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# Ireland in the Twenty-first Century

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By any standards, the Republic of Ireland (henceforth Ireland) is a country that has undergone enormous transformations since the start of the 1990s. Economically, socially, culturally, politically, environmentally, there have been profound changes to the Irish landscape and everyday life. Concurrently, Ireland's position on the world stage has been elevated. Ireland is no longer a poor nation on the periphery of Europe characterised by a weak economy and high emigration. Ireland is a country with a booming economy that is the envy of many nations. Economic growth over the last decade has been double or more that of its European neighbours, and wealth levels in terms of average income are amongst the highest of any developed nation. A sustained growth in population, fuelled by return migration, immigrants seeking work, and natural increase, has meant that in 2004 the population exceeded 4 million for the first time since 1871 (CSO 2004a). Irish culture has a high cache globally – Irish music, literature, fashion, art, dance, and pubs have become global phenomena (think U2, Enya, Seamus Heaney, John Connolly, John Rocha, Waterford Crystal, Riverdance, and so on). Huge strides forward have been made in addressing the so-called 'Irish problem' – 'the Troubles' of Northern Ireland, first with a cease-fire in 1994, followed by the Good Friday Agreement in 1998 and the peace process in general. As a result of these changes, being Irish has gained cultural capital (in Bourdieu's, 1984, terms), as evidenced by the resurgence in diasporic identity and the popularity of St Patrick's Day events in numerous countries (some 2 million people were reported to have either taken part in, or watched, the New York parade in 2006; O'Driscoll, 2006).

It is little wonder then that Ireland's success story has become the focus of attention for economic analysts and social commentators from around the world. Ireland demonstrates that radical transformation on a number of fronts is possible in a relatively short space of time. Negative features such as a stagnant economy, a relatively moribund social order, and political conflict have been tackled and transformed into virtuous trends in ways that were beyond comprehension in the 1980s. Ireland has thus become a place that other countries want to emulate, particularly those of Eastern Europe, which have experienced similar situations in their past and whose social, economic and political situation at present is similar to pre-Celtic Tiger Ireland. It also holds lessons for other developed nations (for example, it is possible to ask what the economically depressed areas of the north-eastern United States

can learn from the Irish strategy and experience). These countries even send their students, policy makers and government officials to Ireland to identify lessons that might help them to re-energise their economies and tackle issues of social development. As strange as it may sound to many Irish people who have witnessed the recent changes and are familiar with on-going problems in Irish society, other countries proclaim that they 'want to be the next Ireland' (for example, Hungary).

This book examines Ireland in the twenty-first century. It sets out to document the various ways that Ireland has changed over the past 15 years or so (while still placing that within the context of longer-term, historical development), the key drivers shaping change, and how government, policy makers and workers on the ground have managed the transformations occurring through specific policies and interventions. In particular, it provides a *spatial* analysis that recognises that Ireland is not a homogenous country, and that there are significant variations in the patterns and processes of phenomena and the ways in which policy interventions are scaled. For example, the situation with regard to housing, transport, tourism, and industry, to take a selection of issues, is markedly different in urban and rural areas, and varies dramatically between different parts of the country (contrast for example the differences between the Atlantic seaboard and the Dublin Metropolitan Region). Interventions take place on different scales – local, county, regional, national – driven by policy itself formulated and implemented on varying scales including the international (European Union, United Nations, etc.). In short, the contributors highlight the various ways in which geography matters for what is occurring in Ireland, but also for understanding the ongoing transformations of the country. Undertaking this kind of analysis is important because it is often overlooked by social scientists who instead focus on undertaking more traditional, aspatial, social and economic investigations. In taking space seriously, the contributors provide a platform for us to think about Ireland differently, in a fundamental, applied, and policy-oriented sense. In doing so, they provide fresh insight into Ireland in the twenty-first century.

In this introductory chapter, we provide a broad overview and explanation of some of the changes that have taken place, and examine their consequences. In the first section we provide a brief picture of Ireland in the 1980s as a benchmark for understanding and evaluating the transformation of Ireland in the 1990s and early 2000s. In the following section we outline six key trends and phenomena that underpin the changes that have occurred, and detail what some of their key effects have been. In the penultimate section we explore some problems by-passed or even exacerbated by these trends, before drawing some conclusions.

#### IRELAND IN THE 1980s

Like the rest of the developed world, Ireland was seriously affected by the global recession of the late 1970s and early 1980s. The economic growth of the early to mid-1970s ground to a halt in the aftermath of the 1970s world oil crisis and

could not be redeemed by government efforts to prime renewed development through tax reductions and an increase in public spending. In fact, increased public spending became a liability so that by the early 1980s the country was on the brink of bankruptcy and acknowledged to be spending beyond its means. This led to further emergency measures including a series of cutbacks in services together with tax increases to cover public finance deficits. Ferriter (2004) reports that at one point the foreign debt was equivalent to €7,620 for every income tax payer and that income tax payments were barely covering the interest due. The situation was exacerbated by interest rate increases. Between 1980 and 1983 interest rates were above 15 per cent, and at times over 20 per cent, before falling to 5 per cent by 1985, and the Irish pound struggled against other currencies (Kelly, 2003). At the same time, between 1979 and 1985 unemployment rose from 7.8 per cent to 18.2 per cent, with 26 per cent of people 'living below a poverty threshold set at 40 per cent of average income in the EU', the EU average being 16 per cent of people (Ferriter, 2004: 670–1). By 1987, Irish GDP was 63 per cent of the EU average making it the second poorest country in the EU behind Portugal (Breathnach, 1998).

As a result of economic instability and the attendant social hardships, the 1980s was a time of political instability and tension and conflict between state, employers and unions. There were three general elections between June 1981 and November 1982 with successive governments faltering under their spending ambitions and proposed tax reforms, and the fact that their policies were often underpinned by short-term political visions aimed at appeasing the electorate rather than tackling spiralling debt and rising inflation. The minor parties and independent candidates gained the balance of power hampering the ability of any single party to rule by fiat; backbenchers constantly threatened to revolt, and the opposition parties opposed almost anything the ruling parties tried to achieve. As a result, policies were often compromised by trying to pull in different directions simultaneously, making it difficult to achieve a coherent overall policy with associated long-term strategy or appropriate remedial interventions.

In addition, social conservatism dominated civic life and the social agenda, with the result that Ireland remained relatively conservative in its social attitudes in comparison to its European neighbours. The bans on contraception, divorce, abortion and homosexuality, all made or reconfirmed as illegal in the 1937 constitution, remained in place at the start of the 1980s. Contraception became legal to buy for over 18s in 1985. A divorce referendum was lost in 1986 (though won in 1995), and abortion referenda were lost in 1983 and 1992. The legal status of homosexuality was challenged in the High and Supreme Courts at the start of the 1980s, but rejected in both cases, although it was eventually over-ruled by the European Court of Human Rights in 1988 and decriminalised in 1993 (Hug, 1999). The Catholic Church continued to play a pivotal role in welfare and education, providing many social services through its various charities and associations, and running the majority of schools.

Both the dire economic situation and the stifling social conditions led to widespread emigration during the 1980s. Crucially this emigration included

large numbers of young, well-educated people seeking a better life overseas. For example, Ferriter (2004) reports that 36 per cent of students earning a degree in 1988 emigrated, with NESC (1991) documenting that some 70 per cent of all emigrants were under the age of 25. Over the period 1981–85, the net out-migration was on average 15,000 people each year, rising to 35,000 per year over the period 1986–89.<sup>1</sup> Net out-migration was over 40,000 people in both 1988 and 1989 (with 61,000 and 71,000 respectively leaving, whilst 19,000 and 27,000 returned), totalling some 2 per cent of overall population.

At the same time, the political conflict in Northern Ireland continued to cast a shadow over Ireland and its relations with its main economic market, the UK. The Troubles continued throughout the 1980s claiming the lives of 890 people between 1980 and 1989 (McKittrick et al., 1999). The intransigence of all sides, plus the presence and strength of paramilitary groups, countered by the RUC and British Army, made the prospect of peace seem unlikely in the short term.

The combination of a struggling economy, stifling social order, widespread emigration, and a political conflict on its doorstep that was seemingly fought in its name (but with very mixed support in Ireland), provided few clues as to the transformation that was to occur in the following decade. Ireland was very much seen as a small, poor, peripheral country of low international importance, and relatively poor future prospects beyond small-to-medium-size indigenous companies, foreign direct investment in low-skill manufacturing, and EU subsidies. Given the volatile and disastrous situation of the previous few years, the prospects for slow, or even steady and stable growth did not look promising, let alone the success story of the Celtic Tiger era. Indeed, in 1988 *The Economist* concluded that Ireland looked to be heading for catastrophe due to its spending on public services that the country was too poor to maintain (*The Economist*, 2004).

### THE GREAT TRANSFORMATION

From the early 1990s through to the time of writing, Ireland has been transformed from the poor, peripheral nation of the 1980s to a largely prosperous, confident, multicultural, globally embedded nation. In this section we chart six broad sets of factors – social partnership and the planning regime, foreign direct investment, the European Union, the peace process, secularisation and social change, and population change and increased mobility – that have led to, but also at the same time are outcomes of, the transformation of economy and society.

#### Social Partnership and the Planning Regime

Although sometimes overlooked in the analysis of the Celtic Tiger in favour of economic and educational explanations, the start of the social partnership movement and the reorientation of the planning system in the mid-to-late 1980s provided a platform that was conducive to economic growth and stability. As Larragy and Bartley note in Chapter 14, the social partnership movement arose out of the political and economic turmoil of the early-to-mid 1980s.

In an effort to curb industrial unrest and garner political support for harsh spending cuts, the government, through the Programme for National Recovery (PNR), offered social partners (employer, trade union and farmer organisations) a set plan of pay growth over the coming years, with the promise of wage increases if conditions improved. By making the social partners part of the political process, rather than being in opposition to it, negotiated settlement was achieved, thus providing labour stability and removing the threat of strikes. The social partnership process has proved highly successful, operating ever since, widening to include community and voluntary partners, and providing long-term, stable employer–employee relations. Importantly, in the early 1990s the social partnership model was broadened to include local development initiatives through the creation of local and area-based partnership companies designed to drive local economic change. They included rural programmes such as LEADER started in 1991 and County/City Enterprise Boards (CEBs) set up in 1993. Designed to be flexible, proactive, market-responsive and user-oriented, local development partnerships were able to cut through red-tape to drive change. In effect, they provided a new third way – a middle route between the perceived inertia of the public sector and the dangerous strivings of the market. They have proven to be important sources of indigenous economic development.

At approximately the same time, the approach to planning started to be transformed with a move in 1986 to designate certain zones for regeneration using tax exemption and public–private partnerships as a mechanism to encourage and drive development. In a change of focus from wide-scale, regional-level, spatial planning policies, the new approach targeted very select, flagship sites that would seek to attract specific industries, notably those of the service sector. As a result, planning became more pragmatic, flexible and results-oriented, focusing on areas that were perceived to have the highest potential for success. This change in approach provided the planning conditions conducive to encouraging inward investment, gentrification, and speculative property development. For example, the first urban development corporation, the Custom House Docks Development Authority (CHDDA) was a public–private partnership charged with regenerating a central Dublin site (see Chapter 2). The development provided the location for the International Financial Services Centre (IFSC) that subsequently attracted significant numbers of banking and financial companies to Ireland. The Industrial Development Agency (IDA) was similarly charged with encouraging inward investment by skilled, manufacturing companies to selected, ready-made and serviced sites, accompanied by grants and other incentives. Planning thus became more responsive to creating the environmental and spatial conditions necessary to attract inward investment.

#### Foreign Direct Investment

Since shifting away from the protectionist policy operating until the late 1950s, Ireland has sought foreign direct investment (FDI) into its economy. The State's aim was to take advantage of the increasingly mobile and global nature of businesses as they sought to maximise their profits by locating elements of their

production in cheaper places and by opening up new markets. Foreign direct investment is highly attractive because not only does it create direct employment within these companies, but they provide markets to indigenous companies, stimulating domestic industrial growth. Breathnach (1998) argues that in the Irish case for every 100 jobs created by FDI, 125 jobs have been created elsewhere in the Irish economy. The business taxes raised from industrial activity by both foreign-owned and indigenous companies flow into the exchequer and the wages that employees earn are spent locally, further supporting local businesses. Moreover, FDI helps to build international networks and linkages that in turn help to plug indigenous businesses into the global economy and attract export income. In other words, FDI is seen as a vital ingredient to sustain a growing economy.

In the main, up until the late 1980s Ireland attracted US-owned, low-skill, export-oriented manufacturing plants. They located in Ireland to take advantage of low-cost and educated labour, government subsidies, and access to European markets. The key question facing Irish policy makers and government in the 1980s was how to make Ireland an attractive place to locate high-skill, high-value FDI in both manufacturing and services given that every country was keen to attract multinational companies. On the negative side, given Ireland's political and economic troubles, the economy as viewed from outside Ireland did not inspire confidence. Success breeds success and companies are more likely to locate where they can see others doing well. Moreover, the country was perceived as being peripheral with poor intercontinental links as compared to other countries. On the positive side, Ireland had a ready supply of young, relatively cheap, highly educated and skilled labour, who spoke English, plus a huge reserve of relatively untapped female labour that would sustain employment growth. The 1991 census reported that 44 per cent of the population was under the age of 25, the highest proportion in the European Union (Ferriter, 2004). In addition, Ireland was a member of the European Union giving access to these markets with reduced tariffs. The Irish government and Industrial Development Agency (IDA) set about adding to these positive factors by creating a set of additional incentives. As noted in the previous subsection this included a shift to entrepreneurial planning to create the necessary infrastructure, but also included economic measures such as providing a favourable corporate tax rate, offering grant subsidies for the building of facilities, providing necessary resources and infrastructures, and reducing bureaucracy and red-tape.

Corporate tax in Ireland, combining capital gains, income and corporation profits tax, is very favourable to FDI. A 10 per cent tax rate for manufacturing was introduced in 1981. This was increased and extended to a rate of 12.5 per cent for all corporate trading profits in the mid-1990s. Tax rates in other competitor European countries are much higher giving Ireland a significant competitive advantage in attracting inward investors.<sup>2</sup> While the exchequer takes less tax from each company, it gains through inward investment as well as job and wealth creation elsewhere in the economy. In short, it benefits from the 'momentum effect' – 12.5 per cent of a large stock of declared profits yields a much higher tax return than 30 or more per cent of a small profit base. In

addition, low personal income tax rates (one of the lowest in Europe<sup>3</sup>) have been attractive in recruiting and retaining skilled labour.

These policies, plus the energetic work of the IDA, reaped rewards leading a number of companies to locate high-skilled manufacturing plants (see Chapter 9) and low-skilled service work (see Chapter 10) in Ireland. The priority from the mid to late 1990s was to use FDI successes to leverage an upscaling of activities by companies already in Ireland, and to attract higher-skilled service jobs. So, in the case of high-skilled manufacturing and low-skilled service companies, they were encouraged to locate their financial and business services, research and development, and marketing functions in Ireland, with their base of operation becoming the headquarters for European operations. The secret here has been to hook in companies, demonstrate the benefits of locating in Ireland, and then to reel in other parts of their business. It has been a highly successful strategy. Ireland's corporate tax, repatriation of profits policy, and tax exemptions on certain patents, have helped enormously, with other overseas profits being routed through Ireland using internal company cross-border accounting (transfer pricing) to maximise profits.<sup>4</sup> The effect has been to save companies millions of dollars in tax revenue as recent stories in the US media have highlighted in relation to Microsoft and Google (Simpson, 2005). As a result, Ireland is reported as being the world's most profitable country for US corporations, with \$26.4 billion worth of profit made in 2002.<sup>5</sup> So, while labour is now relatively expensive given its skilled nature and the cost of living in Ireland, savings elsewhere offset these costs. In addition to Microsoft and Google, other major multinationals employing significant numbers of staff include Dell, IBM, Hewlett-Packard, Intel, Pfizer, Wyeth, Xerox, eBay, Oracle, Apple, and others. They are accompanied by hundreds of other smaller foreign direct investments, particularly in services.

The success in attracting significant amounts of foreign direct investment has created and sustained the Celtic Tiger economy. FDI accounted for almost half of Ireland's GDP by the end of the 1990s (OECD, 2001a: 56). From 1994 onwards Ireland has been the fastest growing and highest performing economy in Europe with year-on-year GDP growth often double or more that of its European neighbours (see Figure 1.1). In 2003, the OECD estimated that in terms of GDP per capita, based on Purchasing Power Parities, Ireland was ranked 4th in the world, with GDP per capita estimated at US\$ 33,200, with only the US, Norway and Luxembourg ranking higher (ESRI, 2005). Accompanying the boom has been a growth in labour force size and participation rates, and a fall in unemployment. Numbers of persons at work were relatively stable between 1970 and 1991, varying by little more than 100,000 workers (the lowest number being in 1971 at 1.049m workers, the highest in 1990 at 1.165m workers). Between 1992 and 2004 the number of workers increased by 755,000 from 1.165m to 1.920m (Department of Finance, 2005). At the end of 2005 it was estimated that total employment was 1.99m workers (AIB Global Treasury Economic Group, 2005). Unemployment dropped from 15 per cent in 1993 to stabilise at around 4 per cent from 2000 to 2004 (see Figure 1.2).

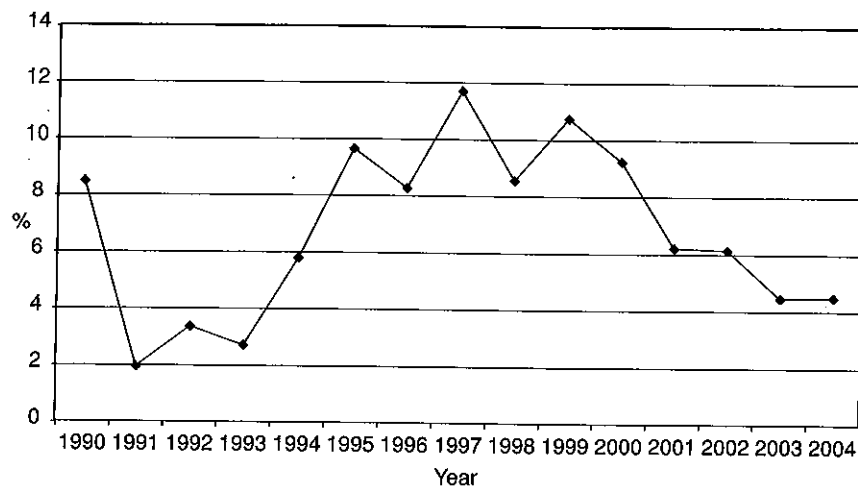


Figure 1.1 Real GDP growth in Ireland, 1990–2004.

Source: OECD (2005)

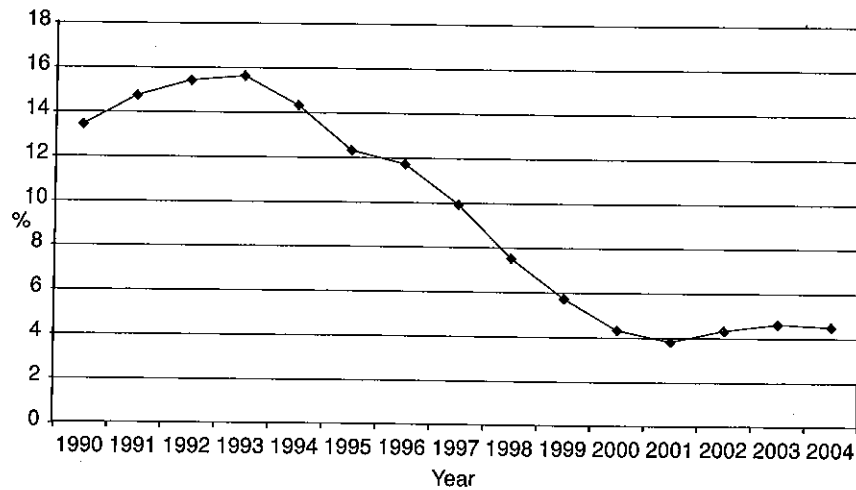


Figure 1.2 Unemployment rate in Ireland, 1990–2004

Source: OECD (2005)

To help sustain the growth in the economy and meet the demand for employees, women were recruited into the workforce. Ferriter (2004) reports that only 5 per cent of married women were employed in 1966 (in large part because of a marriage bar that precluded married women from working except in some sectors such as nursing), but by the close of the twentieth century 40 per cent were working, while 48 per cent of all women were classified as at work in 1997. In addition, Ireland turned to foreign workers to help meet the labour

demand, predominantly in relation to low-skilled service work, agriculture and construction, but also in relation to skilled work in the health, education and service sector (see Chapter 17). In 2005, it was estimated that 8 per cent of the workforce (c. 160,000 people) were non-nationals (AIB Global Treasury Economic Group, 2005). As the economy grows, it will become increasingly reliant on such workers to fill vacancies, resulting in Ireland becoming more multicultural.

Some analysts suggest that the Celtic Tiger period came to an end in 2001/02 when Ireland's economy was affected by a global economic downturn following the bursting of the dot.com bubble and the 9/11 attacks in the US, and more locally by the effects of foot and mouth disease on Irish tourism. However, the Irish economy is still growing steadily at rates above most of its European neighbours, driven especially by the boom in the construction sector, suggesting that the Tiger economy is still operating, even if its roar is not so loud.

### The European Union (EU) and EMU

Ireland is typically depicted in EU reports as a satisfied and committed member of the European Union (Eurobarometer, 2003). There are understandable reasons for this. The impressive economic growth experienced in Ireland owes much to its membership of the evolving European 'mega-region'. Ireland's entry in 1973 into what was then referred to as the European Economic Community (EEC) was viewed in Ireland as an opportunity to expand Irish markets and reduce the country's over-reliance on trade with Britain. In due course, both of these aspirations were achieved. Trade with other EU states expanded, particularly after the 'Single Market' was created by the Maastricht Treaty in 1992. This treaty effectively eliminated trade barriers between all member states and thereby established a consolidated economic union in Europe which impacted on Ireland in a number of ways. Firstly, it amplified and diversified Ireland's trade linkages to the extent that Ireland now regularly heads various league tables of globalised or 'open economies' based on the degree of export orientation and extent of trade with other countries. Although Britain continued to be Ireland's largest trading partner, by the end of the 1990s other European countries accounted for two thirds of Irish exports (OECD, 2001b). Secondly, it enabled Ireland to become a key gateway for US trade with the EU. The reluctance of Britain to commit fully to the EU project meant that Ireland became even more attractive to American FDI which rose from a little over a third of all foreign investment to account for almost four-fifths of the total by the end of the 1990s (OECD, 1999b). Ireland provided not just a doorway but also a reliable inside route to European markets for US companies with the added bonus of having English as a main language. In turn, American investment has helped to drive the widening of Irish trade linkages which have contributed to Ireland's prosperity and balance of payment surpluses. However, it is important to point out that American FDI is less monolithic now than it was in the late 1990s, and that FDI into Ireland by other (including EU) states, and out of Ireland by thriving indigenous companies (such as Smurfit

and Kerry Group) constitute a significant and growing dimension of Ireland's increasingly international trading profile.

The third area of EU impact on Ireland has been in relation to its receipt of financial transfers from EU funds. The benefits accruing to Ireland from EU funding were ratcheted up following the reform in the late 1980s of the EU Structural Funds which targeted support at those poorer parts of the EU that needed structural adjustment support to prepare for and adapt to the 'Single Market'.<sup>6</sup> Ironically, this support continued to be forthcoming in Ireland long after the Irish 'economic miracle' had become embedded. Table 1.1 provides an indicative account of EU contributions to and from Ireland for selected years. It shows that Ireland's net receipts peaked in absolute terms at €2,527.9m in 1997, a period when the Celtic Tiger was moving at full tilt. The fact that this highest level of EU net contribution to Ireland accounted for a decreased proportion of the country's GDP at 3.8 per cent compared to the figures for the previous ten years reflects the increased level of national prosperity in that period. In fact, only six years earlier the net receipt surplus was of the same magnitude (€2,352.8m) but made up 6.2 per cent of the country's GDP. Thus, successive Irish National Development Plans (NDPs) between 1989 and 2006 have been allocated €14.33bn in EU Structural/Cohesion funding contributions (or Community Support Framework) bringing the total figure for transfers since accession in 1973 to about €25.4bn (Bennett and Collins, 2003).

Table 1.1 Ireland's receipts from/payments to EU budget

Year	Receipts from EU budget €m	Payments to EU budget €m	Net receipts €m	% of GDP
1973	47.1	5.7	41.4	1.2
1977	346.5	28.1	318.5	4.4
1983	924.0	234.5	689.5	3.6
1987	1397.1	324.0	1073.1	4.0
1993	2850.9	575.8	2275.1	5.3
1997	3179.9	652.0	2527.9	3.8
2003	2611.6	1190.4	1421.2	1.1
2005*	2395.0	1398.0	997.0	0.6

\* Department of Finance estimates

Source: Department of Finance (2005), *Budgetary and Economic Statistics* Table 10.

The NDP is the multi-annual spending programme that underpins national development policy in Ireland. Successive NDPs in Ireland (covering the periods 1989–93; 1994–99; 2000–06) have adapted to EU Cohesion (Regional) Policy and incorporate the Community Support Framework (CSF) for EU Structural and Cohesion Funds. In effect, the NDP sets out total programme spending comprising Structural/Cohesion Funds together with the balance, referred to as Co-financed Investment, required to complete the Community Support Framework. If the first NDP was seen by cynics as a ploy to satisfy EU funding criteria and maximise potential funding, NDPs have recently been seen in a

more benign light. The adoption of the programmed, multi-annual spending approach deployed in the NDP is now viewed as evidence of a move to a more systematic and strategic (long-term and integrative) approach to investment based on a more sustainable and enlightened view of resource planning and usage. This positive perception is attributed to the influence of EU policy leveraged by EU funding.

Some commentators have argued that EU financial support was also an important 'bridging' element of the Irish economic success story by contributing to the new institutional environment that emerged in Ireland in the 1990s (Callanan, 2003a; Keogan, 2003). Early funding transfers to Ireland from Europe focused predominantly on compensation for the agricultural sector through the Common Agricultural Policy (CAP). However, a gradual rolling back of funding for agriculture has resulted in new reforms of the CAP that will see a transfer of funding from agriculture to rural development (which is much wider in scope than agricultural activities) in line with the EU's evolving cohesion policy (see Chapter 11). Taken together with the reorientation of the Structural Funds that started in the late 1980s a lead emphasis is now placed on more competitive economic sectors. A new relationship is being created between agricultural and rural, whilst new partnerships are being constructed for rural and urban, built on a broader range of relationships and linkages than applied in the 'agriculture era'. Thus, the main thrust of EU policy and funding has moved towards facilitating leading edge commercial activities and enhancing the competitiveness of all territories including the already strong core urban regions. The evolution of this approach witnessed a move towards fostering a more desirable milieu for innovation and competitiveness throughout the 1990s. It culminated in the adoption of the Lisbon and Gothenburg Agendas which shape the thinking of most governments in Europe.<sup>7</sup> In Ireland, the funding by Europe of local development agencies – including LEADER, area partnership companies and city/county enterprise boards – pump-primed the economic experimentation and local innovation that stimulated the emergence of a more responsive and entrepreneurial governance milieu (see Chapter 13).

The EU also sought to strategically reformulate the roles of its territories so that they could collectively contribute to the creation of a more globally competitive Union. The European Spatial Development Perspective (ESDP) was agreed by the Member States of the European Union, in co-operation with the Commission in May 1999. It endorsed the view that good spatial planning can promote competitiveness and simultaneously address problems of regional disparities. The main aim of the ESDP was to maintain the individual characteristics of the various countries within the EU while simultaneously increasing integration between the member states, socially and economically with the protection of the environment as a core element.

The ESDP places much emphasis on the importance of co-operation between different tiers of government, from local to regional through to community level. In particular, dynamic cities are viewed as the motors of wider, regional economic development in an increasingly competitive global environment. Many of the principles of the ESDP have been incorporated into key Irish

strategy documents including the NDP 2000–06 and the Irish National Spatial Strategy (NSS) 2002<sup>8</sup> (Egeraat et al., 2006) (see also Chapters 2 and 3). Thus, key EU principles of social and economic cohesion are stitched into the territorial frameworks provided by the ESDP and NSS. As such, they find expression in the envisaged scenarios of a competitive Europe and Ireland comprised, at their respective scales, of integrated networks of regional territories linked together by a poly-centric (i.e., clustered) city region system which is sustainable, balanced and fair to all.

Another 'bridging' view suggests that EU funding also provided critical support to public sector spending (for training, welfare and infrastructure) that would not otherwise have been available because of the low taxation thresholds and yields applied during the early stages of the Celtic Tiger (Sweeney, 1999). Indeed, as late as the mid-1990s, about 8 per cent of the Irish government's spending budget was provided by EU funding sources (Collins, 2001: 153). While Ireland has been a major net beneficiary of EU financial assistance since its accession to Europe, the period of extensive direct EU financial transfers to Ireland is drawing to a close and the country will soon become a net contributor to the EU budget. The decision by the Irish government to divide the country up into two major regions – comprised of a wealthy region (South East) and a lagging region (Borders, Midlands and West) – for the 2000–06 NDP was undoubtedly the last successful attempt to squeeze significant Structural resources from the EU (see Chapter 3). Ireland's remarkable economic performance over the past two NDPs has seen it converge with and surpass the EU average per capita income so that it no longer merits priority assistance (Objective 1 status).

Ireland faced its most difficult dilemma in relation to EU membership during the mid-1990s when it chose to adopt a common EU currency (the euro) and financial protocols under the aegis of Economic and Monetary Union (EMU) which came into effect in 2002. While this decision was expected to yield political and economic stability in the form of low inflation and interest rates allied to the benefits of reduced money exchange costs and a boost in economic trade with EU member states, anxieties were aired about the likely outcomes, not the least of which was the concern expressed about the surrender of key financial controls (including the setting of interest rates) to the new European Central Bank (ECB). Another major worry centred on the absence from the EMU of the UK (including Northern Ireland) and the negative implications that a devalued sterling would have for the competitiveness of Irish trade with Britain and trading relations across the EMU/non-EMU border with Northern Ireland. To date, none of these concerns have translated into insurmountable problems for Ireland. The low interest rates set by the ECB have not undermined the Irish economy whilst depreciation of the euro relative to the pound sterling has provided Ireland with a currency advantage in its trading relations with Britain. In relation to Northern Ireland, the challenge of a border with two currencies persists but the EU has provided direct assistance with this dilemma by allocating additional funding for border area development. This has benefited both jurisdictions on the island of Ireland and, unlike the

Structural/Cohesion Funds, is likely to continue well into the future under the INTERREG programmes.

### **The Peace Process**

The peace process in Northern Ireland started in earnest in 1993 with discussions between the SDLP (Social Democratic and Labour Party) and Sinn Féin parties, and between Sinn Féin and the British government. These discussions led to The Downing Street Declaration in December of 1993. In the summer of 1994, the IRA declared a cease-fire and between 1995 and 1997 further political negotiations took place between the British and Irish governments and the political parties in the North, aided by the interventions of Bill Clinton and the US senator, George Mitchell. Despite the IRA breaking the cease-fire between February 1996 and July 1997, the peace process was given a legislative framework by the signing of the Good Friday Agreement in April 1998. This agreement was popularly endorsed after an all-island referendum and established the basis for sustained co-operation between Northern Ireland and the Republic of Ireland. Strand II of the Good Friday Agreement led to the establishment of the North South Ministerial Council (NSMC) in December 1999, and created an institutional framework for fostering co-operation.

The role of the NSMC is to 'bring together those with executive responsibilities in Northern Ireland and the Irish Government to develop consultation, co-operation and action within the island of Ireland – including through implementation on an all-island and cross-border basis – on matters of mutual interest and within the competence of each Administration, North and South'.<sup>9</sup> Through the NSMC the Northern Ireland Administration and Irish Government agreed to hold collaborative discussions with respect to twelve sectors: agriculture; education; environment; food safety and health; Foyle, Carlingford and Irish Lights Commission; health; inland waterways; language (Irish and Ulster-Scots); special EU programmes; tourism; trade and business development; transport. In addition, six of these issues were formalised through the creation of North/South bodies: Waterways Ireland; Food Safety Promotion Board; Trade and Business Development Body (*InterTradeIreland*); Special European Union Programmes Body (SEUPB; responsible for administering EU funding to Northern Ireland and the Border Region); The Language Body/An Foras Teanga/North-South Body o Leid (consisting of two agencies, i.e. Foras na Gaeilge and Tha Boord o Ulster-Scotch);<sup>10</sup> and the Foyle, Carlingford and Irish Lights Commission.<sup>11</sup>

While the peace process, the NSMC and the various cross-border bodies and initiatives have made an enormous difference to the political, social and economic situation in Northern Ireland and the border counties (see Chapter 16 and next subsection), the situation is far from being resolved, with on-going political tensions and some setbacks that have delayed progress such as the suspension of the Northern Ireland Assembly in October 2002. The peace process and North/South co-operation are therefore on-going issues that will attract attention and diplomacy for years to come. That said, the peace process is acknowledged to have had a number of effects on the socio-

economic landscape, not least by helping to foster the Celtic Tiger economy in the South by creating political stability across the island and thus a favourable environment for investment. It has also stimulated the beginnings of a more coherent, all-island economy and enhanced cooperation between interests North and South.

#### Secularisation and Social Change

As already noted, in the 1980s Ireland was still quite socially conservative in comparison to its European neighbours. Catholic ethos and ethics built up over the previous century continued to dominate social attitudes and norms. However, the 1990s saw a secular transformation as people increasingly questioned the role of the Church and abandoned aspects of its social doctrine (although not necessarily their faith). People started to live more secular lives and church attendance rates plummeted from around 90 per cent of people attending Mass at least once a week in 1973 to 48 per cent in 2001.<sup>12</sup> The move to secularisation was given added impetus by scandals concerning child abuse, which rocked the Church as enquiries were set up to investigate such occurrences, e.g., the Ferns Report (Department of Health and Children, 2005). This was aided by a series of human rights and equality legislation that challenged social attitudes and protected the rights of disadvantaged and discriminated groups (e.g., decriminalisation of homosexuality), employment practices (e.g., job sharing for working mothers), and reforms in attitudes and legislation concerning families (e.g., legalisation on divorce). The latter has led to a growth in non-traditional families (e.g., non-married couples living together, single-parent families (14 per cent of all families in 2002)), reduced family sizes, and dual-income households. Moreover, more women are having children in their 30s rather than 20s, a possible consequence of establishing their careers before starting a family; and 30 per cent of babies in 2000 were born to unmarried mothers (up from 15 per cent in 1991; ESRI, HIPE and NPRS, 2004). As noted below, these changes have been added to by the large number of return migrants importing social and political values from abroad and immigrants bringing their cultures to Ireland. The result has been the development of a more socially plural and liberal society, one almost unrecognisable to immigrants who left in the 1980s.

Perhaps one of the clearest indications of widespread social change is the changing patterns of wealth, consumption and lifestyle (see Chapter 21). The standard of living in Ireland has increased dramatically over the past 15 years and has run ahead of population growth. While there are still very real problems concerning poverty (see next subsection and Chapter 19), there has been a huge shift in people from the lower to upper social classes. As a result, 200,000 people have moved from the poorest social classes to the middle classes between 1996 and 2002, with the poorest social class contracting by 29 per cent (Walsh, 2005). Following this trend, Ireland has quickly become a consumer society due to increasing wage levels and disposable income. An American-style mall seems to have been opened in every town in Ireland that has a population above 10,000 people. Brand name shops from countries across the world increasingly dominate the shopping landscape, and people wearing designer label clothes are a common

sight. There has been a massive growth in the restaurant trade, Irish people are taking more foreign-based and domestic tourist trips than ever before and are spending more on them (see Chapter 12). Perhaps a good indication of spending power is the fact that between 1991 and 2002 the proportion of households with at least one car increased from 59.5 per cent to 78.3 per cent. Households with two or more cars increased from 87,174 to 478,660, and the overall number of cars in the state increased from 445,226 to 1,601,619 (Walsh et al., 2005). A large number of these cars are luxury models and SUVs that are expensive to buy and run (between 1990 and 2006 there was a threefold increase in cars with engines larger than 1900cc; Reid, 2006). This growth far outstrips population growth and has occurred in a country where car prices are the highest in Europe.

#### Population Change and Increased Mobility

The overall growth in the economy and the spatial unevenness of this growth has led to widescale population change and widening daily mobility patterns. Between 1996 and 2006, the overall population of the state increased by 16.8 per cent to 4.23m. Since 2002, natural population increase and in-migration have pushed the figure over the 4 million mark (Figure 1.3 shows long-term population change using cartograms). Population change has been influenced by three key processes: general demographic variation, large-scale internal migration, and net in-migration consisting of large-scale return migration and new migrants. Between 1996 and 2002, births exceeded deaths by almost 140,000 (Walsh, 2005) leading to a strong natural increase in population. This is despite the fact that the Total Period Fertility Rate (TPFR) – the average number of children per woman of child-bearing age – fell to 1.98, a figure below the rate required for long-term replacement (Walsh, 2005). As detailed below, there was a strong rural to urban flow of migrants, meaning that there was a decline in population in some rural areas, with strong growth in urban areas. Emigration fell steadily during the 1990s (though it did not fall below 21,000 per year prior to 2004, averaging over 31,000 per year over the period 1990–2003<sup>13</sup>), and it was not until 1996 that increasing immigration started the present period of sustained net in-migration. In-migration, including both return migrants (approximately 50 per cent of all in-migrants) and immigrants, accounted for a net growth of 163,000 persons between 1996 and 2002 (there were 356,000 people – 9.2 per cent of the population – born outside the state, resident in Ireland in 2002). Since 2002, net in-migration has continued to grow, especially with the influx of workers and their families from the EU accession countries. Between May 2004 and May 2006 over 200,000 PPSNs (Personal Public Service Numbers) were issued to workers from accession states (O'Brien, 2006). While some of these workers only came for short periods before returning, the numbers do not take account of additional family members or those that are working illegally (see Chapter 17).

Migration and net growth through immigration have led to profound changes as to where people are now living, with the spatial pattern being highly uneven. While many parts of the country, including many rural areas, are feeling the strain of trying to cope with the rising demand for housing and associated



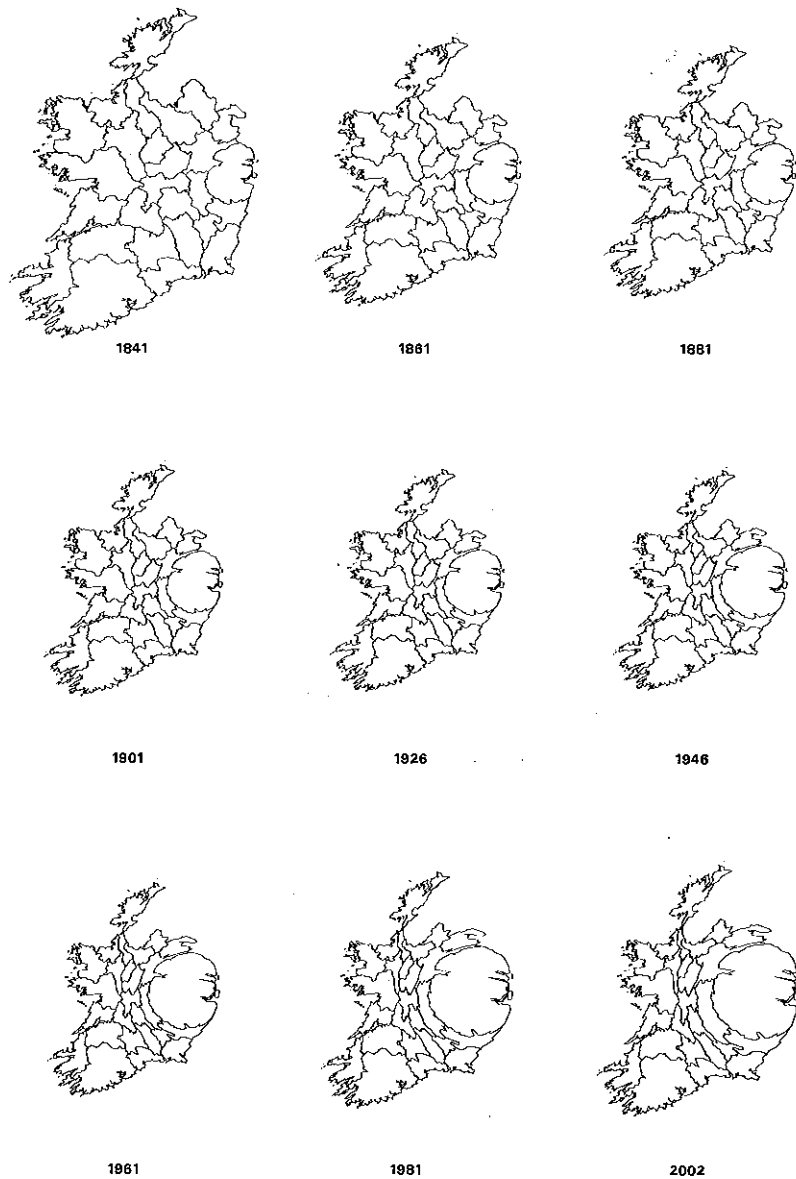


Figure 1.3 Cartograms of population change in Ireland, 1841–2002

Source: Martin Charlton, National Centre for Geocomputation

services and infrastructures, the greatest demand is concentrated in the cities and their hinterlands. Walsh et al. (2005) report that the Gateway cities, identified in the National Spatial Strategy (Athlone/Tullamore/Mullingar, Cork, Dublin, Dundalk, Galway, Letterkenny, Limerick/Shannon, Sligo and Waterford; DoEHLG, 2002), and their catchment areas included 73 per cent of

total population in 2002 and accounted for 83 per cent of population increase between 1996 and 2002. A large proportion of this growth is located in the commuter catchment areas as house price increases push housing development further away from city centres. This effect is especially pronounced around Dublin but also the other principal cities (see Figure 1.4). For example, the counties surrounding Dublin all experienced very large population growth over the period 1996–2002 – Fingal (43 per cent), Meath (48.2 per cent), Kildare (37.8 per cent) and Wicklow (23 per cent). Counties a little further out also

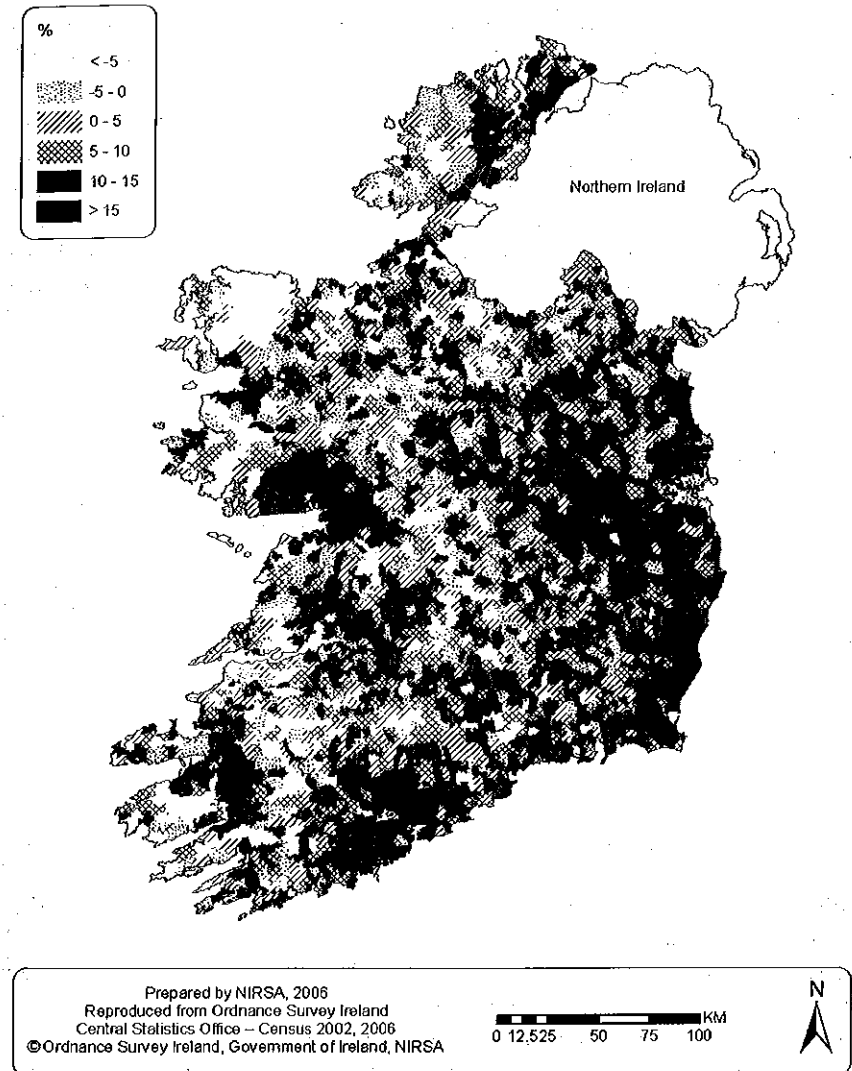


Figure 1.4 Population change in Ireland, 1996–2002

Sources: Central Statistics Office, 2006; Ordnance Survey Ireland

experienced large growth such as Louth (20.3 per cent), Laois (20.8 per cent), Carlow (21.3 per cent) and Westmeath (25.4 per cent). Cork County increased by 23.3 per cent, Galway County by 20.8 per cent and Limerick County by 16.2 per cent. In contrast, a number of inner-city EDs (electoral divisions) have experienced population decline (e.g., Cork City declined by 8,044 people, minus 6.3 per cent), as well as some rural areas in the West, Northwest and Southwest (often countered by growth in medium-size towns in these areas indicating local rural to urban migration).

The growth in catchment areas is also revealed by mapping the numbers of people commuting significant distances (see Figure 1.5). Table 1.2 illustrates that the average distance people commute increased significantly between 1991 and 2002. Given that people are living further away from their place of work, on average they are becoming more mobile. And given that most people are travelling by car, congestion is increasing and road infrastructure straining to cope with demand (by 2002 over 55 per cent of workers drove to work by car compared to 39 per cent of a smaller workforce in 1991; Walsh et al., 2005). The result is that significant proportions of the population are spending a large part of their day commuting. Not surprisingly this raises questions about the environmental sustainability of patterns of development.

Table 1.2 Numbers of workers travelling different distances to work, 1981–2002

Distance (miles)	1981	%	1991	%	2002	%
0	167,617	14.8	197,650	17.4	73,094	4.5
1–4	422,654	37.4	408,013	35.9	571,457	35.5
5–9	188,667	16.7	197,192	17.3	302,105	18.8
10–14	78,489	6.9	87,473	7.7	176,499	11.0
15+	76,049	6.7	93,227	8.2	282,026*	17.5
Not stated	196,868	17.4	153,902	13.5	205,700	12.8
Total	1,130,344		1,137,457		1,610,881	

\* includes 93,087 who travel more than 30 miles

Sources: Walsh et al., (2005); CSO (2002), Volume 9, Travel to Work, School and College, Table 5

### THE DARK SIDE OF THE CELTIC TIGER

While undoubtedly Ireland has in general terms changed for the better, this does not mean that the country is now free of social, economic, political or environmental problems. Business-friendly government, market-driven policies, low corporate and income taxation, low state spending on services, and widespread use of public–private partnerships mean that Ireland is now one of the most neo-liberal countries in the world. Irish society seems increasingly built around generating business, encouraging private development, sustaining the economy, minimising state spending and responsibilities, and promoting individualism (albeit alongside a responsible civic engagement). As a result,

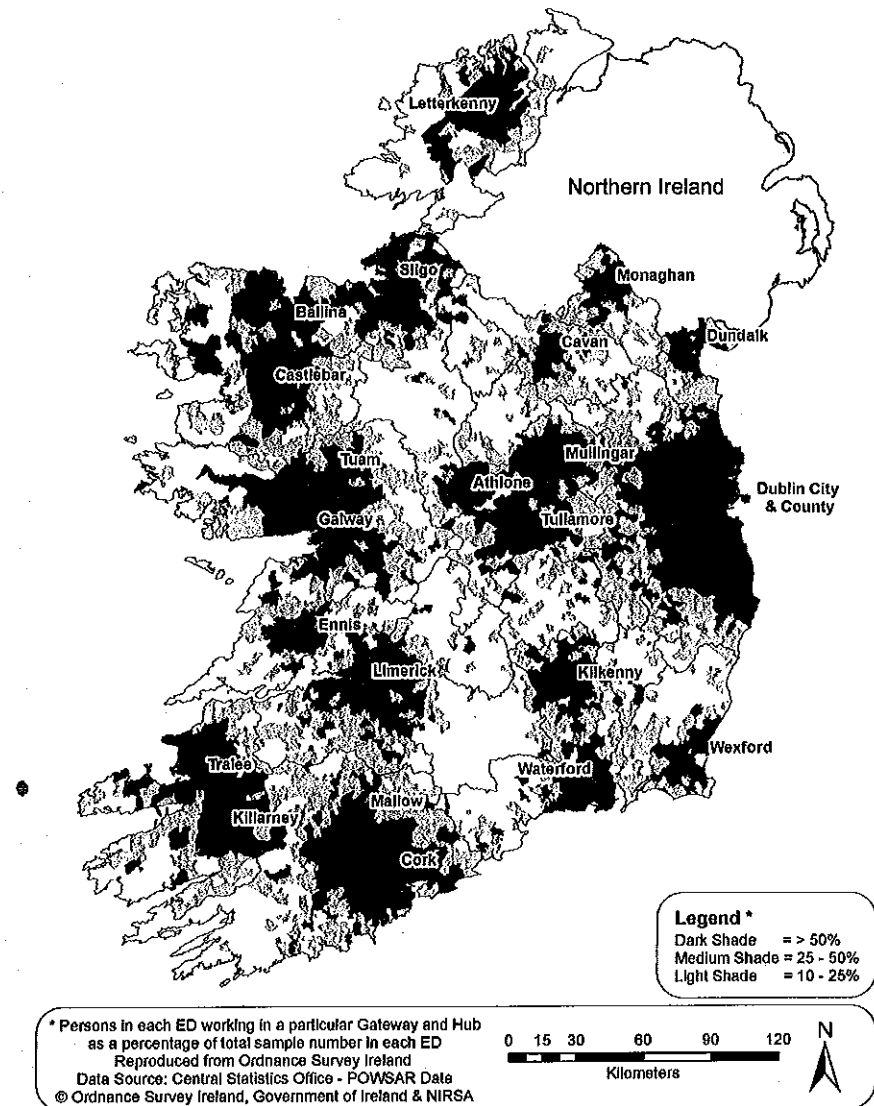


Figure 1.5 Travel to work patterns 2002: gateway and hub catchment areas

Sources: Central Statistics Office, Census SAPS file, 2002; Ordnance Survey Ireland

many of the issues that faced Irish society in the 1980s remain and in fact have become exacerbated by the transformations that have been occurring. In this section we examine, in brief, a few illustrative examples, some of which are covered in more depth in the rest of the book. As such, by no means are the issues we discuss exhaustive.

Ireland may have economically outperformed other developed nations, but inward investment, the growth of the economy and new wealth are highly

uneven and unequal across the country. Most inward investment has flowed into Ireland's four principal cities, and especially Dublin. For example, Walsh et al. (2005) report that Dublin and its hinterland had a workforce of 730,000 in 2002 (or 44.6 per cent of the total) and accounted for just under half of all growth (49.4 per cent) in the workforce. These cities have acted as growth poles because they are attractive to multinational companies, which have functional requirements that are most readily found in large urban centres; for example, a large labour pool to source skilled labour, access to a wide variety of specialised business services (e.g., financial and legal) and the presence of major infrastructure facilities (e.g., high-grade telecommunications, international travel). Multinational companies also want to be near to a variety of cultural attractions (e.g., theatres, shopping centres), amongst other things, to enable them to satisfy and retain educated and mobile staff. Where multinationals locate in major urban centres, a gravity attraction process tends to come into play with indigenous companies then tending to locate nearby, especially if they too require skilled labour.

The result is to entice people to move to them, thus placing severe pressure on the housing market due to a shortfall of housing stock. In turn, the demand for housing has led to spiralling house prices and vast quantities of new build (see Chapter 18). The growth of house prices has been phenomenal, rising at rates often well exceeding 10 per cent per year from the mid-1990s to the time of writing (between 1998 and 1999, for several months, year-on-year comparisons exceeded 30 per cent; O'Rourke and Thom, 2000). According to the Permanent TSB/ESRI house price index<sup>14</sup> the average price paid nationally for a house in February 2006 was €284,096 (€378,822 within Dublin and €245,925 outside), an 11.1 per cent increase on February 2005 prices. The average price paid nationally by a first time buyer was €253,459, a 13.5 per cent increase on February 2005. All indications are that this growth in prices will continue in the foreseeable future. This growth is mirrored in new-build housing. In the late 1980s less than 20,000 houses were built per year, rising in 2005 to over 80,000 per annum. This steep upward trend is also reflected in the growth of dwelling planning permissions, which rose from 9,156 in 1992 to 27,512 in 2004.<sup>15</sup> Unable to afford house prices in the cities themselves, large numbers of people are flocking to the more affordable towns and villages surrounding the cities. These places have also grown rapidly through new build, and existing infrastructure and services have come under pressure given increased demand.

A drive through rural Ireland, past the endless 'ribbon-developments' of new housing, can give the impression that, like the cities, the rural economy is thriving. It is true that there is new wealth in the countryside, but this is new and often mobile wealth. New-build housing is predominantly the accommodation of commuters who are unable to afford to live nearer to their place of work or who seek a certain lifestyle. In other cases, it constitutes second homes for those that have prospered and have disposable income to invest. As Chapters 6 and 11 reveal, the rural economy, especially agriculture, is struggling in many parts of the country. In particular, farming is becoming difficult to sustain

given global competition vis-à-vis production and pricing and the pressures from supermarket chains reduce profit-margins. Irish farming has become over-dependent on subsidies and grants from the State and European Union, and many farmers have diversified into other economic sectors such as tourism (e.g., opening bed and breakfasts), moved to employ cheaper immigrant labour, and taken to selling land for sites, in an effort to make ends meet. A large number have lost this battle, with a 17 per cent decline in farms from 170,600 to 141,500 between 1991 and 2000 (see Chapter 11). While many small, rural towns could support relatively large services industries, and the IDA has been keen to encourage businesses to locate near to them, to date most inward investment has concentrated near to the larger centres of population. The rural economy then is, in many ways, in difficulties, especially when compared to the economy as a whole.

Rural areas are not the only places to experience relative disadvantage. There is a marked difference in people's access to the new wealth being generated. So much so, that the wealth gap between rich and poor has widened significantly over the past 15 years (despite the upward movement from lower to middle classes described earlier). In 1998, the United Nations' *Human Development Report* indicated that Ireland had the highest levels of income-based social polarisation within the European Union; that the number of children living in poverty had increased twofold since 1971, and that the gap between the economic status of men and women was worse than in any other OECD country. Although annual social spending in Ireland increased in absolute terms while the Tiger boom was under way, rising from €5.85bn in 1993 to €12.1bn in 2002, it nevertheless declined as a proportion of national income thereby contributing to increased relative poverty (Department of Social and Family Affairs, 2003) (see also Chapter 21). Whilst in part the result of wage differentials, these social divisions have been exacerbated by rising costs of living, especially in relation to house prices. Given the structuring of the labour market, the continued economic boom and growth in house prices and other commodities, there is nothing to suggest that this situation has improved. If anything it has worsened. And of course, as Chapter 19 illustrates, this wealth gap has a spatial pattern, with certain areas having high concentrations of relative poverty, and others relative wealth. This varies by scale, so that some regions such as the Northwest are relatively poor compared to others such as the Dublin Metropolitan Region. Within regions, some towns have prospered relative to others, and within towns there are marked differences between neighbourhoods. As a consequence there are some places that the Celtic Tiger seems to have by-passed – places with high deprivation, unemployment, crime rates, drug taking and so on. Others, such as Ballymun in north Dublin, have had makeovers through public-private partnerships that provide designated proportions of social and affordable housing, with the balance for private sale.

Such public-private schemes are being used not only to replace obsolete social housing stock, but also in other major infrastructural projects such as road building and constructing public buildings such as schools and hospitals. They are being used to spread payments over time and mean the state has sold

and mortgaged many of its assets to private interests. This is, in part, because of the scale of investment needed to (a) replace aged infrastructure that the state, due to its relative poverty and taxation strategies, had been unable to maintain and expand, and (b) build new infrastructure to cope with extra demand (arising from the increased population numbers as well as more disposable income being spent on infrastructure-hungry items such as cars). Despite the huge hikes in investment, Ireland continues to experience massive infrastructural deficits in relation both to transport and other public infrastructure. As a result, there are regular news reports about traffic congestion and gridlock on the roads, over-crowded trains and buses, patients lying on trolleys in hospital corridors, and school classes being housed in semi-permanent prefab buildings.

For the past few years, a number of reports and the newspapers have all detailed the pressures being placed on various health and welfare services as they try to modernise and cope with population change. Welfare provision is an instructive example of this. Despite the large increase in government revenues, the welfare system is still over-reliant on voluntary and charity organisations, and the role played by family care givers. In some sectors such as intellectual disability, estimates by organisations such as NAMHI (National Association for People with an Intellectual Disability in Ireland) suggest that over 80 per cent of social services delivered are provided by non-state agencies, and family care givers provide the services that these organisations and the State do not deliver. The services that are provided are highly uneven across the country – depending on where voluntary and charity agencies are located, with a disproportionate number in the principal cities, especially Dublin (Power, 2005). There is minimal co-ordination across services and many people fall between the gaps. Similar problems arise in relation to education for disabled children, which is also spatially uneven with regards to services and access (Kitchin and Mulcahy, 1999). The shift to dual-income households (where two partners pursue employment careers, often due to the need to service high mortgages) has revealed serious issues around childcare provision, and similar stories can be found in relation to care for older people and other aspects of welfare provision.

The evidence provided by some of the contributors to this book (see especially Chapters 2 and 5, and also Chapters 18 and 19) suggests that a process of reurbanisation (regeneration and gentrification) is occurring in Irish cities and towns alongside the counter-urbanisation (suburbanisation and commuterisation) trends in the Irish landscape. This is contributing to the creation of accessibility-rich and accessibility-poor spaces. The renewed town centres are increasingly occupied by either immigrants or young elites. At the same time, the physical footprint and commuter zones of urban areas have expanded enormously so that easy accessibility to central or other parts of the spread out towns is only available to those with private transport. The poor who live in outlying rural locations or in the extensive suburbs at the edge of towns are increasingly isolated as the quality of public transport diminishes (due to congestion and viability difficulties associated with sprawling urban forms). In terms of access to the services and facilities distributed throughout

the urban areas, the poor have a much more limited range of choices available to them than the wealthier car-borne population.

Further, despite widespread economic and social change, Travellers (Ireland's indigenous nomadic population) continue to be one of the most marginalised groups in Irish society. Small in number (0.6 per cent of the Irish population), Travellers fare badly on every indicator of disadvantage including unemployment, illiteracy, poverty, health status, access to decision making, and political representation. During the 1990s several processes were enacted to address Traveller racism and issues of disadvantage and discrimination. For example, the Prohibition of Incitement to Hatred Act (1991), the Equal Employment Act (1998), and the Equal Status Act (2000) all gave legal protection to Travellers. This was accompanied by the Traveller Accommodation Act (1998) that offered rights for managed nomadism and required each local authority, in consultation with Travellers and the general public, to prepare and adopt a five year Traveller Accommodation Programme by 31 March 2000. However, by 2002 only 111 of a recommended 2,200 Traveller-specific accommodation units had been provided (*Irish Times*, 9 March 2002), and poor relations between Travellers and the State led to new legislation that aimed to force Travellers to change their lifestyle and become settled (see Crowley and Kitchin, 2006). This included an amendment to the Criminal Justice (Public Order) Act 1994 which further strengthened the powers of local authorities and the Gardai to evict Travellers from public spaces; an amendment to Section 32 of the Traveller Accommodation Act that made trespass a criminal rather than a civil offence; and the introduction of the Housing (Miscellaneous Provisions) Act, 2002, which criminalised camping on private and public property, gave the Gardai new powers of arrest, allowed property to be confiscated and disposed of, and trespassers to be jailed for a month or fined €3,000. As a result, the general stand-off between Travellers, the State and general public has little altered despite the intentions expressed in the 1990s.

The acceptance of new immigrants has also run into a few problems, most notably in relation to refugees and asylum seekers. Throughout the late 1990s and early 2000s a moral panic started to develop around certain immigrant groups, especially Nigerian, other African, and Romanian immigrants who were seen as undesirable and moving to Ireland (and by default into Europe) in large numbers to exploit holes in immigration legislation. In June 2004, a citizenship referendum was held to determine whether the children of immigrants born in Ireland should be automatically entitled to Irish citizenship as then defined in the constitution (see Chapter 17). The electorate voted by a margin of four to one for a change in the definition of Irish citizenship. As a consequence, the right to citizenship by birth was removed from the constitution, and Irish citizenship is now primarily defined by blood ties. There appears to be a number of troubling paradoxes concerning this decision, especially given the experiences and rights of previous generations of Irish immigrants in other countries (see Crowley et al., 2006).

In Northern Ireland, sectarian divisions, violence and political stalemate are all everyday realities despite the peace process. In fact, Northern Irish

society is, in many ways, becoming more polarised politically and spatially. For example, patterns of voting have shifted from the more centrist parties of the Social and Democratic Labour Party (SDLP) and Ulster Unionists (UU) to the more staunchly republican and unionist parties of Sinn Féin (SF) and the Democratic Unionist Party (DUP), and many people are choosing to live in communities that reflect their religious and political views, rather than in mixed communities. It is a surprise to many that there have been more peace walls built post- rather than pre-*cease-fire*, and tension between communities remains in place in some locales (notably in North and West Belfast) and still flares up into cross-community violence, especially fuelled by deep-seated notions of territoriality. An example of this was the dispute in 2001 and 2002 over the Holy Cross School in Ardoyne where Catholic schoolgirls had to walk through a unionist area to get to school (due to changes in patterns of population and the erection of a peace wall along Alliance Avenue). Parade routes and the right to march as part of a cultural tradition are also deeply contested in many areas. This is not to say that life in Northern Ireland has not changed significantly for the better since the 1994 *cease-fires*, but rather to note that the situation still has on-going problems that will likely continue for some time.

It is important to note that these problems are not simply being ignored by the Irish government, policy makers and citizens. Although the main thrust of Irish policy since the late 1950s has been towards promoting economic growth, substantial efforts to address other issues such as social equality and environmental sustainability have moved to the forefront of policy formulation and action in recent years. While some issues do not seem to gain serious attention, others have been the focus of numerous policy analyses and formulation, although this policy might not be implemented. Two examples may help to illustrate this. Firstly, there has been a concerted effort to sustain the peace process and promote cross-border co-operation, despite successive setbacks due to political fallout and stalemate in the North. Secondly, and in contrast, the National Spatial Strategy (NSS), put together by numerous government officials and consultants, and designed to promote sustainable development and prosperity in all parts of Ireland, has seemingly had little impact to date on policy. Even the government's much criticised decentralisation plan largely ignored the NSS. Of course, it takes time to implement policies and a lead-in (or trickle-down) time is necessary for policies such as the NSS, which was introduced in late 2002, to be translated into practice at other scales. Regional Planning Guidelines (RPGs) to give effect to the NSS were adopted by the Regional Authorities in 2004, so the next step for implementation is for local authorities to incorporate the logic of the NSS and RPGs into the strategies of their development plans. Thus, it is the policies and actions of the next generation of local authority development plans that provide the key to effective implementation of the NSS.

In many ways, the challenge for policy makers and implementers has been to try and work out how to address outstanding and problematic issues whilst not implementing interventions that might slow the economy and bring the good times to an end – no easy task. In such a situation the danger is always

that the government does as little as possible in order to minimise any threat to the status quo, and the present government has certainly been accused of such a strategy. That said, the good times have not yet come to an end, despite the problems outlined and predictions by analysts that they must come to a close at some point.

## IRELAND IN THE NEW CENTURY

In the last 15 years or so Ireland has certainly come a long way. The transformations that have occurred since the dark days of the 1980s are truly staggering, and were certainly in excess of any of the predictions of economists and social and political commentators of the day. From the nadir of a deep economic depression it seemed that the most the country could hope for was slow but steady growth. Nobody predicted that between 1987 and 2003 Ireland's economy would move from being 63 per cent of the EU average to 136 per cent, that the influential role of the Church would simultaneously collapse, that a relative peace would be instigated in Northern Ireland, and so on. So, what can other countries, indeed the Irish themselves, learn from the transformations that have occurred, and where is the future of Ireland heading? These are questions we leave until the concluding chapter. First we invite you to read the contributions to the volume.

Before doing that, however, it is important to note a couple of limitations in the book's coverage. First, the book has been designed to provide an analysis of a broad range of topical and important issues concerning everyday life in Ireland, but it is by no means a comprehensive analysis. We have had to be selective in choosing issues to be discussed and have had to limit the depth of analysis provided. To do anything otherwise would have meant undertaking a much bigger project. Our aim was always to provide a broad, spatial analysis of Ireland backed up by strong empirical evidence, and the chapters deliver this. Saying this, all of the authors refer in passing to other issues and the references at the end of the book will guide the reader to relevant texts for further reading. Second, the authors' discussion is largely concentrated on the Republic of Ireland, although there are a couple of chapters that focus predominantly on issues in Northern Ireland, and others that make reference and comparison to the North. We are aware that these chapters only provide a partial picture of a very complex social and political picture, but we have included them because they illustrate the profound differences in governance and social issues in the North, and some of the on-going challenges policy makers face in thinking about cross-border and all-island planning as regards infrastructure, the economy, and social development (something that is rapidly moving up the political agenda as a priority area of policy). There is a plethora of books that focus exclusively on Northern Ireland and we recommend you consult these texts for fuller accounts of the situation there.

While the chapters can be read independently of each other, to provide an organisation logic and structure we have divided the book into four parts: (I) planning and development, (II) the economy, (III) the political landscape, (IV)

population and social issues. Each section contains four or more chapters that focus on specific issues. Each chapter provides a relatively broad overview of trends and policies, with specific points and arguments illustrated using example material. Individually they provide detailed introductions to specific aspects of Ireland and the transformations since the late 1980s, collectively they allow the creation of a fuller picture of Ireland at the start of the twenty-first century and a sense of how Ireland might progress in the future.

# Part I

## Planning and Development

### Introduction

Planning and development are key aspects of economic and social progress. They provide the regulatory and policy context for change. The chapters in this section provide an overview of the planning system, the strategies employed to try and stimulate and manage development, and their effects upon different aspects of the economy and society across contexts and scales. What the chapters highlight is that since the 1960s a whole series of policies and new legislation have been formulated and implemented that have had varying degrees of success in improving the economy and society. Some policy was poorly conceived, some poorly implemented, some had effects that were not anticipated, and some worked to great effect. In general, policy was determined at a national level in response to pressure from actors on the European, regional and local scales. The strategies employed to implement policy and attain objectives were charged to different parties, usually national agencies and regional and local authorities, but also other sectoral and private interests.

While the overall governmental aim of strategic planning and development is to ensure that all sections of economy and society, and all parts of the country, grow and develop, with the exception of initiatives such as the National Development Plan and National Spatial Strategy, planning and development in Ireland largely focuses on particular areas (e.g., urban or rural) or sectors (e.g., transport or utilities). This can cause tensions and contradictions between policies aiming to achieve different ends. For example, the *industrial* policy of developing Dublin to compete economically on the global scale seems to run counter to *regional* policy that stresses balanced regional development and argues for the transfer of services and industries away from Dublin to other areas of the country. Balancing the needs of different sections of society, and different parts of the country, is then a difficult task. It means assessing the benefits and costs to different parties, for example weighing up national benefit vis-à-vis local cost.

In the opening chapter in the section, Brendan Bartley provides an historical overview of planning in Ireland, charting three distinct phases. Focusing on the latter he highlights the adoption of an entrepreneurial form of planning in the mid-1980s, which targeted specific areas for investment and development, and was instrumental in creating the planning conditions necessary for the Celtic