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## **Development Programmes and Policy Measures in the Western Counties**

**by**

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## SUMMARY

This report compares the 11 western counties (Connacht, Ulster, and counties Longford, Clare and Kerry) with the 15 other counties, in aggregate, as regards the effectiveness of various policies and programme measures in reaching their target populations.

### **Agricultural Programmes**

Participation rates in the 1986-94 Farm Improvement Programme were approximately the same for both these regions – when allowance is made for the higher incidence of smaller farms in the western counties.

Diversification from mainline farm production is proceeding quite slowly in both eastern and western regions. Data on 'housing and handling facilities for alternative enterprises' show a moderately higher rate of response in the west to farm diversification measures.

The most significant trend in diversification has been the expansion in private afforestation. Planting rates in the west are higher than in the east, but non-farmer interests play a greater part in private planing in the west than in the east.

In 1997 direct (non-market) payments to farmers accounted for 69 per cent of Family Farm Income in the western counties compared to 57 per cent in the east. However, the rate of increase in the average amounts of Direct Payments per farm has been faster in the eastern counties because of the shifting balance in these payments towards price compensatory premia.

The response rate to the Rural Environment Protection Scheme has been much higher in the western counties.

On the other hand, retirement rates among farmers over 55 years, under the Early Retirement Scheme for Farmers, have been considerably lower in the west.

### **Non-Agricultural Programmes**

In 1997 there were 42.5 per cent of western farm households where the farm operator or spouse, or both, had a non-farm job. This compared with 39.1 per cent of farm households in the eastern counties.

Expansion in part-time farming in both regions is associated with the general growth in non-farm employment. In the west employment growth rates in the non-farm production and services sectors during 1991-96 were marginally higher than in the east. However, the western counties had higher rates of decline in primary sector employment (agriculture, forestry and fishing). Growth rates in the west also took place from a low absolute base.

When gains (gross figures) in grant-aided job numbers during 1991-96 are related to labour force size in 1991 there is little difference between the east and west in the job-creation ratios. However, distribution of grant-aided jobs by town size shows a bias in favour of centres in excess of 5,000 population (data for three western counties only).

When projects and jobs approved by the County Enterprise Boards during the period 1993 to 1997 are examined relative to the 1996 labour force numbers, western counties performed better than eastern counties.

A high level of in-migration to western counties has a positive influence on enterprise development. A 1996 survey of small rural businesses in Clare, Mayo and west Galway showed that 52 per cent of business owners or managers were either migrants returning to their home area or newcomers to the west of Ireland.

The overall conclusion is that, in general, the western counties compare favourably with the remainder of the country in relation to the adoption of a range of policy measures introduced in recent years. However, these policies lean towards income transfers rather than developmental measures. In addition, there are major spatial differences within the western region itself.

## DEVELOPMENT PROGRAMMES AND POLICY MEASURES IN THE WESTERN COUNTIES

### INTRODUCTION

Public policies have long been concerned about differential rates of economic development between the western counties and the remainder of the country. The issue has been brought into sharp focus again with the termination, in 1999, of Ireland's Objective I status as a priority region for EU Structural Fund allocations. The question has been raised as to whether some combination of counties in the west and north-west could continue to be designated as an Objective I sub-region because its development still lagged behind that in the eastern part of the country<sup>1</sup>.

This concern about differential rates of development between the more rural 'west' and more urban 'east' provided the context for the project on which this present report is based. The project's main objectives were to assess the effectiveness of various public policy programmes and measures in reaching the targeted populations in the western counties. In summarising the findings the report makes a broad distinction between programmes concerned with agricultural development or structural improvement and those programmes promoting non-farm employment and enterprise. Secondly, in presenting the information the report, for the most part, aggregates data for 11 western counties (Connacht, Ulster, and counties Longford, Clare and Kerry) and the remaining 15 'eastern counties'.

More extensive reports based on, or relating to the project are available elsewhere (see Appendix).

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<sup>1</sup> Since this report was originally drafted 13 counties in the west and north-west and midlands have retained Objective 1 status.

## AGRICULTURE

### FARM DEVELOPMENT AND STRUCTURAL IMPROVEMENTS

#### Farm Development

Since the mid-1980s the policy measure specifically aimed at farm development was the Farm Improvement Programme (FIP), which implemented the investment aid provisions of EC Council Regulation 797/85 on improving the efficiency of agricultural structures.

The FIP was in operation from 1986 to 1994. It provided grant aid for certain categories of farm investment on the basis of a farm development plan which had to be deemed capable of increasing farm income per annual work unit (AWU) by at least 5 per cent over the time period of the plan. This time period had to extend over two years at least but was limited to six years. To be eligible, farmers had to meet certain requirements, principally: (i) to farm as a main occupation; (ii) to have a stated level of training and experience, (iii) to have a farm income per AWU below a given level, determined with reference to wage levels in non-agricultural employment; and (iv) to maintain farm accounts.

Despite these eligibility conditions participation in the FIP was comparatively high in the aggregated 11 western counties, especially when allowance is made for the high incidence of smaller farms in the region (Table 1).

**Table 1: Participation in the Farm Improvement Programme (FIP), 1986 to 1994**

Region	No. of farms 1991	No. of farms over 2 ESUs <sup>1</sup>	Participants in FIP	Per cent farms over 2 ESUs <sup>1</sup> in FIP
11 western counties	93,482	63,780	17,589	27.6
15 other counties	77,096	62,525	16,211	25.9
<b>Total</b>	<b>170,578</b>	<b>126,305</b>	<b>33,800</b>	<b>26.8</b>

<sup>1</sup>European Size Units. 1 ESU = 1,200 ECU using 1986 Standard Gross Margins

**Source:** Data provided by Department of Agriculture and Food

Similarly, when the comparison is confined to 'sole occupation' farmers the participation rates in the western counties and the eastern counties are practically the same.

Figure 1 shows the incidence of total investment under the FIP by Rural District. This confirms the attractiveness which the Programme held for farmers in the disadvantaged areas. It is likely, of course, that farmers in other parts of the country had already completed investment programmes before the FIP was introduced (i.e. under the former Farm Modernisation Scheme). Moreover, further farm investments in the eastern and southern counties would have been curtailed by the milk quota regime.

A 1996 sample survey in three western counties (Galway, Clare and Mayo) showed that, compared to western farmers generally, the FIP participants were younger, had larger farms, had less off-farm employment, farmed more intensively, and used their labour more efficiently (Leavy *et al.* 1998). As regards their farm performance under the FIP plan the survey concluded that:

- average business size (aggregate gross margins per farm) increased by 15 per cent, compared to a planned increase of 9 per cent
- 62 per cent of those who had completed farm plans had reached or exceeded their targeted gross margins
- labour productivity increased
- without the FIP 62 per cent of participants would not have proceeded with a farm investment programme
- gross margins declined on 28 per cent of farms
- farms in all performance categories had relatively high levels of debt

The main reasons for failure to achieve targets were a switch to off-farm employment, illness of the farm operator, and the impact of other investments.

### On-Farm Diversification

This term refers to the shift from conventional enterprises to other activities within the farm involving a recombination of farm business resources—land, labour, capital and entrepreneurship.

The Operational Programmes for 1989-1993 and for 1994-1999 provided incentives to farmers to diversify from mainstream agricultural production. Activities promoted included forestry, agri-tourism, organic farming, deer farming, small animal enterprises, and the breeding of sport horses.

The information available suggests that progress with on-farm diversification is quite slow. The 1991 Census of Agriculture, for example, reported somewhat less than 1,000 farms in the 11 western counties as having gainful *non-agricultural* activity on the farm. This was less than 2.0 per cent of farms over 1 ESU (ESUs are a measure of business size). The corresponding percentage in the remainder of the country was approximately the same. In 1993 a limited sample survey of farms in the western counties which sought information on a wide range of *alternative farm enterprises* concluded that less than 10 per cent of farms had diversified (Cawley *et al.* 1995).

Indicators of more recent progress are the numbers of grants paid and scale of investments under the measure 'housing and handling facilities for alternative enterprises' in the 1994-1999 Operational Programme for Agriculture, Rural Development and Forestry (Table 2).

**Table 2: Grand Aid and Total Cost in Housing and Handling Facilities for Alternative Farm Enterprises, 1995 to 1998**

Region	No. of grants	Total value of grants (£'000)	Total Cost (£'000)	Cost per farm (grant)	Grants as per cent of farms >2 ESU <sup>1</sup>
11 western counties	1,683	6,580	12,911	7,672	2.6
15 other counties	1,284	4,273	9,640	7,508	2.1
<b>Total</b>	<b>2,967</b>	<b>10,853</b>	<b>22,551</b>	<b>7,601</b>	<b>2.3</b>

<sup>1</sup>European Size Units. 1 ESU = 1,200 ECU using 1986 Standard Gross Margins.

Source: Data provided by Department of Agriculture and Food

Omitting the very small farms the data show a moderately higher rate of response in the western part of the country.

The most significant trend in diversification has been the expansion of private forestry plantation. Its annual share of the total area being planted rose from less than 5 per cent in the early 1980s to 79 per cent in 1996. In this latter year also farmers represented 90 per cent of those planting and accounted for 90 per cent of the area being afforested.

Nationally, the area placed under planting between 1982 and 1996 was equivalent to 2.4 per cent of the 1991 agricultural area in use (AAU). AAU includes rough grazing. In the 11 western counties the share of AAU planted was more than double that in the remainder of the country (Table 3).

**Table 3: Private Forestry Planting, 1982 to 1996**

Region	Area planted ha	Per cent of AAU	Per cent of all land	No. of sites	No. of sites as per cent of farms over 5 ha	Per cent of AAU in rough grazing
11 western counties	66,172	3.5	1.9	6,852	8.3	23.2
15 other counties	39,157	1.6	1.1	5,305	7.7	7.8
<b>Total</b>	<b>105,329</b>	<b>2.4</b>	<b>1.5</b>	<b>12,157</b>	<b>8.0</b>	<b>14.4</b>

**Sources:** Forest Service; Department of Agriculture and Food; CSO

Counties with the highest planting rates (over 4 per cent of AAU) were Leitrim, Sligo, Donegal, Clare and Kerry.

Figures for the years 1990 to 1996 show that in the western counties private planting represented 1.5 per cent of the region's land area compared to 1.0 per cent in the east. In the west, however, non-farmer interests play a greater role in private afforestation, accounting for 32 per cent of the area privately planted during the 1990s, as against 20 per cent in the eastern counties.



### Direct Payments (DPs)

Direct payments – recurring non-market transfers – are made to farmers under a wide range of measures and on specific eligibility criteria. Omitting forestry incentives (discussed above) and agri-environmental protection measures (see below), there are two main categories of DPs: (i) headage payments funded under the EU Structural Funds and payable as compensatory allowances—on eligible livestock—as a means of offsetting the difficulties of farming in the Disadvantaged Areas (now comprising over 70 per cent of the country); and (ii) premia and 'arable aid' funded by EU FEOGA (Guarantee) and payable to farmers in all areas – on eligible livestock and arable land – as compensation for declines in commodity market prices.

Under the 1992 Common Agricultural Policy (CAP) reforms premia were increased substantially, such that DPs accounted for 62 per cent of average Family Farm Income (FFI) in 1997, compared to 30 per cent in 1992. In the 11 western counties DPs, averaging at £5,441 per farm, amounted to 69 per cent of average FFI in 1997, compared to corresponding figures of £8,482 and 57 per cent in the eastern counties (Table 4).

**Table 4: Direct Payments and their Percentage Contribution to Family Farm Income (FFI)**

	1989	1994	1995	1996	1997
		<b>11 western counties<sup>1</sup></b>			
Payments (£)	1,126	3,194	3,683	5,486	5,441
% of FFI	23	50	58	70	69
		<b>15 other counties</b>			
Payment (£)	995	4,569	5,807	8,068	8,482
% of FFI	9	35	41	52	57
		<b>State</b>			
Payments (£)	1,082	3,711	5,245	6,471	6,670
% of FFI	15	41	47	59	62

<sup>1</sup>In this case West Cork is added to the 11 western counties

**Source:** Teagasc National Farm Survey, various years

However, because of the shifting balance from compensatory headage allowances (focused on Disadvantaged Areas) towards premia (offsetting price falls) the rate of increase in the average amount of DPs payable to western farmers has been slower

than in the remainder of the country. In 1995 the western counties accounted for 43 per cent of DPs but contained 55 per cent of farms over 2 ESUs.

**Table 5: Percentage Contribution of Direct Payments (DPs) Categories to Family Farm Income, by Farm System, 1997**

DP Category	Dairying	Dairying and other	Cattle rearing	Cattle other	Mainly sheep	Mainly tillage
<b>11 western counties<sup>1</sup></b>						
Headage	4.8	10.6	27.4	19.1	20.8	6.4
Premia	8.9	25.9	51.9	58.3	48.3	70.2
Other	12.1	15.1	22.7	19.5	22.2	13.9
(of which REPS) <sup>2</sup>	(3.7)	(6.9)	(12.4)	(9.6)	(17.3)	(9.8)
<b>Total</b>	<b>25.8</b>	<b>51.6</b>	<b>102.0</b>	<b>96.9</b>	<b>91.3</b>	<b>90.5</b>
<b>15 other counties</b>						
Headage	0.8	1.9	16.6	5.5	16.5	0.7
Premia	10.2	34.1	62.8	76.0	54.9	96.4
Other	8.7	12.7	39.8	22.0	26.1	13.3
(of which REPS) <sup>2</sup>	(1.1)	(4.1)	(12.6)	(9.1)	(21.7)	(7.4)
<b>Total</b>	<b>19.7</b>	<b>48.7</b>	<b>119.2</b>	<b>103.5</b>	<b>97.5</b>	<b>110.4</b>

<sup>1</sup>In this case West Cork is added to the 11 western counties

<sup>2</sup>Rural Environment Protection Scheme

Source: Teagasc National Farm Survey 1997

The contribution of DPs to Family Farm Income varies considerably by farming system; they accounted for most or all of FFI on cattle, sheep and tillage farms in 1997 (Table 5). However, cattle and sheep farms predominate in the west where they represent 72 per cent of the region's farms. In effect, then, the impact of DPs in the west is that in 1997 this 72 per cent of farms, in aggregate, depended on these payments for 97 per cent of their farm income. In the east dependence of cattle and sheep enterprises on DPs was even greater (where they represented 106 per cent of FFI) but these farms accounted for a lower proportion – 49 per cent – of the east's farms than in the west.

### Rural Environment Protection Scheme (REPS)

The REPS was introduced in 1994 to provide grant payments to farmers who voluntarily agree to follow a farming plan for the protection of the landscape, wildlife habitats, and endangered species of flora and fauna.

By the end of 1997 some 32,000 farms were being operated under a REPS plan. The conditions for eligibility favour less intensive cattle and sheep rearing farms and consequently the response rate to the Scheme has been much higher in the western counties than elsewhere (see Figure 2). In the west REPS farms accounted for 22 per cent of holdings over 2 ha and for 35 per cent of the AAU. The corresponding figures for the eastern counties were 15 per cent and 16 per cent (as of end 1997). In Mayo and Leitrim over 40 per cent of farms were enlisted in the REPS.

### Early Retirement Scheme for Farmers (ERSF)

Arising from the 1992 CAP reform, the ERSF was introduced in 1994 to provide incentives to farmers over 55 years to transfer their holdings to younger persons, provided the transferee had certain levels of training and farmed a minimum of 5 ha.

Almost 6,000 farmers had opted for the Scheme by the end of 1997. The take-up rate among the potential target population was much higher in the eastern counties than in the west (Table 6).

**Table 6: Farmer Retirements<sup>1</sup> as a Percentage of Farmers Aged Over 55 years**

Region	No of retirements 1994 to 1997	Farmers aged over 55 years <sup>2</sup>	Retirements as per cent of farmers over 55 years
12 western counties	1,804	46,561	3.9
15 other counties	3,899	33,539	11.6
<b>Total</b>	<b>5,703</b>	<b>80,100</b>	<b>7.1</b>

<sup>1</sup>Under the Early Retirement Scheme for Farmers

<sup>2</sup>1991 figures

**Source:** Census of Population 1991; data provided by Department of Agriculture and Food

## NON-FARM EMPLOYMENT AND ENTERPRISE

### Expansion in Part-Time Farming

As the agricultural economy adjusts to a more competitive environment and the downward pressure on farm incomes continues, the question as to whether farming households can supplement their incomes through non-farm employment assumes much greater importance. Part-time farming has, in fact, been increasing in recent years (Table 7). Of the farms over 2 ESUs in the State in 1997 there were 42.5 per cent in which either the farm operator or spouse, or both, had another job but the proportion was as high as 56 per cent on 'cattle (rearing)' and on 'mainly sheep' farms. Farms where the farm operator alone was working off the farm accounted for 29 per cent of the total.

**Table 7: Percentage of Farm Households with Persons Having Non-Farm Employment, 1994 to 1997**

Person(s)	1994	1995	1996	1997
<b>11 western counties<sup>1</sup></b>				
Farm operator or spouse or both	36.4	39.2	41.1	44.2
Farm operator	26.8	30.6	30.8	33.0
Spouse	16.7	15.6	19.1	21.3
Others	18.2	18.5	22.6	19.4
<b>15 other counties</b>				
Farm operator or spouse or both	30.1	33.0	38.6	39.1
Farm operator	21.3	23.3	24.0	23.4
Spouse	12.4	15.6	20.6	20.7
Others	22.1	22.6	21.0	25.6

<sup>1</sup>In this case West Cork is added to 11 western counties

**Source:** Teagasc National Farm Survey 1997

In the 1997 figures there was little difference between the east and west, except that in the latter region there were proportionately more households where the farm operator only was the earner.

### Growth in Non-Farm Employment

The expansion in part-time farming is undoubtedly linked to the general growth in non-farm employment during the 1990s. Between 1991 and 1996 the total numbers at work in the country in 'agriculture, forestry and fishing' declined by 24,000 (from 158,000 to 134,000). During the same interval the numbers at work in the other sectors increased by 182,400 (from 990,900 to 1,173,300).

The 1991-1996 growth rates in secondary and tertiary sectors (i.e., other than agriculture, forestry and fishing) for the western region were marginally higher than those for the eastern region (Table 8). However, two factors offset this better performance. One is the higher rates of decline in the western region's primary sector. The other is that growth in the other sectors in the west took place from a relatively low base in absolute numbers. Thus, in the case of males in the west the growth of 20,000 jobs in the non-primary sectors was countered by a loss of 10,000 jobs in agriculture, forestry and fishing. By contrast, in the east the loss of 11,000 jobs in the primary sector had a less serious impact in the region because job numbers in the other sectors increased by 60,000.

**Table 8: Percentage Change in Numbers at Work, 1991 to 1996**

	<b>Agriculture, Forestry and Fishing</b>	<b>Mining, Manufacturing and Building<sup>1</sup></b>	<b>Services</b>	<b>Total</b>
<b>Males</b>				
11 western counties	-16.2	+17.7	+14.5	+5.2
15 other counties	-13.9	+10.7	+13.7	+8.8
<b>Total</b>	<b>-14.9</b>	<b>+12.3</b>	<b>+13.9</b>	<b>+7.9</b>
<b>Females</b>				
11 western counties	-22.1	+22.3	+30.1	+25.1
15 other counties	-16.6	+16.2	+27.7	+24.4
<b>Total</b>	<b>-18.7</b>	<b>+17.7</b>	<b>+28.2</b>	<b>+24.5</b>

<sup>1</sup>Includes turf production

**Source:** Derived from Census of Population

In the case of female employment the services sector is one of comparatively high rates of growth. Between 1991 and 1996 a 28 per cent rate of increase in the east represented 70,000 jobs whereas in the west a 30 per cent growth rate referred to 20,000 jobs.

## Grant-aided Employment

There has been some public debate about the undesirability of recent trends in the geographical distribution of grant-aided employment in so far as these have favoured the counties of the east. However, a conclusion on this issue depends on the basis used for comparisons. Data on grant aided job creation by the main agencies for the period 1991 to 1996 show, in fact, that four eastern counties (Dublin, Kildare, Wicklow and Louth) accounted for 42 per cent of the absolute number of gross job gains. However, if job gains are considered in relation to the size of the labour force, there is a slight advantage in favour of the west (Table 9).

**Table 9: Jobs Created<sup>1</sup> with Grant Aid, 1991 to 1996**

Region	Jobs created as a percentage of:	
	1991 labour force	Number of grant-aided jobs in existence 1988-90 <sup>2</sup>
11 western counties	10.3	62.4
15 eastern counties	9.8	65.6

<sup>1</sup>Gross job gains (i.e., job losses not taken into account)

<sup>2</sup>Annual average over the three years

**Source:** Derived from data provided by Forfás

Similarly, as Table 9 shows, there is little difference between the two parts of the country when new job numbers are taken as a percentage of the grant-aided jobs in existence.

It would appear, however, that within the western region, the spatial distribution of new jobs favours the larger urban centres. For counties Clare, Galway and Mayo, at least, the allocation for grant-aided jobs (from 1991 to 1997) was biased towards population centres of 5,000 persons upwards. This bias was less pronounced in Mayo where there is no major urban area.

### Small and Medium-Sized Enterprises (SMEs)

Another perspective on this issue is available from an analysis of returns by the County Enterprise Boards (CEBs). The CEBs were established in 1993 to develop indigenous resources and stimulate local economic activity mainly through providing financial and technical supports for the small enterprises. By the end of 1997 the Boards, in aggregate, had approved for assistance 8,019 projects (including 1,576 feasibility studies). Employment in CEB-assisted enterprises amounted to 10,905 full-time jobs and 2,264 part-time jobs.

**Table 10: Jobs Created and Projects Approved by County Enterprise Boards, 1993 to 1997**

Region	Projects	Jobs <sup>1</sup>	Per 1,000 of: 1996 labour force	
			Projects	Jobs
11 western counties	2,725	4,266	7.4	11.5
15 eastern counties	5,294	7,774	4.5	6.7
<b>Total</b>	<b>8,019</b>	<b>12,040</b>	<b>5.2</b>	<b>7.8</b>

<sup>1</sup>Assuming two part-time jobs = one full-time job

**Source:** Derived from data provided by Department of Enterprise and Employment

Table 10 shows that when CEB employment and projects are related to the 1996 labour force as a basis for comparison the western counties fare better than those in the east. Even omitting Dublin city and county from the calculation (giving figures of 6.2 and 9.0 per 1,000 of the labour force for projects and jobs respectively in the remainder of the east) does not bring the eastern counties on a par with the west.

### Small Enterprises and Population Replacement

The foregoing data on employment and enterprise indicate that despite the difficult conditions for development in the western counties there is a reservoir of entrepreneurial resources in the region. It is also worth noting that the historical concern about out-migration and population decline in the west has tended to overshadow the fact that the region also experiences in-migration. County Leitrim has had severe long-term depopulation. Census returns, however, show that the proportion of its declining population born outside the county has been rising rapidly, accounting for 30.4 per cent of its 1996 residents. For the province of Connacht the

percentage of persons not native to their county of enumeration increased from 14.3 per cent in 1971 to 25.9 per cent in 1996.

A survey of 148 small businesses in counties Clare, Mayo and West Galway confirmed the linkage between population replacement and enterprise formation (McDonagh and Commins, forthcoming 1999). Among the operators/managers 22 per cent were migrants who had returned to their home area, a further 30 per cent were 'newcomers' to the west of Ireland (12 per cent coming from outside the Republic). Compared to other sub-groups in the survey, newcomers had comparatively high levels of education and proportionally more came from non-farming business backgrounds. Decisions by return migrants and newcomers to establish their business in their present locations were motivated by the opportunities and incentives provided to establish an enterprise, and by their favourable assessments of the quality of life in their chosen localities.

The 148 small-scale enterprises in the survey provided 2,259 full-time job equivalents. Approximately two-thirds of these jobs were generated by 'incoming' entrepreneurs. However, there were twice as many jobs for males as for females. In total the enterprises paid out some £34m in wages and salaries for 1996.

In comparison to 'non-movers' (those who never lived or worked outside their home areas), return migrant and newcomer entrepreneurs employed a less skilled workforce but they relied more on technology and bulk production. However, they were also more integrated into the commercial marketplace, being more involved in exporting – with correspondingly less reliance on local markets – and more disposed to availing of opportunities to expand their businesses.

The data illustrate the importance of fostering attractive living conditions and quality of life in the context of policies supporting enterprise development.



## CONCLUSION

In the context of public debate about the regional impacts of development programmes, the project compared the 11 western and the 15 eastern counties in respect of the rates of adoption of a number of public policy measures. Taking the two groups of counties as aggregates the analysis showed that the main regional differences related to afforestation, the Rural Environment Protection Scheme (REPS), direct (non-market) payments as a component of family farm income, and the early retirement scheme for farmers. Only in the case of the retirement scheme was the adoption rate higher in the eastern counties. The higher incidence of the other three measures in the west reflects a considerable change in resource use – from conventional farming to alternative income sources.

Although not shown here direct price support policies would show a bigger impact in the east.

When related to the labour force base the rate of new job creation in the west compares favourably with that in the east but jobs tend to be located in the larger urban centres.

In-migration and return migration to western counties helps to boost rural enterprise formation. Measures fostering attractive living conditions and quality of life are essential to the efforts to develop new enterprises in rural areas.

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