



OPPORTUNITIES FOR IRELAND'S REGIONS

Presentation to Association of Irish Regions (AIR) Conference 2024

February 8th, 2024

Adare, County Limerick, Ireland

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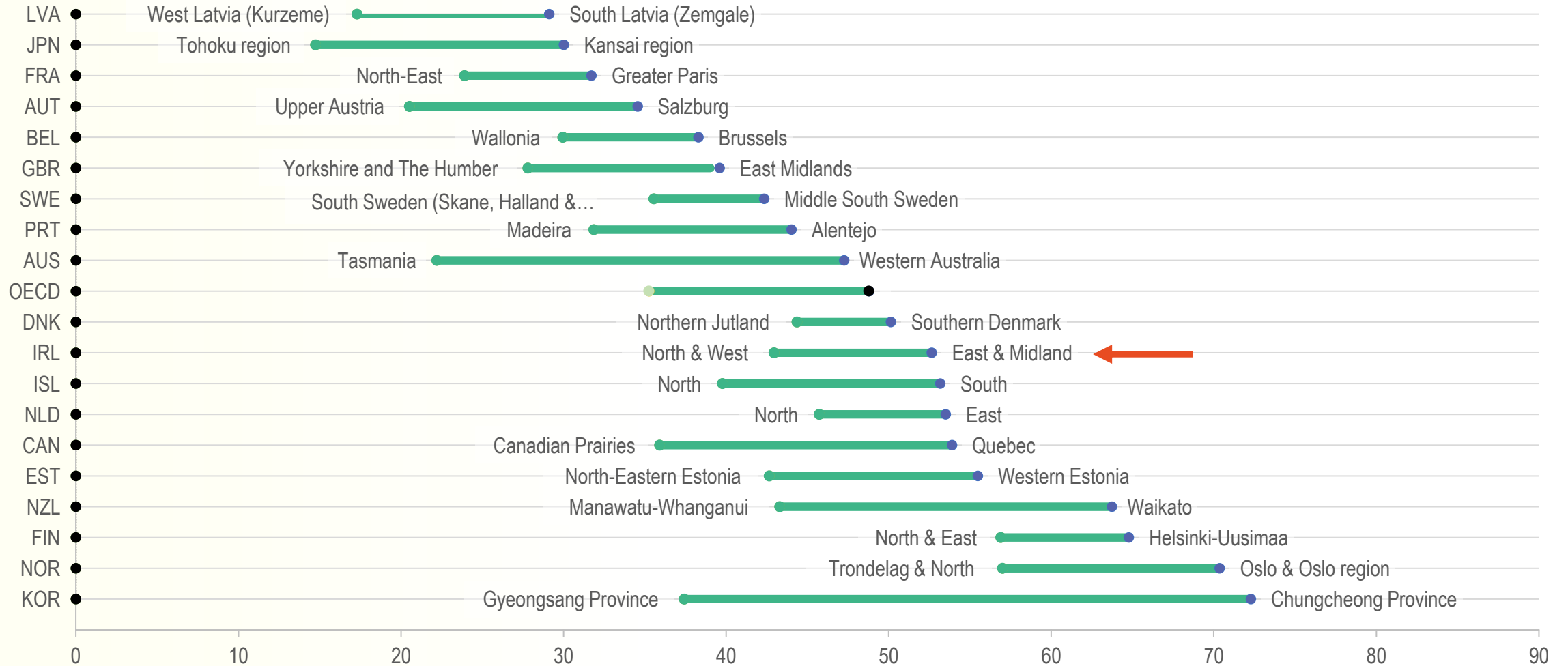
Regional Development and Multi-level Governance (RDG) Division

Centre for Entrepreneurship, SMEs, Regions and Cities





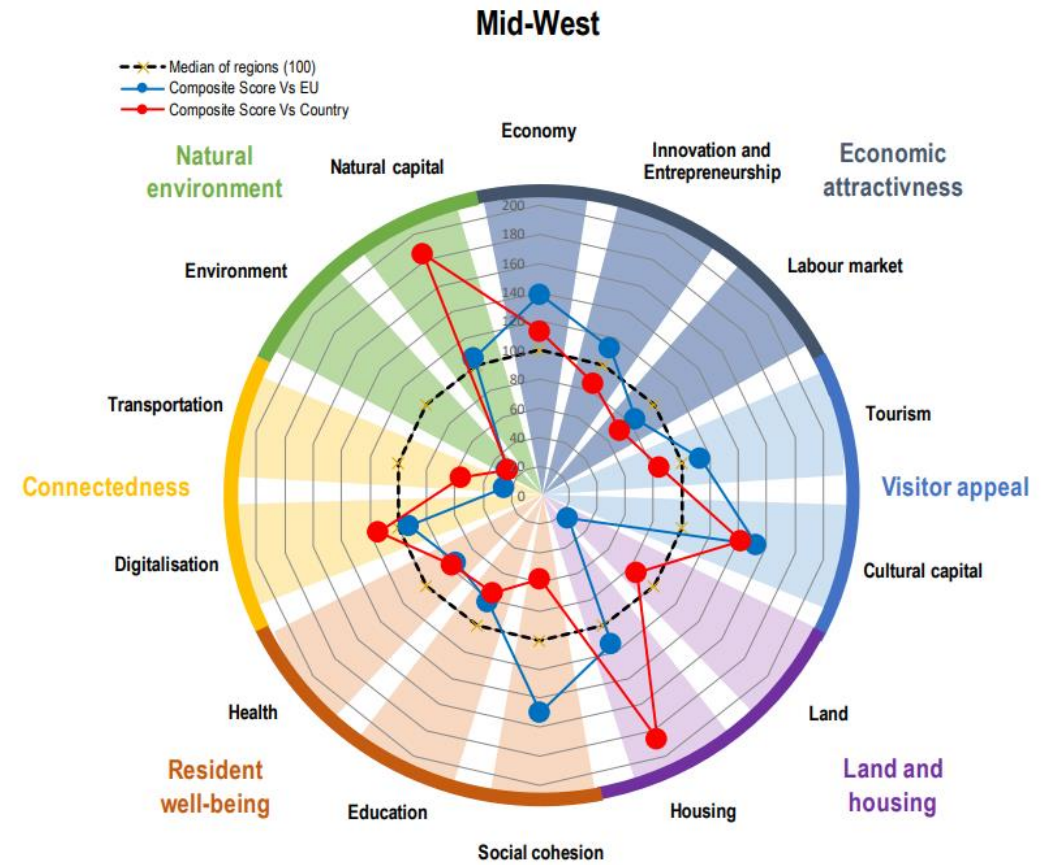
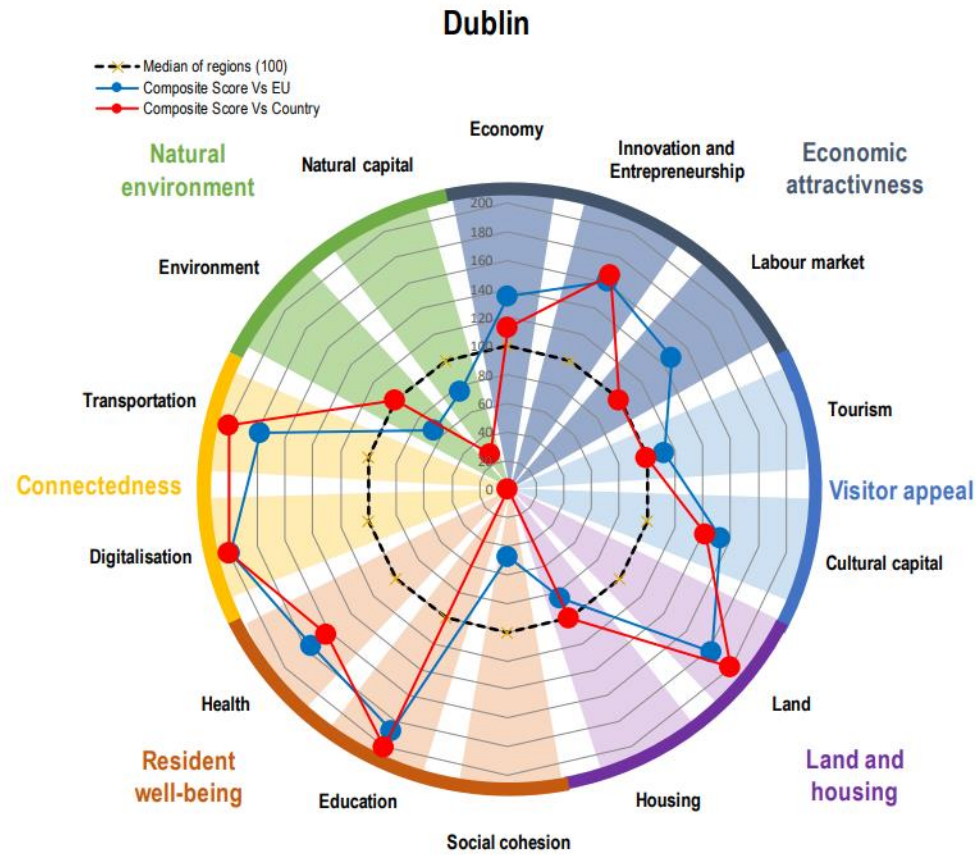
This geography of inequalities risks deepening geographies of discontent

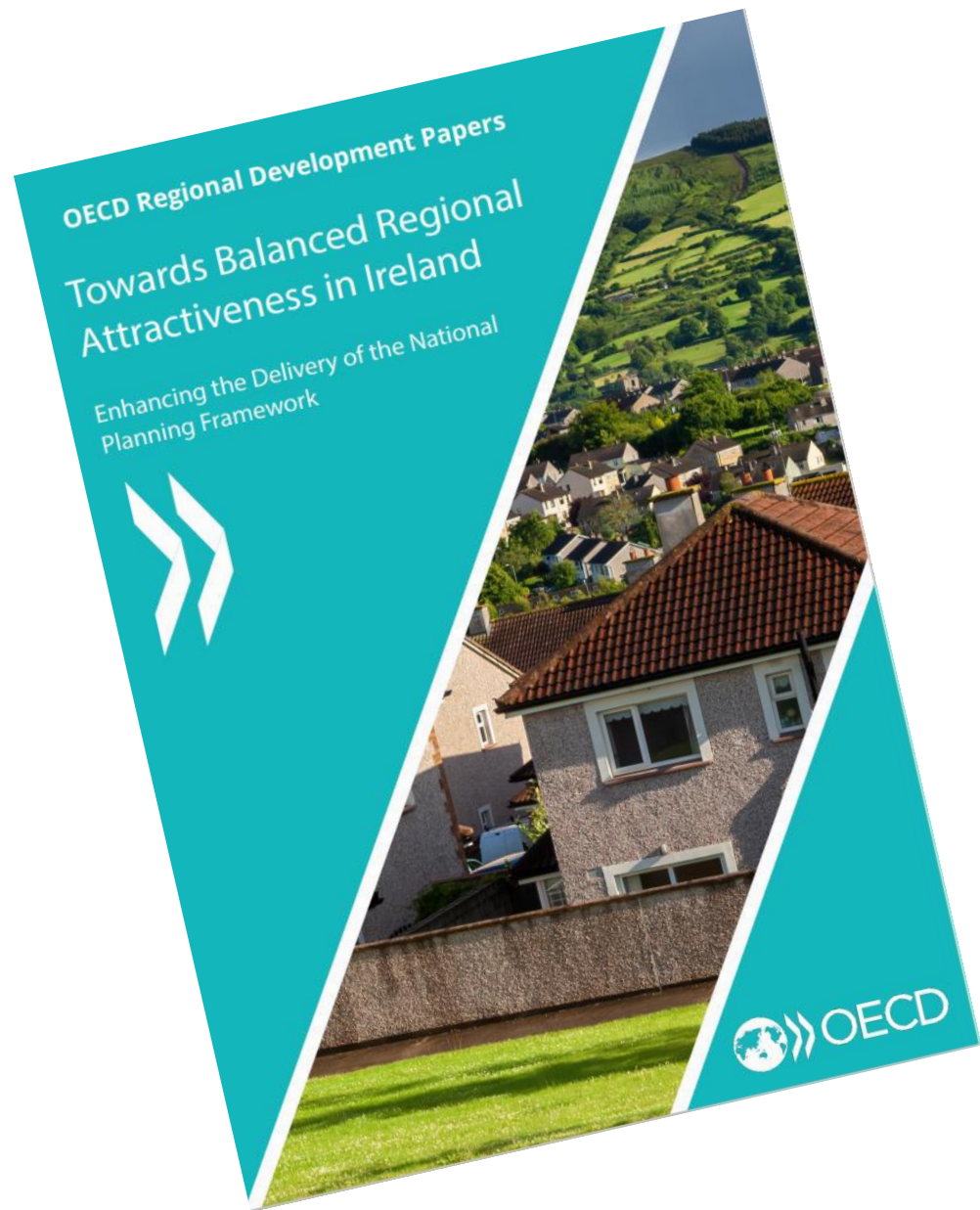


Trust in national governments in OECD regions, % with the highest and lowest level of trust by country

Source: OECD (2022), Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey

The metropolitan advantage is distinct across many dimensions, but not all





Today's discussion

- 1) Why regional? Why now?
- 2) What are the gaps?
- 3) Where do we go next?

1) Why is now an opportune time to rethink Ireland's regional structure?



- **GLOBAL TRENDS:** The rise of active industrial policies is an opportunity for regions to position themselves at the forefront of the digital and green economy – but this type of investment requires the workforce, housing, grid development, transport solutions...
- **EMERGING ASSETS:** Well-being and quality of life advantages can be leveraged to enhance the attractiveness of the region while managing the trade-offs sometimes associated with regional attractiveness (e.g. housing affordability)
- **THE RIGHT SCALE:** Regional development policies (incl. attractiveness ones) can be better implemented at the regional level, designed and implemented with local actors to address local gaps

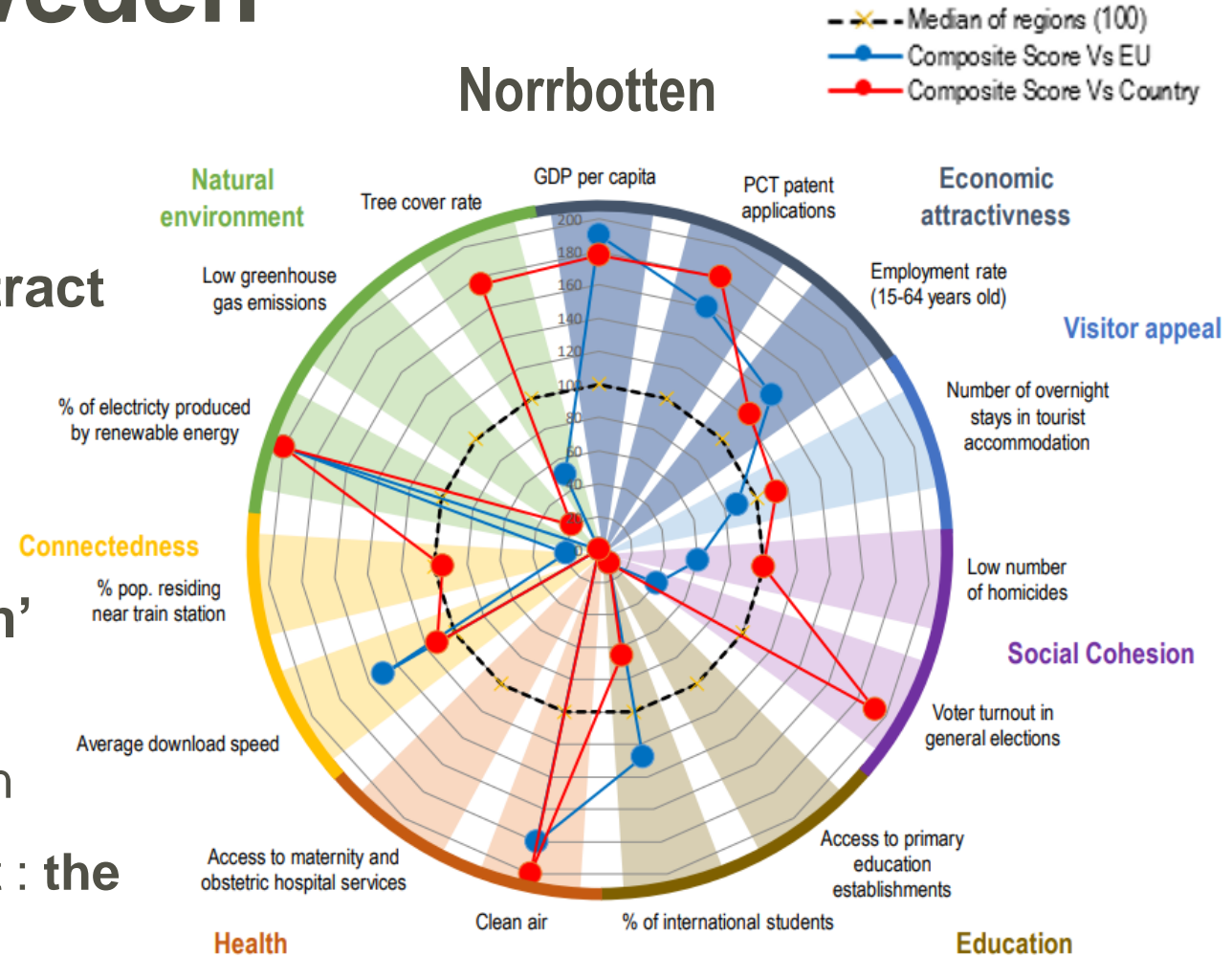
A woman with long brown hair and glasses, wearing a light blue shirt, is seated at a workstation in a server room. She is focused on a laptop computer. The workstation is integrated into a metal frame with perforated panels. Various cables, including a prominent multi-colored ribbon cable, are visible. A large black speaker is mounted on the frame behind her. The background shows more server racks and equipment, creating a professional, technical environment.

Trends



Exhibit A - North Sweden

- Context: **Green re-industrialisation**
- Top priority: **Address climate change; attract people and investment**
- Growing challenge : **Housing + Talent Attraction and Retention**
- Emerging solutions : **Joined-Up, ‘Big-Push’ Placed-based Policies**
 - Inter-municipal / cross-sectoral cooperation
 - North Sweden’s attractiveness pilot project : **the North Sweden Green Deal**



Climate Solutions

The green revolution sweeping Sweden





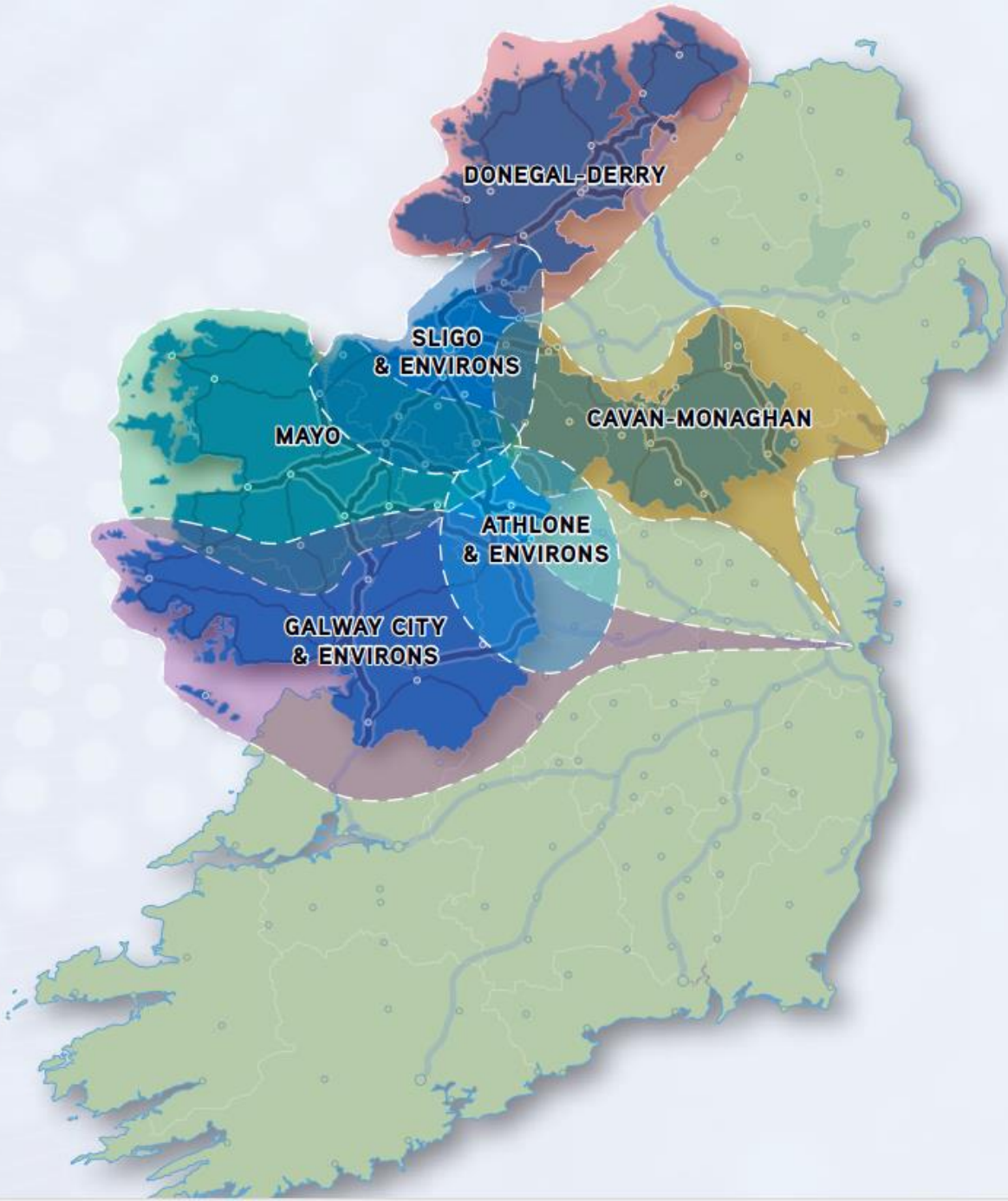
Assets



(According to economists) well-being considerations breathe new life into place-based policies

- New research argues that **cities have become ‘excessively large’ in an inefficient spatial structure**, which may reduce some of the benefits from unfettered agglomeration
- More evidence to show that **a different sorting of skills and talent, towards smaller cities and regions, may produce welfare gains**
- **Spatial equilibrium models underestimate the utility of non-market goods.** Clean air to social cohesion to public transport to safety – each not necessarily privileging the most productive regions

Source: (Fajgelbaum and Gaubert, 2020; Ahfledt et al, 2019; OECD, 2023)

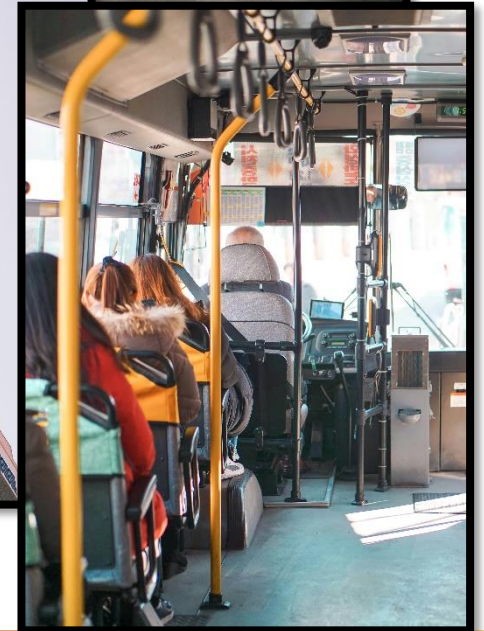


Scale



Addressing challenges at the right scale

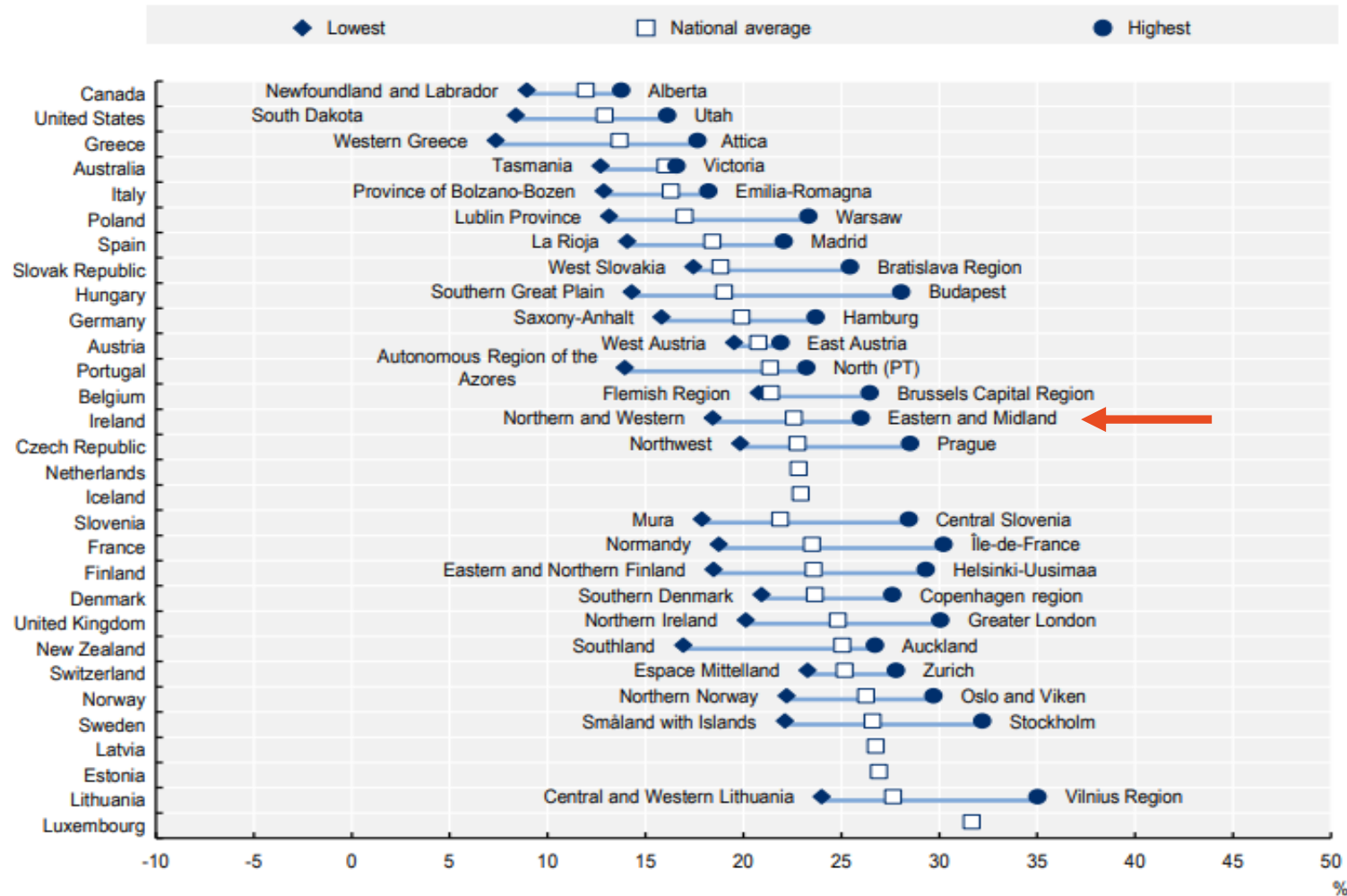
- Talent Development
- Housing
- Transport



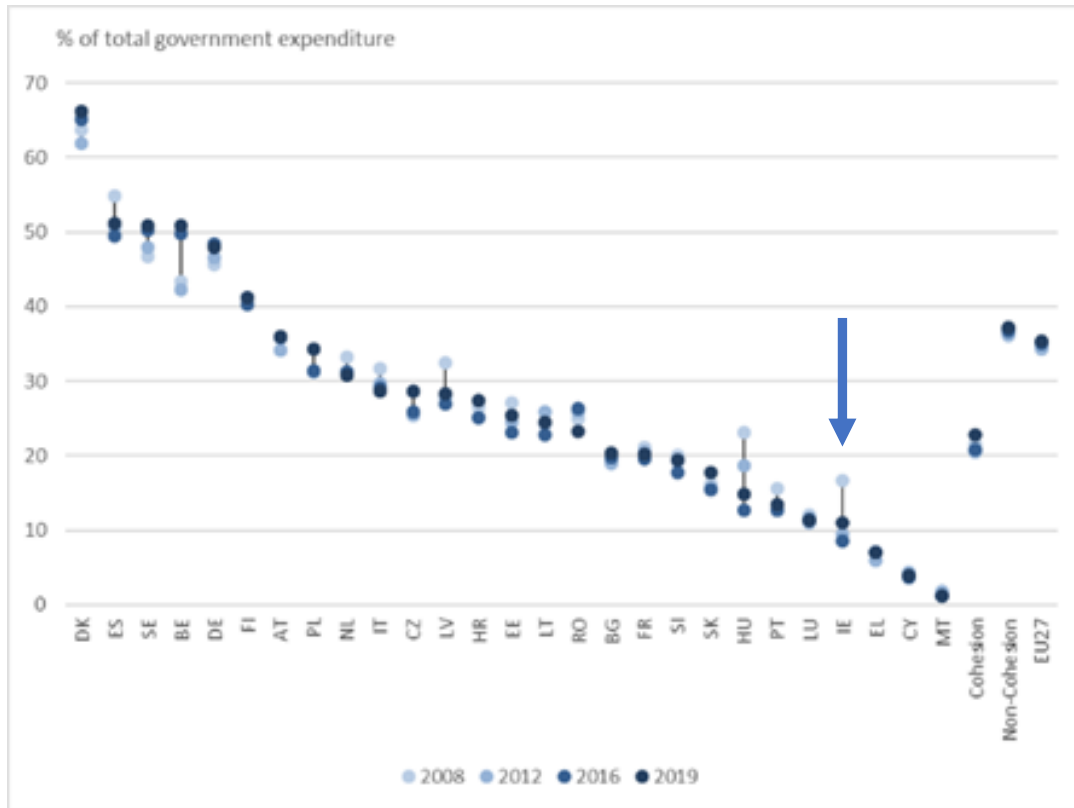


The green transition requires ‘green capacity’

Share of green-task jobs across and within countries, OECD regions, 2021 or last available year

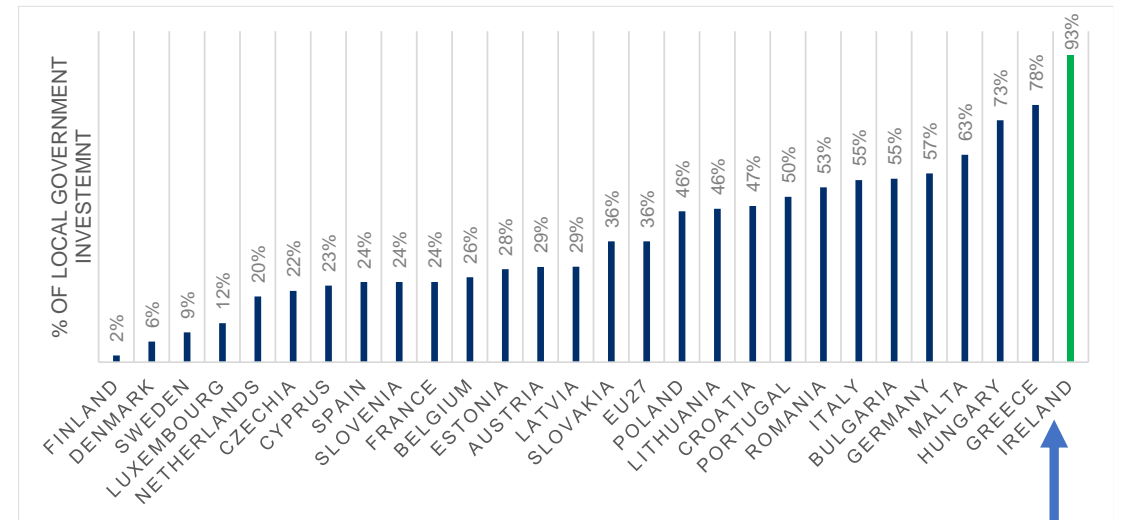


Sub-national government expenditure, 2008, 2012, 2016, 2019



Capital transfers as % of local government investment, 2022

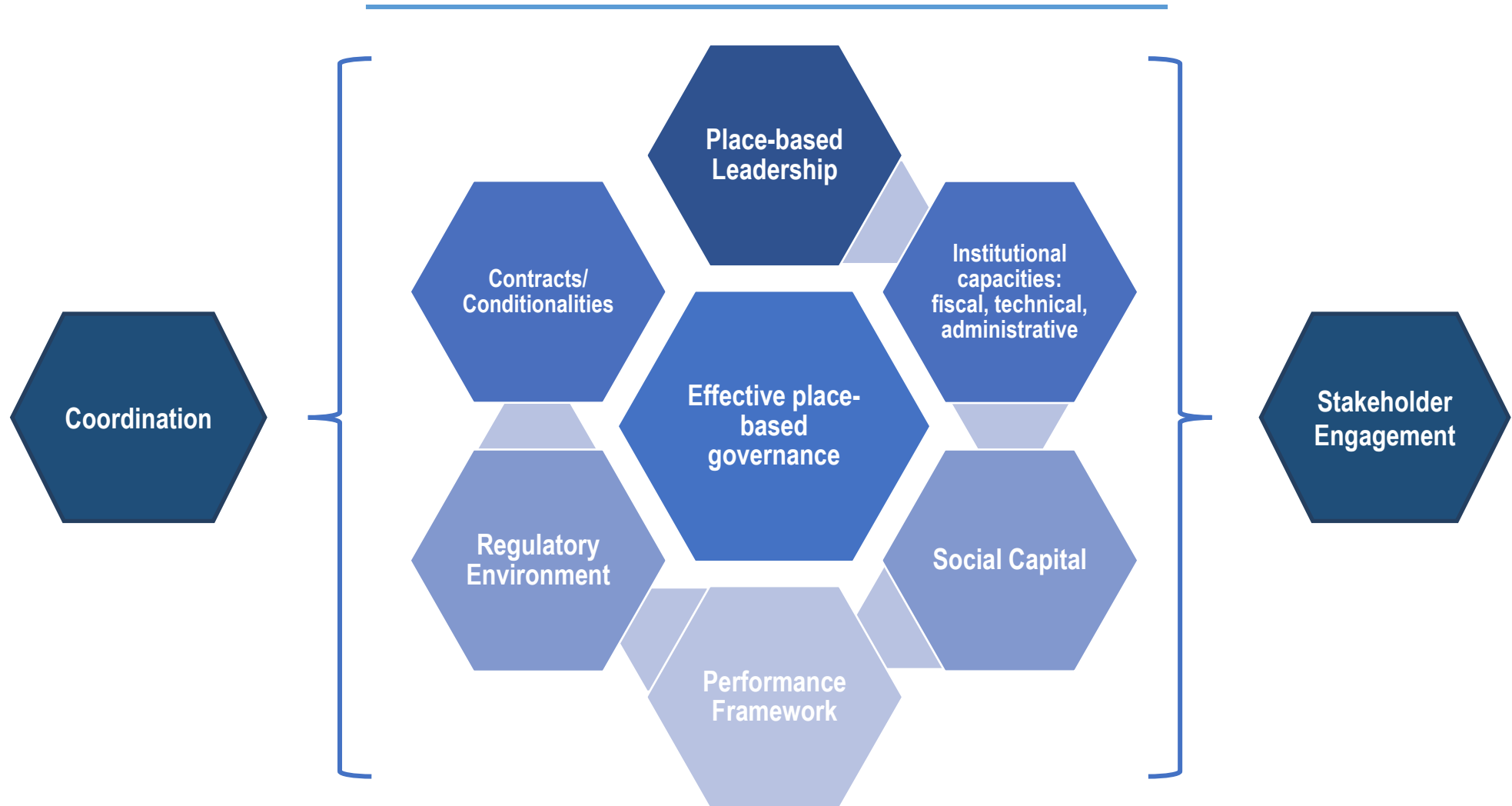
Ireland's local (county) governments rely more on capital transfers for public investment than any EU member state



Note: It is to be noted that in few cases, capital transfers may account for asset transfers to local governments rather than being directed towards local government investment.

Source: (OECD, 2023, forthcoming^[44])

2) What are the governance gaps that need to be addressed?



Joined-up + place-based + attractiveness policies require good governance

5 Gaps to Address

- 1) Capacity
- 2) Funding
- 3) Policy
- 4) Participatory
- 5) Administrative

5 Opportunities to do so

- 1) RSES and NPF Delivery + TUs
- 2) Multi-annual + Own-Source
- 3) Decision-making at regional scale
- 4) Involvement of sectors, citizens, TUs
- 5) Assemblies can deliver across county lines + lead City-Region Governance

3) So where do we go from here?



- **Policy experimentation at the regional level** (DEMs, MASPs a strong start...opportunities for further innovations in partnership with TUs for example)
- **Ireland's compact growth agenda requires regional governance** – this has been acknowledged, not necessarily funded – a commission should consider own-source revenues
- **In tandem, multi-annual investments** to support Local and Regional capital investments and capacity-building initiatives – can and maybe should be incremental
- **Strengthened vertical and horizontal co-operation for joined-up, place-based attractiveness policies** with ministries, State agencies, all levels of government involved – with **subnational authorities/assemblies more focused on design and delivery**



Thank You!



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