Rethinking Regional Attractiveness in the **Southern Region** of Ireland

OECD

Tionól Réigiúnach an Deiscirt
Southern Regional Assembly

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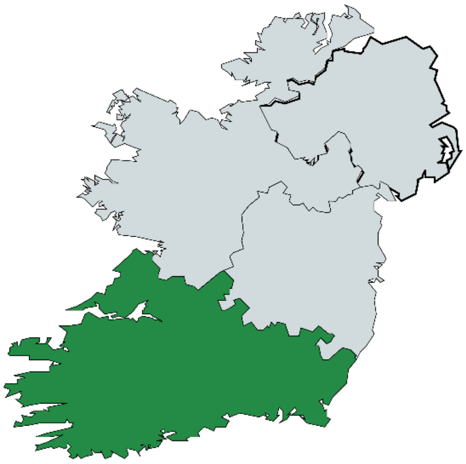
2023

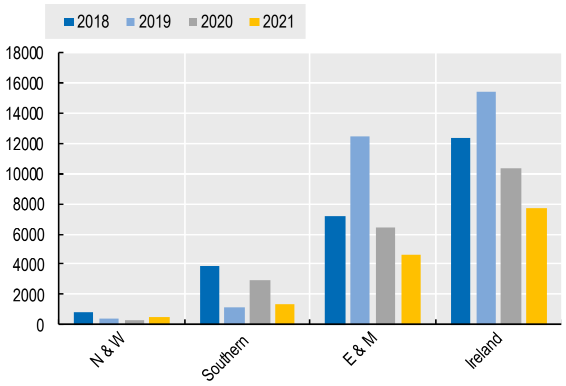


The impact of the COVID-19 crisis, compounded by the consequences of Russia's war of aggression against Ukraine and existing megatrends (e.g. climate change, globalisation, digitalisation and demographic change), continue to produce asymmetric effects within and between countries and regions, with the scope and scale depending on their unique characteristics.

The OECD's work on rethinking regional attractiveness policies in the new global environment, is undertaken with the support of the European Commission (DG REGIO) and is a priority activity of the Regional Development Policy Committee (RDPC). Working closely with 15 regions in 5 OECD member countries (Ireland, Italy, Portugal, Spain and Sweden). It aims to help regional and national policy-makers to better understand the position of regions in an evolving global context, including emerging challenges and opportunities, and identify the policy levers at their disposal to enhance the attractiveness of regions to the key international target groups of investors (including exporters), talent, and visitors. In doing so, it seeks to support regions transition towards new territorial development policies that promote inclusive, sustainable, and resilient development, while enhancing regional attractiveness.

A snapshot of the Southern Region in the world

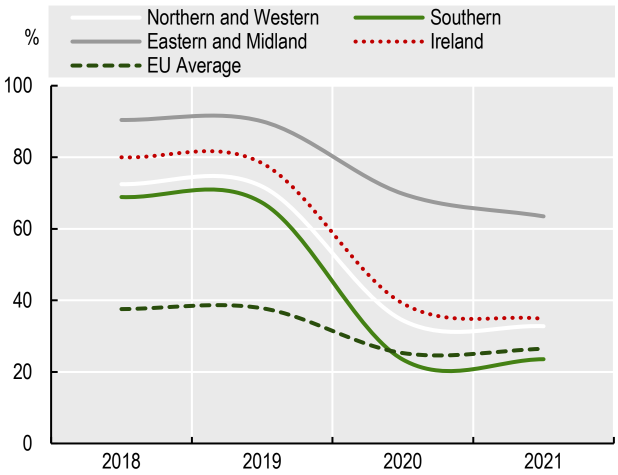
Greenfield FDI Inwards by Region (capital expenditure in USD millions)



Source: FDI market database, 2022.

Inward Foreign Direct Investment (FDI) began to rebound in 2021 following two years of downturn compared to 2018 levels. With IDA's (Ireland's Foreign Direct Investment Agency) sights set on over one-hundred foreign direct investments in the region through to 2024, this is on track to grow, even in the backdrop of a global FDI downturn in 2022 (UNCTAD, 2022[1]). Indeed, overall OECD and EU (Greenfield) FDI inflows, were broadly stable between 2018 and 2019 before dropping off in 2020, by more than 70% in EU and about 50% in OECD countries, and by about one-third, globally.

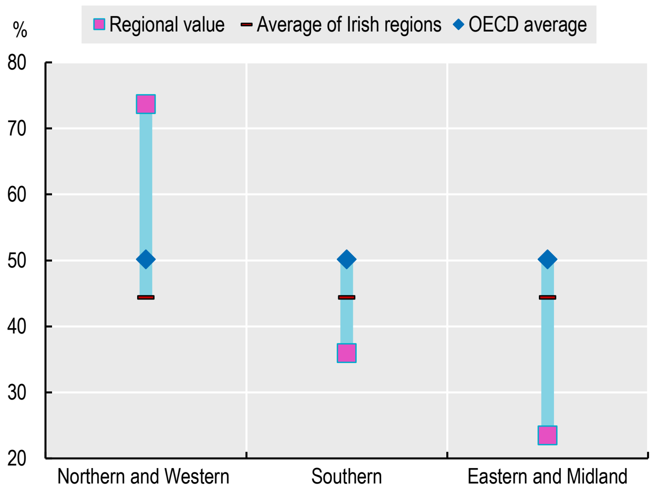
Share of overnight stays by foreign tourists using collaborative economy platforms



Source: Eurostat (2021) experimental statistics

While the share of overnight stays by foreign visitors fell over the pandemic years it has shown a progressive rebound since. Moreover, a new experimental data source from Eurostat shows that the share of stays by foreign visitors via collaborative economy platforms (e.g. Airbnb, Booking, etc.) are still below 2019 levels in the regions but the importance of this type of accommodation is growing. This is an especially important area of the visitor economy for the region to monitor as it represents opportunity for rural areas to attract visitors normally attracted to the core cities and sites (Eurostat, 2021[2]).

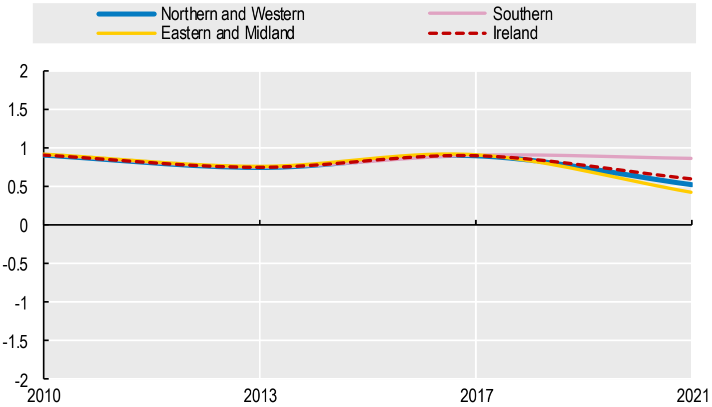
Share of renewables in electricity production



Source: OECD Regional Database (2019)

With the international push to net-zero well underway, Ireland is slightly behind the curve with the national average share of renewables in electricity production below the OECD average. The Southern region finds itself slightly below the national average and is well below OECD countries on the *share* of renewables used in electricity production. However, the region is already exploiting the abundant opportunities for wind and offshore energy production which will help position the region as a key player in the global energy transition, while helping lead Ireland's ambitions in emissions reductions. This is reflected in the Regional Development Monitor which shows the Southern Region leading the way in terms of wind capacity while the score indicated here reflects renewables as a *share* of the energy sources of total electricity production, thus illustrating the imperative to continue investing in renewable development while phasing out other non-renewable energy sources.

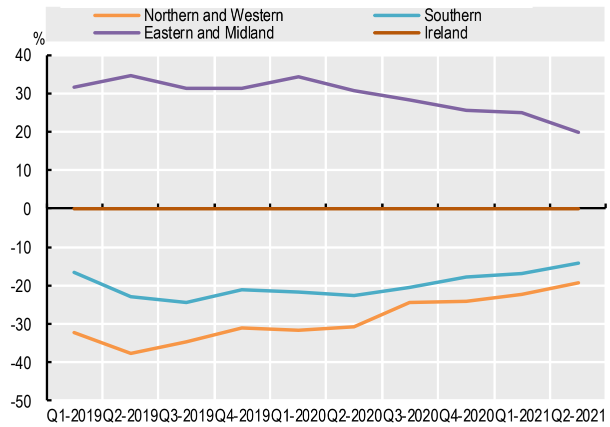
European Quality of Government Index



Source: University of Gothenburg
Note: The EU median score is represented by the 0 line.
Scores above 1.1. are generally considered to perform well.

The Quality of Government index (EQI) is a composite measure that captures, at the regional level, citizens' perceptions and experiences in relation to corruption, quality and impartiality of three essential public services – health, education and policing – which are notably national competences in Ireland. According to the EQI, citizens in the Southern Region rate the quality of local institutions marginally higher than those in other EU regions (average = 0), although still below what the index categorizes as top-performing regions (a score greater than 1.1. Furthermore, it outperforms the other two Irish regions on governance and is unique in that it did not see a large drop in score during the pandemic. That said, OECD data on regional well-being shows worrying performance across Ireland, including in the Southern region, on civic engagement (OECD, 2020[3]).

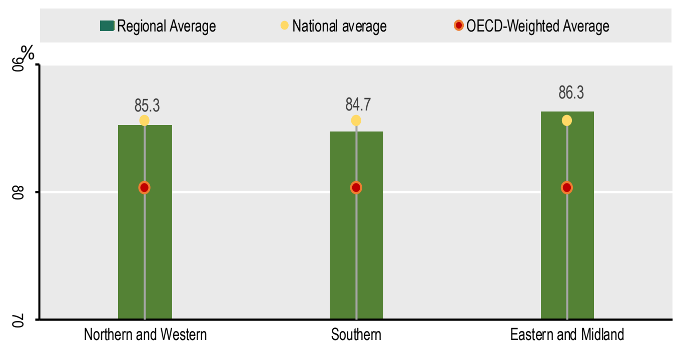
Download Speeds at the Regional Level (% deviation from national average)



Source: OECD calculations based on Ookla database; 2021

As Ireland takes advantage of the switch to remote working and implements the plans set out under the *Making Remote Work* strategy, monitoring and improving digital infrastructure will be fundamental. In recent years, download speeds have continued to improve quarter over quarter, bringing internet performance closer to the national average and increasing the value proposition of the region towards an increasingly mobile workforce. This is also a unique pull factor for international firms that rely on digital infrastructure – more work may be needed to look at the county-level breakdown and performance in non-metropolitan areas.

Share of population satisfied with opportunities to meet people and make friends



Note: Average for the years 2016-20Source: Gallup World Poll (2020)

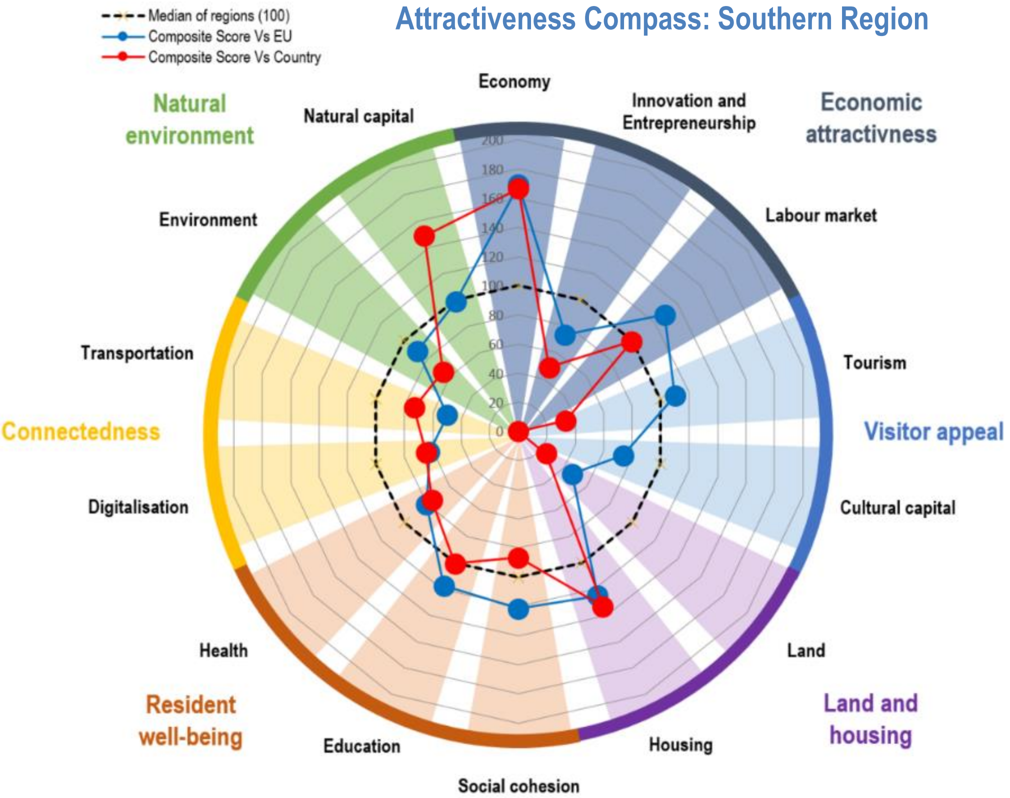
Social cohesion is a strongpoint for the region with nearly 85% of people satisfied with opportunities to meet people and make friends, although this sits slightly below other regions of Ireland. Indicators such as this that capture participation in social activities, can be utilised to measure the stock and evolution of regional social capital. These indicators tend to illustrate an important relationship between higher levels of social well-being and regional economic growth, which makes a strong case for investments in policy areas that foster social cohesion.

Attractiveness profile: Ireland's Southern Region

The Southern Region stands out for the high proportion of foreign-born residents and foreign students, underscoring its strong international ties and status as a learning region. There are strong international business links with a significant number of FDI projects and a strong role for tradable sectors. Infrastructure lags behind signalling a need to examine how enhanced mobility and connectedness can translate into talent and people attraction.

Before considering the policy levers available to enhance the attractiveness of a region to international target groups (investors, talent, visitors), it is important to first understand the region's position in the world. To do so, the OECD considers four families of ***international connections***: business (e.g. FDI projects, trade, employment in foreign-controlled business, etc.), human (employment, migration, and visitors), knowledge (international students, R&D, patents) and infrastructure (broadband, ports, airports, stations). With a snapshot of the region's place in the world, attractiveness levers are then assessed to consider ways that those bonds can be strengthened. On the **business** front, the share of Gross Value Added in tradable sectors was 70% in 2019 compared with only 28% of employment, illustrating very high value-added per person employed in these sectors and the highest ratio of share of GVA to share of employment in tradable sectors in the OECD. In terms of **Infrastructure,** the region falls behind on **air transport performance**; on average, people in the region can access around 120 passenger flights per day within 90 minutes by car, trailing EU and Irish regions. When it comes to **Human** connections, and in particular migrant employment, the region compares favourably with other Irish and EU regions with foreign-born employment edging slightly ahead of native-born employment by 2.6%. Finally, in the **Knowledge** realm, the number of international scientific co-publications was over 1,600 in 2021, up 51% over a 5 year period. The region shows higher performance than EU regions on this important measure of a region's participation in the global research ecosystem despite trailing the other two Irish regions– the region's growing profile as a *learning region* is explored in Box .1

The OECD's innovative and multidimensional approach to assessing **regional attractiveness to investors, talent and visitors** considers global engagement beyond international connections and economic factors alone. In total, the methodology considers more than 50 indicators to develop regional attractiveness profiles, covering 14 dimensions of attractiveness, across six domains (Economic attraction, Connectedness, Visitor appeal, Natural environment, Resident well-being, Land-use and housing).



Compass interpretation:

- Scale from 0-200 (200 represents the region with the best performance; 100 represents the median)
- The median for the EU and the Country is represented by the same black dashed line (100).
- The composite score for each dimension, is represented by a blue dot indicating performance relative to the EU median, and a red dot relative to the Country median.

Source: OECD database on Measuring the Attractiveness of Regions; all statistics from the OECD Regional Database (2015-2022) unless otherwise noted.

Economic Attractiveness: According to the OECD Regional Statistics (database), the Southern region demonstrates strong economic performance when compared to Irish and EU regions. It is among the highest performing regions in terms of both GDP per capita and Gross Value Added per worker of all EU Regions, notably due to its high share of value-added in tradable sectors and the large presence of multinationals. At the same time, the overall employment rate stands around the EU average with 60% of the population over 15 years of age in employment with a slightly higher employment rate among the foreign-born. On the innovation front, the region falls slightly behind with a lower share of employment in research and development as a percentage of total employment than Irish and EU regions.

Visitor Appeal: The region benefits from an above-average share of visitors coming from abroad, with more than one-third of overnight stays in all types of accommodation being foreign tourists prior to the pandemic. Yet the relatively small share of local employment in creative and cultural industries (less than 1%) is indicative of the lower score on Cultural capital. The OECD's work on creative and cultural sectors illustrates the numerous positive economic and social spillovers that this type of employment can have on regions and cities. For example, it can be a strong draw for young talent and visitors alike and is increasingly being seen as a key to rural growth.

Connectedness: The region is well-connected on the digital front with 90% of homes accessing broadband internet, compared to 84% of EU regions and under 80% of OECD regions, according to the OECD Regional database. Moreover, the download speed is converging with the national average, promising increased remote-work opportunities and digital solutions for local firms. On transport connectivity, the Southern region has around 120 daily flights accessible to the average resident within a 90-minute drive, trailing OECD and EU regions. On rail performance, a measure of rail accessibility and proximity, the region scores well below the EU average and far below what the Commission considers a well-functioning system (EC, 2022[4]). The same can be said on the road performance measure (EC, 2019[5]). Low performance in these areas can create barriers to attracting firms insofar as it hinders their ability to export, but also to attract talent who place a premium on international mobility.

Land and Housing: The share of land converted to artificial surfaces between 2004-2019 is very low, suggesting the region has focused on repurposing existing infrastructure or relied more on brownfield rather than greenfield sites for projects and investments. The share of built-up areas is also considerably lower than the EU and OECD averages, however, this may have altered in recent years as the development of new commercial and residential units have picked up. The Regional Development Monitor also underscores the challenge to make use of the existing vacant and derelict residential stock, for which the Southern region has the second-highest and highest number, respectively. The Monitor highlights the *compact growth rate* which measures the share of housing completions within the built-up area at near 65% - with an increase targeted to ensure Ireland's housing challenges are not met at the expense of environmental well-being. Finally, land prices (measured in euros per hectare) are nearly 40% higher than the EU average (at EUR 27,800 vs. EUR 20,000) which may require the region to promote non-cost advantages such as the quality and preservation of the natural environment and the opportunities to retrofit or make use of existing infrastructure. With limited data availability, further intraregional analysis could help shed light on where prices for both land and housing remain comparatively affordable and an attractiveness driver for firms and families.

Resident Well-being: In terms of population well-being, the region performs very well. People are more satisfied with their lives than those in most EU regions and similarly feel happier with opportunities to meet people and make friends. The region is celebrated for its high levels of personal safety with a low rate of homicides per capita and a high share of people who report feeling safe walking home at night. Only in voter turnout and Quality of Government, a measure of perceived quality of public services, does the region record a lower performance albeit not far off from the other Irish regions. For the latter, the score is above both the Ireland and EU averages but still well below what the Commission considers to be good performance.

Natural Environment: People are generally quite satisfied with environmental preservation efforts compared to the EU average and the share of renewables in total electricity production (36%) trails OECD regions (~50%) and the average of Irish regions (~44%) despite major advancements in wind power in the region (Association of Irish Regions, 2022[6]). At the same time, the very low tree cover rate in the region (~8%) trails the OECD and EU regional average (37% and 34%, respectively). Tree cover is an area where Ireland has long been playing catch-up, having recovered from only about 1% forest cover in 1928 to around 10% today according to OECD and CSO estimates. A higher share of emissions per capita generated by the transport sector is also observed when comparing against EU regions. According to the Natura 2000 database very little of the land area is protected, as is the case in other Irish regions, which contrasts an EU and OECD trend of increasing the share of protected areas towards 30% by 2030 in line with the United National Environmental Programme (UNEP) target.

From recovery to resilience

Under the region's European Regional Development Fund (ERDF) programme for 2021-27, plans have been adopted to create a more competitive, sustainable and resilient region which presents myriad opportunities to enhance attractiveness by focusing available funding in key areas. As recognised in the plan, advancing the R&D and innovative capacity of the region is paramount, a strategy squarely connected to the availability of human capital. This will require coordination with both the private sector, the towns and municipalities and public research institutions to present a viable people attraction strategy to fulfil the large potential this funding period and its commitments represent. Numerous examples of coordinated regional strategies for talent attraction are documented by the Commission that can generate thinking in this area: including the *Lombardia is Research and Innovation* program implemented by the Italian region to create more opportunities for young people in Research and Innovation by building links between businesses and the research community (EU, 2018[7])[1]. The Southern region is developing in the context of a climate, digital and demographic transition – and in the wake of pandemic – all of which heavily inform its development path. On the digital front, the *Regional Co-working Analysis* shows significant potential for remote working in the region yet large disparities within the region in terms of the jobs that are today amenable to remote work, ranging from 3.1% in Carlow to nearly 32% in Cork (Daly, 2021[8]). On climate, the region has work to do to transition away from non-renewable energy sources and to deliver on the ambition sustainability agenda set out under the National Planning Framework (NPF) by creating cleaner communities with access to well-conserved natural capital for residents and visitors to enjoy

Looking ahead, the NPF and the Regional Spatial and Economic Strategy has the ambition to ensure that growth in the Southern Region – when combined with that in the Northern and Western Region – keeps up with that in the Eastern and Midland Region, and home to the capital Dublin. This means expected growth in the core cities, from over 30,000 new residents in Waterford and over 50,000 in Limerick (and suburbs), and 100,000 or more in Cork, but this must be managed to ensure that peripheral towns and rural areas remain attractive places to live and work as well. [2]

One means of achieving this is through IDA Ireland and the Regional Investment program, which supports and promotes investment in regional locations around the country. The strategy highlights the regional emphasis of recent FDI projects with 45% of all FDI-related jobs created outside Dublin in 2017. Aligning IDA's approach with the regional approach in Smart Specialisation Strategy (S3) for the Southern Region and the sub-regional FDI strategies in places like Limerick and the Southeast, can strengthen both the quality and quantity of the targeted 158 IDA-supported investments in the region through 2024 while promoting collaboration among actors at multiple levels of government – a role the Regional Assemblies are well positioned to perform.

Developing coordinated approaches to attract the three target groups of investors (including exporters), talent and visitors can strengthen the delivery of the objectives outlined under the Regional Spatial and Economic Strategy (RSES) by helping to consider how regional projects not only pay economic dividends, but also strengthen the quality of life and visitor offer (Southern Regional Assembly, 2020[9]). A good example of this is the decision to rethink the planning and development of Waterford's North Quay to meet the needs of people and business while at the same time creating a more attractive city for visitors (Waterford City and County Council, 2018[10]).

The Southern Regional Assembly has identified, through the RSES, a number of policy objectives to increase funding and investment to the region, including through the Metropolitan Area Strategic Plans in each of the three core cities of Cork, Limerick and Waterford. That said, a cohesive investment attraction plan at the regional level could bolster these policy objectives and unite the vision of the various municipalities and sub-regions under a more united banner and international image. Such a strategy could extend from the Ireland South East

[1] See: [Report: Addressing brain drain: the local and regional dimension]

[2] Under the National Planning Framework – Ireland's national guiding document for planning and development for sustainable growth out to 2040 – five core growth cities are expected to add an additional 1 million people to the overall population. About 25% are expected in Dublin, 25% across the other four core cities (Cork, Limerick, Waterford and Galway) and the remaining 50% across key regional centres, towns, villages and rural areas.

Development Office who were ranked 1st among small regions in the EU for their FDI strategy (with Limerick also placing in the top 10) (fDi Intelligence, 2022[11]). This can and should complement national plans such as IDA Ireland's Regional Recovery and Sustainable Growth Strategy 2021-2024, which outlines clear targets for the region, and the central government's National Investment Framework for Transport in Ireland, which is intended to attract both public and private investment to fill the large gap in transport and mobility infrastructure. The latter plan makes clear the intended public investments while leaving a gap in terms of where private placements will be derived from – a job the regions can step in to fill. Indeed, the region will need to make clear the investment priorities critical in terms of the infrastructure needed to boost competitiveness in line with the top EU regions, thereby better connecting the region to support both mobility within the region and to enable a more efficient international circulation of goods, talent, investment and visitors (European Commission, 2019[12])

The RSES focusses strongly on improving the quality of place and the life of residents by maintaining and upgrading key public services and amenities. The strategy also highlights the dynamic and reactive response the region took to the recovery whereby entrepreneurs and industry leaders established a network to share best practices on pandemic recovery efforts. Importantly, the RSES highlights that without essential investment in quality of life, including ageing, childcare, recreation, cultural heritage and the preservation of the environment, the region will have trouble retaining its existing population and attracting new residents from near and far – this is of critical importance for the three core cities with planned growth of 50-60% is under 20 years. A unified Southern Region vision centred on the quality of life advantages and highlighting the further investments being made in these areas through the National Development Plan puts the region on the global map for firms and families. This is especially true for those firms looking to invest, relocate and/or near-/re-shore in the wake of ongoing economic and political challenges including Brexit, and Russia's unprovoked war in the Ukraine. Furthermore, changes in the dynamics of globalisation create both challenges and opportunities that regions need to monitor and capitalise on as firms plan to build more resilient – and perhaps more localised – supply chains (Mckinsey, 2020[13]). Finally, strategies for investment and resilience need to complement one other, achieving both an economic and a green recovery. While the *Regional Development Monitor* illustrates the region's leading position in the development of windfarms, the Southern Region is currently behind other Irish regions in terms of the total electricity production , with 36% coming from renewables, well below the EU and OECD regional averages (around 50%) (OECD, 2019[14]).Addressing this gap will require new investments that hasten the green transition in the Southern Region, making it a more attractive place to invest, live and work.

The S3 strategy identifies regional priorities based on human, financial and natural assets as well as emerging areas of focus. In particular, the region stands out for the high concentration of FDI in areas spanning bio-economy to electronics to green tech. While these have led the Southern Region to have one of the highest levels of GDP per capita in the EU, the strategy emphasises the inflated nature of this number given the high levels of foreign multi-nationals with capital assets in the region. In this light, it is important for the Region to capture the knowledge spillovers and economic benefits of foreign investment by supporting indigenous business growth in parallel. In addition, the region could benefit from adopting an extended S4+ approach (smart specialisation strategies for sustainable and inclusive growth) which highlights the need for competition policy to move beyond mere competitive advantages to a clear vision and promotion of the region's transformative changes that address societal issues (Interreg Europe, 2021[15]). In the Northern Netherlands, for example, local and regional actors worked together to map out how existing health and digital clusters could create potential for a new energy cluster in the region. This visioning exercise resulted in *Hydrogen Valley* – a public-private co-financed development to build a green hydrogen supply chain.

Quality of place is an over-arching strength for the Southern Region – often cited by investors and residents as a key consideration for locating in the region. The RSES highlights the region's economic drivers – its three core cities – as contingent on their ability to promote a value proposition that it is a good place to live and work for residents, current and future. Achieving the ambitions of the RSES and realising the potential of the S3 strategy will depend on attracting and retaining the talent to do so. One key lever is through the region's educational offerings including the recruitment and retention of international students and researchers and critically through the region's broader efforts to promote itself as Ireland's 'learning region' (see Box .1 below).

Box .1. Ireland's Southern Learning Region

The bet on lifelong learning is a magnet for talent, investment in the region

The *Towards a Learning Region* strategy sets out a one-of-a-kind plan to establish the Southern Region as a lifelong education destination. The recognition of Cork and Limerick as UNESCO Learning Cities for their dedication to lifelong learning is just one of many illustrations of the Southern Region's strong focus on education. For twelve years and counting, the Cork and Limerick *Lifelong Learning Festivals* both celebrate the region and the residents for their commitment to learning through partnering with stakeholders across local and national government, higher education, community groups, business and beyond to promote holistic education programming extending beyond the remit of the mandated education system. Waterford's ambition to seek Learning City designation will further cement the region as an international node for educational excellence.

Combined with a growing number of international students (rising by 150% between 2010 and 2020, faster than any region in Ireland) and with overall tertiary educational attainment levels far out-pacing the OECD and EU, the region's focus on education is a lever to attract both international students and talent looking for education and research opportunities. Foreign investors – notably, the many multinational enterprises already present on the ground – will continue to look to take advantage of the talent pool, especially with programs and policies in place to connect research and learning with industry and enterprise across the region.

Source: Data provided by John Daly, Northern and Western Regional Assembly; *Towards a Learning Region* (Southern Regional Assembly, n.d.)

Prior to COVID there were around 6,700 international students enrolled at programs across the region with at least 2,100 of those based at the various technological universities and Institutes of Technology across the region (data provided by the Assemblies). Creating a regional strategy for international student retention by working directly with enterprises to create opportunities to stay and thrive across the region can help fill critical labour needs and foster a more international region that appeals to skilled migrants looking to call Ireland home. Education is a portal to the region, while the job opportunities and, of utmost importance, the well-being advantages, are reasons to stay This would be building on the regions successful strategy, *Towards a Learning Region,* which has made large strides in this direction to date.

Well-being and quality of life are central to this ambition and thus a good filter through which to pass regional policy objectives. As such, Ireland's newest well-being strategy – which includes a data dashboard and framework for measuring progress) and the accompanying Well-being Information Hub from the Central Statistics Office can complement the work delivered by the Assemblies in launching a Regional Development Monitor to map and enhance the social, cultural and environmental assets that make the region so attractive. Going a step further, the indicators can help the region to strengthen its value proposition if disseminated regionally and built directly into the regional development monitor and measured on a regular basis (Government of Ireland, 2022[16]).

The various regional plans set out by Fáilte Ireland[3] look to mainstream sustainability in tourism development, which is a welcome focus that offers significant potential for the Southern Region. Infrastructure investments to connect existing tourism corridors can help create activity-based tourism in the region that can attract visitors from the capital and convince them to 'stay and play', rather than basing themselves in Dublin and taking day trips to the South. The RSES outlines a number of ways in which sustainable tourism development can benefit the region, such as the development of greenways (a plus for residents, talent and tourists alike), by diversifying the employment mix, and by building regional and international connectivity. However, the governance of

[3] Ireland's national tourism promotion organisation.

tourism strategies remains highly centralised, and it is unclear how regional policy objectives and national funding for tourism-related activity will link up. Regional tourism visions or strategies, with associated implementation frameworks are often utilised to help strengthen linkages between national planning and regional priorities and provide a voice for local and regional actors to outline economic, social and environmental priorities for development. As such it's important that regional actors and local authorities have the capacity to develop and align regional strategies to complement existing national initiatives, such as the *Wild Atlantic Way* and *Ireland's Ancient East* tourism corridors, to develop less-visited parts of the region as visitor destinations. In Norway, their National Tourist Routes are a good benchmark of how to leverage existing transport infrastructure and natural capital to promote travel to villages and towns in more rural areas.

Enhancing multi-level governance and coordination mechanisms

Attracting investment, talent and visitors requires public and private actors to work together and to develop, implement and monitor programs and policies to understand their effectiveness over time. It also requires an assessment and understanding of the current governance structure and whether it is well positioned to meet the challenges faced by the region in the current global context. In the Southern Region, challenges and advantages in terms of multi-level governance for attractiveness exist.

One of the challenges shared across all three Irish regions is the limited competences and limited spending allocated to local and regional government – indeed the share of subnational government expenditure as a percentage of GDP has dropped by 10% since 1995, more than any country in the OECD. While Ireland, overall, is characterised by a high quality of public service delivery and economic and social outcomes, there is evidence that in many cases, public services, economic growth and citizen well-being can be improved when decentralisation occurs (OECD, 2019[17]). This is, of course, only true when designed and implemented in coordination with relevant stakeholders (from the national, regional and local level, including industry and civil society), and when effectively aligned with any existing visions for regional development, such as the Regional Spatial and Economic Strategies, the Regional Enterprise and Local Development Plans. Indeed, in Ireland, the predominance of central planning leads to the production of a myriad strategies– from the NPF to sectoral strategies such as the *Climate Action Plan*, *Housing for All Strategy*, *Our Rural Future*, among others – which can prove burdensome for local authorities who might lack clarity on their role in delivering national plans and strategies at the local level – a challenge that is often accentuated when the resources and capacity required to deliver said plans does not follow (Allain-Dupré, 2018[18]). Given the regional dimension now present in the bulk of the national plans – most concretely in the NPF but also as required in the Local Economic and Community Plans and County and City Development Plans – there is even greater need for a regional level of coordination for a vision of attractiveness that avoids the segmentation of planning and results within and between regions. Adopting the relevant scale – the regional one – is required to coordinate actors to 'think globally and act regionally' in a more and more complex and competitive international environment.

One key example of where actor coordination and policy implementation in the Southern Region faces challenges is the Metropolitan Area Strategic Plans (MASPs). The MASPs are a means of coordinating local development strategies among Ireland's four core cities. These are especially important to achieve the ambitious 50-60% population growth targets set for Cork, Limerick-Shannon and Waterford in the Southern Region. The MASPs are a means of coordinating local development strategies among Ireland's core cities, although without adequate resourcing and a clear mandate the risks of falling short on the growth mandates under the NPF and RSES are increased. To support the implementation of policy objectives in relation to internationalisation and attractiveness policies, MASPs should seek to (OECD, 2022[19]):

- Clarify responsibilities for policy formulation, implementation and evaluation in respect of the objectives outlined in the National Planning Framework
- Explore cross-sectoral synergies in terms of regional attractiveness and internationalisation – for example, the importance of developing quality land and public transit for both international investment and international tourism opportunities;

- Consider when and where to involve non-government, private and not-for-profit actors in policy development;
- Provide a clear and accountable implementation structure, assigning roles and responsibilities as well as an evaluation methodology including indicators and timelines.

Box 2. Evaluating the success of *Metro Mayors* in promoting a city-region vision in the U. K.

There are now nine city-regions in the U.K., covering nearly 15 million people, with directly-elected mayors

The Cities and Local Government Act of 2016, among its measures, afforded the right to two or more local authorities to come together as 'combined authorities' (CAs) in directly electing local mayors and devolving some powers on issues such as local housing and skills and transport. In some cases (e.g., Manchester), the establishment of a metro-mayor has also given way to further negotiations on areas such as health and justice. Importantly, they also played an important role during the COVID-19 pandemic in coordinating policies such as Local Resilience Forums, which dealt with civil emergencies. In Manchester, where public health has been devolved to the CA, the metro mayor institution gave a platform for local authorities to coordinate action together.

The implications of a directly-elected mayors for Regional Attractiveness

Importantly, the metro mayors do not detract from the powers afforded to local authorities, instead focussing on issues of a wider scale that tend to affect multiple local authorities at once but for which they might have limited negotiations or advocacy power. In this light, they can support linkages within and across counties in coordinating the attractiveness of the regional centres as nodes that can in turn support the attractiveness of smaller towns and rural areas in their catchment area. These are items in line with those that the Southern Region has identified as critical gaps like talent attraction and retention, adequate supply of quality housing and regional transport that works for all. In each domain, it can be a challenge for local areas to 'achieve density without scale' whereby the pooling of resources – and indeed of strategies – under one roof can culminate in the design and promotion of their regional gaps and assets, and with one directly-elected voice to then champion the cause. Nonetheless, it is important that governance reforms do not overly complicate the existing structures or create an additional administrative burden. In the case of the Limerick City and Council, this would require the identification of potential discrepancies between delivering the MASP strategy for Limerick-Shannon while appointing a directly elected mayor with a narrower jurisdictional remit. With both the mayor and MASP focussed on issues from housing to amenities to mobility to environment, there is a clear need to understand how these plans link up and how coordination and implementation of plans will be effectively delivered across the city and wider region.

While a lengthier evaluation of the British program is called for, the Southern Region can work with metro-areas like the Greater Manchester Combined Authority to learn about how this proposal could close some of the governance gaps that are prominent in the Irish Regions.

Source: (Centre for Cities, 2022[20]); (Roberts, 2020[21])

Another initiative with the potential to enhance local governance and accountability, are the reforms concerning directly elected Mayors underway in Limerick and gaining attention in other municipalities. These reforms have the potential to boost civic engagement while providing more competences at the city and region level and the ability to control the levers identified by the Southern Region as key to improving international attractiveness, such as housing, roads, strategic planning, corporate, finance, oversight (see Box 2). That said, the capacity for mayors to deliver on local and regional priorities will depend on their ability to adequately resource these new functions. Even without many hard powers, however, a unified voice for the region's growth cities may prove to be a strategy to enhance attractiveness in and of itself, by giving a clear mandate to a leader accountable to the public and by bringing multiple local authorities together to deliver a coordinated vision that considers both urban and rural realities and the policies required to create linkages across places. Effectively, the directly-elected mayorships could strengthen the governance and implementation of the MASPs. Multi-level governance reforms are a systematic process that requires trust and buy-in from stakeholders (including voters) across all sectors and, crucially, from the public. The ability of Regional Assemblies to bring together key stakeholders, means they have a crucial role to play in multi-level governance reforms.

Policy considerations

The following policy considerations are intended to help policy makers to enhance the impact of attractiveness strategies of the Southern region vis-à-vis investors, talent, and visitors, and provide guidance to improve multi-level governance frameworks and coordination mechanisms.

- **Identify priority areas for investment growth that contribute to the region's inclusive and sustainable development*:*** Build on the areas of international comparative advantage while narrowing down a few areas emerging potential for sustainable growth such as the blue economy, bioscience, renewables, life sciences and research and development, as identified in the Smart Specialisation Strategy. S3 is a strong place to start and will become an even more useful tool so when the relevant local, regional, national and global actors needed to deliver on its ambitions are identified and mapped.

- **Develop a regional dimension as part of the national well-being strategy,** linking it up with the regional development monitor to highlight strengths and challenges related non-cost, social indicators that better capture the quality of life in the Southern Region. This type of data will help to identify regional assets and gaps that can be acted on to boost the value proposition of the region to global talent. At the same time, an assessment of skills needs can help shed light on the talent required to achieve the ambitions set out under the S3 strategy for the region and the growth ambitions under the National Planning Framework and RSES. An international talent attraction strategy can then be developed, together with regional firms and learning institutions.

- **Communicate a regional tourism vision that aligns the RSES with the tourism regional development strategies.** Develop a regional tourism vision with an implementation framework to help clarify linkages between national planning and regional priorities and provide a voice for local and regional actors to outline priorities with the aim of maximising the benefits of the visitor economy for the region. This can include support for local authorities to align visitor plans with Fáilte Ireland's tourism corridors.

- **Explore new governance models and coordination mechanisms that give a greater voice to the region while strengthening the implementation of national and regional plans.** Strengthen the governance capacity of local and regional government to give a greater voice to the regions on the international stage. This will support the attractiveness of the territories vis-à-vis all types of target groups – investors, talent and visitors. Directly-elected mayors are an important component of this but only one among many – including increased regional coordination across existing bodies (from local authorities to regional development offices to academic institutions) to provide a regional value proposition at international scale. On top of this, coordination mechanisms that bring more involvement – from civil society to business to universities– in the delivery of regionalised economic development strategies like the Regional S3, Regional Enterprise Plans to national strategies with a core place-based imperative like Ireland's *Housing for All* strategy.

Notes

The data on which these graphs are based comes from several different sources covering the period 2015-2022. Most of it is extracted from the OECD database and EUROSTAT ensuring the same source is used for as many countries and regions as possible. Where and when data is missing, it is extracted from databases available through national statistical offices. For some dimensions, the data comes from specific databases, such as the Ookla database for indicators linked to digitalisation. The data are selected using the most robust, available, and frequently collected data at the adequate geographic level (TL2 or TL3). With certain indicators, calculations are done in order to present the indicator at the most relevant and comparable unit of analysis.

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