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Chapter 13

A Booming Country – A Booming Countryside? The Celtic Tiger Phenomenon and the Consequences for Rural Areas

Mary Cawley

Introduction

In the late 1990s, a member of the United States investment firm Morgan Stanley described Ireland as the 'Irish Tiger', in comparing its recent economic performance with the corresponding sudden growth in the 'Tiger' economies of Southeast Asia during the early 1990s. The label was adopted as 'Celtic Tiger'. Ireland's growth in terms of GDP was the highest among the fifteen European Union (EU) member states and among the 29 OECD countries for several years during the 1990s (OECD, 1999; Sweeney, 1999). GDP per capita tends to overestimate the benefits accruing to the Irish economy from labour productivity because of the marked presence of international companies which repatriate large shares of their profits (these companies account for c. 70 per cent of manufacturing output). Nevertheless, this measure is accepted as broadly indicative of trends in the economy at the end of the twentieth century. The turnaround represented by this growth may be appreciated when it is recalled that in the early 1980s, output was almost stagnant, unemployment was approximately 17 per cent (notwithstanding marked net outmigration) and inflation averaged almost 12 per cent (Table 1). Real investment was falling, the public finances were in a critical condition and indebtedness reached 129 per cent of GDP in 1987, as a result of attempts to reduce unemployment through borrowing overseas to fund public sector employment from the late 1970s on. During the late 1980s, a policy of strict financial control was introduced which involved cuts in government spending, a widening of the tax base and a reduction in exchequer borrowing for capital purposes (Leddin and O'Leary, 1995). Exports and investment were stimulated through a number of devaluations of the punt which made Irish goods more competitive internationally (Haughton, 2000). Increased funding for infrastructural development became available from the EU Structural Funds, under the Community Support Framework (CSF), after 1988 (Matthews, 1994). These transfers were
Winning and Losing: The Changing Geography of Europe's Rural Areas

particularly generous because of Ireland's Objective 1 status arising from its GDP per capita rate of less than 75 per cent of the EU average and because it was designated Cohesion Status to enable the economy to achieve competitiveness in preparation for the Single Market in 1993. The transfers amounted to 6 per cent of GDP annually from the mid-1980s to the mid-1990s. With increased affluence in the late 1990s, the transfers from the EU began to fall.

During the 1990s, and particularly in the second half, a surge in growth in Irish GDP per capita took place which was accounted for by marked increases in employment and in productivity. Employment grew by 1.9 per cent annually between 1986 and 1996, a rate which exceeded that in many other developed countries (O'Hagan, 2000). The annual rates of growth registered in 1997 and 1998 were exceptionally high at 4.8 per cent and 8.4 per cent, respectively (O'Hagan, 2000). This growth in employment involved an increased participation by men, and particularly by women, in the labour force which was augmented by the return of former outmigrants. Growth in output per capita averaged 10.6 per cent between 1994 and 1998, which O'Grada and O'Rourke (2000) attributed to the technological transfers that occurred through multinational, and particularly United States, investment in Ireland. By 1998 hightech industry's share of total employment exceeded 50 per cent (Duffy et al., 1999).

Table 1  Indicators of Irish economic change 1979-1999

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<tr>
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<tr>
<td><strong>Average annual growth (per cent)</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Real GDP</td>
<td>1.8</td>
<td>4.7</td>
<td>9.6</td>
</tr>
<tr>
<td>Real consumption/capital</td>
<td>-0.1</td>
<td>3.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Inflation</td>
<td>11.8</td>
<td>2.8</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At end of period</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Employment (millions)</td>
<td>1.08</td>
<td>1.18</td>
<td>1.62</td>
</tr>
<tr>
<td>Population (millions)</td>
<td>3.54</td>
<td>3.58</td>
<td>3.75</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>17.40</td>
<td>15.60</td>
<td>5.60</td>
</tr>
</tbody>
</table>

*Source:* Central Bank of Ireland, Bulletin, selected issues; Department of Finance, Economic Review and Outlook, selected issues.

National fiscal policies, an improving international economic climate, and the judicious application and management of EU transfers influenced the growth in the Irish economy during the 1990s. The allocation of the transfers from the EU to infrastructural improvements in roads, ports, airports and new information technology systems, and to human resource development through education and training, have been especially influential (Duffy et al., 1997). The policy advisory
Economic and Social Research Institute (ESRI) identified other, longer term, influences as having laid the foundations for this growth (Duffy et al., 1999). These were (i) the consistency with which the policy of attracting overseas industry to invest in Ireland was pursued from the late 1950s, and (ii) the investment in education that took place after 1967 when free second-level education was introduced for the first time. Durkan et al. (1999) estimated that improvements in the quality of labour, resulting from increased education levels, accounted for almost 20 per cent of total growth in output during the 1980s and the 1990s. Whilst elevated increases in productivity during the 1990s tend to receive particular attention, productivity growth in Ireland, as measured in GDP per worker has, in fact, exceeded the EU average since accession in 1973. The ESRI commentators suggested also that the shift in the economy from agriculture to industry and services and the opening up of economy and society to external influences were instrumental in facilitating expansion during the 1990s.

Economic growth during the 1990s benefited increasing numbers of Irish people. The major problem of unemployment that persisted until the mid-1990s had almost disappeared by the end of the decade. A new phenomenon, skill shortages in the highly skilled sector, began to emerge and occasioned the return of highly qualified migrants, the increased participation of women with second and third-level education, and an increase in the numbers of people returning to university education. By 1998, it became necessary to actively recruit labour overseas to meet immediate demands for nurses and technologists and to fill lower-skill agricultural, food processing and catering vacancies (Hughes and Williams, 1999). Notwithstanding these trends, there was a growing concern about the emergence of increasing disparities in levels of wealth and well-being between sectors of Irish society by the late 1990s (O'Reardon, 2001). Absolute poverty had been largely eliminated but relative poverty had increased and was viewed as a problem that required targeted attention, as reflected in the adoption of a National Anti-Poverty Strategy (NAPS) in 1997 (Government of Ireland, 1997). Some of the greatest concentrations of poverty in numerical terms were in public housing areas in large urban centres but poverty was not exclusively an urban problem. Several surveys illustrated that the levels of income and well-being of readily identifiable segments of the rural population were falling seriously behind the national average. The remainder of this chapter discusses the extensive evidence which suggests that a booming economy does not automatically translate into a booming countryside: there were 'losers' as well as 'winners' during the period of boom. Attention is given also to measures that have been introduced and proposed to help offset the increasing disparities in Irish society.

The rural tail of the Celtic Tiger

Poverty, defined in terms of low income, lack of goods considered to be necessities and exclusion from effective participation in decision making, is more appropriately studied at the level of individuals and groups than of geographical areas. Nevertheless,
the structural features which underpin such poverty have identifiable regional and local features. The regional dimension is closely related to the sectoral composition of the regional economies. Studies at the local scale tend to highlight the impact of educational attainment, family composition and access to social and personal goods more specifically. Industry continues to account for a substantial proportion of the workforce in Ireland and the service sector, whilst growing, is still less dominant than in most advanced economies. In 1997, manufacturing accounted for 29 per cent of employment, which is high by international standards and reflects the relatively late industrialisation of Ireland, while the services accounted for 61 per cent (Central Statistics Office, 1997; Duffy et al., 1997). An appreciation of the changing role of different sectors in the economy may be obtained from national accounts figures for gross value added (GVA). By 1998, agriculture accounted for only 6 per cent of total national GVA and 9 per cent of total employment. The transition from agriculture to secondary and tertiary activities had implications for the relocation of employment from the countryside towards urban areas. As a result, urban structure became highly influential in the provision of employment opportunities and has had important implications for incomes (Cawley and Keane, 1999).

Regional dimensions of exclusion from economic advance

Output per capita and per worker varies considerably between Irish regions, reflecting variations in regional specialisation and in productivity across sectors. In particular the Border, Midlands and West (BMW) Objective 1 Region contrasts with the Southern and Eastern (S&E) Region which has been allocated transitional Objective 1 status since 1999 (Figure 1). Until the mid-1990s, Ireland was classified by the EU as a single NUTS 1, Objective 1 region, in the context of Structural Fund allocations. By 1999, because of the high levels of economic growth experienced during the previous five years, average GDP for the state exceeded the Objective 1 threshold. However, it was recognised that regional disparities in levels of development and well-being persisted between the BMW and the S&E regions. As a result the Irish government successfully sought permission from Eurostat to have two NUTS 2 regions recognised: the BMW which has Objective 1 status and the more developed S&E which has Objective 1 in transition status.

The problems of the BMW include a weak urban-industrial structure (Galway City was the only urban centre with a population in excess of 20,000 people in 1996), a small size of farms (average farm size throughout much of the region at the last complete agricultural census in 1991 was less than 20 hectares), low population densities (29 per sq. km), a relatively low natural increase, and a low net migration balance (Fitzpatrick Associates, 1999). There is a comparatively greater dependence on agriculture than in the S&E region: agriculture, forestry and fishing accounted for 9.6 per cent of GVA in the BMW as compared with 3.6 per cent in the S&E in 1998 (Table 2). In spite of high rates of economic growth between 1991 and 1998, the BMW's share of national GVA fell over the period from 21.2 per cent to 19.6 per cent. GVA per person was below the state average in
the BMW and in each of its component NUTS3 regions in 1998 and had in fact deteriorated since 1991 (Table 3). GVA per person as a proportion of the state average was also below that in the S&E region and its component NUTS3 regions.

**Figure 1  Regional support structures in Ireland**

Source: The digitised map base is used with the permission of the Ordnance Survey of Ireland to whom the copyright belongs.
Table 2  Gross Value Added (GVA) by sector and NUTS2 regions 1998 and per cent share of national GVA 1998

<table>
<thead>
<tr>
<th>Branch of activity</th>
<th>BMW Region</th>
<th>SE Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fishing</td>
<td>9.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Manufacturing and construction</td>
<td>36.4</td>
<td>39.2</td>
</tr>
<tr>
<td>Market and non-market services</td>
<td>54.0</td>
<td>57.2</td>
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</table>

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<tr>
<th>Per cent share of national GVA</th>
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</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fishing</td>
<td>39.2</td>
<td>60.8</td>
</tr>
<tr>
<td>Manufacturing and construction</td>
<td>18.4</td>
<td>81.6</td>
</tr>
<tr>
<td>Market and non-market services</td>
<td>18.7</td>
<td>81.3</td>
</tr>
</tbody>
</table>


Table 3  Indices of Gross Value Added (GVA) per person at Basic Prices 1991 and 1998 by region (state=100)

<table>
<thead>
<tr>
<th>NUTS2 and NUTS3 regions</th>
<th>1991</th>
<th>1998</th>
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</thead>
<tbody>
<tr>
<td>Border, Midland West</td>
<td>79.2</td>
<td>74.0</td>
</tr>
<tr>
<td>Border</td>
<td>83.8</td>
<td>77.9</td>
</tr>
<tr>
<td>Midland</td>
<td>74.9</td>
<td>67.7</td>
</tr>
<tr>
<td>West</td>
<td>76.7</td>
<td>73.3</td>
</tr>
<tr>
<td>Southern and Eastern</td>
<td>107.7</td>
<td>109.3</td>
</tr>
<tr>
<td>Dublin plus Mid East</td>
<td>120.7</td>
<td>119.3</td>
</tr>
<tr>
<td>Mid West</td>
<td>93.6</td>
<td>90.2</td>
</tr>
<tr>
<td>South East</td>
<td>84.2</td>
<td>78.9</td>
</tr>
<tr>
<td>South West</td>
<td>99.7</td>
<td>116.1</td>
</tr>
</tbody>
</table>


Employment grew in the BMW but at a lower rate than the national rate (by 15 per cent between the censuses of 1986 and 1996 by comparison with 20 per cent). Official statistics relating to the numbers registering for unemployment benefit indicate that unemployment remains a localised problem, most notably along the western seaboard and in rural localities in the north midlands. Employment
opportunities in higher status occupations are limited and the proportions in unskilled occupations are higher than in the S&E region (Fitzpatrick Associates, 1999).

Several studies in the late 1990s mapped the results of multivariate analyses of deprivation, based on a range of variables including age, education, housing, employment, and dependence on social support, and revealed that the BMW region contained extensive areas of rural deprivation (Fitzpatrick Associates, 1999; Haase, 1999). Specific problems related to age dependency, the presence of single parent families, high levels of unemployment, the presence of small farms, high proportions of unskilled workers, and above average proportions with low levels of educational attainment. The distribution of unemployment emerged as being correlated with distance from the larger centres of population and from work opportunities. The owners of small farms who had lacked the capacity to take part in the increased capitalisation and specialisation of agriculture from the 1970s on were represented disproportionately in the region. Many were elderly farmers or persons who were dependent on social welfare payments to supplement their incomes (Lafferty et al., 1999). The results of the National Farm Survey of 1999, which was based on a carefully drawn sample of just over 1100 farms in the state, illustrated that the average size of farm owned in the region was 25.1 hectares, by comparison with a national average of 31.2 hectares (Western Development Commission, 2001) indicating farm enlargement since 1991. The average economic size of farms in the region in 1999, as measured by the economic size unit based on standard gross margins (ESU) (1 ESU=1200 euro), was 13.0 ESU by comparison with a national average of 19.8 ESU. Many of the younger farm owners in this category are dependent on off-farm sources of income to supplement their family income. Matthews (2000) has argued that, because of the wide range of income supplements available, the small-farm income problem has been largely eliminated, with possibly only 4 per cent of farm households (c. 6000) being classifiable as ‘poor’ in 1997. Nevertheless, he and other commentators accept that the proportions in poverty may fluctuate over time as farm prices vary. In recognition of the severe structural problems that exist in seven counties within the BMW region (Clare, Donegal, Galway, Leitrim, Mayo, Roscommon, Sligo), a Western Development Commission was established in 1999 with responsibility to bring forward concrete policy proposals to accelerate growth in the region (Figure 1).

Local dimensions of low incomes and poverty

During the 1990s, as the national economy recorded unprecedented levels of growth, widening disparities in income levels emerged between sectors of the population. Thus, the 1999-2000 Household Budget Survey (HBS), conducted by the Central Statistics Office (2001b), revealed a continued disproportionate distribution of disposable income between the top 10 per cent and bottom 10 per cent of households: the ratio was 13:1 in 1999-2000 by comparison with 11:1 in
Winning and Losing: The Changing Geography of Europe's Rural Areas

1994-1995. Increasing numbers of households and individuals were identified as falling into poverty. The issue of defining 'poverty' as a basis for the design of remedial measures by the national government, with EU support through the European Social Fund, received considerable attention and the scale and extent of poverty (which includes features other than income alone) and its association with particular household structures is well documented. The main sources of information on income in Ireland are the HBS and the large-scale surveys conducted by the ESRI (in 1987, 1994, 1997 and 1998). The poverty line that is usually employed is based on average household income adjusted for family size and composition, using equivalence scales. Three poverty lines are used, individually or in association, based on 40 per cent, 50 per cent and 60 per cent of average income. The 50 per cent line has been cited in several studies but the 60 per cent line has been adopted in the NAPS (Government of Ireland, 1997). The income based measure is subject to the criticism that it may not be a good index of low consumption. As a result, a deprivation measure is incorporated with the income measure. Eight indicators which relate to enforced absence of such items as food, clothing and health, and indebtedness to meet ordinary living expenses are used. A household is defined as poor when it reports enforced lack of at least one of the basic items and falls below the selected proportion of mean income.

Summary measures of the depth (measured by the proportion falling below the poverty line and the average depth of their poverty) and extent of poverty (an adjustment which gives more weight to the poorest) are included to capture how far people fall below the poverty line (Nolan, 2000).

The ESRI 1998 Living in Ireland Survey illustrated that the number of households in consistent poverty (where people live below 60 per cent of average income and are deprived of basic necessities such as a warm coat or regular nutritious meals) fell from 15 per cent to 8 per cent between 1994 and 1998 (Layte et al., 2001). Poverty rates were high for the ill or disabled, those engaged in home duties, the retired and the unemployed. The report also examined the experience of poverty over the five years 1994-1998 and found that the unemployed, unskilled manual workers and those without educational qualifications had distinctively high levels of persistent low income. The disabled, single parent households, single person households and those with three or more children were most vulnerable to income poverty. The numbers of people living on less than 50 per cent the average income had actually increased from 17.4 per cent in 1994 to 20 per cent in 1998, a rate which exceeded that in most other EU member states.

A study by Nolan et al (1998) commissioned by the Irish Combat Poverty Agency (CPA), based on national household survey (using a sample of over 4000 households) and census of population data, is one of the few studies which documents the rural distribution of income poverty in any detail. The study, which relates to the mid-1990s, showed that whilst poverty, as defined above, was not to any significant degree concentrated in any particular type of area, the highest risk of poverty ('risk' was defined as the probability of being poor based on the proportion of any group that falls below an income line) was observed for villages and towns with populations of less than 3,000. It was estimated that approximately 19.6 per cent of households in open country areas and 26.4 per cent in villages and
towns with a population of less than 3,000 were at risk of poverty (at the 50 per cent income line), by comparison with 18.9 per cent at a national level. Housing tenure was found to be a more significant factor in explaining the distribution of poverty risk and the concentration of poverty than location per se. In particular, the risk of poverty was associated with being a local authority tenant, which in turn was associated with attributes of the head of household, notably low socio-economic status, low levels of education, unemployment including long-term unemployment, and the number of children in the household. Other features that were associated with poverty were advanced age, particularly when associated with living alone, and disability. Whilst poverty continued to be a problem in rural areas in the 1990s, Nolan et al (1998) showed that the risk of poverty fell for households located in open country between 1987 and 1994 which mirrors a similar trend among farm households during the same period of time (Callan et al., 1996). However, there is evidence that the elderly owners of small farms who are dependent on state income transfers continue to live in or at particular risk of poverty and frequently experience social isolation (Commins, 1996).

Female headed households have been identified as being particularly susceptible to experiencing poverty and are usually distributed in small numbers throughout the rural population. At the 50 per cent poverty line, Nolan and Watson (1999) noted a substantial increase in the risk of poverty among female headed households between 1987 and 1994, especially among older women living alone who were dependent on old age pensions (from 4 per cent to 24 per cent) and among young lone-parent females (from 17 per cent to 32 per cent). Women in both urban and rural areas are also more likely to be involved in part-time work which is often less well-paid than full-time work, and even in full-time employment women are likely to be lower paid than their male counterparts. Shorthall (1999) illustrated that farm women continued to be disadvantaged vis-à-vis their male siblings in the 1990s in the context of farm inheritance and decision making.

The main reasons for the persistence and, in some cases, widening of the income gap between particular groups and the population more generally relates in large part to the differential between average incomes and social welfare benefits. Although both increased during the 1990s the rate of increase in the latter lagged behind that in average incomes (Layte et al., 2001).

Social, as distinct from economic exclusion, was highlighted particularly in rural farm areas in Ireland during the 1990s and Kirby (2001) has emphasised the inter-relationships between both types of exclusion. The markers include low levels of participation in community organisations and political processes, a lack of self-esteem, a sense of powerlessness to bring about change in personal circumstances, and poor physical access to services arising from geographical isolation (Cawley, 1999; National Economic and Social Forum, 1997). A National and Economic Social Council (1999) report referred to the need for an 'equality focus' with regard to the position of disabled people and travellers (itinerant families who form an ethnic sub-group in Ireland). Asylum seekers have particular problems in gaining employment and they and migrant workers, who together
represent small but growing rural minorities, experience poor housing conditions and social isolation (Kirby, 2001).

**Measures to redress the gap between ‘winners’ and ‘losers’ from the boom**

The population of the Irish state has benefited from the economic boom of the 1990s. The gap between the rich and the poor in Irish society has, however, widened and in this sense there have certainly been ‘winners’ and ‘losers’. A range of policies and measures has been introduced since the mid-1990s to help reduce this gap and the issues on which they focus help to illuminate further the broader features of social and economic disparity identified at regional and local levels. The NAPS, introduced in 1997, targeted five themes for co-ordinated action by all of the government departments and state agencies at national, regional and local levels, namely: educational disadvantage; unemployment and particularly long-term unemployment; income inadequacy; disadvantaged urban areas; rural poverty. The NAPS recognises that both national and area-specific policies are necessary to combat poverty and its causes. It is recognised that whilst certain concentrations of people in unemployment and with low educational levels are found in local authority housing areas, many other individuals and families are distributed more widely throughout the population. Therefore, area-based policies per se are viewed as not being adequate in isolation to meet the problems that exist. It is suggested that the renewal of local government and the establishment of County Development Boards in 2000, to co-ordinate local area activity within their counties, should encourage liaison between the wide range of rural development groups and partnerships involved in reducing poverty. Human rights groups have advocated a human rights approach to establishing basic rights to income and material necessities and services.

In targeting educational disadvantage, which has been identified as a critical contributory factor to poverty (Kelleghan et al., 1995), a special educational initiative- 'Breaking the Cycle' - has been introduced to focus on schools with fewer than five teachers and particularly schools in rural areas which serve depressed populations and which have children who are at risk of not reaching their potential in the school system (Archer, 2001). Support is being made available to 25 clusters of schools, each with a combined enrolment of 300-350 pupils. Whilst the current provision is welcomed, the extension of the programme to additional schools is desirable.

A government White Paper on rural development (Government of Ireland, 1999) recommended that a diversified rural economy was required to provide employment for those displaced from commercial farming, involving multisectoral and complementary rural and regional development measures. This approach underlies the rural development measures included in the *National Development Plan 2000-2006* (Government of Ireland, 2000a) which is being funded by the EU and the national government. The national agreement between the government, employers, trade unions, farming interests and the voluntary sector for the years 2000-2003 under the title *Programme for Prosperity and Fairness* (Government of
Ireland, 2000b) addressed the promotion of the economic and social development of rural communities under the headings of: sufficient income and employment opportunities to permit people to live in dignity, access to public services, participation in decision-making structures that affect them, maintenance of cultural identity, respect for the rural environment and sustainable development, and protecting the physical and cultural environment including that of the Gaeltacht (where Irish is the first language of the majority of the population). A National Spatial Strategy was published in 2002 (Government of Ireland, 2002), which includes proposals to achieve more balanced regional growth and the better integration of urban service delivery points with their rural hinterlands.

The Conference of Religious of Ireland (CORI, 2000), an independent group which lobbies on behalf of the poor, has identified a series of issues for particular attention which highlight the inadequacies of current policies vis-à-vis rural populations. These are: the provision of a basic income for each person, measures to facilitate family farm inheritance, improved public transport provision to offset the problems of accessibility in rural locations, location of rural housing in the open countryside rather than in small towns (a trend that is increasing isolation for open country residents), the creation of employment opportunities for the owners of smaller farms, proofing of all public policies to minimise poverty and to ensure the viability of rural communities, the promotion of quality food production and processing, special outreach education programmes in rural areas, research designed to promote the effective application of new information systems and technologies in rural locations. This is a 'shopping list' rather than a funded programme but CORI is particularly active in political lobbying to have its objectives incorporated into social and economic policy.

Prescriptions and policies therefore exist which are designed to help offset the disparities in income, well-being and standards of living that separate sections of the Irish rural population from the national average, and to promote greater social inclusion. There is no easy solution, however, and special attention needs to be given to reducing the major structural disparities that exist between social groups and between regions. These disparities may increase in the short-term as a result of slowed economic growth and rising unemployment (Cullen, 2002).

Conclusion

Ireland experienced unprecedented rates of economic growth during the 1990s which resulted in record levels of employment creation and rapidly increasing standards of living for large sectors of the population in both urban and rural areas. These were the 'winners' from the Celtic tiger phenomenon. The gap widened, however, between national average incomes and well-being and the circumstances of identifiable groups of people and they can certainly be described with validity as 'losers' given the advances that took place. At a regional scale, the less-developed status of the BMW region is recognised in its Objective 1 status for the period 2000-2006. Small-scale farming is still of considerable importance throughout much of the region, the urban
structure and the non-agricultural employment base continue to be weak and the effects of past outmigration are apparent in low density populations with an above average presence of elderly people. Specific groups have been identified as being at the greatest risk of poverty as measured by income, consumption patterns and experience of exclusion from mainstream social life. These are not confined to the BMW region but the region's weak urban structure and low population densities result in their being readily visible as recognisable minorities who suffer various forms of marginalisation. These are households residing in public authority housing estates on the outskirts of small towns and villages that have problems in accessing employment due in part to their low levels of educational attainment. People suffering from physical disabilities, lone female parents and the elderly (including the owners of small farms) who live alone and who are dependent on state transfers have been identified as experiencing particular social and economic disadvantages. Minorities, such as travellers and asylum seekers, have difficulties in accessing employment and housing, educational and health services. Migrant workers form a small but growing minority who are being attracted to fill employment vacancies but whose rights are not always fully respected by their employers.

There is recognition of the poverty gap that persists in Ireland and the government has responded with a national anti-poverty strategy, additional investment in education in deprived areas, provision for social housing, and training and advisory programmes administered through a multiplicity of local organisations. Nevertheless, structural measures are required in the form of improved social welfare provision to ensure that those at the bottom of the economic hierarchy in rural areas do not experience a further deterioration of their position vis-à-vis the higher living standards that are beginning to prevail in more urbanised locations. The boom of the Celtic Tiger period has passed its peak and a slowing down of the Irish economy is apparent since 2000: the opportunity for remedial action is becoming increasingly more limited.

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