programme provide a framework for increasing the participation rate of those in the school system at present. The question is the extent to which these will be effective. As indicated earlier, the outcome will depend on stimulating increases in both supply and demand. On the supply side it is recommended that an assessment should be made of the adequacy of available education facilities, teaching resources and skills, the availability of courses and readiness to provide new ones. This assessment needs to have regard to the current pattern of education attainment in the county and what might be considered an appropriate target of achievement in the future. On the demand side the importance of education needs to be understood. Therefore, it is recommended that steps should be taken to promote greater local awareness of the benefits associated with this. Efforts should be focused at those segments of the community where education attainment is weakest. Any programme introduced to stimulate demand should have explicit targets and a process of monitoring and review should be adopted to gauge effectiveness.

23. It is considered that there is a very strong case for the establishment of a unit within the local education network. The aim should be to assess education needs from the point of view of local economic development, establish if these are being met effectively, provide information to schools, parents and pupils, and to assist with design programmes with schools.

County Wexford: A Strategy for Economic Development

1. Driving Forces of Economic Growth

Over the long run, economic development depends on growth of the labour force, the quality of the capital stock, technological change and the extent to which markets function efficiently. Both labour and capital embody quality changes – labour through human capital development and capital through technology shifts.

Much of the recent growth in the Irish economy is due to labour force growth and the embodiment in it of human capital through the education process. Foreign direct investment by multinational corporations has played a key role in expanding the output potential of the economy. Irish firms who now increasingly compete internationally to grow and develop are also enhancing economic performance in terms of both output and employment growth.

Economic growth is concentrated in businesses that serve the European and US markets. In terms of output and exports there is a concentration on electronics and pharmaceuticals. While there are limited backward and forward linkages between these firms and indigenous companies, these linkages have been growing.

Increasingly, growth of internationally traded services represents a key factor in sustaining economic expansion. This sector accounts for the bulk of employment growth over the past five years and is now a more important source of growth than manufacturing. Much of this growth has been based on an expansion in knowledge based service employment (Citibank, IBM, and the recently announced Technology Campus by Hewlett Packard). The characteristic of much new development is the emphasis on the availability of skills, good telecommunications, and a pro-business environment.

The importance of high skills and education cannot be over-emphasised, as a key requirement in securing economic growth and development. Industry, is now much more global in its approach to location, and will tend to locate where skills are

available. Manpower projections contained in the FAS/ESRI manpower study indicate that in excess of a quarter of a million jobs could be generated from 1995-2003.

2. Securing Balanced Regional Development

The economic development of a region or sub-region within a country is constrained by national policy in relation to taxation, public expenditure and tradeoffs (political) between the competing interests of different regions. A region, such as County Wexford does not have the option of independent policy making in these areas. In a fundamental sense regional or subregional development is ultimately the province of government, and can be regarded as the attempts to overcome national, regional or subregional constraints.

Economic theory in relation to regional development is not clear-cut. Nor are there widely accepted policy prescriptions to achieve a pattern of balanced development. In fact, it is now widely acknowledged that economic growth has been heavily concentrated. A negative outcome of this is infrastructure bottlenecks, traffic congestion and spiralling house prices, especially in the Dublin region.

The next *National Development Plan*, covering the period 2000-06 is expected to contain a much greater emphasis on securing a more balanced distribution of growth in the future. The recently published report "*National Investment Priorities for the period 2000-2006*", compiled by the ESRI suggests an approach to this issue. It emphasises the "Nodal" approach. The essence of this is the identification of medium sized centres, seen as areas where entrepreneurship at the local level can develop, where significant spillovers can be generated. Such centres are further subdivided into larger (population of 25,000) and smaller (population of 10,000) ones. The ESRI proposes that the larger medium sized centres should be the focus of concentration. These centres, it is argued "already possess the necessary initial conditions to be actively promoted as suitable development nodes for their regional hinterlands". The ESRI plumb for Cork, Limerick, Galway and Waterford as centres which have the potential to become hubs for trade and industry, and to become internationally competitive and realistic alternatives to Dublin.

The implications of this approach are obvious for areas not selected as nodes. Development of these latter locations is seen as deriving from the success of the node, rather than from their own dynamic. This view of the development process can be characterised as "picking winners". The inherent problem with the approach is not that selected areas will not develop, but that the potential of others is denied. This philosophy lay behind the *Telesis Report*.

The Report of the Industrial Policy Review Group (the *Culliton Report*) favoured a somewhat different approach. Essentially it advocates improving the market system, and providing the infrastructure to ensure that people can realise their potential. The South-East Regional Authority, in its submission for the *National Development Plan*, also adopts this latter strategy. Among the objectives of the Authority are the expansion of the region's capacity for growth through investment in regional skill levels, and in infrastructure projects relating to transport, communications, energy water and waste management. A guiding principle is that growth should be spread geographically across the region, with lower sized medium towns a focus for industrial development. Within this framework, County Wexford would find itself facing the same public support as other counties, whereas in the nodal approach Wexford would be sandwiched between the Waterford node, and the dominant centre of Dublin. From the perspective of County Wexford the approach adopted by the South-East Region Authority is the preferred one.

Regardless of which approach comes to be adopted, there is another complicating factor for future development of County Wexford. At a national level, two regions are being distinguished for future support: An Objective 1 Region, comprising 15 western counties and An Objective 1 Region in Transition, comprising the rest of the country, including County Wexford. Greater support will be available to the Objective 1 Region. However, as discussed below (see Section 1.2, Table 1) Gross Value Added in County Wexford is amongst the lowest of any county in Ireland.

In these circumstances it is appropriate that a review of economic performance of County Wexford should be undertaken. This can highlight features of past performance and more importantly provide a basis for ensuring that County Wexford participates fairly in future economic development.

3. Income & Employment Developments: A Comparative Analysis

3.1 Income Per Capita

Towards the end of 1998, The CSO published measures of Gross Value Added (GVA) by region for the period 1991-1996 and by county for 1996. GVA is a measure of the value of goods and services produced in a region (county) priced at the value which producers received minus taxes payable on production but plus subsidies receivable. Thus, GVA is very similar to income arising from economic activity. It is not the same as personal income, which includes transfers, such as social welfare payments, and excludes taxes on income.

The measure of GVA per county, shown in Table 1 below estimates GVA per head for Wexford at £6,000. More importantly Wexford is placed third lowest county in terms of GVA per head, ahead of Counties Roscommon and Leitrim, and just below 60 per cent of the country as a whole.

Comparable GVA estimates for earlier periods are not available at county level. However, there are some estimates of income arising and personal income by county. The first of these was produced for 1960, (Atwood and Geary). The methodology of this was subsequently improved and expanded by Ross, whose *paper Personal Incomes by County, 1965* provided a benchmark for comparison across counties. The Ross estimates ranked Wexford in 1960 at 12th. and in 1965 at 14th. in terms of personal income per head among the counties. Even allowing for differences between personal incomes and GVA, it is clear that there has been deterioration in the relative position of County Wexford, over a 30-35 year period using these simple measures.

Table 1: GVA per capita in 1995 at factor cost

	GVA per capita (£)	State=100	Relative to EU=100
Border	7934	80	73
Cavan	7800	78	72
Donegal	6100	61	56
Leitrim	5200	52	48
Louth	12000	120	111
Monaghan	7100	71	66
Sligo	7700	77	71
Dublin	12711	127	117
Mid East	8824	88	81
Kildare	11100	111	102
Meath	6800	68	63
Wicklow	8000	80	74
Midlands	7445	75	69
Laois	6400	64	59
Longford	7600	76	70
Offaly	6900	70	64
Westmeath	8700	87	80
Mid West	9495	95	88
Limerick	9800	98	90
Clare	9600	96	89
Tipperary NR	8600	86	79
South East	8850	89	82
Waterford	8800	88	81
Carlow	8400	84	78
Kilkenny	7000	71	65
Wexford	6000	60	55
Tipperary SR	15100	151	139
South West	10689	107	99
Cork	11700	117	108
Kerry	6900	69	64
West	7291	73	67
Galway	8100	81	75
Mayo	6800	68	63
Roscommon	5500	55	51

Source: Central Statistics Office, Dublin

However, it should be recognised that GVA or GDP measures could be seriously misleading when measuring income differences, particularly where there are multinationals located in a county. This characteristic is well known when comparing incomes across countries - in the case of Ireland GDP is 14 per cent higher than GNP, which is generally considered a better measure of income for Ireland, since it takes account of earnings repatriated or transferred outside the jurisdiction in question. For most EU countries there is no significant difference between GNP and GDP. Moreover, at a county level these differences can be magnified sharply. For instance the estimate of GVA for Tipperary, the highest in the country, is influenced greatly by the location of a small number of profitable overseas companies in the county. When allowance is made for the effect of this small number of enterprises the gap between Tipperary and the rest of the country narrows dramatically. However, in spite of these caveats, the GDP (GVA) estimates are used widely as an indicator of comparative economic development within Ireland.

It is possible to approach this issue slightly differently, by considering Revenue Commissioners' data (Table 2). These data place County Wexford incomes at 88 per cent of the national average. It is still among the poorer counties, being ranked sixth from the lowest, before Leitrim, Roscommon, Monaghan, Donegal and Longford.

Table 2: Income Distribution by County 1995/96

County	No. Cases	Total Income £m	Average Income £
Carlow	10737	147,237.8	13,713
Cavan	15770	220,156.1	13,960
Clare	20536	298,610.0	14,541
Donegal	26008	319,508.5	12,285
Galway	62895	900,745.1	14,321
Kerry	41218	675,626.4	16,392
Kildare	29714	444,216.5	14,950
Kilkenny	20785	299,855.9	14,428
Laois	8972	122,788.3	13,685
Leitrim	4237	47,425.7	11,193
Limerick	38529	567,439.0	14,728
Longford	6903	86,064.2	12,468
Louth	22159	308,725.3	13,932
Mayo	21373	269,265.7	12,598
Meath	24029	366,560.3	15,255
Monaghan	11421	138,617.5	12,137
Offaly	13487	181,735.2	13,475
Roscommon	8269	97,811.7	11,829
Sligo	13933	195,217.1	14,011
Tipperary	30587	421,362.9	13,776
Waterford	23962	359,350.9	14,997
Westmeath	39670	742,044.3	18,705
Wexford	24363	311,217.4	12,774
Wicklow	19991	298,418.5	14,928
Dublin City	353151	5,761,324.0	16,268
Dublin County	120312	2,039,544.7	16,952
Cork City	48678	724,498.8	14,883
Cork County	60817	905,034.5	14,881
Unclassified	180651	1,693,502.8	9,374
Total	1304147	18,943,924.9	14,524

Source: Revenue Commissioners, Annual Report

3.2 Structure of Employment

Table 3 compares the structure of employment in County Wexford with that nationally.

Table 3: Employment Structure (Numbers and percentages) 1996

	Wexford	Country	Wexford % Total
Agriculture, Forestry and Fishing	6,250 (17.7)	133,969 (10.2)	4.7
Manufacturing	6,581 (18.6)	249,131 (19.1)	2.6
Other Industry	3,436 (9.7)	104,935 (8.0)	3.3
Commerce, insurance, finance, business services	6,713 (19.0)	271,997 (20.8)	2.5
Transport, communication and storage	1,916 (5.4)	78,224 (6.0)	2.4
Public administration and defence	1,188 (3.4)	78,210 (6.0)	1.5
Professional services	5,348 (15.1)	241,476 (18.5)	2.2
Others	3,899 (11.0)	149,294 (11.4)	2.6
Total	35,321 (100)	1,307,236 (100)	2.7

Source: Annual Labour Force Surveys, CSO, Dublin

The most obvious feature is the relative importance of agriculture in the economy of County Wexford, accounting for over a sixth of total employment. The final column is an indicator of the degree of over or under representation by sector compared with the national average. While differences are to be expected by region and county, these differences may explain differences in income per head. The county has roughly the national level of employment in manufacturing; it exceeds it in the case of construction, and is underrepresented in public administration and defense and professional services. However, the recent relocation of the EPA and some personnel

from the Department of Agriculture & Food will help to change the situation with regard to public services.

The question posed by the differences in relative sector shares is whether these can explain differences in income per head? In order to test this, income levels by sector from national data were imposed on the structure of the Wexford. The results of this exercise make very little difference. This suggests that within-sector differences in income are important in explaining differences in incomes across counties. The data by sector are fragmented and limited, so that any analysis must be partial and limited.

3.2.1 Industry

Total industrial employment in 1996 amounted to just over 10,000 of which one third was in construction, the remainder being in manufacturing and other industry.

In industry, excluding construction, it is possible to obtain from the *Census of Industrial Production* a broad picture of the main aggregates and to compare these with national aggregates. Table 4 summarises the results for County Wexford and the country as a whole.

**Table 4: Output and Income per head in industry
(excluding construction)1996**

	Wexford	Country
No. of Local Units	156	4803
Gross output per unit £000	3,551	8,007
Net output per unit £000	1,069	4,056
Employment per unit	35	51
Wages and salaries per employee £	13,508	16,395
Gross Output per person engaged £	101422	157,230
Net Output per person engaged £	30,527	79,658

Source: Census of Industrial Production

The information derived from the *Census of Industrial Production 1996* is very instructive. The coverage in terms of persons engaged, at 5,462 is about 80 per cent of those classified in the Census of Population. The principal differences between Wexford and the rest of the country are:

- Gross and net output per plant are significantly below the average for the country as a whole;
- The ratio of inputs to output is higher, implying lower value added per £ input;
- Average employment per unit is 30 per cent below average employment nationally; Gross output per person engaged is 64.5 per cent of the national average. (There may well be reasons for this relating to transfer pricing of multinationals, and the relative absence of multinationals in Wexford);
- When income per employee is examined, the average is 17.6 per cent below that of the country as a whole. This is very close to the differences in income derived from Revenue Commissioners' data.

Multinational corporations account for about 2,500 jobs in County Wexford. **This** represents about 6.7 per cent of total employment in the county, significantly less than for the country as a whole. In the past five years, new foreign direct investment has created only 342 jobs, with about the same rate of increase in employment coming from existing foreign enterprises. Many of the foreign firms located in Wexford are small. Indeed they are not significantly different in scale from indigenous manufacturing enterprises. Another feature of FDI in County Wexford is that it is all in manufacturing, with no investment by providers of international services.

Of the 156 industrial units in Wexford reported in the *Census of Industrial Production* 40 are in the food sector, 36 in metal products and machinery. Forfas data, covering all firms, including very small firms place manufacturing employment at 6,018 in 1997, and the total number of firms at 208, with a concentration in Metals and Engineering, employing almost 75 per cent of all manufacturing employees. None of these firms are very big: the average size is 30 persons employed. The sector is characterised by both poor backward and forward linkages. Thus activity is not self-reinforcing, and associated services are consequently weak.

3.2.2 Construction

The relative importance of construction is somewhat surprising. This sector is more buoyant than would be expected, given the demographic and income profile of the

county. The number of new house completions in 1997 at 1,446 had increased by 46 per cent on 1996, and constituted 3.7 per cent of all house completions in the State. There was a further modest increase to 1,484 in 1998, or 3.5 of national output. The County is characterised by a high number of holiday homes and second homes owned by people from outside the county. Much of the growth in housing output and of work in progress is related to holiday homes, especially at certain locations, which have designated tax status for ‘Seaside Resort’ development. In more recent years the scale of house price inflation in the Greater Dublin Region has resulted in increased residential housing demand with residents commuting to the capital from as far south as Enniscorthy.

Another factor explaining the comparatively large construction sector is that firms based in Wexford can and do undertake a significant proportion of business outside the county, notably in the greater Dublin area.

3.2.3 Agriculture

County Wexford has good quality agricultural land. The average size of farm is bigger than the national average. The characteristics of the sector are summarised in Tables 5 and 6. Table 5 shows the area under crops and pasture over an extended period, while Table 6 examines the number of livestock over the same period.

Table 5: Area under selected crops (000 hectares) 1960-1995

	Corn crops	Root and green	Hay and pasture	Total
1960	47	15	136	198
1965	38	16	150	204
1970	42	14	149	204
1975	40	13	150	206
1980	52	13	142	208
1995	38	11	137	191

Table 6: Number of selected livestock (000)

	Cattle	Cows	Sheep	Pigs	Poultry
1960	156	38	232	51	460
1965	196	55	317	72	461
1970	228	65	249	65	623
1975	289	85	259	59	423
1980	266	78	245	85	291
1995	279	88	610	69	80

The situation in the agricultural economy is heavily influenced by changes that have taken place in the *Common Agricultural Policy* (CAP). Of particular importance have been measures limiting production (milk quotas and set-aside), those resulting in price declines which have affected cereal and cattle production, and headage payments, which have directed production into particular areas. Wexford has a comparative advantage in the production of grass based/cereal products essentially for climatic reasons. However, the changes to the CAP have not favoured the realisation of this advantage. The current proposed changes to the CAP are unlikely to reverse this. Rather they are more likely to strengthen the factors militating against increasing output. The increase in the milk quota nationally will lead to some increase in output, but the amount is small. Price reductions for milk are not fully compensated so that net income from dairying will decline.

Average net income per farmer in 1997 was about £15,000. This is marginally below the average for the country as a whole. It is worth noting that since 1990 cattle prices have fallen almost 20 per cent, sheep prices have fallen almost 18 per cent, cereal prices have declined by 26 per cent, while milk prices have increased by 14 per cent. It is clear that, even with transfer income to farmers, agricultural incomes have declined in County Wexford, given the mix of output and the impact of milk quotas.

Given its importance in the local economy, it is worth giving explicit consideration to the constraint that is faced in agriculture, by the operation of the CAP which limits milk production, the price declines for cereals, and the impact of set-a- side.

Even if the county has a comparative advantage in agricultural production the current CAP militates against realising that advantage. Hence industries that might be natural

extensions of the development of agriculture, both upstream and downstream, cannot develop. In these circumstances overcoming constraints is not sufficient; the constraint is the recent and current focus of CAP change. County Wexford cannot address this issue successfully. The last changes and new proposed changes to the CAP highlight the need to consider the long-term interest of the agricultural economy, and the national economy, rather than minimising short-term income losses. It is difficult to see how in a more market based approach to CAP reform output would not increase significantly in Ireland in general, and in Wexford in particular. Without this the future of agriculture in Wexford is likely to be one of continuous decline, with consequent decline in related activities, and in sectors dependent on the disposable income of farmers. The share of employment in Agriculture, at over 17 per cent of the labour force is considerably above that for the country as a whole, 10.2 per cent. It is expected that the share will decline. Retirements and ensuing consolidation is expected to be an important element in the process of adjustment. In addition rationalisation of the sector would be facilitated, if additional employment opportunities are created in the county in other sectors.

3.2.4 Services

More than half (54 per cent) of total employment in Wexford is in the services sector. Unfortunately there are no detailed data on earnings and output in this sector as a whole. However, some things can be said about the sector in some guises, as services activity is influenced by other aspects of the local economy, and by the extent that the sector serves the economy outside the local economy. The low value-added in industry, and the stagnation in the most important sector (agriculture) limits the development of the services sector geared towards meeting the needs of these two producing sectors.

In its own right the services sector can have a dynamic, as evidenced by the *tourism sector*. Moreover as noted at the outset, (see Section 1) a significant part of economic growth nationally is being propelled by expansion of internationally traded services. The limited data available for County Wexford suggests that there was a very rapid growth in the numbers of tourists visiting Wexford between 1989 and 1995, with numbers rising from 506 thousand to 833 thousand, and expenditure increasing from

£32.6 million to £84.4 million¹. The impact of the sector on the domestic economy, when direct and indirect effects are taken into account is estimated at the equivalent of 4,000 full-time jobs.²

The tourism sector is primarily geared to the Irish market, as the majority of visitors and the bulk of the receipts are derived from this sector. This market is highly seasonal, primarily self-catering and seaside based, and Dublin sourced. Average expenditure per domestic tourist has been estimated at just less than £100 in 1995. Overseas tourists are characterised by very short stays, with 50 per cent staying for just one day. It is clear that for these visitors Wexford, is just a stopping off point, either on arrival or departure, rather than the ultimate destination.

The data do not suggest a vibrant tourist sector, though recent increases in the supply of tourist accommodation may result in increased numbers. The principal problem in relation to tourism relates to the product and its marketing. As the county does not have the rugged scenery that attracts overseas tourists, many of the visitor attractions are heritage-based rather than activity-based, and there is too ready access by day trippers from the eastern conurbation, with very little expenditure. These are not characteristics that policy can change, so this suggests a different direction, geared towards retention of visitors. Already there are indications of this in the approach adopted by local tourism interests. The most obvious channels of operation are to work towards the county's strengths: the eastern coast for seaside holidays, the southern coast and water-based activity, the northern part of the county for walking holidays.

The tourism industry in the county, through the Wexford Tourism Council (WTC) has developed a strong participative role in the promoting and marketing of its product. In the past two years there is evidence that this is having significant payback. In addition, there is a determined cohesion emerging in the industry (although not every producer is a member of WTC) producing a strong referral business, that is addressing the historical 'pass through' tourism problem. Nevertheless, considerable challenges remain to be overcome, (see Section 4.2 below).

¹ CHL Consulting Company: Tourism Development Strategy For County Wexford

² *ibid*

The transport and distribution sector is, as indicated above, limited by the development of the two primary producing sectors of agriculture and industry. However, in Rosslare Harbour there is a potential resource for significant development. In recent years, CIE has spent £25 million on the development of the port and harbour facilities. Structural and Cohesion Funds funded much of this. However, at present, the port makes little impact on the domestic economy, as it is primarily a ferry port. Freight through Rosslare is Ro-Ro and trucks, on arrival from overseas simply move out of Wexford, and on departure arrive in Rosslare just before departure. With car traffic, the majority moves off on arrival from overseas, though on the return journey a proportion of visitors overnight in County Wexford.

The port is an important one from the perspective of the national economy. In terms of private cars and busses bringing people to the country, Rosslare handles 40 per cent of all sea arrivals, more than Dun Laoghaire and Dublin Port. In freight terms it handles just under a fifth of all Roll-on/Roll-off traffic by volume.

The harbour is capable of further significant development (see Section 4.3 below). CIE both owns and operates the harbour. It has an interest in its use for Lo-Lo traffic as a result of development in Bellview, in neighbouring Co. Waterford. The Bell shipping company was among the largest customers of Iarnrod Eireann. The closure of the harbour at Bellview disrupted trade. While Bellview is now operational, current users do not have the same commitment to rail transport as before. This suggests an additional use for Rosslare Harbour, which also has a rail link. The direct impact of Lo-Lo facilities on employment would be quite small, but could act to encourage some warehouse and other development in the area. Currently four major companies operate out of the port, serving Pembroke, Fishguard, Cherbourg, Roscoff and Le Harve.

Kilmore Quay has also been developed in recent years. A significant proportion of the national fish catch is now landed there. However, this has arisen largely from displacement of fishing activity from Dunmore East. The total fish catch nationally is limited by the Common Fisheries Policy with limits on the Total Allowable Catch. Thus increasing shares can only be won at the expense of other harbours, and this may induce a reaction, unless these harbours are capacity constrained. However, there is

potential for secondary processing of fish, though the degree of success in this has been limited, particularly in the South East. The development of the Marina offers the possibility of water-based tourism activity. Indeed it would now appear that capacity constraints are emerging in Kilmore Quay and further investment will be required if expansion there is to be sustained.

New Ross, as indicated in the South East Regional Authority submission to the National Development Plan, is a fully inland port. It can handle both lo/lo and ro/ro traffic, and has both public and private jetties. The operating structure of the port was changed in 1997 with the New Ross Port Company replacing the Harbour Commissioners in order to give the harbour a more commercial focus. The port requires the replacement of an existing facility in the next decade. Furthermore there is the potential for a significant increase in throughput if the facilities are in place, throughput that would relieve pressure in other ports.

The level of income in County Wexford limits the scale of the retail sector in the county. It also seems to lack a general dynamic. While there has been retail investment in recent years encouraged, in part, by urban renewal incentives (for example developments in the North End of Wexford town), in many respects the sector looks relatively unchanged compared with 10-15 years ago. There are only two major national department stores in the county and no natural centre for major shopping. No published data are available for the value of retail business or expenditure by Wexford residents, and visitors to Wexford, but there must be a suspicion that a great deal of household expenditure takes place outside the county.

The greater part of the rest of the services sector is in non-market services, such as education, health and public administration. It has already been noted that public administration is under-represented, but this is also the case in relation to professional services.

Professional services covers more than non-market services but these are the greater part. Given that non-market services are mainly population based it is useful to see what the ratio of professionals in the sector is to the population. In Wexford there is 1 for every 19.5 people, while in the country as a whole there is 1 for every 15 people.

At a sub-sector level it is easy to see why this could happen. If participation in education is low then it is no surprise that the number of teachers reflect this. Similarly, centralisation of major healthcare services can result in a lower proportion of healthcare workers in an area. This of course is not an argument for equality by county as there may well be economies of scope and scale that can only be realised by centralisation.

3.3 Conclusions

The comparative economic indicators of income and employment indicate a number of areas for concern. In particular, there is a very high dependence on the agriculture sector, which has experienced increasingly difficult economic conditions. In addition, short to medium term prospects for the sector are poor.

Industrial employment is concentrated in traditional sectors, such as metals and engineering, where productivity growth is weak. Foreign direct investment has been comparatively weak and there has been no investment in internationally traded services activities. Tourism is an important sector. While there have been significant developments in this sector in the shape of a three year marketing plan and greater cohesion between industry operators, significant weaknesses remain to be overcome in terms of the tourism product and market focus of the sector.

4. A Medium Term Strategy of Economic Development

A successful strategy for the future economic development of County Wexford in the medium term will need to seize opportunities for future growth, build on inherent strengths, overcome current weaknesses, and address potential threats. A first step should be to maximise the economic contribution to development from existing locally based public initiatives aimed at promoting growth and development at the county level. There are a number of these, including the Wexford Enterprise Board, Area Partnerships, Wexford Organisation for Rural Development (WORD), FAS, the VEC and the programmes pursued by national development agencies like IDA Ireland, Enterprise Ireland, and South East Regional Tourism Organisation (SERTO). It is beyond the scope of this report to comment individually on the role of these organisations. However, it would clearly be misguided to ignore the potential contribution in the future of existing programmes and initiatives being pursued through these agencies. Furthermore, their commitment and support are vital to any future strategy for development.

Turning now to future strategy, it is proposed that the cornerstones of success revolve around:

- Attracting a larger share of Foreign Direct Investment, especially in internationally traded services;
- Developing the tourism product;
- Realising the economic potential of the Rosslare Europort;
- Securing critical mass in decentralised public services.

Actions required to give effect to this strategy are set out below. In addition, it is recognised that a competitive supporting infrastructure is necessary to ensure the success of any development strategy. Separate consideration is given to infrastructure needs and developments in Section 5.

4.1 Attracting a larger share of Foreign Direct Investment

As noted earlier (see Section 3.2.1 above), foreign direct investment in County Wexford over the past five years has been comparatively weak. In particular, the County has not succeeded in gaining a presence in the dynamic internationally traded services sector. It is considered that this task should be accorded high priority. There are a number of positive features that should be used as a basis for marketing the county for such investment.

Broadband Telecommunications Infrastructure

A report by Forfas ‘*Broadband Investment in Ireland*’ published in 1998, highlighted the critical role of telecommunications to future economic and social development, to the competitiveness of Irish-based companies and to Ireland as a location for inward investment into the future. Ireland gained a significant competitive advantage from the strategic investment in our telecommunications network in the 1980s as the digitalisation of the network had a positive impact on business operations, competitiveness, and on Ireland’s success in developing a first mover advantage in newly emerging telecommunications dependent sectors such as call centres and software services.

Investment in broadband telecommunications in Ireland has dramatically increased following the Government’s decision to liberalise the telecommunications market in Ireland from 1 December 1998. As illustrated in figure 1 the main urban centres across the country, in particular in the East and South are expected to have access to broadband services at up to 155Mbit/s on request by the end of March 2000 with onward connections to the Internet backbone at those speeds. Broadband access at

these speeds and higher is critical for exploiting the full potential of the Internet and emerging electronic commerce businesses.

Wexford's Broadband Infrastructure

Wexford's broadband infrastructure is excellent and should be regarded as a key resource for leveraging future economic growth in the digital age. Within Wexford county broadband access at up to 155Mbit/s is expected to be available by end-March 2000 within a five-mile radius of the key towns of Gorey, Enniscorthy, Wexford town, Kilmore Quay and Wellington-Bridge.

Wexford's comparatively good county coverage is very much due to its strategic location as a key national landing point for International telecommunications cables into the Country at Kilmore Quay with onward connections north through the county to Dublin. Wexford's international connections are illustrated in figure 2. These include the landing of two Telecom Eireann cables, the SOLAS cable that connects with Oxwich Bay in the UK with speeds of up to 2.5 Gbps and the CELTIC cable that connects with Lands End at up to 5Gbps. Esat is also deploying an international cable from Kilmore Quay to Lands End with capacity speeds of up to 2.5Gbps. Lands End is one of the key telecommunication interconnection nodes and transfer of international traffic for the US, UK and backhaul to Europe and Wexford's excellent connectivity could be a source of advantage.

A major public/private project for the development of international connectivity to connect Ireland to the Internet backbone is currently underway, with £12million allocated by Government in the 1999 Budget. This will involve the landing of a major transatlantic cable to Ireland with onward connections to the UK or Europe.

Growth Opportunities

The emergence of the Internet is leading to the rapid convergence of the information technology, telecoms, media, broadcasting and publishing sectors into a digital industry. Key growth sectors that should be targeted are telecommunications network services, the electronic commerce multimedia sectors, on-line data/information services sectors, mirror sites, support activities to the digital industries, e.g., animation, computer graphics and pre and post production services.

Network Operations

Centres, Billing &

Transactions

Processing

The global deregulation and liberalisation of the telecommunications industry is having a dramatic impact on the structure of the industry globally with a plethora of new global, regional and national telecommunications operators emerging. This trend is very much in evidence in Ireland, with over 29 operators now licensed to provide telecommunications services in the Irish market. A number are building their own infrastructures while the rest will lease or buy capacity on these built infrastructures for the provision of services. These operators are interconnecting nationally and internationally into any number of the telecommunications cables that now span the globe.

This development has given rise to new functions and industries dedicated to:

- Managing the flow of traffic on and between these networks;
- Monitoring and diagnosing problems or re-routing traffic;
- Managing the interconnection or ‘peering’ or traffic or sharing infrastructures at times of peak traffic;
- Billing for the carriage of telecommunications traffic and
- Back-office transactions processing.

These activities can all be undertaken remotely and ideally at a point of connecting directly into these international networks.

Mirror Sites

Companies on the Internet with very large numbers of users visiting their sites to access information and download products are increasingly making use of mirror site locations. These sites provide batteries of servers that replicate data held on master servers and allow users to be spread among a number of locations thereby speeding up their access times.

On-line Data Services

These are services that provide access to proprietors' databases and new systems supplying a wide range of product, financial and business-related information; e.g. news systems, on line weather forecasting for farmers, analysis of a company's trading data etc.

Electronic Publishing

Electronic versions of newspapers and magazines will be successful due to the growth in advertising on the Internet. Two potential growth areas are:

- Book retailers, looking to build on the logistics expenditure in Ireland and the lower cost of order fulfilment and
- Publishers looking for mirror sites to address the European market.

E-Commerce

This is the term used to describe any activity that promotes or supports trading and selling online e.g. electronic payment, online booking/reservation systems. To support the expansion on this area back office functions including authorisation server sites, transaction processing facilities and Internet based customer service centres will be required largely revolving around software development.

Multimedia

This encompasses the overall convergence of the IT, media and communications industries e.g. education/training via the Internet, digital film, video and games production etc. This area offers a wide range of employment opportunities in content creation; e.g. computer programmes, creative artists, linguists etc.

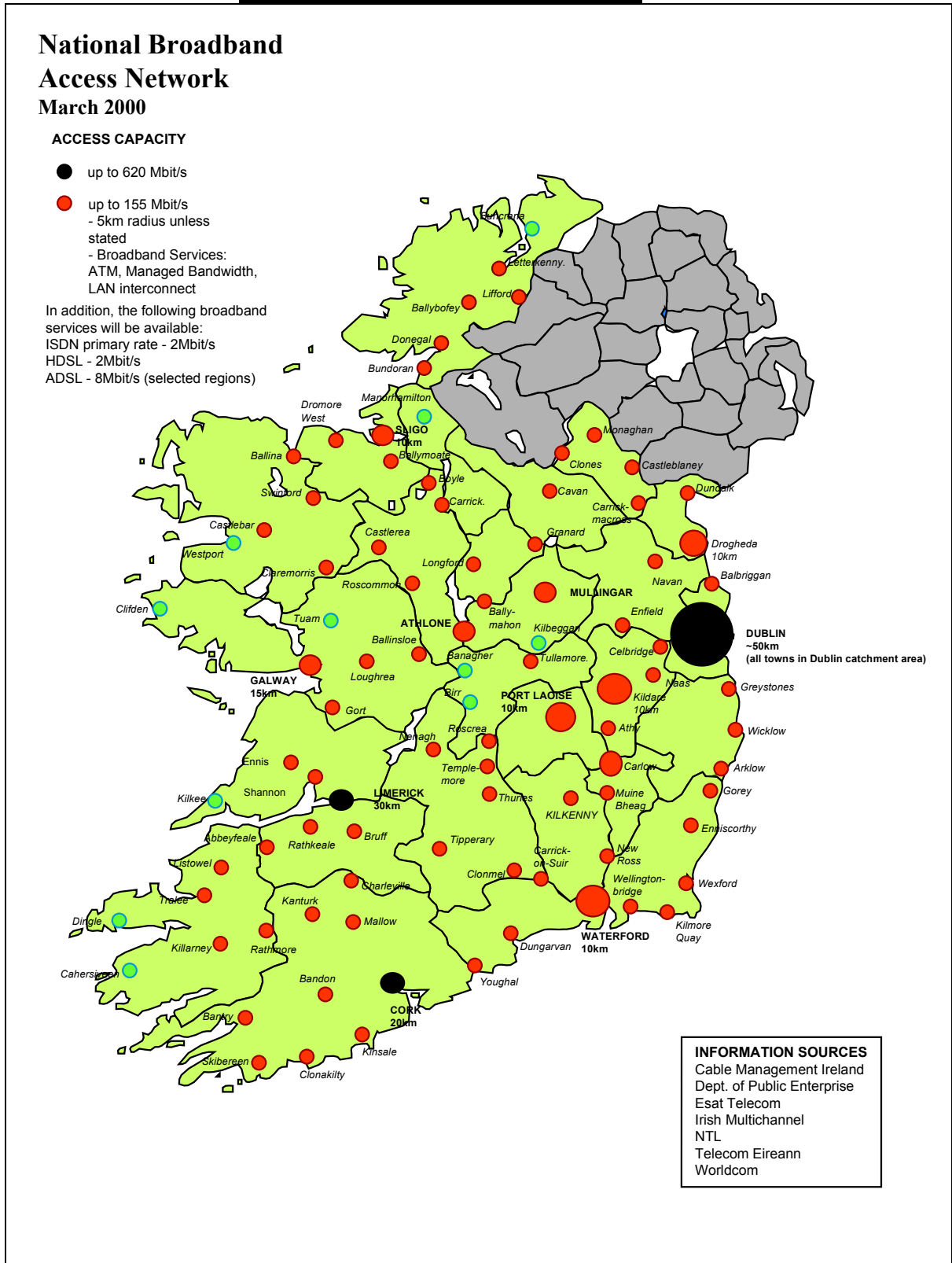
Support Services

These are activities that provide supporting services in the content generation and packaging stages in the value chain; e.g. computer animation, graphics, computer modelling and simulation, software development, localisation services etc.

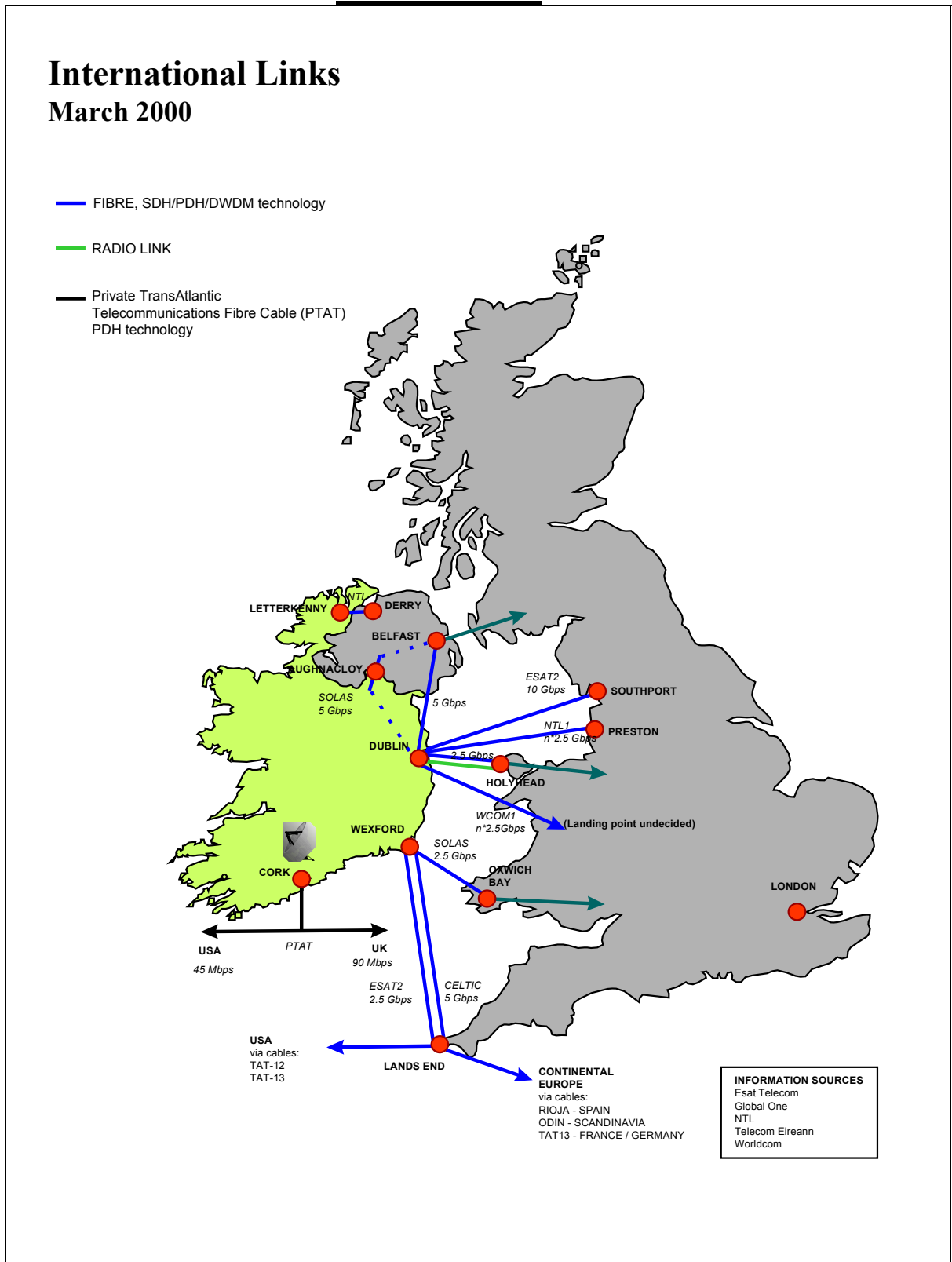
Digital Distribution Centre

The concept of a 'digital distribution centre' relates to the use of the Internet for the downloading of software, entertainment and learning products to allow the associated liabilities with regard to corporation tax, VAT and royalties to be monitored and the appropriate payments to be made. Companies undertaking distribution activities on their own behalf or as a service to software suppliers, would be subject to an audit by the Irish authorities to access where products were downloaded to and the associated revenues.

FIGURE 1. NATIONAL BROADBAND ACCESS NETWORK, MARCH 2000



**FIGURE 2. INTERNATIONAL CONNECTIVITY,
MARCH 2000**



Human Resource Requirements

As can be judged from the foregoing international services industries require medium to high skills. Later, education attainment levels in the county are discussed. A major element of any

long-term development on the supply side is an improvement in the level of educational attainment. However, there are a sufficient number of new entrants onto the labour market to be confident that skilled labour would be available in sufficient numbers if internationally traded services were to locate in the county. In addition, it is considered that there are Wexford people in other counties of a sufficient educational level who would be willing to return. Finally, in this regard, it is noted that a new initiative, driven by the county council, is underway to establish a Cyberskills Centre in County Wexford. This has the potential to provide training support for medium-level IT skills in the future.

Johnstown Castle: An Ideal Flagship For Attracting International Services Industries

A concomitant requirement of these industries is attractive office park type accommodation. It is considered that *Johnstown Castle* would provide a unique focal point for establishing a regional flagship park, dedicated to attracting international services businesses to County Wexford. An additional benefit is that the location is already the site for services employment, with the EPA, Department of Agriculture and Food and Teagasc present at the location. Successfully marketing the venue as a flagship business park for international services would serve to promote critical mass of services employment and allow advantages of scale to be realised in terms of development of associated recreational, leisure and other infrastructure.

Therefore, it is recommended that the following steps should be taken:

- ***It is considered that it would be most appropriate for IDA Ireland, with support from the County Council to develop an appropriate marketing strategy for Johnstown Castle as a Flagship location for attracting international services businesses. The benefits of attendant advanced telecommunications services on foot of the roll out of broadband infrastructure is an additional attractive feature of the proposed location. The aim should be to attract medium skill international services businesses in the first instance.***
- ***At the same time, necessary authorisations should be obtained to use the site for the purposes proposed.***
- ***An assessment should be made of any infrastructure and refurbishment work required to make the venue effective as a centre piece of a marketing strategy to attract international services business and arrangements should be made to ensure that any required investment is undertaken.***

4.2 Developing the Tourism Product

Progress in developing the tourism product available in County Wexford has been discussed earlier (see Section 3.2.4) and following a Report by CHL Consulting Group a Tourism Development Strategy for County Wexford has been established. This is a most welcome step forward. However, within the industry it is acknowledged that weaknesses remain and there is considerable scope for further development. For the future the most appropriate objectives would appear to be to:

- Raise value added, by focussing on better representation from higher spending visitors;
- Reduce dependence on the seasonal holiday market and
- Facilitate development and investment in high quality developments.

It is considered that if these objectives are to be achieved several initiatives need to be advanced in terms of the existing tourism based product and new market developments focussed on developing (regaining) a significant share of business based visitors.

Developing the existing tourism product.

The main steps that are needed and which are recommended under this heading include:

- Developing the tourism product to meet identified competitive gaps. For example, through investment and industry-based support for State of the Art activity products in the areas of golf, equestrian, hill and coastal walking, angling and marine and other field sports;
- Implementing an effective, professional marketing plan of the tourism products and facilities available in the County;
- Promoting a training plan for personnel in the industry to include re-training and in-service training;
- Conducting an appraisal of the within county signage and access signage, from the point of view of meeting tourism objectives.

Developing a Significant Position in the Business Related Visitor Market

It is believed that the most appropriate course to realise this objective is to focus and achieve a significant presence in the business conference market. While County Wexford gets some conference business there is evidence to suggest that it has lost out significantly, to greater competition elsewhere. For example, it was estimated that County Wexford held a 4 per cent share of the market in the mid-1980s. However, more recent research suggests a much smaller presence. Given its location, within 1 1/2-2 hours drive time of Dublin and Cork, the two largest population and business centres in the country, the County would appear to be well placed to regain a significant position in this growing market.

The characteristics of this market have been identified by recent research and are as follows:

- Over 300 conferences are run annually.
- Average size of conferences is in the region of 100-200 delegates. About one quarter of conferences are for 50 delegates or less while approximately 5 per cent are for groups over 500. Research indicates the following approximate distribution by size:

<60 persons	23%
60-100	20%
100-200	28%
201-500	25%
>500	4%

- One quarter are held in Dublin while the rest are spread throughout the country. The most popular out-of Dublin venues are Killamey, Cork, Limerick, Kilkenny and Galway.
- Domestic conferences are estimated to be worth between IR£35m and IR£39m per annum and approximately 90 per cent of this expenditure is associated with hotel venues.
- The main sources of domestic conference business are; -
 - corporate conferences (private and public sector)
 - trade union annual meetings

social, cultural, political and trade associations

professional Institutes

political parties

affinities.

- The main types of meetings are - Annual Conferences, Training Courses and Sales/Business Review Meetings.
- Annual conferences and training courses tend to be held over 2 days while over 50 per cent of sales and other meetings are of only one days' duration,
- Sales meetings and training courses are held throughout the year with the exception of July and August. Annual conferences are concentrated in Spring and Autumn with the most popular periods being March-May and September-October.
- Most meetings, with the exception of annual conferences, are held on weekdays. Up to one third of annual conferences involve a weekend.
- The most important influences on the choice of venue are location, quality and extent of conference facilities and price.
- The size of conference rooms, the availability of good audio visual equipment, adequate breakout rooms and bright, fresh decor are all important quality issues with regard to the conference venue,
- Professional service and good food are key considerations; repeat business depends on the quality of delivery in these areas and competitive advantage may be won or lost here.
- Overhead projectors, 35mm slide projectors, a good public address system and hi beam video and computer based projection facilities are the most frequently sought items of on-site equipment.
- Price is a more important factor for the non-corporate sector where delegates are often paying for themselves or are working on a strict budget for such activities.
- There is a high level of utilisation of hotel venues and conference organisers have a preference for a single venue with all delegates staying in one hotel. Where this is not possible, other accommodation must be within a short distance of the main conference venue.

- Additional on-site facilities typically sought are adequate carparking, a leisure centre and golf course.

It is considered that the best approach for formulating and implementing a strategy to develop the tourism product along the lines outlined above would be through a public private partnership between hoteliers, the WTC and the local authority.

Therefore, it is recommended that an Action Group comprising these interests should be established to determine the extent to which:

- *Current tourism products and facilities meet market requirements;*
- *Improvements and synergies could be developed jointly between tourism businesses and local authorities and development agencies in terms of achieving private and public commitment to relevant investments in product development, infrastructure support and marketing County Wexford effectively in this sectors considered above;*
- *Scope exists for achieving improvements in attractiveness of towns, villages and public facilities from the point of view of facilitating development of this market.*
- *There may be scope for joint public private developments of tourism infrastructure or attractions or facilities to enhance the attractiveness of County Wexford as a premier destination for development of business conferences and meetings*
- *There are approximately 1.5 million visitors to the country who come through Rosslare. These visitors, as has been noted many times in the past, are an obvious potential market. Therefore, a review should be undertaken of the shortcomings of previous initiatives to capture this market and if necessary a renewed marketing drive should be directed at them to increase the numbers visiting the county and increasing their length of stay.*

4.3 Realising the Economic Potential of Rosslare Europort

As discussed above in Section 3.2.4 Rosslare Port has grown rapidly in terms of throughput of passenger car traffic. With investment in the infrastructure of Port facilities there has been considerable expansion in shipping capacity and freight services have been developing.

It is considered that there is considerable potential to develop the Rosslare Port area in terms of valued-added shore based economic activity. This would contribute substantially to the economic development of County Wexford. It is recommended that the focus should be to develop the Port and surrounding area. The logistics business is identified by Forfas as having great potential and there is an objective of establishing Ireland as a European Centre for Logistics. Given its strategic location and with good and continuously improving road links with Dublin, Cork and other major economic centres Rosslare appears to be well placed to develop a presence in this growth sector. The absence of Port congestion at Rosslare and the comparatively easy access to the M50 Motorway, by comparison with Dublin port would appear to represent unrealised competitive advantages.

It is recommended that the following steps should be undertaken as an integral package to secure economic development of the Port along the lines outlined:

- *Consultations should take place with the development agencies, both Enterprise Ireland and IDA Ireland, to promote, market and encourage enterprises to locate suitable activities in the distribution/logistics sector or other sectors for which the Port would represent a competitive location.*
- *The Local authority should ensure that adequate land is zoned to facilitate future industrial development around the Port. In this context, it should be made clear that this is the most appropriate economic use of land around the Port. At present only unserviced industrial land is available in the area and the terms do not appear to be remotely competitive with other locations, e.g. Ringaskiddy, Co Cork. Therefore, it is recommended that consideration should be given to increasing zoning for industrial use of lands with access to the Port with the aim of ensuring a competitive market in industrial land.*
- *Access roads to the Port need to be developed to cater for goods traffic. It would be appropriate that lands surrounding such a road development would be zoned for industrial use and that serviced industrial sites would be provided on competitive terms.*
- *The Port authority of Rosslare is Iarnrod Eireann, part of the CIE Group. It is considered that a dedicated Port Authority, along the lines of Dublin and Cork, would be the most appropriate structure to ensure future development of the Port. CIE has made considerable investments in the Rosslare, substantially funded by EU funds. Looking ahead, it is clear that the long-term development of the Port in port infrastructure will require adequate capital resources. This will require CIE taking a more active role in the further development of the port in concert with local developments. However, considering the large investment programme in core business facing Iarnrod Eireann it is difficult to envisage that CIE will be well positioned to take a driving role. For this reason it is believed that the option of a dedicated Port Authority, with adequate capital financing is preferred and should be pursued.*

4.4 Securing **Critical Mass in** **Decentralised** **Public Services**

Another approach is to promoting economic activity directly in the County, involves decentralisation of public services. The advantage to a region of relocation is the immediate demand impact. Where the domestic market is small this can act to generate new levels of activity, which can the lead to enterprises overcoming the constraints imposed by the absence of external economies. To be successful the amount of decentralisation must be significant. Some decentralisation has already occurred. Some 148 people comprising mainly the EPA (73), but also Department of Marine & Natural Resources (38) and the Revenue Commissioners (37) have been relocated under the Government's Decentralisation Programme. This represents approximately 4 per cent of the total numbers involved in this Programme. In addition, it is proposed that a further 290 will be relocated from the Department of Agriculture and Food.

Decentralisation can have beneficial effects in both recipient and donor regions, and has been extensively adopted in Ireland. There may also be opportunities for decentralisation of some private companies. Congestion in the Dublin Region has led

many companies to locate at the periphery of the city, and with good communications, and some central government aid this could be extended.

*It is generally acknowledged that County Wexford is a popular destination and it is understood that there has been some over-subscribing of transfer opportunities. Given its relatively easy access to Dublin and Cork this is unsurprising. In addition, there appears to be a good stock of quality rented accommodation available, following strong investment in recent years (see Section.3.2.2 above). In addition, it is not considered that a critical mass has been established by transfer already taken place or underway, in terms of generating adequate social and recreational infrastructure and other social infrastructure services, like childcare. **Therefore, it is recommended that renewed efforts should be made to achieve further transfers, focussing on quality of life aspects of living and working in County Wexford.***

5. Supporting Investment & Infrastructure Development

The rapid growth in the economy over the past decade, and in particular a 50 per cent increase in GDP in the past five years have highlighted the importance of infrastructure for development. It is now clear that over a wide range of infrastructure there was inadequate spending in the past.

The ESRI in its "*National Investment Priorities for the period 2000-2006*" cited low investment in the 1980's as one cause of the current backlog in the roads network, and this, allied to the recent very rapid increases in road traffic have contributed to the road infrastructure problems.

In considering roads expenditure for County Wexford the issues are first, to what extent do the roads meet national requirements, and secondly to what extent is the road network a barrier to efficiency at the local level. The national issues, which also affect domestic cost efficiency, relate to the N11, N25 and N30.

The most important road needs are in relation to the N11, in particular the Gorey bypass, and bypasses for Enniscorthy, Ferns and Camolin. These bypasses will directly reduce travel time through the county, reduce congestion and travel time within the towns, and in general lower travel costs. These are needed, as noted in the Submission to the *National Development Plan* by the *South East Regional Authority*, and in the *Wexford County Council* submission, to complete this strategic corridor route to Dublin and Belfast. Gorey bypass is underway in the planning stage, and an allocation has been made to commence planning work on Enniscorthy.

New Ross is also in need of a bypass for much the same reasons. The future development of the port will also require additional road expenditure. A bypass for New Ross would complement the Waterford City bypass and link together access to Waterford port, New Ross and Rosslare. An allocation has been made also to commence planning work on a New Ross bypass.

The N30, which links Enniscorthy and New Ross, is an important route linking the N11 and the N25. It is in need of substantial improvement. It already attracts significant volumes of traffic, but needs upgrading.

Finally, while the network of regional and county roads is more than adequate in its coverage there are deficiencies in surfaces. The situation in the county is not as serious as in other areas.

Port development at both Rosslare and New Ross has been referred to already. The South East Regional Authority identified the following priorities for Rosslare, costing some £20 million:

- The development of the 34 acre landbank;
- The acquisition of a shipping tug to allow the safe movement of shipping during adverse weather conditions;
- The provision of additional ship berthing facilities, and upgrading of some existing berthing/ passenger terminal facilities;
- The acquisition of additional freight handling equipment, tugmasters and forklifts;
- The development of a second access/exit route from the port for the movement of freight traffic.

For New Ross the proposals, costing almost £5.5 million are:

- A new jetty;
- A new modern crane to handle cargo on the jetty; and
- Additional warehousing

Rail transport is important also to Wexford. The Dublin-Wexford line carries up to 0.5 million passengers, and an additional number of commuters, and also carries freight to Rosslare Port. Journey times are long, principally because for a significant portion of the journey speed restrictions are in force due to the poor condition of the line and signalling. These are due to be remedied under the expenditure proposed for

Iarnrod Eireann by the Minister, but the time-scale for the Dublin-Wexford line is uncertain. Improvements in rail transport will enhance the attractiveness of Rosslare port as an alternative to Bellview for freight and may increase the number of short-stay visitors to the area.

There are also other infrastructure expenditures in relation to piers elsewhere in the county, small harbour development, expenditure on coastal erosion and urban and village renewal which are necessary.

Transport Infrastructure is just one element of infrastructure needs. The county has significant needs in relation to water supply, sewerage disposal, and waste management. Overall, the *County Council* has identified projects costing £105 million for inclusion in the *National Development Plan* for the period 2000-2006.

In total, if all the infrastructure proposals in relation to County Wexford were sanctioned total expenditure (including port development at Rosslare and New Ross) would be just over £300 million over the period of the *National Development Plan*. In itself this expenditure would give a significant demand boost to the county, but more important, it would lay the foundation for increasing the supply capacity of the local economy. Therefore, the magnitude of allocations contained in the *National Development Plan* will be of critical importance for future growth in the County.

Even when a government is successful at a national level there is no guarantee that all parts of the country will benefit, or benefit equally. The extent to which development occurs at a local level depends on how constraints are overcome locally i.e. on how at the local level national policies translate into profitable opportunities directly or through induced effects. To the extent that development does not take place when national development is occurring then the approach can take different forms.

The most sensible approach is to consider whether the local economy suffers from an absence of external economies. In essence this is asking is the banking system locally efficient, what support systems are available for major sectors, is the transport system efficient in getting goods to market. The issue of education is discussed separately

below in Section 6. In principle, there should be no external diseconomies facing Wexford, but there may not be any major external economies.

It is recommended that a review of zoning of industrial land should be made around the main urban centres in County Wexford. The aim should be to ensure that adequate infrastructure is available to support enterprise development around these towns. Expansion of economic activity is likely to be reinforcing, with growth generating additional demand for locally provided goods and services. It is very important that appropriate space is provided for the development of locally based businesses, focused on these urban centres.

It is recommended that the local authority could play a greater leadership role in helping to achieve external economies across a wide range of economic life. For example, it could seek private partnership to develop public car parking facilities. The proposal by Dunloe-Ewart to construct a multi-story car park, currently the subject of an appeal to An Bord Pleanála, is an example of what could be done. Similarly, it could play a facilitative role with private transport operators to determine if greater private provision of regular public transport connections between Wexford and other towns in the County could be developed. This could use as a model the current initiatives to provide transport within Wexford town. In addition, it would be of benefit if all-day shopping was generally available in towns, rather than as at present where a significant proportion of retail and consumer businesses close at lunchtime. Other improvements also appear possible. For example, the encouragement of businesses to engage in early morning/late night deliveries to assist with traffic flows in towns. Indeed, there is a need to manage traffic flows, not just in Wexford, but in other towns in the County, such as Gory in the summer, Enniscorthy and New Ross.

Individually, initiatives like these may have only a small effect. However, the cumulative impact could be significant. In the final analysis decisions to invest in one location over another are decisions that are taken at the margin and in which the kinds of effects being discussed here can have a bearing. To promote a systematic approach and help to stratify priorities it is recommended that the Local authority management should engage civic and business representatives in dialogue to determine a public private partnership approach to promoting external economies and an efficient and dynamic environment in the County and its towns.

6. Realising Long Term Economic Potential: Human Capital Development

6.1 Recent Demographic Trends

Demographic data provide a useful perspective on the structure of the local economy. Table 7 presents data on the level of the population in Wexford compared to the country as a whole since 1961. While over the whole period 1961-1996 the population grew less rapidly than in the country as a whole, in the second half of the period the rate of growth in numbers was identical.

Table 7: Population: Trends in Numbers & Percentage changes 1961-1996 Wexford and Country

	Wexford	Country
1961	83,259	2,814,703
1971	86,351	2,978,248
1981	99,081	3,443,405
1991	102,069	3,525,719
1996	104,371	3,626,087
%change 61-96	25.4	28.8
%change 81-96	5.3	5.3

Source: Census of Population, CSO, Dublin

However, although the change in population has been very similar between Wexford and the country as a whole, there are significant differences in the structure of the population. Table 8 portrays the distribution at broad age groups.

Table 8: Proportion of Population by Age Group 1996.

Age	Wexford	Country
0-14	24.8	23.7
15-64	63.6	68.4
65+	11.6	7.9
Total	100	100

Source: Census of Population, CSO, Dublin

Wexford has relatively more old people (65 and over), and relatively more young people. Hence the crude dependency rate is greater in Wexford than in the country as a whole. In fact the population of Wexford is relatively old compared with the rest of the country. This point is confirmed by considering the proportion of those aged over 14 who are in the age group 50-64. In Wexford this is 18.6 compared with 17.3 for the country. Hence, not only has Wexford a high proportion of older people, but the proportion in the working age group also is relatively older. Average household size at 3.26 is marginally above the national average of 3.14.

One of the most important determinants of differences in income per head between persons is differences in levels of *educational attainment*. From earnings, age and education data it is possible to build up a profile of the impact of age and education on earnings. For instance, if the earnings of a 15-19 year old is taken as 100 then the expected earnings of a 25-44 year old with third level education are 266.53. These differences represent productivity differences between persons. It is possible to compare, in a broad sense, levels of educational attainment in Wexford with the rest of the country (Table 9).

Table 9. Educational Attainment - Population aged 15 and over %

	Wexford	Country
In Education	10.4	12.3
Education Finished	89.6	87.7
- Primary Only	33.0	28.6
-Lower Secondary	24.3	20.2
-Upper Secondary	27.4	28.9

³ This is based on *Source*

-Third Level (non degree)	7.3	9.3
-Third Level (degree)	5.8	9.8
-No information	2.2	3.3
-Total	100	100

Source:

The table is very instructive. First, the proportion of the population aged 15 and over in education is relatively low- lower than the proportion in the 15-24 age group would suggest. Second, 57.3 per cent of the population whose education has ceased have only up to lower secondary education, compared with 48.8 per cent nationally. Finally, third level qualifications are held by only 13.1 per cent of this group compared with 19.1 per cent nationally.

When the data is examined by county, it emerges that 11.8 per cent of those aged 15 and over whose education has ceased left school before the age of 15 in Wexford, compared with 10.5 per cent nationally. On a county basis this is amongst the highest in the country, exceeded only by Louth, Donegal and Monaghan.

Unfortunately data are not published distinguishing between those in the labour force, those at work and those unemployed by county or region. From national data, it might be expected that educational attainment among those at work would be higher than the population at large, and higher than among the unemployed. However, the differences are unlikely to be sufficient to allow a conclusion that the pattern in Wexford is weighted towards higher educational attainment among those employed. Some data on higher education among those employed suggests the opposite. For example 28.2 per cent of those in employment in 1996 had completed third level education, while only 9.1 per cent of those unemployed had. Thus, it is reasonable to conclude that the level of educational attainment among the employed population in Wexford is significantly below that of the population nationally. This would explain in large measure differences in income levels. It is an important pointer to the direction of future policy.

The Census does not distinguish between education level by sector, but survey analysis in Wexford among farmers suggests that the typical farmer had achieved

secondary education, and half had an agricultural qualification, with some with third level. This suggests that the low educational attainment may be outside agriculture.

The *Labour Force Participation Rate* for those aged 15 and over, at 54.1 per cent in Wexford, is below that for the country as a whole, at 55.4 per cent. The *Labour force Participation Rate* for men is higher at 71.4 per cent (national 70.7 per cent), while that for women at 36.8 per cent is well below the national average participation rate of 40.7. Differences in participation rates are an important determinant of differences in income per head. Relatively low participation is associated with lower incomes per head, in general.

While participation is an important determinant of average income levels, unemployment also matters. The total labour force in Wexford in 1996 was 41,133, and total unemployment (excluding first-time job seekers) was 5,812 - an unemployment rate of 14.1. This latter compares with the national rate of 13.2.

The conclusions that can be drawn from this analysis are that:

- ***Wexford has a relatively old population;***
- ***Participation in the labour force is less than in the rest of the country;***
- ***Unemployment is higher;***
- ***Average family size is greater, and***
- ***The level of educational attainment is lower.***

6.2 Factors

Underlying Current

Educational

Attainment

The importance of education in development cannot be overstated. Research has established that differences in income between persons are almost entirely due to differences in the level of educational attainment, and differences in income between countries are due to similar factors. In the case of Wexford it has been established from official data that income levels are among the lowest in the country, and that educational attainment is similarly low. It is necessary to understand why educational attainment is low in the county. The relationship between education attainment and economic development is discussed at greater length in Appendix 1.

The level of education attained is to a certain extent dependent on both demand and supply. On the demand side, choice may be limited by the costs of acquiring different levels of education, including access to institutions of education of an appropriate academic and professional calibre. Historically, the second level system has been very responsive to demand. A corollary of this is that there has been little focus on the supply side. The underlying concept is that the system will supply the education if the demand is there. The supply of educational facilities can also act to encourage people to participate in education. The early development of education in Ireland by religious orders can be characterised in this way and gave rise to a situation where demand and supply interacted and moved together, leading ultimately to the provision of mass second-level education. The decline in the numbers of religious, and the ageing of the members of religious orders in education poses new challenges for education. Where

operational management has passed out of schools the same dynamic between demand and supply can be maintained, with principals, teachers and Boards of management responding to and anticipating the needs of the local communities they served. Without this transfer, the system can stagnate. However, the maintenance of existing standards is not enough, as needs have changed. It is difficult not to feel that this is what has happened in Wexford.

With recent changes in the structure and management of secondary schools the situation is likely to change, but there is a backlog, which is reflected in an educational attainment deficit.

The VEC in County Wexford has not suffered this fate, and indeed has a structure that is responsive to needs. However, a significant proportion of its efforts may have gone into the consolidation efforts at Gorey at the expense of new developments elsewhere in the County.

At the post-secondary level costs may well be a limiting factor on demand, as there are no third level facilities in the county, though there are in Waterford and Carlow, and access to Dublin is relatively easy and inexpensive. However, the relatively low proportion of the population with third-level qualifications, and the low participation in education suggest that the benefits of education may not be fully recognised and that accordingly demand is suppressed for this reason. This would be understandable in an area where, in the past, education attainment was not regarded as a prerequisite for achieving reasonable incomes. Thus, historically, the very success of the county, in being among the richest in the country, based considerably on a strong agriculture sector may have militated against recognising the benefits of education and its relationship to economic growth. In poorer regions of the country, where agriculture land is much poorer than in County Wexford, education was recognised as the only viable mechanism for improving income levels and employment prospects of children. The approach in a wealthy region, such as Wexford, was adequate, so long as the terms of trade for agriculture remained positive. This is clearly not the case now. In addition, the relative decline in agriculture in recent years, and the poor future prospects, means that other sectors, which depend on agriculture for their sales and on household expenditure by farmers will also be depressed. Thus, because of the

relative decline in agriculture, the situation requires a shift in emphasis in the county, and a move to more knowledge based rather than a natural resource based economy.

6.3 Proposals for **Future** **Development**

It is difficult to conceive of a development strategy for County Wexford that does not assign a very high priority to addressing the issue of educational attainment. There are several dimensions, which require to be addressed by such a strategy. One is the backlog, what may be termed the education deficit. This is the most fundamental problem as it affects the population as a whole to a certain extent. It is considered that a set of measures aimed at improving life-long learning and directed both at those in work, and the unemployed is needed to address this. While such programmes can be similar in content their provision must necessarily be different, given the work needs of those in employment. In practice this means weekend provision of courses aimed at meeting the needs of those who are in employment. For many in employment, the benefits of continuing education is that it provides a framework in which participants can formalise existing work practices, and thereby improve their understanding of business and the requirements for successful growth and so enhance their daily performance. Programmes of continuing education at the firm level fall into this category. However, to realise the potential from continuing education of those in employment educational resources in terms of both physical facilities and teaching/training resources need to be available and accessible locally. Currently courses are offered by some third level institutions, but Wexford firms are constrained by the lack of facilities locally. Normally, the initiative for attendance at these courses comes from the educational institution, seeking to meet a market demand, that those on the demand side may not yet perceive, but if there is no provision of these facilities then this activity will rarely take place. Furthermore, firms in Wexford are generally

small, and would not naturally see the importance of management and other education. Thus, there are both supply and demand issues to be addressed. It is difficult to see how the supply can be achieved without an initiative to provide third level training and education with a staff dedicated to developing education for the local community.

Wexford needs to expand on its relationships with third level education institutions. It is acknowledged that there has been a considerable development of Post Leaving Certificate (PLC) courses, provided principally through the VEC. There are now some 700 students participating in these, the majority of which are linked to third level institutions. However, it is considered that that there is considerable scope for developing these relationships further both in depth and breadth. It is recommended that further steps should be taken to deepen these links and in particular, consideration should be given to:

- *The establishment of a Postgraduate Studies Centre. This might be focussed on Environmental Sciences, given the presence in the County of the EPA and the soils testing division of Teagasc. Alternatively, it could be related to the development of an international businesses services in the County as recommended in relation to Johnstown Castle (see Section 4.1 above). Other possible curricula and disciplines should be considered also.*
- *The establishment of a Centre for Cultural Studies and Performing Arts. This should include primary degree facilities, based on performing arts and linked to the Wexford Festival Opera and County Wexford's strong tradition of amateur drama. A considerable amount of work has been undertaken in this area already. For example, a comprehensive and innovative programme entitled the "arts in the Classroom Initiative" has now commenced in primary schools in the County. This is funded jointly, by Wexford County Council, the Department of Education and Science and the Arts Council. 'Accent', a modular Performing Arts Training Programme, funded by the Ferns Diocesan Youth Service and the Community Initiative 'Intereg' and accredited by the NCVA also commenced recently. The Programme is aimed at 18 to 25 year olds and*

covers Dance, Music, Production, Acting and Technical Skills. Finally, Enniscorthy Vocational College last year commenced a PLC course in the Performing Arts (Music) and Media Studies.

Secondly, there is the issue of early school leavers. In practice this covers those who left school with only primary education or without certification at second level. There are programmes, which provide "Second Chance Education". These include VTOS, Youthreach and PLC schemes, which are available in the county. ***However, it is considered that they require more active marketing by education establishments locally, and input from the Department of Education in relation to courses, target groups, and pedagogy.***

The International Adult Literacy Survey revealed that Ireland as a whole scored poorly in relation to adult literacy. It is difficult to believe that Wexford, which has a low level of educational attainment, does not also have an adult literacy problem. The solutions to this problem are not obvious. ***Therefore, it is recommended that institutions should be encouraged to propose and adopt a range of approaches, to this problem including experimental ones. In this latter regard the scope for formulating Pilot programmes should be considered in the context of any funding which may become available under this heading in the next National Development Plan.***

It is considered that curriculum reform may also provide the framework for retaining some of those who drop out of the educational system at present. This matter is primarily a responsibility of central government. ***However, it is believed that there are benefits to be realised locally by being at the forefront in this area, and by showing willingness to adapt new programmes, and to evaluate existing ones.***

The forthcoming National Development Plan and associated Community Support Framework of Structural and Cohesion Funds may very well provide funding for developments in the areas discussed above. ***Therefore, it is recommended that those involved in education in the county, at government and voluntary level, should be encouraged to generate a series of individual programmes designed to benefit the maximum number of people at risk of early school leaving.***

Existing programmes, such as the Leaving Certificate, Leaving Certificate Applied and the Leaving Certificate Vocational Programme provide a framework for increasing the participation rate of those in the school system at present. The question is the extent to which these will be effective. As indicated earlier, the outcome will depend on stimulating increases in both supply and demand. ***On the supply side it is recommended that an assessment should be made of the adequacy of available education facilities, teaching resources and skills, the availability of courses and readiness to provide new ones. This assessment needs to have regard to the current pattern of education attainment in the county and what might be considered an appropriate target of achievement in the future. On the demand side the importance of education needs to be understood. Therefore, it is recommended that steps should be taken to promote greater local awareness of the benefits associated with this. Efforts should be focused at those segments of the community where education attainment is weakest. Any programme introduced to stimulate demand should have explicit targets and a process of monitoring and review should be adopted to gauge effectiveness.***

It is considered that there is a very strong case for the establishment of a unit within the local education network. The aim should be to assess education needs from the point of view of local economic development, establish if these are being met effectively, provide information to schools, parents and pupils, and to assist with design programmes with schools.

While the emphasis should be primarily on education there is a need to ensure that training is also provided. Education enhances the ability to absorb information and adapt to new circumstances, while training provides detailed skills.

An important element of the educational system in Wexford is the training agency FAS. It offers a wide range of course covering the non-agricultural sectors of the economy (Manufacturing, Wholesale and Retail, Internationally Traded Services and Distribution). In 1998 over 100 firms in these sectors had staff on training courses, covering 335 staff, with a total of over 7,000 training days given. FAS also provided training under the Construction Incentive Training Scheme. While the numbers are

small the structures are there if an expansion of services is to become part of a strategy for development.

In addition to the training programmes FAS also oversees the Community Employment Programme. This was run at 92 sites in 1998, covering 1,380 participants at a cost of over £10 million. These programmes are important in bringing people back into the workplace, and in addition to the direct employment there is also some training element, which enhances skill levels.

Another proposed initiative is the Enniscorthy Enterprise & Technology Centre. It is intended that this will provide space for small enterprises seeking to develop. It will also provide specific training not available elsewhere.

Education and training together provide the essential base for the enhancement of the development of an economy. In themselves, they are not sufficient at a local level, as people may choose to migrate, and there is also a need for capital investment. Indeed, if the approach adopted were one of concentration on nodes then people would certainly migrate. Financial capital is essentially fungible, so that there is unlikely to be any shortage of funds. The issue for a local economy is generally a perceived shortage of profitable projects. In reality, if the labour force is well educated, and if the market system works well, people will generate profitable ideas, but it may take some time. Therefore, Foreign Direct Investment (FDI) and other strategic initiative for development have an important role to play in stimulating growth and development in the near term.

7. Implementation Strategy

It is considered that a carefully articulated implementation strategy should be pursued in relation to this development plan. The county council does not have jurisdiction over many of the policy areas in which actions require to be taken to achieve the development objectives of the plan. Another consideration is the issue of effective public dissemination of the both the analysis, conclusions and recommendations for development. Finally, it should be noted that Wexford County Development Board (CDB) is to be established by year-end. It will be charged with compiling an economic, social and cultural plan. This Report and the consultative process that should follow it can provide a useful benchmark for the work of the CDB.

7.1. Public Dissemination

It is important that there should be a widespread dissemination of the proposed strategy for development to ensure public debate and ultimately widespread public support for the objectives and approaches proposed.

It is recommended that public dissemination should take place on two fronts. Firstly, through briefing of the local print and radio media, with features being put forward in these to appraise the widest local public audience of the economic issues, challenges and objectives which the County Council is seeking to have addressed. Secondly, it is recommended that a Conference should be organised in which the rationale, analysis, conclusions and proposed development strategy contained in the County Council's initiative is explained and discussed with interested parties, representative organisations and sector constituencies. Following these initiatives it is recommended that A Forum for Economic Development in County Wexford should be established, under the auspices of the County Council. This should be representative of the principal economic interests in the County and the Social Partners. In addition, it should contain representation from organisations concerned with promoting social inclusion and environmentally sustainable development. The objective should be to provide a forum, which would discuss a broad agenda of development and social issues and provide a focus for commentary and discussion of the development strategy as it is implemented over the medium term.

7.2 Implementation Mechanics

As noted above, many of the decisions required to achieve the goals of the strategy are beyond the remit of the County Council. Therefore, mechanisms must be developed and applied to allow the Council and others to use its influence to gain support for the measures from those who can take the necessary decisions and follow up actions.

In this context it is recommended that a Steering Group, under the chairmanship of the County Manager, should be established to pursue implementation of the strategy. This should include representatives of the Development Agencies, in particular, Enterprise Ireland & IDA Ireland. In addition, it should include a number of individuals from the key sectors which have been identified as having the capacity to provide long term economic growth, e.g. tourism, distribution and logistics. These could come from within the County. However, their principal qualifications should be a demonstrated record of high achievement and commitment to development of the sectors concerned, rather than representation of purely local interests.

Special attention has been drawn to the challenges, which must be met if the long term potential of human capital in the County is to be realised. In this regard it is recommended that a sub-group of the Steering Group should be established, with representation from the education and training sectors should be established to pursue the issues raised and recommendations put forward and other proposals which may be deemed appropriate with relevant national authorities. At its establishment this sub group should be charged by the Steering Group with establishing clear terms of reference under which it would report to the Steering Committee. This should include establishing targets for education achievement in the County in the longer term; an assessment of the policies and measures contained in the strategy; the development of

other initiatives considered necessary and appropriate; channels for discussion and evaluation of proposals with the relevant national authorities.

Appendix 1: The Importance of Education for Long Term Economic Development

The importance of the role of education in development cannot be overstated. Differences in income at a personal level are almost entirely due to differences in education.

A number of studies using Irish data examine the relationship between education, training and other characteristics like employment and earnings. For example, Breen (1991) examined the Labour Market experience of a cohort of young people who left school in 1982, who did not enter third level education, over the period to end 1987. The bulk of these people remained in the Labour Force. By 1987, 73 per cent were working, 1 per cent were in training/temporary employment schemes, 18 per cent were unemployed of whom 2 per cent were still seeking their first job, while the remainder (6 per cent) were no longer in the labour market. The labour market experience of young people, derived from this study, is related to their educational attainment:

Allocation of Time by level of Education (%)

	At Work	Unemployed	Training
Sat no exam	53	45	2
Group/Inter	70	28	2
Senior cycle	81	16	3

It is clear from this that educational attainment affects the labour market experience of school leavers to a marked degree. Those who left school without taking any examination had spent almost half their time unemployed, whilst those who had completed senior cycle spent about one sixth of their time unemployed, over the period from leaving school in 1982 to end 1987. A further finding of this study is that labour market differentials widened over time, as indicated below:

Unemployment Rates since leaving school %

Time since leaving school	Level of Education		
	Sat no exam	Group/Inter	Senior cycle
6 months	48	37	28
30 months	41	25	31
66 months	43	26	12

The main conclusions, which emerge from Breen's detailed examination of the youth labour market, are:

- The higher the level of educational attainment the more likely is one to be employed.
- The longer one has worked the more likely one is to be employed.
- The poorer the quality of the job the more likely job loss is to occur.
- The weaker the labour market experience the more likely one is to experience job loss.

Breen summarises the position as follows: "Qualifications, together with the duration of first job seeking, determine the kind of job a young person eventually gets, but this in turn is an important factor in how long the person holds his or her job before becoming unemployed. This, in its turn, shapes a person's labour market record, which is one of the things employers look at when hiring new workers. Thus, a cycle is entered in which poor qualifications lead to a poor labour market record leading to long periods of unemployment and to unemployment in unstable jobs, both of which further worsen a young person's labour market record."

This study concentrates on the labour market experience i.e. the extent to which people were or were not employed, categorised by educational attainment. Other studies are concerned with the estimation of the returns to different levels of education -where returns are defined as the increment to earnings arising from different educational attainments. Walsh and Whelan (1976) examined the estimated returns, in this sense, to education and training:

The effect of Education on Earnings (Walsh and Whelan)

Increment in Weekly Earnings (£)

Type of Education	Males	Females
Year of Vocational	0.43	-0.01
Year of Secondary	0.61	0.08
Apprenticeship/ Special Training	1.8.8	1.33

The interpretation of the data is as follows:

- Each year of vocational education yields 43 pence (in 1972 prices) per week to males.
- An apprenticeship (averaging 3 years) yields £1.88 per week to males.
- The returns to females are significantly less than for males, being zero in the case of vocational education, and just 8 pence in the case of each year of secondary education.
- The rate of return (on the assumption of an average weekly wage of £15.00 per week) was estimated at 2% and 3% for vocational and secondary education respectively for males.

A study by Reilly (1987) also contains estimates of the return from education to different levels and training. The database was a sample of young people between the ages of 15 and 24 who were in employment. This contrasts with the Walsh/Whelan study, where the sample was of redundant workers, and not just young workers.

This study suggests that, if one takes the typical Leaving Certificate programme as being two years, the returns, as defined earlier, to a male holder of a Leaving Certificate is 8.5 per cent greater than in the Walsh/Whelan study, where single years of education were used. For females the corresponding estimate is 1.9 per cent. For males, the return to a completed University education is 42.3 per cent, and for females 24.8 per cent. The educational qualification of Junior Certificate has, by itself, no effect on earnings.

Reilly also examines the effect of vocational training, again with reference to qualifications, rather than years of training. For females the results are statistically insignificant, but for males having the Group Certificate, an apprenticeship

qualification, or a basic training qualification, the returns are 5.3 per cent, 6.5 per cent and 7.1 per cent respectively.

Finally in a study by Sexton/Whelan/Williams (1990) which was based on a sample of young people, information was provided on the effect on earnings of education and training. The focus of the earnings part of their study was the take-home pay of young workers, i.e. it excluded those who were unemployed. However for those who were in employment, the following results were derived.

The data in the Table (which are average values) should be interpreted as follows:

- For every extra year in employment take-home pay increases by £4.36 per week;
- Those who leave school after completing primary education and had some training have an additional income of £14.96 compared with an additional income of £4.38 for those without that training - additional compared with those without primary education;
- Those with third-level education and some training enjoy an additional £40 per week.

A more recent study, by Callan and Wren, (1993) on male/female wage differentials, and based on the ESRI Survey of Income Distribution, Poverty and Usage of State Services conducted in 1987, also examined the link between education/training and earnings. Although the focus of the study was male/female wage differentials it confirmed the importance of education for earnings, though not that a trade qualification, for either men or women, had a positive effect on earnings.

Effect on Net Earnings of Education, Training

Variable	Effect (Earnings per week)
Employment Duration (Years)	4.36
No Education Qualification: Trained	11.38
1st Level Untrained	4.38
Trained	14.96
2nd Level Untrained	13.77
Trained	18.81
3rd Level Untrained	36.31
Trained	39.13
Sex (Male)	7.76
Fulltime	21.29
Unemployed (ever)	-13.07
Occupation Electrical	2.75
Other Producers	0.92
Building	4.48
Labourer	3.56
Transport	4.06
Clerical	3.67
Commercial	-1.24
Professional	7.33
Dublin	3.54
Constant Term	11.36

Note: The net earnings figures are in May 1982 prices.

The model used by Callan and Wren suggests that for an "average" woman with an Intermediate Certificate the average hourly gross pay is £2.80, while if she has a Leaving Certificate the corresponding figure is £5.00 per hour, and with a University degree this rises to £7.20 per hour (all in 1987 income terms). Average hourly earnings for men are about one third higher than for women, but further education beyond the Intermediate Certificate does not lead to any widening of differentials. Differentials in

fact narrow, implying an important role of education in equalising male/female opportunities.

This brief summary of existing research points to the importance of educational attainment both for employment and income purposes. While the individual studies differ in respect of coverage, methodology and estimates of coefficients, they are consistent in finding that higher levels of education and training enhance both earnings and employment prospects.

Appendix 2: Submissions Received by the Consultants in the Course of the Assignment

Submissions were received from the following organisations.

County Wexford Partnership

Wexford Area Partnership

Wexford County Enterprise Board

Wexford Tourism Council