

Waterford lags national recovery

The South East Economic Monitor 2018 shows that, despite some signs of improvement, Waterford continues to be left behind and is not enjoying a fair share of the national recovery. We carried this story last week and the report received much national press and radio which is a good thing, but being over negative can make the area unattractive.

According to one of the report's authors, Dr Ray Griffin, "a weak labour market, combined with lower levels of support from state agencies and the lack of a university in the region, all point to the end of the Waterford's recovery". "The report, now in its third year of publication, highlights the labour market in Waterford and the wider South East as an area of great concern. Waterford is home to 2.4% of the population of the State but 3.5% of those on the Live Register," said Dr Griffin.



Dr Ray Griffin.

"Although there was a significant decrease in the Live Register figures in Waterford (11% year-on-year decrease), the rate of decrease lagged that of the State (15% decrease). In the wider South East, the unemployment rate has plateaued and any modest short-term decreases over the last 12 months are largely attributable to a shrinking labour force."

He added: "There is also evidence of low job quality as the returns for taxes on work (PAYE, USC, and self-employed taxes) in Waterford are 58% of what one would expect based on population share which means that more people in the region are paid less." In speaking to people in the property industry we are told that because there are lower incomes here, it is hard for people to afford house prices over €200,000. This means there is less incentive for builders to build.

A greater rate of house building is needed to get people out of rental property and free up that market a little. Tight lending regulations also make it difficult in terms of getting mortgages, many jobs are not backed up by the state or education sector so are less permanent so is harder to get mortgages.

"In terms of the wider region, the South East is one of only two of the seven regions not to have reached the regional Action Plan for Jobs (APJ) target of bringing regional unemployment to within one percentage point of the State average," said Dr Griffin.

“The SE APJ has the ambitious aim of creating an additional 25,000 jobs by 2020, but since the SE APJ was launched in 2015 Q3, only 5,400 net new jobs have been added. Dr Griffin goes on to say that “what is driving the region’s poor economic performance is a structural issue related to the SE’s difficult relationship with the State. In particular, the very pronounced deficits in regional higher education capacity, acute hospital services, international tourism, and industrial employment drive ever lower job quality”. Said the report

The IDA had a bumper year and Waterford has fared well, having been the destination for almost 6.8% of net jobs added. The county, which accounts for 2.44% of the Irish population is now home to 3.26% of all IDA jobs. This follows a significant increase in the number of IDA-supported visits to the county in 2015. The South East is a very attractive tourist destination, attracting 17.5% of domestic holidaymakers, but just 7.2% of international visitors. Dr Ray Griffin attributes this to poor marketing support from Fáilte Ireland and weakening international access with services suspended in Waterford Airport and ferry services being reduced in Rosslare in favour of Dublin.

On the other hand, Enterprise Ireland supports a fair share of jobs in the region, but companies in the region are not very successful at accessing Enterprise Ireland’s competitive grants, according to John Casey, one of the report’s authors. “The lower educational attainment in the region makes it very hard for the national enterprise agencies to properly support the South East as their scheme and marketing is focused on graduates, and we have less of these in the South East.”

According to John Casey, “higher education remains one of the main reasons for the continued poor performance of the region. New census 2016 data shows that education attainment in the South East is far below the national average and is leading to a ‘demographic donut’, with a missing generation of 20-45 years now evident in the CSO returns”. On an RTE interview reference was made to the brain drain to other university cities. Dr. Griffin stated that unions opposed the IT merger with Carlow and Waterford. It sounded too negative, as Waterford Unions were in favour and outstanding issues can be resolved.

A more positive approach to the merger is needed so that it goes ahead, ASAP.

This message needs to get stronger. Already the merger has taken place and Waterford/ Carlow could be next in the queue for a Tech University. In the meantime the report authors conclude: “that brain-drain is likely to continue to accelerate with the recently announced Ireland2040 and technological university plans which concentrate further development of higher education in the seven universities. To stabilise the region’s population, 7,944 additional degree places are required in the region “A greater push we say is thus needed on the merger for satisfy this demand.