

Economic Performance of Towns in Ireland

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Abstract

Small and medium sized towns have been relatively poorly served in terms of research when compared with rural and urban areas. This is especially relevant in Ireland where a substantial proportion of the population lives in these towns. Small and medium sized towns operate at the centre of the Irish rural economy and as such, reflect the changes in Irish rural society in the last century. In recent years, small and medium sized towns in Ireland have been disproportionately affected by the economic downturn, with higher unemployment rates than the national average. This paper aims to fill the gap in knowledge about the economic and developmental issues facing Irish towns and what can be done to address them.

Using census data, the characteristics of small and medium sized towns are detailed. The effect of the recession can be seen in differences between the 2006 and 2011 Census data. Small and medium sized towns have a slightly younger profile, both amongst children under 15 and adults over 65 years of age. These towns saw an increase in inward migration between 2006 and 2011 as people moved out of the cities. Small and medium sized towns also have lower third level education levels than the national average. Unemployment rates are higher than the national average in small and medium sized towns, as is the share of unoccupied housing.

A measure of town “strength” is created based on a town’s unemployment and migration rates. Strong towns exhibit lower unemployment rates, higher levels of tertiary education and are closer to economic hubs than average. There is significant variation in town strength but in general, towns with more than 10,000 inhabitants appear “weaker” than smaller towns. Town strength is not an East-West issue, with some of the strongest towns in the Western region and weakest in the South-East. Additionally, strong and weak towns can also exist in the same county.

Towns often have particular local issues affecting them that may require short-term or long-term solutions or both. In the short-term, measures may be necessary to encourage job creation to reduce local unemployment. In the long-term, structural change in terms of enhanced skills and infrastructure may be required. A number of measures are suggested that small and medium sized towns can adopt in order to aid economic and civic development.