OECD Rural Studies

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BETTER POLICIES FOR BETTER LIVES

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Foreword

In Ireland, rural regions matter both in where people live and in how the country sees and presents itself. Ireland's rural regions are central to the country's economy, society and territorial identity. Approximately 42.5% of Ireland's 5.3 million residents live in rural regions, slightly above the OECD average of 41.5%. Additionally, Ireland's rural regions have had the second-highest rural growth rate in the OECD (1.19% annually between 2001 and 2021) and above-average GDP growth over the past two decades. Rural heritage also plays a defining role in Ireland's self-image and global reputation, and rural regions form the backbone of the country's tourism industry.

However, challenges persist. Across all dimensions, demography, economy, environment, education, and services, rural Ireland demonstrates substantial human capital and growth potential but also persistent structural imbalances. While communities near urban centres benefit from connectivity and spill-over investment, more remote regions are challenged by smaller and weaker labour markets, higher emissions, infrastructure gaps, and limited access to services.

Ireland's whole-of-government approach to rural development, guided by the stand-alone rural department DRCDG (Department of Rural and Community Development and Gaeltacht), is unique in OECD countries. First, most rural portfolios in other member countries sit within Departments of Agriculture or Regional Ministries rather than as standalone entities. Second, the national strategy, *Our Rural Future*, incorporates direct actions for rural development within the remit of DRCDG and indirect actions by other departments across government that are developing strategies that will impact rural Ireland. Achieving this dual perspective at the national level can be challenging for other OECD members. In fact, in many OECD countries, different agencies or ministries implement policies that profoundly affect rural regions without recognising them as rural in nature.

While this government-wide visibility on rural policy is welcome, it comes with nuanced challenges that require more attention to place-based policies that can better reflect the diversity and complexity of Ireland's rural regions. As Ireland prepares the next phase of its rural development policy, this report offers recommendations and related actions to: improve rural economic development, enhance the collection and use of rural intelligence, encourage the adoption of more innovative monitoring and evaluation processes, and strengthen subnational capacity, while continuing to engage and leverage the local knowledge of rural actors.

The report assesses trends, challenges and opportunities in rural Ireland and examines the country's rural development policy. The findings and recommendations are drawn from desk research and nine fact-finding meetings with over 600 Irish actors, including national, regional, and local authorities, representatives from civil society and the private sector, and academics. The report also benefits from input from peer reviewers in the Netherlands, Norway, and Switzerland.

This review is part of the OECD Rural Policy Reviews series. It utilises a comprehensive analytical framework built around the OECD Principles of Rural Policy and the OECD Rural Well-Being Framework. The report was submitted for comment to the Working Party on Rural Policy [CFE/RDPC(2025)9] on 12 December 2025.

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Abbreviations and acronyms

BCPs	Broadband connection points
BNDP	Korea's Balanced National Development framework
CAP	National Climate Action Plan
CAP	Common Agricultural Policy
CEDRA	Commission for the Economic Development of Rural Areas
CHNs	Community Healthcare Networks
CSO	Central Statistics Office
DAFM	Department of Agriculture, Food and Marine
DCEDIY	Department of Children, Equality, Disability, Integration
DE	Department of Education
DECC	Department of Environment, Climate and Communications
DETE	Department of Enterprise, Trade and Employment
DF	Department of Finance
DFHERIS	Department of Further and High Education, Research, Innovation and Science
DHLGH	Department of Housing, Local Government and Heritage
DPER	Department of Public Expenditure and Reform
DRCD	Department of Rural and Community Development
DRCDG	Department of Rural and Community Development and the Gaeltacht
DSP	Department of Social Protection
DTCAGSM	Department of Tourism, Culture, Arts Gaeltacht, Sport and Media
EDs	Electoral Divisions
ERDF	European Regional Development Funds
ERDF	European Regional Development Funds
ESF	European Social Fund
ESRI	Economic and Social Research Institute
ETBs	Education and Training Boards
FI	Fáilte Ireland
GAA	Gaelic Athletic Association

GHG	Greenhouse gas
GPTs	Generative Pre-trained Transformers
IDA	Ireland's inward investment promotion and development
ITP	Agritech Industry Transformation Plan
LACAPs	Local Authority Climate Action Plans
LAG	Local Action Group
LCDC	Local Community Development Committee
LDC	Local Development Company
LECPs	Local Economic and Community Plans
LEO	Local Enterprise Office
LGF	Local Government Fund
LPT	Local Property Tax
MD	Municipal District
NAF	National Adaptation Framework
NBP	National Broadband Plan
NDP	National Development Plan
NPF	National Planning Framework
NTA	National Transport Authority
ORF	Our Rural Future
PPNs	Public Participation Networks
RRDF	Rural Regeneration and Development Fund
RSESs	Regional Spatial and Economic Strategies
RTUs	Regional Technological Universities
SICAP	Social Inclusion and Community Activation Programme
SOLAS	State agency responsible for further education and training
TCF	Town Centre First
URDF	Urban Regeneration and Development Fund
WDC	Western Development Commission

Note on department names

In 2025, an Irish government reshuffle renamed and reallocated functions for nine of the 18 departments. This publication references the departments as they existed when the OECD visited and conducted research in Ireland. The table below lists the departments as they exist today.

Previous Department name (pre-2025)	New Department name (as of 2025)
Department of Children, Equality, Disability, Integration and Youth	Department of Children, Disability and Equality
Department of the Environment, Climate and Communications	Department of Climate, Energy and the Environment
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	Department of Culture, Communications and Sport
Department of Foreign Affairs	Department of Foreign Affairs and Trade
Department of Justice	Department of Justice, Home Affairs and Migration
Department of Education	Department of Education and Youth
Department of Enterprise, Trade and Employment	Department of Enterprise, Tourism and Employment
Department of Public Expenditure, National Development Plan Delivery and Reform	Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation
Department of Rural and Community Development	Department of Rural and Community Development and the Gaeltacht

Departments that retained the same name
Department of Agriculture, Food and the Marine
Department of Defense
Department of Finance
Department of Further and Higher Education, Research, Innovation and Science
Department of Health
Department of Housing, Local Government and Heritage
Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation
Department of Social Protection
Department of the Taoiseach
Department of Transport

Executive summary

Irish rural regions outperform OECD averages, but spatial disparities persist, both among rural regions and between urban centres and rural communities. Rural Ireland distinguishes itself from many of its OECD counterparts by experiencing population growth, while other OECD countries experience population decline. Rural regions adjacent to urban centres thrive, illustrated by above-average GDP growth, whilst remote regions face weaker infrastructure, uneven service access, and higher environmental pressures, requiring more targeted investment and tailored strategies. Though rural education is improving overall, lifelong learning gaps persist between accessible and remote regions, and healthcare and services are accessed unevenly across different rural contexts. Environmental pressures are felt acutely in rural regions, where targeted investment is required to reconcile emissions-intensive economic activity with climate targets These disparities can be addressed more through spatially targeted investment and development strategies

Ireland has built one of the OECD's most sophisticated rural policy frameworks and has a unique whole-of-government approach that maintains visibility on rural impacts across all departments in Ireland. The institutional architecture to facilitate more robust rural policy already exists. For example, an expressed interest in driving more bottom-up action with the creation of regional assemblies, the reform of local authorities with expanded responsibilities, the separation of rural policy from agricultural domains, and the establishment of the standalone Department of Rural and Community Development and Gaeltacht (DRCDG), collectively offer new mechanisms to support broader rural development. Our Rural Future (ORF), the national rural strategy sought to leverage these different institutional levers to ensure that people across all parts of Ireland are at the centre of, and benefit from, government policies.

However, despite having the institutional subnational structures in place, the system's potential remains constrained. Subnational actors too often seem to lack the resources and capacity to fully realise their mandates, while critical gaps persist in accessing rural housing and healthcare, understanding rural labour markets, supporting rural entrepreneurs, and differentiating policy responses across diverse rural contexts. Local authorities report limited mandates and insufficient resources to fulfil them effectively, particularly in terms of unearmarked own-source revenue. Most critically, Ireland lacks systematic rural intelligence, spatially differentiated data that distinguishes between hinterlands, mid-sized towns, accessible rural regions, and remote regions. Without this intelligence layer, even well-intentioned initiatives like town-centre-first development or compact growth strategies can inadvertently create blind spots, leaving hinterlands underutilised and missing opportunities for rural economic diversification beyond agriculture.

Addressing these gaps requires three fundamental shifts in how Ireland approaches rural development:

Develop more robust rural intelligence. This could take the form of bi-annual *State of Rural Ireland* reports and make this intelligence available to other departments to help them tailor national policies to rural realities as well as stakeholders more broadly.

Embrace spatial differentiation. Ireland's rural regions are not homogeneous local labour markets. Business viability constraints and opportunities vary, as do: housing needs, service delivery models, and green economy opportunities, across accessible, mid-sized, and remote rural contexts. Effective policy requires a systematic understanding of these differences to be embedded in everything from entrepreneurial discovery processes to spatial planning, from volunteer support strategies to agricultural diversification pathways.

Match subnational institutional structures with genuine capacity. Local authorities have a key role to play but they need adequate resources (including modest increases in discretionary funding), staffing, analytical tools, and more explicit mandates to function as genuine partners rather than as implementers of centrally designed schemes. They also need room to innovate and move away from chasing funding.

ORF provides a strong foundation from which to build. The analysis reveals that Ireland's rural regions demonstrate significant potential but face persistent challenges: spatial inequality, under-resourced subnational structures, and insufficient spatial intelligence to differentiate policy responses. The report offers recommendations to address these challenges, structured around five interconnected pillars: 1) Governing better for place (intelligence, monitoring, co-ordination); 2) Building a resilient rural economy (SMEs, FDI diffusion, skills); 3) Making places work (housing, planning, hinterlands); 4) Making rural life work (services, health, volunteering); and 5) Anchoring agriculture in territorial resilience (see the table below)

Strengthening Rural Ireland: Five Interconnected Pillars

Governing better for place	**Effective rural policy requires robust spatial intelligence, differentiated monitoring systems, and strengthened multi-level governance capacity and long-term strategic planning.** • Establish DRCDG as keeper of rural intelligence • Develop State of Rural Ireland reports and dashboards aligned to CSO six-way typology • Introduce dual-track monitoring (direct vs. indirect priorities) • Strengthen regional assemblies as co-ordination and analytical hubs • Empower local authorities with resources, discretion, and analytical tools • Clarify overlapping mandates (LDCs, LCDCs, LAGs) • Use more foresight approaches to strengthen anticipatory governance across rural policy regions • Enhance data systems through "foresight intelligence", combining trend analysis with spatial rural data • Incorporate scenario building into existing consultation and policy design processes
Building a resilient rural economy	**Rural economic diversification requires systematic entrepreneurial discovery, differentiated labour market strategies, and integration of social innovation pathways.** • Develop systematic rural entrepreneurial discovery process • Embed spatial skills intelligence within Ireland's skills architecture • Build on existing initiatives to diffuse FDI benefits, transform FDI from a concentrated growth source into a more balanced engine of regional resilience • Leverage rural assets e.g. renewable energy, tourism, food and the circular economy as part of Ireland's FDI offer • Strengthen rural business ecosystem and address SME funding gaps • Address interconnected barriers (water, housing, land use) • Build differentiated rural labour market analysis • Leverage social innovation as pathway to entrepreneurship • Reduce barriers to entrepreneurship and risk aversion • Strengthen support for rural women's entrepreneurship and flexible work • Pilot Rural Economic Development Zones (REDZs)
Making places work	**Spatial planning must adapt to rural settlement patterns, balance town-centre renewal with hinterland opportunities, and integrate housing delivery with labour market needs.** • Adapt compact growth to dispersed settlement networks • Balance Town Centre First with hinterland economic opportunities

	• Link housing delivery to employment demand and workforce needs • Pilot Rural Housing Enabler Network • Use foresight to explore spatial scenarios for towns and hinterlands • Leverage environmental assets for green economy strategies
Making rural life work	**Quality of life depends on accessible services, sustainable volunteer infrastructure, and integrated approaches to health and well-being.** • Strengthen rural health access as pillar of well-being • Integrate health into local and regional planning • Rebalance volunteer dependence through professionalization • Fund core posts and introduce equity mechanisms for low-volunteer regions • Improve childcare availability and affordability in rural regions • Promote gender balance in rural governance and decision-making bodies • Strengthen local integration frameworks for migrants and asylum seekers in rural regions • Diversify models of engagement (episodic, digital, hybrid) • Expand rural GP and primary care capacity and shorten emergency-response times • Integrate well-being into national monitoring frameworks
Anchoring agriculture in territorial resilience	**Ireland's agricultural model remains a cornerstone of rural identity and employment, but its long-term vitality depends on diversification, generational renewal and stronger integration with the wider rural economy.** Agriculture must be integrated with broader rural economic development, linking farm diversification with local enterprise, green transition, and off-farm employment. • Strengthen inter-departmental co-ordination (DAFM-DRCDG-DETE) • Support farm diversification tailored to rural typologies • Target off-farm employment for small-farm households • Invest in local supply chains and community-based agri-innovation • Strengthen youth engagement and succession planning

1 Assessment and recommendations

Introduction

Irish rural policy documents consistently highlight the need for place-sensitive strategies that recognise the diversity of rural contexts and stress locally designed and implemented solutions. Ireland's approach to rural development and the national *Our Rural Future* (ORF) strategy align with the core tenets of the OECD rural development framework. It functions as a comprehensive co-ordination platform for over 170 policy measures, managed by a wide range of government departments including the standalone rural department DRCDG. The policy's structure is built around eight core themes, each addressing a critical dimension of rural life and sustainability. These themes can be summarised broadly across three pillars:

- ***Where you live should not limit what you can do***: A large number of priorities focus on connecting people through high-speed broadband, connecting them professionally through a network of remote working hubs, and enabling remote work as a long-term option through policy frameworks.
- ***Making rural towns places people are excited to live in***: Several initiatives, such as Town Centre First, seek to enable communities to rebuild their main streets, provide better transportation options, and expand access to housing.
- ***Creating resilience for the future***: There are also forward-looking measures addressing the green transition and creating a future for farming that is profitable and good for the planet.

These pillars are welcome, but their transformation from strategy into on-the-ground reality is largely dependent on the coherence and capacity of Ireland's subnational governance framework. This chapter provides insights into how Ireland can strengthen implementation, co-ordination, and place-sensitive delivery within its whole-of-government approach to rural policy. It includes recommendations that outline a pathway for the next phase of Irish rural policy.

The chapter is organised into two sections. The first section provides an overview of the strengths and opportunities presented by the approach to rural development in Ireland. ORF and the broader approach to rural development is assessed through the lens of the *OECD Rural Well-Being Framework* and *the OECD Principles on Rural Policy* (2019) referred throughout as OECD standards. The second section offers recommendations proposing concrete steps that are actionable within Ireland's institutional framework (Table 1.3). In broad terms, the recommendations centre around strengthening economic development, increasing the focus on horizontal and vertical co-ordination mechanisms, capacity-building, and the development of strategic intelligence.

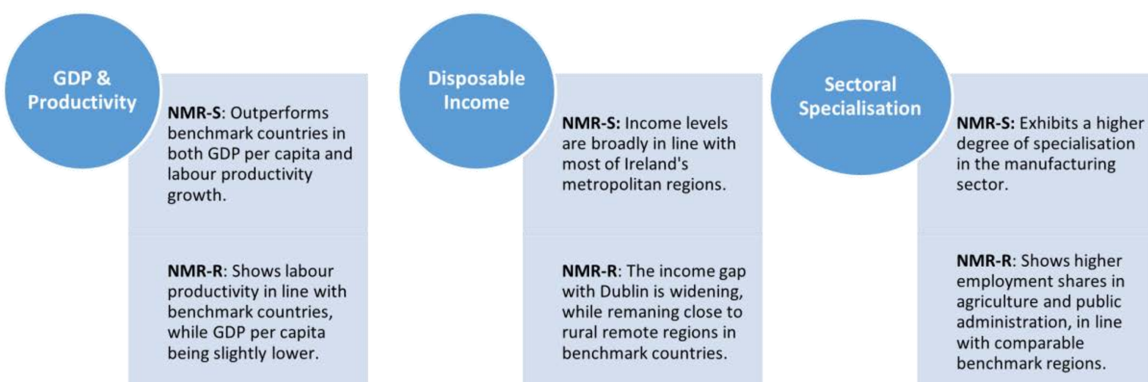
Assessment

Unlike most OECD countries that are grappling with rural ageing and population decline, Ireland benefits from a unique demographic advantage. This represents a significant asset in the form of a strong potential labour force that could drive future economic development if effectively supported. Ireland's rural population growth rate of 1.19% between 2001 and 2021 was the second-highest in the

OECD. The country has the lowest old-age dependency ratio among benchmark countries, indicating a proportionally large working-age population compared to the elderly. This demographic vitality is fuelled by both a high natural increase and a recent rebound in migration inflows. Ireland's historically strong fertility rates have been a key driver; a rate of 2.1 is needed to ensure a stable population, providing context for the country's demographic strength.

The primary economic challenge facing rural Ireland is the performance gap between regions with close ties to urban centres and those that are more remote. Proximity to cities drives economic success, whilst remote areas often lag in productivity and income growth. Figure 1.1 compares key indicators for different types of rural regions. Environmental pressures in Ireland are disproportionately centred in its rural areas, where the economy is more closely tied to land use and natural resources. Per capita GHG emissions are high in rural regions, a reflection of the area's economic structure and settlement patterns. These emissions are primarily driven by agriculture and transport. The state of Ireland's water quality is a major concern, with 46% of its surface waters currently in poor condition due to nutrient runoff from the expansion of dairy herds and underinvestment in wastewater treatment facilities and the presence of failing septic systems.

Figure 1.1. Comparison of the key indicators for different types of rural regions in Ireland



Note: Rural Regions Near Cities (NMR-S) and Rural Remote Regions (NMR-R)

Economic diversification emerges as a critical challenge. Ireland's growth model, anchored in FDI, export-oriented manufacturing, agrifood and agritourism, has delivered high returns but exposes rural areas to volatility and dependency. Addressing this requires bridging the gap between available support for rural small and medium-sized enterprises (SMEs) and how these supports are communicated and accessed, whilst reinforcing rural services that currently limit communities' ability to attract people and businesses. ORF II should focus on developing place-based ecosystems that nurture enterprises, strengthen SME and social enterprise capacity, and connect digital and physical infrastructure to local economic needs. Tourism and broadband investment are critical enablers, but their benefits depend on complementary measures including skills development, innovation, access to finance and the ability to retain value locally.

In addition, Ireland's FDI-led success risks creating a two-speed economy, especially if FDI-derived opportunities do not sufficiently diffuse beyond larger cities. Thin and misaligned local labour markets, particularly in rural areas, waste skills and stall productivity, whilst environmental pressures threaten rural incomes and natural capital. Mitigating this risk requires diversifying the economy into activities related to bio-innovation clusters and the circular economy and improving rural attractiveness through key public services such as wastewater treatment and electricity transmission capacity.

Housing shortages and inadequate infrastructure have become important bottlenecks for rural competitiveness. Addressing these requires linking housing delivery to places with unmet labour demand and prioritising investments in high-potential towns where there are available serviced sites. Fragmented childcare, transport, digital and water services quietly erode rural viability, limiting where families can settle and firms can invest. These services function as an interconnected system yet are planned and funded in isolation. Gender, migrant and cost-of-living gaps continue to suppress workforce participation and enterprise creation. Without targeted rural upskilling, implementing the green transition may widen spatial inequalities, excluding workers and SMEs through distance, higher costs and limited access to training.

Many interventions remain anchored in national rather than territorial logic, with limited attention to the functional and spatial diversity of rural areas. The enduring “rural idyll” still shapes perceptions of what rural means. A more functional, place-based approach would better capture the diversity of rural Ireland, integrating typologies such as the CSO six-way classification, while acknowledging inter-settlement linkages and hinterlands as living, productive spaces beyond town centres. The path forward lies in sharper spatial intelligence institutionalising typology-based planning and embedding rural-urban linkages into national frameworks that link local evidence to regional strategies and national priorities.

ORF's breadth demonstrates genuine whole-of-government ambition, yet institutional follow-through, particularly at the subnational level, remains constrained by fiscal and administrative centralisation. Ireland's regional assemblies, though lacking executive power, are well positioned to act as analytical and co-ordination hubs. Local authorities face similar constraints but hold potential for innovation through participatory planning processes. Achieving sustainable, resilient rural futures requires institutional continuity and foresight. Climate action, land stewardship and social inclusion must be integrated into every aspect of rural policy, ensuring that green transitions generate shared prosperity.

Ireland's culture of civic participation remains a defining strength, but sustaining it requires more support. Extensive consultation currently compensates for limited analytical capacity at the local level, but this approach can dilute accountability and delay decision-making. Embedding participatory foresight and long-term planning mechanisms, such as a Rural 2040 strategy, would allow Ireland to move from short-cycle policy responses to anticipatory, adaptive governance. By balancing inclusion with strategic vision, Ireland can transform ORF II into a durable framework that strengthens both the economic and social fabric of its rural regions.

The monitoring framework for ORF reveals a critical disconnect between national oversight and local reality. A strong top-down system is in place that tracks administrative progress, but there is a significant gap in bottom-up monitoring that systematically captures the lived experience of rural citizens. This is hindered by the lack of a consistently applied definition of "rural" across government departments. The monitoring framework for the next iteration of ORF must evolve beyond tracking administrative outputs to measuring genuine well-being outcomes that reflect quality of life, not just the completion of government priorities. This is critical, as the next phase of policy comes at a time when green and digital transitions and rising citizen expectations are intensifying demands on rural policy, requiring more responsive, place-based governance.

Ireland's ORF strategy successfully elevates rural issues to a national priority and provides a comprehensive map of cross-departmental commitments. The following assessment (Table 1.1) distils the key strengths of the current approach alongside opportunities and challenges organised according to the OECD standards.

Table 1.1. OECD standards and Irish Rural Policy: an overview

Policy Objective: - Turning rural potential into measured outcomes OECD Rural Principles 4, 5, 6 and 8: fostering well-being, leveraging global and digital transitions, creating rural employment.			
Key Questions	***What works***	***What does not work***	***What should be prioritised***
• Are policies delivering balanced well-being? • Consider future demographic, economic, environmental shifts? • Are rural populations thriving?	People First focus well-articulated	Rural is treated too much as "outside Dublin", not sufficiently differentiated	Leverage in-migration trends for workforce renewal
	Strong effort to gather all rural-relevant measures across government into one umbrella (whole-of-government approach)	Lack of sharper economic development and diversification strategy (missing CEDRA-style follow-up)	Tap strong environmental assets in remote areas (for green economy strategies)
	ORF brings rural visibility across departments, rare among OECD peers	ORF measures translate unevenly to local realities	Use previous policy instruments e.g. CEDRA as a foundation to strengthen rural economic development strategy
	Rural in-migration trend strengthens rural workforce potential	Housing focus risks leaving hinterlands behind	Build rural development approaches that better integrate hinterland housing and services
		LEOs and funding focus on export-oriented firms, while others are underserved	Successful broadband rollout demonstrates the potential of creating enabling environments
		Water quality deterioration risks environmental assets	Support social enterprises to offer skills building and transitional employment
		Limited focus on hinterland areas outside town centres (e.g. housing)	
Policy targets: Getting "rural" right - definitions, functions and delivery OECD Rural Principles 1, 2, 3 and 7: differentiating between types of rural territories and strengthening rural-urban connections			
Key Questions	***What works***	***What does not work***	***What should be prioritised***
• Are policy responses spatially sensitive? • How does geography affect implementation and outcomes? • Are remote areas underserved?	Clear rural and regional development focus	Broader ORF actions still largely undifferentiated	Make systematic use of six-way split evidence across departments
	DRCDG actions show some differentiated thinking	Rural as regions outside Dublin narrative persists	Build stronger place-based strategies within different rural typologies (e.g. dispersed)
	Six-way split typology is beginning to emerge in government dialogue	Focus on compact growth; hinterlands less visible	Green economy opportunities tailored to rural functional areas
	Healthcare reforms increasingly respond to rural needs	Functional rural scales not consistently integrated into policy actions	Improve data collection and dissemination to support a differentiated approach
	Climate neutrality measures included in ORF		Extend over-the-shop housing provisions
			Promote differentiated approaches to rural labour markets
Policy Implementation: Towards an evidence-led place-based approach (OECD Rural Principles 9: How are multi-level governance structures enhancing coherence, integration and collaboration?			
Key Questions	***What works***	***What does not work***	***What should be prioritised***
(National) • Is rural policy cross-sectoral in practice? • Are trade-offs between land use, energy, agriculture, and conservation managed coherently?	Strong national-level convening by DRCDG	Rural idyll (nostalgia of countryside) slows differentiation	Use of CSO six-way split classification to influence national policy targeting
	Inter-ministerial working groups in place	Some departments (e.g. Enterprise) still see rural as simply "non-urban" or outside Dublin.	Build more cross-departmental pilots around rural economic zones
	Cross-government visibility on rural measures	Administrative burden on DRCDG to monitor actions not directly under its control	Promote a broader understanding of rural economy beyond traditional sectors
	ORF acts as governance lens,	Need stronger horizontal	DRCDG can shift from monitoring and

	not just a strategy	commitment across government	data collection to co-ordination across departments
(Regional)	Regional Assemblies include LAs, giving some rural voice	Regional Assemblies mostly focus on EU fund management	Regional Assemblies could act as advocates for functional rural scale approaches
	Regional strategies exist, can be rural-refined	Rural issues not consistently championed at regional level	Potential role in piloting differentiated rural economic strategies
	Growing recognition of need for spatial planning innovation	No strong rural typology application at regional scale	Could help connect local initiatives to larger spatial planning frameworks
	Analytical foundations to manage functional frameworks	Co-ordination across unclear regional boundaries and mandates	Leverage mix of urban and rural territories to create dialogue, measure and report on rural-urban interdependencies
		Ambiguity over Regional Assemblies role in rural economic development	
(Local)	-Strong local civic engagement	LAs have limited flexibility (constrained by NPF and regional plans)	Pilot more bottom-up rural economic development plans using six-way split
	DRCDG links to LCDCs create direct national-local rural bridge	Heavy dependence on volunteers	Build capacity for innovation outside rigid planning templates
	Strong commitment to community-led local development	Embedded national staff (e.g. LEOs) reduce true local autonomy	Invest in reducing volunteer reliance through professionalisation of rural delivery
		Limited amount of own source revenue	Rely on smaller units (municipalities, parishes, local networks) for development and deliberative democracy initiatives
		Competition and confusion between LCDCs, LDCs and LAGs	
Policy tools (monitoring and engagement): Turning strategy into delivery, refining instruments for co ordination and impact OECD Rural Principles 10 and 11: How are stakeholders engaged, rural voices activated, and outcomes monitored and evaluated?			
Key Questions	***What works***	***What does not work***	***What should be prioritised***
• Are rural voices heard? • Are partnerships effective? • Is local capacity strengthened? • Is the private sector meaningfully engaged?	DRCDG strong on publishing progress reports	Monitoring risks focusing on administrative delivery, not real rural outcomes	Develop rural outcome indicators, not just delivery indicators
	National visibility of rural actions maintained	Heavy burden on DRCDG to chase information from departments	Introduce bottom-up monitoring tools (rural voice surveys, case studies)
	New efforts to use six-way split for monitoring underway	Disconnect between reporting measures and assessing rural quality of life	Build a national rural data infrastructure aligned to typologies
	Strong stakeholder consultation in ORF design	Over-reliance on volunteer delivery creates fragility	Formalise training and support structures for rural volunteers
	Very high levels of civic participation	Risk of burnout, inequality between communities	Professionalise key rural delivery roles where feasible
	Volunteers central to rural initiatives	Little internal capacity to choose between divergent expert opinions	Build long-term rural governance capacity
		Over-consultation delay and fragment strategies and policy response	

Recommendations

The Assessment reveals that Ireland's rural areas demonstrate significant economic potential but face persistent challenges: spatial inequality, under-resourced subnational structures, fragmented service delivery, and insufficient spatial intelligence. The following recommendations address these challenges through eight interconnected priorities, designed to strengthen Ireland's whole-of-government approach whilst building subnational capacity and place-based responsiveness.

Strengthen rural economic development through targeted supports and labour market strategies

Ireland needs a more systematic rural entrepreneurial discovery process

Ireland uses a mix of rural-specific and broader regional and sectoral policies to encourage economic growth in rural areas: however, their impact varies by place. Some rural areas have taken advantage of market opportunities and substantially contributed to national growth, while others remain in long-term decline. Currently, Irish policy places particular attention to multinational enterprises and export-oriented firms, and recognises the entrepreneurial potential of micro enterprises, high-potential start-ups and benefits from farm diversification programmes. However, there is a middle layer that receives less support; domestically oriented SMEs, early-stage rural firms and small mid-capitalisation (mid-cap) firms that have the potential to scale up. These firms are past the start-up stage and have developed local market strengths and while they may not yet be leading players, they have significant growth potential and are particularly important for strengthening the rural economy. More importantly, these are the firms that are most likely to drive economic growth and diversification in rural regions.

The OECD encourages member countries to develop rural policies that harness local knowledge, encourage experimentation and support entrepreneurial discovery of new opportunities (OECD, 2025[1]). OECD analysis suggests that economic diversification emerges from structured, iterative interaction between entrepreneurs and public actors to discover and develop viable new activities that then align support and investment (OECD, 2025[1]). In short, a targeted entrepreneurial discovery process bolstered by institutional support is key to economic development.

Figure 1.2. Policy actions to harness local knowledge and encourage experimentation

Source: OECD (2025[1]), *Rural Innovation Pathways: Connecting People, Places and Ideas*, https://doi.org/10.1787/c86de0f4-en.

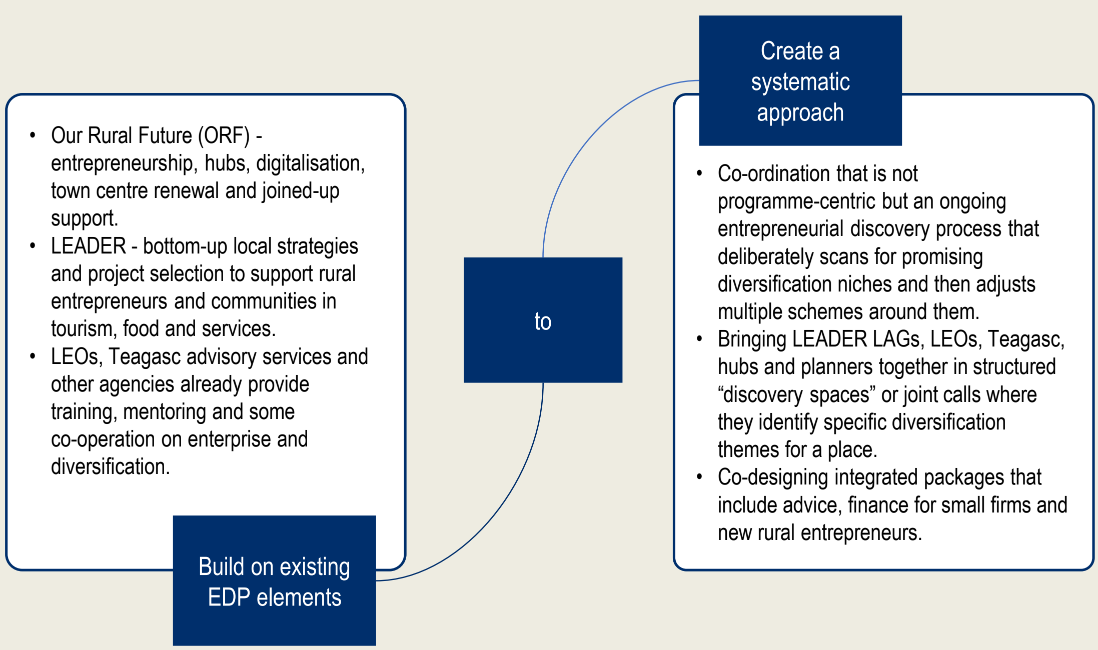
The entrepreneurial discovery process operates through a continuous cycle of engagement, analysis, and adaptation (Figure 1.2), enabling policymakers to move from broad sectoral priorities to targeted, place-specific interventions. Ireland has elements of an entrepreneurial discovery approach, which is not yet systematic: examples include LEADER programme[1] project selection, local co-creation around hubs and some regional enterprise planning. Currently, there is no dedicated, continuous entrepreneurial discovery process that scans the whole rural economy, prioritises niches and then adapts support measures to suit them (OECD, 2019[2]). This process would be particularly relevant both for mid-stage existing firms that are already diversifying but need better and more co-ordinated support, and for new entrepreneurs. Moving in this direction would help:

- Reveal viable diversification niches across the whole rural economy.
- Target support at under-served small rural firms.
- Make better use of existing instruments.

Key actions

- Make diversification a shared objective: embed this approach in ORF II, to help ensure that Ireland's common agricultural policy, Regional Spatial and Economic Strategies (RSES), Regional Enterprise Plans and Local Economic and Community Plans (LECPs) all reflect goals around rural economic diversification beyond farm viability or balanced growth. Use these shared goals to inform and supplement funding for projects.
- Co-ordinate support around entrepreneurial discovery: align advisory, finance and training support so firms can test new combinations in tourism, bioeconomy, renewables, information and communication technology, and services. Create structured discovery spaces (regional/ rural innovation platforms, cross-schemes) where LEADER LAGs, local enterprise offices (LEOs), the Agriculture and Food Development Authority (Teagasc) and others can jointly identify niches and then co-design support packages.

Figure 1.3. Create a systematic rural entrepreneurial discovery process



Note: EDP: entrepreneurial discovery process.

To enhance this strategic direction and ensure wide impact, Ireland will also need to strengthen the rural business ecosystem. The sections that follow focus on the key operational barriers and delivery systems highlighted in Chapters 4 and 5 and provides some recommendations to help them better support diversification and entrepreneurial discovery.

Ireland also needs a functioning rural business ecosystem

Currently, most national supports for entrepreneurs are delivered through the LEOs, which focus on export-oriented firms. As noted in Chapter 4 and 5, small firms aiming only to serve domestic markets (e.g. service providers, retail, local manufacturers) still seem to struggle to access funding (Whelan, McGuinness and Barrett, 2021[3]). These firms can turn to European Union (EU) programmes for support, but an over-reliance on EU funding instruments can make domestic entrepreneurship more fragile.

There have been some changes over the years. The government has broadened support to a wider group of SMEs that includes rural firms. The 2024-2030 LEO Policy Statement confirms that LEOs are now the “first-stop shop” for businesses and explicitly targets decarbonisation, digitalisation, increasing exports, enabling locally traded firms to thrive and stepping up innovation (Local Enterprise Office, 2024[4]). LEOs can now provide direct financial support to firms with more than 10 employees and offer Green/Energy Efficiency and Grow Digital Vouchers to businesses with up to 50 employees, including many rural SMEs. The National Enterprise Hub (NEH), established in 2024, now also provides information on over 250 supports from 32 different government bodies.

The wider scope is welcome, it has some limits. It is topic-specific and focuses more on green and digital upgrades, productivity, export readiness, not necessarily general risk capital or start-up/diversification finance for micro, non-exporting rural firms in tourism, services, local food and care. National strategy ORF II should encourage the development of a more flexible entrepreneurship ecosystem, one that recognises the diversity of rural business models, including those not focused on export markets. OECD interviews with various government and non-government representatives, including entrepreneurs in rural areas, highlighted a persistent disconnect between what rural business owners report about access to funding and what LEOs indicate is available.

The government has a strong interest in ensuring that all rural SMEs are supported. To bridge this communication and perception gap, the Department of Enterprise, Tourism and Employment (DETE) or Enterprise Ireland could convene Rural Business Tables. This is different from the entrepreneurial discovery spaces proposed earlier because they would be designed to enhance horizontal and vertical communication. Specifically, they would create space for locally anchored, non-export enterprises to articulate their needs and identify shared challenges. Also, it is an opportunity to make funding rules clearer, dispel misconceptions and enable the co-design of more adaptive support mechanisms with entrepreneurs and agencies.

At present, LAGs facilitate roundtable discussions with business owners. Those meetings are valuable and routinely address existing confusion regarding and perceptions of available support, helping make funding pathways clearer and more inclusive. The roundtables proposed above are different: they can prevent upstream misinformation, bring local experiences into national policy and feed into interagency discussions at both the national and subnational levels. Being heard by national actors increases legitimacy, confidence and participation of rural SMEs. This approach would give rural entrepreneurs stronger visibility and enable more responsive, data-informed policy co-ordination.

Box 1.1. Rural innovation labs and dialogue circles in Sweden: Linking local enterprise to national policy

Sweden's rural innovation policy includes regular "Rural Innovation Labs" and entrepreneurship dialogue circles in remote and semi-rural regions. These events target not only tech or export-oriented start-ups but also local retail, tourism, artisan and service businesses. Swedish policymakers use these fora to identify ecosystem bottlenecks, unpack perceptions about funding and adjust support schemes to the diverse realities of rural entrepreneurship. Ireland could draw on this model to institutionalise structured, cross-level dialogue between rural entrepreneurs and national enterprise actors.

Source: OECD (2023[5]), "Networks and rural-urban linkages for rural innovation", https://doi.org/10.1787/4928f26b-en.

Key actions

- Convene regular rural business stakeholder groups (Rural Business Tables), bringing together entrepreneurs, LEOs and enterprise agencies.
- Use rural intelligence (dashboards, data tools, qualitative case studies) to evidence the challenges and opportunities faced by rural entrepreneurs.
- Feed these insights into national enterprise co-ordination processes, ensuring that rural perspectives inform enterprise, labour and funding policies.
- Support the design of complementary instruments for smaller and community-based enterprises, such as microfinance, hybrid business models or local incubators.
- Strengthen communication between LEOs and rural entrepreneurs to close the information and perception gap.

Address the interconnected barriers to rural business growth

Beyond enterprise supports, broader environmental and infrastructural conditions also determine rural business viability. Governments face intense pressure to make better use of investments and deliver services more efficiently in rural areas (OECD, 2018[6]). While growing rural populations create new economic opportunities, they also intensify pressures on land use and essential services. Discussions during OECD fact-finding meetings revealed that business owners in rural Ireland are grappling with several overlapping conditions, including water-quality limitations, land-use restrictions and housing shortages. In some cases, these issues force businesses to subsidise employee accommodation, creating unsustainable costs. This undermines the viability of both the individual business and local economic development as a whole.

To address this, ORF II should prioritise developing a co-ordinated and evidence-based approach to addressing the interconnected barriers facing rural business owners. Multiple departments, including the Departments of Enterprise, Tourism and Employment, Housing, Local Government and Heritage, of Climate, Energy and the Environment and investment promotion agency IDA Ireland, play crucial roles in supporting businesses directly and indirectly, each operating under their own strategies. ORF II should set out initiatives and strategies designed to inform, complement and supplement these department strategies, ensuring that rural-specific constraints and opportunities are consistently recognised.

Box 1.2. Addressing interconnected barriers to rural business growth: Australia, Japan and Sweden

Several OECD countries have recognised and acted on the interconnected barriers to rural business expansion and growth, linking policies across housing, land use, skills and infrastructure to support viable local economies.

The Regional Development **Australia** (RDA) initiative works across barriers such as infrastructure gaps, skills shortages, regulatory complexity and market access. RDA boards co-ordinate with government, businesses and LAs to identify and address each region's unique combination of challenges. Through regional development plans and stakeholder consultations, they simultaneously target issues such as workforce housing, transport, digital connectivity and available business premises, ensuring that multiple constraints are tackled in parallel.

Japan's Regional Revitalisation initiatives address depopulation and rural business growth by linking land use policy, housing, local services and entrepreneurship support. Efforts focus on integrated solutions, combining coworking spaces with housing provision, repurposing vacant properties, upgrading local transport and developing tailored training programmes for entrepreneurs. This approach treats barriers as interdependent and aligns spatial, economic and demographic strategies to revitalise rural areas.

Sweden's rural policy framework, led by the Swedish Board of Agriculture and regional innovation hubs, integrates action into policy linked to land use constraints, rural housing shortages, skills gaps and connectivity challenges. Programmes such as rural innovation labs foster collaboration between local businesses, municipalities and national agencies, promoting joint solutions that advance infrastructure, housing and joint skill building to enable rural enterprise growth.

Source: OECD (2024[7]), "Assessing the framework conditions for social innovation in rural areas", https://doi.org/10.1787/74367d76-en.

The first step is to build an integrated understanding of how these challenges interact in different parts of rural Ireland. While the Government already uses data analysis and stakeholder consultation, these methods are rarely combined to systematically reveal how interconnected challenges (water, land use, housing, business viability) affect rural business owners. The DETE and IDA are well positioned to lead this work as they are closest to enterprise policy and investment decisions. They are also institutionally placed to look at constraints on business development. At the same time, DRCDG could support their efforts with data mapping, targeted research and structured consultations with diverse rural business owners and other relevant stakeholders. The DRCDG has a track record of engaging diverse sectors and stakeholders. Most recently, in March 2025, the department undertook extensive stakeholder and public consultations to inform the next phase of rural development policy. ORF II could leverage this experience by encouraging the department to design consultation formats that explicitly explore connections between water quality, land use constraints, housing shortages, and business viability.

The gathered insights both quantitative and qualitative could then be used strategically to make cross-cutting rural issues visible to other departments, through existing co-ordination mechanisms, inter-departmental groups and potential periodic reports or fact sheets, e.g. a dedicated *State of Rural Businesses* publication, brief or fact sheet. The DRCDG should also use this intelligence proactively to identify where its own programmes and grants can bridge information or resource gaps, stepping in strategically to complement enterprise and investment efforts. This would ensure that the DRCDG's resources are deployed in a targeted way, reinforcing the work of other departments while addressing specific rural bottlenecks revealed by the data. In doing so, the DRCDG would strengthen both the evidence base, and the practical co-ordination required for more joined-up, place-sensitive interventions.

Advocate for alternative housing strategies

One immediate lever that links housing constraints to rural economic outcomes is the reuse of vacant spaces above-shops. ORF II should carry forward one of the ORF proposals, to identify and work with other departments to convert the spaces above shops and businesses into housing. As Irish business network Chambers Ireland noted in its 2025 consultation submission, such conversions could "significantly increase housing stock, reduce vacancy rates and revitalise urban areas, despite facing regulatory, financial and infrastructural challenges" (Chambers Ireland, 2025[8]). It could also respond to immediate housing shortages that deter healthcare professionals, teachers and other essential workers from settling in rural areas while simultaneously revitalising town centres. The current planning exemptions that allow for these types of units were set to expire in 2025.

The good news is the Department of Housing, Local Government and Heritage is already thinking about extending the exemptions and expanding support for conversion. The new housing plan commits to improving and expanding the current Vacant Property Refurbishment Grant for conversion of vacant above-shop spaces. However, the housing plan alone does not guarantee uptake, cross-department co-ordination or recognition of this opportunity as an economic lever, that could address SME recruitment or labour market constraints. To complement this effort, ORF II could take the lead in promoting uptake with LAs by framing above-shop conversions as an economic development tool that addresses workforce housing needs, supports SME recruitment, and revitalises town centres. This would require co-ordination across the different relevant departments to align housing initiatives with labour market and enterprise strategies.

Key actions

- Map interdependencies to show, for example, how housing shortages affect SME recruitment and retention or how water infrastructure limits enterprise development.
- Utilise rural intelligence in cross-government co-ordination settings (Departments of Housing, Local Government and Heritage, of Climate, Energy and the Environment, DETE) to support informed solutions.
- Ensure support for both town centre and dispersed rural businesses, recognising their complementary roles in local economies.
- Leverage the *State of Rural Ireland* reports and dashboards, in collaboration with regional assemblies, to communicate rural challenges.

Build differentiated rural labour markets through spatial and economic alignment

Use spatial planning tools to enable rural employment and workforce mobility

Ireland does not yet systematically analyse rural labour markets, even though they are decisive for whether people can live and work locally. Consequently, aligning renovation efforts with actual employer needs and workforce commuting patterns could help address both vacancy and rural employment challenges. ORF II could address this gap by ensuring that spatial planning tools and settlement policies are aligned with rural economic realities. The current emphasis is on compact growth even in the case of rural settlements (including clusters and networked villages) and this is set out in the National Planning Framework and successive Regional Spatial and Economic Strategies. Current planning guidance, *Sustainable Residential*

Development and Compact Settlements Guidelines for Planning Authorities (DHLGH, 2024[9]), *Delivering Homes, Building Communities 2025-2030* (DHLGH, 2025[10]) and the *Town Centre First Policy/Investing in Villages, Towns and Cities* (DRCDG/DHLGH, 2022[11]), maintains this focus on cities, larger towns and town centres, with less practical guidance for dispersed rural settlement patterns.

However, there is an opportunity here for a new approach that could build on existing experiences. Current Irish initiatives (e.g. Town Centre First, *Croí Cónaithe [Cities]*) focus on vacancy in general but do not systematically pair renovation with workforce planning, employer demand or sectoral needs. Labour market integration is key to sustaining population and business development. ORF II could make derelict and vacancy programmes more responsive to local labour market demand. This would be an innovative and necessary strategy.

At the same time, compact growth models should be adapted to networked settlements and industrial/SME land uses more clearly recognised in rural zones. Several OECD countries have adapted compact-growth approaches to better link spatial, housing and labour market needs (Box 1.3). In Finland, labour agencies and municipalities co-analyse vacancy and employer data to ensure that new or renovated units meet local workforce needs. In France, under *Petites villes de demain*, LAs must submit an "employer-demand assessment" before receiving renovation funds. Austria, meanwhile, uses its Smart Villages and regional development agencies to pair workforce-housing support with transport and SME-zone planning. Drawing on these examples, pilot programmes could be considered by the DRCDG or other departments, which adapt compact-growth principles to clusters of small towns and villages supporting networked settlements through integrated planning. LAs should designate and proactively zone land for rural SMEs, light industry and enterprise, ensuring that business growth is possible beyond commercial or town centre sites.

Box 1.3. Adapting compact growth, linking vacancy to labour market needs: Lessons from Austria, Finland and France

Austria, Finland and France provide examples of adapting compact growth to rural networks, linking vacancy and dereliction strategies to employer and workforce needs and prioritising connectivity upgrades that unlock viable labour flows, all internationally recognised – and effective – solutions for rural challenges.

Austria: Rural connectivity and employer-led housing strategies

Austria has developed Smart Villages strategies that integrate the renovation of vacant rural properties with actively mapped employer requirements and labour mobility plans. These programmes link transport upgrades (high-frequency, flexible bus services) directly to labour market mapping, supporting day-to-day commuting and workforce attraction in small towns and rural productive zones. The Austrian approach recognises the need for SME and industrial land in rural areas, with targeted investments unlocked where they best support workforce flows.

Finland: Networked settlements and labour-market-led vacancy programmes

Finland's rural policy explicitly supports "networked villages" with compact growth adapted to settlement clusters rather than relying on traditional urban density models. Finnish rural development programmes also pair renovation and revitalisation of derelict spaces with local employer demand, ensuring workforce accommodation links to business viability. Policy documents emphasise integrated planning across municipalities, labour agencies and transport authorities to align vacancy initiatives with labour market flows.

France: Labour-sensitive rural regeneration

France's *Petites villes de demain* (Small Towns of Tomorrow) programme targets rural derelict and vacant sites, pairing renovation funding with local business and employment needs. The initiative requires LAs to analyse employer demand, commuting patterns and transport access before funding derelict property renewal. Rural enterprise zones also focus on dedicating land for SMEs and improving connectivity for local labour mobility, with bus and rail improvements co-ordinated alongside housing planning.

Source: OECD (2023[5]), "Networks and rural-urban linkages for rural innovation", https://doi.org/10.1787/4928f26b-en.

Embed differentiated rural labour market strategies

Beyond physical planning, labour market strategies must also reflect rural diversity. Rural SMEs differ significantly from export-oriented firms, typically supported through enterprise policy. Many operate in domestic markets or as "second-tier" suppliers within value chains. ORF II should ensure that rural labour realities are reflected in national and subnational strategies, including Regional Spatial and Economic Strategies (RSES) and Local Economic and Community Plans (LECPs). Regional assemblies lead RSES preparation, but the economic dimension often underrepresents rural labour markets and their distinct challenges. Although their boards include both urban and rural councillors, they tend to prioritise infrastructure and spatial planning over labour market realities.

Government can support assemblies and LAs to pilot differentiated labour market analysis that reflects rural typologies, using enhanced data portals and rural dashboards. The assemblies already have access to an enhanced data portal, the Regional Monitor, but as noted in Chapter 4 the data is not differentiated so it cannot yet support: functional region or rural–urban interaction analysis, and place-based labour strategies. Regional assembly boards comprise elected leaders from rural and urban areas within each region. As noted in Chapter 4, assemblies already implicitly take a functional approach to their work by developing plans that bridge administrative boundaries. This means they have the building blocks in place to strengthen their functional approach by adding a rural lens. and develop more robust evidence on rural-urban interdependencies, thereby becoming more cognisant of opportunities and better understanding the drivers of rural and urban labour markets.

Accordingly, ORF call for the assemblies to be supported in two ways. First, they should be supported to pilot differentiated economic strategies that reflect rural typologies. Second, they should leverage their mixed rural-urban board composition to convene structured dialogues with local stakeholders and officials representing both rural and urban interests. Merging the insights from the dialogues with the more differentiated evidence would yield information that would help the assembles better understand how rural and urban labour markets interact within functional regions and inform more place-based decision making. This would enable assemblies to play a leading role in co-ordinating rural-urban economic strategies and informing place-based policy across their regions.

ORF II should also encourage local development plans to incorporate rural labour-market considerations into their planning. LAs already engage with rural and community development through local community development communities (LCDCs) and their partnerships with local development companies (LDCs) and LEADER LAGs, but their role is still heavily shaped by EU funding frameworks and national spatial planning rules. As such, labour market dynamics (including housing shortages, water quality, SME needs and workforce availability) are often missing from these plans. The DRCDG can provide practical guidance and capacity support to LAs in the use of labour market analysis (utilising the rural dashboards) as part of LCDC and local plan preparation, and in piloting LA-level rural labour market "snapshots" or profiles integrated into LEADER planning.

Key actions

- Incorporate differentiated rural labour market analysis into national, regional and local strategies.
- Encourage regional assemblies to include rural labour market analysis in future RSES updates.
- Provide guidance and training for LAs to integrate labour data into LECPs and local plans.
- Use rural intelligence tools to generate granular rural labour data and insights.
- Encourage structured dialogues with rural councillors, employers and community representatives to inform future planning cycles.

Build an inclusive and resilient rural entrepreneurship ecosystem

Leverage social innovation as a stepping stone to entrepreneurship

Social innovation builds directly transferable entrepreneurial skills. Whilst these initiatives focus on community resilience, inclusion, or service delivery rather than commercial objectives, managing them involves critical skills such as project management, fundraising, governance, and stakeholder engagement. These skills are directly relevant to entrepreneurship, particularly in rural areas where social enterprise is more prevalent and commercial opportunities are limited. Several OECD Member countries have embraced this approach by providing targeted support see **Box 1.4.**

Ireland has a well-established social innovation and social enterprise ecosystem, which has been actively supported through ORF and complementary national programmes (OECD, 2023[12]). However, the potential to leverage these skills for broader entrepreneurship remains underutilised. Treating social enterprise and community initiatives as part of the entrepreneurial pipeline, not just community development, means that social innovation becomes an on-ramp into business creation. In practical terms, the social innovators would then be able to access enterprise supports (e.g. LEOs, enterprise funds, skills, finance) like any other commercial start-up.

There are over 4,335 social enterprises in Ireland, employing over 84,000 people. Of these, 43% located in rural areas and most are micro or small enterprises (DRCDG, 2023[13]). Ireland already has several levers that could be tapped to support this effort, such as the National Social Enterprise Policy and dedicated social enterprise actions (e.g. Social Enterprise Development Fund) that provide funding, business courses and mentoring that reach rural social innovators across the country. Building on these community capacities can strengthen local labour markets and create new business ventures. However, this will require an integrated and co-ordinated approach.

In many rural areas social enterprises are already operating as entrepreneurial actors, they are just outside DETE and LEO metrics and supports. Therefore, even if DRCDG positions social innovation as a rural entrepreneurship pathway, DETE and LEOs would have to formally recognise social innovators as businesses and adapt the eligibility criteria to enable them to access enterprise supports. ORF II and the Social Enterprise Policy 2024-2027 are the logical places to signal social innovation as a recognised pathway into enterprise supports, with DRCDG and DETE as partners.

Box 1.4. Leveraging social innovation as a catalyst for rural entrepreneurship

Several OECD Member countries actively leverage social innovation as a stepping stone to entrepreneurship in rural areas. The following offer notable examples.

Canada supports rural social innovation as a catalyst for entrepreneurship, especially where gaps exist in public service delivery, business incubation and local development. Canadian rural regions have developed social enterprises for local childcare, food systems and Indigenous-led social businesses, which often start as social innovations and evolve into entrepreneurial ventures. National and provincial rural development programmes routinely support such transitions by offering mentorship, training and start-up grants tailored for social innovators.

In **Scotland** (United Kingdom), Rural Scotland's policy ecosystem includes initiatives like Social Enterprise Scotland and the Rural Social Enterprise Hub, explicitly designed to promote social innovation as a pathway to new entrepreneurship. Social innovations addressing rural health, social care, community energy and tourism often become anchor enterprises, creating new business models and employment platforms for rural populations. These hubs offer structured support, resources and networks targeting rural-specific challenges.

France integrates social innovation into national rural policy, exemplified by initiatives funded under the European Social Fund. Between 2017 and 2019, France supported over 100 rural-focused social innovation projects, many of which addressed local employment, new services and environmental solutions. These efforts intentionally bridge social purpose-driven innovation with entrepreneurial capacity building, enabling transitions from grassroots problem solving to sustainable rural businesses.

Both **Japan** and **Switzerland** have been profiled by the OECD for designing rural social innovation programmes that lay the groundwork for new entrepreneurial activity, especially in remote and mountainous regions. Their policies promote local collaboration networks, skill building for non-traditional entrepreneurs and linking social innovation to market opportunities for services, health and tourism.

Source: OECD (2022[14]), *Unlocking Rural Innovation*, https://doi.org/10.1787/9044a961-en.

Key actions

- Position social innovation as an entry point to entrepreneurship in ORF II, particularly for rural communities.
- Advocate nationally for enterprise supports that link social innovation to SME development (mentoring, grants, accelerators).
- Encourage regional assemblies and LAs to embed this approach into local and regional economic strategies.
- Develop and disseminate case studies showcasing successful transitions from social innovation to entrepreneurship.

Support training partnerships between social innovation actors, enterprise agencies and educational institutions to bridge the skills gap.

Help reduce barriers to entry and build appetite for entrepreneurship

Stakeholder discussions for this review highlight that many Irish citizens remain risk-averse about starting businesses, partly due to bureaucracy, high entry barriers and the security of employment in the public sector or multinationals. In rural regions, this dynamic weakens the pipeline of new entrepreneurs and limits local economic renewal. ORF II should prioritise measures that lower the cost and complexity of becoming an entrepreneur while strengthening the visibility and attractiveness of self-employment in rural areas. This could include a dedicated focus on "rural pathways to entrepreneurship", linking local skills development, business support and community capacity building.

The DRCDG can play a facilitative, evidence-based role by curating information on the barriers faced by rural entrepreneurs and convening enterprise, finance and further and higher education departments to co-design solutions. Simplified pilot schemes, such as micro grants with light administrative requirements, community-based co-operative models that share risk and small-scale incubators or local enterprise hubs, could help new entrepreneurs build capacity gradually. In parallel, the DRCDG could promote positive narratives and peer networks that make entrepreneurship more visible and socially valued. These could be embedded within the DRCDG community programmes and linked to Town Centre First initiatives to give local entrepreneurs greater visibility and support.

Education and training systems should also contribute by integrating entrepreneurship and problem-solving skills into secondary and tertiary curricula and adapting apprenticeship systems to rural realities, smaller labour pools, transport constraints and limited firm density. Although the national Action Plan for Apprenticeship aims for a strong regional footprint, rural areas often struggle to access these opportunities. The DRCDG could work with the Department of Further and Higher Education, Research, Innovation and Science to pilot flexible learning hubs, mobile training facilities or targeted rural apprenticeship schemes.

Key actions

- Identify and remove rural-specific barriers to entrepreneurship.
- Pilot simplified, low-bureaucracy entrepreneurship schemes (micro grants, rural incubators, co-operative models).
- Promote entrepreneurship narratives and peer mentoring through community networks and Town Centre First initiatives.
- Integrate entrepreneurship and problem-solving skills into curricula, particularly for rural students.
- Adapt apprenticeship systems to rural conditions (transport, firm size, partnerships).

Re-examine Rural Economic Development Zones

ORF II should explore the establishment of pilot Rural Economic Development Zones (REDZs), a proposal first advanced in the 2014 Commission for the Economic Development of Rural Areas report. REDZS would serve as a strategic tool to diversify rural economies, strengthen employment and foster innovation by directly linking local initiatives to national policy frameworks. The OECD Principles on Rural Policy encourage governments to pursue integrated, multi-sectoral and locally empowered approaches, built on understanding territorial strengths and assets rather than targeting fixed strategic sectors (OECD, 2025[15]). While existing programmes, such as the Town and Village Renewal Scheme and the Rural Regeneration and Development Fund embrace the core approach, they are not strictly focused on economic development.

For Ireland, REDZs based on local labour markets could be designed as place-based pilots bundling multiple supports including housing, digital infrastructure, skills training, business clusters and SME financing into coherent territorial strategies that target specific local opportunities. These zones would not replicate large-scale tax-free areas but instead test cross-departmental collaboration and identify which combinations of measures deliver the greatest local economic impact. By piloting zones across different rural typologies (adjacent to urban, mid-sized rural and remote), policymakers could generate granular evidence on what drives rural labour markets and investment decisions, including commuting patterns, sectoral specialisation and infrastructure bottlenecks.

Box 1.5. Economic zones examples for OECD Member countries

Several OECD countries have implemented economic zones that impact rural areas by fostering local industry, jobs and investment. For example:

- **Italy** has created special economic zones (SEZs) in regions such as Abruzzo, Calabria and Sardinia, offering tax incentives and streamlined regulations to stimulate industrial activity and logistics.
- **Spain** hosts free economic zones (*Zonas Francas*) in areas including Cádiz and the Canary Islands, which use fiscal advantages and simplified procedures to attract investment in trade and manufacturing.
- **Poland** operates 14 SEZs across largely rural regions such as Katowice and Suwałki, attracting over EUR 23 billion in investment and creating hundreds of thousands of jobs.
- **France**'s *Territoires d'industrie* programme targets smaller towns and rural/peri-urban areas, supporting industry through place-based governance and financial tools piloting zones in different types of rural areas (adjacent to urban, mid-sized rural, remote).

Sources: Karakas, C., C. Stamegna and I. Zachariadis (2020[16]), "Public economic support in the EU - State aid and special economic zones", https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646164/EPRS_BRI(2020)646164_EN.pdf (accessed on 14 August 2025); Sherozia, D. (2025[17]), , "Free Economic Zones in Spain", https://laduchi.com/blog-en/free-economic-zones-in-spain (accessed on 22 August 2023); Banque des Territoires (2023[18]), "Territoires d'industrie, a mechanism to accelerate industrial development - Territories of industry - The programme for industrial relocation - Industrial ecology - Vocational training", https://www.banquedesterritoires.fr/territoires-dindustrie/la-carte (accessed on 30 August 2025).

Key actions

- Include the development of pilot rural economic development zones in ORF II to test integrated, place-based approaches.
- Use these pilots to analyse rural labour markets, business ecosystems and service linkages across different rural typologies.
- The DRCDG should provide limited seed resources while convening enterprise, housing, environment and finance departments to co-design and monitor the pilots.
- Ensure that findings from the zones feed into future national and regional policy cycles, demonstrating how integrated supports can increase rural competitiveness.

Develop sophisticated rural intelligence and data aligned to typologies

Develop and utilise more nuanced rural evidence to inform policies and strategies

The OECD has long emphasised that robust and nuanced rural intelligence is essential to ensure policies are built on solid and reliable territorial data. In Ireland, the key challenge lies in developing data at the right scale and ensuring a cross-sectoral approach to evidence collection and use. The DRCDG can enhance the quality, accessibility and reliability of such data by curating and maintaining an enhanced rural intelligence system, bringing together information from across government and academic institutions and making it accessible through clear, user-friendly dashboards. This would reinforce the DRCDG's wider role as the national lead on rural development, strengthening its ability to engage and inform other departments effectively. A wealth of data already exists across government and academic institutions; the challenge is co-ordination, integration and interpretation through a rural lens. Leveraging relationships with expert institutions and inter-departmental groups will be key to accessing and harmonising datasets.

Consider developing State of Rural Ireland reports

This information could be presented in annual *State of the Rural Ireland* reports. The report could aggregate data from all major sources (demographics, employment, land use, housing, environment, connectivity, business, well-being) so government and stakeholders can base decisions on robust, current evidence not piecemeal statistics. It will make the state of rural areas visible to the public, highlighting trends, challenges and opportunities in a clear, accessible way, helping to shape both public debate and targeted policy interventions. Economic and Social Research Institute work shows that Ireland lacks a sufficiently granular, routine framework for monitoring rural community conditions, economic trends and policy outcomes, with existing rural data often siloed and inadequately disaggregated (Kelly, McGuinness and Devlin, 2024[19]).

A regular *State of Rural Ireland* report would give Irish policymakers, LAs, community groups and businesses an accessible set of indicators and insights. One example is the *State of the Countryside* reports by the former Commission for Rural Communities (England, United Kingdom). Up until the commission closed, the reports presented statistical and analytical evidence on social, economic and environmental issues in rural England (Figure 1.4). Similarly, the *State of Rural Canada* report produced by the Canadian Rural Revitalization Foundation also offers an overview of the diverse challenges and opportunities facing rural, remote and northern communities across the country (CRRF, 2024[20]). Such reports could be produced annually, taking stock of the latest trends and developments in demography, labour markets and the economy at the level of regions and municipalities whilst tapping existing institutional relationships with expert institutions to pilot this approach.

Box 1.6. *State of the Countryside* reports

The Commission for Rural Communities in the United Kingdom produced the *State of the Countryside* reports until its closure in 2010. These landmark reports summarised key indicators for rural England, presenting evidence about demographics, economic trends, service access, community well-being and environmental challenges. They were widely used by policymakers, local governments, researchers and advocacy groups for rural-proofing policies, understanding rural deprivation, guiding interventions and informing strategic rural development across sectors. Stakeholders cited these reports as vital sources for objective, hard evidence and practical data to support rural communities, improve rural services and shape targeted policy responses. Areas covered included demographic change, youth migration, rural poverty, service closure impact, local enterprise, transport infrastructure and community-driven solutions.

The report was useful as follows:

- Data and analysis from the *State of the Countryside* reports underpinned government initiatives on market towns, rural transport partnerships, affordable housing, healthcare access and rural economic development.
- The reports were used to develop rural delivery plans and cross-sectoral strategies, influencing policy adjustments at the national and local levels and improving the evidence base for rural policy debates.
- After the commission's closure, similar functions are continued through the Statistical Digest of Rural England and rural policy reports from the United Kingdom Department for Environment Food and Rural Affairs (Defra) and independent organisations.

Figure 1.4. *State of the Countryside* 2010 – Table of contents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3.3 Employment
3.4 Enterprise and entrepreneurship

4. Land and the environment
4.1 Introduction
4.2 Land use and development
4.3 Farming and forestry
4.4 Environment quality
4.5 Leisure and recreation
4.6 Climate change

Norway: Rural and regional reports

Norway regularly publishes *Regional Development Trends* (*Regionale utviklingstrekk*), a biennial government report that surveys demographic change, public service provision, municipal reform outcomes, broadband coverage, transportation, housing and agricultural support in rural and remote areas. These reports guide the formulation and adjustment of national and regional rural policies, including targeted investments and strategic reforms for rural sustainability and population growth. OECD publications also analyse Norwegian rural policy priorities, highlighting the integration of social and economic objectives.

Scotland: Rural data and policy reviews

Scotland produces ongoing rural community data dashboards and policy reviews, such as the *Rural Scotland Data Dashboard* and the *Scottish Rural Communities Policy Review*. These outputs analyse challenges and strengths in rural and island communities and inform the Scottish Government's Rural Delivery Plan, covering themes like agriculture, land reform, transport, digital connectivity, depopulation and social justice.

Sources: Commission for Rural Communities (2010[21]), *State of the Countryside 2010*, https://webarchive.nationalarchives.gov.uk/ukgwa/20110118133542/http:/ruralcommunities.gov.uk/2010/07/06/state-of-the-countryside-2010/ (accessed on 20 March 2025); State of the Countryside 2010 , Scottish Government (2023[22]), *Rural Scotland Data Dashboard: Overview*, https://www.gov.scot/publications/rural-scotland-data-dashboard-overview/pages/2/; Hemmings, P. (2016[23]), "Policy Challenges for Agriculture and Rural Areas in Norway", https://doi.org/10.1787/5jm0xf0r676c-en.

Complement granular data with a typology-based approach

To make this evidence more actionable, Ireland should not only expand data availability but also ensure that it is analysed and reported through a rural typology lens. Presenting the data based on the rural typology allows policymakers, researchers and communities to really see the changes in rural places and respond to the complex realities of those shifts in a nuanced, informed and impactful way. The OECD strongly recommends this approach to data collection, analysis and reporting. The key advantages are summarised in Table 1.2.

Table 1.2. Why typology-based data matter

Capture diversity	Rural areas are not uniform: some are close to cities ("commuter rural"), others rely on agriculture or tourism ("productive rural") and some are remote or sparsely populated. Typology-based data help capture this diversity so that policies can be tailored to different kinds of rural environments.
Enable precision	This type of data allows policymakers to analyse challenges and opportunities at the level most relevant to each area.
Help with resource allocation	With typology-based data, funding and support can be prioritised for areas with the greatest need, or where impacts will be largest, such as targeting housing initiatives in "service deserts" or enterprise support in "remote innovation zones".
Facilitate comparative analysis	Policymakers can compare similar types of rural areas within a country or across OECD Member states, identifying best practices and learning from others' experiences.
Support policy evaluation	Tracking outcomes by typology helps assess whether interventions are having the intended effect in each rural context – enabling continuous improvement and greater accountability.

Source: OECD (2025[24]), *Reinforcing Rural Resilience*, https://doi.org/10.1787/7cd485e3-en.

Promote and encourage use of the six-way split

Rurality is complex, dynamic and context-dependent and this is evident even in a small republic like Ireland. At present, the best and most robust definition of "rural" available in Ireland is the CSO six-way urban-rural classification. However, the limited use of it in broader policymaking frameworks suggests that its full potential has yet to be realised. The DRCDG could do more to encourage greater uptake across departments to help bridge the gap between statistical insight and policy implementation. For example, it could form the basis for the development of the *State of Rural Ireland* report that is then used when engaging other government departments on rural matters in addition to being available online. Irish rural policy documents consistently highlight the need for place-sensitive strategies that recognise the diversity of rural contexts and stress locally designed and implemented solutions. This approach would enable stronger place-based strategies within different rural typologies.

Expanding use of the six-way split could help bridge the gap between statistical insight and policy implementation. It could also help to reconcile the different notions of "rural" that presently exist and persist in Ireland and that sometimes work against polices based on local rural realities. In some cases, the term "rural" is treated too much as meaning "outside Dublin" and is not sufficiently differentiated. In other cases, the Irish rural idyll is very strong and the Irish psyche reinforces the notion that rural Ireland is the authentic Ireland. Both make it difficult to galvanise political support for a workable definition of "rural". Robust policy cannot be formulated or assessed on this level of vagueness. The existence of the six-way split is valuable and encouraging in this regard: it offers a valuable, underused foundation for spatially-sensitive rural policymaking.

Key actions

- Designate the Department of Rural and Community Development and the Gaeltacht as the keeper of rural intelligence, curating and centralising rural-relevant data from across government and academic institutions.
- Develop accessible rural dashboards and *State of Rural Ireland* reports, produced bi-annually, to track demographic, labour market and economic trends at the regional and local levels.
- Encourage cross-government use of the CSO six-way urban-rural classification, making it the standard reference point for policy design and evaluation.
- Systematise data into a spatial context, enabling place-sensitive strategies that distinguish between hinterlands, mid-sized towns and remote rural areas.
- Use existing institutional partnerships (universities, research centres, expert bodies) to pilot data curation and analysis, rather than creating new systems from scratch.
- Translate complex data into tailored formats (dashboards, fact sheets, policy briefs) to make rural intelligence accessible and actionable for central ministries, regional assemblies and LAs.

Strengthening implementation and monitoring

Shift to a differentiated monitoring model to increase the effectiveness of rural strategies

The OECD's work on rural development is a people-centred approach that puts the focus on rural well-being. Thus, rural development needs to be multi-sectoral, extending well beyond those departments or ministries with a "rural" remit. For this reason, rural policy necessitates a holistic whole-of-government approach and integrated cross-government action. The DRCDG's decision to structure ORF around 170 priorities, capturing both its own initiatives and the strategies of non-rural-focused government departments such as housing, enterprise, environment and transport, is a compelling and ambitious response to this challenge. Identifying ways to engage non-rural departments is often a struggle in many OECD countries. The fact that so many initiatives are included demonstrates the wide range of actions that impact rural regions. This breadth of visibility on both direct and indirect rural measures is unusual across OECD countries, making it a distinctive and valuable starting point for a whole-of-government approach to rural development. In parallel, an equally important element will be to ensure there is coherence and clear prioritisation amongst the wide range of priorities.

The next strategy, ORF II, should preserve this visibility while introducing a more strategic and differentiated approach to implementation and monitoring. The challenge lies not in the scale of the priorities per se but in the monitoring model. While there is scope to ensure that the list of priorities remains coherent and meaningful, what matters most is that the DRCDG maintains its connection with strategies led by non-rural departments, since these shape rural outcomes as much as its own initiatives. If, in the Irish context, making these policies explicit priorities helps to keep pressure on departments to act, this approach should be retained. However, a differentiated monitoring model should be introduced, including robust monitoring for strategies within the DRCDG's remit and lighter "strategic monitoring" of measures in other departments.

- **Robust monitoring for direct priorities** (within the DRCDG's remit/control): For strategies that the DRCDG can act on, fund or steer directly (e.g. town centre schemes, community funding), monitoring should be multi-dimensional, capturing implementation progress as well as impact and outcome indicators. Shifting reporting from activity counts to outcome dashboards would further ensure the focus remains on the quality of rural lives.

- **Strategic monitoring for indirect priorities** (outside the DRCDG's control): For policies lead by other ministries (e.g. housing, labour, environment), the DRCDG's role should be that of a broker, supplying rural intelligence to help tailor delivery to rural realities, designing strategies that supplement and complement other departments' work and using existing institutional networks or committees to provide support and maintain visibility.

A stronger and more targeted monitoring system under ORF II will not only improve accountability but also provide the evidence base needed to guide future spatial, labour market and economic strategies, ensuring that Ireland's rural policy remains both integrated and outcome driven.

This more pragmatic approach would alleviate administrative reporting burdens. It would also enable the DRCDG to pivot to a more proactive role focusing its resources on areas where it adds the greatest value through evidence, co-ordination and facilitation. For example, there is an opportunity to add value to individual department initiatives by the DRCDG taking on the role of building relationships across line departments. For example, increasing the amount of land in forests is a goal for the environment, as a way to sequester carbon, but it also has impacts on farmers who provide much of the new forested land on their property, on tourism because it can affect the visual experience of tourists and on local economies where there may be opportunities for forest-related business and employment. In this way, the dual-track system would reinforce the department's role as a broker and guardian of rural interests across the government.

Key actions

- Develop rural outcome indicators (quality of life, not just delivery).
- Introduce bottom-up monitoring tools (rural voice surveys, case studies).
- Build a national rural data infrastructure aligned to typologies.
- Consider an annual monitoring process that includes qualitative indicators.

Strengthen capacity at the subnational level to support rural outcomes

Centralised systems can deliver rapid, top-down change if the political will and administrative machinery are aligned, which is particularly useful, for example, in moments of crisis. What tends to be slower, however, is institutional reform that redistributes authority. Such change typically unfolds incrementally, as new institutions are created or mandates are adjusted. As discussed in Chapter 3, Ireland shows evidence of this incremental shift: the creation of regional assemblies, reform of LAs with expanded responsibilities and the evolution of rural policy from being linked to agricultural issues to becoming the responsibility of a stand-alone department. Arguably, these changes have facilitated a stronger foundation for rural policy, but the potential of Ireland's subnational structures remains underutilised. Regional assemblies and LAs are functional but narrow in scope and under-resourced, particularly in terms of own-source revenues, compared to OECD peers.

The challenge now is to give local and regional actors the capacity and discretion to shape rural development outcomes. Strengthening multi-level governance will require investment on two fronts. First, co-ordination mechanisms need to be enhanced so that central, regional and local actors can align programmes and investments. Second, capacity at the subnational level must be reinforced, through resources, staff and analytical tools, so that authorities can act as genuine partners rather than implementers of centrally designed schemes (OECD, 2022[25]).

Support ability to engage in rural-sensitive place-based planning

To this end, ORF II could consider further empowering LAs in selected domains such as local innovation, digital hubs or circular economy projects while resourcing regional assemblies to act as genuine co-ordinators with analytical capacity and a rural development role. Funding flexibility will also be critical: modest increases in discretionary or block-grant funding would allow local governments to experiment and innovate, rather than being confined to centrally earmarked programmes.

Finally, accountability structures should be further rebalanced so that LAs are more directly answerable to their communities. This includes strengthening the roles and capacities of elected members as community representatives. Such an approach would complement the work of the Local Democracy Taskforce on rebalancing powers between executives and elected members and improving transparency and could be reinforced through stronger participatory mechanisms and greater local fiscal discretion.

Embedding stronger rural-proofing mechanisms that give local perspectives a systematic role in national decision making would reinforce this accountability and ensure that rural realities are consistently considered in policy choices. The RSES already provide the regional spatial and economic frameworks, and they explicitly address rural areas, settlement hierarchies and urban-rural linkages; they connect local plans (community development plans/LECPs) to the national framework. So, regional assemblies already play a key role in linking local development to national spatial and economic policy. Building on this, ORF II could encourage the regional assemblies to more explicitly champion functional rural-scale approaches and to pilot differentiated rural economic strategies, linking local initiatives and entrepreneurial discovery to wider regional investment and policy tools.

Facilitate stronger linkages among non-rural programmes at the subnational level

ORF II should encourage the regional assemblies to play a more pivotal role in strengthening place-based implementation and ensuring that rural and urban priorities are better aligned across regions. The regional assemblies have analytical assets e.g. Regional Monitor, the political representation, and a co-ordination role that could make them catalysts for integrated rural-urban strategies and become better linked with the DRCDG. Assemblies could actively lead on rural-urban co-ordination – something not yet systematically done in Ireland. The assemblies are not regional governments in the traditional sense and have no executive powers, fiscal autonomy or direct electoral mandate.

Their role is co-ordinative, analytical and strategic, primarily through preparing and monitoring the RSES, and they bridge the national and local levels, aligning regional planning with the national policy. To a certain degree, the assemblies have been able to bring coherence to regional planning, particularly through the RSES process. While they do not have a specific focus on rural development, their focus on balanced development and EU programme co-ordination enables them to contribute further to rural outcomes.

Also, because assemblies already think and act across functional territories, they should now formalise this approach through differentiated data systems and typology. Therefore, the next step could be to make this functional logic more explicit by embedding spatial typologies (urban/rural, remoteness, etc.) into their monitoring systems. Integrating the CSO’s six-way rural classification into the Regional Development Monitor would allow for differentiated regional analysis and better alignment with OECD principles.

Key actions

- Lead structured discussions on rural-urban interdependencies.
- Gather and analyse evidence on rural-urban connections, both quantitative (flows, commuting, service access) and qualitative (priorities expressed by rural and urban councillors).
- Publish rural-urban fact sheets or reports that reflect conditions and linkages across their territories.
- Facilitate collaboration between rural and urban councillors to ensure regional plans (RSES) reflect both perspectives.
- Pilot "functional area" planning to bridge administrative gaps (since boundaries for economic, climate and enterprise agencies do not align with Regional Assembly boundaries).
- Collaborate with the DRCDG to refine rural evidence, for example, using the DRCDG's "rural intelligence" or data from the *State of Rural Ireland* reports.

Local authorities

Ireland's LAs remain constrained by limited discretion, centralised oversight and fragmented delivery structures. While the DRCDG cannot meaningfully influence how the gamut of programmes is designed, funded and operated, it can play a critical role in joining them up at the local level. This co-ordination could occur at two levels.

- First, the DRCDG could work with specific units within national departments that have a major impact on rural areas to help ensure that rural areas are considered in policy and programme design.
- Second, it could work at the LA level with local staff to help them develop processes for identifying complementarities among national programmes that create local synergies. One way this already occurs is through national departments, including the DRCDG, placing LA officials where programme delivery takes place. Given the relatively small number of LAs, strengthening this type of co-ordination is a relatively low-cost exercise with potentially significant benefits. However, it should be noted that delegated staff may be more loyal to their home agency rather than the local community.

Some of this already occurs through officials embedded in LAs, but introducing an actor whose only role is to broker relationships among the core line departments at the local level has the potential to greatly expand joined-up delivery. It must be clear that the DRCDG is not seeking to manage or restructure other departments' programmes, but only to find ways to link their implementation to help create better outcomes. Their presence could be time limited, and they could help pilot new practices such as multi-year funding envelopes and outcome contracts with a small number of LAs to build service delivery capacity. Even modest increases in local flexibility, through discretionary funding or ring-fenced support for analytical capacity, could deliver significant benefits by enabling more entrepreneurial planning and stronger urban-rural linkages. Moreover, strengthening and formalising these linkages would be a relatively low-cost way to increase impact.

Better co-ordinate overlaps among institutions in local delivery

Finally, this facilitation role should extend to clarifying the overlapping structures that currently fragment local delivery. Confusion between LDCs, LCDCs and LAGs creates duplication, administrative burden and weak alignment. The DRCDG could also convene a stakeholder group with representatives from these entities across regions, both where co-operation works well and where it does not, to elicit actionable feedback. This would help clarify mandates, reduce overlap and strengthen alignment between local, regional and national strategies. Taken together, these measures would enhance subnational governance capacity, reduce the transaction costs that currently weigh on delivery and enable more coherent, place-sensitive implementation of national priorities.

Key actions

- Institutionalise mechanisms for co-ordination across the national, regional and local levels.
- Strengthen regional assemblies as rural intelligence and co-ordination hubs.
- Provide LAs with modest discretionary funding and multi-year outcome contracts to encourage innovation.
- Introduce rural delivery facilitators to support local inter-departmental collaboration.
- Clarify mandates and reduce overlap to respond to perceived tensions between LDCs and LCDCs.
- Supply rural intelligence and technical support to assemblies and LAs.
- Co-ordinate with non-rural departments to ensure rural sensitivity in programme design.
- Pilot and evaluate subnational delivery models to inform future decentralisation.

Rebalance volunteer dependence through professionalisation, training and support structures

Ireland's volunteer infrastructure is well-developed by international standards. However, continuous adaptation and investment are needed to address rural vulnerabilities and changing volunteer demographics in order to maintain and enhance community resilience and service quality. Research in Irish settings shows a direct link between volunteer dependence and the risk of service gaps, especially where burnout, recruitment barriers and geographic isolation reduce the reliability or continuity of essential services. To sustain the tradition of volunteerism while avoiding over-dependence, action is needed on several fronts.

- **Fund core posts in areas of highest volunteer substitution**: Discussions with Irish stakeholders highlighted that over-reliance on volunteers creates fragility where core public services depend on unpaid labour. Targeted funding for essential posts, combined with formal training and induction, would ensure that volunteers do not replace staff in sensitive or high-demand areas. This approach protects service quality while sustaining volunteer engagement.
- **Introduce equity mechanisms so low-volunteer areas still receive services**: Volunteer capacity varies widely across Ireland, with rural and peripheral areas sometimes lacking the networks available elsewhere. Equity mechanisms, such as roving teams or pooled delivery models, could ensure that communities with fewer volunteers are not left behind. These models help maintain minimum service standards even in areas with weak volunteer bases.
- **Clarify volunteer roles with clear guardrails**: To optimise results, volunteers must be treated as complements, not substitutes, for paid professional staff. Clear role boundaries and programme guardrails can prevent "random interventions" and ensure that community initiatives align with local strategies. Defining these roles improves morale, safeguards quality and ensures sustainability of both professional and volunteer contributions.
- **Invest in volunteer support infrastructure**: Ireland's well-developed volunteer base requires ongoing capacity building. Further investment in volunteer centres, management systems, training

and insurance would help organisations manage participation more effectively without overburdening volunteers. OECD work on volunteering highlights that these systems improve sustainability and reduce hidden costs for communities.

- **Diversify models of engagement and service delivery**: Over-dependence on a narrow pool of volunteers risks burnout. Encouraging alternative models, such as episodic, intergenerational or digital volunteering, would broaden participation while reducing pressure on core groups. These models can also attract new cohorts, including younger people or those with limited time.
- **Encourage hybrid and social enterprise approaches**: Hybrid organisations that combine professional staff with volunteers, or generate independent income through social enterprise models, can offer more resilient and consistent service delivery. Encouraging such models would reduce dependence on government grants or a small base of regular volunteers, while enabling more sustainable community initiatives.
- **Continuously review volunteer dependence and resilience**: Finally, governments should treat volunteerism as a dynamic system requiring regular evaluation. Continuous policy review, evidence gathering and community feedback would ensure that volunteer engagement remains positive, balanced and sustainable. The OECD paper "Unleashing the potential of volunteering for local development" sets out six approaches to achieve this balance, many of which are directly relevant to Ireland (OECD, 2024[26]).

Box 1.7. How other countries rebalance volunteer dependence

The 2024 OECD paper "Unleashing the potential of volunteering for local development" highlights six strategies that countries can use to rebalance dependence on volunteers while maintaining strong community and civic engagement, and in some case attract more.

1. **Strengthen paid professional services:** Increase investment in core public services and paid staff to ensure continuity and expertise, especially for essential functions in health, social care and community infrastructure. Offer targeted grants or subsidies to help community groups hire part-time co-ordinators or administrators, reducing reliance on unpaid volunteer management.
2. **Clarify and formalise volunteer roles**: Clearly distinguish volunteer roles from those of paid staff, avoiding overlap or "replacement". Fair task division improves morale and reduces conflict, as shown by international research in professional-volunteer collaboration. Define boundaries for volunteer tasks to ensure compliance with professional, legal and safeguarding standards, particularly in sensitive areas like healthcare and social services.
3. **Support infrastructure and capacity building**: Invest in volunteer management systems (e.g. volunteer centres, training, insurance and support tools) to sustain participation and improve effectiveness without overburdening volunteers or organisations. Encourage sector-wide collaboration and resource sharing to avoid isolating volunteer-run organisations.
4. **Diversify service delivery and engagement**: Promote alternative models for community participation, such as short-term, episodic, remote or intergenerational volunteering. This broadens the base of involvement while reducing pressure on a core group of regular volunteers. Digital tools and innovation grants can also help overcome transport or time constraints.
5. **Enhance funding for hybrid and social enterprise models**: Support hybrid organisations that combine volunteering with paid staff or generate independent income. Encourage social enterprise and income diversification so that community services do not rely solely on government grants or volunteer contributions.

6. **Ensure continuous policy review and feedback**: Regularly assess and publish evidence on volunteer dependence and resilience, using community feedback to inform adjustments. Foster local leadership and participatory governance so communities help shape service delivery, balancing volunteerism with other capacity-building initiatives.

Source: OECD (2024[26]), "Unleashing the potential of volunteering for local development: An international comparison of trends and tools", https://doi.org/10.1787/deab71bd-en.

Address spatial planning gaps

Adjust the national compact growth model to reflect rural realities (dispersed settlement networks)

Irish spatial planning policy has implicitly adopted the Irish rural idyll as its framework for housing, transport and economic activity. Spatial planning starts from a national perspective, but rural areas have economic functions that require uses of land that differ from farming so, it is important that this diversity is better understood. Compact growth is the objective for cities and larger towns, as recognised in the National Planning Framework. Through the *Sustainable Residential Development and Compact Settlements Guidelines*, compact growth is now also being applied to villages and rural settlements. However, in many rural regions where networks of small, dispersed settlements form an interconnected economic and social system, compact growth has less relevance (Schaffer, Marcouiller and Deller, 2004[27]). It is less operational and less tailored and this is where ORF II could help.

Leverage environmental assets for green economy strategies tailored to rural contexts

As discussed in Chapter 2, rural Ireland is well-positioned to benefit from the green transition: renewable energy investments, bioeconomy projects and circular economy initiatives are already concentrated outside major cities. However, maximising this potential requires parallel investments in green skills and forward-looking planning to ensure rural communities capture not just the infrastructure but also the jobs, value chains and innovation opportunities.

The green transition agenda is largely driven through national climate and skills policies, but its place-based rural and settlement lens is weak. It is important to ensure that rural areas do not just become "sites" for renewable infrastructure without fully participating in the economic value created. For example, rural areas should not just generate electricity but directly use some of that electricity for local economic development. The DRCDG can play a role, by leveraging its convening power and rural intelligence function to identify where green opportunities intersect with rural labour markets, education pathways and enterprise development. This builds ownership, reduces resistance and allows rural actors to identify opportunities that fit their assets (wind, biomass, ecotourism, recycling hub). Climate adaptation should integrate sustainable place-based heritage practices with research and innovation, promoting traditional and nature-based solutions that also contribute to climate mitigation (DHLGH 2025).

Foresight-based stakeholder processes pilots should be focused on green transition scenarios. These sessions could explore:

- **Where are jobs most at risk in rural sectors** (peat, fossil fuel-related transport, traditional construction)?
- **Where are green jobs most likely to emerge** (renewable energy, retrofitting, sustainable agriculture, ecosystem services, circular economy)?
- **What spatial patterns matter** (towns, hinterlands, remote areas)?

Green skills planning is being developed centrally (through the Department of Further and Higher Education, Research, Innovation and Science, SOLAS, the Higher Education Authority, etc.), but without a strong rural lens. ORF II could support this effort by encouraging initiatives that show where job losses and gains are likely to hit rural communities. This evidence base would allow the DRCDG and other government departments at the national and subnational levels to collaborate based on more concrete rural data. The aim is to ensure that training provision and reskilling initiatives reflect rural realities (e.g. proximity to renewable projects, need for mobile training facilities, integration of SMEs into green supply chains). Foresight methods can also help map how rural economies will be affected by job losses in carbon-intensive sectors and the emergence of new green roles. These insights should then be integrated into town strategies, SME support programmes and regional planning.

Key actions

- Identify rural green opportunities: Use rural intelligence dashboards to track green investments, jobs at risk and emerging skill needs in rural areas.
- Convene foresight sessions: Bring together regional assemblies, LAs, education providers and business networks to anticipate and plan for green labour market transitions.
- Link green opportunities with SME development: Ensure that supports for rural businesses include pathways to participate in renewable supply chains, bioeconomy projects, repair and regeneration to tackle vacancy and dereliction, and local circular economy initiatives.
- Embed rural perspectives in skills strategies: Work with the Department of Further and Higher Education, Research, Innovation and Science and regional training boards to ensure green skills curricula reflect rural employment realities.
- Pilot regional green skills partnerships: Use the regional assembly framework to test collaborative models that link training providers, employers and LAs.

Make rural regions attractive places to live and work

Balance Town Centre First with a wider rural-hinterland lens

Ireland's Town Centre First policy is a strength. Revitalisation of rural towns is central to balanced regional development. The focus on the reuse of buildings, town centre housing and greater visibility for small towns aligns with the OECD's objective of making regions more attractive to live and work in, while improving service delivery (OECD, 2023[28]). It provides a coherent response to rural decline, but, as several interviews revealed, an exclusive emphasis on towns risks neglecting the wider hinterlands, areas that are also essential for housing, land use and business location decisions.

Some businesses noted that they would prefer to locate in the hinterland but are incentivised to cluster closer to town centres due to how supports and resources are distributed. While environmental and infrastructure considerations rightly play a role in this, it also raises questions about how to accommodate certain types of rural economic activity that may be better suited to non-urban locations; planning permissions also appear to be easier to obtain in towns. The hinterland is a functional extension of the town centre: places where housing, land and business activities can complement ongoing revitalisation efforts. There could also be missed opportunities to leverage the hinterland for uses beyond agriculture (e.g. space for SMEs, green economy initiatives or hybrid live-work models).

Spatial choices (town versus hinterland) directly affect local labour markets, SME growth and investment opportunities. This makes it an economic development issue as well as a planning one. Rural investors are diverse: some will thrive in walkable town centre settings, while others require peripheral or land-based assets (logistics, renewable energy, creative hubs, etc.). Without a dual focus, policy could miss one segment of rural opportunity. It is important to continue to support town centre revitalisation, while at the same time, integrate hinterland opportunities into spatial and economic planning. This helps attract both entrepreneurs and more space-intensive investors.

Over the years, Ireland has increasingly used foresight practices in government policy planning and policymaking frameworks (OECD, 2023[29]; OECD, 2021[30]). Ireland's government even partnered with the OECD to develop the capacity for strategic foresight, defining it as the process of envisioning multiple future scenarios, identifying early signs of disruptive change and stress-testing strategies against potential shocks (OECD, 2022[31]). The DRCDG can host some foresight sessions on this issue bringing together LAs, regional assemblies, business owners, tourism boards, community representatives and other stakeholders. These sessions should be anchored by rural intelligence (e.g. six-way typology, data on trends) and used to explore different spatial scenarios and future needs of towns and their hinterlands, such as demand for business space, green economy projects or hybrid working hubs. These insights can then be fed into the next cycle of national and regional spatial planning. Portugal's foresight centre illustrates how governments can institutionalise anticipatory planning to support balanced territorial strategies (Box 1.8).

Box 1.8. Portugal's PlanAPP: Using foresight to drive planning strategies

Portugal's strategic foresight centre, PlanAPP, plays a key role in improving government co-ordination, capacity for futures thinking and integration of foresight into policy planning across sectors. PlanAPP is designed to support long-term, cross-sectoral strategies by providing evidence-based foresight to inform decision making and help the government anticipate emerging challenges in its planning cycles. Its work feeds into national strategies by advising ministries and public agencies, ensuring cross-sectoral policy co-ordination and future readiness. PlanAPP's outputs may include reports, foresight briefings, scenario planning documents and inputs into official multi-year policy documents. It provides an example of how foresight can be systematically included in government planning cycles.

Source: Monteiro, B. and R. Dal Borgo (2023[32]), "Supporting decision making with strategic foresight: An emerging framework for proactive and prospective governments", https://doi.org/10.1787/1d78c791-en.

Key actions

- Use rural intelligence (six-way split, labour market evidence) to demonstrate how hinterland areas contribute differently to the economy than town cores.
- Work with regional assemblies to embed rural-sensitive perspectives in RSES.
- Work with LAs to identify where hinterland opportunities exist (e.g. business parks, land repurposing) and balance these with town centre renewal.
- Encourage the testing of more flexible planning models in selected areas that combine town centre renewal with hinterland business attraction, then scale lessons.
- Conduct evidence-supported foresight sessions to bring in the community perspective.

Take a differentiated approach to crafting tailored strategies to enhance attractiveness

Rural areas adjacent to cities face pressure from rising housing costs, commuting dynamics and service congestion; mid-sized rural areas often struggle to retain skilled labour despite strong SME bases; and remote rural regions contend with declining services and acute recruitment challenges in sectors such as healthcare and education. Using rural intelligence – particularly Ireland's six-way typology – enables tailored responses aligned with the functional realities of each place.

The six-way split already functions as an urban-proximity model rather than a purely rural typology: it reflects a continuum from urban cores to remote areas. Both the OECD Principles on Rural Policy and the OECD Principles on Urban Policy share the goal of maximising urban-rural linkages as a foundation for sustainable territorial development. In Ireland's case, this principle is especially relevant given the close spatial interdependence between rural and urban labour markets, housing and service systems.

ORF II should explicitly strengthen this urban-rural continuum by making functional linkages visible, measurable and actionable. It should move beyond viewing towns and rural hinterlands as separate policy spaces and instead frame them as interdependent nodes within shared economic, social and environmental systems. The National Planning Framework acknowledges these linkages, but there is limited systematic mapping of rural town labour flows, commuting and service dependency analyses are not routine, and rural intelligence is not consistently integrated into planning or economic strategies. Thus, Ireland recognises the concept in principle but has not translated it into tools, metrics or governance mechanisms. ORF II can help to fill that gap. by encouraging the integration of rural intelligence into spatial planning and economic development frameworks, mapping commuting patterns, labour mobility and service dependencies between rural settlements and nearby towns.

To this end, ORF II could focus on:

- **Housing and land use planning**, recognising functional housing markets that span town boundaries and adjacent rural zones.
- **Labour mobility and transport**, linking compact-growth strategies with transport investment to support rural commuting and hybrid work.
- **Shared service delivery**, piloting inter-municipal or inter-county collaboration to extend health, education and childcare services.
- **Facilitating the linking of smaller settlements** so they can share the demand for local goods and services among themselves and reduce longer distance commuting and other travel.
- **Renewable generation and land management**, promoting joint urban-rural projects on energy transition, waste management and climate adaptation.

Address housing gaps through community-led approaches

Meeting rural Ireland's housing needs requires co-ordinated action across regulatory reform, investment in infrastructure, targeted support for affordable housebuilding and policies that address demographic and workforce trends (OECD, 2025[33]). ORF II should emphasise that addressing rural housing is not only a social priority but also an economic one, critical for sustaining rural labour markets and ensuring balanced demographic renewal. The next strategy should increase the focus on improving housing supply in rural areas through community-led, place-based approaches, enabling regions to respond flexibly to local needs.

ORF II should encourage the development of a Rural Housing Enabler Network (RHEN) pilot to facilitate these efforts and bridge the technical and administrative gaps that often prevent rural communities from progressing local housing solutions. Such a network could act as a support mechanism, helping communities identify housing needs, broker partnerships and navigate regulatory and planning systems, particularly where local expertise or resources are lacking (see Box 1.9). Initiatives are under way to pilot community-led approaches, including upcycling projects, local trusts and co-operative models (CLH, 2025[34]; The Housing Agency, 2025[35]). However, these are not yet part of an integrated "enabler" system. A pilot RHEN could be funded drawing on successful models in England and Wales (United Kingdom), and embed it within existing rural governance frameworks (LDCs, LCDCs and regional assemblies).

Box 1.9. Rural Housing Enabler Network: England and Wales

Enablers act as "honest brokers", facilitators who work between local communities, parish councils, housing associations, planning authorities and developers. They carry out housing needs surveys, pinpoint suitable development sites and provide impartial advice to communities, LAs and developers. Rural housing enablers (RHEs) support the planning application process, mediate local concerns and help access funding. Their focus is to deliver homes that meet local needs, not just generic targets. They are often embedded in local rural community councils or umbrella networks and share best practice and technical support across counties. They build trust by engaging residents and local councils from the earliest stage, helping them define what types of homes are most needed, such as affordable homes for young families, elderly residents or key worker. They guide communities through site selection and design processes, ensuring new developments fit local character and gain wider support.

The RHEN model in England and Wales is widely viewed as best practice.

- **England**: The Action with Communities in Rural England network supports over 38 local rural community councils, each hosting RHEs serving their county. The network functions as a platform for peer support, technical expertise sharing and national advocacy. RHEs work closely with LAs and housing associations to unlock difficult sites and facilitate new builds, often on rural exception sites. Evaluations (2025) show RHEs enabled hundreds of rural affordable housing projects, returning significant social value for every pound invested.
- **Wales**: The Welsh RHEs operate regionally (since 2004) and are recognised in government reviews as highly effective. They have helped deliver hundreds of rural affordable homes and influenced rural planning policy. The Welsh network focuses strongly on sustainability, community buy-in and the development of small-scale housing on exception sites, often tailored for local population retention and renewal. Their approach includes rigorous housing needs assessment, mediation of diverse stakeholder interests, and ensuring rural developments remain sensitive to landscape and heritage concerns.

Sources: ACRE (2024[36]), , "Only 1 in 6 rural councils have made use of key affordable housing option", https://acre.org.uk/rural-exception-sites-affordable-housing/ (accessed on 30 August 2025); Barcud Cyf (2025[37]), "Rural Housing Enabler", https://www.barcud.cymru/rural-housing-enabler/ (accessed on 22 August 2025).

Key actions

- Prioritise rural housing as a key driver of economic and demographic resilience.
- Promote community-led housing models (co-housing, self-builds, trusts, co-operatives) within national housing and spatial planning frameworks.
- Encourage collaboration between the DRCDG, housing and regional assemblies to align housing with labour market and service access needs.

- Pilot a RHEN, co-ordinating national and local partners to provide technical and planning support to rural communities.
- Embed the network within existing governance structures (regional assemblies, LCDCs and LDCs) to ensure long-term sustainability.
- Use rural intelligence dashboards to identify rural housing needs and track outcomes.

Strengthening services in health and well-being

Four structural challenges shape health outcomes in rural Ireland: i) persistent general practitioner (GP) and healthcare workforce shortages have reduced service accessibility, affecting well-being and population retention; ii) an ageing population that is driving greater service demand and care needs; iii) good but uneven digital and physical infrastructure that limits the reach of telemedicine and mobile services; and iv) under-developed linkages between health and rural policy, leaving opportunities for co-ordination untapped.

ORF II should explicitly recognise rural health and care access as a determinant of quality of life, population retention and labour market participation. This requires integrating health outcomes and service access indicators into national rural monitoring frameworks. ORF II should establish a Health-Health Service Executive (HSE) Rural Health Access Taskforce to develop cross-sector strategies, such as shared workforce data and co-ordinated service planning at the regional and local levels. It should also promote the use of functional rural typologies (adjacent, mid-sized, remote) to tailor health-service models, enabling the HSE and LAs to adapt telemedicine, mobile clinics and GP incentive schemes to local conditions.

The DRCDG can strengthen its enabling role by investing in the infrastructure and community capacity that underpin health access. Broadband connection points and digital hubs can be used to:

- Host health-related outreach teleconsultations.
- Facilitate or support digital literacy sessions for older residents and community health information events.
- Pilot co-location of health outreach within community centres or digital hubs in underserved areas.
- Use Social Inclusion and Community Activation Programme and CLÁR funding to support community health initiatives, such as mobile screenings and local transport schemes.
- Encourage LDCs to partner with the HSE on place-based health access projects.

Through co-ordination with the Department of Transport and the National Transport Authority's Connecting Ireland plan, ORF II could support community-transport pilots focused on access to GP and hospital appointments. The DRCDG should request that LCDCs and LECPs include rural health and well-being objectives in their next planning cycles, accompanied by guidance or templates for including health indicators in monitoring. Eligibility under the Town and Village Renewal Scheme and the Rural Regeneration and Development Fund could be extended to projects improving access to community healthcare or well-being spaces. Pilot projects could also demonstrate rural telemedicine, shared-practice hubs or mobile GP/health teams.

Key actions

- Frame health as a pillar of rural well-being and resilience.
- Embed rural health access in rural proofing.
- Promote spatial differentiation in service delivery.
- Invest in digital and physical infrastructure that supports telehealth.
- Leverage community development networks for health outreach.
- Enhance rural mobility for healthcare access.
- Integrate health into local and regional planning.
- Support local capacity and innovation.

Foster agricultural viability, diversification and green transition

Rural development can act as a bridge between agricultural modernisation and non-farm diversification. The majority of Irish farm households operate smallholdings that cannot generate sufficient farm income to provide a sustainable standard of living. While these landscapes contribute to Ireland's cultural identity and tourism appeal, farm viability remains constrained. Two main pathways exist to raise household income: achieving greater efficiency through farm consolidation, often limited by fragmented land ownership and expanding off-farm employment and enterprise opportunities through broader rural economic development. Of course, these two pathways are macro drivers and, within them, there is room for multiple on-farm strategies, including conversion, intensification and diversification.

Farm succession typically occurs late in the life cycle, with returning family members taking over holdings near retirement age. This delays investment in modernisation and perpetuates low productivity. Creating vibrant local economies with good employment prospects could alter this dynamic: younger generations could remain in their communities, combine off-farm work with farming and prepare earlier to assume farm management. This would strengthen both the economic base of rural areas and the long-term sustainability of family farming. ORF II should:

- Position agriculture as an integral component of territorial resilience, by promoting stronger linkages between non-farm diversification and local enterprise development.
- Encourage differentiated approaches across rural typologies to support agri-tourism, short supply chains, renewable energy and ecosystem-service markets.
- Reinforce the need for more co-ordination between the Department of Agriculture, Food and the Marine (DAFM), the DRCDG and DETE/Enterprise Ireland to align Common Agricultural Policy (CAP) support with rural enterprise and community development measures.

The DRCDG can leverage opportunities and resources such as LEADER, the Rural Regeneration and Development Fund and the Town and Village Renewal Scheme to back projects that integrate farming with local enterprise: crafts, food, small-scale processing, renewable energy, heritage or ecotourism. It can support community-based infrastructure such as shared processing facilities and local food hubs that add value to farm output. ORF II should facilitate training, green skills development and remote-work opportunities through broadband and digital hub initiatives for farm families. It should also work with the DAFM to promote place-based pilot projects that test new models of small-farm viability under climate, green transition and market pressures.

Key actions

- Align rural and agricultural policy through structured inter-departmental co-ordination.
- Tailor diversification support to rural typologies.
- Invest in value-added local supply chains and community-based agri-innovation.
- Strengthen youth engagement, green skills training and early-succession planning in farming.
- Target off-farm employment opportunities for small-farm households to diversify household income.
- Work with the DAFM on enhancing the visual appeal of rural Ireland by helping to finance fence- and farm-building renovations.

Table 1.3. Recommendations of the Rural Policy Review of Ireland

Recommendation	Key actions	ORFII/ DRCDG (where feasible)
Strengthen rural economic development through targeted supports and labour market strategies.	Understand and map local labour markets using the Central Statistics Office (CSO) six-way split for rural classification	Convene cross-ministry and local-business dialogues to reveal rural challenges (e.g. water, housing, infrastructure)
	Convene regular rural SME fora to bring rural business owners into policy dialogue	Use rural intelligence to inform enterprise and skills policies
	Bring together local actors in "discovery spaces" to scan for diversification niches	Strengthen communication between LEOs and entrepreneurs to close information gaps
	Address gaps in SME funding, especially for non-exporting firms and second-tier suppliers	Encourage regional assemblies to factor rural SMEs into regional enterprise strategies
	Leverage social innovation pathways as training grounds for entrepreneurship	Work with local authorities (LAs) to integrate differentiated labour market insights into local development plans
	Pilot local economic development zones with regional assemblies and enterprise partners	Convene foresight sessions with local stakeholders (business, tourism, community groups, assemblies)
	Bring rural actors into foresight dialogues on the green transition	Supply intelligence to skills authorities to align training strategies with rural needs
	Identify rural-specific green job losses and opportunities using rural intelligence	Support assemblies/LAs in embedding green transition into their strategies
	Engage with the state agency responsible for Further Education and Training (SOLAS)to ensure training and apprenticeship pathways for rural communities	Promote uptake of over-shop housing conversions in rural areas.
	Integrate entrepreneurship and problem-solving skills into secondary and tertiary curricula	
	Integrate green opportunities into regional and local development plans	
Develop sophisticated rural intelligence and data aligned to typologies	Establish the DRCDG as keeper of rural intelligence, curating cross-government data into accessible dashboards	Curate existing datasets across government and academia (not starting from scratch)
	Produce *State of Rural Ireland* reports (bi-annual)	Partner with universities/expert bodies to pilot analysis
	Mainstream CSO six-way classification in policymaking to improve rural differentiation	Provide data in both short "fact sheets" and detailed reports to ministries, regional assemblies and LAs
	Strengthen rural proofing with evidence-based tools	
Strengthen implementation and monitoring	Differentiate priorities into direct (DRCDG) versus indirect (other departments) remit with dual-track monitoring	Maintain visibility on all government actions affecting rural areas to reinforce incentives across ministries
	Shift from activity counts to outcome-oriented dashboards	Act as guardian and broker, supplying rural intelligence to other departments and keeping rural matters on their

Recommendation	Key actions	ORFII/ DRCDG (where feasible)
		agendas
	Reduce administrative burden by moving to annual progress reviews with more qualitative indicators	Build a national rural data hub with quality of life indicators and bottom-up monitoring tools
Strengthen capacity at the subnational level to support rural outcomes	Empower LAs in selected domains (innovation, digital hubs, circular economy)	Convene regional assemblies and local councils to strengthen rural-sensitive planning
	Strengthen regional assemblies' analytical capacity and rural-sensitive mandates	Deploy time-bound facilitators to broker cross-department delivery locally
	Rebalance accountability so LAs answer more directly to communities	Establish stakeholder group to clarify mandates and reduce duplication
	Facilitate linkages among non-rural programmes at the LA level	Pilot subnational models to evaluate future decentralisation.
	Clarify overlap between local development companies (LDCs), local community development communities (LCDCs) and local action groups (LAGs)	
Rebalance volunteer dependence through professionalisation, training and support structures	Fund core posts where volunteer substitution is highest	Provide targeted grants to professionalise high-dependence services
	Provide training/induction and clear role boundaries	Support volunteer centres and pooled delivery
	Develop equity mechanisms for low-volunteer areas	Ensure national policy frameworks reinforce volunteer sustainability through regulatory evaluation
	Introduce programme guardrails to ensure strategic fit	Encourage hybrid and social enterprise approaches.
Address spatial planning gaps	Ensure that national spatial planning frameworks (National Development Plan, National Planning Framework, Housing Plan) reflect the functional diversity of rural areas	Strengthen co-ordination with the Department of Housing, Local Government and Heritage and regional assemblies to embed the rural lens in planning
	Encourage compact-growth strategies that balance town vitality and dispersed settlement networks	Use rural intelligence to demonstrate how compact growth can adapt to different rural typologies
	Promote foresight-informed planning for green transition and land use	Convene foresight-based green transition planning sessions to link spatial, labour and enterprise strategies
Make rural regions attractive places to live and work	Embed the “town–hinterland” continuum in ORF II to strengthen balanced settlement systems	Use rural intelligence to map service gaps and quality-of-life disparities
	Integrate housing, health and connectivity considerations into the attractiveness agenda	Support pilots that integrate town centre revitalisation with hinterland development
	Promote urban-rural linkages as a core policy pillar, leveraging the six-way split	Encourage multi-department collaboration on health and housing delivery in rural contexts
		Work with regional assemblies to embed rural-sensitive perspectives in RSES.
		Work with local authorities to identify hinterland opportunities (e.g. business parks).
		Co-ordinate community-led housing initiatives and pilot a rural housing enabler network
Foster agricultural viability, diversification and green transition	Target off-farm employment opportunities for small-farm households to diversify household income	Align rural and agricultural policy through structured inter-departmental co-ordination
	Work with the Department of Agriculture, Food and the Marine on enhancing the visual appeal of rural Ireland by helping to finance fence and farm building renovations	Tailor diversification supports to rural typologies
		Invest in value-added local supply chains and community-based agri-innovation
		Strengthen youth engagement, green skills training and early-succession planning in farming

Conclusion

As the assessment demonstrates, rural Ireland has distinctive strengths: population growth when other OECD rural areas decline, a strong policy framework unique among member states, and institutional infrastructure for place-based policy development. However, the central challenge is not lack of policy ambition it is more varied. Ireland's rural areas feature a mix of different types of rural regions from hinterlands to remote, yet policies rarely distinguish between them. Compact-growth strategies designed for cities are applied to dispersed settlements. Some domestically oriented rural SMEs struggle to access funding. Regional assemblies and local authorities have mandates but, in some cases, either lack a rural lens or the resources and discretion to act.

The recommendations in this report can be summarised as interconnected actions:

- ***Governing better for place*** that draws on differentiated rural intelligence has more innovative monitoring systems, and strengthened multi-level governance capacity
- ***Building a resilient rural economy*** that enables entrepreneurial discovery identifies diversification opportunities beyond agriculture coupled with tailored labour market strategies.
- ***Make places work*** by adapting spatial planning to rural settlement patterns, linking housing delivery to workforce needs, and balancing town-centre renewal with hinterland economic opportunities.
- ***Make rural life work*** by rebalancing volunteer dependence, improving and investing in spatially differentiated service delivery models.
- ***Anchor agriculture in territorial resilience*** by linking farm diversification to local enterprise, targeting off-farm employment for smallholders, and co-ordinating agricultural and rural development policy.

These recommendations are mutually reinforcing and should be prioritised in the next phase of Irish rural policy. Rural intelligence enables differentiated strategies. Differentiated strategies require subnational capacity. Subnational capacity depends on resources and discretion. Effective monitoring demonstrates impact and builds support for continued investment. By implementing these recommendations, the government can transform Ireland's rural development approach into a one that delivers measurable improvements and outcomes.

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Note

[1] LEADER was launched by the EU in 1991 to address rural economic development. In Ireland, LEADER is delivered by Local Action Groups (LAGs) to supports private enterprises and community groups who contribute to quality of life and economic activity in rural areas. (Government of Ireland, 2025[41])

2 Ireland's rural story: Structure, trends and challenges

This chapter surveys the demographic, economic and environmental trends shaping rural Ireland, providing the basis for policy assessment and recommendations in the following chapters. It begins by defining rural areas according to the OECD and Irish classifications, which offer respective advantages for international comparability and context-specific granularity. It then expands the analysis on key trends by identifying the enabling factors for long-term rural competitiveness: innovation capacity, digital infrastructure, and access to education and services. It concludes by highlighting the need to leverage rural Ireland's growth potential while addressing structural imbalances.

Key points

- The Central Statistics Office (CSO) six-way urban-rural split offers a more granular picture of rural diversity by distinguishing degrees of urban influence (high, moderate, highly rural/remote). It reveals intra-regional variation invisible in the OECD typology and supports place-based policymaking.
- Ireland's rural regions defy OECD ageing trends, offering a short-term demographic advantage that must be harnessed through labour market and skills policies.
- Economic strength remains uneven: proximity to urban centres drives rural success, whereas remote areas require targeted investment and diversification.
- Rural skills and education outcomes are improving, but lifelong learning participation gaps persist between accessible and remote regions.
- Environmental pressures are acute and rural-centred; while renewable deployment is advancing, sustained investment and continued progress in agriculture are critical to meeting climate goals.
- Territorial disparities in healthcare and service access persist despite comparable provider ratios, underscoring the need for improved rural connectivity and service models.

Introduction

Ireland's rural areas perform better than many OECD counterparts – economically dynamic, demographically young and benefitting from proximity to urban centres. Yet spatial disparities persist between near-urban and remote rural areas. High emissions, digital lag and - distortions complicate the picture. The evidence underscores the need for spatially differentiated, place based rural policies that leverage urban linkages, innovation capacity and targeted infrastructure investment to sustain balanced growth.

This chapter establishes the analytical foundation for the review. It is organised as follows: the first section examines how rural Ireland is defined and benchmarks its regions against comparable OECD countries. The second explores demographic patterns and population dynamics. The third assesses economic performance and competitiveness. The fourth section reviews environmental pressure, as pertaining to emissions, water, energy and biodiversity. The fifth analyses accessibility of services and social outcomes. The sixth discusses enabling factors.

The final section examines the underlying factors that shape long-term rural competitiveness: innovation, digital infrastructure and skills. These enablers determine how effectively rural regions can adapt to structural change, attract investment and participate in higher-value activities. Together, these sections show that Ireland's rural areas remain demographically vibrant and economically dynamic, yet spatial inequalities persist, driven by structural dependence on agriculture, uneven digital and service access, and environmental pressures.

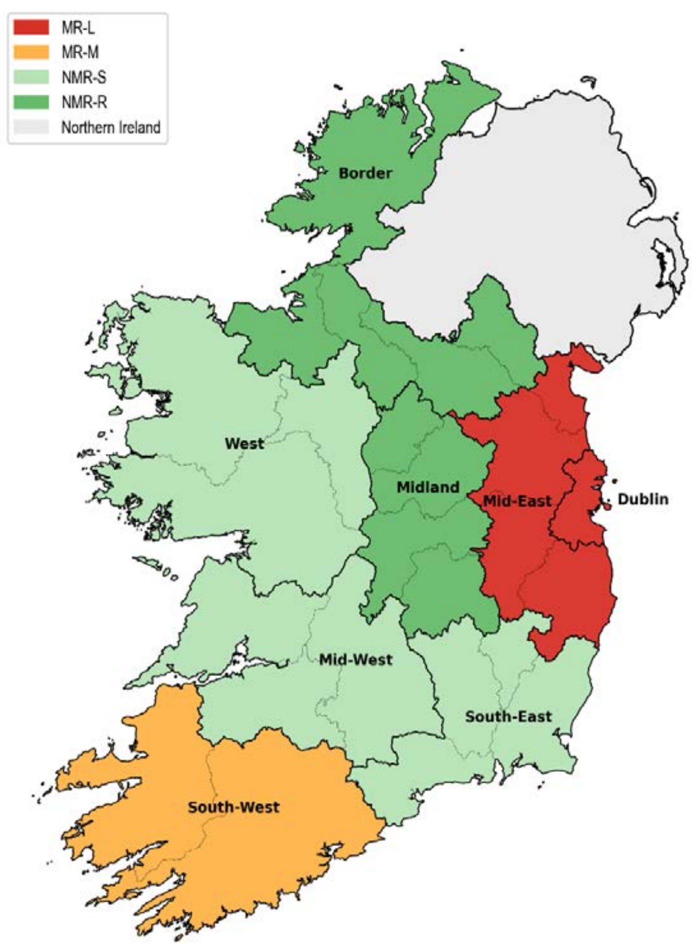
Defining rural Ireland through OECD and national classifications

Rural regions play an important role in Ireland's territorial, demographic and economic landscape. With a total land area of 68 655 square kilometres (km²) and an average population density of 76.8 people per km² in 2023, Ireland has a large share of its population living outside major metropolitan areas. According to the OECD regional typology that is applied to Territorial Level 3 (TL3) regions[1], approximately 42.5% of

Ireland's 5.3 million residents lived in rural areas in 2023, slightly above the OECD average of 41.5% in 2022. This typology classifies three of Ireland's eight TL3 regions as non-metropolitan near a small functional urban area (FUA) and two as non-metropolitan remote regions. Unlike many OECD countries, where rural population growth has stagnated, Ireland's rural population has grown steadily, with a growth rate of 1.19% between 2001 and 2021, the second-highest in the OECD after New Zealand.[2] From an economic standpoint, rural regions across Ireland have also recorded above-average gross domestic product (GDP) growth over the past two decades, with those near small FUAs benefitting the most, reflecting the advantages of greater accessibility to urban centres.

Understanding these territorial and economic differences requires appropriate classifications. While international definitions are essential for benchmarking trends across countries, they can overlook important internal variations and more context-specific dynamics. To address this, many countries also apply national definitions of rural areas that offer greater granularity and are better adapted to domestic policy needs. In Ireland, various agencies and policy frameworks use different criteria depending on the purpose, such as census data analysis, spatial planning or the allocation of development funding. The Commission for the Economic Development of Rural Areas, which laid the foundation for the Action Plan for Rural Development, defines rural areas as those outside the administrative boundaries of the five main cities: Cork, Dublin, Galway, Limerick and Waterford. In contrast, the CSO adopts a narrower definition, considering all areas outside towns with fewer than 1 500 inhabitants as rural.

Figure 2.1. Classification of Irish regions according to the OECD regional typology



While these national definitions serve specific domestic purposes, cross-country comparisons and the analysis presented in this report rely primarily on the OECD regional typology. This typology remains the main framework for distinguishing "metropolitan" from "non-metropolitan" regions across countries, based on population size, population density and proximity to large urban centres (see Annex Table 2.A.1). It classifies regions according to specific thresholds and their level of access to FUAs (see Annex Box 2.A.1. Definition of a functional urban area. For the purposes of this report, the terms "non-metropolitan" and "rural" are used interchangeably. When applied to Ireland, the typology classifies the following regions (Figure 2.1):

- **Large metropolitan regions (MR-L)**: Dublin and Mid-East
- **Medium-sized metropolitan regions (MR-M)**: South-West
- **Rural regions near small FUAs (NMR-S)**: Mid-West, South-East and West
- **Rural remote regions (NMR-R)**: Midland and Border.

The OECD regional typology is used consistently throughout this report, particularly for benchmarking Ireland's rural regions against those of other OECD Member countries. This approach ensures international comparability and analytical consistency. Where data at the TL3 level are not available, the analysis draws on the degree of urbanisation classification, which classifies smaller areas as cities, towns and semi-dense areas or rural areas (see Annex Box 2.A.2).

In Chapter 3, this analysis is complemented by Ireland's six-way rural-urban classification, developed by the CSO to better reflect the diversity of rural and small-town dynamics within the country (CSO, 2019[1]). Because this granular framework is specific to Ireland and not easily comparable across countries, it is used here to supplement the analysis with additional insights relevant for Ireland's policy context. This more granular classification highlights the geographic spread of rural areas and captures variation within urban regions by distinguishing cities, satellite towns and independent towns based on employment and service patterns. It allows for a more nuanced understanding of rurality, considering not only population size but also the degree of urban influence, particularly in terms of access to services and commuting patterns.

The six-way rural-urban split provides a more granular view of rurality in Ireland by focusing on small geographic areas rather than broader administrative regions (Figure 2.2). In contrast, the OECD regional typology classifies entire TL3 regions as metropolitan or non-metropolitan based on population size and proximity to large urban centres. For example, large metropolitan regions (MR-L) are broadly considered urban, as they correspond to regions where at least 50% of the population resides in an FUA with more than 1.5 million inhabitants. However, the six-way split reveals important internal variation within this metropolitan region, identifying 664 rural areas with high urban influence, 304 with moderate urban influence and 37 classified as highly rural (see Table 2.1), areas that would otherwise be overlooked using the OECD typology alone. It also highlights the geographic concentration and variation of rural areas across regions. For example, Dublin contains only two rural areas with moderate urban influence and no rural remote areas, while the Mid-East includes 202 areas with moderate urban influence and 37 classified as highly rural or remote. These distinctions are critical for policymaking, particularly when designing targeted, place-based interventions that respond to varying degrees of rurality.

The OECD consistently encourages Member countries to strengthen and make the most of rural-urban linkages as given the mutual benefits and complementarities (OECD, 2013[2]). While rural areas are widely acknowledged as diverse, the same holds true for urban areas. The six-way classification helps capture this variability by distinguishing between cities, satellite towns and independent towns. This added granularity provides valuable context for understanding and leveraging the functional relationships between rural and urban areas, particularly in terms of access to services, economic activity and local development dynamics.

Figure 2.2. Classification according to the Irish six-way rural-urban split

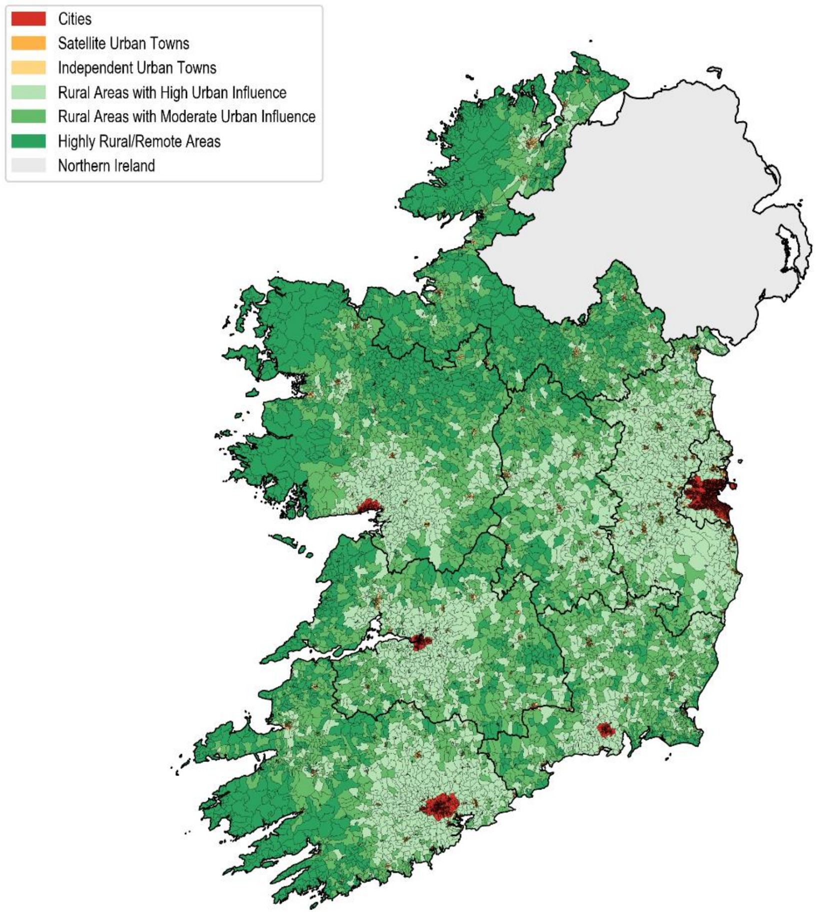


Table 2.1. OECD regional typology correspondence to Ireland's six-way rural-urban split

OECD regional typology	TL3 region	Cities	Satellite urban towns	Independent urban towns	Rural areas with high urban influence	Rural areas with moderate urban influence	Highly rural/remote areas
MR-L	Dublin	4 480	509	0	85	2	0
	Mid-East	1	1 084	581	579	202	37
MR-M	South-West	842	378	405	474	380	419
NMR-S	Mid-West	388	58	472	369	351	284
	South-East	225	54	532	269	414	192
	West	314	133	292	338	375	519
NMR-R	Midland	0	8	508	200	260	153
	Border	0	0	535	87	378	753

Note: This table presents the number of Irish small areas falling under each of the six regional types defined by the national classification framework, disaggregated by the eight OECD TL3 regions. In this framework, urban areas comprise Cities with 50 000 or more people, Satellite urban towns with 1 500-49 999 people where at least 20% of workers commute to cities, and Independent urban towns of similar size where fewer than 20% commute to cities. Rural areas are distinguished as those with high urban influence, where at least 15% commute to towns or cities, those with moderate urban influence, where commuting is below 15%, and highly rural or remote areas, defined by low population density and minimal commuting links.
Source: CSO Ireland, DATA.GOV.IE.

Identifying strengths and gaps in Ireland in a regional international context

To support international comparisons, the analysis includes 14 benchmark countries that are broadly comparable to Ireland in terms of the level of development (based on GDP per capita) and population size. These countries are Austria, Belgium, Czechia, Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, the Netherlands, New Zealand, Norway, Slovenia and Sweden. The analysis also benchmarks the performance of rural regions in Ireland to rural regions in all OECD countries across several indicators to provide a broader comparative perspective.

Figure 2.3 compares Irish regions and corresponding average values of the benchmark countries. The figure shows percentage deviations across a range of economic, environmental and digital infrastructure indicators, disaggregated by regional typology. This snapshot helps identify areas where Ireland's regions are performing above or below the average of its peers and provides insight into persistent regional disparities.

The key findings are summarised below:

- Rural Ireland performs well on the main economic indicators such as GDP per capita, with rural areas near small FUAs standing out. Irish regions, particularly Dublin, the South-West and rural regions close to small FUAs, exhibit strong performance in GDP per capita and labour productivity relative to the average of similar region types in the benchmark countries.[3] However, this strong performance is not evenly shared. The Mid-East falls slightly below its benchmark despite its proximity to Dublin, while rural remote regions like the Midland and Border also underperform. In contrast, rural areas near small FUAs show the strongest relative performance in disposable income per capita, likely benefitting from a mix of urban access and relative affordability.
- Unemployment is substantially lower across rural Ireland, while employment rates are also strong in rural areas near small FUAs. In recent years, both indicators have improved markedly (Annex Figure 2.A.1), with employment rates in most cases surpassing those of the benchmark regions and, in the case of rural remote regions, closing earlier gaps. These gains reflect the mobilisation of underutilised segments of the workforce, yet further opportunities remain, especially for women and those with below upper secondary education.
- Greenhouse gas (GHG) emissions per capita are high in rural regions, while electricity production shows low carbon intensity. Across nearly all Irish regions, GHG emissions per capita are higher than in the benchmark group, except in Dublin, which performs better than its metropolitan peers. This reflects Ireland's dispersed rural settlement pattern, with higher-than-average car dependency in less urbanised areas, as well as above-average emissions from its large agricultural sector. Despite this, several regions – including the Mid-East, South-East and Border – stand out for their strong performance in green electricity generation compared to similar regions abroad, indicating progress in transitioning to renewable energy sources. On the digital front, Internet broadband speed remains below the average for comparable regions, particularly in rural remote areas and the South-West.
- Internet broadband speed lags in rural Ireland, while the share of employment in public administration is higher in rural areas near small FUAs. Mean fixed download speeds are lower in rural regions than in the benchmark countries, with the exception of the Mid-West.[4] Remote regions such as the Midland and Border record particularly slow broadband, highlighting persistent digital infrastructure gaps. In addition, rural areas near small FUAs show a higher share of employment in public administration compared to rural remote areas, pointing to a comparatively stronger dependency on the public sector.

Figure 2.3. Heatmap of key indicators by Irish region

Comparison of key indicators (latest year), as percentage deviation from benchmark countries (blue = better, red = worse)

		GDP per capita	Labour productivity	Disposable income per capita	Unemployment rate	Employment rate	Share of employment in public administration	Economic diversification (HHI)	GHG emissions per capita	Carbon intensity of electricity generation	Internet broadband speed
MR-L	Dublin	158%	186%	4%	8%	8%	6%	10%	25%	-10%	-3%
	Mid-East	-22%	-6%	-12%	30%	4%	-1%	8%	-73%	95%	-8%
MR-M	South-West	292%	357%	4%	33%	3%	-8%	4%	-38%	-20%	-34%
NMR-S	South-East	27%	37%	11%	28%	2%	-3%	10%	-31%	80%	-17%
	Mid-West	108%	114%	19%	28%	7%	-6%	8%	-131%	-72%	-1%
	West	56%	55%	13%	41%	8%	-7%	9%	-13%	12%	-16%
NMR-R	Midlands	-7%	-1%	5%	32%	-1%	1%	13%	-30%	-41%	-25%
	Border	-9%	-1%	-2%	40%	-2%	3%	15%	-24%	96%	-38%

Note: Indicators refer to 2021 (Internet broadband speed in Fourth Quarter (Q4) of 2021), except for carbon intensity of electricity generation (2019), unemployment rate (2023) and employment rate (2024). Values for Irish regions are compared to a country-weighted average of benchmark regions within the same regional typology. For example, Dublin's GDP per capita is compared to the average GDP per capita of MR-L regions across benchmark countries, with each country contributing equally to the average regardless of size. Regional typology values are generally aggregated using indicator-specific weights: for instance, GDP per capita is weighted by each region's GDP and population to produce a weighted average. Exceptions include employment rate, unemployment rate and carbon intensity, for which simple regional averages are used. GDP per capita, labour productivity and disposable income are measured in USD in constant prices and purchasing price parity (PPP) with 2015 as the base year. The benchmark includes 13 countries (excluding Iceland) for GDP per capita, labour productivity, and Internet broadband speed; 12 countries (excluding Austria and Iceland) for disposable income, share of employment in public administration and economic diversification (Herfindahl-Hirschman Index); 11 countries for employment rate (excluding Finland, Iceland and the Netherlands); 8 countries (excluding Austria, Denmark, Finland, Iceland, the Netherlands and Norway) for unemployment rate; and all 14 countries for GHG emissions per capita and carbon intensity of electricity generation. Since not all benchmark countries include all regional typologies, the comparison group may vary by indicator – for example, only 6 of the 13 countries in the GDP per capita benchmark have MR-L regions. For interpretative consistency, the direction of deviation was reversed for unemployment rate, share of employment in public administration, economic diversification, GHG emissions per capita and carbon intensity of electricity generation.

Source: Based on the OECD Regional Database.

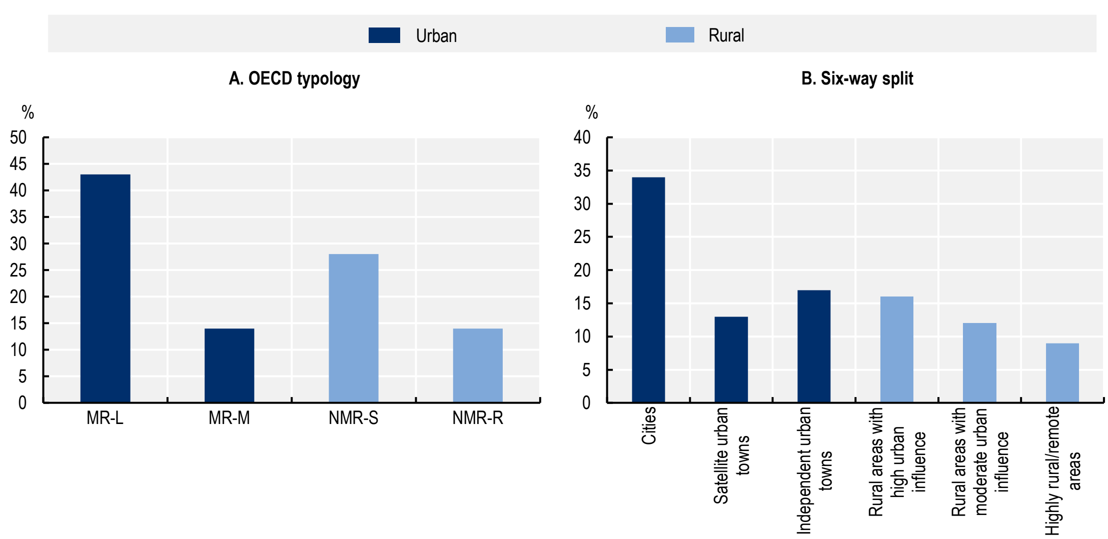
To summarise, rural Ireland performs strongly on core economic indicators, with rural areas near small FUAs standing out in particular. Both unemployment and employment rates have improved substantially in recent years and now surpass those of benchmark regions, with rural remote areas in particular closing earlier gaps in employment. These gains highlight Ireland's recent success in mobilising more of its potential workforce, though further scope remains among women and those with below upper secondary education. On the environmental side, per capita GHG emissions are high in rural regions, reflecting car dependency and the large role of agriculture, although progress in renewable electricity generation is notable. Digital infrastructure continues to lag, especially in rural remote areas, and rural areas near small FUAs show an unusually high reliance on public administration compared to rural remote regions.

Demographic trends

According to the OECD regional typology, 42.5% of Ireland's population lived in rural regions in 2022 (Figure 2.4). Within this group, 28.1% lived in rural regions near small FUAs (NMR-S), nearly double the share (14.3%) living in rural remote regions (NMR-R). The six-way rural-urban split estimates a lower share (36.4%) of the national population living in rural areas. Of these, 15.9% live in areas with high urban influence, 11.9% in areas with moderate urban influence and 8.6% in highly rural or remote areas. This difference reflects the fact that even regions classified as rural under the OECD typology can include small urban areas, a nuance better captured by the six-way split.

Figure 2.4. More people living in urban regions according to the Irish six-way split

Population distribution according to OECD typology and Irish six-way split in 2022



Sources: Based on the OECD Regional Database and CSO (2022[3]), *Census of Population 2022*, https://www.cso.ie/en/statistics/population/censusofpopulation2022/.

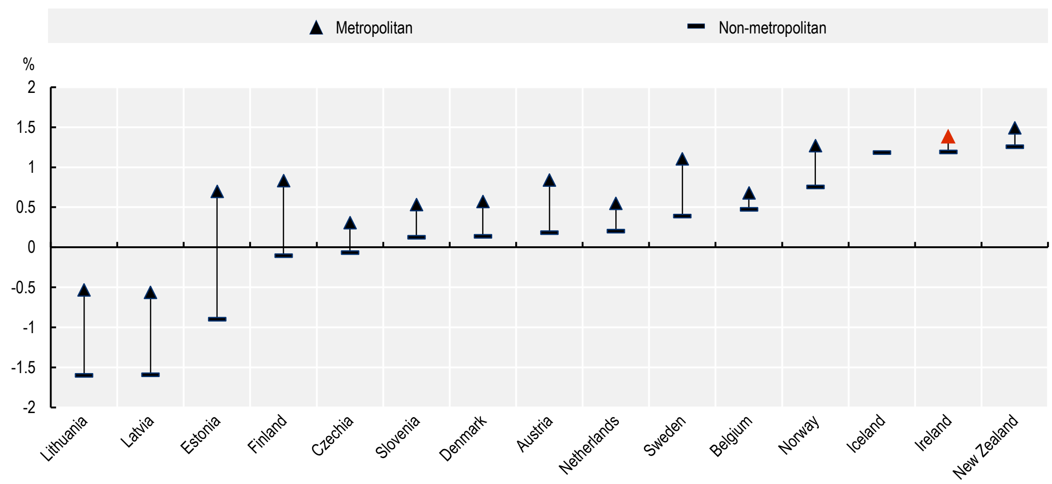
Population growth and youth premium

Ireland is amongst OECD countries recording the highest population growth in both urban (1.4%) and rural (1.2%) regions between 2001 and 2021. When compared to the 14 benchmark countries, Ireland stands out for its strong population growth in rural regions (Figure 2.5), only surpassed by New Zealand. It shows a very small gap in the rate of population growth between rural and urban regions, similarly to Belgium and New Zealand. Ireland also has the lowest old-age dependency ratio among the benchmark countries in

2021 (Figure 2.6), reflecting a relatively young population in rural areas. This youth premium suggests a strong labour force potential. Notably, the gap in the old-age dependency ratio has remained largely stable over time.

Figure 2.5. Ireland exhibits above-average population growth in rural regions

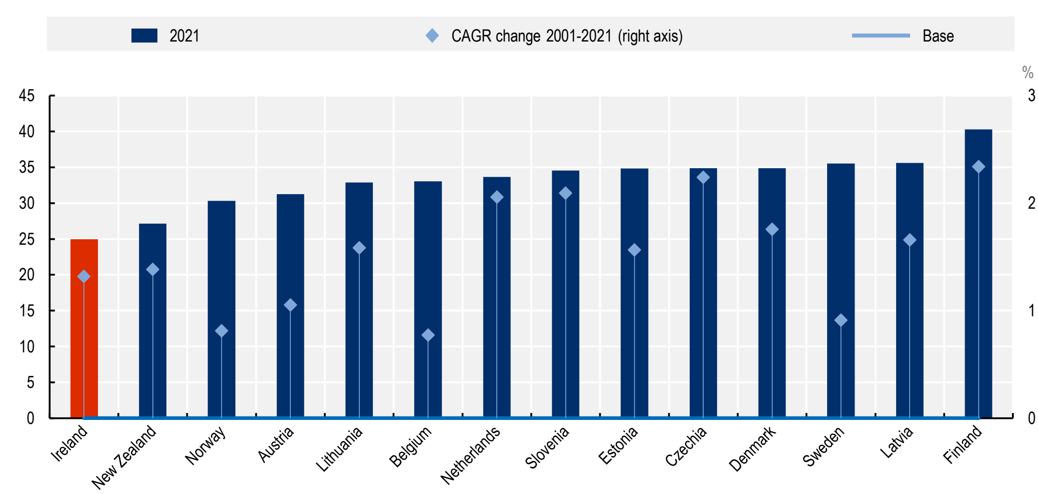
Population change from 2001-2021



Note: Population changes are expressed as the compound annual growth rate (CAGR). Changes were calculated by summing population of TL3 regions within each country and distinguishing between metropolitan and non-metropolitan regions. Data cover 15 OECD countries and measure growth from 2001 to 2021.
Source: Based on the OECD Regional Database.

Figure 2.6. Ireland stands out with low old-age dependency ratios

Old-age dependency ratio in 2021, in absolute values, and change from 2001-2021

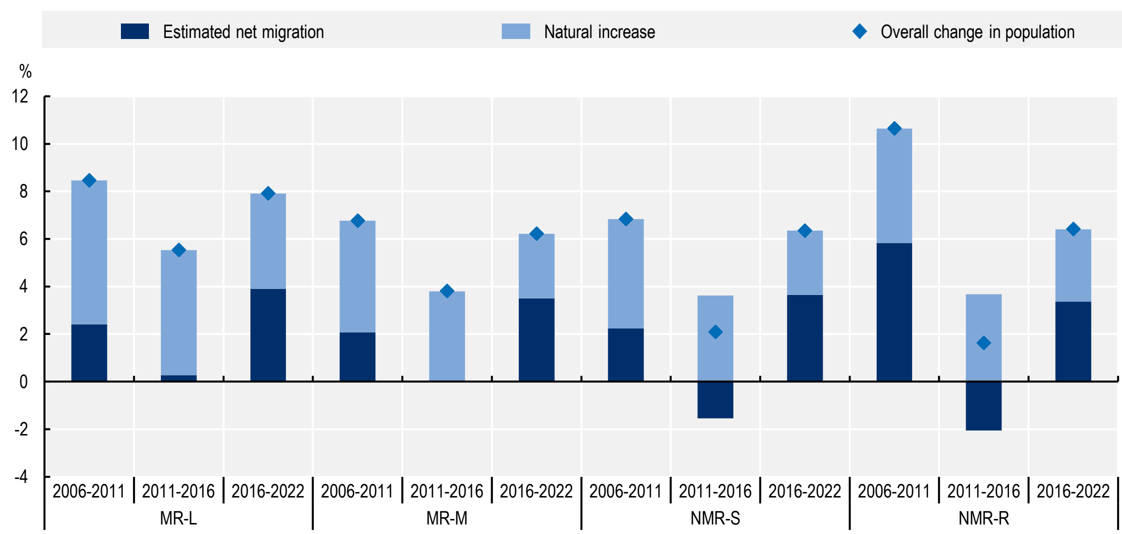


Note: The graph displays the old-age dependency ratio in 2021 across 14 OECD countries (left axis), alongside the CAGR over the period 2001-2021 (right axis). The old-age dependency ratio is defined as the number of people aged 65 or older per 100 people of working age (20-64). Values were calculated using a population-weighted approach by summing the population by age across TL3 regions within each country.
Source: Based OECD Regional Database.

The strong population growth in Ireland's regions was driven primarily by natural increase, with fertility rates among the highest (Annex Figure 2.A.2) and mortality rates among the lowest (Annex Figure 2.A.3) across benchmark countries. Life expectancy is also comparatively high, ranking third among the benchmark group (Annex Figure 2.A.4). In Ireland, these patterns are broadly similar across rural and urban regions, helping to explain the small differences in overall population growth. Migration has generally contributed to population growth, though its impact has fluctuated over time. Between 2011 and 2016, inflows slowed sharply, with rural regions even experiencing a net outflow. Since 2016, however, migration has rebounded, bringing strong net inflows across both rural and urban regions (Figure 2.7).

Figure 2.7. Ireland's population growth is driven by both migration and natural increase

Population change broken down in natural increase and net migration between 2006-2022



Note: Natural increase is the difference between the number of births and deaths, while net migration is the difference between people moving into and out of a region. Together, these two components account for the total change in population. Figures were aggregated across TL3 regions to reflect a population-weighted trend for each regional type. The values shown for each period represent the percentage change in population relative to the base year. For example, for the period 2006-2011, the overall population increased by *X*%, of which *Y* percentage points (p.p.) were due to natural increase and *Z* p.p. due to net migration.
Sources: Based on the CSO Census 2011, 2016 and CSO (2022[3]), *Census of Population 2022*, https://www.cso.ie/en/statistics/population/censusofpopulation2022/. .

In recent years Ireland has experienced strong inflows of both domestic and immigrant individuals reversing a very long period of rural outmigration. This can be largely attributed first to the effects of the Coronavirus disease 2019 (COVID-19) pandemic that caused urban dwellers to relocate to rural areas, especially those with high amenities when teleworking was encouraged. Second, the war in Ukraine led to an influx of refugees to rural areas where there was relatively more underutilised housing than in the larger urban centres. In both instances this influx was largely composed of younger people, which reduced the old-age dependency ratio.

Population projections and shifting age structures

With life expectancy, fertility rates and mortality rates in Ireland outperforming those of benchmark countries, population projections for Ireland point to several key trends:

- Rural population growth is expected to continue in the coming decades, with particularly strong growth anticipated in rural remote regions (Annex Figure 2.A.5).

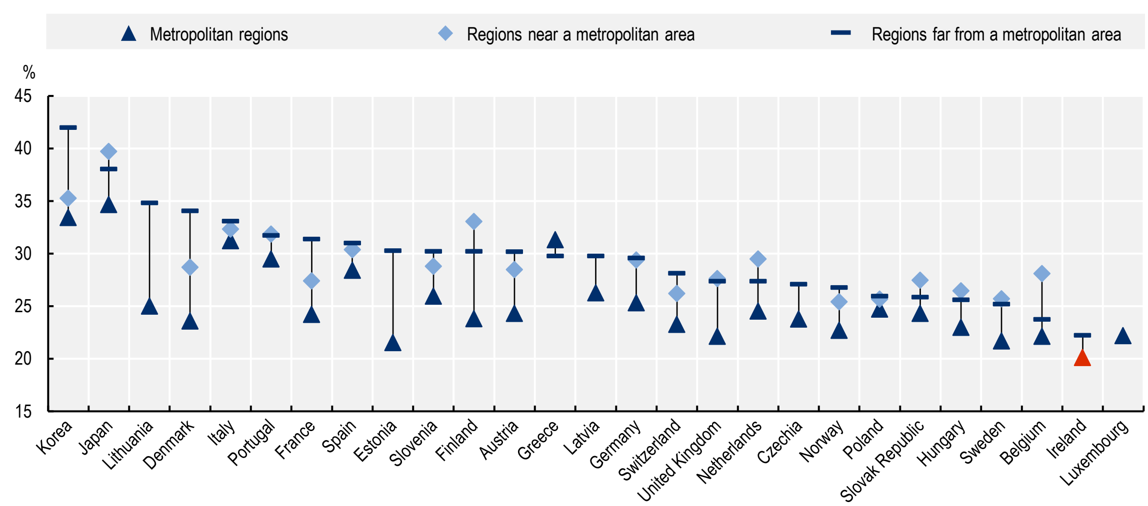
- The old-age dependency ratio is projected to rise further, especially in large metropolitan areas (Annex Figure 2.A.6).
- Ireland's youth premium is expected to gradually decline, as the working-age population continues to age over time (Annex Figure 2.A.7).

Ireland's urban system is highly centralised, with the Dublin region home to almost one-third of the population and acting as the main centre of economic, cultural and political activity. Other cities such as Cork, Galway, Limerick and Waterford remain much smaller in scale, so the country lacks a polycentric city structure. As a result, population growth has been concentrated in and around Dublin, although rural areas continue to represent a significant share of the population.

In sum, population trends in Irish rural regions go counter to the trends in other OECD countries, with a youth and demographic premium. This represents an important asset in the form of a potential labour force if mobilised correctly. The premium however will gradually disappear, since population projections predict an increase in the old-age dependency ratio. This increase, however, will be much smaller when compared to other OECD countries' projections (Figure 2.8).

Figure 2.8. Ireland experiences a comparatively smaller increase in its old-age population

Share of population aged 65 and over, 2040 projection



Note: Metropolitan regions include both MR-L and MR-M. Regions near metropolitan areas correspond to NMR-M, while regions far from metropolitan areas include both NMR-S and NMR-R.
Source: OECD (2022[4]), *OECD Regions and Cities at a Glance 2022*, https://doi.org/10.1787/14108660-en.

Economic trends and competitiveness

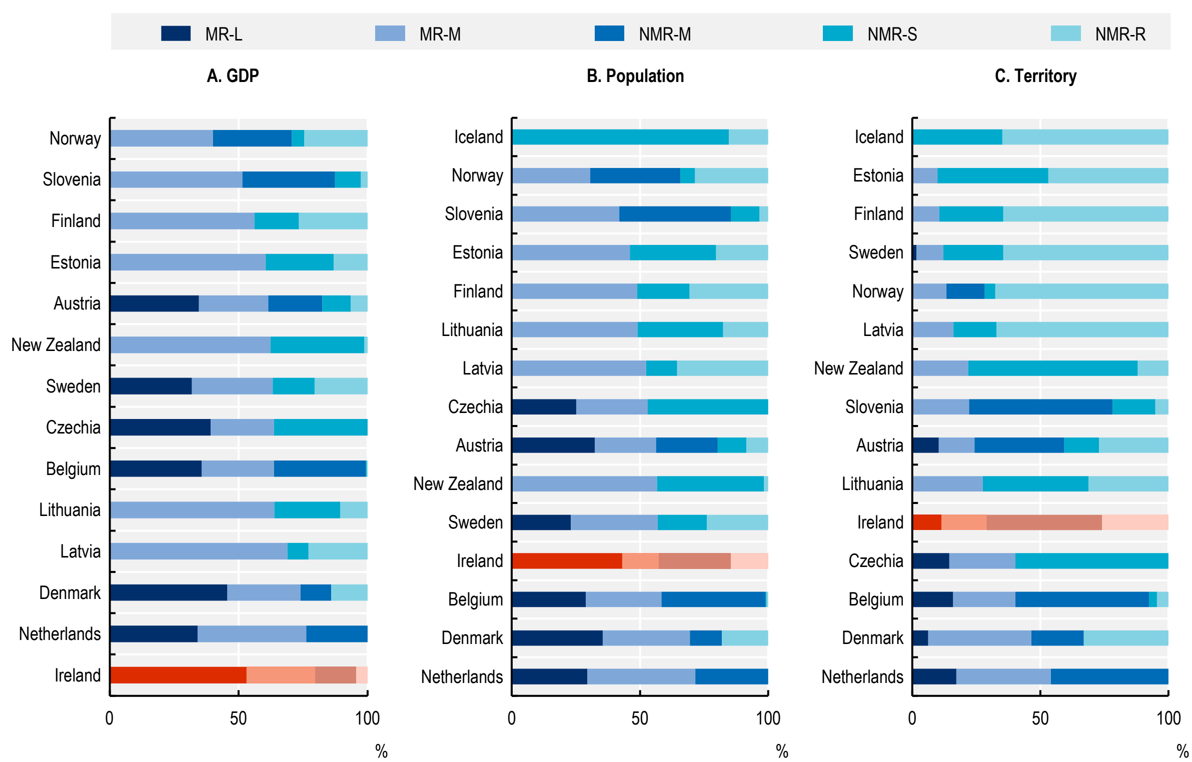
Benchmarking the economic performance of Irish rural regions is essential for assessing territorial imbalances and identification areas of growth potential. Unlike many OECD countries facing rural population decline and accelerated ageing, Ireland's rural regions currently benefit from a youth and demographic premium, with comparatively younger populations that represent an important potential labour force if mobilised effectively. This advantage, while expected to diminish gradually as the old-age dependency ratio rises, remains stronger than in most OECD countries and could play a key role in driving rural and national economic development. At the same time, structural trends – such as automation, digitalisation and the green transition – are opening new rural opportunities, that can support a broader rural economy that is currently specialised in agriculture, other natural resources and tourism, but has new opportunities in manufacturing and services.

Currently, economic activity remains heavily concentrated in metropolitan regions. Ireland's unique FDI structure, dominated by large multinational branch plants, disproportionally benefits larger cities, leading to a concentration of recorded economic activity in urban areas relative to their population share. This underscores the importance of enabling rural areas to better capture investment and strengthen their contribution to national growth.

Rural regions in Ireland account for 42.5% of the population but contribute only 20.3% of national GDP, highlighting a notable gap between their demographic and economic weight. Among the 14 benchmarked countries, Ireland records the lowest rural GDP share and ranks in the bottom third for the share of national territory covered by rural regions (Figure 2.9).

Figure 2.9. Snapshot of rural share in GDP, population and territory

Share of GDP, population, and land area by type of region in 2021



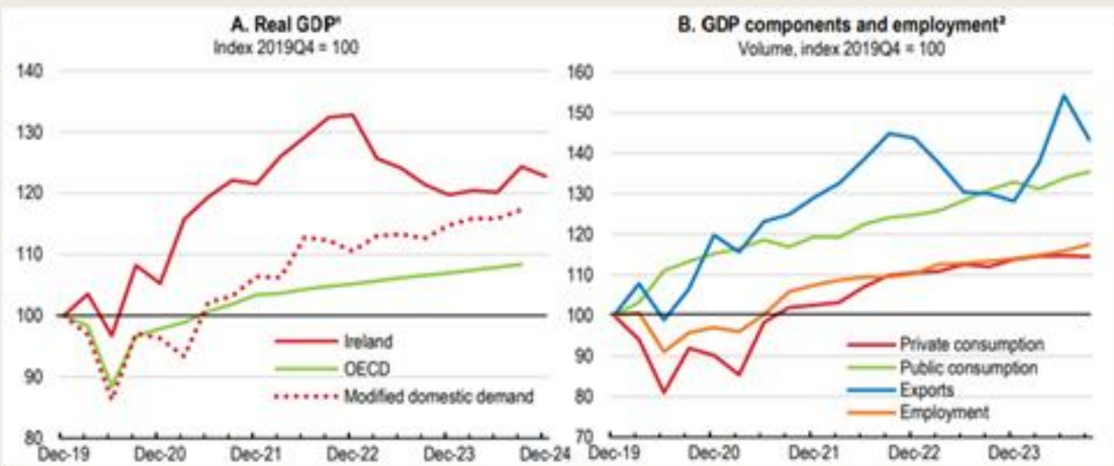
Note: Values were aggregated by regional typology to produce weighted averages for each country. GDP is measured in USD in constant prices and PPP with 2015 as the base year.
Source: Based on the OECD Regional Database.

The low share of GDP contributed by rural Ireland reflects the distorting effect from the oversize role of foreign multinational branch manufacturing and service entities that mostly locate in larger cities and suburban areas. This effect is well recognised by statistical offices, which has led to the use of alternative indicators to account for the resulting bias (see Box 2.1). From an analytical perspective, it is important to remain aware of these distortions, particularly when assessing indicators such as GDP, productivity or patent activity.

Box 2.1. Accounting for multinational investment spending in Ireland

Ireland's national economic statistics are heavily influenced by the activities of large multinational enterprises, many of which have their European headquarters located in urban centres. These headquarter effects – such as profits being booked in cities where little actual production occurs – can distort regional economic indicators and contribute to the relatively low recorded GDP share of rural regions in Ireland when compared to benchmark countries (Figure 2.10).

Figure 2.10. Accounting for multinational investment spending



Notes:
1. Flash GDP estimate for Q4 2024. Modified domestic demand excludes large transactions of foreign corporations that do not have a big impact on the domestic economy.
2. Exports refer to both goods and services.
Source: OECD (2025[5]), *OECD Economic Surveys: Ireland 2025*, https://doi.org/10.1787/9a368560-en.

Different measures to capture the underlying dynamics of the domestic Irish economy

To better capture the underlying dynamics of the Irish economy, the CSO publishes some alternative metrics, such as modified domestic demand (MDD) and modified gross national income (GNI*). The former measures domestic demand, but excludes volatile components of investment spending by multinationals, namely on-shored intellectual property assets and investment in aircraft for leasing, which have very little impact on the domestic economy. GNI* goes further by taking into account the modified current account (CA*), which reflects the import content of domestic expenditure, and the contribution to growth from domestic trade and cross-border flows (excluding multinational-dominated trade), thereby allowing for a comprehensive assessment of productivity trends. In particular, relative to the standard GNI, GNI* excludes the factor income of firms that have re-domiciled their headquarters to Ireland, as well as the depreciation of trade in on-shored intellectual property assets, research and development (R&D) service imports and aircraft owned by aircraft-leasing companies (OECD, 2025[5]).

Because the GNI* and MDD are not reported at a regional level, this report makes use of alternative indicators – such as net disposable income – to assess regional performance. This allows for a more grounded comparison across Irish regions and helps to mitigate the distorting effects of multinational-dominated GDP figures.

Source: OECD (2025[5]), *OECD Economic Surveys: Ireland 2025*, https://doi.org/10.1787/9a368560-en.

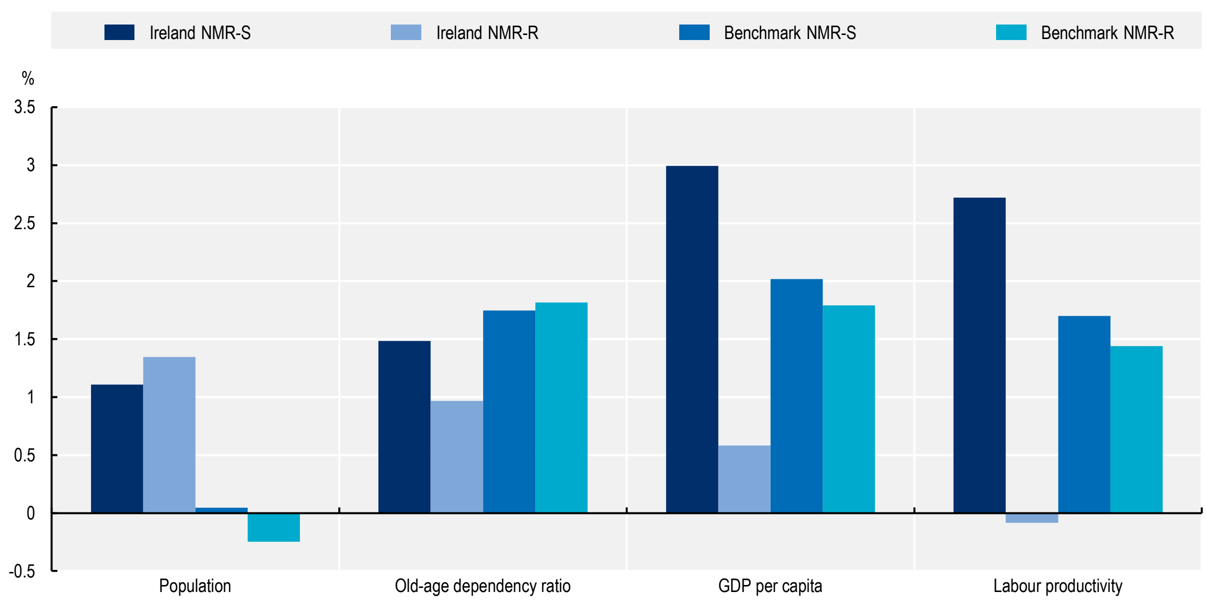
Economic performance and rural disparities

The performance of Irish rural regions in terms of GDP per capita and labour productivity from 2001 to 2021 shows that rural regions near small FUAs (NMR-S) outperformed peers in the 14 benchmark countries for both indicators. In contrast, Ireland's rural remote regions (NMR-R) were outpaced, particularly in terms of labour productivity growth (Figure 2.11).

At the same time, both types of rural regions in Ireland experienced stronger population growth (and associated increases in labour input) than those in the 14 benchmark countries. However, rural regions near small FUAs have been more successful in translating this growth into higher economic output and productivity than their rural remote counterparts. Moreover, Ireland's rural remote regions were also outperformed in GDP per capita and labour productivity growth by rural remote regions in comparable OECD countries.

Figure 2.11. Key demographic and economic trends in Ireland

Indicator growth from 2001-2021

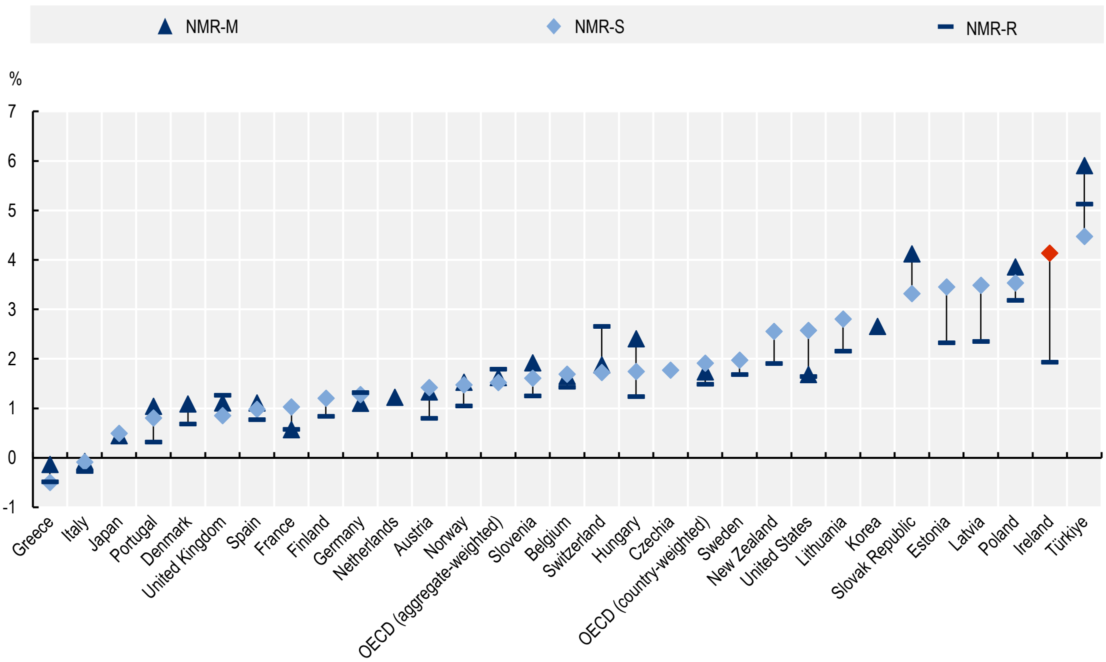


Note: Changes are expressed as the CAGR. For each country, the growth rate is calculated by aggregating the values of all TL3 regions according to their regional typology. The benchmark average is a simple country-weighted average. The benchmark group includes: Austria, Belgium, Czechia, Denmark, Estonia, Finland, Latvia, Lithuania, the Netherlands, New Zealand, Norway, Slovenia and Sweden. Due to data availability, 2003 is used as the starting year for Belgium and 2008 for Norway for the indicators GDP per capita and labour productivity. GDP per capita and labour productivity are both measured in USD in constant prices and PPP with 2015 as the base year.
Source: Based on the OECD Regional Database.

Irish rural regions near small FUAs recorded the second-highest GDP growth rate among all OECD countries over the past two decades – trailing only Türkiye – while rural remote regions ranked eighth. Ireland also shows the widest gap in GDP growth performance between these two rural subtypes, underscoring the divergent economic trajectories within its rural areas (Figure 2.12). This divergence reflects the advantages of proximity to urban centres, including stronger infrastructure links, access to labour markets and spillover effects from higher-value economic activity. When compared to the benchmark countries, rural regions close to urban centres in Ireland appear particularly competitive, while rural remote regions lag more strongly, highlighting sharper contrasts in economic performance than elsewhere in the group.

Figure 2.12. Irish non-metropolitan regions show strong GDP growth

GDP change from 2001-2021



Note: Changes are expressed as the CAGR. The average figures inside countries are weighted by the respective regions' GDP. For Korea, GDP growth is measured from 2012 onward due to data availability. GDP is measured in constant prices and PPP with 2015 as the base year.
Source: Based on the OECD Regional Database.

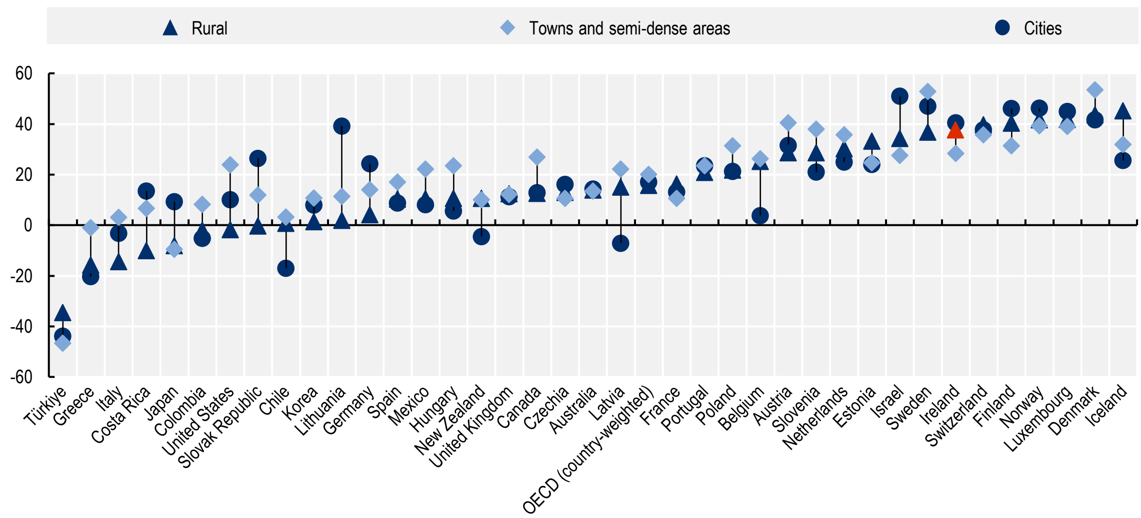
Economic perceptions and income gaps across regions

The strong economic performance in Ireland's rural regions – particularly those near small FUAs – is also reflected in how residents perceive their local economies. According to Gallup's Local Economic Confidence Index, which combines responses about current local economic conditions and expectations for future improvements, Ireland ranks 7th among 38 OECD countries in terms of rural economic optimism (Figure 2.13). Notably, the perception gap between urban and rural areas is relatively small in Ireland, with rural residents reporting levels of confidence similar to those in cities, while towns and semi-dense areas trail slightly. These results suggest that the economic gains observed in rural areas, especially those with better access to urban centres, are not only measurable in terms of GDP but also felt by residents on the ground.

While not uniformly strong, income data partly reflect this positive perception. Rural regions in Ireland rank 6th highest in disposable income among the 13 benchmark countries, while metropolitan regions rank 4th (Figure 2.14). This indicates that, while rural income levels are relatively high, they underperform slightly if compared to Ireland's metropolitan regions in an international context. Within Ireland, disposable income has increased across all regions, with the most pronounced growth observed in Dublin, widening the gap between the capital and rural remote regions, such as Midland and Border (Figure 2.15). In contrast, rural regions near small FUAs report income levels that are broadly in line with metropolitan regions, excluding Dublin. This income pattern mirrors the earlier divergence in GDP growth, further reinforcing the economic benefits associated with proximity to urban centres.

Figure 2.13. Irish regions exhibit high levels of local economic confidence

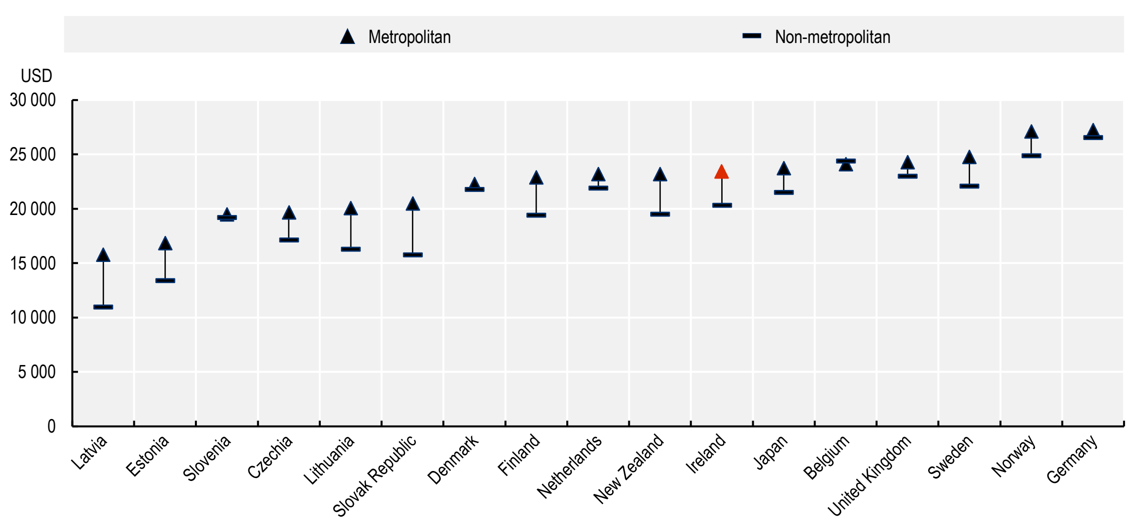
Local Economic Confidence Index in 2022, as an index score from -100 to 100



Note: Gallup's Local Economic Confidence Index is based on the combined responses to two questions asking respondents, first, to rate economic conditions in their city today and, second, whether they think economic conditions in their city as a whole are getting better or getting worse. The average figures inside countries are weighted by design weights calibrated to age, gender and education or socio-economic status at the national level.
Source: Based on Gallup data and interim result from the project Regional Development Along the Settlement Network.

Figure 2.14. Rural regions in Ireland show high per capita disposable income

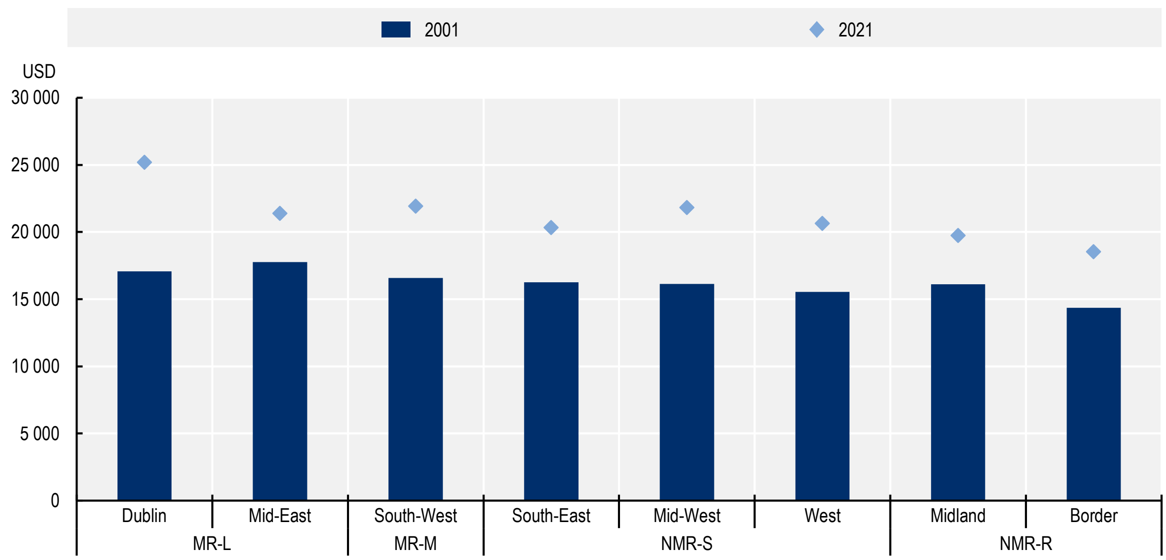
Disposable income per capita in 2021 or latest year



Note: The graph displays disposable income per capita for metropolitan and non-metropolitan regions in 13 OECD countries for 2021 or the latest available year (2018 for Estonia, Latvia and Lithuania). Disposable income per capita is measured in USD using constant prices and PPP with 2015 as the base year.
Source: Based on the OECD Regional Database.

Figure 2.15. Dublin experienced the largest gain in disposable income

Disposable income per capita for 2021



Note: Disposable income per capita is measured in USD using constant prices and PPP with 2015 as the base year.
Source: Based on the OECD Regional Database.

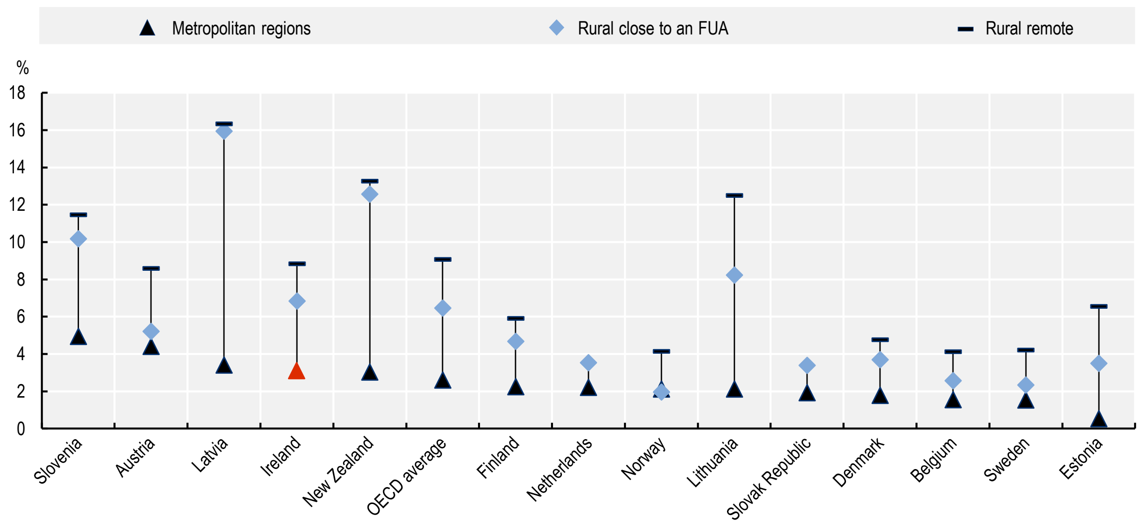
Economic structure and sectoral specialisation

As in all rural areas, Ireland's rural economy largely lacks economies of agglomeration, leaving it more reliant on primary activities (including agriculture), tourism and small and medium-sized enterprises (see Chapter 3 for further discussion). A comparison of the specialisation profile of rural Ireland with that of other OECD countries reveals the following trends:

- In line with patterns observed across benchmark countries, rural regions in Ireland display a higher employment share in agriculture, forestry and fishing compared to metropolitan areas. Rural remote regions are particularly specialised in this sector, with 8.8% of employment in agriculture, close to the OECD average of 9.1%. This places Ireland 5th among benchmark countries in terms of agricultural employment in both rural remote regions and those near FUAs (Figure 2.16).
- Compared to the OECD average, Ireland's rural regions have a lower share of employment in manufacturing. In rural regions near FUAs, 14.7% of the workforce is employed in the sector, compared to 16.7% across the OECD. The share falls to 13.2% in rural remote regions, slightly below the OECD average of 14.3% (Figure 2.17). Among benchmark countries, Ireland ranks in the lower half for manufacturing employment in rural areas. Rural regions near FUAs exhibit a higher degree of manufacturing specialisation than rural remote regions.
- In public administration, Ireland's rural regions report slightly higher employment shares than the OECD average for rural areas. The share reaches 28.8% in rural remote regions and 27.7% in rural regions near FUAs (Figure 2.18). Overall, Ireland ranks near the middle among benchmark countries in terms of rural employment in this sector.

Figure 2.16. Share of employment in agriculture, forestry and fishing

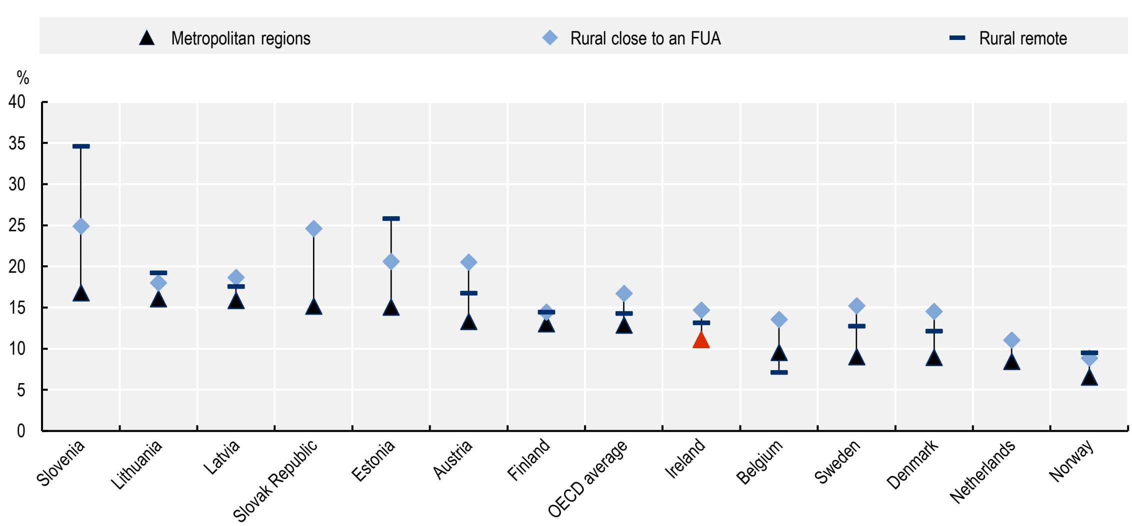
Share relative to total employment in 2021



Note: The average figures inside countries are weighted by the respective regions' population. The OECD average is a simple average across 30 OECD countries with available data. Metropolitan regions include both MR-L and MR-M. Rural close to an FUA corresponds to NMR-M and NMR-S, while rural remote include NMR-R. Agriculture, forestry and fishing refers to section A of Statistical Classification of Economic Activities in the European Community (NACE) Rev.2.
Source: Based on the OECD Regional Database.

Figure 2.17. Share of employment in manufacturing

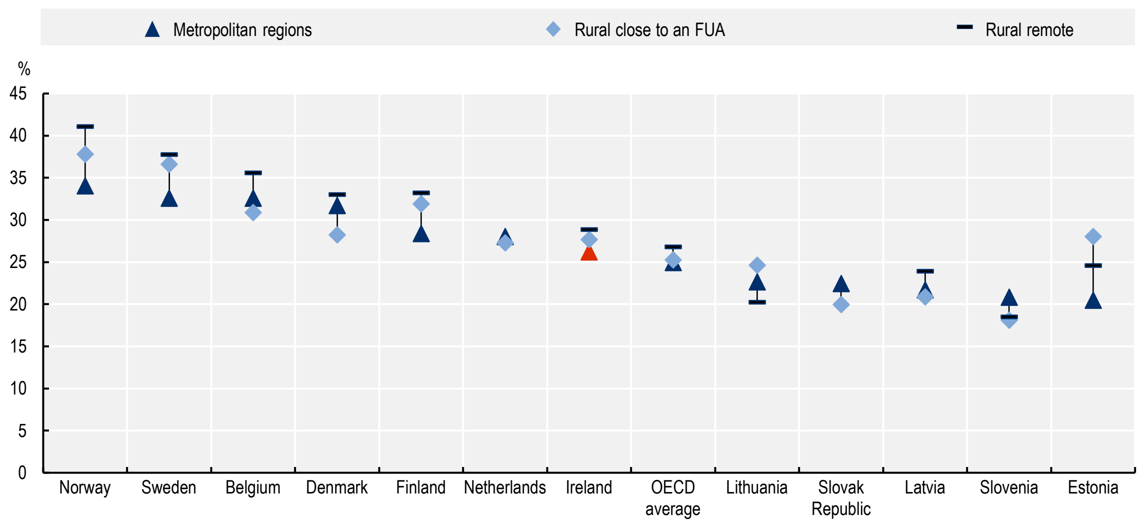
Share relative to total employment in 2021



Note: The average figures inside countries are weighted by the respective regions' population. The OECD average is a simple average across 29 OECD countries with available data. Metropolitan regions include both MR-L and MR-M. Rural close to an FUA corresponds to NMR-M and NMR-S, while rural remote include NMR-R. Manufacturing refers to Section C of NACE Rev.2.
Source: Based on the OECD Regional Database.

Figure 2.18. Share of employment in public administration

Share relative to total employment in 2021



Note: The average figures inside countries are weighted by the respective regions' population. The OECD average is a simple average across 27 OECD countries with available data. Metropolitan regions include both MR-L and MR-M. Rural close to an FUA corresponds to NMR-M and NMR-S, while rural remote include NMR-R. Public administration refers to activities in Sections O-Q of NACE Rev.2, covering public administration, defence, education, human health and social work.
Source: Based on the OECD Regional Database.

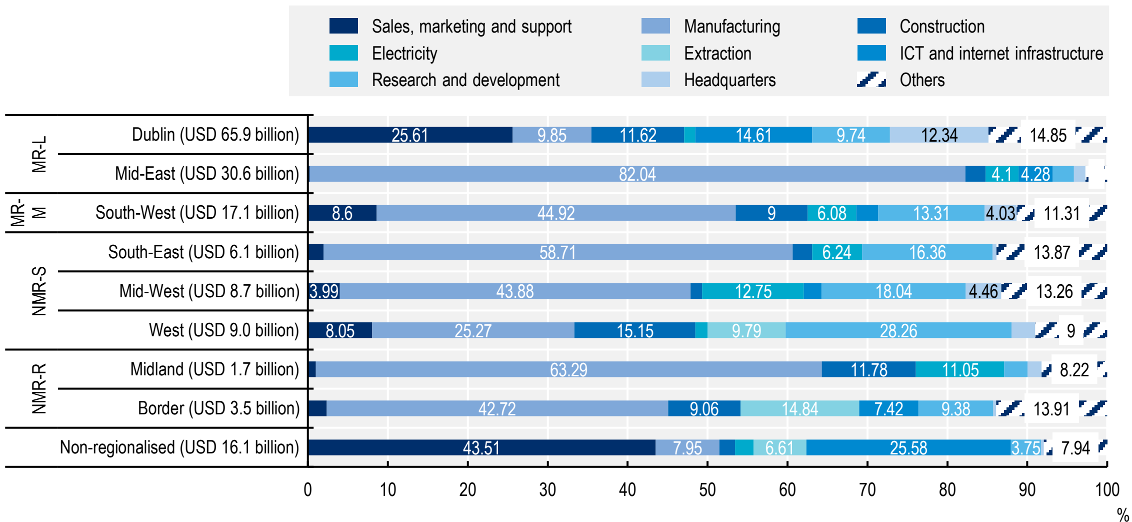
Regional patterns of foreign direct investment

These sectoral patterns are also reflected in the spatial distribution of FDI, which plays an important role in shaping regional employment opportunities and industrial capacity. Between 2003 and 2022, the majority of FDI was concentrated in large metropolitan regions, accounting for around 60% of total capital expenditure. However, rural regions near FUAs and rural remote regions have also attracted notable FDI flows, particularly in manufacturing, construction and R&D (Figure 2.19). Around two-thirds of these investments originated from the United Kingdom and the United States, with the most common sectors, including information and communication technology (ICT) and electronics, financial services, life sciences and professional services. In some cases, FDI figures are driven by large-scale investments from single companies, as seen in the Mid-East, which recorded USD 13 billion in FDI in 2022 alone, entirely due to Intel's investment in semiconductor manufacturing.

In sum, this section finds that foreign subsidiary operations play a dual role in Ireland: they contribute to economic activity through investment, jobs and tax revenues, while at the same time distorting key performance indicators. In particular, the profits and intellectual property of multinational firms are often recorded in Ireland even though the underlying production or research activity takes place elsewhere, which inflates measures such as GDP, GDP per capita and productivity, and makes them appear stronger than the domestic economy experienced by households and local firms. When comparing performances, rural regions near FUAs generally appear to perform better than rural remote regions; however, such comparisons should be interpreted with caution, as headquarter effects may inflate economic indicators in certain areas. Manufacturing remains a key component of the rural economy, and rural Irish regions have attracted substantial FDI in manufacturing, construction and R&D. Rural regions also remain more specialised in agriculture, forestry and fishing than in other OECD countries, with rural remote regions showing particularly high specialisation in these sectors, as well as in public administration.

Figure 2.19. Urban regions attract the majority of FDI in Ireland

Distribution of FDI by sector and region in Ireland from 2003-2022



Note: FDI data from 2003-2022 were aggregated at the TL3 regional level, and sectoral shares were then calculated based on this total.
Source: Based on the OECD Regional Database.

Environment

In 2023, Ireland's total GHG emissions stood at approximately 57 megatonnes of carbon dioxide equivalent ($MtCO_2eq$), roughly the same level as in 1990. Emissions rose steadily to a peak in 2001, driven mainly by rapid growth in transport and agriculture, before declining through 2014. A short rebound in 2015-2016, linked to post-recession recovery, contributed to Ireland missing its 2020 climate target under the EU Effort Sharing Decision, which required a 20% reduction in non-EU-emissions-trading (ETS) emissions (transport, agriculture, buildings and waste) relative to 2005. Instead, non-ETS emissions were only around 9% lower.

Sectoral shifts have reshaped the emissions profile. Agriculture remains the largest source (around 37% in 2023), followed by transport and energy, though emissions from power generation have fallen sharply with the expansion of renewables. Population growth has helped reduce per capita emissions from 16.3 tonnes in 1990 to 11.4 in 2023, a decline of about 30%. Despite this progress, Ireland continues to rank among the highest emitters in Europe: in 2022, emissions stood at 11.7 tCO_2eq per capita, the second-highest in the EU Member countries and about 56% above the EU average of 7.5 tonnes (CSO, 2025[6]).

Looking ahead, the 2019 Climate Action Plan sets a 25% cut in non-ETS emissions by 2030, relative to 2005. Achieving this will require accelerating renewable deployment, decarbonising transport and agriculture and ensuring consistent implementation of carbon pricing and investment measures. Delays to date highlight the challenge of aligning sectoral policies with long-term targets.

Box 2.2. Measuring greenhouse gas emissions

GHG emissions at the subnational level were estimated using the using the Emissions Database for Global Atmospheric Research (EDGAR) version 8.0 developed by the European Commission Joint Research Centre and International Energy Agency. EDGAR provides annual sector-specific grid maps for the four GHGs (carbon dioxide [CO_2], methane [CH_4], nitrous oxide [N_2O] and fluorinated gases [F-gases]) at a 0.1 degree spatial resolution (approximately 11 km). The different sectors and subsectors covered are:

- **Energy**: Power generation.
- **Industry**: Combustion in manufacturing industry, oil refineries and transformation industry, chemical processes, fuel exploitation, iron and steel production, non-energy use of fuels, non-ferrous metals and non-metallic minerals production, solvents and products use.
- **Transport**: Ground transport: road, trains and off-road transport. Shipping and aviation are excluded in the subnational GHG estimates for the transport sector.
- **Building**: Energy for buildings.
- **Agriculture**: Agricultural soils, agricultural waste burning, enteric fermentation, manure management, indirect N_2O emissions from agriculture.
- **Waste**: Solid waste incineration, landfills, wastewater handling.

Emissions from land use and land cover change are not included. National GHG emissions are disaggregated by using subsector-specific geospatial proxies. GHG emissions are expressed in CO_2 equivalents using 100-year global warming potential from the Intergovernmental Panel on Climate Change 5th Assessment Report (AR5), i.e. 28 for CH_4 and 265 for N_2O.

While emissions data provide valuable insight to production-based activities contributing to climate change, they do not account for the usage or consumption of goods or services that may occur outside of where the goods are produced. However, emissions-based data are widely available both geographically and historically, and nevertheless provide insight on attainment of climate change reduction goals.

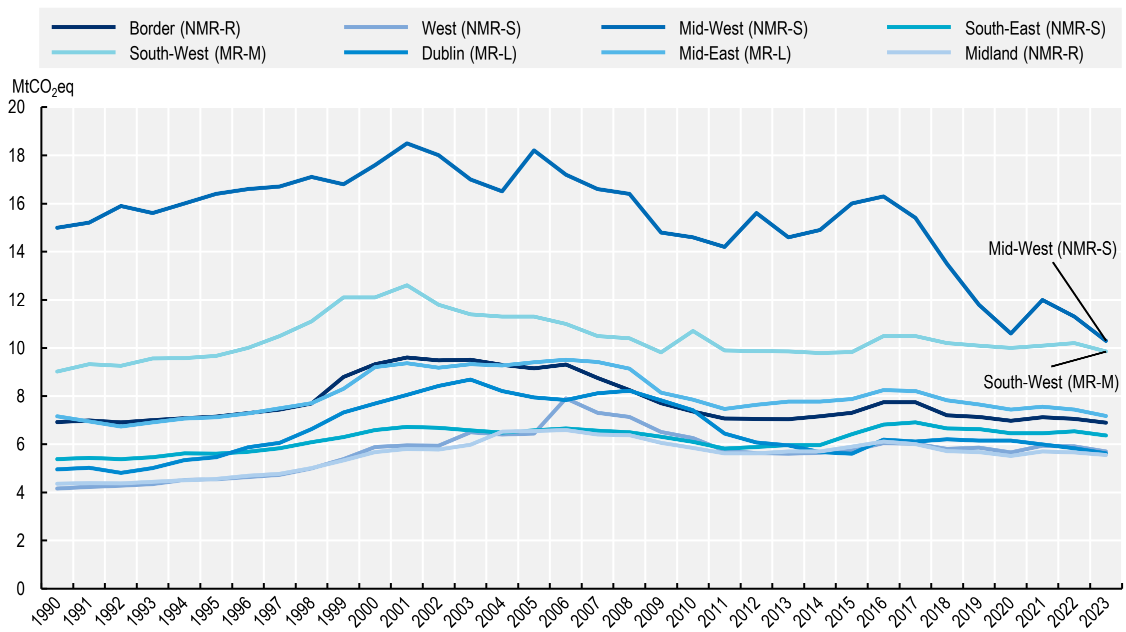
Sources: EC JRC and IEA (2023), “EDGAR (Emissions Database for Global Atmospheric Research) Community GHG Database: IEA-EDGAR CO_2, EDGAR CH_4, EDGAR N_2O, EDGAR F-GASES version 8.0”, European Commission, JRC (Datasets).

GHG emissions trends in Ireland

Regional contributions have played an important role in national emissions reductions. Historically, rural areas – particularly the Mid-West and South-West – have been among the highest emitters (Figure 2.20). The Mid-West has recorded the most substantial progress in recent years, with emissions falling sharply from approximately 16 $MtCO_2eq$ in 2016 to just over 10 $MtCO_2eq$ in 2023. While most other regions have followed more stable trajectories, many have also achieved gradual reductions since Ireland’s national emissions peaked in 2001. On a per capita basis, rural regions continue to report higher emissions than metropolitan areas, reflecting the strong role of agriculture, energy production and transport. However, rural remote and rural regions close to an FUA follow almost identical trajectories over time (Figure 2.21), suggesting that structural sectoral factors, rather than proximity to urban centres, drive the gap with metropolitan regions. Nonetheless, progress is evident: per capita emissions in the Mid-West fell by 34% between 2016 and 2023, with similar improvements in the Border and West.

Figure 2.20. GHG emissions over time

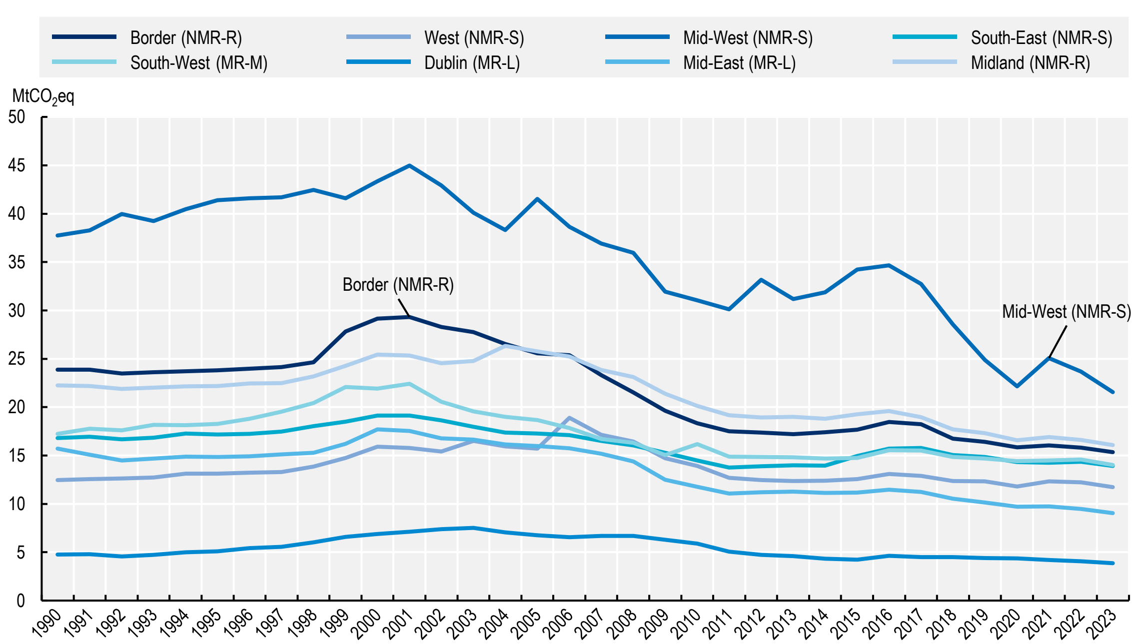
GHG emissions from 1990-2023



Note: The figure provides the GHG in MtCO$_2$eq emissions over time from 1990 to 2023.
Source: Based on the OECD Regional Database.

Figure 2.21. GHG emissions per capita over time

GHG emissions per capita from 1990-2023



Note: The figure provides GHG in tCO$_2$eq emissions per capita over time from 1990 to 2023.
Source: Based on the OECD Regional Database.

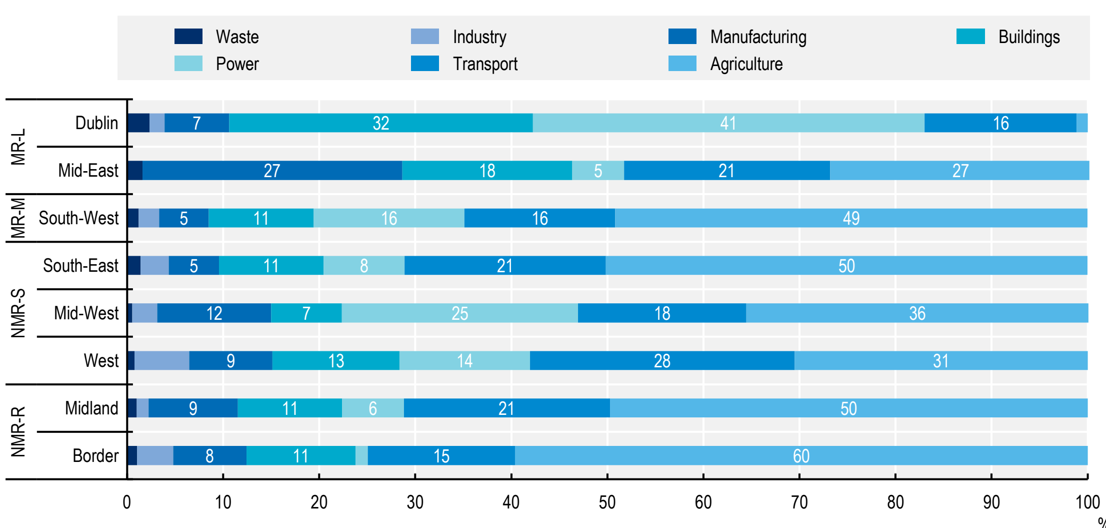
Agriculture dominates the emissions profile of Ireland's rural regions, especially in rural remote areas. In the Border region, agriculture accounts for 60% of total emissions, and in Midland 50% (Figure 2.22), largely reflecting the narrow regional economic base. Among rural regions close to an FUA, South-East shows a similar pattern, with agriculture making up 50% as well. These high shares highlight how rural emissions are structurally tied to livestock farming, leaving limited scope for offsetting reductions through other sectors.

By contrast, metropolitan regions present a different picture. The South-West, despite being classified as metropolitan, still records an unusually high agricultural share (49%), showing how sectoral structures can blur typology lines. Dublin is the clearest outlier: power generation accounts for 41% of its emissions compared with just 1% in the Border region. Yet Dublin's per capita power emissions are low, thanks to its large population and more efficient infrastructure. In rural regions such as Mid-West and West, per capita energy-related emissions are much higher, reflecting dispersed energy systems and heavier reliance on fossil fuels (Figure 2.23).

Other sectors also reinforce the rural-urban divide. Manufacturing and buildings emissions are concentrated in metropolitan regions, but on a per capita basis, they tend to be higher in rural areas where industry plays a proportionally larger role in the economy. Waste emissions, conversely, are more prominent in urban centres due to population density and the resulting high volumes of municipal waste. Overall, these contrasts show that rural remote and rural regions close to an FUA share a structural dependence on agriculture, while metropolitan regions are more exposed to power generation and waste. This underlines the need for tailored mitigation: livestock and transport in rural regions, and energy and waste management in urban centres (Figure 2.22 and Figure 2.23).

Figure 2.22. Agriculture, transport, and power lead GHG emissions

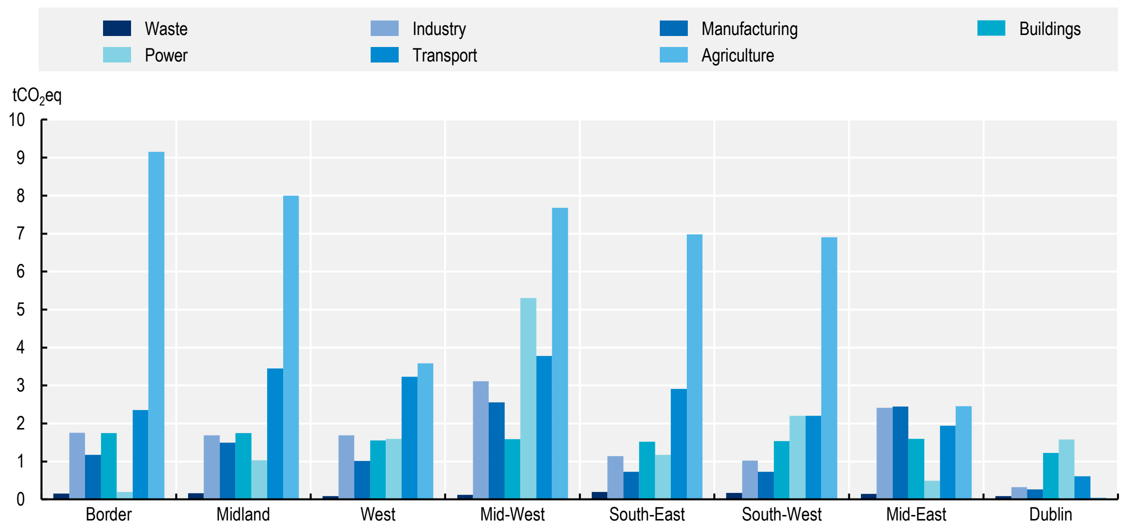
Distribution of GHG emissions by sector and region in 2023



Note: GHG emissions data were aggregated by sector and represent the share of each sector in total emissions for each region.
Source: Based on the OECD Regional Database.

Figure 2.23. Agriculture has the highest per capita emissions in rural regions

GHG emissions per capita by sector and region in 2023



Note: GHG emissions are expressed in tCO_2eq per capita, shown by sector and region.
Source: Based on the OECD Regional Database.

Water quality

Agriculture is also a major contributor to water pollution in Ireland, particularly in terms of nutrient pollution, primarily driven by nutrient runoff from the expansion of dairy herds and intensive agricultural practices. This pollution, compounded by rising GHG and ammonia emissions, places growing pressure on aquatic ecosystems and contributes to biodiversity loss. From recent assessments, 46% of surface waters in Ireland are in poor condition, and only 52.8% meet good ecological status under the River Basin Management Plan.[1] Rivers, estuaries and lagoons are most affected, while coastal waters are generally in better shape. Groundwater quality remains mostly good, although nitrate levels are rising. Strengthening the visibility of biodiversity as a distinct policy area, consistent with evolving EU requirements such as the Nature Restoration Law, would help clarify Ireland's broader environmental response. Inadequate wastewater treatment, underinvestment in infrastructure and failing septic systems also contribute significantly to pollution and health risks.

Water quality trends in Ireland vary by region, with the South-East experiencing the most significant fluctuations and remaining the most affected overall. In 2020, the Mid-West, South-East and West regions saw improvements in water quality, likely due to decreased activity during the COVID-19 pandemic. However, from 2020 to 2022, there was a general rise in the use of boiled water across all three regions. Despite some recent improvements – particularly in the South-East and West between 2021 and 2022, possibly due to new policy measures – the South-East still has the highest proportion of households relying on boiled water. Notably, the West saw a sharp increase in boiled water use during this period, signalling an urgent need for intervention.

While initiatives under the Climate Action Plan, under the National Adaptation Framework, have made important strides, challenges in water infrastructure remain in Ireland. Centralisation under Irish Water has enhanced planning efforts, although ageing infrastructure continues to contribute to significant water losses. Small private supplies, including wells, are still vulnerable to contamination. Progress has been made in wastewater treatment, but further improvements are needed to meet OECD standards, with less than two-thirds of the population currently connected to adequate systems. Some towns continue to experience untreated wastewater discharges. Irish Water is committed to achieving full treatment coverage, but sustained, accelerated investment will be essential to meet both national and international water quality objectives, including those outlined under United Nations Sustainable Development Goal 6 (OECD, 2021[7]).

Intensive agriculture and related water pollution in Ireland have a direct effect on biodiversity loss. The environmental consequences extend beyond water. Over 20% of Ireland's species are threatened, and most key habitats, particularly grasslands and wetlands, are in poor condition. Biodiversity loss is closely tied to pollution, land use changes and intensive farming, and invasive species programmes like LAWPRO and ASSAP have led to local improvements, but broader, systemic action is urgently needed. Enhanced policy tools – such as pricing mechanisms, environmentally targeted farm subsidies and better land use planning – are essential to reverse degradation trends and ensure long-term ecological and agricultural sustainability (OECD, 2021[7]).

In terms of waste and materials management, Ireland generates high levels of waste with stagnating recycling rates. Material consumption, especially from construction and agriculture, is among the highest per capita in the OECD, yet the circularity rate remains below 2%, the lowest in the European Union. Municipal waste per capita is above the OECD average and, while landfill use has declined, reliance on incineration and waste exports has increased, potentially undermining recycling efforts. Recycling is further hindered by contamination and limited organic waste collection. Although initiatives like CIRCULÉIRE and the Green Business Fund promote circular economy principles, stronger domestic recycling infrastructure and improved waste collection systems are needed (OECD, 2021[7]).

Energy composition

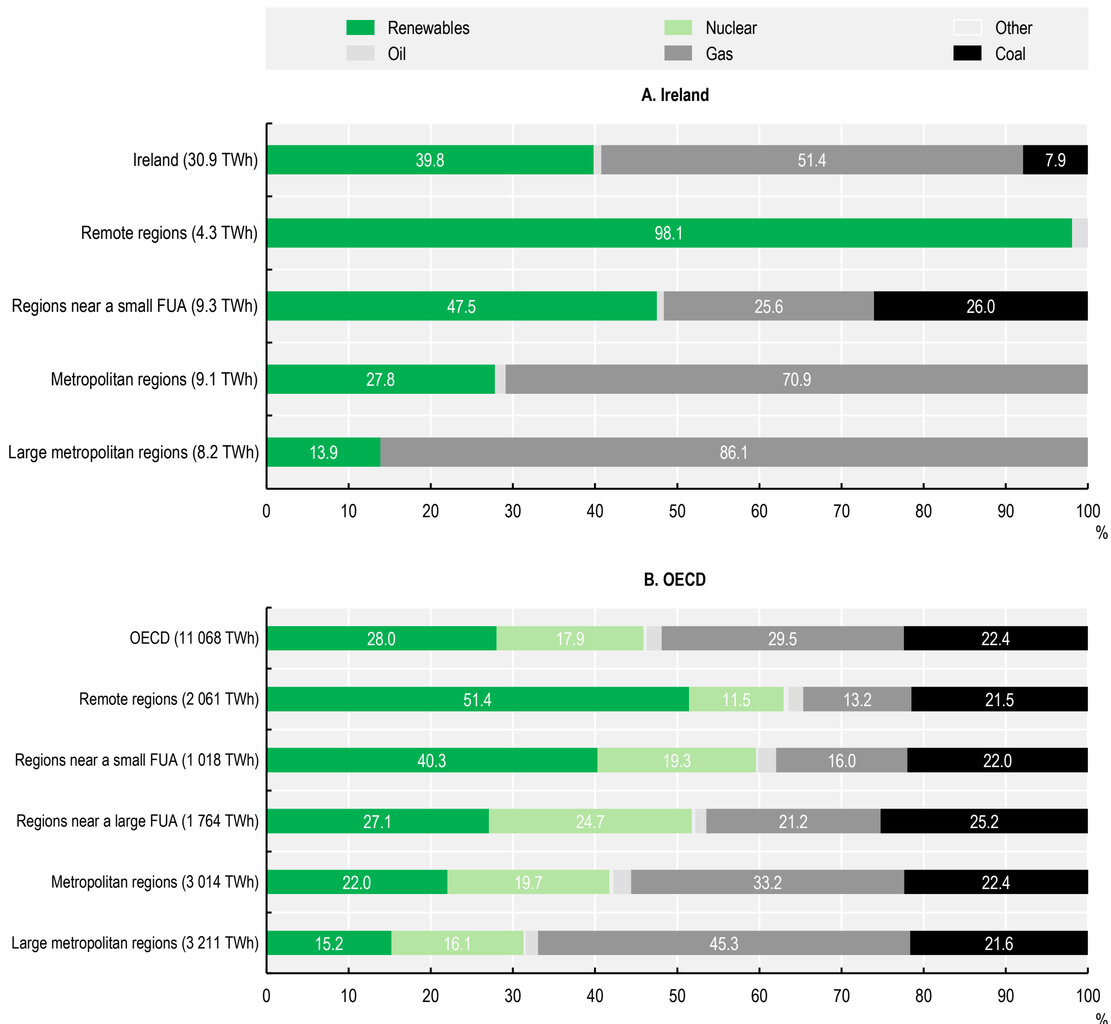
In 2023, Ireland's energy system remained heavily dependent on imported fossil fuels, which accounted for 82.6% of the national energy supply. Gas continued to be the dominant energy source, followed by a growing contribution from renewables and a smaller share from coal. Despite the continued reliance on fossil fuels, renewable energy reached a record high of 23.38 terawatt hours (TWh) across electricity, transport and heat, helping to avoid an estimated 7.4 $MtCO_2$ emissions. Of the renewable energy used, 67.4% supported electricity generation, while 32.6% was consumed directly by end users. Renewables – primarily sourced from rural areas – contributed 40.7% of Ireland's electricity supply, up from 38.6% in 2022. Wind energy alone accounted for 33.7%, while solar photovoltaics (PV) contributed 1.9%, enough to power the country for an entire week. In transport, the biofuel blend in road diesel increased to an average of 8.4% in 2023 (up from 6.5% in 2022) and the biofuel share in road petrol rose to 4.2% from 3.2%, reflecting continued progress in decarbonising the sector (SEAI, 2024[8]).

The energy production landscape in Ireland exhibits significant regional variations. Rural remote regions lead in renewable energy production, with 98.1% from renewables, while metropolitan regions rely heavily on gas, with up to 86.1% in large metropolitan areas. Coal usage is more prominent in regions near small FUAs, suggesting the presence of older power plants and industrial activity (Figure 2.24). There is a clear trend that as urbanisation increases, the proportion of renewable energy decreases, and reliance on gas rises. This highlights the challenges of transitioning to cleaner energy in urbanised regions, while remote areas are successfully embracing renewables. Region-specific energy policies are essential to promote renewable energy in remote areas and reduce gas dependence in urban regions. Additionally, infrastructure development and economic factors are crucial in shaping Ireland's energy mix and achieving sustainability goals.

Ireland has a very different energy mix compared to the OECD, as it does not rely on nuclear energy and only uses a very small share of coal. Both rely heavily on fossil fuels in urban areas – gas in Ireland and oil in the OECD – while remote regions lead in the adoption of renewables. Coal use is more prominent near small FUAs in Ireland, while in the OECD, coal is used across all regions, both rural and urban, at percentages varying from 21.5% in rural remote regions to 25.2% in regions near large FUAs. There is a need for region-specific energy policies to boost renewables in rural areas and reduce fossil fuel reliance in cities (Figure 2.20).

Figure 2.24. Rural remote regions in Ireland lead in renewable energy production

Share of electricity production by source in 2019

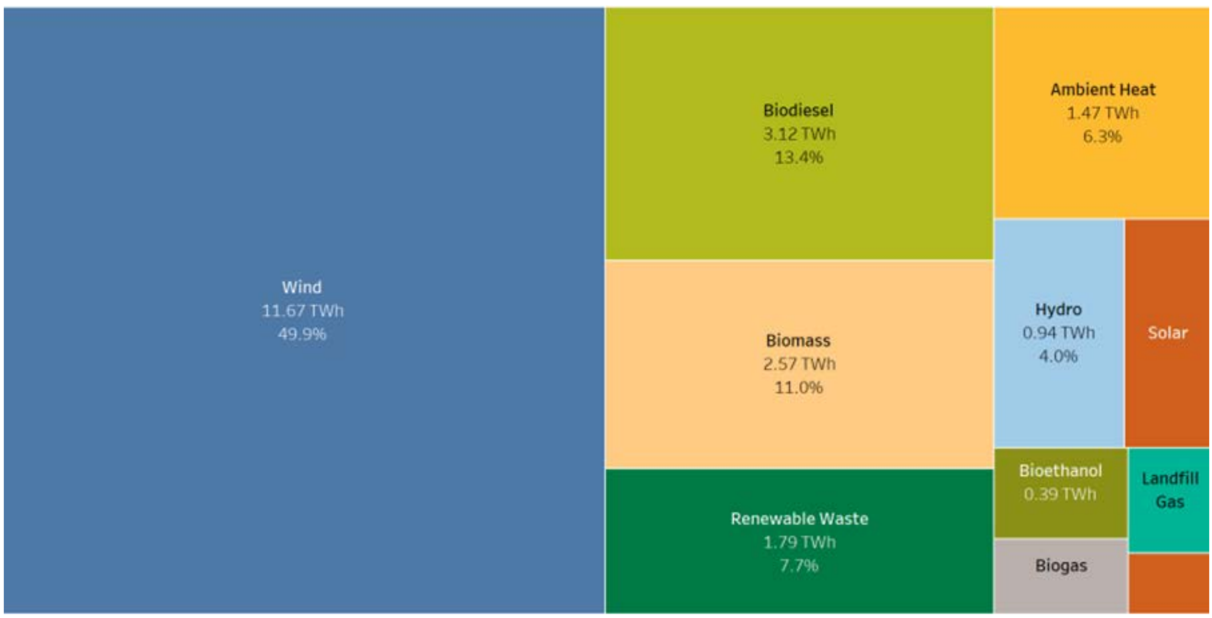


Note: Renewables include geothermal, hydro, solar and wind energy sources. The data for the OECD cover 36 countries, excluding only Costa Rica and Israel, as these two countries are not yet classified in the OECD regional rural typology.
Source: Based on the OECD Regional Database.

Wind energy accounts for the largest share of renewable energy in Ireland, at 49.9%. In 2023, Ireland used 23.38 TWh of renewable energy, up from 21.68 TWh in 2022. Wind energy made up the largest share at 49.9%, followed by biodiesel (13.4%) and biomass (11.0%), with these 3 sources comprising 74.3% of the total (Figure 2.25). Despite progress, including record highs in wind, solar PV, biofuels and heat pump energy, Ireland must significantly accelerate renewable deployment and reduce energy demand to meet its climate goals. Improvements in transmission capacity will be essential for Ireland to take advantage of its underutilised renewable energy potential. Ireland's Climate Action Plan targets major infrastructure investments to boost renewable energy, especially wind and solar. By the end of 2023, installed wind capacity was 4.74 gigawatt (GW), with a target of 6 GW by 2025 and 15 GW by 2030 (9 GW onshore, 5 GW offshore), requiring annual additions of 0.63 GW (2024-2025) and 1.47 GW (2024-2030). Solar PV capacity reached 0.72 GW in 2023, with a goal of 8 GW by 2030, demanding an average annual increase of 1.04 GW. Most solar growth is expected in the latter half of the decade (SEAI, 2024[8]).

Figure 2.25. Wind energy dominates renewable energy production in Ireland

Breakdown of Ireland's overall renewable energy production in 2023



Source: SEAI (2024[9]), *First Look: Renewable Energy in Ireland in 2023*, https://www.seai.ie/sites/default/files/data-and-insights/seai-statistics/key-publications/renewable-energy-in-ireland/First-Look-Renewable-Energy-in-Ireland-Report.pdf.

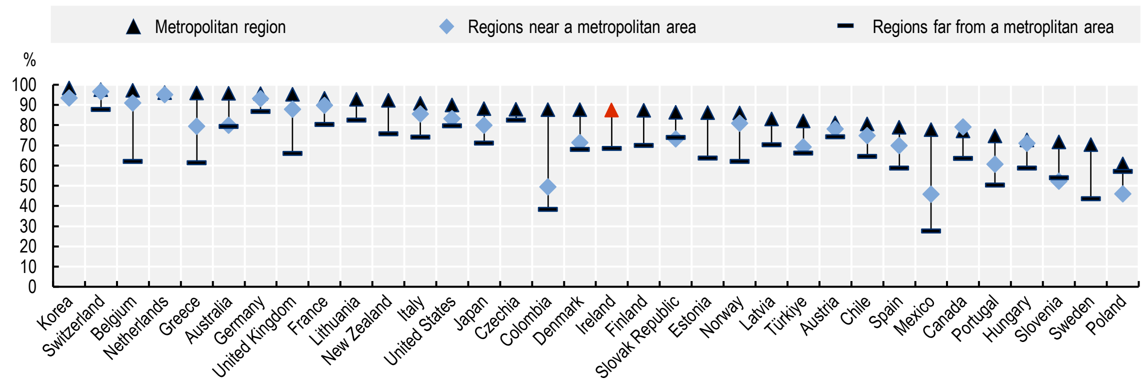
Accessibility of services and social outcomes

Healthcare provision is inherently a territorial issue, as balancing cost, quality and access requires accounting for population density and geographic distance. Rural populations often face longer travel times to access medical services, while rural facilities themselves struggle with declining patient volumes and persistent challenges in attracting and retaining health professionals (OECD, 2021[10]). For example, only 68% of the rural population in Ireland has access to a hospital within a 20-minute drive, compared to 87% in metropolitan areas, a gap of 19 percentage points (Figure 2.26). This is the 12th widest rural-urban gap among OECD countries, showing that access disparities in Ireland are larger than in most OECD Members. The gap reflects both the challenges of providing services in sparsely populated areas and the concentration of specialised facilities in urban centres, underscoring the need to strengthen rural health infrastructure and connectivity to specialised care.

This pattern is also evident in average drive times to the nearest hospital. Metropolitan regions such as Dublin (5.8 minutes) and the South-West (8.6 minutes) offer significantly shorter average travel times than the EU average of 9.1 minutes (Figure 2.27, Panel A). In contrast, more rural Irish regions – particularly the West (15.4 minutes) and Mid-West (14.1 minutes) – face much longer drive times. In the West, for instance, it takes two to three times as long to reach a hospital as it does in Dublin. A similar pattern is observed for access to primary schools, although differences are smaller due to shorter distances and a wider distribution of facilities (Figure 2.27, Panel B).

Figure 2.26. Rural-urban gaps in healthcare accessibility

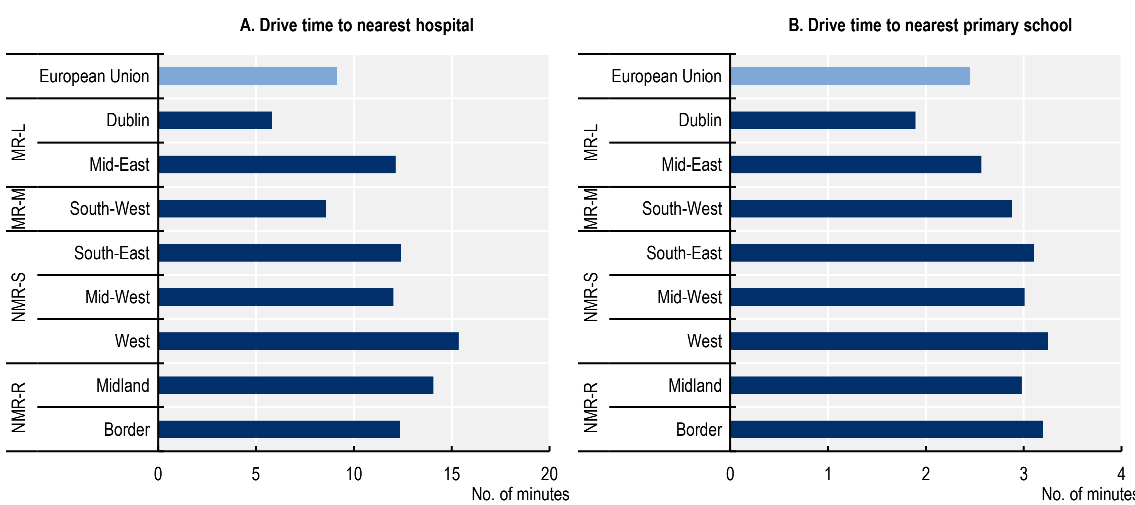
Percentage of population within a 20-minute drive from a hospital in 2022



Note: Metropolitan regions include both MR-L and MR-M. Regions near metropolitan areas correspond to NMR-M, while regions far from metropolitan areas include both NMR-S and NMR-R.
Source: OECD (2022[4]), *OECD Regions and Cities at a Glance 2022*, https://doi.org/10.1787/14108660-en.

Figure 2.27. Dublin stands out in terms of service accessibility

Drive time to nearest hospital and primary school across regions in 2023

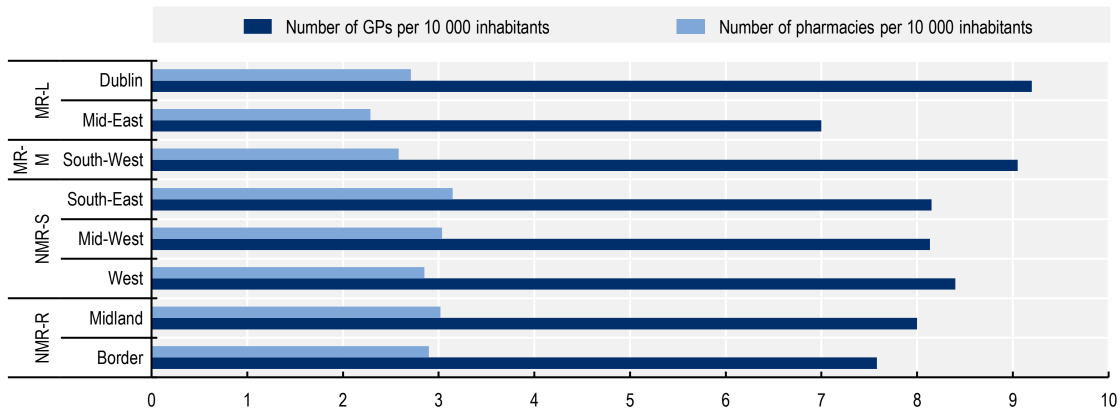


Note: Assuming car driving at speed limit without congestion. Averages are weighted by population.
Source: Based on GISCO.

While travel times capture the geographic accessibility of services, provider-to-population ratios offer a complementary perspective on service availability. There is little regional variation in the number of pharmacies relative to population, with most regions having between 2 and 3 pharmacies per 10 000 people (Figure 2.28). The number of general practitioners (GPs) also shows a similar pattern, ranging from 7 to 9 per 10 000 inhabitants, with slightly higher figures in metropolitan areas, except in the Mid-East. However, these numbers give only a rough sense of accessibility. In densely populated metropolitan areas, services are typically located closer to where people live, resulting in shorter travel times. In contrast, people in rural regions with similar provider-to-population ratios often face longer distances to care, as seen with hospital and primary school access.

Figure 2.28. Access to primary care

Number of pharmacies (2024) and GPs (2022 or latest year) per 10 000 inhabitants

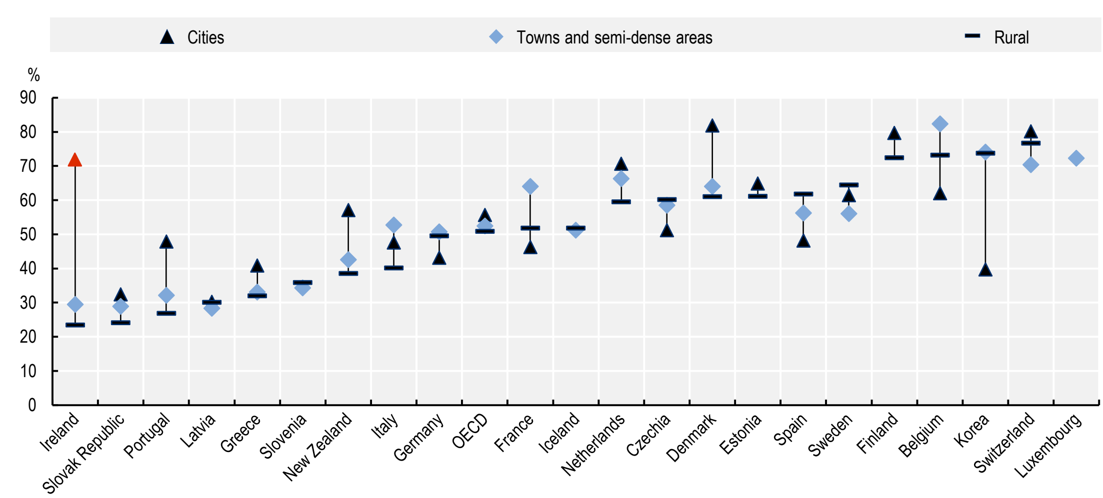


Note: GP refers to a general practitioner, a primary care medical doctor.
Source: OECD Regional Attractiveness database.

These disparities in drive times appear to influence how people perceive the healthcare system. According to the OECD Trust Survey, Ireland exhibits the largest gap in health system satisfaction between cities and rural areas or towns and semi-dense areas among all OECD countries (OECD, 2023[11]). Notably, rural residents in Ireland report the lowest satisfaction levels across the OECD, with only about 23% of respondents indicating a high level of satisfaction (Figure 2.29). While this dissatisfaction likely reflects challenges in geographic accessibility, it may also signal concerns about the quality or responsiveness of services in rural areas. Although the current data do not allow for a direct assessment of service quality, this pattern highlights a critical area for further investigation.

Figure 2.29. Lower satisfaction with the healthcare system in Ireland's rural regions

Satisfaction with healthcare system in 2023



Note: The OECD average is not weighted by the number of respondents (only respondents who said they used these are considered users). The question asked is: "On a scale of 0 to 10, where 0 is not at all and 10 is completely, how much are you satisfied with the healthcare system?" (0-4 = Dissatisfied, 5 = Neutral, 6-10 = Satisfied).
Source: Based on OECD (2023[11]), "2023 OECD Trust Survey", https://www.oecd.org/en/data/datasets/oecd-trust-survey-data.html.

Enabling factors

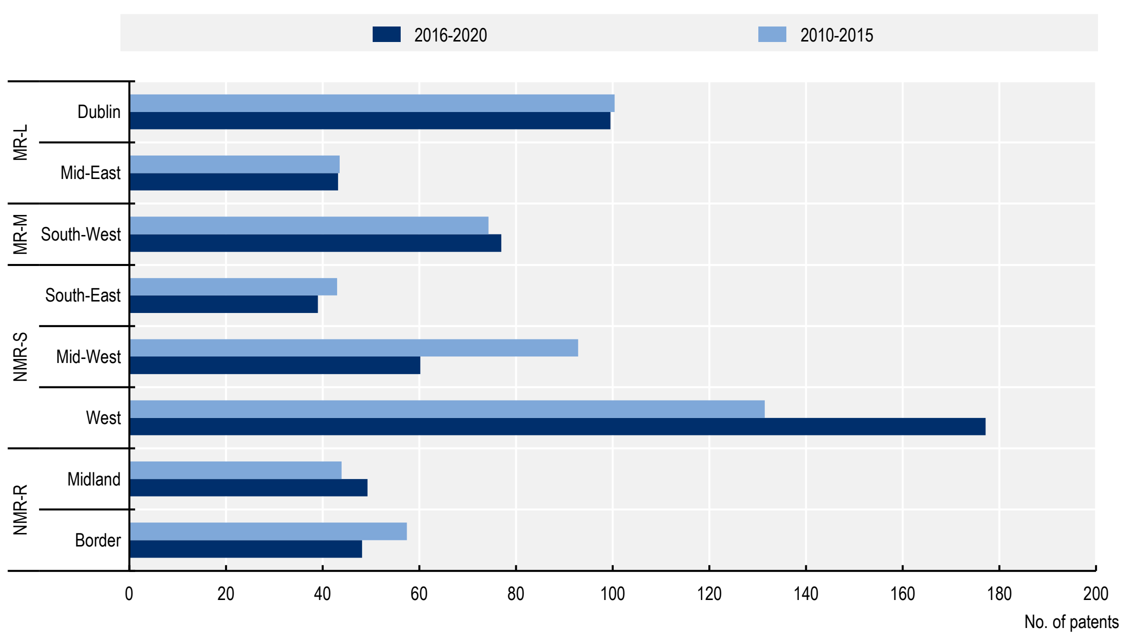
Long-term rural competitiveness depends not only on economic structure but also on the presence of enabling factors, such as innovation capacity, the presence of financial intermediaries, appropriate skills and digital infrastructure. These foundations shape the ability of rural regions to adapt to structural change, attract investment and participate in higher-value activities. While innovation in rural areas often takes forms not captured by traditional metrics, patent data provide one useful lens to assess the geography of science- and technology-driven activity.

Patent activity and rural innovation capacity

Patent data are often affected by headquarter effects, with activity concentrated in capital cities. While this is also the case with Dublin in Ireland, the West stands out, recording the highest levels of patent intensity and the strongest growth rates (Figure 2.30). Importantly, only this region has a dedicated regional development entity, the Western Development Commission, which makes substantial equity investments in innovative local firms. Even without this major source of innovation funding, other rural regions also display notable patent activity across a broad range of sectors (Figure 2.31), highlighting the innovation potential of rural areas, including in science and technology.

Figure 2.30. The West stands out with high patent intensity

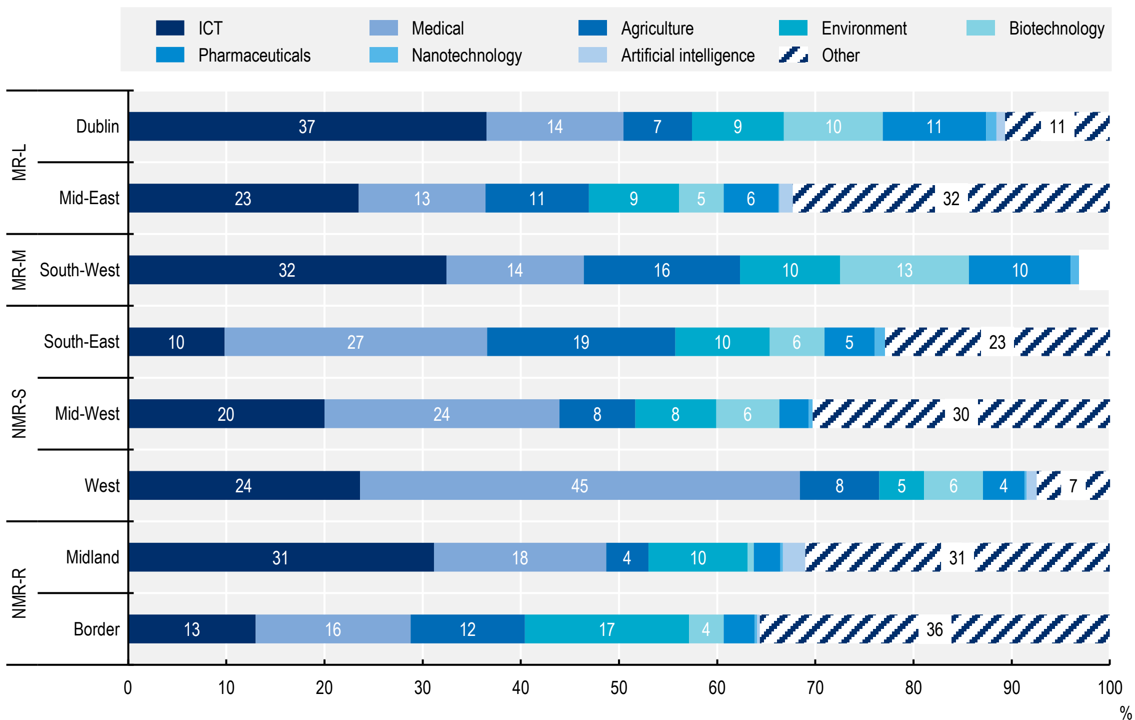
Number of patents per region between 2010-2015 and 2016-2020, per million inhabitants



Note: The figure represents the patent intensity (patents per million persons). To account for year-to-year fluctuations in patent data, the number of patents and population were aggregated across TL3 regions over two time periods: 2010-2015 and 2016-2020. Patent statistics, as reported here, often contain a headquarter bias that is due to reporting practices that often place the headquarter as the main address of activity while filing a patent or other legal documentation. As such estimates are likely lower-end estimates in the region, when headquarters of multi-branch or multi-location firms are not located in the region. Furthermore, patent statistics are often subject to biases when used as a proxy for innovation. These often include the high-technology innovation that is under patent, but not other forms of non-patented product and process innovation. As such, interpreting patent statistics by subnational dimensions should be done with caution.
Source: Based on the OECD Regional Database.

Figure 2.31. ICT, medical and agriculture lead in number of patents

Distribution of patents by sector and region over 2010-2020



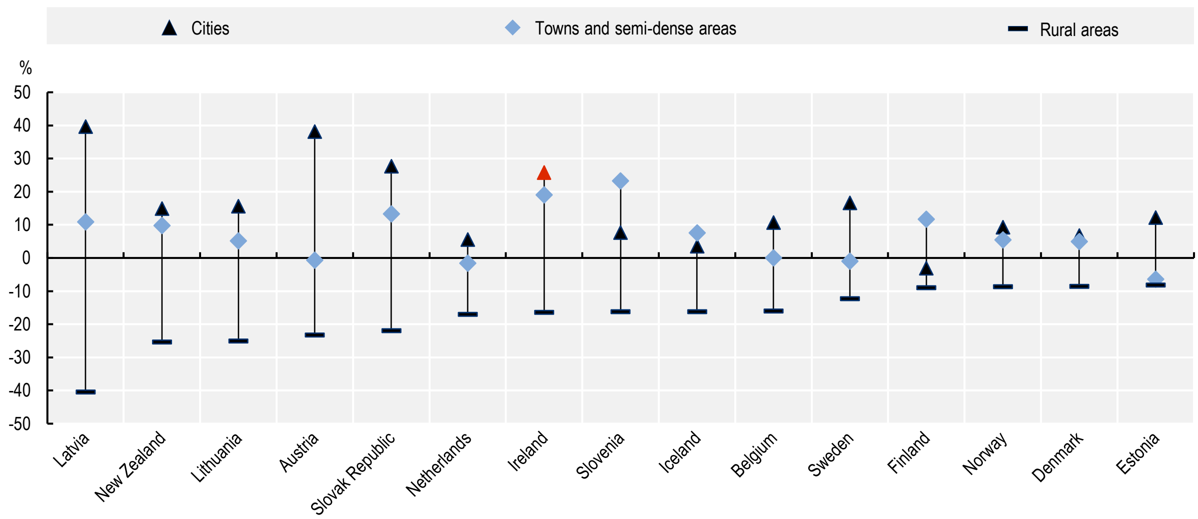
Note: Patent data were aggregated by sector over the 2010-2020 period to represent each sector's contribution to overall patenting activity.
Source: Based on the OECD Regional Database.

Digital access and rural opportunity

Digital infrastructure is increasingly essential for economic and social development in rural areas. Adequate broadband connectivity enables access to key opportunities such as education, healthcare and teleworking, all of which directly affect quality of life and long-term development prospects. However, access remains uneven. Across the OECD, one-third of rural households still lack access to high-speed broadband, and only 7 out of 26 countries have achieved coverage for at least 80% of rural households (OECD, 2023[12]). Rural remote regions also report the lowest median download speeds (OECD, 2024[13]). In line with broader international patterns, rural areas in Ireland continue to lag behind the national average, despite major investments both in terms of infrastructure and in creating access points for rural users. As of 2024, fixed download speeds in rural areas are 16.4% lower than the national average, the 7th-largest gap among the 15 benchmark countries, where differences range from 40.5% in Latvia to just 8.2% in Estonia (Figure 2.32). At the same time, improvements are underway: the National Broadband Plan launched in 2020 is steadily extending fibre broadband to rural communities, with more than 400 000 additional premises now able to access high-speed connections, although the full benefits of the rollout are not yet fully realised. In terms of digital skills, Ireland also lags behind the EU average in most regions. The share of individuals with above-basic digital skills is 15.7% lower in Northern and Western Ireland and 6.8% lower in Southern Ireland, while Eastern and Midland Ireland performs slightly above the EU average at 0.6% (Dijkstra et al., 2023[14]).

Figure 2.32. Disparities in fixed download speeds

Percent deviation from national average by the degree of urbanisation, Q4 2024



Note: This figure shows the deviation of the region type's mean fixed download speed from the country's mean fixed download speed for all fixed technologies, measured in megabits per second (mbps). Speeds are user-measured, such that speed tests only are captured when a request has been made from an individual's computer or mobile device.
Source: OECD (forthcoming[15]), *Bridging Connectivity Divides*, OECD Publishing, Paris.

Learning outcomes, access and satisfaction with the education system

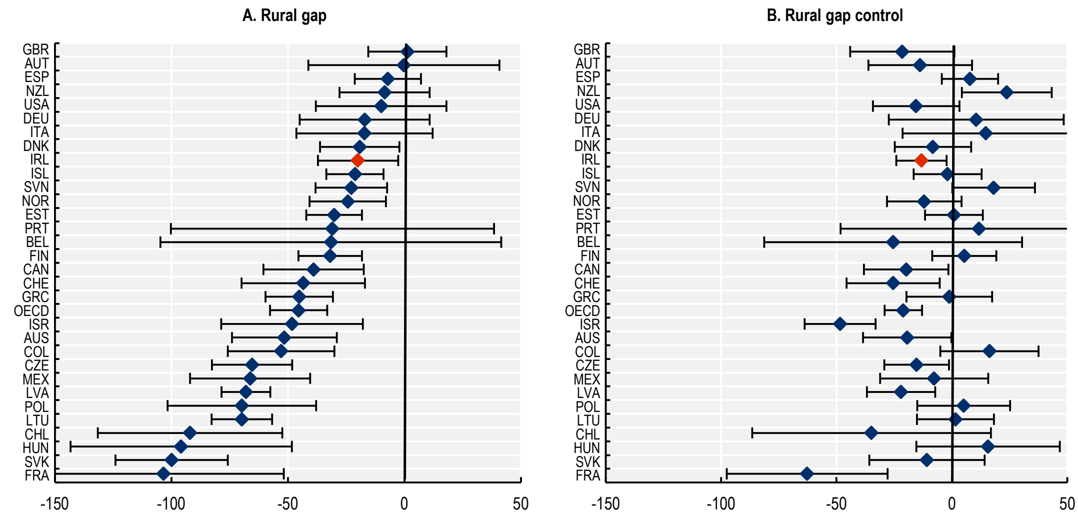
Education and skills are essential enablers of long-term development and resilience in rural areas. Foundational competencies – particularly in literacy and numeracy – underpin local labour market performance and the ability of rural regions to adapt to technological change. Across the OECD, student outcomes in rural schools often lag behind those in urban areas, reflecting in part underlying socio-economic disparities. In some countries, the gap in reading performance between urban and rural schools exceeds 40 percentage points, equivalent to more than a year of schooling (OECD, 2021[10]).

In Ireland, rural-urban differences in student performance are more moderate than in many other OECD countries, but they remain notable. In 2022, students in urban schools outperformed their rural peers by 19 percentage points in reading and 11 points in mathematics before controlling for socio-economic background. After accounting for these factors, the gaps narrowed to 13 percentage points in reading and 7 in mathematics (Figure 2.33 and Figure 2.34).

Beyond compulsory education, access to adult learning opportunities plays a critical role in supporting skills development, labour market adaptability and regional resilience. In Ireland, participation among adults aged 25-69 varies widely across regions: between 37% and 55% in non-formal education, 41% to 70% in informal learning, and 40% to 59% in lifelong learning activities (Figure 2.35). In contrast, participation in formal education leading to a recognised qualification remains limited, with only 4% to 13% of adults taking part.

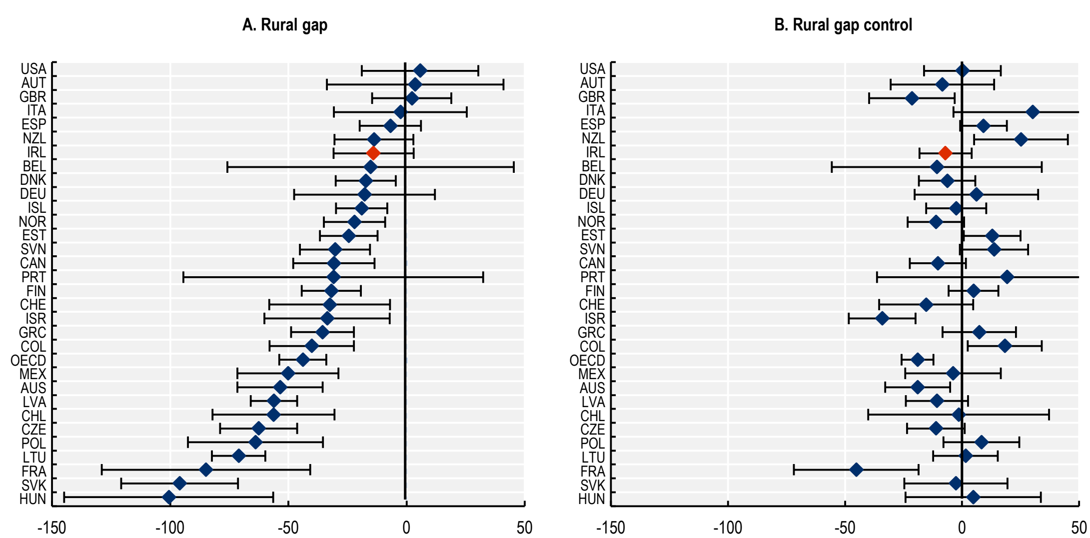
Regional patterns highlight where policy efforts may be most useful. Participation rates in rural remote regions are 10-15 percentage points lower than in rural regions close to an FUA across non-formal, informal and lifelong learning. In formal education, where overall participation is modest, the Border region stands out as an outlier, with rates about 10 percentage points below all other regions. Rural regions close to an FUA, by contrast, generally record participation rates 5-10 percentage points higher than most metropolitan regions, except Dublin where levels are broadly similar. These patterns indicate that access to adult learning may be influenced both by proximity to urban centres and by local conditions, suggesting scope for targeted measures to extend opportunities in remote and Border regions.

Figure 2.33. PISA reading scores gaps between rural and urban areas



Note: Data for 2022 are drawn from the Programme for International Student Assessment (PISA) student questionnaire (reading scores) and the school questionnaire (school location). Using school location, we approximated the degree of urbanisation classification (Annex Table 2.A.2) by assigning villages, hamlets or rural areas (fewer than 3 000 inhabitants) as "rural", and cities (more than 100 000 inhabitants) as "urban". Socio-economic conditions are included as a control to assess the robustness of rural-urban differences.
Source: Based on OECD (2022[16]), *PISA 2022 Database*, https://www.oecd.org/en/data/datasets/pisa-2022-database.html.

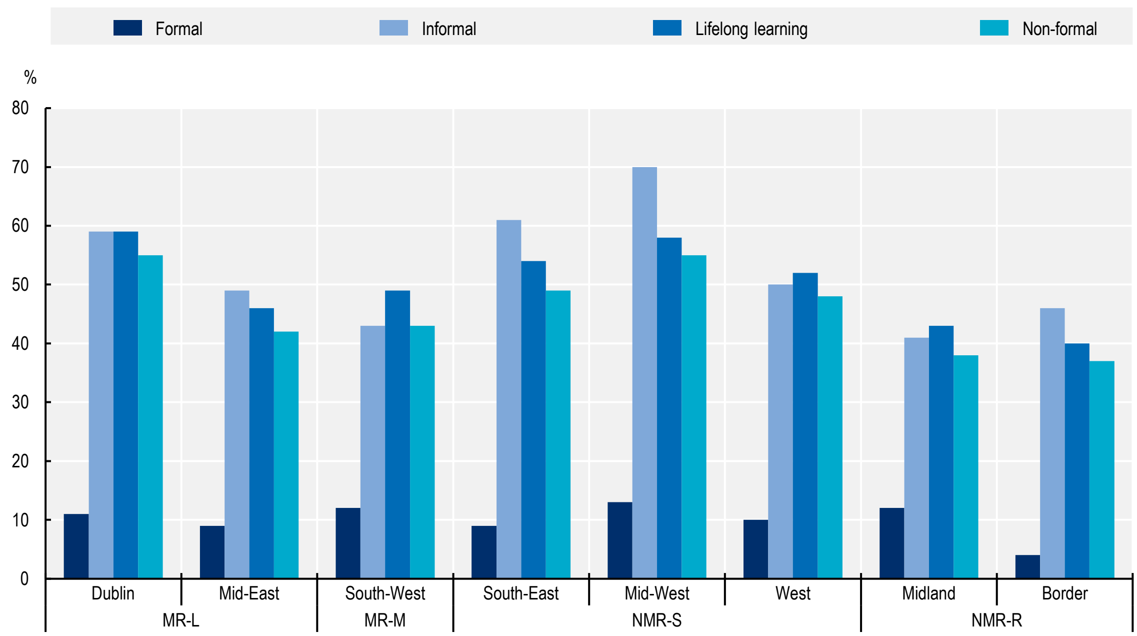
Figure 2.34. PISA math scores gaps between rural and urban areas



Note: Data for 2022 are drawn from the PISA student questionnaire (math scores) and the school questionnaire (school location). Using school location, we approximated the degree of urbanisation classification (Annex Table 2.A.2) by assigning villages, hamlets, or rural areas (fewer than 3 000 inhabitants) as "rural", and cities (more than 100 000 inhabitants) as "urban". Socio-economic conditions are included as a control to assess the robustness of rural-urban differences.
Source: Based on OECD (2022[16]), *PISA 2022 Database*, https://www.oecd.org/en/data/datasets/pisa-2022-database.html.

Figure 2.35. Participation rates in education

Participation in education among adults aged 25-69 in 2022



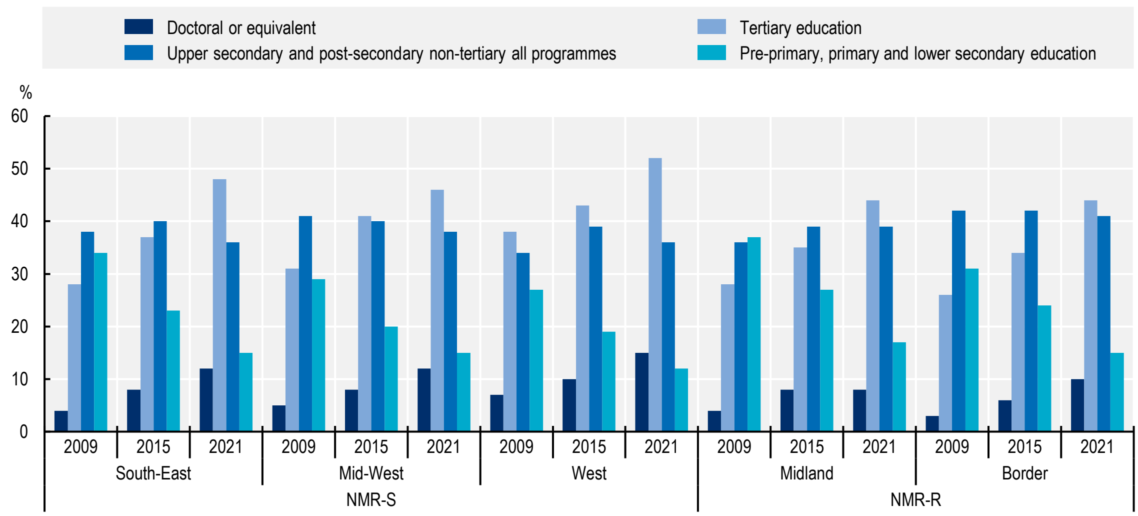
Note: "Formal education" is provided in schools, colleges, universities or other educational institutions and leads to a certification that is recognised by the national educational classification. "Non-formal education" is defined as any organised and sustained educational activities that do not correspond exactly to the above definition of formal education. This includes courses through distance education, on-the-job training, seminars, workshops or private lessons. "Informal learning" relates to typically unstructured, often unintentional, learning activities that do not lead to certification. In the workplace, this is more or less an automatic byproduct of the regular production process of a firm. "Lifelong learning" in this dataset is defined as the participation in formal and/or non-formal learning activities, unlike the OECD definition of lifelong learning that additionally includes the participation in informal learning activities. Individuals may participate in more than one type of learning activity simultaneously.
Source: CSO Ireland, DATA.GOV.IE.

Beyond current patterns of adult learning participation, longer-term changes in the formal qualifications of adults in rural Ireland reveal substantial progress since 2009. Between 2009 and 2021, the share of adults aged 25-64 with a tertiary degree rose by 14 to 20 percentage points, depending on the region (Figure 2.36). Gains have been especially strong at the highest levels, with the share of adults holding a doctoral or equivalent degree doubling or even tripling across rural regions. At the other end of the spectrum, low attainment has declined steadily: the share of adults whose highest qualification is primary education fell by 15-20 percentage points over the same period. By contrast, the share with an upper secondary degree has remained largely unchanged. These shifts point to a gradual upgrading of skills in rural areas, with strong growth in higher education attainment and a steady reduction in low qualifications.

These improvements in educational attainment are also reflected in how residents perceive the education system. According to the OECD Trust Survey, Ireland ranks 4th highest among OECD countries in terms of rural satisfaction with the education system, with more than 70% of rural respondents expressing a positive view (Figure 2.37). Satisfaction levels are similarly high across urban and semi-dense areas, indicating broad confidence in the quality and accessibility of education nationwide. This widespread positive perception reinforces the progress made in educational outcomes and highlights the importance of maintaining equitable education standards across all regions.

Figure 2.36. Rural population is becoming more educated

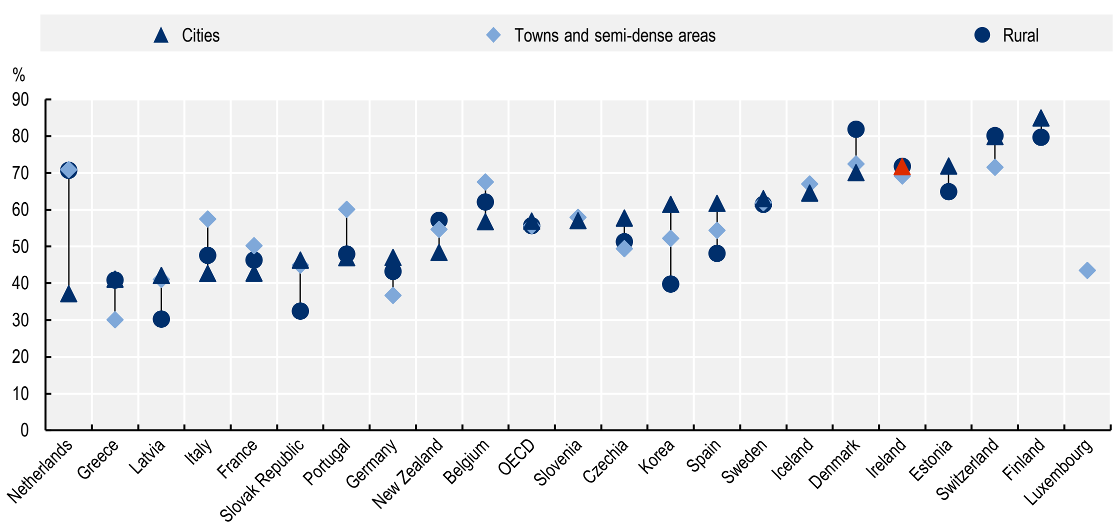
Highest level of education achieved among adults aged 25-64



Note: "Doctoral or equivalent" is included within the broader category of "Tertiary education".
Source: CSO Ireland, DATA.GOV.IE.

Figure 2.37. Higher satisfaction with the education system in Irish regions

Satisfaction with education system in 2023, in %



Note: The OECD average is not weighted by the number of respondents (only respondents who said they used these are considered users). The question asked is: "On a scale of 0 to 10, where 0 is not at all and 10 is completely, how much are you satisfied with the healthcare system?" (0-4 = Dissatisfied, 5 = Neutral, 6-10 = Satisfied).
Source: Based on OECD (2023[11]), "2023 OECD Trust Survey", https://www.oecd.org/en/data/datasets/oecd-trust-survey-data.html.

Conclusion

Across all dimensions – demography, economy, environment, education and services – rural Ireland demonstrates substantial human capital and growth potential but also persistent structural imbalances. Areas near-urban centres benefit from connectivity and investment, while more remote regions face higher emissions, weaker infrastructure and limited service access. These disparities highlight the continued need for a place-based policy approach that leverages rural-urban linkages green and digital transitions, to maximise Ireland's demographic and renewable energy advantages to strengthen rural communities. The enabling factors will help determine how effectively rural regions can adapt to structural change, attract investment and participate in higher-value activities. For example, rural innovation potential exists but depends on decentralised investment mechanisms and more balanced innovation funding beyond metropolitan hubs. Broadband connectivity is good but uneven: some remote areas in the Midland and Border regions continue to experience the slowest speeds.

The rest of this report will explore these aspects and more. Chapter 3 sets the stage with an overview of the key rural development strategy, Our Rural Future, along with the institutions, and multilevel governance arrangements that shape rural policy delivery. Chapter 4 assesses Our Rural Future through the prism of the OECD Principles on Rural Policy (OECD, 2019[17]) and the Well-Being Framework (OECD, 2020[18]). Chapter 5 examines emerging environmental, demographic and institutional vulnerabilities that may undermine rural resilience despite national growth trends, and makes the case that Ireland needs more forward-looking, targeted action.

Annex 2.A. Methodological notes and supplementary figures

Annex Table 2.A.1. Classification of small regions (TL3) by access to metropolitan areas

Main group	Main group description	Subgroup	Subgroup description	Reduced grouping
Metropolitan TL3 region (MR)	50% or more of the regional population lives in an FUA of at least 250 000 inhabitants	Large metropolitan region (MR-L)	50% or more of the regional population lives in an FUA of at least 1.5 million inhabitants	Metropolitan
		Metropolitan region (MR-M)	50% or more of the regional population lives in an FUA with between 250 000 and 1.5 million inhabitants	
Non-metropolitan TL3 region (NMR)	Less than 50% of the regional population lives in an FUA	Region near an FUA with more than 250 000 Inhabitants (NMR-M)	50% or more of the regional population lives within a 60-minute car drive from an FUA with at least 250 000 inhabitants	Rural close to an FUA (near an FUA > 50 000 inhabitants)
		Region near an FUA with fewer than 250 000 Inhabitants (NMR-S)	50% or more of the regional population lives within a 60-minute car drive from an FUA with between 50 000 and 250 000 inhabitants	
		Remote region (NMR-R)	50% or more of the regional population lives further than a 60-minute car drive from an FUA of at least 50 000 inhabitants	Rural remote (far from an FUA > 50 000 inhabitants)

Source: Adapted from Fadic, M., et al. (2019[19]), "Classifying small (TL3) regions based on metropolitan population, low density and remoteness", https://doi.org/10.1787/b902cc00-en.

Annex Box 2.A.1. Definition of a functional urban area

An FUA is defined through a systematic, four-step approach that combines densely populated urban centres with surrounding areas linked by commuting patterns:

- An **urban centre** is identified as a contiguous cluster of grid cells with a high population density of at least 1 500 residents per km². This cluster must include a minimum of 50 000 residents across these contiguous cells.
- A **city** is defined as one or more local administrative units (e.g. municipalities) where at least 50% of the population lives within the boundaries of an identified urban centre.
- A **commuting zone** includes contiguous local units surrounding the city, where at least 15% of employed residents commute to the city for work. This establishes the economic and functional connection between the urban centre and its surroundings.
- The **FUA** is created by combining the city with its commuting zone, representing an integrated region that reflects both residential concentration and commuting patterns, indicating a shared socio-economic space.

Source: Adapted from Dijkstra, L., H. Poelman and P. Veneri (2019[20]), "The EU-OECD definition of a functional urban area", https://doi.org/10.1787/d58cb34d-en.

Annex Box 2.A.2. Definition of the degree of urbanisation (DEGURBA)

The DEGURBA definition identifies settlements from clusters of adjacent 1-km^2-grid cells with medium or high population density. Such clusters meet the criteria for settlements if their total population is also above a certain threshold (see below). The DEGURBA definition also incorporates built-up areas, in addition to population, to avoid the identification of multiple urban centres for a single city. However, with DEGURBA, settlements such as cities are defined by their population density, not including the surrounding commuting areas.

The table below shows the mapping of Level 1 definitions for local area units and Level 2 definitions for grid-based DEGURBA classifications. The Level 2 definition of DEGURBA distinguishes towns and villages, which are settlements, from suburbs and dispersed rural areas, which are not. The minimum population thresholds are shown in the right-most column: villages have at least 500 residents while cities start at 50 000 residents. This report uses the original DEGURBA definition, which defines towns as having at least 5 000 residents.

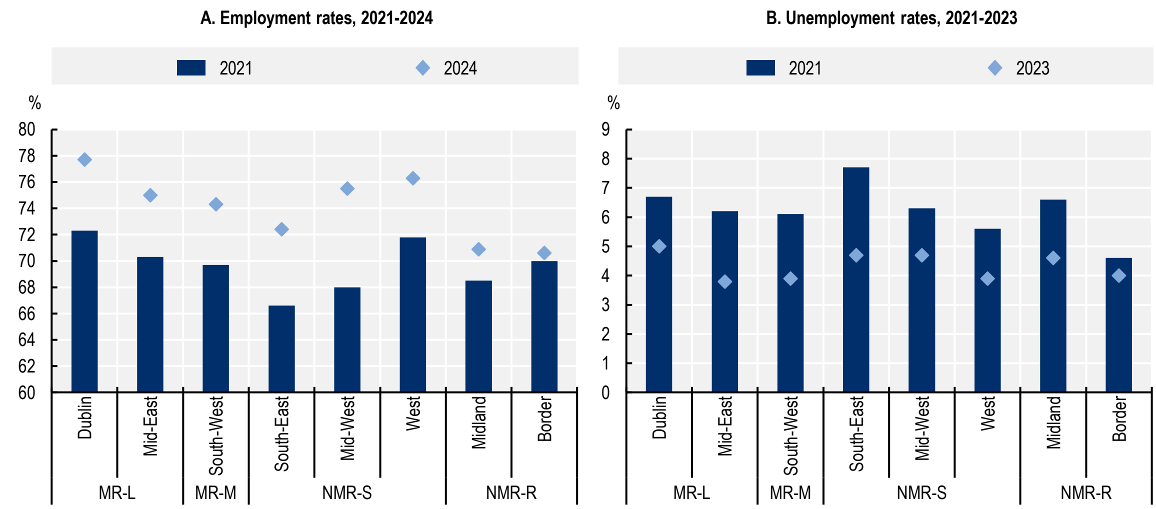
Annex Table 2.A.2. Degree of urbanisation

DEGURBA Level 1	DEGURBA Level 2	Settlement	Minimum population density in grid cells (per km^2)	Minimum population in the cluster
City	City	Yes – Dense urban centre	1 500	50 000
Town or semi-dense area	Town (dense or semi-dense)	Yes – Urban cluster	1 500 (dense) 300 (semi-dense)	5 000
Town or semi-dense area	Town (dense or semi-dense)	Yes – Urban cluster	1 500 (dense) 300 (semi-dense)	5 000
Rural area	Village	Yes – Rural cluster	300	500
Rural area	Dispersed rural area	No	50	x
Rural area	Mostly uninhabited area	No	x	x

Source: UNSD (2020[21]), "A recommendation on the method to delineate cities, urban and rural areas for international statistical comparisons", https://unstats.un.org/unsd/statcom/51st-session/documents/BG-Item3j-Recommendation-E.pdf.

Annex Figure 2.A.1. Strong improvements in employment and unemployment rates in Irish regions

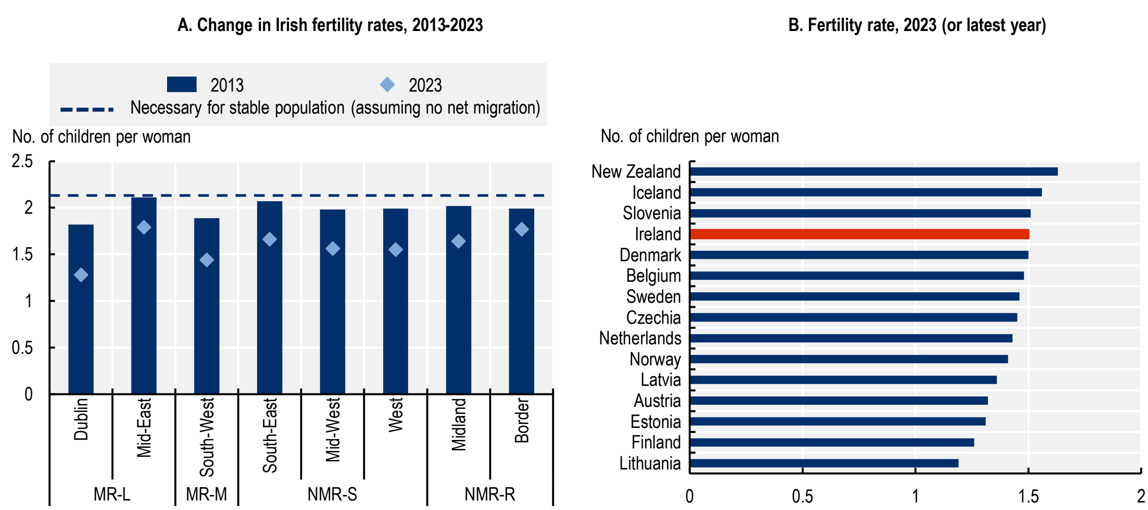
Change in employment and unemployment rates, population aged 15-64



Source: Based on the OECD Regional Database.

Annex Figure 2.A.2. Fertility rates in Ireland remain strong despite recent declines

Fertility rate change in Irish regions (Panel A) and international comparison (Panel B)

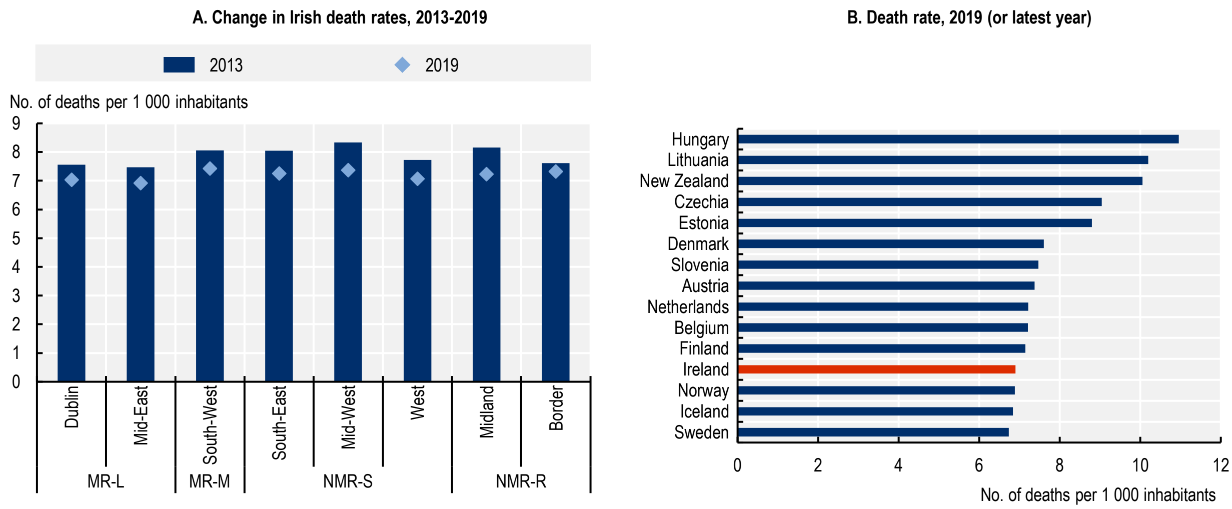


Note: The total fertility rate in a specific year is defined as the total number of children that would be born to each woman if she were to live to the end of her child-bearing years and give birth to children in alignment with the prevailing age-specific fertility rates. It is calculated by totalling the age-specific fertility rates as defined over five-year intervals. Assuming no net migration and unchanged mortality, a total fertility rate of 2.1 children per woman ensures a broadly stable population.

Source: Based on the OECD Regional Database.

Annex Figure 2.A.3. Death rates in Ireland remain comparatively low

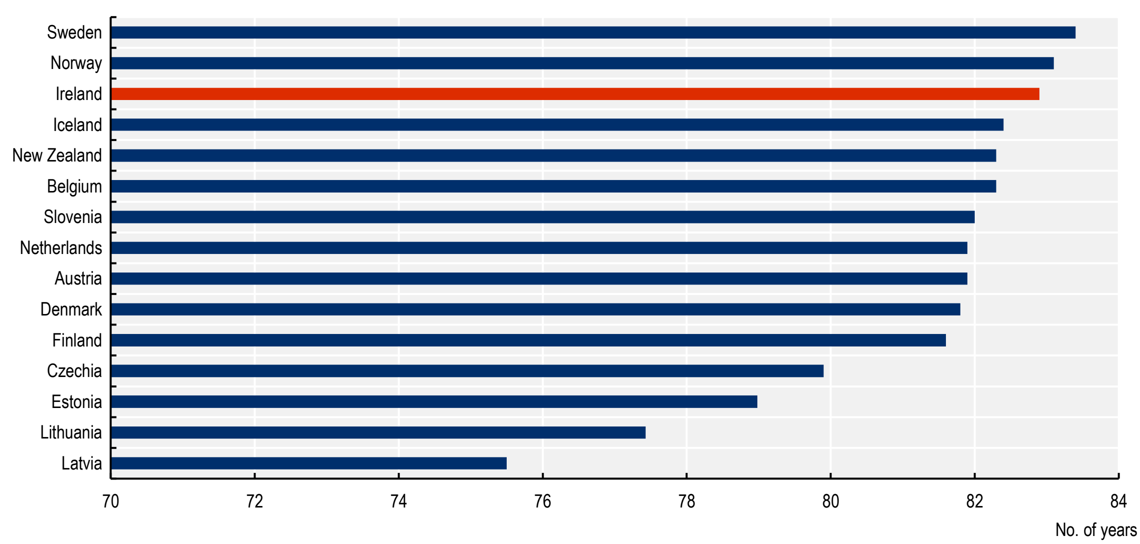
Age-adjusted death rate change in Irish regions (Panel A) and international comparison (Panel B)



Note: The age-adjusted death rate accounts for differences in population age structures across regions and is expressed as deaths per 1 000 inhabitants.
Source: Based on the OECD Regional Database.

Annex Figure 2.A.4. Ireland's life expectancy ranks relatively high in international comparison

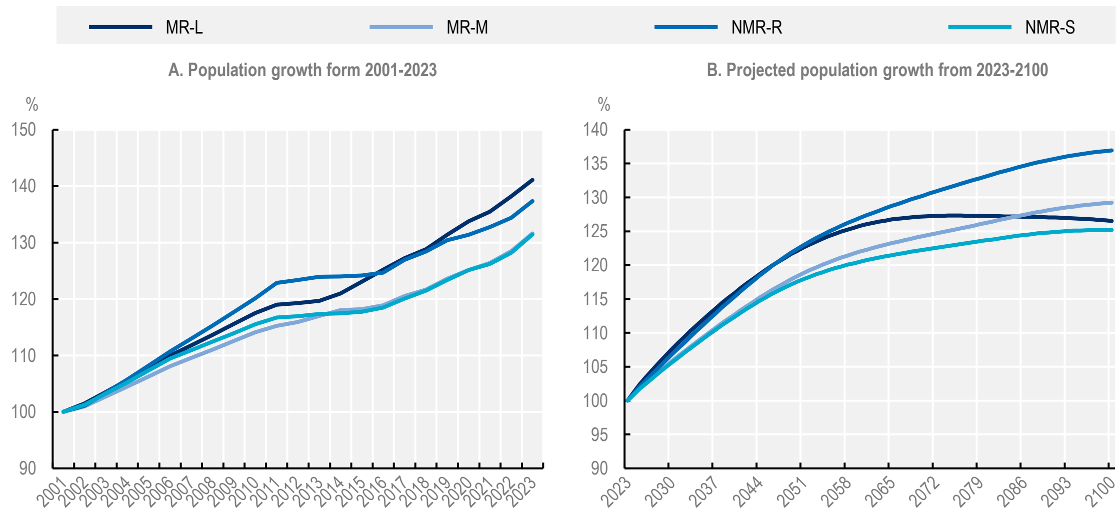
Life expectancy at birth across benchmark countries in 2023



Source: Based on the OECD Regional Database.

Annex Figure 2.A.5. Ireland's demographic growth remains robust and persistent

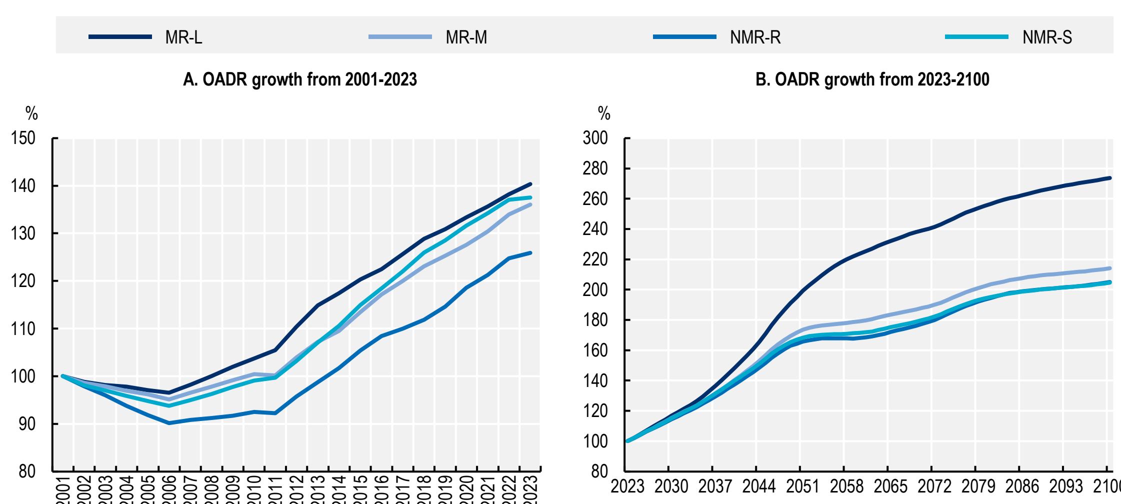
Population growth in Irish regions, relative to a 2001 (Panel A) and 2023 (Panel B) baseline (=100)



Note: Panel A illustrates historical population growth in Irish regions based on the OECD regional typology. Panel B presents projected population growth using the same typology, drawing on Eurostat projection data. In both panels, population figures were aggregated across TL3 regions to reflect a population-weighted trend for each regional type.
Source: Based on the OECD Regional Database and Eurostat.

Annex Figure 2.A.6. The number of older people in Ireland will rise strongly in the coming decades

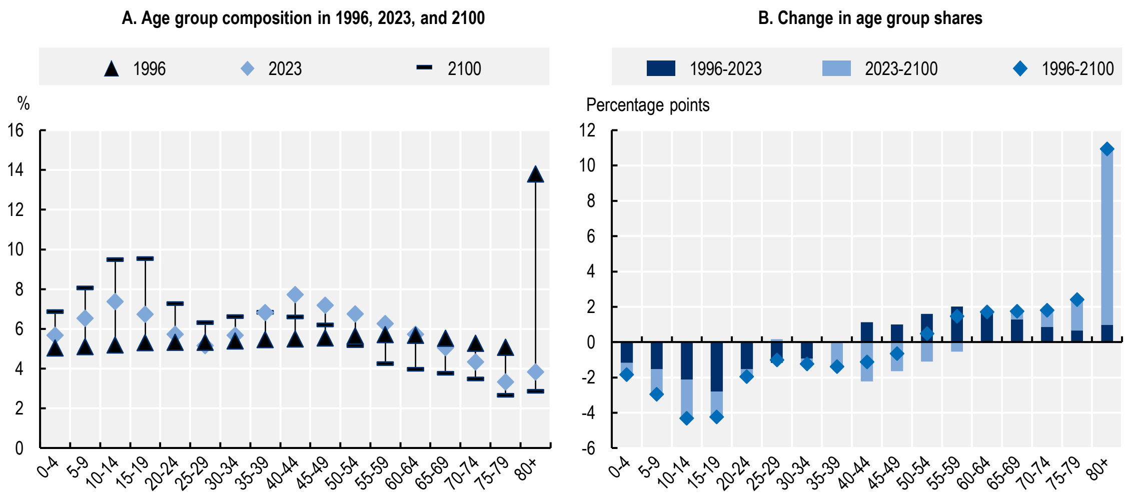
Old-age dependency ratio (OADR) growth in Irish regions, relative to a 2001 (Panel A) and 2023 (Panel B) baseline (=100)



Note: Panel A illustrates historical OADR growth in Irish regions based on the OECD regional typology. Panel B presents projected OADR growth using the same typology, drawing on Eurostat projection data. In both panels, population figures were aggregated by age across TL3 regions to reflect a population-weighted trend for each regional type. The old-age dependency ratio is defined as the number of people aged 65 or older per 100 people of working age (20–64).
Source: Based on the OECD Regional Database and Eurostat.

Annex Figure 2.A.7. Age group composition for rural regions of Ireland

Age group composition of rural regions in Ireland (Panel A) and change in shares between years (Panel B)



Note: Panel A presents the distribution of the population by age group in rural regions of Ireland (NMR-S and NMR-R) for the years 1996, 2023 and 2100. Panel B shows the corresponding changes in age group shares over time, expressed in percentage points.
Source: Based on the OECD Regional Database and Eurostat.

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Notes

[1] The OECD TL3 classification groups small regions based on their population density and distance to dense areas. TL3 regions are designated as 'metropolitan' if more than half of their population lives in one or more functional urban area (FUA) of at least 250 thousand inhabitants and as 'non-metropolitan' otherwise. The method sub-classifies metropolitan regions into 'large' or 'midsize' metropolitan regions based on the population size of the FUAs located within those regions. Non-metropolitan TL3 regions are sub-classified into near a midsize/large FUA, near a small FUA, or remote (Fadic et al., 2019[22]).

[2] The OECD averages refer to the national share of rural population across 36 OECD countries, excluding Costa Rica and Israel. It is calculated as a population-weighted average within each country and then averaged across countries.

[3] The elevated values in Dublin and the South-West are partly influenced by headquarter effects, which are discussed in more detail later in the chapter (see Box 2.1).

[4] These results reflect the situation prior to the full rollout of the National Broadband Plan initiated in 2019. While more than 400 000 premises can now access fibre optic broadband, around 150 000 are already connected as of late 2025, with take-up expected to increase as the rollout continues. [4] The River Basin Management Plan 2018-2021 targets improving 726 water bodies in priority areas, aiming to bring 152 to at least good ecological status. It identifies 1 460 water bodies at risk of failing water quality objectives and prioritises 190 areas for action, including 57 where wastewater is the main pressure.

3 Rural policy in Ireland

Incremental changes, rather than major transformations, have shaped the evolution of Irish rural policy, culminating in Our Rural Future (ORF). This chapter traces the development of rural policy in Ireland, noting key shifts that enabled the approach in place today. It examines how the public financing framework shapes local implementation, highlighting both advancements and barriers. It also identifies gaps between ORF's ambitions to engage communities and improve local economic conditions and the obstacles localities face in implementing their aspirations.

Key points

- Irish rural policy has evolved not through major transformations but through commendable, sustained, incremental changes over time. While most changes reflect adjustments in national priorities, some are responses to the evolution of European Union (EU) legislation, regulations and financial support.
- In Ireland, as in most OECD countries, the majority of the policies affecting rural people, firms and communities originate and are implemented in other departments for which rural affairs are a low priority. However, in Ireland, because the national government plays the dominant role in policy formation and funding, the opportunities for effective "bottom-up" rural initiatives at the local level are more limited than in most other OECD countries.
- Ireland has a long tradition of sophisticated rural policy. Our Rural Future (ORF) is a whole-of-government approach to rural policy and delivery. It was meant to ensure that people in all parts of Ireland are at the centre of rural policy. Specific rural policy ORF is complimented with policies and strategies in different government departments and agencies that also deliver specific benefits to rural regions in Ireland.
- As a standalone "rural department" similar to ministries in other OECD countries, the Department of Rural and Community Development and the Gaeltacht and the Gaeltacht (DRCDGG) works to ensure that rural regions are on the agenda and are not overlooked or diluted by the multiple priorities of sectoral ministries. The DRCDGG provides support by allocating its resources to: promote the representation of rural interests in policymaking and delivery; maintain and develop links with the rural network; improve the evidence base on the rural context; and sponsor other bodies.
- Rural policy is implemented at the sub-national level through regional and local development strategies that comply with the National Planning Framework (NPF). Regional assemblies, local authorities (LAs), local development companies (LDCs), local community development committees, LCDCS and local action groups (LAGs) contribute a regional and local perspective to the development of national policy and drive local delivery of national policies.
- The establishment of the DRCDGG in 2017 represented a structural milestone that affirmed rural affairs' position within national policy architecture. Since then, the government has implemented strategies that build upon past lessons and experiences from previous decades.
- ORF distinguishes itself by having over 170 policy measures aligned to 8 themes. Some are under the direct remit of the DRCDGG, and others are under the responsibility of different departments. Bringing the different policy measures together under one umbrella allows for a firm overview of the multitude of actions that could impact rural development in Ireland but it is not without challenges.

Introduction

An important observation about Irish rural policy is that it has evolved not through major transformations but through sustained, incremental changes over time. This is noteworthy, because Ireland has one of the most centralised systems of government according to OECD standards. It is a parliamentary democracy and unitary country with local self-governance recognised in the 1999 constitution (Article 28A). The Irish parliament, called Oireachtas, consists of two houses: the House of Representatives (Dáil Éireann) and the Senate (Seanad Éireann).

Historically, rural development was closely tied to the well-being of farmers and the structure of agricultural support. Policy priorities were defined through a lens that aligned rural progress with agriculture. Over time, however, there has been a decoupling – both institutional and fiscal – of agricultural policy and broader rural development. This change enabled a more holistic and place-based approach to emerge, more responsive to the diverse needs of rural communities beyond the agricultural sector. In other words, rural policy in Ireland has been shaped by a gradual move from “agriculture-rural” to simply “rural” affairs with a separate standalone department. This transition has been marked by pockets of targeted decentralisation, e.g. local government reform, and short arcs of institutional experimentation, e.g. different ways to manage rural issues across government.

Importantly, while Irish rural policy is mostly shaped by the national government, it is strongly influenced by the European Union through its legislation, regulations and financial support. Ireland joined the European Union in 1973, which shifted Irish agricultural policy to the Common Agricultural Policy (CAP) and led to all of Ireland becoming eligible for cohesion funding. Over time, Ireland has made effective use of EU support for its rural areas and has adjusted domestic policy both to be consistent with evolving EU requirements and to maintain continued access to available funding steams. In particular, the European LEADER programme has played a central role in facilitating rural development because it provides small rural communities with an independent source of multi-year funding that can be used for local priorities.

This chapter traces that transformation. It begins with a brief overview of the historical trajectory of rural policy in Ireland before exploring key priorities in the national rural strategy, ORF. It also looks at the subnational governance structures in place to deliver these priorities, particularly concerning the interplay between EU funding and national transfers. Finally, it examines how rural development is operationalised on the ground – through partnerships, local institutions and participatory mechanisms mediating national policy delivery at the regional and local levels. In sum, this chapter reviews the architecture of rural development policy in Ireland: what it looks like today and how it came to take this form.

The evolution of rural policy in Ireland

Before the 1999 White Paper on Rural Development, Irish rural policy focused mainly on agriculture, as rural well-being was considered linked to agriculture, with the well-being of rural areas seen as inseparable from the farming sector.

The white paper represented a significant inflexion point in policy by officially establishing rural development as a separate policy stream decoupled from agriculture. One decade later, in 2012, the plan Putting People First introduced a broad reform of subnational government that envisioned devolution of responsibilities and funding to LAs and communities to facilitate “bottom-up” development in urban and rural places. The period following through 2017 could be viewed as experimentation and conceptual reorientation. The government worked to establish its definition of rural development while deciding on its strategic approach and operational framework. The interventions implemented during this phase maintained a small-scale approach yet exhibited a variety of forms, including pilot programmes, community initiatives and targeted capital investments that addressed new rural requirements.

The establishment of the DRCDGG in 2017 represented a structural milestone that affirmed rural affairs’ position within national policy architecture. Since 2017, the government has implemented strategies that build upon past lessons and experiences from previous decades. Having the DRCDGG as a dedicated department enabled the government to set rural development goals, expand policy discussions on rural issues, and mobilise and deploy resources to realise a more strategic and integrated vision for rural development in Ireland.

Before the white paper

The national government of Ireland has had a strong commitment to rural policy since the founding of the Irish state in 1922. At the time, Ireland was a largely rural nation with most of the population living outside cities and an economy that largely relied on agriculture. According to the 1926 census, conducted just a few years after independence, 53% of the population were employed in agricultural occupations. Economic historians note that on the eve of independence in 1922, Ireland was a predominantly rural economy, apart from the industrialised areas of the North-East (Destenay, 2022[1]).

In the intervening decades the nation evolved in terms of an increasing share of urban dwellers and a more diversified economy, but a clear focus on rural issues remained in public policy to the point that a common criticism of the national government was that it was excessively focused on rural areas (Ó Gráda and O'Rourke, 2021[2])). This focus can be understood as reflecting the strong historical and cultural role that rural areas and rural people played in the history of the country from colonial times until the present. At the same time, OECD work during this period noted that the "countryside" all too often meant "farmland", and rural development policy was thus seen as a byproduct of, or adjunct to, agricultural policy; very few OECD countries have attempted to implement rural policies geared to today's economic realities (OECD, 1988[3]).

Upon accession to the European Union, Ireland benefitted from both cohesion funding and the CAP, both of which opened up new streams of policy and programmes and significant new funding for improving the well-being of rural people (MacFeely, 2016[4]). However, the national population continued to decline in the period after succession, and rural outmigration continued. In Ireland, emigration decreased for a short while in the 1970s, following Ireland's entry into the European Union. This period was marked by more people returning than leaving. However, years of huge borrowing and spending in the 1970s, coupled with a second oil price crisis in 1979, resulted in economic problems developing in 1980s. In turn, the national debt increased and emigration driven by a search for employment began to reoccur. In the 1980s, four males emigrated for every three females. Migration took place from everywhere, with emigration from major urban centres often exceeding the national rate (UCC, 2024[5]).

Over time, the combination of EU funds and national government investments set in place opportunities for improvements in well-being in urban and, to a lesser extent, rural areas. In particular, while the CAP provided high initial levels of support to small Irish farms, over time the policy became less generous to small farms in all parts of the European union (Ludlow, 2005[6]). As Ireland prospered, the level of EU cohesion support declined, initially in the Dublin and South-East regions, and eventually across all of Ireland as EU expansion introduced new countries with a greater need.

Post white paper and before the DRCDGG: Rural affairs delinked from agriculture and a move to decentralise

In the 21st century, Irish policy has formally recognised the importance of devolving initiatives and responsibility for rural development to local levels. The publication in 1999 of the White Paper on Rural Development, *Delivering for the Future: A Strategy for Rural Development in Ireland*, was also significant in that it heralded the newly titled Department of Agriculture, Food and Rural Development to act as the "lead" department in providing a central focus and drive for rural development policy matters (DRCDG, 2022[7]). This department was a dedicated resource to implement the rural development strategy outlined in the white paper. Nonetheless, during this period, responsibility for rural policy/development would move between a number of departments as the government sought to develop and embed a distinctive lane for rural development issues.

The while paper set the tone with the demand that sectoral policies contain a regional and rural focus. It included procedures for "rural proofing" all national policies, so that policymakers are aware of the likely impact of policy proposals on the economic, social, cultural and environmental well-being of rural communities. The rural development policy agenda was defined in the white paper as all government policies and interventions which are directed towards improving the physical, economic and social conditions of people living in the open countryside, in coastal areas, towns and villages and in smaller urban centres outside of the five major urban areas (Houses of the Oireachtas, 2000[8]). The 2002 National Spatial Strategy recognised that both cities and rural areas could benefit from appropriate spatial planning.

Local government reform

OECD analysis at the time revealed clear moves away from centralised "top-down" policy and delivery towards more local "bottom-up" approaches. During this period "some federal states have transferred additional powers to lower tiers of government while others, like France, have increased the ambit of local and other regional authorities" (OECD, 2003[9]). This was also the case in Ireland. The period following the 2008 economic crisis had a profound impact on rural communities across OECD countries, including Ireland. Crucially the intensity of the financial crisis led to the national government clawing back local government "own-source" revenue in an effort to expand national fiscal capacity, but which left LAs with very limited fiscal capacity.

It also marked the publication of two key policy documents that sought to redefine the direction of rural development: the 2014 report of the Commission for the Economic Development of Rural Areas (CEDRA, 2014[10])and the 2015 *Charter for Rural Ireland* (DRCDG, 2019[11]). The 2014 Local Government Reform Act implemented the ideas in Putting People First and further advanced the agenda by empowering LAs and placing greater emphasis on economic, social and community development. It also sought to address municipal fragmentation by replacing eight regional authorities with three regional assemblies to which members of the constituent LA councils are appointed. These assemblies – Northern and Western, Southern, and Eastern and Midland – are composed of representatives appointed from county and city councils within each LA.

The act also established new participatory and governance structures, including the local community development committees (LCDCs) and public participation networks (PPNs) (see Box 3.1). The reform emphasised the importance of devolving responsibility for identifying development opportunities to the municipal level and extended sub-county local government across the entire country through the creation of municipal districts. Crucially, however, implementing local initiatives hinged on acquiring external funding wither from the national government or from EU sources.

LA strategic policy committees (SPCs) were also adjusted under the 2014 act, to include in each LA a mandatory SPC for economic development and enterprise. SPCs have their statutory basis in Section 48 of the Local Government Act 2001, as amended, and "consider matters connected with the formulation, development, monitoring and review of policy which relate to the functions of the LA and to advise the authority on those matters". SPCs bring together elected members and sectoral stakeholders, with the intention of giving councillors and relevant sectoral interests, including the Irish Farmers' Association, social inclusion sectoral bodies, and community and voluntary sectoral bodies, an opportunity for full involvement in the policymaking process from the early stages.

Box 3.1. The 2014 Local Government Reform Act

The 2014 act introduced many reforms with effect from 1 June 2014, including:

- The number of councils were reduced from 114 to 31 due to the abolition of town and borough councils and mergers. This included the merging of the city and county councils in Limerick and Waterford and the two county councils in Tipperary.
- Elected members were reduced from 1 627 to 949.

- Ninety-five municipal districts were introduced, which covered all counties.
- Eight regional authorities and 2 regional assemblies were replaced by 3 regional assemblies.
- Under the 2014 legislation, councillors have stronger policymaking powers and a greater level of control over the actions of the LA chief executive. LAs are also able to become more involved in the economic development of their communities.

The local government reforms assigned important new functions to local government sector in the areas of:

- Local and community development, particularly through the LCDC structures, including the formulation and implementation of local economic and community plans.
- Economic development generally, through a clearer and stronger statutory role for LAs.
- Enterprise support, transfer of local responsibility from separate county enterprise boards to LAs in the form of the local enterprise offices (LEOs).

Source: OECD (2024[12]), *Ireland*, OECD Background Report, OECD Paris.

The changing focus of rural policy: CEDRA and the DRCDGG

CEDRA was created in 2014 in response to sustained economic decline in rural Ireland, a trend that was accelerated by the 2008 financial crisis. This led to increased levels of rural outmigration, rural business failures, reduced off-farm income – especially for small farms – and increased demand for public sector support in rural communities. Informed by an extensive consultative process, the report filed in 2014 made 34 recommendations on ways national government support could enhance rural economic development. The report gleaned lessons from early iterations of rural development and called for a two-track approach to rural development policy:

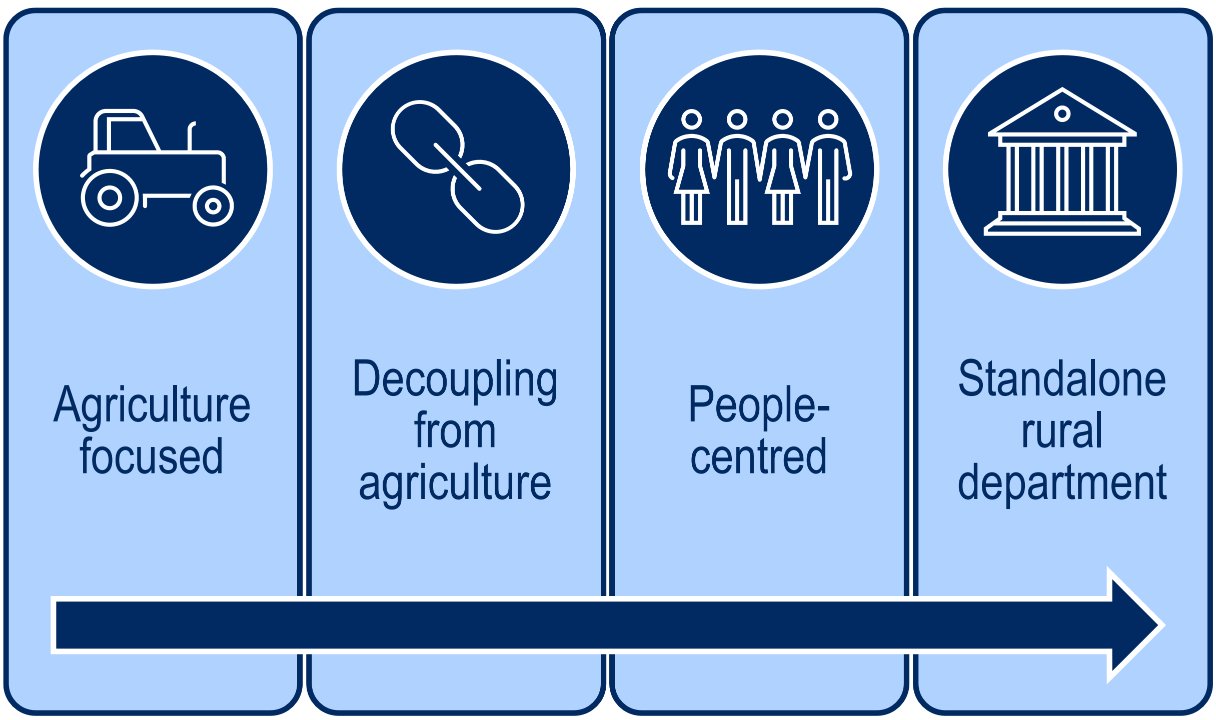
- The first, set out a vison for rural affairs that focused on revitalising the rural economy.
- The second called for the establishment of an "effective, agile, responsive co-ordination, decision-making and delivery mechanism to deal with the complex, evolving policy agenda" (CEDRA, 2014[10]).

Many of the recommendations in the CEDRA report were about actions that government could do internally through policy changes to create a better environment for rural businesses, particularly small and medium-sized enterprises (SMEs), to start, grow and prosper. A significant number of these involved enhancing rural infrastructure such as those linked to broadband, roads, water, that would involve larger public sector investments. In this way, the report sought to overcome the perceived shortcomings of the white paper strategy, which it described as failing to deliver an integrated approach defined as one that encompasses social, cultural, economic, environmental and geographical dimensions (CEDRA, 2014, pp. 16, parag. 4[10]).

Other recommendations focused on stimulating rural business by increasing access to finance, putting in place skill development programmes appropriate to local needs, encouraging collaboration between state economic development agency Enterprise Ireland and foreign direct investment (FDI) agency IDA Ireland to investigate opportunities for small-scale FDI in rural areas, expanding the capacity of the LEOs to help finance a broader range of firms beyond export-oriented start-ups, to include all forms of SMEs including social enterprise, and establishing a rural innovation and development fund to support new types of businesses. Each recommendation was intended to enable rural people in a community to achieve better economic outcomes, by enabling them to start or expand local businesses and restructure their local economy to meet new demands.

The 2016 *Charter for Rural Ireland* which was conceived to focus on rural regeneration and ensure the existence of systems capable of supporting enterprise creation and development, thus realising the mandates proposed in the CEDRA report. This resulted in the establishment of DRCDGG as the ministry responsible for national rural development policy as well as promoting rural and community development. Another significant development during this period – although not explicitly aimed at rural development – carried important implications for rural communities: a discernible shift by government towards decentralisation. *Putting People First: Action Programme for Effective Local Government* introduced a series of reforms that curtailed central government involvement in the operational management of local services, streamlining administrative controls and procedures. Concurrently, local capacity was strengthened through the delegation of a broader range of appropriate functions.

Figure 3.1. Rural Policy changes in Ireland



The different components of rural policy in Ireland

In the wake of the pandemic, Ireland's governmentwide mandate, Our Shared Future (2020), set out a people-centred vision for renewal that implicitly offered a way to better integrate rural development within the broader development strategies of the Irish government and that emphasised an improved quality of life for all and more balanced regional development. Since then, a number of larger national development strategies have been introduced –such as Project Ireland 2040, the Climate Action Plan, the National Remote Work Strategy and Food Vision 2030. Each sought to embed this focus in plans to varying degrees. For example, Project Ireland 2040 provides a long-term policy framework that should lead both the NPF and the National Development Plan to better incorporate efforts to accommodate the employment and housing needs of an increasing population and improving infrastructure to better achieve balanced growth. These elements form the policy scaffolding for Ireland's rural development strategy set out in ORF.

ORF provides a structure for national government rural development support in Ireland for 2021 to 2025. A key strength of has been its focus on policies and programmes that strengthen community development. It is structured around eight themes:

1. Optimising digital connectivity.
2. Supporting employment and careers in rural areas.
3. Revitalising rural towns and villages.
4. Enhance participation, leadership and resilience in rural communities.
5. Transitioning to a climate-neutral society.
6. Supporting the sustainability of agriculture, the marine and forestry.
7. Supporting the sustainability of the country's islands and coastal communities.
8. Implementing the policy.

Each theme corresponds to a subset of policy actions or commitments from different branches of government. As such the policy takes a whole-of-government approach to inclusive, sustainable rural development. The central focus is an effort to enhance social cohesion with the villages and towns across rural Ireland. This approach is consistent with OECD recommendations first set out in 2006 with the New Rural Paradigm and progressing through to the *2020 Rural Well-being: Geography of Opportunities* report.

A focus on eight themes with targeted policy actions

National rural strategy ORF distinguishes itself by having over 170 policy measures aligned to 8 themes. Some are under the direct remit of the DRCDGG, while others are the responsibility of different departments. It is particularly noteworthy that bringing them together under one umbrella allows for a firm overview of the multitude of actions that could impact rural development in Ireland. Also, incorporating the policy priorities outside the responsibility of the DRCDGG allowed the department to step into a multifaceted role, directly leading some priorities while enabling or supporting other departments to deliver on their rural objectives. ORF is implicitly structured on the understanding that no single agency can provide rural development independently. It is both a strategy and a signal: by including the measures not in the DRCDGG's remit, it seems as if ORF is reminding those departments that rural development is a whole-of-government approach and that they have a role in delivering rural outcomes, even if they do not hold the rural development portfolio.

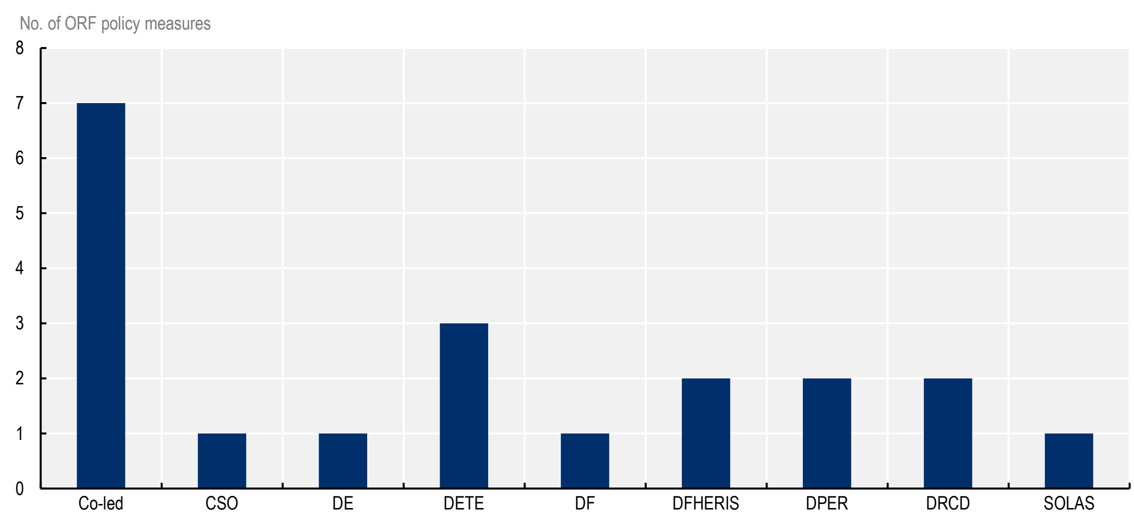
Given that rural development in Ireland is influenced by multiple government departments (e.g. rural, agriculture, housing, education, economy, infrastructure, environment), an examination of the level of policy coherence is also needed. ORF seems to have strategically leveraged the broader co-ordination mandate of ORF to align rural objectives across the different plans, instruments and departments. It used the presence of "rural" or "spatial considerations" in various strategies – explicitly or implicitly – as an accountability mechanism, reminding all actors to remain focused, coherent and responsive to rural concerns. The following sections goes in some depth on the different themes and accompanying policy measures to better understand the policy in practice.

Optimising digital connectivity

Digital connectivity is an essential enabler of rural development and access to education, employment, public services and innovation. Recognising this, most OECD countries include targeted measures in their national broadband strategies to expand access in rural and remote areas. ORF theme "Optimising digital connectivity" reflects this direction, placing particular focus on broadband expansion and digital inclusion. While the DRCDGG plays an important role in leading a number of measures, implementation involves multiple departments – including the Department of Climate, Energy and the Environment, the Central Statistics Office (CSO), the Department of Enterprise, Tourism and Employment (DETE), the Department of Finance and the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) (Figure 3.2). This illustrates that achieving meaningful digital connectivity in rural areas requires cross-government collaboration. ORF, in this sense, showcases the importance of co-ordinated action. This is in line with OECD guidance, which stresses the need for integrated, whole-of-government responses to overcome the systemic and multidimensional nature of rural digital divides.

The timing of ORF's development during the Coronavirus disease 2019 (COVID-19) pandemic proved significant. During this period, the gaps in digital connections were much more acute, particularly in rural and remote areas. The theme represented a shift away from a commercial investment approach to broadband deployment by introducing over 16 government-led measures aimed at expanding rural broadband access and promoting digital usage. One of the most important actions was the commitment of up to EUR 2.7 billion towards the National Broadband Plan (NBP) rollout targeting commercially unviable regions. The NBP was first announced in 2012, but rollout was initiated in 2019 and accelerated during the pandemic. The plan includes the creation of broadband connection points (BCPs) at public locations chosen by LAs to help with remote work and digital skills training as well as support for community initiatives. Public locations such as community halls, libraries, sports facilities, enterprise hubs, tourist sites and other community spaces serve as BCPs. A common argument against such rollouts is the perception that rural areas are too costly to serve, with limited demand, higher prices and lower service quality (OECD, 2004[13]). The Irish response suggests that these concerns may not always hold true.

Figure 3.2. Optimising Broadband Connectivity: Policy Measures Snapshot



Note: CSO: Central Statistics Office; DE: Department of Education; DETE: Department of Enterprise, Trade and Employment; DF: Department of Finance; DFHERIS: Department of Further and Higher Education, Research, Innovation and Science; DPER: Department of Public Expenditure and Reform; DRCDGG: Department of Rural and Community Development and the Gaeltacht; SOLAS: State agency responsible for further education and training. The names of government departments shown here reflect those used in ORF for consistency, but please note that some departments were renamed in 2025.
Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

Most of the commitments from government departments focus primarily on expanding broadband access or enabling remote work, such as expanding free-to-use wireless Internet connectivity in rural areas through the BCPs, European initiative WiFi4EU and the Digital Innovation Programme. The 2022 *Cavan-OECD Roadmap on Strengthening Rural Resilience against Global Challenges* encouraged OECD Member countries to seize the opportunities offered by digitalisation by adapting support services to enhance remote working conditions for all population groups, particularly women and youth (OECD, 2022[15]). The initiatives outlined in ORF seek to do just that, supporting remote working through actions to keep skilled workers in rural regions and by implementing a National Remote Work Strategy and legislation for remote work requests. Recently introduced legislation, the Workplace Relations Commission Code of Practice addresses the right to request remote working. More broadly, these measures aim to reduce barriers to living, working and accessing essential services in rural areas, reflecting the DRCDGG's overarching focus on improving rural quality of life through digital inclusion.

Several policy measures have been adopted to ensure that high-speed and reliable broadband access is utilised to provide high-quality services. For example, the DFHERIS is driving improvements in access to tertiary education through blended and remote learning to enable young people in rural areas to access higher education without leaving their communities. This provides individuals with the opportunity to gain qualifications, while keeping local talent in rural areas. In addition, the DFHERIS is working to provide targeted upskilling opportunities for workers in sectors that are going through technological change (e.g. manufacturing, agriculture and renewable energy). These efforts enhance individual adaptability and build local resilience in the face of changing labour market demands.

The Cavan-OECD roadmap also encouraged governments to co-ordinate and examine different strategies related to land use, housing and transportation policies to allow for different living and working patterns. Ireland's approach reflects this direction. Some measures seek to map the location of remote work-friendly facilities to expand and build a national network of remote working hubs. Additionally, LAs should be empowered to do the same by providing them with dedicated funds to transform empty town centre properties into multi-use remote work-friendly facilities.

The measure led by the CSO focused on building evidence based on remote work to inform strategies and support long-term remote work adoption could reveal areas that could be further aligned and leveraged. The effort is focused on developing national data on the incidence and frequency of remote work, establishing a centralised cross-departmental knowledge base on the costs and benefits of remote working, and mandating public sector bodies to move to 20% home and remote working. Related pilot initiatives include testing co-working and hot desking for civil servants in selected towns and promoting remote work uptake through IDA Ireland, Enterprise Ireland and Údarás na Gaeltachta.

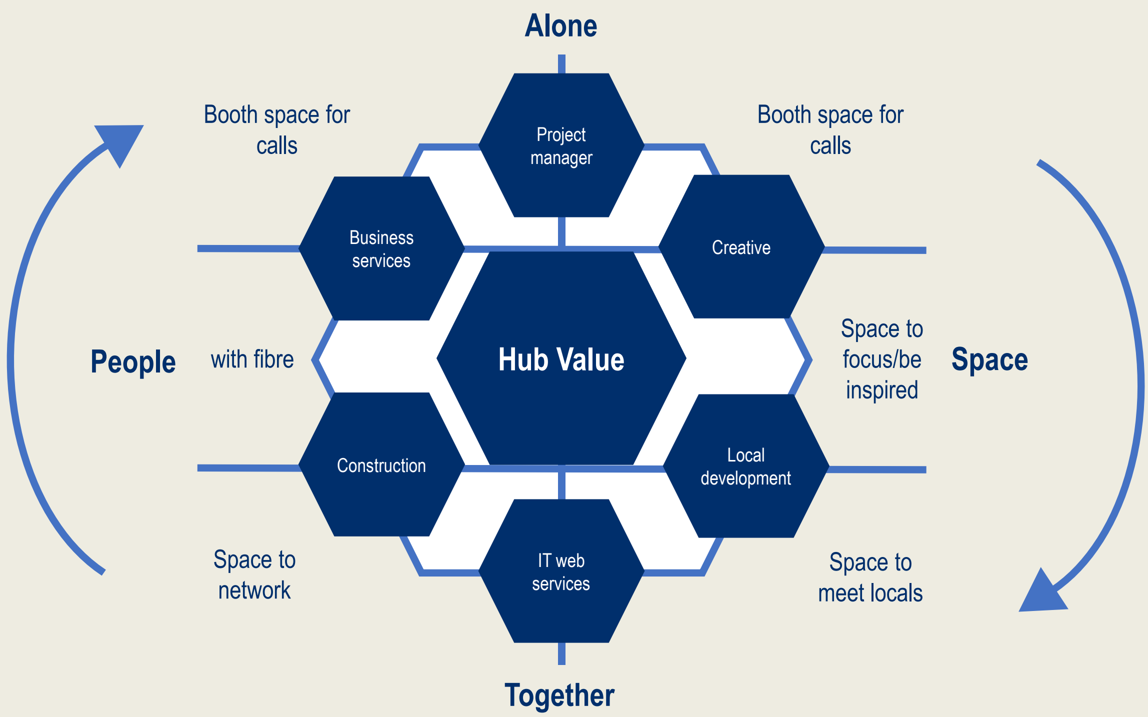
In summary, through ORF, the Irish government and DRCDGG have launched a variety of programmes to boost digital connections and enable remote work in rural regions, nationwide strategies and legislative actions. One example is the Connected Hubs, a national network of co-working hubs, first launched in May 2021.These hubs are multi-functional in their design and use and support local, domestic and international businesses (Box 3.2). Nonetheless, extensive co-ordination across government departments is essential for successful digitalisation of rural Ireland because multiple departments oversee broadband and remote work initiatives, which illustrate the complexity and interconnectedness of this issue.

Box 3.2. Connected Hubs

The National Connected Hubs Network, from now on referred to as Connected Hubs, was launched by the Western Development Commission and the DRCDGG. It is part of ORF, specifically the National Remote Work Strategy. Attracting remote workers and digital nomads to rural areas is the focus. The Connected Hubs platform – through the site ConnectedHubs.ie – provides access to government-operated hubs across Ireland. The hubs offer flexible, professional workspace options for individuals seeking a productive work environment. Enterprise centres funded by Enterprise Ireland complement this by offering dedicated support for entrepreneurs, start-ups and SMEs, particularly in areas such as digitalisation, innovation and scaling.

Connected Hubs aims to strengthen the development of rural areas by training, retaining and attracting talent. Originally established as a pilot in the west of Ireland, Connected Hubs has since expanded nationwide, with support from the DRCDGG. A significant step forward was taken with the 2023 passage of the Right to Request Remote Working Bill, which helped broaden access to remote work and opened up more ways to utilise hub infrastructure. There are now over 350 hubs in operation: some are privately owned while some are social enterprises, community groups or LAs.

Figure 3.3. Value of Connected Hubs for Different Users



The hubs are not just for remote workers: they also support start-ups, scale-ups and even international companies looking to establish a presence in new locations without the cost of a permanent office. This flexibility unlocks the potential to relocate or launch a business anywhere in Ireland. In this way, they are helping local businesses to start, innovate and grow.

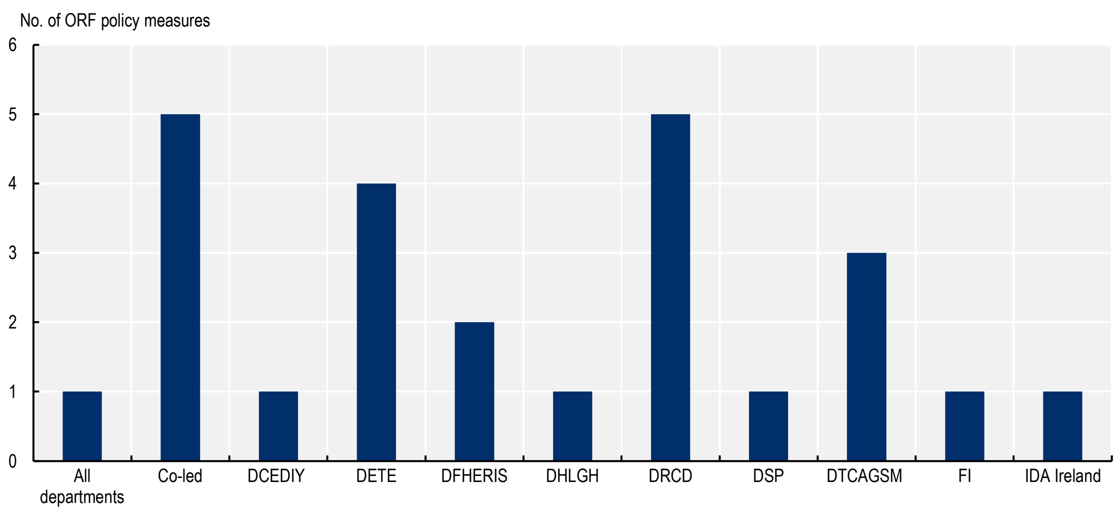
Source: O'Brien, A., E. Whelan and J. Levie (2023[16]), *The Social and Community Impact of Rural Working Hubs in Ireland*, https://universityofgalway.ie/ruralworkinghubs/Remote-report_screen.pdf.

Supporting employment and careers in rural areas

Irelands SMEs and entrepreneurs operate in a broadly favourable business environment with a solid and comprehensive set of programmes targeted at SMEs and entrepreneurs (OECD, 2019[17]). Despite this, discussions with stakeholders revealed some challenges with supporting and motivating entrepreneurship and diversifying employment opportunities in rural areas. Thus, some improvements could be made to achieve priorities. The 2019 OECD report on entrepreneurship in Ireland noted that more could be done to "spread entrepreneurship across all segments of the population". Other observations included the need to scale up micro and small enterprises and strengthen local entrepreneurship ecosystems (OECD, 2019[17]).

ORF reflects some of these ambitions, dedicating 26 policy actions to this theme (Figure 3.4). The initiatives are ambitious and diverse, but many are not within the remit of the DRCDGG. Responsibility for delivering these actions is dispersed across several departments, including DETE, the DFHERIS and the DRCDG, underscoring the cross-cutting nature of rural policy. Some measures promote business start-ups and strengthen the broader conditions supporting innovation, skills and local leadership.

Figure 3.4. Supporting employment and careers in rural areas: Policy measures snapshot



Note: DCEDIY: Department of Children, Equality, Durability, Integration and Youth; DETE: Department of Enterprise, Trade and Employment; DFHERIS: Department of Further and Higher Education, Research, Innovation and Science; DHLGH: Department of Housing, Local Government and Heritage; DSP: Department of Social Protection; DRCDG: Department of Rural and Community Development and the Gaeltacht; DTCAGSM: Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media; FI: Fáilte Ireland Trade Portal; IDA Ireland: Inward investment promotion and development. The names of government departments shown here reflect those used in ORF for consistency, but please note that some departments were renamed in 2025.
Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

ORF recognises the diverse nature of entrepreneurship, which encompasses elements outside the private sector. The proposed strategies demonstrate a wider viewpoint recognising civic engagement, community empowerment and social innovation as fundamental elements for building rural resilience. This includes promoting value-added activities in agriculture, logistics, manufacturing, renewable energy, biotechnology and sustainable tourism.

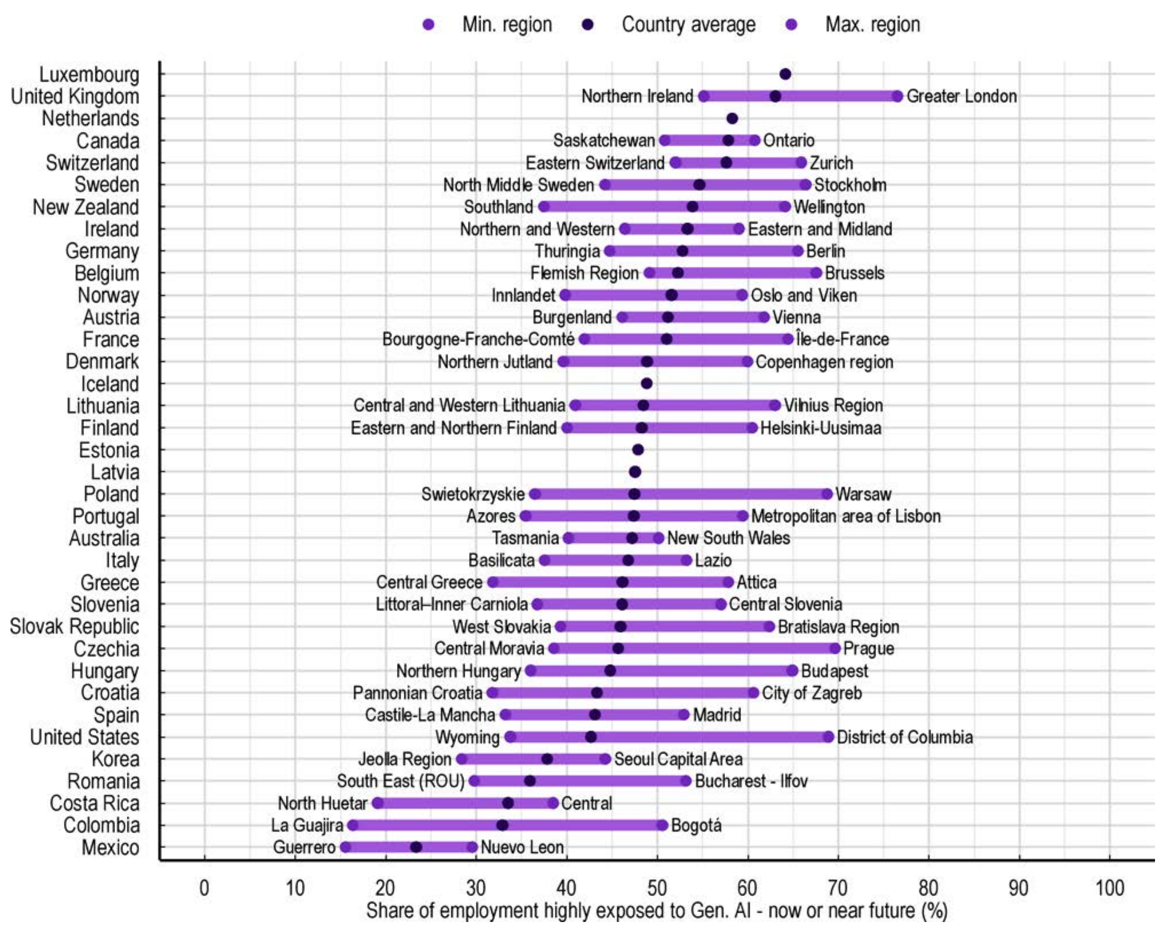
Other strategies focus on expanding technological innovation to help rural areas tap into new opportunities. This is key, as arguably, the world is in the midst of another technological revolution, due in large part to artificial intelligence (AI), which has the potential to reshape work and impact rural employment. In fact, OECD analysis reveals that the rise of large language models could have an impact on a much larger share of workers than previous digital technologies (OECD, 2024[18]). For example, the share of workers highly exposed to generative AI in the near future is expected to range from 16% in the mostly rural state of Guerrero (Mexico) to 77% in Greater London (United Kingdom), while Ireland's exposure level is above 50% (Figure 3.5). Similarly, when residents collaborate on solution development, they help distribute innovative thinking, which in turn can lead to local economic growth (OECD, 2013[19]).

Youth engagement is also a priority. Attracting and retaining young people in rural areas is a challenge. As part of this theme, the DRCDG supports the annual Rural Youth Assembly, which provides structured opportunities for young people to influence policy decisions about digital transition and future skills, amongst a variety of other topics. At the assembly, rural Irish youth benefit from structured platforms to impact digital transition policies and skill development, which acknowledges them as essential stakeholders to enhance rural leadership while maintaining the engagement of skilled people in a dynamic economy.

Finally, the Department of Justice, Home Affairs and Migration launched the pilot Rural Local Community Safety Partnerships, which develop collaborative models to enhance local well-being and safety. This model will be rolled out nationally and on a statutory basis following the commencement of the Policing, Security and Community Safety Act 2024. These initiatives do not represent direct economic policy, yet they establish favourable conditions for entrepreneurship through enhancements to quality of life and increased community trust.

Figure 3.5. Labour market exposure to generative AI could range from 16% to 77% across regions

Share of employment highly exposed to Gen-AI now or in the near future



Note: Estimates for TL2 (large) regions, except for Slovenia which is TL3 (small). Last available year: 2024 for Canada and Korea, 2023 for Australia, Colombia, Costa Rica, Mexico, New Zealand, the United Kingdom and the United States, 2022 for all others.
Source: OECD (2024[18]), *Job Creation and Local Economic Development 2024: The Geography of Generative AI*, https://doi.org/10.1787/83325127-en.

Box 3.3. Workforce exposure to generative AI

Generative AI may lead to both job destruction and creation. Across the OECD, approximately 26% of workers are exposed to generative AI, but only 1% are considered highly exposed. Nevertheless, as generative AI technologies are integrated into the workplace, up to 70% of workers could be exposed to generative AI shortly, with 39% of these considered to be highly exposed. Table 3.1 provides examples of occupations within each category. The extent to which these estimates materialise in regions depends on the actual uptake by workers and firms, which in turn hinges on both investment and training.

Table 3.1. Example of occupations by their exposure to generative AI

Occupations affected	Not exposed (no tasks)	Exposed (20% of tasks)	Highly exposed (50% of tasks)
Now	Home health aides	Materials scientists	Programmers
	Sound engineering technicians	Sales engineers	Interpreters and translators
		Financial examiners	
Now or near future	Cleaners of vehicles and equipment	Camera operators	Insurance underwriters
	Slaughterers and meat packers	Opticians	Database architects

Note: Selected occupations.
Source: OECD (2024[18]), *Job Creation and Local Economic Development 2024: The Geography of Generative AI*, https://doi.org/10.1787/83325127-en; Eloundou, T. et al. (2023[20]), "GPTs are GPTs: An Early Look at the Labor Market Impact Potential of Large Language Models", https://arxiv.org/abs/2303.10130.

Large language models such as generative pre-trained transformers (GPTs) have characteristics of a general-purpose technology and can generate high-quality text, images and other content based on large amounts of training data. Higher paying occupations tend to be more exposed to generative AI, while occupations heavily reliant on science and critical thinking skills are less exposed on average. Similarly, jobs that require more education and/or training tend to, on average, be more exposed to generative AI. It may be too early to determine the full impact of generative AI on local labour market composition. While certain labour markets are highly exposed to AI, this has not yet resulted in significant changes. It may take some time before we observe shifts in employment figures in response to the impact of generative AI. Labour markets may change as they integrate generative AI tools. These exposure estimates do not imply job displacement, but they should correlate with productivity as they measure the tasks that can be done faster with the help of generative AI.

Source: OECD (2024[18]), *Job Creation and Local Economic Development 2024: The Geography of Generative AI*, https://doi.org/10.1787/83325127-en.

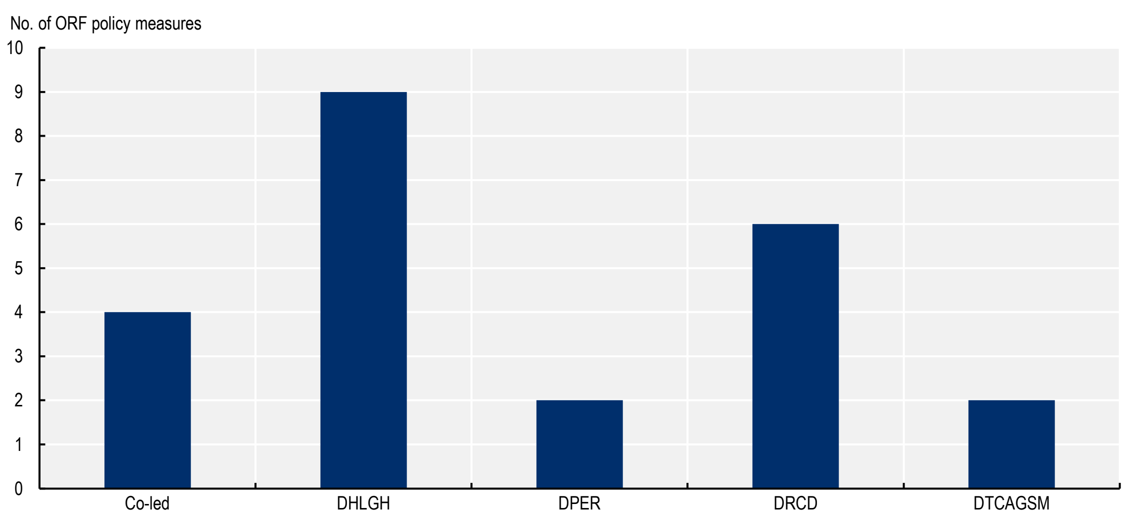
Revitalising rural towns and villages

Small towns are just as important as cities, a position recognised by ORF. A survey from the Institute for Consumer Science and Analytics shows that 64% of the French population feels attached to their town centre, and 72% visit at least once a week (Town of Nogent-sur-Marne, 2020[21]). Regenerating and repopulating these communities would advance the middle ground between rural and urban (Thadani, 2022[22]). However, small towns have faced a series of challenges across the OECD, including shocks such as the COVID-19 pandemic, supply chain disruptions and inflation.

Most towns typically have an urban element, organised around a commercial centre: a main street with local businesses, shops, restaurants and places for communal events. Main streets support access to services, strengthen social cohesion by being the central point for community interaction and serve as important economic and community anchors (OECD, 2023[23]). The New European Bauhaus is an EU policy and funding initiative to implement the green transition for high-quality, socially inclusive and economically resilient rural as well as urban built environments. The THRIVE Programme (Town Centre First Heritage Revival Scheme) managed by regional assemblies, is inspired by this movement and funded by the ERDF. OECD countries are also increasingly focused on small-town centres. In Japan, for example, there is a similar initiative to improve town centres to help deal with ageing populations and shrinking rural economies. OECD countries are also increasingly focused on small-town centres. In Japan, for example, there is a similar initiative to improve town centres to help deal with ageing populations and shrinking rural economies. Dereliction, neglect and abandonment have posed significant challenges in rural towns and villages in Ireland for the past few years. The "Revitalising rural towns and villages" theme reflects an ambition to reverse this decline.

Working across public agencies and departments, as well as with business networks and civil society groups, is necessary to bring together the expertise, build engagement and expand access to funding. The full complement of measures under this theme does not rely on a single tool or department. Instead, it reflects a layered effort involving several departments, with the Department of Housing, Local Government and Heritage playing a significant role (see Figure 3.6). For example, the department supports regeneration efforts through the Urban Regeneration and Development Fund, which provides capital funding for projects in towns with populations exceeding 10 000 inhabitants. The DRCDG leads or co-leads key initiatives, such as the Town and Village Renewal Scheme and the Town Centre First initiative (see Box 3.4). As part of its mandate, the DRCDG's Town and Village Renewal Scheme enhances shopfronts and street façades in smaller towns and villages and supports the reuse of vacant and derelict buildings. DETE supports the redesign of public spaces for cultural events and festivals.

Figure 3.6. Revitalising rural towns and villages: Policy measures by department



Note: DHLGH: Department of Housing, Local Government and Heritage; DPER: Department of Public Expenditure and Reform; DRCDG: Department of Rural and Community Development and the Gaeltacht; DTCAGSM: Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. The names of government departments shown here reflect those used in ORF for consistency, but please note that some departments were renamed in 2025.
Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

Local governments often lack awareness of available funding opportunities or the capacity to access and deliver them. The measures in this theme have a local lens. For example, one measure provides support for LAs to take a more active role. LAs are empowered to use compulsory purchase powers under the Derelict Sites Act 1990 to engage with property owners. They may also offer commercial-rates-based incentives to encourage business activity and bring vacant commercial units back into use.

Additionally, there is support for dedicated LA staff to facilitate town centre renewal; additional measures reflect a concern with inclusivity and innovation. Young people and older people are two social groups that are tied more closely than others to historic town centres (d'Antonio, 2024[24]). One policy aims to provide town centre housing for older people through partnerships with Approved Housing Bodies. Another helps to make serviced sites available at cost, allowing individuals and families to build homes in rural towns.

Revitalising town centres cannot be achieved in isolation, as various factors influence the long-term viability of a town centre. The measures that focus on infrastructure and promote new delivery models acknowledge this aspect with initiatives such as investment in water and wastewater systems, as well as support for Irish Water's Small Towns and Villages Growth Programme. Other actions aim to revitalise towns through the development of the Night-Time Economy and support for Smart Towns and Villages, promoting local resilience and digital solutions.

Box 3.4. Town Centre First

Town Centre First (TCF) was co-developed by the DRCDG and the Department of Housing, Local Government and Heritage (DHLGH) to help revitalise towns and villages across Ireland. It is deeply embedded in Ireland's broader spatial planning vision under Project Ireland 2040, whose key component, the NPF, sets the long-term spatial development objectives for the country. The April 2025 NPF revision updates the 2018 projections, drawing on Census 2022 data and new Economic and Social Research Institute modelling.

It forecasts that Ireland's population will reach approximately 6.1 million by 2040, roughly 1 million more than the 2022 base, representing an upward revision of around 250 000 people relative to the original 2018 NPF projection. The National Development Plan 2021-2030 provides the capital investment to implement the NPF, allocating funding to realise its objectives principally to promote compact growth, strengthen rural economies and support sustainable transport.

Each plan is rooted in the identity of its town yet aligned with regional spatial strategies, local development plans and national priorities. The initiative addresses local problems: persistent vacancy and dereliction, commercial restructuring and a drift toward car-dependent, edge-of-town development. It does this by providing targeted investment, enhanced local planning and improved evidence to enable a community-led town regeneration model. It is also an initiative that enjoys continued support, receiving EUR 4.56 million in funding in 2024.

TCF brings these goals by combining these pillars with local leadership and communities as co-designers and co-developers of the towns where they want to live and work. Town Regeneration Officers, embedded within each LA, serve as key connectors between local plans and national resources, including access to funding through the Rural Regeneration and Development Fund and Urban Regeneration and Development Fund. Importantly, it organises policy action at the level where change is most tangible, yet within a vertically co-ordinated system that ensures national ambition is reinforced by local knowledge.

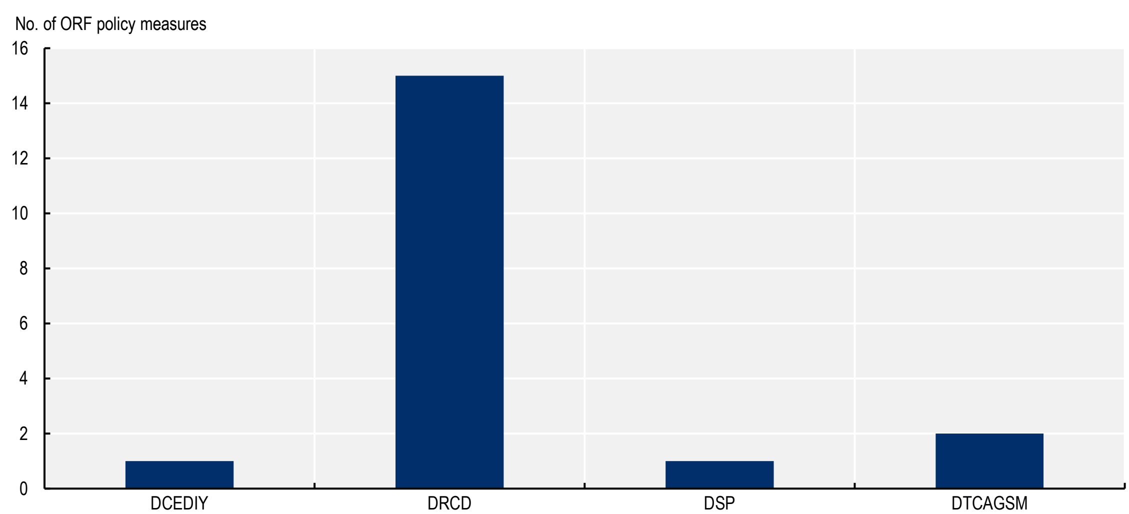
Source: OECD (2024[12]), *Ireland*, OECD Background Report, OECD Paris; Government of Ireland (2023[25]), *Town Centre First: Annual Implementation Plan 2023*, https://towncentrefirst.ie/wp-content/uploads/2023/11/TCF-Annual-Implementation-Plan.pdf.

In summary, small towns in Ireland are being reinforced and recognised as key to rural regeneration initiatives. Revitalisation is a multi-departmental effort, with main streets as an essential focus. Measures target physical renewal (facades, buildings), cultural use of space and support for local businesses, with a national and local lens that focuses on inclusion and promotes innovation. While the DRCDG leads on key initiatives, much of the responsibility lies with departments responsible for housing, tourism and others, highlighting the need for co-ordination across departments.

Enhancing participation, leadership and resilience in rural communities

ORF's participation, leadership and resilience measures are multifaceted, rooted in Ireland's strong volunteer tradition and formal engagement structures like PPNs. It also proactively engages youth, seeks to create a rich stakeholder base and explores ways stimulate more social enterprise support. The Irish system as a whole and ORF specifically promote and nurture participatory governance. One example is the Town Centre First initiative, which mobilises people for a town team approach to co-design the town they want to live and work in, guided by the LA. A participatory approach to governance embodies elements such as accountability and the sharing of power, which, when combined, can help reduce the obstacles to effective and sustainable rural development (OECD, 2025[26]). The policy measures to realise the *Enhancing Participation, Leadership, and Resilience* theme are diverse (Figure 3.7). They reflect a broad set of actions intended to engage and mobilise local stakeholders to play a role in developing and implementing policy solutions.

Figure 3.7. Enhancing participation leadership and resilience: Policy measures by department



Note: DCEDIY: Department of Children, Equality, Disability, Integration and Youth; DSP: Department of Social Protection; DRCDG: Department of Rural and Community Development and the Gaeltacht; DTCAGSM: Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. The names of government departments shown here reflect those used in ORF for consistency, but please note that some departments were renamed in 2025.
Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

Volunteering is a long-standing tradition in Irish culture--with a higher rate of participation in unpaid voluntary activity than the EU average, serving as a key pillar of local governance (OECD, 2023[27]). Participation in local government has been encouraged through the PPNs introduced. PPNs aim to facilitate the contribution of volunteer-led organisations to local economic, social and environmental capital. There are over 19 063 social inclusion, community and voluntary and environmental organisations constituted PPNs (DRCD, 2023[28]). PPNs have been established in every LA area in Ireland. Not surprisingly, several measures under this theme focus on promoting, mobilising, strengthening and streamlining volunteer activities. These include implementing the National Volunteering Strategy 2021-2025 to support volunteers and community-based organisations, as well as establishing a permanent volunteer reserve in local areas. Asking local stakeholders to take on more prominent roles in the community through volunteering means they should be equipped with the necessary tools to participate meaningfully. Three measures focus on capacity building. These include mentoring and training for community development leaders, especially those aged 18 to 25, providing additional support to help groups develop projects and access funding, and creating a single information portal to provide a funding roadmap for rural and community development.

Measures like strengthening public participation networks, LCDCs and creative strategies, including Culture Days, seek to increase community participation more broadly while at the same time targeting newcomers. Citizen and stakeholder participation is an essential element for governance and is recognised as such by Provisions 8 and 9 of the OECD Recommendation of the Council on Open Government (2017[29]) and in the OECD Guidelines for Citizen Participation Processes (2022[30]) (Box 3.5). In a participatory process, the likelihood of local stakeholders taking ownership and becoming committed to the outcomes of decision-making and policy actions increases significantly. Community participation and voice in policy is another area of focus through measures that seek to foster meaningful rather than superfluous engagement. Citizens today are more informed than ever and are demanding a say in shaping the policies and services that affect their lives. For this reason, public institutions at all levels of government are increasingly creating opportunities to harness citizens’ experiences and knowledge to make better public decisions (OECD, 2022[30]).

However, while volunteers can be a crucial source of ideas and labour that can improve rural communities, they are subject to both “burnout” and disillusionment over time. Maintaining a high rate of volunteer engagement requires that LAs and other elements of government commit the resources to bring about improvements that the volunteers are working toward and that their efforts are recognised and supported. In particular, it important to find ways to refresh the pool of volunteers by encouraging new participants and this is easier to do if potential volunteers can see their efforts will make a difference.

Box 3.5. OECD Guidelines for Citizen Participation Processes

Citizens and the public should be enabled to see, understand, contribute to, monitor and evaluate public decisions and actions. The global landscape for citizen and stakeholder participation is evolving constantly, becoming richer with new and innovative ways to involve citizens and stakeholders in public decisions. At the same time, differences in involving these two groups have become apparent, as individual citizens require participation methods designed to provide them with time, information, resources and incentives needed to engage, while stakeholders (any interested and/or affected party, such as institutions and organisations) have a lower participation threshold, dedicated resources and clear interests to participate.

The OECD guidelines are based on evidence collected over the years, *Citizens as Partners: OECD Handbook on Information, Consultation and Public Participation in Policy-making* (OECD, 2001[31]), the OECD Recommendation of the Council on Open Government (OECD, 2017[32])the OECD Handbook on Open Government for Peruvian Public Servants, the OECD report *Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave* (OECD, 2020[33]), the OECD and European Commission Directorate-General for Regional and Urban Policy Citizen Participation in Cohesion Policy Guidelines and Playbooks (OECD, 2022[34]) as well as existing resources from academia and other organisations.

Citizen participation processes should be organised only when there is room for meaningful citizen participation in the decision-making process. The ten-step path provides guidance in developing the process:

1. **Identifying the problem to solve and the moment for participation:** The first step when planning a citizen participation process is to identify if there is a genuine problem that the public can help solve. If there is, then the problem needs to be defined and framed as a question. Citizens can be actively involved in any of the stages or throughout the policy cycle: when identifying the issue, formulating policy, making decisions, implementing policy or evaluating it.
2. **Defining the expected results:** A clear understanding of the expected outcomes or results of the participation process is needed to define the desired inputs or contributions from citizens and the impact they will have on the final decision.
3. **Identifying the relevant group of people to involve and recruiting participants:** Different types of groups can be involved in a participation process, such as a broad group of citizens from diverse backgrounds, a representative group of citizens, a particular community based on geography or other demographic characteristics, as well as stakeholders, ranging from non-governmental organisations to businesses or academia. Different strategies can be employed to recruit them: an open call, a closed call or a civic lottery.
4. **Choosing the participation method:** Eight citizen participation methods and their characteristics are compared and described to help choose the most applicable one in a given situation: information and communication, open meetings/town hall meetings, civic monitoring, public consultation, open innovation, citizen science, participatory budgeting and representative deliberative processes.
5. **Choosing the right digital tools:** Digital tools can allow citizens and stakeholders to interact and submit their inputs in different ways. They should be chosen to facilitate the participation method. Policymakers should keep in mind the existing "digital divides", plan for technical, human and financial resources needed to deploy digital tools and choose tools that are transparent and accountable. When possible, digital tools should be chosen alongside in-person methods.
6. **Communicating about the process:** Public communication can help at every step of the way, from recruiting citizens, to ensuring the transparency of the process and extending the benefits of learning about a specific policy issue to the broader public. Constant, clear and understandable communication that uses plain language is most effective.
7. **Implementing the participation process:** There are general considerations that concern the implementation of any participatory process: preparing an adequate timeline, identifying the needed resources, ensuring inclusion and accessibility and considering a citizens' journey through a participatory process.
8. **Using citizen input and providing feedback:** The inputs received as part of the participatory process should be given careful and respectful consideration and used as stipulated in the beginning, with clear justifications if any inputs or recommendations are not used or implemented. Communicating to participants about the status of their inputs and the ultimate outcome of their participation helps to close the feedback loop.
9. **Evaluating the participation process:** Through evaluation, the quality and neutrality of a participatory process can be measured and demonstrated to the broader public. Evaluation also creates an opportunity for learning by providing evidence and lessons for public authorities and practitioners about what went well, and what did not.
10. **Fostering a culture of participation:** A shift from ad hoc participation processes to a culture of participation can be supported by embedding institutionalised participation mechanisms,

multiplying opportunities for citizens to exercise their democratic "muscles" beyond participation and protecting a vibrant civic space.

Source: OECD (2022[30]), *OECD Guidelines for Citizen Participation Processes*, https://doi.org/10.1787/f765caf6-en.

One initiative under this theme is the Rural Ideas Fora, a series of stakeholder engagement events hosted by the DRCDG. Nine fora were held, covering a range of issues (DRCDG, 2024[35]). The fora were designed to gather inputs, foster debate and add more rural voices to the policy discussion space on topics related to ORF, thereby enabling the gathering of diverse perspectives. For example, the remote working forum generated a rich debate on maximising the opportunities linked to appropriate infrastructure and facilities, with a particular focus on remote working hubs and how remote and blended working can encourage more people to live in rural areas while working in good-quality jobs, regardless of their employer's location.

The forum on climate-neutral societies focused, among other things, on the importance of creating a vision for climate neutrality that balances economic development, social well-being and environmental considerations and examined the challenges and opportunities this presents. The discussion on revitalising towns and villages provided different perspectives on the key elements of a vibrant rural community and the interdependency of cities, towns and villages. Additionally, the forum on a socially inclusive rural Ireland aimed to generate ideas for tackling exclusion and isolation in rural Ireland through the DRCDG's Social Inclusion and Community Activation Programme (SICAP) and other social inclusion initiatives.

"Young people are the engine keeping rural areas alive" (Council of Europe, 2025[36]). However, across the OECD, many countries, including Ireland, are grappling with the fact that young people from rural communities are being attracted to opportunities and amenities in cities. One way to help mitigate the problem lies in engagement: embracing their ideas and bringing them into the policy space. The Rural Youth Assembly initiative introduced as part of this theme in ORF was designed to amplify the voices of younger rural individuals and provide a platform for them to be heard and engaged. The assembly comprises a group of young people between the ages of 12 and 24 who discuss the challenges and opportunities associated with living, working and socialising in rural Ireland. Attracting young people to rural communities requires a strategic, sensitive approach. Governments need to remove barriers to social, economic and political participation of rural youth and create new opportunities for them. The assembly is unique in that it is a gathering with the express purpose of hearing and putting them in direct line with the government. In this way, it allows for deep insights from a youth perspective that government actors would not otherwise be privy to (Box 3.6).

Box 3.6. Common issues affecting young people in rural Ireland

The 2024 Irish Rural Youth Assembly attracted 49 delegates aged 18-24 years old from across the country. The discussion focused on learning in rural Ireland (e.g. early years education, primary school, secondary school, college, trades, courses and apprenticeships) and living and working in rural Ireland (e.g. day-to-day life, health, hobbies, well-being, services). The participants raised the following as the most common issues affecting young people in rural Ireland:

- lack of youth facilities, e.g. youth centres, community spaces
- lack of youth services or non-sporting activities
- lack of sports facilities and activities (limited sports infrastructure, e.g. no swimming pool or leisure centre)
- poor broadband that hinders education, work and staying connected

- transport: unreliable and unaffordable public transport and school bus services. a high dependency on cars
- education: school closures, poor facilities, limited choice of subjects, lack of support for rural schools and *gaelcholáistí*
- access to healthcare: long distances to services, long waiting lists, high costs
- lack of employment opportunities: having to travel long distances to work, few job opportunities locally, exploitation of young workers
- a feeling that the voices and views of young people are not taken into consideration in decisions that affect them
- lack of essential and basic infrastructure, such as street lighting, footpaths and safe places to exercise
- housing shortages: difficulty finding affordable housing, lack of long-term rental options, many holiday homes left empty
- a sense of being disconnected from or shut out of decision making by politicians
- lack of cultural opportunities
- gaps in mental health support
- limited access to services and support for people with disabilities
- a decline in the use of the Irish language
- inequality experienced due to a traditional mindset and stereotyping.

Source: DRCDG (2024[37]), *Rural Youth Assembly 2024: Summary Report*, https://assets.gov.ie/static/documents/rural-youth-assembly-summary-report-2024.pdf.

A few measures focus on increasing the adoption of social innovation, such as one by the DRCDG to support multi-functional spaces that can be used to fill gaps in services. As a recent OECD study on social enterprises in Ireland revealed, Ireland is home to 4 335 social enterprises. They play a significant role in supporting the implementation of national and local strategies across many sectors. ORF recognises social enterprises play a role in promoting sustainable development of rural communities. In Ireland, they are active across many sectors such as childcare, housing, health, food, tourism, recycling, transportation and arts, culture and music (OECD, 2023[27]), Two additional measures focus on strengthening local communities and enhancing community well-being. The strategy incorporates heritage and arts programmes to help resolve community challenges like rural isolation and mental health issues while establishing TidyTowns Special Awards to engage young people aged 16 to 25.

Enhancing public services in rural areas

In rural areas, persistent service delivery gaps remain, particularly in digital connectivity, employment opportunities and access to public services. This is one of the most cross-cutting themes in ORF, as it implicates multiple departments and requires strong co-ordination to deliver impact. While progress is being made through initiatives under ORF, challenges persist, particularly in transportation and healthcare.

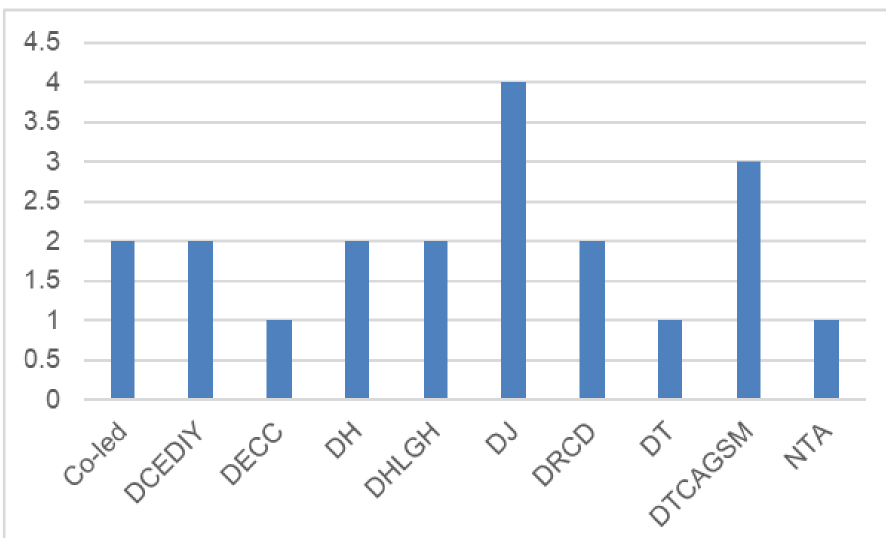
Transportation

OECD analysis reveals that in rural Ireland, 80% of all trips are made by car, compared with 58% in urban areas (Harbour et al., 2024[38])]. In addition, many people in rural towns drive short distances that could otherwise be walked or cycled. At the same time, approximately 350 000 people live in remote areas beyond the reach of traditional fixed-line bus services, making public transport a critical area of investment

(OECD, 2024[12]) The Irish government is seeking to address this through a range of initiatives, some of which are captured explicitly in ORF. Improving public transport system in rural areas is inherently challenged by low volumes of travellers and a sparse road network that result in transit systems that result in, limited bus frequency, and a spoke and hub route system that requires first travelling to central terminal and switching to another bus to get to the ultimate destination.

The National Demand Management Strategy supports efforts to reduce vehicle kilometres travelled. The School Transport Scheme, which provides transport for children who live 3.2 km or more from their nearest primary school and 4.8 km from a post-primary school, is by nature a rural transport scheme. It fills a significant gap by serving children in areas with little or no public transport alternatives. More broadly, the Connecting Ireland Rural Mobility Plan, developed by the National Transport Authority (NTA), supports improved access by providing a level of service that enables people living outside cities to travel to towns and carry out a full range of daily activities as defined by the CSO. The plan also aligns with ORF by piloting new transport initiatives.

Figure 3.8. Enhancing public services in rural areas



Note: DCEDIY: Department of Children, Equality, Durability, Integration and Youth; DECC: Department of Environment, Climate and Communications; DH: Department of Health; DHLGH: Department of Housing, Local Government and Heritage; DJ: Department of Justice; DRCDG: Department of Rural and Community Development and the Gaeltacht; DT: Department of Transport; DTCAGSM: Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media; NTA: National Transport Authority. The names of government departments shown here reflect those used in ORF for consistency, but please note that some departments were renamed in 2025.
Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

Infrastructural limitations, such as a lack of: footpaths, connected street networks and cycling infrastructure, further constrain rural mobility and access to public transport. Evidence suggests that many people drive short journeys that could otherwise be made on foot or by bicycle. The NTA funds the Rural Transport Programme, which is managed locally by 15 Local Link offices. These offices provide both regularly scheduled bus services and demand-responsive transport. In terms of coverage, NTA research shows that 41% of the population living outside cities is within 400 metres of a route or service offering at least 3 return trips on weekdays. However, 26% of the population either lacks access to public transport entirely or is served by very limited options (NTA, 2021[39]).

ORF includes multiple measures to address service shortfalls, some explicitly targeting rural areas, while others have a rural impact through broader design (Figure 3.8). For example, the Regional Enterprise

Plans Funding and Infrastructure Unit does not focus exclusively on rural areas but identifies infrastructure gaps that affect them. A Sustainable Rural Mobility Plan will link settlements of a specific size to the national transport system. Local Link services will expand and better integrate with other transport options under the NTA's Connecting Ireland Rural Mobility Plan. For more remote areas, new schemes such as a subsidised Local Area Hackney scheme and a grant-aided community transport service scheme will support local mobility. There are also plans to pilot ride-hailing services and transition the Transport for Ireland Local Link fleet to low- or zero-emission vehicles.

Box 3.7. Connecting Ireland Rural Mobility Plan

The Connecting Ireland Rural Mobility Plan aims to improve access to services by better connecting people to them. It relies on research has identified the differences between well-connected and less-connected such as the that two out of five villages are not linked to nearby larger towns. The key commitments made in Connecting Ireland are as follows:

- an ambition for 70% of people in rural Ireland to have access to public transport services that provide at least a basic level of connectivity
- over 100 rural villages benefitting from frequent public transport services for the first time
- over 100 rural areas benefitting from a regular service to their county town for the first time
- over 60 new connections to regional cities from surrounding areas
- an innovative approach to improving mobility for people in remote areas.

Source: NTA (2021[39]), *Connecting Ireland Rural Mobility Plan: Enhancing Public Transport Across Rural Ireland - Summary Report*, https://www.nationaltransport.ie/wp-content/uploads/2021/10/NTA-Connecting-Ireland-Report.pdf.

Healthcare

Improving transport access is only part of the picture. Access to healthcare also remains uneven across rural Ireland. General practitioners (GPs) play a critical role in primary care. While the total number of Irish GPs per 100 000 people has increased over the past 30 years, the number of GPs practising in rural areas has declined over the past 2 decades (Harbour et al., 2024[38]). As in other OECD countries, GP and specialist care are less accessible in rural areas, requiring residents to travel further for services. For example, the only dedicated centre for cancer surgery in the West region is located in Galway City, meaning patients in the North-West must travel long distances for treatment.

Demand for primary care services is expected to rise by 46% across Ireland by 2031. At the same time, Ireland is projected to face a GP workforce shortage of between 493 and 1 380 by 2025, a shortfall that will disproportionately affect rural regions (Harbour et al., 2024[38]). In response to these challenges, ORF includes initiatives such as the establishment of 96 new Community Healthcare Networks across the country, intended to reshape how healthcare is delivered and support people in living more independently within their communities.

Other relevant initiatives include Healthy Ireland, which promotes better health and well-being through collaboration with LAs, and Sláintecare, the Department of Health's overarching strategy for reforming health and social care delivery. Sláintecare commitments are included in ORF and monitored through regular progress reports. In addition, the *Limerick Declaration on Rural Health Care* provides a roadmap for improving rural healthcare in line with government priorities for an inclusive Irish society. It recognises the role of the health sector in contributing to economic growth as part of a rural revitalisation agenda (Box 3.8) (Glynn et al., 2023[40]).

Box 3.8. Healthcare access and the Limerick Declaration on Rural Health Care 2022

As noted, GP shortages, an ageing workforce and limited geographic access are placing rural health systems under increasing strain. At the 19th World Rural Health Conference (2022), more than 650 participants gathered to explore how to improve health outcomes, empower rural communities to manage their health, and ensure that national health systems support rural populations in achieving the highest attainable standard of care.

The resulting *Limerick Declaration on Rural Health Care* serves as a blueprint for delivering high-quality healthcare more effectively in rural and remote settings. While global in scope, the discussions paid particular attention to the Irish healthcare system. Four key themes emerged:

- **Rural healthcare needs and delivery**: Healthcare services should be tailored to the specific needs of those living in rural communities. Delivery models and approaches must counter geographic, social and cultural barriers to care.
- **Rural workforce**: Whenever possible, the rural health workforce should be drawn from the communities they serve. Recruitment and retention of a rural health workforce will require targeted incentives, ongoing support and guidance, structured mentorship and recognition at all stages of the career pathway.
- **Advocacy and policy**: Government health policies, strategies, plans, programmes and financing modalities should be rural proofed to avoid unintended adverse effects on rural communities.
- **Research for rural healthcare**: The rural dimension is underrepresented in health risk analyses, outcomes and health system performance. Health research must be rural proofed, and a proportion of all health research funding should be ring-fenced for rural-focused research.

Source: Glynn, L. et al. (2023[40]), "The Limerick Declaration on Rural Health Care 2022", https://doi.org/10.22605/rrh7905.

Transitioning to a climate-neutral society

As noted in ORF, climate change is already having impacts on Ireland's environment, society, economy and natural resources (Government of Ireland, 2021[14]). To this end, the government is committed to halving carbon emissions over the next decade. Achieving this goal will require action across all parts of the country, including rural areas. The measures under the theme of "Transitioning to a climate-neutral society" are designed to support this goal. They also align with the OECD Rural Agenda for Climate Action, which calls for rural strategies to play a greater role in helping rural regions address the climate emergency and achieve net-zero emissions (OECD, 2021[41]). While the Department of the Climate, Energy and the Environment is leading several of these efforts, multiple departments are engaged and/or co-leading (Box 3.1).

Box 3.9. OECD Rural Agenda for Climate Action

On 2 November 2021, the OECD launched its Rural Agenda for Climate Action during a session organised and hosted within the COP26. The political document calls for a stronger role of rural policies to contribute to climate change goals and draws attention to much-needed policy action in six areas:

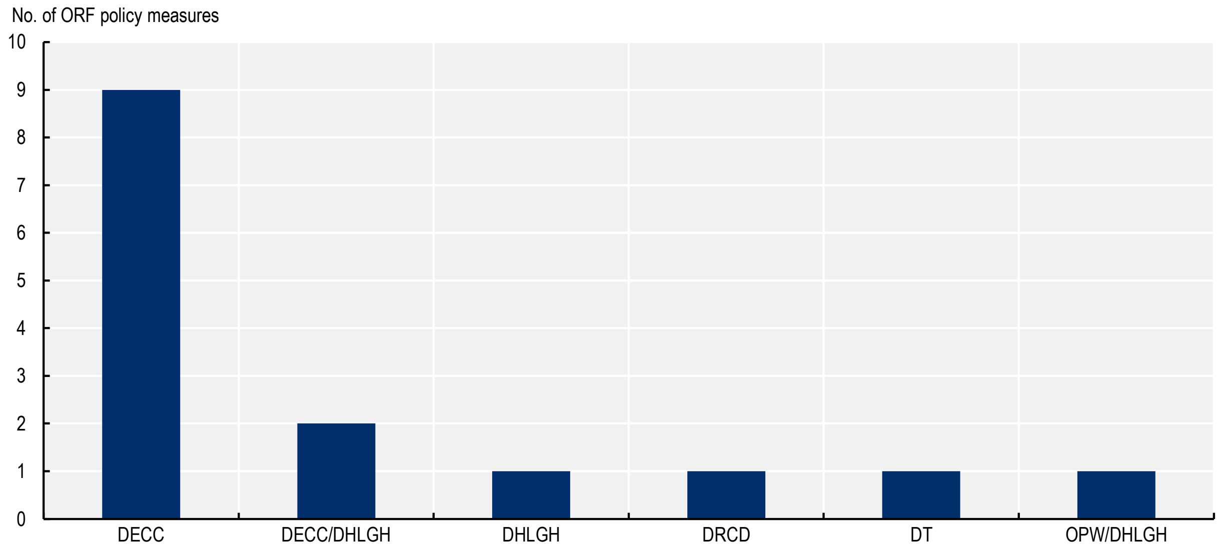
1. capacity building
2. evidence base
3. renewable energy
4. land use and ecosystem services
5. circular and bioeconomy
6. decarbonising transport.

The Rural Agenda for Climate Action outlines how countries can climate proof rural development policies and increase the role rural policies play in reaching climate change goals. National and supranational governments worldwide are mobilising vast amounts of resources to accelerate the green transition in rural areas. The agenda aims to support OECD Member countries in the implementation and effective use of available funds.

Source: OECD (2021[41]), *OECD Rural Agenda for Climate Action*, https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/environmental-transition-in-regions/oecd-rural-agenda-for-climate-action.pdf/_jcr_content/renditions/original./oecd-rural-agenda-for-climate-action.pdf.

Eliminating greenhouse gas (GHG) emissions will require a shift in how goods and services are produced and, in some cases, the use of new energy carriers and raw materials. These changes demand different types of investment and infrastructure. The transition will affect firms and, by extension, workers. Some businesses – particularly those unable to adapt – may contract, while others will grow and evolve. Given the diversity of socio-economic conditions across rural areas, understanding the implications of these shifts will be crucial for future rural prosperity.

Figure 3.9. Transitioning to a climate-neutral society: Policy measures snapshot

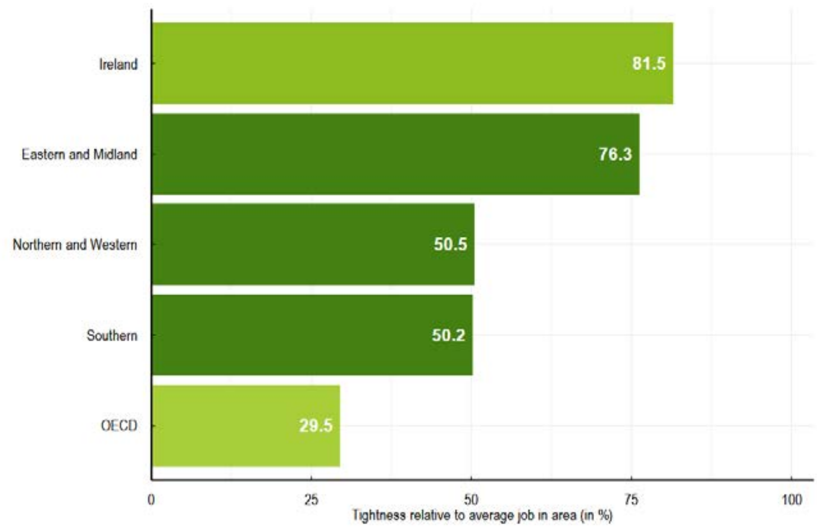


Note: DECC: Department of Environment, Climate and Communications; DHLGH: Department of Housing, Local Government and Heritage; DRCDG: Department of Rural and Community Development and the Gaeltacht; DT: Department of Transport; OPW: Office of Public Works. The names of government departments shown here reflect those used in ORF for consistency, but please note that some departments were renamed in 2025.
Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

To support this, a joint initiative between the Department of Climate, Energy and the Environment and the Department of Agriculture, Food and the Marine aims to scale employment in the green and circular economy, focusing on sectors such as the bioeconomy, sustainable tourism and low-carbon construction. However, labour market shortages present a significant challenge. Ireland has the highest green job vacancy rate in the OECD, with 82% more vacancies per employed person in green jobs than in the average job, well above the OECD average of 29% (see Figure 3.10). If green jobs remain in short supply, particularly in rural areas where many climate-related actions will be concentrated, workforce shortages could slow implementation. This points to the need for targeted rural skills strategies, aligned with broader ORF priorities on education, youth engagement and economic development.

Figure 3.10. Shortages in green jobs in Ireland

Difference between the labour market tightness of green jobs and the average job in the labour market by region, 2022



Note: Labour market tightness is defined as the number of vacancies over employment. Occupations that have at least 10% of their tasks classified as green are defined as green jobs, following OECD (2023[42]). The country average refers to the employment-weighted average of regions and the OECD average refers to the unweighted average of countries.
Source: OECD (2024[43]), "Job Creation and Local Economic Development 2024 - Country Notes: Ireland", https://www.oecd.org/en/publications/job-creation-and-local-economic-development-2024-country-notes_ad2806c1-en/ireland_4b65ba5a-en.html.

Peatland rehabilitation is another area of focus, supporting emissions reduction, carbon sequestration and biodiversity. A EUR 108 million investment from the Climate Action Fund is being used to rehabilitate 33 000 acres of peatland across the 80 000-hectare (ha) estate of company Bord na Móna. In parallel, the national restoration programme for designated raised bog sites aims to restore 25 000 ha. Internationally, similar efforts are underway. In Scotland, degraded peatlands are estimated to account for over 15% of the country's GHG emissions. In response, the Peatland ACTION programme provides land managers with funding and technical support for peatland restoration, including project design and advisory services (Levedag and Raderschall, 2023[44]).

Some measures focus on strengthening climate governance, such as the Climate Action and Low Carbon Development (Amendment) Bill. Others aim to promote public engagement through new dialogue structures and support greater community participation in renewable energy projects. Programmes such as the Community Benefit Fund, the Renewable Electricity Support Scheme and the Micro-generation Support Scheme help communities access funding for local energy initiatives. There is also a goal to expand the Sustainable Energy Communities network from 500 to 1 500 by 2030. This broader community engagement is particularly relevant in the context of rising rural and farmer discontent in Europe and OECD countries, sometimes fuelled by top-down, centralised approaches to climate policy.

Support for the transition also includes investment in energy efficiency and the built environment. The Territorial Just Transition Plan for the European Union prioritises research and new projects, while national measures promote home retrofitting and heat pump installation by 2030, both of which also offer employment benefits. Separately, there are efforts to encourage more sustainable land management and strengthen the role of ecosystem services in rural development.

Box 3.10. Climate action in rural Ireland: Agriculture, land use and local innovation

In line with Principle 8, which calls for strengthening sustainability, ensuring the just adaptation of rural areas to climate change and enhancing the value of ecosystem services, Ireland is advancing a mix of national and local actions to transition its rural economy toward long-term ecological resilience. The agriculture sector, which accounted for 34.4% of Ireland's GHG emissions in 2022, has become a focal point for climate policy. While emissions increased by 14% between 2012 and 2022, a 1.2% reduction in 2022 – linked to fertiliser use reduction – signals a turning point. The Climate Action Plan 2024, Ireland's third climate plan update, sets more ambitious targets to reduce land-sector emissions by 10% by 2025 and 25% by 2030.

Key actions include:

- Improving management on 450 000 ha of grassland on mineral soils for greater carbon sequestration.
- Reducing intensity of management on 80 000 ha of organic soils.
- Increasing cover crops and straw incorporation in tillage to improve soil carbon.
- Expanding the organic sector to 450 000 ha and tillage farming to 400 000 ha.
- Reducing chemical nitrogen fertiliser use to 300 000 tonnes and producing 5.7 terawatt-hours of biomethane.

Offaly County Council is a practical example of rural leadership in this transition. With a legacy of energy production, the county is now host to over 1 gigawatt of renewable generation capacity in development. As of May 2025, there was approximately 396 megawatt of grid-scale renewable electricity generation capacity connected in Offaly. Officials credit a proactive planning framework since 2009 for this energy pipeline but call for stronger integration of employment and local revenue benefits into national energy strategy.

At the local level, climate governance is also evolving. All 31 LAs in Ireland adopted Local Authority Climate Action Plans (LACAPs) in early 2024, integrating both adaptation and mitigation in line with national requirements. LACAPs are explicitly required by law to be aligned with the national Climate Action Plan and the National Adaptation Framework. These frameworks create stronger connections between national climate objectives and localised delivery, recognising that rural areas have both a role and a stake in shaping climate solutions.

Nature-based solutions are emerging as key tools. While the rewetting of industrial peatlands can reverse biodiversity loss and enhance ecosystem services, stakeholders caution that co-ordination remains limited, with gaps between energy, amenity and ecological planning. Overall, Ireland's climate transition illustrates the interplay between national policy ambition and local innovation, and the importance of joined-up strategies that embed environmental goals into the rural development agenda.

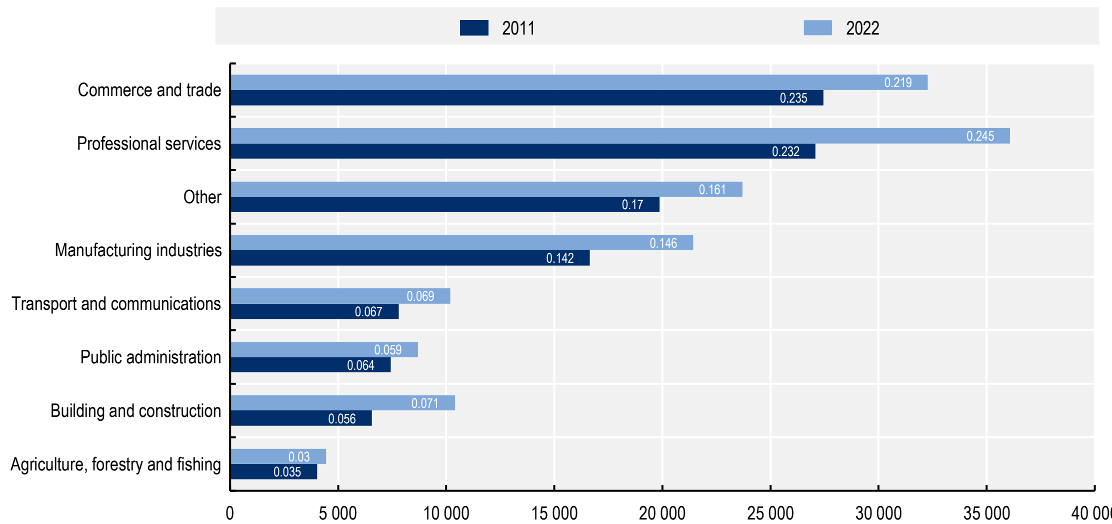
Sources: OECD (2024[12]), *Ireland*, OECD Background Report, OECD Paris; CARO (2025[45]), "Local Authority Climate Action Plans (LA CAPs)", https://www.caro.ie/local-authority-climate-action/local-authority-climate-action-plans-(1).

Supporting the sustainability of agriculture, marine and forestry

In Ireland, there are approximately 135 000 farms, 2 000 fishing vessels and aquaculture sites, and 2 000 food and beverage enterprises. Like most OECD Member countries, agriculture remains a significant economic activity, but does not necessarily drive local employment. For example, a closer look at the sectors driving employment in Irish rural towns and settlements with fewer than 1 500 inhabitants reveal that commerce or professional services seem to play a pivotal role in employment (Figure 3.11).

Figure 3.11. Snapshot of employment by industry in Ireland, 2011 and 2022

Employment is broken down by industry in towns/cities (settlements) with fewer than 1 500 inhabitants



Source: Central Statistics Office, Ireland.

Despite the declining impact on employment in rural regions, agriculture remains a multi-functional asset. The sector continues to contribute to local economies in diverse ways, such as providing amenities, traditional landscapes, opportunities for primary and secondary processing, cultural value and tourism-related services. The measures under the theme “Supporting the sustainability of agriculture marine and forestry” in ORF sought to enhance these different areas and address challenges in various ways. The measures that support farmers’ markets, farm shops and food emporiums aim to increase farm income. This is key because farm households often rely on a combination of farm and non-farm income sources, and the Irish are no different. In Ireland, 57% of farm holders or their spouses are engaged in off-farm employment. Policies that facilitate diversification, whether into tourism, forestry or food processing, have the potential to support both farm and non-farm rural households. The most overarching and ambitious vision for transforming the industry is outlined in the Agri-Food Strategy for 2030. It features a long-term strategy to transform Ireland into an international leader in sustainable food systems.

To facilitate further transformations, environmental sustainability objectives are also at the heart of several of the measures. Environmental transitions are gaining momentum in Ireland. Organic farming has expanded significantly by 480% between 1997 and 2022; grassland decreased from 62% to 59%, while forestry increased from 7% to 11% (CSO, 2024[46]). Pilot initiatives, such as the agri-environment scheme, which rewards farmers for adopting more sustainable farming practices, will encourage more farmers to adopt this approach. This is complemented by initiatives focusing on sustainable forestry, such as one measure aiming to achieve 8 000 ha per year in new plantings, building new habitats and advancing agriculture and forestry education and expertise, which are relevant to broader rural development.

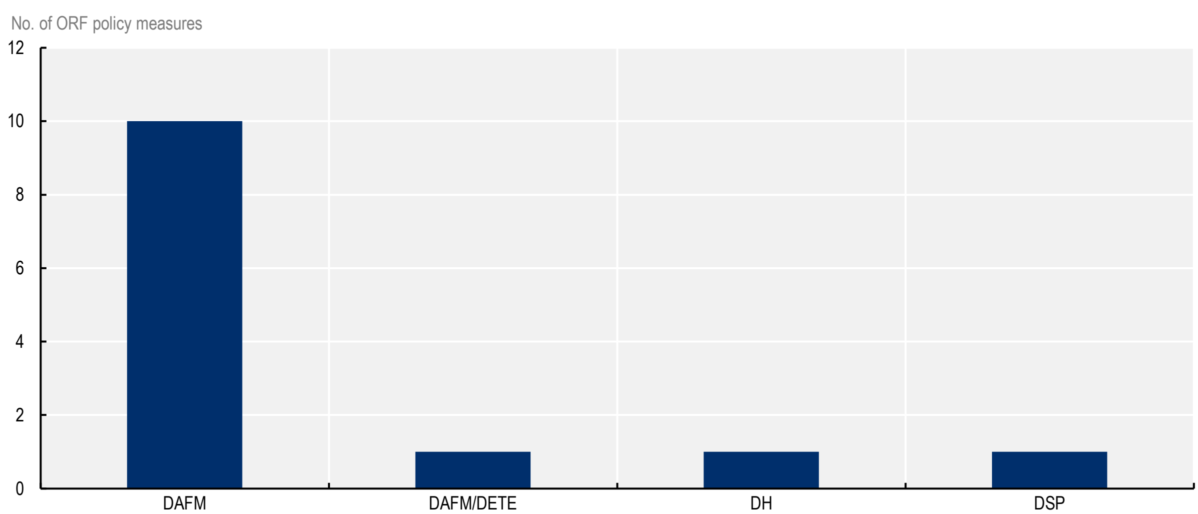
One initiative led by the Department of Transport addresses an often-overlooked issue: increasing the use of environmentally friendly vehicles in rural regions and improving access to charging stations. The initiatives focus on the needs of rural areas in the development of an Electric Vehicle Charging Infrastructure Strategy, which aims to ensure that charging infrastructure keeps pace with demand.

Innovation, digitalisation and labour shifts are key elements reshaping the sector, with automation fostering an increasing demand for middle-skilled occupations, such as those involving the operation of digital technologies. Some initiatives seek to leverage these crucial elements by applying a Living Lab model to establish innovation networks, identifying and piloting tailored place-based initiatives for primary production, food and biobased systems.

Agricultural producers are constantly responding to pressures from changing economic, environmental and demographic conditions. These decisions affect farm size, scale, intensity, the nature and organisation of farming operations, as well as farm income diversity and engagement in non-farm income alternatives. Farmers are often the most affected by changes in temperature and weather conditions. ORF includes initiatives to implement the strategy *Ag Climatise – A Roadmap Towards Climate Neutrality for the Agri-Food Sector*, which features concrete action steps, denoting what needs to be done and when, based on comprehensive stakeholder engagement and input (Government of Ireland, 2020[47]). Similarly, it calls for promoting the integration of climate action with environmental protection strategies while maintaining sustainable farm incomes, as outlined in the Common Agricultural Policy Strategic Plan 2023-2027.

Rural development and agricultural policies tend to differ in their scope of activity and objectives. This can sometimes create a gap in policy implementation. In ORF, the responsibility for realising the measures under this pillar rests almost entirely with the Department of Agriculture, Food and the Marine (Figure 3.12). This reflects a persistent reality for the DRCDGG, as it has numerous measures in the rural strategy that fall outside its remit. This also reinforces the need for more cohesive interdepartmental collaboration and place-based strategies that reflect the lived realities of rural households (Cervantes-Godoy, 2022[48]).

Figure 3.12. Supporting the sustainability of agriculture marine and forestry: Policy measures snapshot



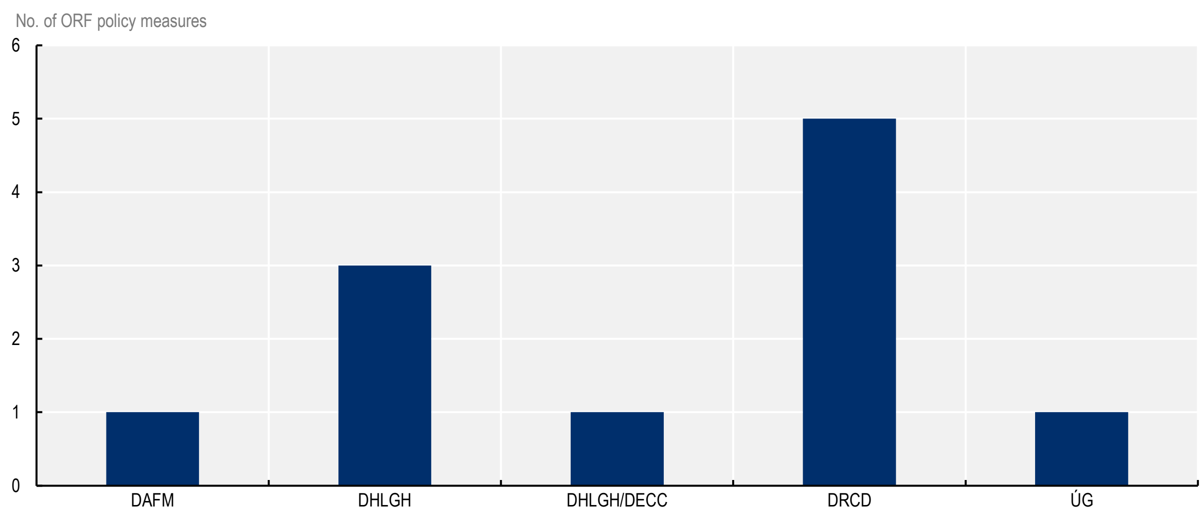
Note: DAFM: Department of Agriculture, Food and the Marine; DETE: Department of Enterprise, Trade and Employment; DH: Department of Health; DSP: Department of Social Protection. The names of government departments shown here reflect those used in ORF for consistency, but please note that some departments were renamed in 2025.
Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

The successful delivery of ORF's agriculture-related ambitions hinges on stronger interdepartmental co-ordination and accountability mechanisms to avoid fragmented implementation. Farm diversification, off-farm employment strategies and environmental sustainability offer opportunities for policy alignment across departments. These intersections may be underutilised but are critical for implementing a place-based approach. For example, many Irish farms operate at or near subsistence levels, so creating more viable sources of off-farm income is a necessity. There is a combination of measures throughout ORF that directly and indirectly supports these efforts, which could be amplified further.

Supporting the sustainability of the islands and coastal communities

By definition, islands are separated from the mainland by sea, making them peripheral territories. This often results in a high dependence on local resources, high costs of transporting goods and people, a limited internal market, a small labour market, scarcity of land, as well as strong local culture and identity linked to unique natural beauty and landscape specificities (OECD, 2022[49]). Recognising this aspect, the policy measures to realise the "Supporting the sustainability of the islands and the coastal communities" theme responds with a number of key actions (Figure 3.13). *Our Living Islands* is the first whole-of-government policy for the islands to be published in 27 years. The ten-year cross-departmental policy for island development demonstrated that action plans covered housing, health, energy, utilities, waste management, climate change, education, digital connectivity, employment, infrastructure and transport.

Figure 3.13. Sustainability of the islands and coastal communities: Policy measures snapshot



Note: DAFM: Department of Agriculture, Food and the Marine; DECC: Department of Environment, Climate and Communications; DHLGH: Department of Housing, Local Government and Heritage; DRCDG: Department of Rural and Community Development and the Gaeltacht; ÚG: Údarás na Gaeltachta. The names of government departments shown here reflect those used in ORF for consistency, but please note that some departments were renamed in 2025.
Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

The more remote coastal and island communities, particularly those based on the west coast of the country bordering the Atlantic Ocean, have the potential to harness the benefits of the associated geographical and weather conditions. Several measures focus on supporting businesses and employment opportunities, whether physical or via innovative use of broadband infrastructure, such as the creation of strategic enterprise hubs. Other measures explore ways to use or reuse space and combining that with technology, such as the initiative to utilise islands as experimental sites for eHealth and microgeneration renewable energy technologies. The Fisheries Local Action Group scheme will boost small-scale seafood businesses alongside marine tourism and leisure projects while benefitting the overall marine sector.

Implementation of the policy

The capacity to implement is key to policy success. In a recent publication *Reinforcing Rural Resilience*, the OECD notes that the most carefully designed strategies will struggle to deliver results if policy implementation capacity is weak or inconsistent (OECD, 2025[26]). The report highlights a few elements that undermine implementation capacity that if left unaddressed, risk weakening the impact of rural policies. They include:

- lack of policy coherence and weak integrated cross-government action
- not working at the right functional scale and leveraging collaboration opportunities, e.g. rural-urban
- not having rural informed evidence to inform decision making
- limited effort to galvanise the rural voice, e.g. meaningful consultation processes
- weak or ineffective rural communication strategies.

ORF recognises that the capacity to implement rural strategies needs to be better supported. As such, the measures focus on different ways to turn strategy into action. Giving local actors more voice is a recurring theme, increasing opportunities for different stakeholders to provide input on the type of community they want to live and work in. For example, one policy action provided the basis for supporting rural communities to develop town plans under Town Centre First, which align with regional strategies such as Regional Spatial and Economic Strategies (RSES), county and local development plans, as well as national goals. It signals that planning is not just a technical task but a strategic one that requires local visioning, which will help facilitate coherence across policy domains.

Rural proofing

Rural proofing is also emphasised under this theme. Its purpose is to ensure that policies do not produce unintended negative consequences in rural areas. Yet, as seen across OECD countries, identifying a model that works in practice remains challenging. Its continued inclusion as a focus area underscores the push-and-pull dynamic many OECD countries have with rural proofing, a tool often associated with transformative change that has, in practice, struggled to deliver on that promise (Bryce, 2024[50]). Ireland is no exception: while demand for rural proofing persists, inconsistent application and limited outcomes have weakened confidence in it as a policy tool. ‘

ORF acknowledges this and, through Measure 148, commits to developing a more “effective” rural proofing model. This effort builds on two key publications commissioned by the DRCDGG: *Proposals for an Effective Rural Proofing Model for Ireland* and *Rural Proofing for Public Policy and Programme Development* (Parnell and Lynch, 2022[51]). The 2022 report recommended a nimble process that fits Irish policymaking timeframes and resource constraints, while linking proofing quality to the knowledge and capacity of those conducting it. The 2025 guide responds to these findings, offering practical steps to embed rural considerations early in policy development and to promote accountability across departments.

Box 3.11. Rural proofing: Key considerations in Ireland

Published in 2022, the *Proposals for an Effective Rural Proofing Model for Ireland* report revealed, among other things the need for a process that was more nimble, one that could align more with both the time constraints and resource demands of Irish policymaking (Parnell and Lynch, 2022[51]). The authors also linked the quality of the process to the knowledge and capacity of the rural proofers and questioned whether strengthening accountability measures could help when policies are not proofed.

In the report, Parnell and Lynch proposed a few items to improve the approach to rural proofing in Ireland.

They include:

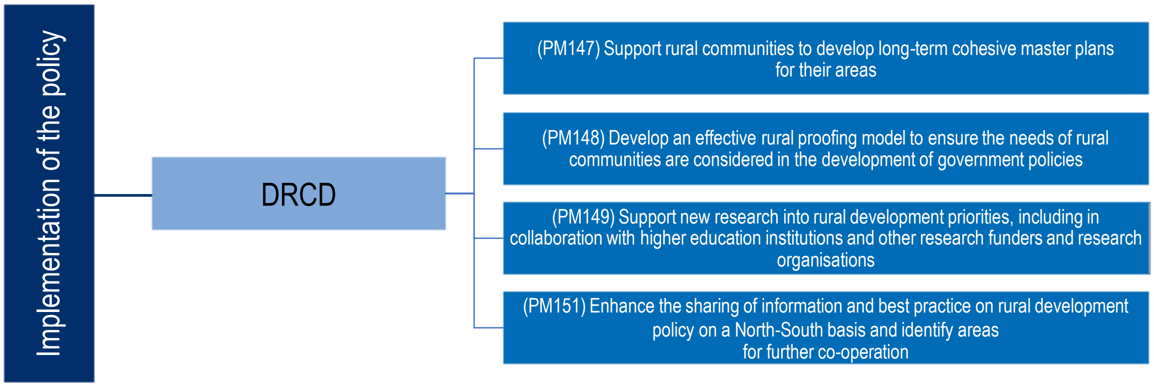
- Being clear about the purpose of rural proofing and of proposed actions which may affect rural areas as an important starting point.
- Having a relatively short, agreed set of factors to consider.
- Considering the question of consultation so that it can have a positive impact, without becoming a mechanism which slows down the policymaking process.
- Having a good body of knowledge and evidence and putting measures in place to develop and enhance this.
- Monitoring the effectiveness of rural proofing and providing an opportunity to make further amendments to the process, to be built into the tools that support rural proofing.
- Recognising the higher delivery costs for certain services in rural areas and budgeting for or otherwise addressed.
- Considering how to deal with a situation where the mitigation of a negative impact of a measure lies outside the remit of the body proposing the measure.

Source: Parnell, W. and C. Lynch (2022[51]), “Proposals for an effective Rural Proofing model for Ireland”, https://assets.gov.ie/static/documents/Proposals-for-rural-proofing-2022.pdf (accessed on 15 January 2025).

Complementing these efforts are measures to deepen the evidence base and foster knowledge exchange. Two actions focus on strengthening research partnerships between higher education institutions and rural development bodies, including the creation of a Higher Education Institutions Network for Rural Development to mobilise expertise when needed. Other measures promote north-south co-operation to share information and best practices, increasing opportunities for experimentation and learning by doing, which aligns with the OECD Principles of Rural Policy:

- Planning: enabling coherent, forward-looking rural strategies at the local level.
- Actor engagement: bringing new and existing stakeholders into the rural policy space.
- Capacity building: educating and empowering those actors to engage meaningfully.
- Expert linkages: connecting communities with institutional expertise and research networks.
- Knowledge exchange: fostering continuous learning through mechanisms like cross-border collaboration.

Figure 3.14. Implementation of the policy: Policy measures snapshot



Source: Government of Ireland (2021[14]), *Our Rural Future: Rural Development Policy 2021-2025*, https://assets.gov.ie/static/documents/our-rural-future.pdf.

This framing reflects a welcome understanding that implementation is as much about process and people as it is about programmes and policy instruments.

Rural policy at the subnational level in Ireland: Actors and mechanisms

As in many countries, a large number of actors influence rural policy in Ireland so an examination of the level of policy coherence is warranted. This section explores the vertical and horizontal co-ordination and highlights the multi-level governance framework in place to support ORF and the rural development in Ireland. Of interest here is horizontal (cross sectoral alignment) and vertical coherence along with institution co-ordination, as well as whether different policies (across various government sectors and levels) are able to work together to achieve the shared objectives in ORF.

Whole-of-government approach in Our Rural Future

ORF stands out among national rural strategies for embracing this system-oriented model. Its structure explicitly challenges the sectoral fragmentation seen in many OECD countries, where agencies may implement policies that deeply affect rural areas without recognising them as rural in nature. There is a clear focus on taking a co-ordinated approach to rural development issues in Ireland. The cabinet sub-committee chaired by the Taoiseach and ministers and ministers of state all compliment this effort by ensuring policy co-ordination at the highest level. Interministerial bodies are engaged and the Interdepartmental Policy Committee comprising senior officials of relevant departments that report directly to the cabinet sub-committee.

By incorporating rural-relevant actions from across government, ORF assumes a multidimensional role, serving both as a governance signal and as a co-ordination platform (Table 3.2). Yet this broad scope naturally brings trade-offs. Without aligned data systems, shared implementation plans and formal accountability mechanisms, cross-government delivery risks becoming fragmented, potentially making it difficult to attribute responsibility for outcomes. The DRCDGG, however, emphasises that accountability is embedded in its governance architecture. The department maintains that mechanisms such as the ORF Implementation Advisory Group, cross-departmental committees and regular reporting arrangements provide transparency and oversight for progress on ORF actions. The advisory group, in particular, is intended to assure the input of local and regional authorities, social partners, local development bodies and the wider voluntary and community sector into rural development policy issues.

Table 3.2. Who is involved in rural development in Ireland

Level	Direct actors	Indirect actors
National	Department of Rural and Community Development and the Gaeltacht (DRCDG)	Central Statistics Office
	Department of Agriculture, Food and the Marine (DAFM)	Department of Further and Higher Education, Research, Innovation and Science
		Department of Children, Equality, Disability, Integration and Youth
		Department of the Environment, Climate and Communications
		Department of Enterprise, Trade and Employment
		Department of Transport
		Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media
		Department of Finance
		Department of Public Expenditure, NDP Delivery and Reform
		Department of Social Protection
		Department of Housing, Local Government and Heritage
		Department of Education
		Department of Justice
		Department of Health
		Enterprise Ireland
		IDA Ireland
		Údarás na Gaeltachta
		Fáilte Ireland
		SOLAS
Regional	Western Development Commission (WDC)	Higher education institutions
	Regional Assemblies	Regional offices of national agencies (e.g. Bord Iascaigh Mhara, Enterprise Ireland)
Local	LAs	Local development companies
	Local offices of national agencies e.g. LEOs	Community networks
	LCDCs	Local NGOs
	LEADER local action groups (LCDC-led or local development company-led)	Sectoral groups (agriculture, tourism
	Municipalities	
	PPN	

Note: This table reflects the structure of the national government at the time of OECD visits in 2024.

Regional level

Effective multi-level governance ensures that policies designed at the national level can be adapted and effectively executed at the local and regional levels. In 2015, under the Local Government Reform Act 2014, three regional assemblies were established (Northern and Western, Southern, Eastern and Midland). The assemblies act as advocates for their regions with central government, the European Union and other stakeholders. They have three core functions:

- Developing and implementing RSES, which lay out long-term plans for land use, resource allocation, sustainability and responses to challenges such as population growth and climate change in their area. These strategies guide and influence LA plans and investment (DHLGH, 2021[52]).
- Manage and oversee the delivery of significant European funding programmes (primarily the European Regional Development Fund), determining regional priorities and where investment is targeted (COR, 2025[53]).

- Promote joint action and mutual support among LAs, foster regional partnerships and facilitate cross-border and interregional collaboration for economic and infrastructure development (OECD, 2023[54]).

Only an elected local councillor in a city or county council election can become a member of the regional assembly (DHLGH, 2021[52]). In practice, after local elections, each county and city council will nominate a specified number of its councillors to serve as regional assembly members. The allocation of seats to each LA is set by ministerial order, roughly proportionate to population. Discussions in the field reveals that this can sometimes result in less focus on a regional vision if individual members focus mostly on the local concerns of the LA they represent.

Impact on rural development

Regional assemblies develop RSES that aim for balanced growth, targeting the sustainable development of both rural and urban areas. The regional assemblies provide a link between the European Union, local and national government. They co-ordinate with LAs and government agencies, striving to ensure national priorities address rural revitalisation and regeneration needs in their region. These bodies are well placed to align national, regional and local policies (such as the National Planning Framework and local development plans) to better support rural development. Through their EU fund management role, they direct EU funds to specific rural projects, supporting initiatives like town and village renewal, digital hubs and remote working facilities.

Regional Enterprise Plans, managed by DETE, provide a mechanism to co-ordinate efforts to stimulate economic activity across LA boundaries by identifying opportunities specific to all or part of a region. A major part of their focus is on increasing attractiveness of the region to foreign multinational firms. Activities can include improving core infrastructure to better support business, working to enhance regionwide co-ordination among LAs and private sector actors, and developing regional labour force improvement mechanisms. The regional assemblies can direct various EU funds under their control to support these approaches and help LAs co-ordinate their individual investments with the goal of facilitating sustainable regional development. In practice, the benefits from these actions have not been as significant as hoped, in part because this is a new process, in part because the degree of discretion open to the regional assemblies is limited by both Irish national policy and EU restrictions, and in part because LAs have often failed to see the benefit of a regional approach to economic development. LAs may be aware of unmet local needs or of opportunities to provide new goods or services that can improve well-being. However, because most of their funding is earmarked for a specific use, they are unable to act on these opportunities. Broadening the remit of Regional Enterprise Plans to include local firms would strengthen economic activity.

Box 3.12. A shift toward decentralisation: The case of the directly elected mayor in Limerick

A notable recent development in Ireland's local governance landscape is the incremental move toward decentralisation, marked most prominently by the introduction of a directly elected mayor in Limerick. This reform traces back to the 2014 local government reform agenda, which laid the groundwork for strengthening local democracy and executive accountability. In 2019, the people of Limerick voted in favour of establishing a directly elected mayor with executive functions, making it the only city in Ireland to endorse this model through a plebiscite. The proposal received central government approval in April 2023, and the new mayoral structure came into effect in 2024, statutorily underpinned by the local government (mayor of Limerick) and the Social Welfare and Civil Law (Miscellaneous Provisions) Act of 2024.

This reform represents a structural shift at the local level. The directly elected mayor assumes many of the strategic and policy responsibilities previously held by the chief executive. This includes responsibility at a strategic and policy level across the full range of LA functions:

- strategic and economic development
- housing and construction
- road transport and safety
- community and cultural services.

The directly elected mayor now has the opportunity to better link the administrative function of the LA to policy objectives with a mandate that is grounded in democratic legitimacy. The mayor is responsible for presenting the draft annual council budget to the elected council. And, the 2024 act provides the mayor with a Mayoral Fund of EUR 7m to advance priorities in 2025. This reform is a significant institutional experiment. It offers valuable insights into the potential benefits and trade-offs of deeper decentralisation in Ireland, particularly in terms of local leadership, accountability and co-ordination across functional domains. It also highlights the enduring challenge of aligning power with resources; a theme echoed in broader discussions around rural and regional development.

Source: (Office of the Mayor, 2024[55])

Local authorities and local development bodies

Ireland's subnational governance system is composed of 31 LAs, each responsible for delivering a wide range of public services. The 2011 Programme for Government acknowledged that governance in Ireland was overly centralised and lacked sufficient accountability, calling for reforms to bring about a real shift from the state to citizens. The 2014 reform marked a turning point, reducing fragmentation by consolidating 114 complex two-tier councils into a streamlined system of 31 single-tier councils. These authorities operate under the leadership of 949 elected councillors, who are chosen through local elections held every 5 years. Each LA contains a variety of urban and rural territory, with some LAs being mainly rural with a large share of their population residing in smaller towns and villages.

Currently the main function of local governments is to deliver public services funded by the national state, and to implement national regulations at the local level, and make and implement local policies within a national framework. In principle, this could be seen as strategic, but where national policies drive local responses – both through plans and regulations that must be respected, and because the vast bulk of funds available to subnational government are provided for specific purposes by the national government – a question arises as to whether local governments are fully serving local needs and interests. Indeed, local government appears more flexible and responsive on paper than it is in practice. LAs rely mainly on transfer payments from the national government and to a lesser extent the European Union for the bulk of their revenue. These are mostly restricted funds that can only be used for intended purposes. Without more own-source revenue, there is little possibility of stronger "bottom-up" development approaches.

The LA level is a mix of local and national bodies, including core elected council policy functions, LEOs, which are locally based but nationally co-ordinated (by DETE) and the delivery of national programmes implemented at the local-authority level by staff within those LAs, often linked to the DRCDGG or other national departments. It has been argued that an unintended consequence of the 2014 decentralisation reforms was that programmes previously developed by the community and voluntary sector came under greater oversight and control by both local and national government (Ruano and Profiroiu, 2017[56]; Citizens Information Board, 2014[57]). This had important implications for rural development in that the current structure inherently reduces the amount of local discretion due to the combination of: limited scope for deviating from national programme requirements, limited capacity to generate own revenue and a resulting reliance on transfers from national government or EU funds, and the separation of policy from implementation. In addition, the national government has introduced competitive tendering for services provided by local voluntary organisations in place of grants, which has reduced morale and increased the financial vulnerability of these organisations.

Day-to-day management within Ireland's LAs is carried out by a full-time chief executive, whose role is to carry out the administrative responsibilities of the LA, and to advise and assist the elected council in the performance of its statutory functions. This executive leadership is responsible for the implementation of decisions by councillors in relation to their reserved functions and implements responsibilities devolved to the LA by national government, including planning, and oversees service delivery across the LA territory. The council appoints the chief executive but candidates for the position are first approved by the minister after being selected by the Public Appointments Service. Similarly, while the council can suspend a chief executive, the position can only be terminated if the minister concurs. Such a process might raise the question of the extent to which the priorities of a chief executive are those of the council or the national government, particularly since chief executives tend to move from one LA to another over their career.

LAs are mandated to provide services across several key domains, including:

- spatial and land use planning
- housing
- economic and community development
- environmental protection
- recreation and amenity services
- library services
- fire and emergency services.

Local development bodies

Figure 3.15. Local development companies and local community development committees

Key bodies in the local development system	Type	Accountability	Governance	Function	Funding Source	Programmes delivered
Local Development Company (LDC)	Independent non-profit organisation	Contracted by government department	Public-private-community board (independent of the local council)	Implements development programmes	Funded by multiple national and EU programmes	LEADER (could be an implementing partner) Tús, RSS, Healthy Ireland, CE, etc.
Local Community Development Committee (LCDC)	Statutory, but independent, committee of each local authority	Accountable to the LA and DRCDG	Chaired by a local authority, includes public, private, and community reps	Plans, coordinates, and oversees local development funding	DRCDG provides core funding; programme-specific oversight	Oversees SICAP; develops Local Economic and Community Plan (LECP)
LAG led by LCDC or LDC	LEADER entity composed of socio-economic interest groups from the relevant area. Not equivalent to LCDC or LDC	Accountable to DRCDG (paying agency)	Operates according to EU Common Provisions Regulaion 2021/1060 and LEADER operating rules	Prepare the Local Development Strategy; Select and approve LEADER projects; Ensure community-led local development principles	LEADER allocations via DRCDG; Co-financing through EU CAP and national funds	LEADER

Sources: Based on DHLG (2016[58]), *Revised Guidelines for the Operation of Local Community Development Committees*, https://assets.gov.ie/3518/281118173519-f678a0f50ea64eff8a2f7dd9808285b6.pdf (accessed on 30 March 2025).; IDLN (2025[59]), *Local Development Companies*, https://ildn.ie/about/local-development-companies/ (accessed on 25 March 2025.

The role of local development bodies in implementing LEADER

Ireland has participated in the EU LEADER programme since its inception. As the initiative has evolved, so too has Ireland's approach to managing its delivery. LEADER is inherently a bottom-up, community-led approach, designed to reflect the aspirations and opportunities of each rural territory. Consequently, the European Union requires that local action groups (LAGs: voluntary, multi-stakeholder partnerships representing local public, private and community interests) play the lead role in determining how funds are allocated over each programme cycle.

In Ireland, the LAG functions as the decision-making partnership responsible for selecting and overseeing LEADER-funded projects within a defined area (DRCDG, 2021[60]). Membership includes representatives of non-governmental organisations, local development companies, LAs, community and voluntary bodies, marginalised groups, youth and cultural organisations and relevant public agencies. Each member holds equal voting status within the LAG. Figure 3.15 is shows the differences between the LCDCs and LDCs within Ireland's local development system.

Ireland's governance model for LEADER is more complex than that of many EU member states because two types of entities can serve as LAGs, either LCDCs or LDCs, depending on the local context.

- LDC-led LAGs are independent non-profit organisations that act as the LAG and directly deliver the programme. They often also implement other national and EU initiatives, such as the Social Inclusion and Community Activation Programme (SICAP) or the Social Enterprise Measure.
- LCDC-led LAGs are statutory committees of LAs established under the 2014 Local Government Reform Act. They act as the LAG's legal entity and are supported by an implementing partner – typically an LDC that carries out day-to-day animation and project administration – and by a financial partner – the LA – which manages financial oversight and payments.

For the 2023-2027 LEADER programme, there are 33 LAGs nationwide: 21 LCDC-led and 12 LDC-led. State-sponsored organisation Pobal provides technical and administrative support to the DRCDGG and assists LAGs with programme compliance and reporting.

While both models embed LEADER within Ireland's wider rural development governance system, they differ in how responsibilities are structured. LCDC-led models promote alignment with LA planning and funding streams, whereas LDC-led models build on the independent experience of long-standing community development organisations. Both approaches aim to preserve the core LEADER principle of local decision making, though the integration of LAGs within broader institutional structures may sometimes blur lines of autonomy. Overall, Ireland's hybrid model offers potential synergies between community-led action and strategic co-ordination but also requires continual attention to maintaining the independence and inclusivity of LAG decision making, the foundation of the LEADER approach.

Municipalities

Most LAs (except for Cork City Council, Galway City Council, and the four Dublin LAs) are further divided into municipal districts (MDs), of which there are 95 in total across the country. Often MDs correspond to the boundaries of a town or village, including adjacent territory, which in many other OECD countries would have an independent local government. Councillors serve dual roles: they are members of both the municipal district and the overarching LA, but are only elected by voters in an MD, with each MD having multiple councillors. Within this structure, the elected council functions as the principal policymaking forum of the LA. Members from a specific municipal district members also exercise certain decision-making powers specific to the district, while primarily feeding into the broader strategic decisions of the full council. This layered governance structure provides a mechanism for local representation and decentralised service delivery. However, as discussed elsewhere, the capacity of these local units, both institutional and fiscal, varies significantly, shaping their ability to contribute to rural economic development in meaningful ways. In a significant number of cases municipal district boundaries correspond to the boundaries of towns and villages, which in the past may have had an elected council.

Amendments in 2025 to the 2014 Local Government Reform Act brought into existence many of the structural changes proposed in community plan Putting People First. However, the ambition of a devolved system of local government based on citizen engagement with the MDs set out in Putting People First has not happened (Quinn, 2015[61]) (Quinlivan, 2017[62]) (Lennon, 2019.[63]) Today, MDs remain relatively low-profile and although their members constitute the LA councils, very little substantive devolution from the LA to the MDs has taken place. While reserved functions are divided between the elected council and the MDs, the majority of responsibility and resources remains at the level of the LA. The decision to devolve additional powers from the plenary council to the municipal districts is itself a reserved function, meaning it is a matter for elected members, all of whom also sit on municipal districts, to determine (Lennon, 2019.[63]) (BOYLE et al., 2021[64]). There are also reserved functions, specified in legislation in each case, that must be carried out at municipal district level and reserved functions that can be performed at either plenary or municipal district level.

Volunteerism

The theme "Enhancing participation, leadership and resilience" in ORF includes a mandate and measures to further activate volunteers in local communities to support the delivery of programmes. In this regard both the Public Participation Networks and Town First programmes are well-designed and highly successful approaches to building social cohesion within a rural community. In conjunction, they provide a way to attract a broad array of local interests, first by building a network and then to bring people into a more formal process of identifying local issues and opportunities and ultimately acting upon them. Importantly, both programmes provide ways for LA engagement with the process, which can provide opportunities for better co-ordination between local government and community leaders.

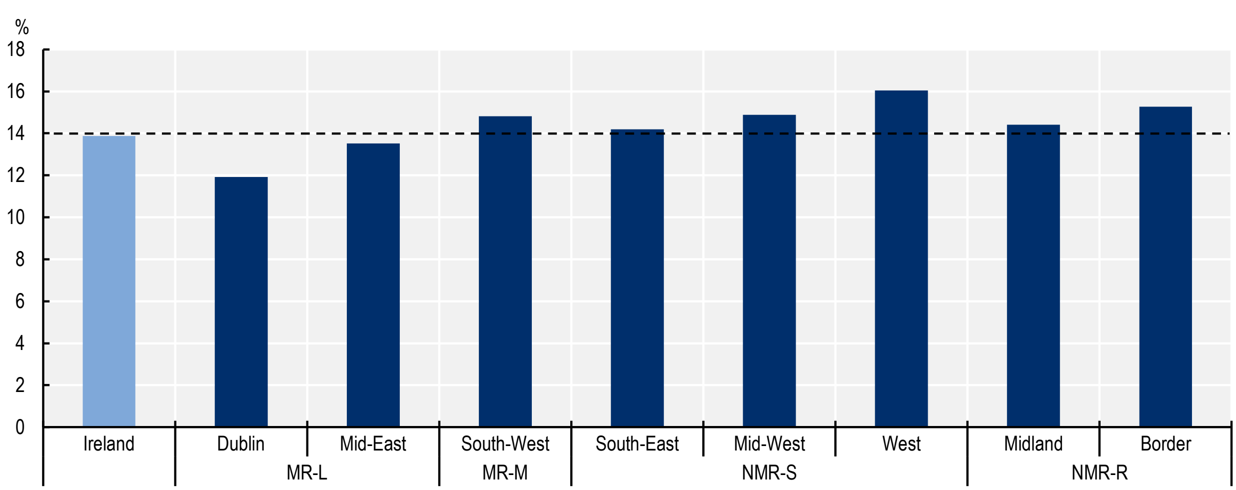
Volunteers play a key role in delivering local services. Discussions in the field for this report revealed that volunteerism have been at the core of local development work at the community level in Ireland, whether in urban or rural communities, for more than three decades. The model in use has seen local boards be established by volunteers, then work with staff teams to enable communities to determine how best to address issues of exclusion, poverty, disadvantage and other societal problems, which make it harder for citizens to live full lives in thriving communities, fully engaging in all that Irish society has to offer.

The strong social structure in Irish rural areas and local associations is an asset. However, the very heavy reliance on volunteers to develop and execute rural community policies bears some rethinking. Discussions on the ground reveal some pressure points. Volunteers have quite a lot of responsibilities that can be equated to a second full-time job for some. Some community members are providing services in more than one group. Being civic minded is commendable and should be lauded and appreciated, but when individuals step into these roles simply because no one else will, or because the function is essential but not formally recognised by governance structures, it signals deeper systemic issues.

In 2022, 13.88% of the population in Ireland participated in 1 or more voluntary activities. Participation was lower in large metropolitan areas, while all other region types showed slightly higher levels of engagement, particularly rural and remote regions such as the West (16.04%) and the Border (15.27%) regions (Figure 3.16).

Figure 3.16. Volunteering across regions in Ireland

Share of population that is involved in one or more voluntary activities in 2022

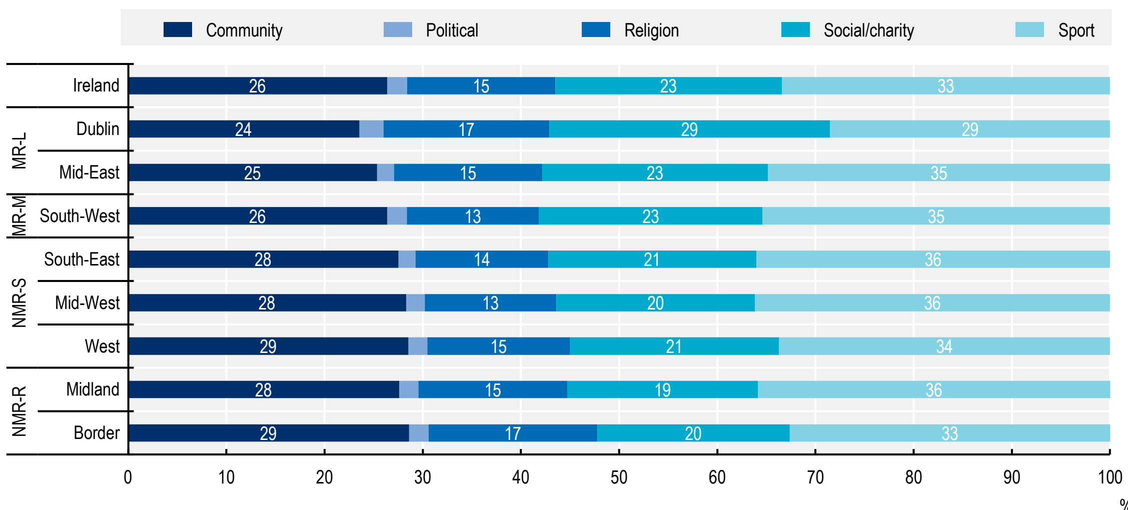


Source: Based on data from CSO (2022[65]), *Census of Population 2022*, https://www.cso.ie/en/statistics/population/censusofpopulation2022/.

In Ireland, the most common areas of voluntary engagement were sport (33%), community (26%) and social/charity activities (23%), followed by religion (15%), with very few participating in political volunteering (2%). In rural Ireland, the Gaelic Athletic Association (GAA) plays a particularly central role creating social cohesion within each community where it operates and creating linkages across communities through sports competitions. GAA clubs have various roles as: community centres, the village pub, community sports facilities and wedding, baptism and funeral venues. In large metropolitan regions, community-related volunteering was slightly less common, while social/charity involvement was more prominent. Dublin stands out as an outlier, with 29% of volunteering in the region concentrated in social/charity activities, potentially reflecting higher levels of homelessness in the area (Figure 3.17).

Figure 3.17. Mapping voluntary engagement across activities

Distribution of volunteers across activities by Irish region in 2022



Source: Based on data from CSO (2022[65]), *Census of Population 2022*, https://www.cso.ie/en/statistics/population/censusofpopulation2022/.

The rural public finance framework in Ireland

Our Rural Future funding

The 170 or more priorities identified in Ireland's ORF are funded through a blend of national government budget allocations, multiple dedicated schemes, EU programmes and co-financing from LAs and local communities (DRCDG, 2021[66]; DRCDG, 2024[67]). For 2025, the Department of Rural and Community Development and the Gaeltacht and the Gaeltacht (DRCDGG) was allocated EUR 212 million specifically for rural development and EUR 260 million for community development, resulting in a total budget package of EUR 472 million (DRCDG, 2024[67]). Some investment schemes require match funding from LAs and, occasionally, contributions by local communities or philanthropic sources, For example, 10-20% match for Town and Village Renewal Scheme projects; 5% in certain transition regions (DRCDG, 2025[68]).

Major elements are funded through the Rural Regeneration and Development Fund (EUR EUR 60 million), LEADER programme (EUR 42 million), Town and Village Renewal Scheme (EUR 20 million), Ceantair Laga Árd-Riachtanais (CLÁR) (EUR 11 million), Local Improvement Scheme (EUR 15 million) and Outdoor Recreation Infrastructure Scheme (EUR 16 million) (OBrian, 2023[69]). Many priorities (especially those under LEADER, regeneration and rural enterprise) receive co-funding via EU programmes such as the European Agricultural Fund for Rural Development and Cohesion Policy Funds (DRCDG, 2021[66]).

Funding for ORF priorities is thus broad-based, leveraging government, EU, LA and community resources in an integrated programme, with transparent and competitive grant processes for most flagship schemes.

Table 3.3 Overview Our Rural Future funding

Funding stream/scheme	Annual allocation in 2025	Notes
Rural Regeneration and Development Fund	EUR 60 million	Capital fund
LEADER Programme	EUR 42 million	Local community projects, co-financed
Town and Village Renewal Scheme	EUR 20 million	Mainstream and development streams
Ceantair Laga Árd-Riachtanais (CLÁR)	EUR 11 million	Targeted rural social infrastructure
Local Improvement Scheme	EUR 15 million	Roads and small infrastructure
Outdoor Recreation Infrastructure Scheme	EUR 16 million	Trails, parks, amenities
Government budget (rural, community)	EUR 472 million (total)	All rural/community priorities

Sources: DRCDGG (2021[66]), "Our Rural Future: Minister Humphreys announces call for Category 2 applications to the €1 Billion Rural Regeneration and Development Fund", https://www.gov.ie/en/department-of-rural-and-community-development-and-the-gaeltacht/press-releases/our-rural-future-minister-humphreys-announces-call-for-category-2-applications-to-the-1-billion-rural-regeneration-and-development-fund/; OBrian, F. (2023[69]), "Overview of the DRCDG Rural Development Investment Programme", https://www.opr.ie/wp-content/uploads/2023/02/February-2023-Councillor-Training-DRCDG-Presentation.pdf; DRCDGG (2024[67]), "Budget 2025: Ministers Humphreys and Joe O'Brien deliver €472 million for Rural and Community Development", https://www.gov.ie/en/department-of-rural-and-community-development-and-the-gaeltacht/press-releases/budget-2025-ministers-humphreys-and-joe-obrien-deliver-472-million-for-rural-and-community-development/; DRCDGG (2025[68]), *Town and Village Renewal Call for Proposals: 2025 Scheme Outline*, https://www.sdcc.ie/en/services/environment/town-and-village-renewal-scheme/2025-tvrs-scheme-outline.pdf.

Councils also top up national programmes from their own-revenue sources, especially on roads, recreational infrastructure and local economic initiatives. Some small-scale projects seek donations or local fundraising to meet match requirements or add value. Initiatives targeting digital, climate action or youth are often delivered with support from other government departments, drawing on multi-annual public investment plans for rural areas.

Local authority funding

LAs in Ireland are very large both in geographical and population terms compared to other European countries. Further since municipal districts have a very minor role, there is no functional level of government beneath the LA, unlike in many other OECD countries where small cities, towns and villages have elected governments and delegated functions. Effective policy coherence includes input from rural stakeholders, such as local governments, businesses, community organisations and residents, to ensure that national policies align with rural realities. Local government finance directly impacts how ORF is implemented at the local level. The financial health of local governments is influenced by broader sectoral policies (e.g. national fiscal policies, tax structures, public expenditure planning). Local governments in Ireland largely depend on national transfers rather than local revenue sources to fund rural development. As in other OECD countries, LAs derive their budget from a variety of sources, including, transfers from national government and revenue generated locally from charges for various services provided to individuals and businesses.

Turley shows that Ireland had one of the lowest ratios of local government expenditure to total government expenditure within the European Union in 2023 at 10.4%, and similarly, one of the highest allocations of fiscal responsibility for delivering public goods services to national governments, despite many of these normally being considered to be best delivered locally (Turley, 2025[70]). While local governments deliver many of these services, both the level provided, and funding is largely determined nationally. OECD data for 2023 show local government in Ireland collected 1.6% of general government tax revenue (Turley, 2025.[70]). This makes LAs particularly dependent on transfers from the national government compared to similar LAs in other OECD countries. Most of these funds are restricted to specific uses, which leaves LAs with limited discretionary funds.

LAs can apply for targeted grants from relevant departments. These include capital grants (e.g. housing, road construction), regeneration funds and other projects like CLÁR, and the Town and Village Renewal Scheme. However, these funding sources typically specify how the money can be spent, leaving little discretion to the recipient. The current financing system provides very little flexibility to LAs to either alter the relative mix of services they provide to reflect local needs or to find activities that are not anticipated by the national government. In particular, local economic development activity, which could add to local employment and income by fostering new local businesses, is dependent on support from the LEOs or from LEADER.

Each LA adopts their own annual budget and the DHLGH publishes the consolidated budget for the sector. The four major sources include:

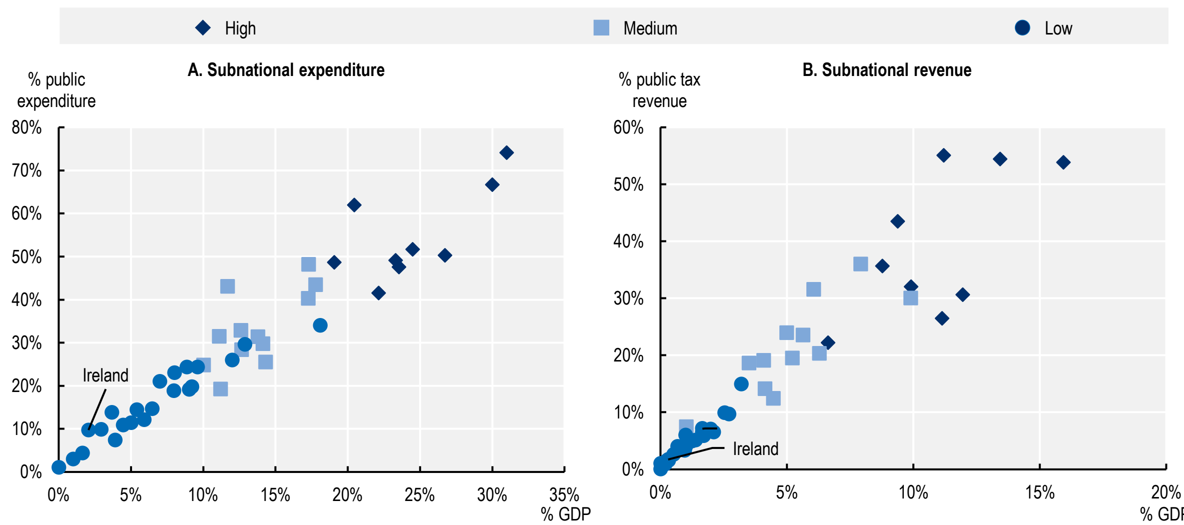
- fees for goods and services locally provided
- commercial rates: property taxes paid by local businesses
- current and capital functions: grants and subsidies from different government departments, state agencies
- other less significant sources: local taxes and specific levies.

Total LA revenue budget for 2024 is EUR 7.4 billion, a 10% increase from EUR 6.7 billion in 2023 (OECD, 2024[12])). But the composition of that revenue shows some significant structural issues. LA income has become reliant on grants and subsidies from the government for about 60% of revenues (OECD, 2024, pp. 16, parag. 1[12]). Once capital income is included, this share declines to about 45%. Ireland ranks among the lowest in the OECD in terms of subnational government expenditure and revenue, reflecting its low level of fiscal decentralisation and limited local revenue-raising capacity (Figure 3.18). In 2022, only 15.7% of subnational government revenue came from taxes, while the majority (66.8%) was derived from grants and subsidies, primarily from the European Union. Other smaller sources of income included tariffs and fees (12.3%), social contributions (5%) and property income (0.2%).

The high reliance of LAs on transfer payments and grants from national government to fund their activities can be problematic for development planning (UNCDF, 2023[71]), (Pender, 2012[72]) (Bonet, 2013[73]). When funds are provided on an annual basis, it can be challenging to make multi-year investments. A recent study in Kenya shows the impact of devolution to counties of both responsibilities and revenue sources from national government, with a significant positive effect on their economic growth (Muthomi, 2024[74]). Kenya like Ireland inherited a highly centralised government upon independence. Devolution came with significant obligations for counties to respect national government policy objectives (p. 7). The study found that a combination of increased own-source revenue and conditional grants increased economic growth rates between 2013 when devolution took place. The study also found that equalisation payments from the national government to those counties with the weakest fiscal capacity had an insignificant impact, perhaps because these transfers were for purposes only weakly connected to economic development (pp 11-12).

Figure 3.18. Limited fiscal autonomy of subnational governments in Ireland

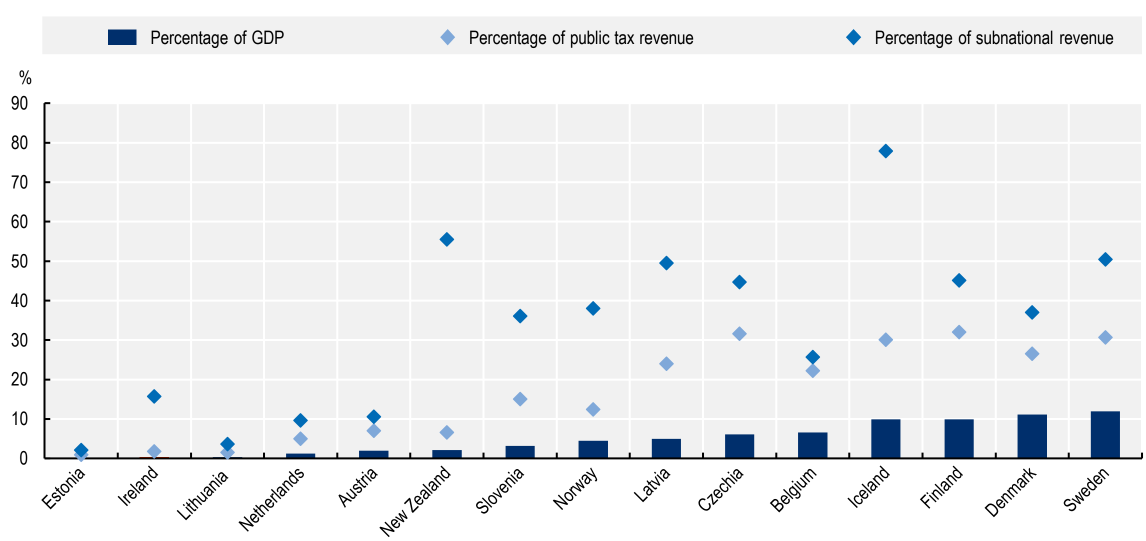
Subnational expenditure/revenue as a share of gross domestic product (GDP) and the share of public expenditure/revenue in 2022, in %



Note: Data cover 43 countries, including all 38 OECD Member countries, the 3 OECD accession countries (Bulgaria, Croatia and Romania), as well as Cyprus and Malta.
Source: Based on the OECD Regional Database.

Figure 3.19. Subnational tax revenue

Subnational tax revenue relative to GDP, public revenue, and subnational revenue in 2022



Note: Revenue is tax revenue of the subnational government. This is expressed as a share of GDP, as a share of general government tax revenue so called “public tax revenue”, and subnational government revenue.
Source: Based on the OECD Regional Database.

In rural areas own-source revenue from commercial rates and local fees is typically smaller than in cities, where business activity is a larger share of economic activity and business property is more valuable. LAs without a larger city consequently have little control over their revenue stream, which in turn makes it difficult to execute an investment-based development strategy. Where grants and transfers are either conditional or otherwise restricted in their use, they can induce recipients to adopt those activities that can be most easily funded, even those which may not be ideal for longer term development.

Certainly some, and perhaps the majority, of the costs associated with local government functions can be clearly identified and funded through transfer payments. However other functions, particularly investments in economic development are specific to a place and time and require local funding capacity to be implemented. Smart specialisation strategies are a useful example. Each LA can develop an investment strategy that is appropriate for its unique opportunities and needs. However, it can only implement that strategy if it has the financial capacity to make the investment. This will be difficult for LAs that rely to a great extent on transfers and grants that are restricted to specific uses as their main source of revenue.

European policy and funding

European policy is a layer in multi-level governance. EU directives and programmes help shape rural development, and the European Union has a well-established development approach. As such, better co-ordination and alignment of EU programmes is key. The Rural Pact is a European Commission initiative (launched in 2021) under the umbrella of the Long-Term Vision for Rural Areas. ORF closely overlaps with the long-term vision for rural areas, often called the Rural Pact. They have common strategic objectives, rural proofing and rely to some degree on EU funding. Both prioritise rebuilding rural areas to be attractive for living, working and investment, target regeneration and digital access as means to reverse decline and depopulation. They both also feature commitments to rural proofing policies, investing in digital infrastructure and supporting community-led initiatives.

Ireland's overall allocation from the various EU Cohesion Policy funds (European Regional Development Fund [ERDF], European Social Fund Plus [ESF+], EU Just Transition Fund, European Maritime Fisheries and Aquaculture Fund) totals EUR 1.4 billion for 2021-2027 (PEIPSRD, 2025[75]). These figures do not include separate CAP Pillar 1 (direct payments) or LEADER funds, which are significant in the rural context. The CAP and the LEADER Rural Development Programme, and the ERDFs are the main European sources of funding that impact on rural Ireland. The LEADER programme, focused on local rural development, has a financial allocation of EUR 250 million for the period up to 2027 (EC, 2025[76]). This supports initiatives in rural enterprise, environment and social inclusion via LAGs (see Table 3.4).

The CAP, managed primarily by the Department of Agriculture, Food and the Marine, and the ERDF are the main EU sources of funding that impact rural Ireland. The DRCDGG is the paying agency for the LEADER programme, which is funded through Irelands' CAP Strategic Plan 2023-2027. The ERDF, designed to correct social, economic and territorial disparities, is administered by the three regional assemblies established by the reform of local government in 2024. LAs in Ireland access ERDF funding through a structured, programme-based system, managed at the regional level by regional assemblies. EU funds allocated for regional and rural development are evolving with increasingly stringent restrictions on their use. In addition, numerous EU directives – covering areas such as consumer law, transport, energy and the environment – must be incorporated into policies.

Originally known as *Liaison entre Actions de Développement de l'Économie Rurale* (Links between Actions for the Development of the Rural Economy), LEADER is the EU rural development initiative that supports community-led local development (CLLD) in rural areas. It is part of the CAP, comes under Pillar II (Rural Development) and is co-financed by the European Agricultural Fund for Rural Development (EAFRD) and national governments. Unlike LEADER, which is community-led, ERDF funding is more institutional and strategic, supporting projects aligned with regional development priorities. LEADER and CLLD schemes function in Ireland as key EU-aligned mechanisms to ensure local empowerment and access to European funds, fulfilling both national and European commitments.

Table 3.4. EU funding allocations to Ireland by region (2021–27)

Funding programme	Region	Total allocation	Annual allocation	Purpose
European Regional Development Fund (ERDF)	South, East and Midland	EUR 663.7 million	Varies annually	Enhances innovation, supports SMEs, promotes digitalisation and improves energy efficiency
	North and West	EUR 217.1 million	Varies annually	Similar objectives, with emphasis on addressing regional disparities and supporting transition areas
European Social Fund Plus (ESF+)	National (all regions)	EUR 508 million	Varies annually	Supports employment, education and social inclusion initiatives across Ireland
EU Just Transition Fund (JTF)	Midland	EUR 169 million	Varies annually	Assists regions transitioning from peat-based energy to sustainable alternatives
European Agricultural Guarantee Fund (EAGF)	National (all regions)	Just over EUR 8.3 billion	Varies annually	Provides direct payments to farmers under the CAP
European Agricultural Fund for Rural Development (EAFRD)	National (all regions)	EUR 2.25 billion	Varies annually	Supports rural development initiatives, including agri-environmental schemes and rural infrastructure
LEADER programme	Rural areas nationwide	EUR 250	EUR 36 million	Funds community-led local development projects in rural areas

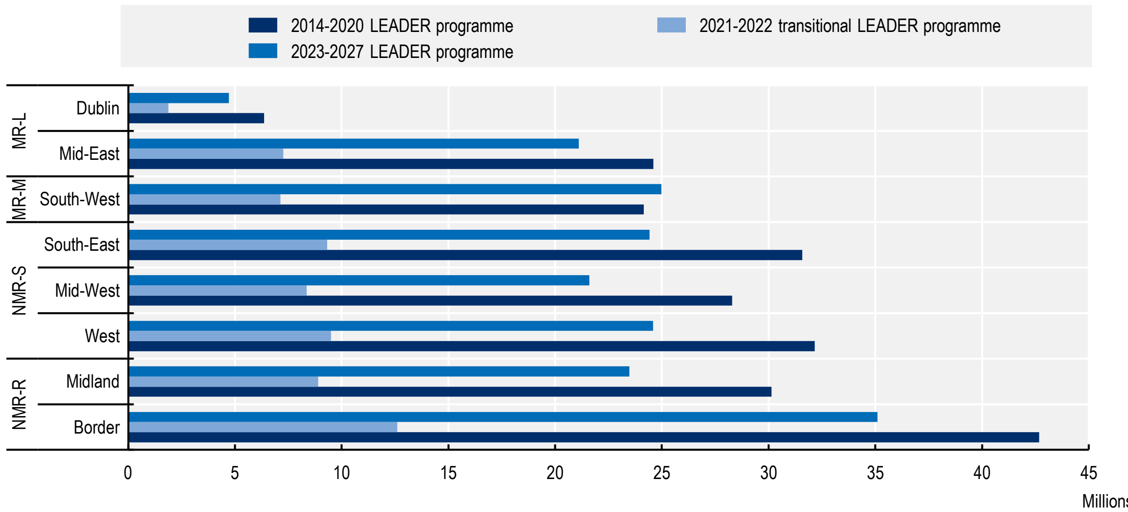
Source: EC (2025[76]), "Agriculture and Rural Development in Ireland", https://ireland.representation.ec.europa.eu/strategy-and-priorities/key-eu-policies-ireland/agriculture-and-rural-development_en (accessed on 22 August 2025).

Across the European Union, there are over 2 500–3 300 CLLD LAGs, covering more than half of the EU's rural population (Kah, 2024[77]). Ireland currently has 33 LAGs (DRCDG, 2025[78]). The number of LAGS seems appropriate in relation to the size of the country and its rural population. France, Italy, Poland and Spain have hundreds of LAGs each, while smaller countries may have two to several dozen (Kah, 2024[77]) Two main trends emerge in the distribution of LEADER funding in Ireland. First, rural regions receive significantly more funding than urban areas such as Dublin or the Mid-East (Figure 3.20). The Border region, in particular, received substantial allocations: approximately EUR 42.7 million between 2014 and 2020, and EUR 47.7 million for the 2021-2027 period (EUR 12.6 million in 2021-2022 and EUR 35.1 million in 2023-2027).

LEADER differs from traditional top-down funding programmes by using a bottom-up approach that empowers local communities to design and deliver their own development strategies. In Ireland, LEADER is managed nationally by the DRCDGG but delivered locally by LAGs. While LEADER is a major source of funding for LDCs, they are not funded solely by LEADER. Most LDCs in Ireland operate as multi-programme, multi-funded entities, delivering a suite of government and EU programmes. The LDCs are the implementing partners for LEADER. Table 3.5 provides an overview of the different funds LDCs receive including their links to national and EU funding sources.

The Social Inclusion and Community Activation Programme (SICAP) is a national initiative that is directly linked to rural Ireland by targeting poverty, social exclusion and disadvantage through local partnerships and tailored supports in both rural and urban setting. It is co-funded by the Irish government through the DRCDGG and by the ESF+, and provides flexible, locally managed funding to address exclusion and disadvantage across the country, with a strong presence in rural counties. The programme is implemented locally by 33 LCDCs and delivered by programme implementers in 53 contract areas, many of which cover rural regions. It supports rural communities and individuals by building community capacity, providing personal development, lifelong learning, labour market supports and supporting social enterprises through local engagement and projects tailored to rural needs (Box 3.13).

Figure 3.20. Allocation of LEADER funds across Irish regions by OECD typology



Source: EC (2025[76]), "Agriculture and Rural Development in Ireland", https://ireland.representation.ec.europa.eu/strategy-and-priorities/key-eu-policies-ireland/agriculture-and-rural-development_en (accessed on 22 August 2025).

Table 3.5. LDC funding source

Programme	Funding source	Focus
LEADER	EU (EAFRD) and DRCDGG	Rural development
SICAP	DRCDGG and ESF+	Social inclusion
Tús/RSS	Department of Social Protection	Rural employment, community supports
CE schemes	Department of Social Protection	Employment activation
Healthy Ireland/Sláintecare	Health Service Executive/Department of Health	Community health and well-being
PEACE+, Erasmus+, Interreg, AMIF	EU programmes	Community cohesion, skills, integration

Note: Tús provides short-term work placements for unemployed people, while the RSS (Rural Social Scheme) offers rural community work opportunities to low-income farmers and fishermen. Similarly, the CE (Community Employment) programme places people facing long-term unemployment in part-time or temporary community work.
Source: EC (2025[76]), "Agriculture and Rural Development in Ireland", https://ireland.representation.ec.europa.eu/strategy-and-priorities/key-eu-policies-ireland/agriculture-and-rural-development_en (accessed on 22 August 2025).

Box 3.13. Examples of SICAP projects in rural communities

SICAP supports a wide range of rural community projects, focusing on social inclusion, lifelong learning, employment, community development, integration and enterprise. Here are several examples of SICAP projects in rural Ireland:

- **Community education for children** (Wexford): The Elevate project enables children in Enniscorthy to engage with creativity- and community-focused learning beyond the conventional classroom, targeting educational disadvantage in rural neighbourhoods (O'Brien, 2024[79]).
- **Migrant integration network** (West Limerick): The West Limerick Migrant Network brings together migrants from ten countries to build an inclusive rural community, celebrate cultural diversity and facilitate engagement in local activities (LDC, 2024[80]).

- **Active youth participation** (Charleville and Mitchelstown): The ARISE Project in County Cork supports rural youth through capacity building for active participation and leadership in their local societies.
- **Social enterprise development** (County Clare, Kildare): Rural communities receive support to establish and expand social enterprises, often addressing local needs such as childcare, community cafés or environmental initiatives.
- **Work placement and enterprise support** (national): SICAP provides training, mentorship, enterprise grants and access to self-employment schemes for rural unemployed individuals, helping them transition to work or set up small businesses, sometimes involving returnees to rural Ireland and farmers diversifying income.
- **Food projects** (Ballyhoura, national): Ballyhoura Development's food initiatives, supported by SICAP, connect rural groups through sustainable food projects, including local gardens and nutrition education.
- **Capacity building for community groups** (Roscommon): Support is given to rural volunteer groups, ranging from training in governance and funding applications to initiating local mental health and well-being events.

Sources: O'Brien, S. (2024[79]), "Turning New Pages: Inspiring Learning through Children, Creativity and Community", https://wld.ie/case-studies/ (accessed on 15 August 2025); LDC (2024[80]), "West Limerick Resources CLG 2024 Case Study - Creating Community: West Limerick Migrant Network in Action", https://www.wlr.ie/wp-content/uploads/2016/12/Case-Study-2024-_Creating-Community-WLR-2024.pdf (accessed on 22 August 2025).

Both the European Union and the OECD champion multi-level governance as leading to improved policy effectiveness. To address rural development challenges in Ireland, all these resources can and should be better connected to the national vision of rural development and the European Union's Long-Term Vision for Rural Areas. Moreover, EU funds to support regional and rural development now come with greater restrictions on their use, as the EU moves to identify and implement its preferred development approaches. The ultimate effect is to impose a uniform set of constraints on county governments that results in an environment where all county governments face essentially the same narrow set of policy choices, even though their conditions and opportunities differ considerably.

Monitoring and evaluation of Our Rural Future

The DRCDGG is responsible for developing, implementing and monitoring rural policy in Ireland. Oversight and accountability are embedded through a dedicated implementation advisory group. The DRCDGG monitors progress and reports directly to the Cabinet Committee on the Economy and Investment, chaired by An Taoiseach. This governance structure ensures that rural development remains a standing priority at the highest levels of policymaking.

At the same time, having over 170 priorities with a large number of the priorities outside the control of the DRCDGG results in a larger proportion of resources being used to follow up and report on ORF. This also results in an imbalance between administrative tasks and policymaking, with too much emphasis (and time spent) on reporting. ORF is monitored on a six-monthly basis. These reports are very detailed and review every single measure. It is a time-consuming and onerous task and the necessity of reviews twice per year must be questioned. The monitoring process reports on spend and structures but is unable to capture the actual impact of these measures, and the differences they are making to rural communities.

While there are different ways to further refine the way progress is captured in the reports. For example, the quantitative summaries could be complemented by short narratives or stories on projects that describe how the process worked and what lessons can be learned. This would provide greater opportunity to elaborate on the process of people and place-based development. It would also allow us to understand in which rural places ORF is having an impact. It is also important to step back and evaluate whether these priorities are appropriate and to find ways to reduce the burden of monitoring and reporting, exploring ways that allow for more policy development while maintaining levers for encouraging action on rural issues with other departments at the national level.

Summary

The paradox of rural development in Ireland is that rural affairs are perhaps more important in Ireland than in many other OECD countries. Rural areas maintain a special place in the Irish national self-image. Much of the national identity is based on rural heritage, international tourism is mainly oriented to rural visits and a relatively large share of the national population continues to live in rural locations. The Irish government, in principle, recognises the importance of devolving significant responsibility and resources to enable locally based bottom-up rural development; but in practice, the last decades have seen a steady increase in centralisation of responsibility and resources at the national level. The result has been increased local government dependency on national funding and an increasing reliance on subsidies for rural people. Both reduce the incentive for rural people and local governments to find innovative ways to improve their lives.

The OECD approach to rural development has always emphasised a bottom-up, investment driven process, where local people and local governments jointly identify development opportunities and challenges specific to their location, and then identify and implement a strategy to improve their situation (OECD, 2022[15]) (OECD, 2025[26]). The role of national and supranational governments, such as the European Union, is to encourage and support this process by providing technical assistance, supplemental finance and a regulatory framework that ensures local actions fit within national and supranational goals. LEADER is the quintessential example of a programme that implements this approach. In Ireland, the recent trajectory of rural policy has reduced the scope for local control, despite providing additional support both in terms of funding and technical assistance.

Over time, Irish rural policy has been decoupled from this type of locally driven economic development. The decoupling can be seen in the difference in focus between the CEDRA report and ORF. CEDRA was established in 2012 to examine Ireland's current status and medium-term potential for economic development and emphasised the importance of local entrepreneurship and strengthening local competitive advantages. By 2021, when the DRCDGG released ORF, the focus on strengthening rural economies through bottom-up development had disappeared. ORF shifted to a much broader rural community development approach that incorporates reaching social development objectives, revitalising rural housing and village centres, building social cohesion, implementing efforts to mitigate climate change and improving rural infrastructure.

For example, ORF identifies 170 priorities for national rural policy, with the majority being things the national government can do to support rural areas. Most of these are in principle useful actions, but the missing piece is a process that will allow rural people in a specific place to identify and utilise a subset to achieve their rural vision. Certainly, programmes like the public participation networks and Town Centre First create the opportunity for identifying local development opportunities, but to date, there has been only limited success in allowing localities to actually implement their aspirations.

In 2019, the DRCDGG provided a status report on actions undertaken by the government in response to the 2014 CEDRA report. A few of the recommendations were still unresolved, but the vast majority were considered to have been addressed. However, while the CEDRA recommendations explicitly focused on economic development, the 2019 DRCG status report consistently uses community or rural development. Indeed, the remit of the DRCDGG is community development, but absent strong local economies, the viability of even well-governed communities is uncertain.

In addition, the status report primarily focuses on government-to-government actions that show adjustments of specific national policies and programmes to address the CEDRA recommendations. It discusses how different branches of the national government speak to each other. What is missing is whether the changes have meaningfully affected the issues that the CEDRA report raised in terms of fostering place-specific economic improvements. In particular, there is little in the status report about any evidence of change in rural economic conditions at the local level, which was the underlying motivation for the work of CEDRA.

The evolution of rural development policy in Ireland has been gradual, adaptive and deeply context-sensitive. This change is significant because it has allowed Ireland to move beyond a narrow sectoral focus on agriculture and to embed rural development across wider domains of government action. ORF is a notable and coherent step forward. It is a useful reference point for countries pursuing change within more centralised and top-down governance systems. Chapter 4 offers a more detailed assessment of the system and identifies areas where greater alignment or ambition may be needed.

Annex 3.A. OECD Rural Review of Ireland – Virtual missions and field visits

The OECD has conducted 7 virtual meetings and 2 field visits involving over 600 government officials and stakeholders as part of the research for the Rural Review of Ireland. The virtual discussions included were as follows:

- Introduction and overview of Our Rural Future (April 2024)
- Innovation and entrepreneurship in rural Ireland (May 2024)
- Access to public services: Housing, broadband, health and skills (May 2024)
- Economic development and the local labour market (May 2024)
- Rural well-being (May 2024)
- Meeting with former Irish government officials (September 2024)
- Meeting with the Irish higher education institute network (October 2024).

These were complemented by field visits to:

- Dublin and Limerick in June 2024
- Dublin and Roscommon in September 2024.

The discussions and visits were supplemented by a Background Report on Rural Development in Ireland prepared by the Government of Ireland (OECD, 2024[12]). The objective of the report and activities was to engage with various government and non-government representatives at the national, regional and local levels to understand the approach to rural policy in Ireland. The discussions focused on identifying challenges, exploring areas of opportunity and assessing strengths and weaknesses. This document outlines some preliminary findings and observations on rural development policy in Ireland that emerged from these discussions. It does not cover all of the issues that will be analysed in the final report but instead provides an overview of the recurring themes.

The OECD rural reviews involve peer reviewers, delegates from the Working Party on Rural Policy and the Regional Development Policy Committee. These are government officials currently working on rural or regional policy in their countries. The peer-reviewing countries participating in the OECD Rural Review of Ireland are Denmark, the Netherlands, Norway and Switzerland. Representatives from each of these countries contributed to the discussions and shared their insights on the key messages highlighted in this report.

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4 Making rural policy work: From strategy to delivery

This chapter applies the OECD Rural Well-Being Framework and OECD Principles on Rural Policy to analyse rural development policy in Ireland. The assessment finds that the Irish approach is conceptually sound and demonstrates genuine whole-of-government ambition, especially ORF, but implementation faces structural challenges. The analysis reveals that policy targets need greater spatial differentiation to reflect rural diversity, implementation is constrained by fiscal and administrative centralisation, and monitoring systems require stronger outcome metrics that capture rural people's lived experiences. The chapter identifies opportunities to strengthen the next phase of Irish rural policy through greater focus on understanding rural economic ecosystems, incorporating more typology-based planning, and enhancing subnational co-ordination.

Key points

- When the OECD Rural Well-Being Framework (2020[1]) and Principles on Rural Policy (2019[2]) are used to assess Irish rural policy as set out in Our Rural Future (ORF), it is clear that the core policy framework is both conceptually strong and fully aligned with OECD principles on well-being and spatial differentiation.
- Ireland has: ample fiscal capacity at the national level; a growing population, including in rural areas; successful agricultural and tourism sectors; significant foreign investment, including a rural presence; and a range of community development and economic development policies, but translating these into integrated, cross-sectoral policy remains uneven.
- Full implementation of the policies outlined in ORF is challenged by: a governance system that provides scope for local action but limited discretion; ongoing barriers to cross-sectoral policy coherence; and an underutilisation of the capacity that exists at the local authority (LA) level.
- Ireland's economic and environmental goals are advancing. Yet gaps remain in realising the full potential of Ireland's rural people and places, which require activating rural labour markets, diversifying entrepreneurship and embedding resilience at the local level, guided by functional realities.
- ORF's breadth demonstrates genuine whole-of-government ambition, but its impact now depends on deepening subnational capacity, strengthening spatial intelligence and turning co-ordination into measurable outcomes.

Introduction

A central theme in OECD rural development work is that rural policy should enhance well-being across economic, social and environmental dimensions while sustaining or growing rural populations. Ireland appears committed to this agenda (OECD, 2020[1]). Unlike several OECD members, Ireland has actively invested in rural development, building a set of national mechanisms that complement European Union (EU) instruments such as the Common Agricultural Policy (CAP), Cohesion Funds and regional policy programmes. Chapter 2 described the current state of rural Ireland through data analysis and international benchmarking, highlighting its diversity, opportunities, vulnerabilities and untapped potential. Chapter 3 traced the evolution of rural policy, from early frameworks such as the White Paper on Rural Development to the creation of the Department of Rural and Community Development (DRCD), now the Department of Rural and Community Development and the Gaeltacht (DRCDG), as an independent entity.

This chapter provides a constructive assessment of what has been achieved in Ireland to date. It applies the OECD Principles on Rural Policy (2019[2]) and the Rural Well-being Framework (OECD, 2020[1]) to assess both the strategy and the broader system that supports its delivery. The analysis moves beyond intent to ask:

- Where can Ireland go further?
- What should be prioritised next?
- What future challenges or shocks might the current model not yet fully address?
- What partnerships or governance reforms could enable a more resilient, forward-looking approach?

Ireland is among the first Members to use the OECD Principles of Rural Policy to guide national rural strategy. This assessment therefore offers lessons both for Ireland and for other countries seeking to translate the principles into practice.

The chapter is organised as follows: the first section introduces the OECD's core frameworks for rural policy analysis, which form the basis for assessing ORF. Subsequent sections examine, in turn, the policy objectives, targets, implementation and tools (monitoring and engagement) underpinning the strategy, drawing on quantitative evidence and stakeholder insights. Together, these elements provide an integrated view of the strengths and weaknesses of Ireland's current rural development model.

The OECD principles and well-being approach offers a framework for examining rural policy in Ireland

Promoting rural development poses numerous policy and governance challenges because it requires co-ordination across sectors, across levels of government and between public and private actors. OECD countries have experienced noticeable shifts in their approaches to accommodate such important challenges (OECD, 2022[3]). To assess Ireland's rural development approach, this chapter draws on the OECD Principles on Rural Policy and Rural Well-being Framework: together, they offer a structured basis for evaluating the objectives, governance approach and delivery mechanisms of rural strategies.

The OECD Principles on Rural Policy

The OECD Principles on Rural Policy, informed by over 20 years of work through the OECD Working Party on Rural Policy, provide the first multilateral guidelines for effective rural development. The principles were endorsed by ministers at the 7th OECD Roundtable of Mayors and Ministers Meeting held in 2019 by the OECD Regional Development Policy Committee (RDPC) in Athens (OECD, 2019[2]). The principles encourage governments to view rural areas as dynamic regions of opportunity and outline how to organise policies across sectors and levels of government. The key areas of focus include:

- Harnessing and valorising rural assets, including recreational, ecological, agricultural and cultural resources.
- Boosting the competitiveness of tradeable sectors and supporting innovation in rural enterprises.
- Improving the accessibility and quality of public services for rural residents.
- Recognising that rural development policies are not just a response but a proactive solution to economic, social and environmental challenges.

Table 4.1. OECD Principles on Rural Policy

1.	Maximise the potential of all rural areas
2.	Organise policies and governance at the relevant geographic scale
3.	Support interdependencies and co-operation between urban and rural areas
4.	Set a forward-looking vision for rural policies
5.	Leverage the potential of rural areas to benefit from globalisation, trade and digitalisation
6.	Support entrepreneurship to foster job creation in rural areas
7.	Align strategies to deliver public services with rural policies
8.	Strengthen social, economic, ecological and cultural resilience
9.	Implement a whole-of-government approach to rural policies

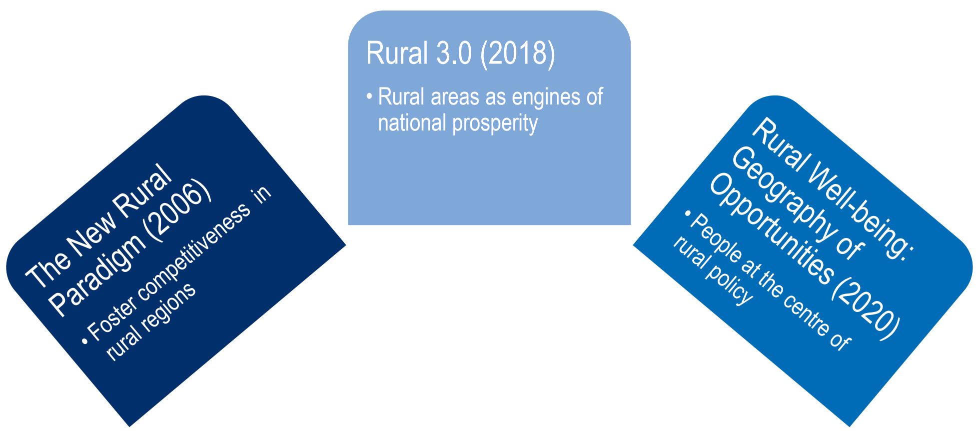
10.	Promote inclusive engagement in rural policy design and implementation
11.	Foster monitoring, independent evaluation and accountability

Source: OECD (2019[2]), *OECD Principles on Rural Policy*, https://www.oecd.org/fr/regional/oecd-principles-rural-policies.htm.

Towards the OECD Rural Well-being Framework

OECD countries have developed more innovative governance structures and policy instruments to better support rural development (Figure 4.1). The 2006 OECD New Rural Paradigm (NRP) recognised that governments were gradually decoupling rural development from agriculture, instead focusing more on places rather than sectors and prioritising investments over subsidies, a shift reflected in Ireland's White Paper (OECD, 2006[4]). In 2018, the OECD released *Rural 3.0: A Framework for Rural Development*, which refined the NRP and called for stronger implementation mechanisms to position rural regions as engines of prosperity (OECD, 2018[5]).

Figure 4.1. OECD Rural Policy Frameworks



The 2020 publication *Rural Well-being: Geography of Opportunities* further enhanced these frameworks by encouraging governments to view rural regions as "places of opportunity", develop policies that put people first and address the three pillars (Table 4.2) of well-being: economic, social and environmental (OECD, 2020[1]).

In 2025, the OECD released its latest framework, Reinforcing Rural Resilience (OECD, 2025[6]) at the 2025 Regional Development Policy Committee (RDPC) ministerial meeting. This newest framework is also consistent with the OECD principles. It places greater emphasis on better understanding the opportunities and challenges of megatrends, including demography, digitalisation, globalisation and climate change, to increase rural resilience.

Table 4.2. OECD Rural Well-Being framework

Policy objectives	Well-being considering multiple dimensions of the economy, social affairs and the environment
Policy focus	Encourages rural-urban collaboration and a focus on low-density economies differentiated by type of rural area: • within an FUA • close to an FUA • far from an FUA.
Policy approach	Considers multi-level governance

	Balances top-down with bottom-up actions
Policy tools	Provide support to the public sector, firms and the third sector
	Involves a wide spectrum of stakeholders, e.g. public sector, firms, third sector; private sector and for-profit firms, social enterprises, non-governmental organisations and civil society

Source: OECD (2020[1]), *Rural Well-being: Geography of Opportunities*, https://doi.org/10.1787/d25cef80-en.

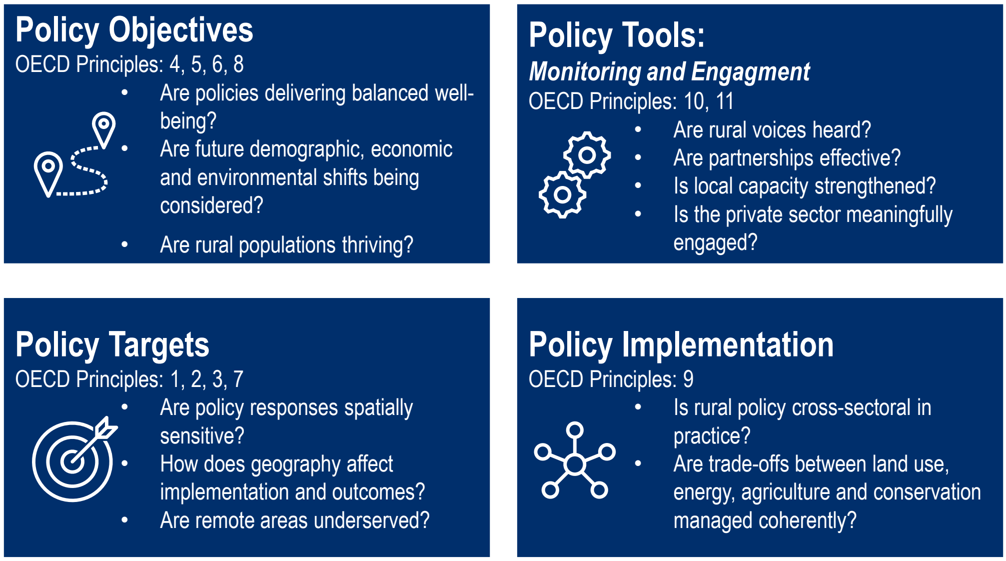
OECD rural framework

The OECD Principles on Rural Policy and Rural Well-being Framework provide a structured approach to assess whether rural development strategies in Ireland are effective in improving well-being standards across different types of rural regions and are fit for the future. The principles offer a normative framework for what effective rural policy should aspire to: maximising local potential, supporting inclusive governance, enabling innovation and ensuring sustainability. They are grouped into four interrelated dimensions, policy objectives, policy focus, policy approach and policy tools, to allow a systematic exploration of what policies aim to achieve, how they operate, for whom and under what institutional arrangements (Figure 4.2).

- **Policy objectives: Turning rural potential into measured outcomes**. What are the goals of rural development policy? (Principles 4, 5, 6 and 8: fostering well-being, leveraging global and digital transitions, creating rural employment).
- **Policy targets: Getting "rural" right – Definitions, functions and delivery**. Where and how are policies targeted? (Principles 1, 2, 3 and 7: differentiating between types of rural territories and strengthening rural-urban connections)
- **Policy implementation**: **Towards an evidence-led place-based approach**. How are multi-level governance structures enhancing coherence, integration and collaboration? (Principle 9.).
- **Policy tools (monitoring and engagement): Turning strategy into delivery, refining instruments for co-ordination and impact**. How are stakeholders engaged, rural voices activated and heard, and outcomes monitored and evaluated? (Principles 10 and 11).

ORF and the DRCDG are not assessed in isolation. Rather, ORF is used as a strategic entry point to learn more about Ireland's rural development landscape and the diversity of policies that exist. It is assessed acknowledging the complex governance environment. It seeks to help the DRCDG understand where it can act: directly, through funding, training or strategic leadership, or indirectly, by cultivating more rural intelligence, producing evidence or supporting co-ordination. This includes reinforcing the DRCDG's role in providing insights that help other departments better understand how their actions affect rural outcomes. The following sections assess ORF and Ireland's rural development system across the four dimensions of the OECD framework.

Figure 4.2. OECD Rural Framework

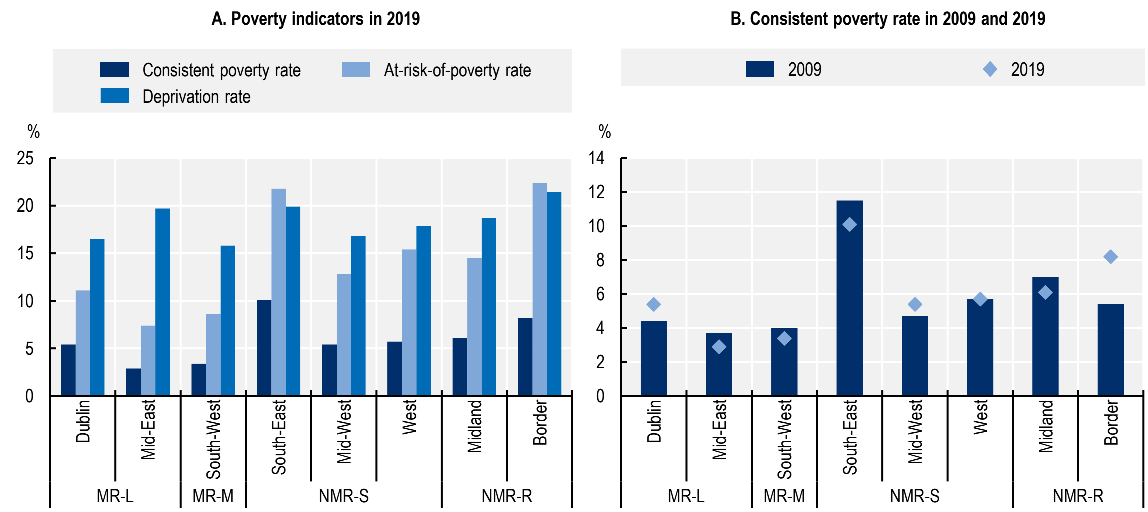


Policy objectives: Turning rural potential into measured outcomes

Policy objectives are the right place to start, because they can help clarify what a strategy is trying to achieve. Principles 4, 5, 6 and 8 provide a signpost for rural policy objectives. While each raises a number of specific aspects, there is a common thread that connects them and resonates with the objective of ORF. Specifically, these principles emphasise: improving well-being for rural people across economic, social and environmental dimensions (Principle 4); creating an enabling environment that allows rural areas to identify and invest in their competitive advantages (Principle 5); and supporting entrepreneurship, job creation through technological innovation, and the integration of local SMEs into value chains with improved access to capital and training (Principle 6). Finally, Principle 8 strengthens the social, economic, ecological and cultural resilience of rural communities by ensuring sustainable management of natural capital, land use, and climate change adaptation. Despite Ireland's strong economic performance, marked by near-full employment, solid social outcomes and generally good health, challenges persist, particularly in rural areas that are often overlooked. The at-risk-of-poverty rate is lower in urban regions than in rural regions, while the deprivation rate is relatively similar across both (see Figure 4.3, Panel A). The lower at-risk-of-poverty rate in urban areas is expected, as this indicator measures the share of individuals with an equivalised disposable income below 60% of the national median, and wages are typically higher in urban settings. However, the deprivation rate remains similar because individuals can experience material deprivation even if their income is above the poverty line, often due to high living costs, such as housing expenses in Dublin.

This dynamic is also reflected in the consistent poverty rate, which combines both income poverty and material deprivation: although urban areas generally show lower consistent poverty rates than rural areas, the gap is much narrower than when considering the at-risk-of-poverty rate alone (Figure 4.3, Panel B). Among the regions, the South-East stands out with a relatively high consistent poverty rate of 10.1% in 2019, although this represents an improvement of 1.4 percentage points compared to 2009. ORF has not yet addressed these indicators, but this could be included in the next iteration.

Figure 4.3. Poverty and deprivation by OECD typology in Ireland



Note: The at-risk-of-poverty rate refers to the share of individuals with an equivalised disposable income below 60% of the national median income. The deprivation rate captures the share of individuals experiencing enforced deprivation, meaning they are unable to afford at least three out of nine basic items. The consistent poverty rate combines individuals who are both at risk of poverty and experiencing enforced deprivation.
Source: Regional Development Monitor.

Adopt a broader perspective on how to grow the economy

The Government of Ireland needs to adopt a broader perspective on how to increase economic growth. To date, Ireland has emphasised foreign direct investment (FDI) and export-oriented domestic manufacturing as drivers of national growth. In rural areas, these have been supplemented by the promotion of international tourism and the modernisation of export-oriented farming, particularly the dairy industry. There is clear evidence that this has been effective in some rural areas where foreign branch plants create significant direct employment. In addition, domestic SMEs in some rural areas have been able to develop significant export markets. The Botox plant in Westport, County Mayo, operated by Allergan/AbbVie exemplifies the former and the dairy pharmaceutical supplement firm in Roscommon the latter. Rural tourism is the main driver of international tourism in Ireland and the Kerry Gold brand of dairy products is known around the world.

However, there is room to develop greater economic diversification. FDI in rural Ireland carries concentration and exposure risks that can create localised volatility if a major plant downsizes or relocates and multinational firms can re-evaluate their investment at any time (OECD, 2023[7]). Similarly domestic manufacturers access to international markets hinges on terms of trade remaining favourable and markets for their products staying stable. International tourism is also vulnerable to shifts in demand. For example, the Coronavirus disease 2019 (COVID-19) pandemic brought tourism to a standstill. Over time, tourism is subject to shifts in what people want to experience (UNWTO, 2020[8]). Agricultural exports, even branded ones, are also subject to the same variability as other manufactured goods, as well as to changes in the CAP. A more resilient economic model for rural areas requires diversified, locally embedded growth that is less exposed to external shocks. Poland's Strategy for Responsible Development offers a relevant example of how to broaden the rural economic base. It aims to improve conditions for entrepreneurship, increase opportunities for employment beyond agriculture, enhance access to public services, raise professional qualifications and support intersectoral mobility (Box 4.1).

Box 4.1. Strategy for responsible regional development: Poland

The Strategy for Responsible Development is Poland's initiative to improve entrepreneurship conditions, increase residents' access to jobs outside of agriculture, increase the availability of public services, improve professional qualifications and intersectoral mobility. Poland's rural areas face many risks such as depopulation, public service insecurity and increasing intra-regional disparities. To address this, the biggest policy focuses are to bring knowledge to rural areas and build networks. This supplements both national and EU financial support to encourage the capacity building necessary for rural households to diversify away from farming and engage in activities necessary in the current context such as support of the EU Green Deal.

The European Fund for the Development of Polish Villages is an intergovernmental organisation carrying out research and several initiatives to support non-agricultural economic activity, local communities and investment in human capital. Some initiatives include:

- The Development Initiatives Forum, which includes various reports and conferences dedicated to living in rural areas, notably discussion on the EU CAP and a co-financed report monitoring the development of rural areas in Poland.
- Micro loans for non-agriculture activity, small business loans and agrotourism loans for rural areas. These schemes have established 15 000 workplaces and assisted 35 000 existing workplaces. They have also helped create 4 500 new beds for overnight stays in agrotourism in Poland.
- An education initiative to address market needs and increase capabilities such as the Winter Holidays with Economy programme, which includes classes on finance, economics and knowledge of Poland's national bank. This programme has reached 15 000 young people.

Source: OECD (2023[9]), "OECD Principles on Rural Policy Dialogue Series: Poland (Principle 6)", OECD, Paris.

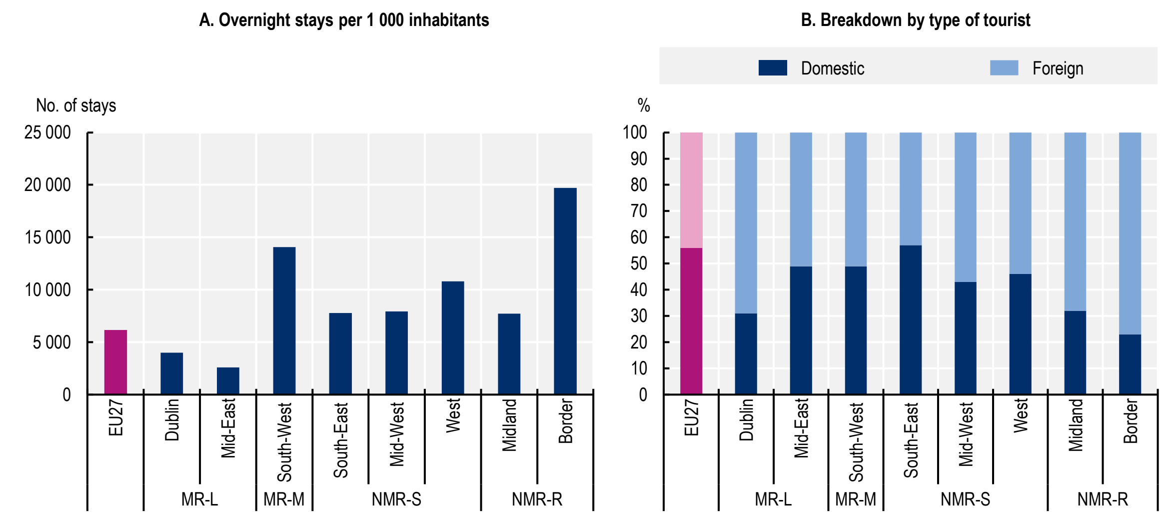
Create an enabling environment in rural areas

Principle 5 shifts the focus towards creating an enabling environment that allows rural areas to identify and invest in their unique competitive advantages, particularly those tied to tradeable sectors and value-added rural assets. Yet, this enabling environment is not a standalone construct: it is intrinsically connected to well-being. Fostering well-being is inseparable from creating the institutional, infrastructural and economic conditions needed for rural success.

Digital connectivity is a case in point. Ireland has made tangible strides in expanding rural broadband infrastructure. However, connectivity investment should be purposefully linked to economic strategies that reflect local realities, whether enabling remote work or enhancing access to e-commerce. In this way, the enabling environment is not simply about providing tools, but about ensuring those tools are relevant to, and supportive of, the distinctive economic fabric of rural Ireland. The rollout of the National Broadband Plan has been very successful. Almost all of rural Ireland now has access to high-quality broadband. While the plan aimed to facilitate remote working and reduce carbon emissions better broadband also provides local entrepreneurs and existing SMEs with new opportunities that extend beyond original objectives.

Tourism provides another example. The sector is vital to Ireland's economy and a major driver of activity in rural areas. Per capita, most overnight stays are recorded in rural regions such as Border, with around 20 000 overnight stays per 1 000 inhabitants in 2023 (Figure 4.4, Panel A). Compared to the 27 European Union member states (EU27) average, tourism intensity, measured by overnight stays per 1 000 inhabitants, is lower in Irish large metropolitan regions but higher in all other regions. In the EU27, around 55% of overnight stays were from domestic tourists, whereas tourism in Irish regions relies more heavily on overseas visitors. For example, in the Border region, foreign tourists accounted for about 77% of all overnight stays (Figure 4.4, Panel B).

Figure 4.4. Tourist accommodations trends: Domestic versus foreign overnight stays, 2023



Source: Eurostat.

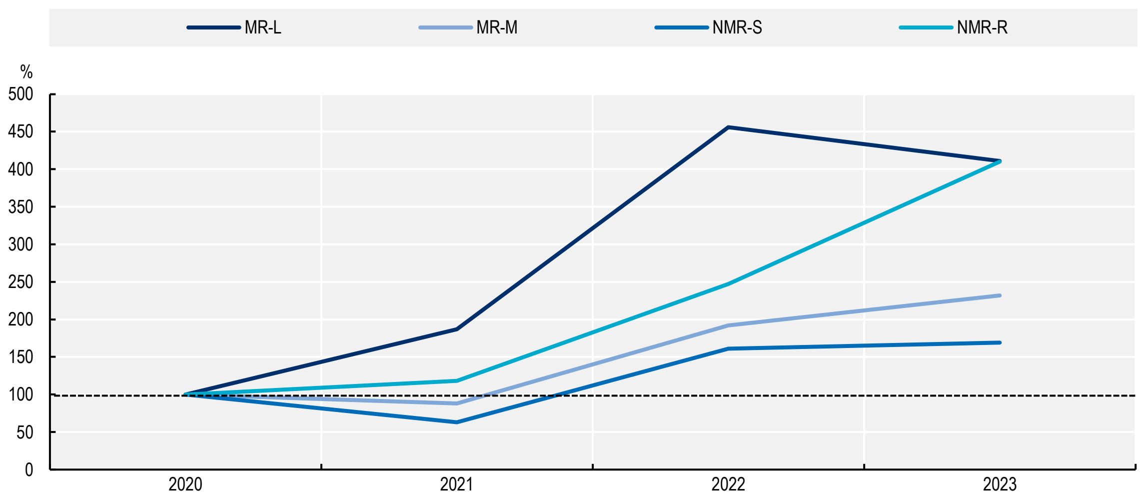
Tourism also experienced a strong rebound after COVID-19, with overnight stays quadrupling in both large metropolitan and rural remote regions between 2020 and 2023 (Figure 4.5). The policy measures led by the Department of Enterprise, Tourism and Employment (DETE) and included in ORF are designed to capitalise on these opportunities. International tourists typically fly into Dublin but travel extensively across the country, particularly into rural regions (Figure 4.4). As such, tourism represents a key lever for local economic development in rural places supporting job creation and stimulating broader investment.

However, the structure of rural tourism has some built-in limitations, particularly in relation to the prevalence of group coach and bus tours. This is a distinct sector comprising escorted touring holidays and short day or overnight trips originating mainly from urban centres, which has grown over time with improved inter-urban roads and Dublin-centric arrivals that make day trips to rural attractions more feasible. Dependence on coach tours varies across rural Ireland. For example, the Burren and the Cliffs of Moher experience heavy day-tour volumes arriving by coach, sites along classic coach circuits such as the Ring of Kerry and Killarney corridor show similar patterns of reliance, while more dispersed or accommodation-limited rural areas attract fewer coach visitors and depend more on self-drive tourists (Fáilte Ireland, 2019[10]).

For rural areas more reliant on bus tours, tourist spending is constrained not only by limited time in each locality but also by physical space. Visitors can only purchase what they can transport on the bus, which restricts opportunities to buy larger or higher-value local goods. At the Burrren and the Cliffs of Moher, analysis revealed low local spending due to short dwell times as well as visitor management challenges (Fáilte Ireland, 2019[10]). This raises important questions about the depth of economic benefit captured by local rural businesses from this form of tourism.

Figure 4.5. Tourism rebound after COVID-19

Growth in overnight stays by region type from 2020-23, 2020=100%



Source: Eurostat.

The OECD emphasises that rural tourism can drive job creation, support SMEs, increase local income and diversify rural economies (OECD, 2024[11]). However, this can be hampered by inadequate infrastructure, limited financial resources and declining local populations. In Ireland's case, the tourism strategy rightly seeks to extend rural reach (Box 4.2), but its success depends on both the attractiveness and diversity of tourism offerings the surrounding infrastructure (e.g. transport connectivity, accommodation capacity, the range of local retail and hospitality services) and strategies to encourage longer visitor stays. If these surrounding conditions are not addressed in tandem, results will remain suboptimal.

Box 4.2. The Regenerative Tourism and Placemaking Scheme: A just transition investment in sustainable rural futures

Fáilte Ireland announced the first round of EU Just Transition Fund Investment Grants in June 2024, a significant step towards supporting sustainable economic development and job creation across Ireland in its support of the post-peat regions. Under the the Regenerative Tourism and Placemaking Scheme, Fáilte Ireland (ROI)/Tourism approved EUR 27.1 million in investment grants for 22 projects. . It is a scheme to incentivise private and community micro enterprises with market activity levels to expand or develop economically diverse local initiatives such as innovation hubs, innovation labs and technology centres, heritage tourism and green energy projects as well as community tourism networks.

Under the EU Just Transition Fund, Fáilte Ireland has been tasked with the administration of EUR 68 million for a Regenerative Tourism and Placemaking Scheme 2023-2026. This investment in the sustainable development of tourism in the Midland region seeks to diversify the regional economy by creating jobs, supporting habitats and biodiversity and sustaining communities. There are two main elements to the overall scheme:

1. EUR 38 million towards the diversification of the regional economy through the sustainable development of tourism
2. EUR 30 million towards the regeneration and repurposing of peatlands through the development of a network of trails.

These projects are explicitly intended to support regenerative tourism by using Ireland's natural and cultural capital while supporting environmental stewardship and inclusive economic participation across all levels of society. To support the place-based delivery of these programmes, eight County Tourism Activators, one per county territory, were granted to work with the aim of high-performing tourism clusters and local business networks that will directly work towards regional development strategies and enterprise collaboration. The scheme includes measures included in Ireland's inaugural Territorial Just Transition Plan. It describes the economic and social implications of an end to extracting peat for energy and lays out alternative pathways for newly affected regions. Linking climate adaptation and heritage protection to economic transformation demonstrates pronounced rural policies that are visionary and rooted in local potential.

Source: OECD (2024[12]), *Ireland*, OECD Background Report, OECD, Paris.

Targeted employment creation strategies

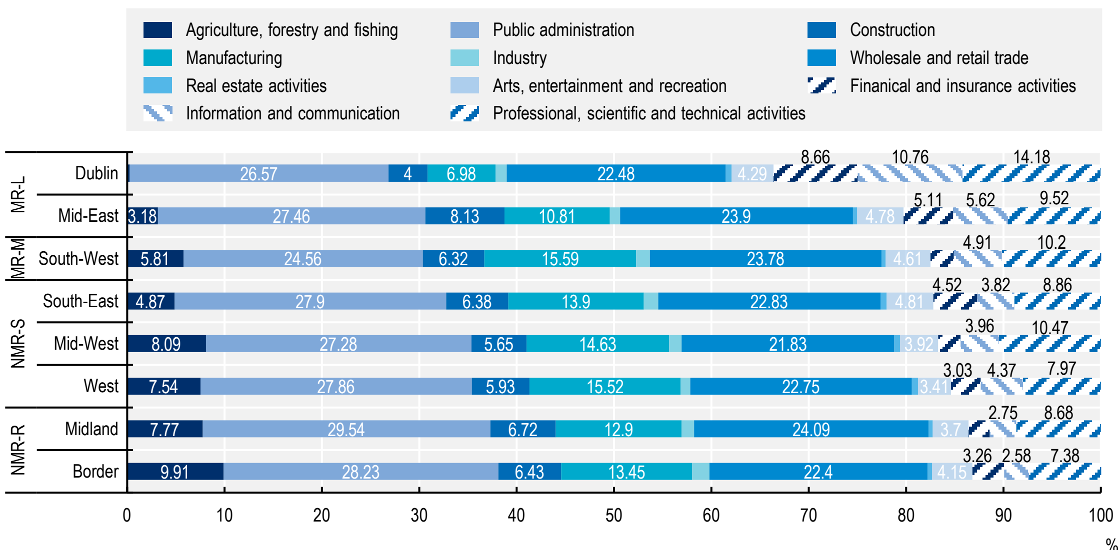
Principle 6 puts the focus squarely on employment creation and entrepreneurship as levers for economic development in rural areas. Ireland has a national enterprise strategy, the 2022-2030 White Paper. This strategy includes specific commitments to job creation and employment rates and regionally balanced approach, which complements the efforts of ORF. Figure 4.6 provides a look at the employment patterns in Irish regions according to the OECD typology. It shows broad sectoral similarities across Irish regions, except for agriculture, which is absent in Dublin.

Interestingly, even a sector typically associated with rural affairs, like agriculture, accounts for employment to varying degrees across different regions. For example, while there is no agricultural-related employment in the Dublin region the Mid-East, part of the OECD's large metropolitan region typology, still accounts for 3% of employment. Similarly, the agriculture sector accounts for 8% of employment in the Midland, 10% in the Border regions, and 8% in the West. the Midland (8%), Border (10%), and West (8%) regions. These regions are not uniformly rural in population or economic structure. Furthermore, between 2001 and 2021, employment either declined or increased the least in the two sectors most dominant in rural areas: agriculture and manufacturing (Figure 4.7). Notably, Midland was the only region to experience an increase in agricultural employment during this period, with a rise of 20%. Similarly, the West was the only region to see a growth in manufacturing employment, with an increase of 21%.

Principle 6 also encourages a policy focus that reflects the territorial nuances of how jobs are distributed and accessed. ORF includes strategies to grow jobs and foster innovation in rural regions. For example, IDA Ireland intends to make 400 regional investments, bringing FDI to rural places by building advanced technology. This target is complemented by the Regional Enterprise Plans. The Regional Enterprise Plans support enterprise development and job growth in the regions. However, plans must also consider rural labour-market conditions, infrastructure and the uneven geography of sectors like agriculture, even within urban-leaning regions, to assess the effectiveness of these strategies. Capturing these subtleties is essential if Ireland is to meet its employment targets in a way that is inclusive of all places. The Regional Technological Universities in regional towns represent important infrastructure for place-based skills development and regional innovation. They could also be supported to tease out some of these elements in regional and local strategies.

Figure 4.6. Employment patterns across Irish regions

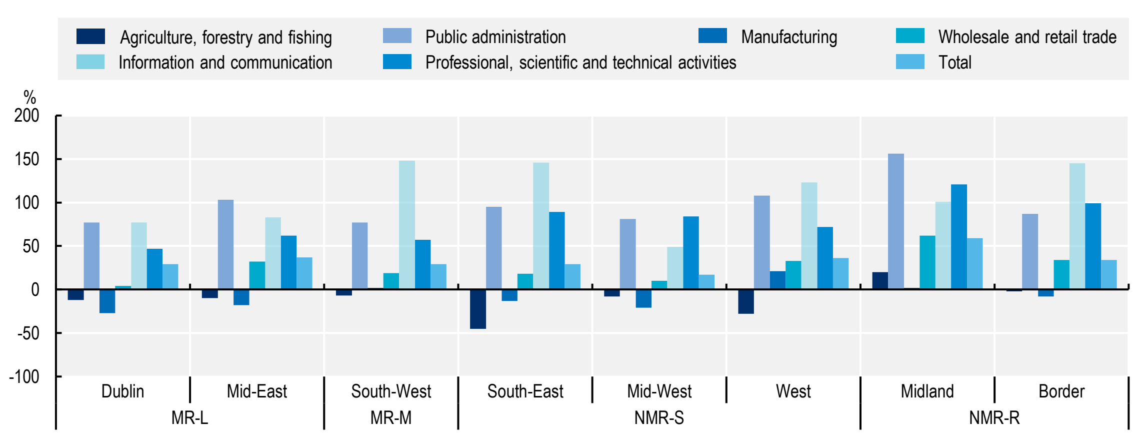
Employment distribution across sectors in 2021



Note: Sectors are based on Statistical Classification of Economic Activities in the European Community (NACE) 2-digit industries. Some sector names have been shortened, full titles include: "Public administration, defence, education, human health and social work activities", "Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies", and "Professional, scientific and technical activities; administrative and support service activities".
Source: Based on the OECD Regional Database.

Figure 4.7. Employment developments in key industries

Employment change from 2001-21

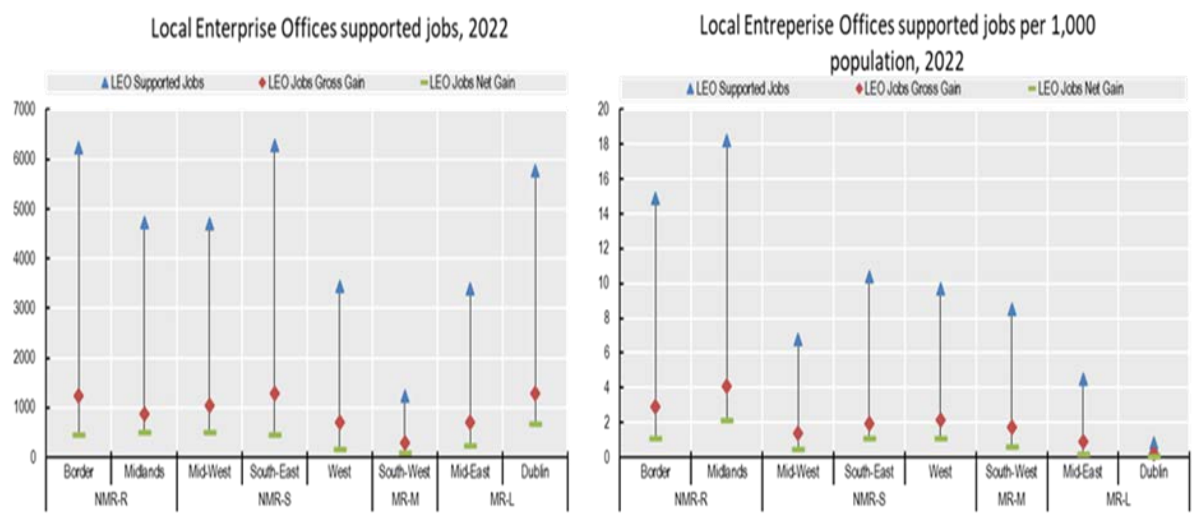


Note: Sectors are based on NACE 2-digit industries. Some sector names have been shortened, full titles include: "Public administration, defence, education, human health and social work activities" and "Professional, scientific and technical activities; administrative and support service activities".
Source: Based on the OECD Regional Database.

Fostering entrepreneurship

There are structures in place to support and foster entrepreneurship in rural Ireland. Local enterprise offices (LEOs) are tasked with supporting nascent entrepreneurs. In 2022, the LEOs contributed to job growth in Ireland by supporting thousands of jobs across all regions, with a disproportionately strong impact in rural regions, leading to a net increase in employment (Figure 4.8, Panel A). When accounting for population size, it is also clear that regions such as Border and Midland benefit from LEO support (Figure 4.8, Panel B), which provided around 1 to 2 additional jobs per 1 000 people.

Figure 4.8. Local-Enterprise-Office-supported jobs



Source: Regional Monitor

At the same time, LEOs have some built-in limitations that could hinder their ability to support certain entrepreneurs. LEOs provide broad non-financial support across sectors. However, their financial grants are constrained by eligibility criteria that preferences manufacturing and internationally traded service firms and the objective of direct exporting or capacity to become significant exporters in the future (LEO, 2025[13]). This leaves a significant number of rural entrepreneurs, particularly those oriented toward local markets, outside the scope of formal support. For example, businesses engaged in "displacement activities" such as hairdressers, cafes, pubs and professional services, do not qualify for financial support from LEOs, though they may access advice and training (LEO, 2025[13]).

In rural areas, the community-led approach LEADER programme has been able to provide support to micro businesses, but their capacity to fund these activities varies. A substantial portion of LEADER budgets goes to community development, rural infrastructure and social inclusion, which means that direct financial support for micro businesses is just one component among many competing priorities (Roscommon LDC, 2025[14]). Local action groups determine allocations based on locally developed strategies, but the business or enterprise strand is always constrained by the overall size and multi-purpose nature of LEADER's funding. The Irish Local Development Network argues that the decline in LEADER resources over the years limits the scale of support for enterprise, tourism and community projects (ILDN, 2021[15])

Furthermore, while LEOs are effective in supporting start-ups, there is currently little support available for second-stage investments, i.e. for firms that are already operating and now need to scale up. Yet these are often the most reliable drivers of local economic growth. Such businesses have already demonstrated their viability and, as they grow, they tend to increase local employment and source more inputs locally, creating positive spillovers throughout the rural economy. LEOs are structured to provide a standardised suite of supports to micro enterprises. Core eligibility, available grant types and strategic priorities are set at the national level. This limits the ability of LEOs to adapt programming and financial support to unique local economic contexts. This is particularly problematic given, the significant heterogeneity in local conditions for SME and entrepreneurship activity and the overall divide between the major urban regions (Dublin and South-West) and the rest of the country (Government of Ireland, 2024[16])

Poland offers a relevant comparative example. Faced with rural depopulation, intra-regional disparities and low access to services, national and local actors have invested heavily in strengthening rural knowledge networks and enabling non-agricultural entrepreneurship. These efforts are supported by the European Fund for the Development of Polish Villages, an intergovernmental organisation that implements initiatives ranging from micro loans and agrotourism financing to rural education programmes targeting youth entrepreneurship (see Box 4.2).

Other factors that affect entrepreneurship

Rural entrepreneurship policy must go beyond surface-level interventions. It needs to tackle structural disincentives and tailor support to the realities of rural labour markets. Stakeholder discussions suggested that easy access to well-paid jobs in multinational enterprises when combined with a burdensome regulatory environment is fostering a more risk-averse culture. This dynamic appears to dampen entrepreneurial ambition, particularly in rural regions. Further research is warranted to better understand and target the conditions that enable rural enterprise creation.

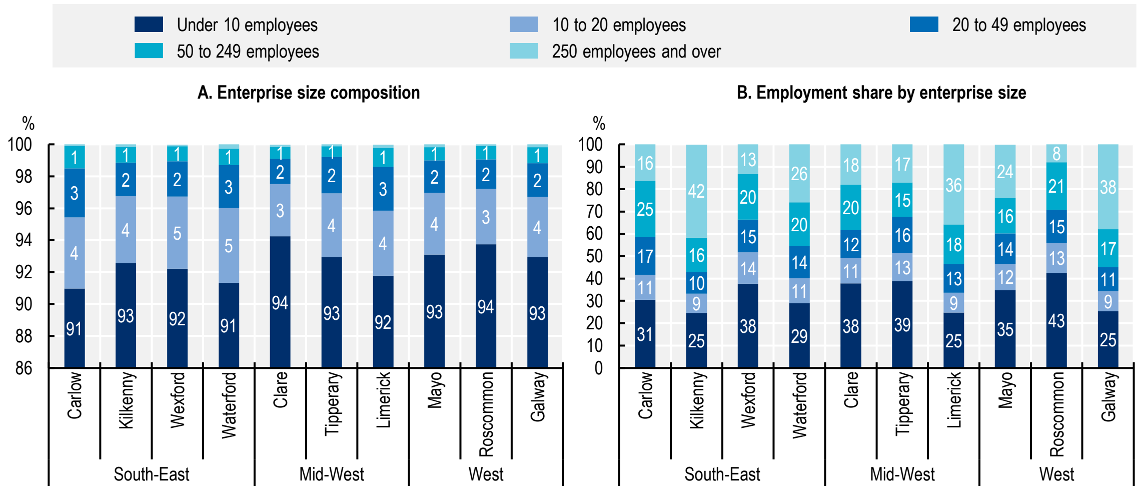
Additionally, fostering entrepreneurship in rural areas is not simply about encouraging new business formation: it requires a grounded understanding of the existing SME landscape, the sectors they operate in and the barriers they face. Rural labour markets differ from urban labour markets in terms of unemployment rates, wage levels, professional opportunities and workforce qualifications (Fassmann, 2001[17]). Applying a spatial lens is critical: the entrepreneurial landscape in rural areas adjacent to urban ones differs markedly from that in remote or island communities, both in terms of opportunity and constraint.

Understanding the needs of SMEs in rural regions

While Ireland has shown ambition in supporting entrepreneurship, the real question is whether policy design sufficiently accounts for the heterogeneity of rural SMEs (Figure 4.9). Many rural enterprises are not export oriented. They are smaller, more locally embedded and more reliant on microfinance than their urban or FDI-driven counterparts, but they play a central role in local economies and are often important suppliers to those firms that export. This raises important questions around resource allocation and equity of access to support mechanisms.

While LEOs claim to provide essential support, evidence from stakeholders suggests that many rural entrepreneurs still face barriers in accessing finance, navigating regulatory requirements or securing tailored mentorship. This reveals a tension between the national policy narrative and the lived experience of small-scale entrepreneurs. Without a clearer view of how the rural economy functions in practice, and where its entrepreneurial potential lies, interventions risk privileging sectors and business models that are already well supported, while masking gaps in support for more fragile or emergent local enterprises. Better understanding and addressing this disconnect would strengthen the next iteration of Ireland’s rural policy framework and help it more fully support diversified, inclusive, and spatially sensitive rural growth.

Figure 4.9. Enterprise size composition by county: NMR-NMS



Source: Regional Monitor

Access to finance

Access to finance remains a significant challenge for SMEs across Ireland, including those in rural areas. While some support exists for start-ups, such as grants and initial capital contributions, second-stage capital is often harder to obtain. As firms begin to grow, their capital needs increase, yet many are expected to turn to commercial lenders who may be unwilling or unable, due to regulations, to assume the full risk (Degryse, Matthews and Zhao, 2018[18]). A financing gap emerges when profitable, growth-ready firms lack the cash reserves to co-finance investments, and when commercial banks are only willing to finance part of the risk. In such cases, unless firms can secure a subordinated investor or equity injection, their expansion plans are stalled. Equity capital and subordinated debt are both scarce in rural Ireland and, while there are models available to address this, uptake remains limited. This scarcity is not due solely to investor reluctance based on geography but also reflects the fact that the concentration of private venture capital and angel networks are in urban hubs, as well as the limited pipeline of rural businesses that are "equity ready" for such investment (Kennedy, 2025[19]). The Western Development Commission (WDC) is one of the few notable examples, providing venture and risk capital in rural western Ireland.

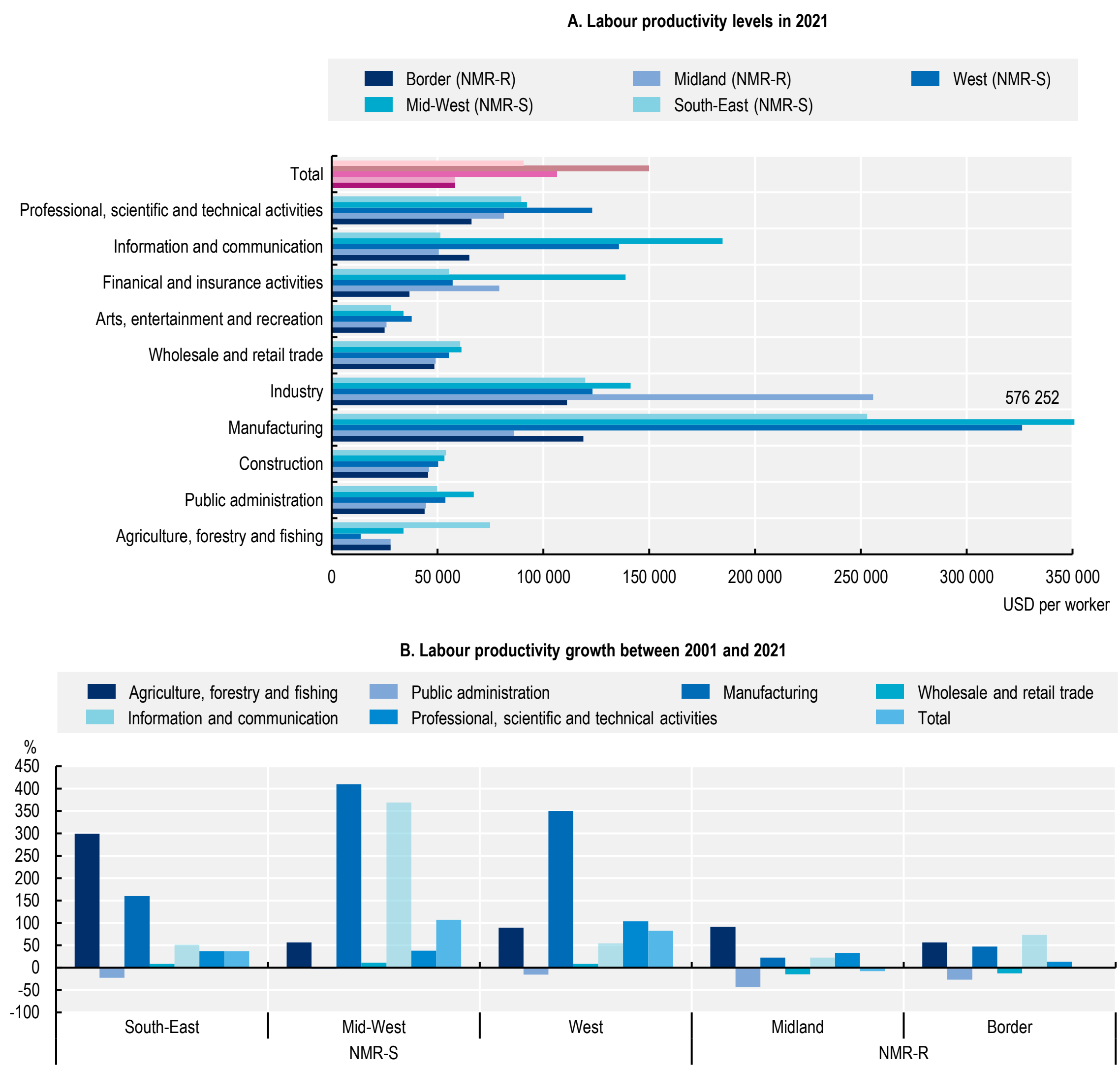
One potential solution would be the establishment of a local revolving loan fund similar to the WDC at the LA level, which would provide bridge financing between owner equity and traditional loans. These entities would require a one-time infusion of national capital into each LA (excluding predominantly urban ones). Unlike banks, the funds would be overseen by local boards composed of business leaders and community stakeholders and would be empowered to provide mezzanine financing to viable local firms. This type of funding, which sits between owner equity and conventional bank loans, is inherently higher risk and could command higher interest rates or an equity stake. But as long as the majority of investments are sound, the fund would remain sustainable. The key to success lies in strong fiduciary governance and a clearly defined mandate to support scalable, place-based rural firms.

Productivity

Overall, labour productivity is lower in rural regions compared to metropolitan areas. However, this gap is partly influenced by headquarter effects, which tend to inflate productivity figures in urban regions due to the concentration of high-value corporate functions (see Chapter 1). To reduce this distortion, the focus here is placed on rural regions, where such effects are less pronounced. Among rural areas, productivity is somewhat higher in NMR-S than in NMR-R regions (Figure 4.10, Panel A). Manufacturing shows the highest labour productivity per worker, followed by industry more broadly and the information and communication sector. In contrast, agriculture generally records below-average productivity levels. A notable exception is the South-East region, where agricultural productivity is more than twice as high as in other rural regions.

Looking at productivity growth over time, the South-East also stands out for having achieved the largest gains in agricultural productivity, which nearly tripled between 2001 and 2021 (Figure 4.10, Panel B). Manufacturing also recorded substantial productivity growth, particularly in NMR-S regions. In contrast, public administration experienced a decline in productivity across all rural regions. Meanwhile, Border and Midland not only reported lower overall productivity levels in 2021 but also showed weaker growth over the two decades compared to their NMR-S counterparts.

Figure 4.10. Labour productivity across Irish rural regions



Note: Sectors are based on NACE 2-digit industries. Some sector names have been shortened, full titles include: “Public administration, defence, education, human health and social work activities”, “Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies” and “Professional, scientific and technical activities; administrative and support service activities”.
Source: Based on the OECD Regional Database.

Initiatives led by the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS), such as blended learning pathways and sectoral upskilling in manufacturing and renewables, demonstrate how targeted interventions can strengthen rural adaptability and build economic resilience over time. In Ireland, there are gaps in productivity that vary across and among urban and rural areas. However, in rural areas, the gaps can be more onerous. This reflects two things:

- **Local labour markets in rural regions are small and weakly connected to larger ones**. This means that low-skilled individuals who are unemployed may only find work if they relocate – and even then, face strong competition in more dynamic urban markets. In Ireland, as in many other countries, relocation has been made harder by housing shortages that tend to lock people in place. In the Limerick, some firms in smaller places are resorting to renting housing prior to recruiting workers, as a way of increasing their success rate.
- **Upskilling is more costly and logistically challenging in rural areas**. Training programmes often have high fixed costs and, in small rural populations, it is harder to recruit enough participants to make these viable. Conversely, the demand for any one skill in a rural labour market may be low, making employment prospects uncertain even after training.

  On a positive note, those who do retrain may have improved job prospects upon relocating. However, this points to a deeper issue: if rural development strategies rely solely on labour mobility, they risk depopulating rural areas rather than empowering them. What is needed is a mix of remote training, localised job creation and investment in local skills pipelines that reflect actual demand.

Social enterprise can play a role in improving workforce skills

Another dimension of Principle 6 that is particularly relevant in the Irish context is the diversification of rural economies through targeted investment in entrepreneurship and skills, In rural areas, where labour markets are small in both workforce size and employment opportunities, a common dynamic emerges: a surplus of unskilled labour and a shortage of skilled workers. This mismatch leads to low participation rates among the unskilled and difficulties for local firms trying to fill skilled positions. While formal job training programmes can help, they are often less common in rural areas due to high per-participant costs. Social enterprise can play a pivotal role in improving workforce skills and linking people to employment, especially in areas with weak labour demand. Social enterprises are not typically used in this way, as highlighted by a study on their role in developing skills and creating employment opportunities in the United Kingdom *(*Box 4.3*)*. Nonetheless, the potential to deploy them more deliberately, deserves further exploration.

However, Ireland is in a different position, the population in rural areas is growing which means, an increasing workforce pool. This creates an opportunity for Ireland that countries facing demographic decline do not always have. Ireland has made investments to support social enterprises in both urban and rural contexts, particularly in communities with low labour force participation, limited job opportunities and widespread skills gaps. There are an estimated 4 335 social enterprises in Ireland, employing 84 382 people, accounting for 3.7% of the total Irish workforce (OECD, 2023[20]). The *Trading for Impact: National Social Enterprise Policy 2024-2027* is specifically designed to help cultivate and sustain strong and impactful social enterprises across Ireland (DRCDG, 2024[21]). Social enterprises aim to deliver goods or services to the market but do not seek to maximise profit. However, most are expected to cover their operating costs, as ongoing subsidies can distort markets and deter private enterprise participation.

A major advantage of social enterprise models is that they provide skills training in real working environments, which boosts employability and offers a “demonstration effect” that can encourage wider community participation. When a social enterprise’s objective includes training and transitioning individuals into better employment, whether in the private or public sector, it can be a strong candidate for temporary public support. Crucially, employment at such a social enterprise should be understood as transitional. The aim is for people to move into more standard forms of work once their skills are improved. By linking skill development directly with work experience and service provision, social enterprises can act as bridges, connecting underutilised rural talent to meaningful, locally rooted economic opportunities

The 2023 OECD report *Boosting Social Entrepreneurship and Social Enterprise Development in Ireland* noted limited awareness of social enterprises within the broader entrepreneurial ecosystem. One of the key recommendations from the report was for the Government of Ireland to promote the value added by social enterprises across the wider economic landscape (OECD, 2023[20]). Positioning them as a potential conduit for skill building and employment preparation could provide a meaningful entry point into that space. This would also help to "build a shared understanding of what social enterprises are and how they are part of the economic ecosystem, particularly among public officials and private sector stakeholders", a shift that is needed to embed these organisations more fully in Ireland's economic development efforts (OECD, 2023[20]).

Box 4.3. The role of social enterprises in developing skills and creating employment opportunities in the United Kingdom

A recent study on the role of social enterprises in the United Kingdom, with a specific focus on skills development for employment, shows that these organisations already make a significant contribution to both upskilling and job creation. The findings suggest that this impact could be even greater with the right policy and funding environment in place.

The report highlights the potential of social enterprises to support individuals from diverse, complex and disadvantaged backgrounds, particularly when they take an inclusive approach and reinvest profits locally. This approach offers a logical route for education and employment policy, especially in addressing the needs of people who are often left out of mainstream programmes.

It also argues that social enterprises should have a more prominent role in national skills and employment strategies, as they can offer more tailored and effective alternatives. However, the current policy environment remains largely unsupportive, to social enterprises taking on a more active part in driving the upskilling of the population and creating employment, despite the significant impact already generated by the sector.

Source: Hazenberg, R. (2021[22]), "The role of social enterprise in developing skills and creating employment opportunities in the UK", https://www.enterpriseresearch.ac.uk/wp-content/uploads/2021/04/No50-The-role-of-social-enterprise-in-developing-skills-and-creating-employment-opportunities-in-the-UK-R.-Hazenberg.pdf.

Sustainable management of natural capital and climate adaptation

Principle 8 is focused on sustainable management of natural capital: land use, ecosystem services and the imperative of climate adaptation. ORF explicitly recognises climate action as a strategic priority, with commitments to becoming climate neutral and promoting mitigation efforts such as decarbonisation. The OECD Rural Agenda for Climate Action emphasises that achieving net-zero emissions requires tailored, place-based strategies and robust rural policies (OECD, 2021[23]). It also affirms the importance of preserving rural culture and tradition as part of a broader resilience agenda. This aligns with the mandate of the OECD Working Party on Rural Policy for 2020-2025 and the Regional Development Policy Committee Programme of Work and Budget both highlight the importance of rural policies for environmental issues (OECD, 2021[23]). Yet, the real test lies in how these aspirations are operationalised across varied rural geographies. Land, ecosystems and environmental services are not abstract assets: they are enmeshed with the rural economy, local livelihoods and cultural identity.

Rather than focusing solely on sector-specific outcomes, Ireland's approach is increasingly shaped by the need for systemwide sustainability, ensuring rural areas can withstand, adapt to and recover from environmental, economic and social shocks, while preserving their cultural vitality and quality of life. Ireland's Climate Action and Low Carbon Development (Amendment) Act 2021 provides a legally binding framework for achieving net-zero emissions by 2050. The introduction of five-year carbon budgets and successive climate action plans represents a growing national commitment to long-term sustainability. While the National Adaptation Framework 2024 and sectoral adaptation plans provide a legal and strategic backbone for national resilience planning, requiring sector-by-sector and region-specific actions to protect Irish society, economy and environment from both present and future climate-driven risks (DOE, 2025[24]). The plans promote climate proofing of emergency planning, sectoral co-ordination, research, monitoring and the integration of adaptation into local zoning and development. They require ringfenced funding, ambitious and measurable objectives and a step-change in the level of prioritisation and resourcing across government.

This marks a shift toward a more integrated, future-oriented model of rural development. At the heart of this shift is a recognition that rural people and places are not peripheral to national progress but active contributors to Ireland's low-carbon, resilient future, a perspective shared by the OECD Rural Agenda for Climate Action, which encourages an increased focus on policies that empower rural communities to lead transitions (OECD, 2021[23]) (see Box 4.4).

Box 4.4. The OECD Rural Agenda for Climate Action

The OECD Rural Agenda for Climate Action identifies six mutually reinforcing areas through which rural regions can accelerate the transition to an environmentally sustainable, net-zero economy and leverage new development opportunities:

1. **Strengthen the evidence base**: Collect and consolidate regional and local data to assess how climate-related challenges and opportunities unfold across different rural contexts. Develop indicators that inform policymaking and improve communication to support rural transitions more effectively. This requires collaboration between local, regional and national actors to ensure that local perspectives are reflected in policy design and implementation.
2. **Enable just and inclusive transitions**: In line with the principle of just transition, empower rural regions to design and implement transition strategies, ensuring they have the necessary enabling conditions, knowledge, institutional capacity, good governance, digital infrastructure and funding. Support the attraction of private investment in innovative climate solutions where public financing alone is insufficient.
3. **Leverage renewable energy potential**: Build on the competitive advantage of rural areas in producing renewable energy by fostering local innovation ecosystems and linking them to emerging initiatives such as green hydrogen. Ensure that communities benefit directly from renewable energy projects through co-ownership or benefit-sharing arrangements with private investors.
4. **Manage natural capital sustainably**: Promote sustainable land-management practices and value creation from restoring, preserving and enhancing ecosystems. Strengthen integrated spatial and land use planning to reduce unsustainable development patterns (e.g. urban sprawl, biodiversity loss) and expand sustainable ones with strong carbon-sequestration and socio-economic potential, such as agroforestry, climate-smart agriculture, ecotourism and sustainable forestry. Include local and Indigenous knowledge, invest in nature-based solutions

(e.g. flood and drought management) and advance market mechanisms such as certification and payments for ecosystem services.

5. **Promote the circular economy and bioeconomy**: Encourage circular economy and bioeconomy models to reduce environmental pressures and enhance resource efficiency. These offer opportunities for new rural business models, innovation and markets, including through strengthened rural-urban linkages and active community participation.
6. **Decarbonise rural transport and connectivity**: Accelerate the shift to sustainable and innovative mobility solutions while investing in the required physical and digital infrastructure, such as renewable energy generation, green hydrogen capacity and high-speed Internet, to connect rural regions effectively and enable low-carbon development.

Source: OECD (2021[23]), *OECD Rural Agenda for Climate Action*, https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/environmental-transition-in-regions/oecd-rural-agenda-for-climate-action.pdf/_jcr_content/renditions/original./oecd-rural-agenda-for-climate-action.pdf.

Maintaining landscapes is not only about ecology, it also underpins the tourism economy and food sector. Even though Ireland is likely to avoid the worst physical impacts of climate change due to its temperate location, Atlantic influence and absence of major heat/drought-prone regions, it is at risk from sea-level rise, coastal and inland flooding, erosion and water scarcity (EPA, 2025[25]). The policy response still carries major distributional consequences. For example, climate policy has accelerated the end of peat harvesting. Specifically, this policy imposes highly localised and concentrated economic and social costs on communities historically dependent on peat harvesting and associated industries in the Midlands and the West (Kelly, 2022[26]). But the potential for wind energy, especially off Ireland's west coast, presents a transformative opportunity. Efforts to rehabilitate peatlands, led by the DHLGH, align well with EU and national mitigation goals.

The National Adaptation Framework, sectoral adaptation plans and just transition funds are helping to minimise the economic and social impact of ending peat harvesting, manage the socio-economic consequences and seize new opportunities. Nonetheless, the just transition process must go further, ensuring that the regions and workers most affected by these changes benefit from green investments and sustainable economic alternatives. Other countries are also facing this challenge of aligning rural economic transformation with climate and innovation goals. In New Zealand, for example, the Agritech Industry Transformation Plan (ITP) was developed to focus on improving business capability, building skills for growth, enabling a smart innovation ecosystem, realising Māori aspirations and increasing global connectivity (Box 4.5).

Box 4.5. Overcoming barriers of physical distance: The Agritech Industry Transformation Plan

New Zealand recognises that agriculture and horticulture technology (agritech) is critical to accelerating the transition of the food and fibre sector towards higher productivity and lower emissions industries. The country has experienced increased demand in technological solutions to meet the global challenges in food security, emissions reduction, climate change adaptation and labour shortages, and thriving rural communities require a strong and innovative agritech sector. To respond to this demand, New Zealand has developed the Agritech ITP, which envisions a globally recognised agritech sector for the country and creates solutions for a better world.

The ITP sets out the next series of actions for the New Zealand Government and agritech industry to take to achieve this aim. The draft Agritech ITP has six areas of focus which are centred around improving business capability, building skills for growth, enabling a smart ecosystem, realising Māori aspirations and increasing global connectivity. In addition to the six focus areas, a business case for a horticulture technology catalyst is being developed as a key initiative within the ITP. The catalyst aims to develop New Zealand's horticulture technology sector to a high-growth, innovative industry cluster by increasing the sector's international connections, growing industry talent and increasing collaboration and relationships across the horticulture sector. This includes rural persons and communities, who may otherwise miss out because of living away from the country's main centres.

A thriving agritech sector will see greater productivity thus leading to higher wages, more jobs and lower emissions and have broader economic spill-over benefits. For example, the Technology Investment Network Agritech Insights Report 2022 indicated an average wage of around NZD 94 000 (New Zealand dollars) for the sector's 22 largest firms, which is significantly higher than New Zealand's average wage. The New Zealand Government's role in the Agritech ITP is supported by NZD 5 million in contingency funding in the 2022 budget, on top of the initial NZD 11.4 million allocated in the 2020 budget.

Source: OECD (2023[27]), "OECD Principles on Rural Policy Dialogue Series: New Zealand", OECD, Paris.

Activate foresight tools to help build resilient, long-term rural strategies

Ireland's experience with ORF illustrates the growing need for rural strategies that are resilient to shocks. Launched during the COVID-19 crisis, it was developed in response to the social and economic shifts caused by the pandemic, with the goal of leveraging emerging opportunities, especially remote working and community revitalisation. The National Broadband Plan, which underpins the digital component of rural development, enabled initiatives such as the growth of connected hubs and the integration of remote working infrastructure into local development plans.

The OECD encourages governments to embed foresight into strategic planning, but its real power lies in how it is used. When foresight activities engage the communities that will live with the outcomes of policy decisions, they become tools not just for prediction, but for democratic co-design and experimentation. This is particularly valuable in rural contexts, where lived experience can inform more grounded, locally responsive policy design. Used in this way, foresight enables communities to explore long-term scenarios, consider trade-offs and articulate the kind of future they want to build. Policymakers, in turn, benefit from hearing first-hand what people need and value, while citizens gain insight into constraints and the implications of different decisions. This mutual exchange can strengthen trust, improve policy relevance and create a stronger sense of shared ownership.

But foresight alone is not enough. Ireland also needs a long-term institutional framework to give rural strategies continuity and adaptive capacity. To date, four major rural strategies have been introduced in just ten years, Commission for the Economic Development of Rural Areas (CEDRA, 2014), the *Charter for Rural Ireland* (2016), *Realising Our Rural Potential - Action Plan for Rural Development* (2017) and ORF in 2021. Some see this as incoherence and, indeed, the discussions with stakeholders revealed a perception of rural policy as one that is unstable or under-prioritised. Another way to view it is as a progressive evolution in rural policy rather than a series of disconnected strategies. CEDRA, for instance, set out diagnostic findings on the state of rural economies; the rural charter highlighted government commitments; *Realising Our Rural Potential* responded directly to CEDRA's recommendations and bridged gaps in co-ordination; and ORF built on this trajectory by introducing a whole-of-government framework under the newly established DRCDG.

Today, however, the DRCDG is firmly established as the home of rural development. This creates a window of opportunity to introduce a stable, longer-term framework, such as a Rural 2040 strategy that is both anticipatory and responsive. Austria offers one such example: every ten years, it publishes a forward-looking rural strategy built on integrated policymaking and spatial analysis (OECD, 2023[7]). Longer horizons enable government to move from plugging holes to shaping futures. They also support flexible strategies with built-in guardrails to absorb shocks and adapt to emerging global dynamics.

Key takeaways: Policy objectives

Ireland's strong national performance conceals persistent spatial inequalities. Rural areas, though integral to the country's economy, culture and identity, continue to face higher poverty risks, limited economic diversification and uneven access to key services. The OECD Principles on Rural Policy (Principles 4, 5, 6 and 8) provide a roadmap for addressing these gaps by linking well-being, enabling environments, entrepreneurship and environmental sustainability as mutually reinforcing objectives. These principles emphasise that improving rural quality of life requires going beyond income growth to confront structural imbalances in opportunity, resilience and governance.

Key takeaways

- **Ireland's aggregate success masks rural disparities**: Despite near-full employment and strong health outcomes, rural areas face higher poverty risks and uneven access to opportunities.
- **Adopt a broader perspective on how to grow the economy**: The current reliance on FDI, export manufacturing, tourism and agri-exports leaves rural economies vulnerable to external shocks. Diversification and local embeddedness are essential for resilience, as seen in Poland's example of intersectoral rural development.
- **Create an enabling environmental in rural areas**: Helping the people and communities in rural regions identify and invest in their unique competitive advantages fosters well-being. Both digital connectivity and tourism contribute to rural success and should be supported by policy measures that address both direct factors (e.g., tourism offerings, digital infrastructure) and indirect factors (e.g., transport connectivity, accommodation capacity, local services.
- **Employment creation must reflect rural realities**: Existing strategies to increase rural jobs should consider rural labour-market conditions, infrastructure and sectoral geography to assess whether they are on track to reach employment creation targets. Sectoral distribution, spatial variation and labour-market mismatches require tailored strategies.
- **Rural entrepreneurship support remains uneven**: LEOs focus on export-oriented firms, leaving micro and local-market enterprises underserved; scaling second-stage support is key.
- **Understand the needs of SMEs:** SMEs face barriers in accessing financing (especially second-stage capital) and addressing productivity gaps. Reconciling national policy with the lived

experiences of small-scale entrepreneurs requires accounting for SME heterogeneity and local-market realities

- **Social Enterprise Potential**: Leverage social enterprises as workforce development bridges: Social enterprises can provide skills training in real work environments, helping workers transition into standard employment. Greater integration of social enterprises into the entrepreneurship ecosystem warrants further exploration.
- **Adopt sustainable management of natural capital and climate adaptation strategies**: While existing green transition strategies seek to include rural people and places, they could benefit from more targeted measures to ensure that those most affected benefit from investments and sustainable alternatives.
- **Activate foresight tools to help build resilient, long-term rural strategies**: Move beyond reactive policymaking, toward anticipatory, resilient and integrated approaches (Rural 2040). The potential to introduce longer-term frameworks for rural strategies that are both anticipatory and responsive could create a climate of greater stability for rural policy.

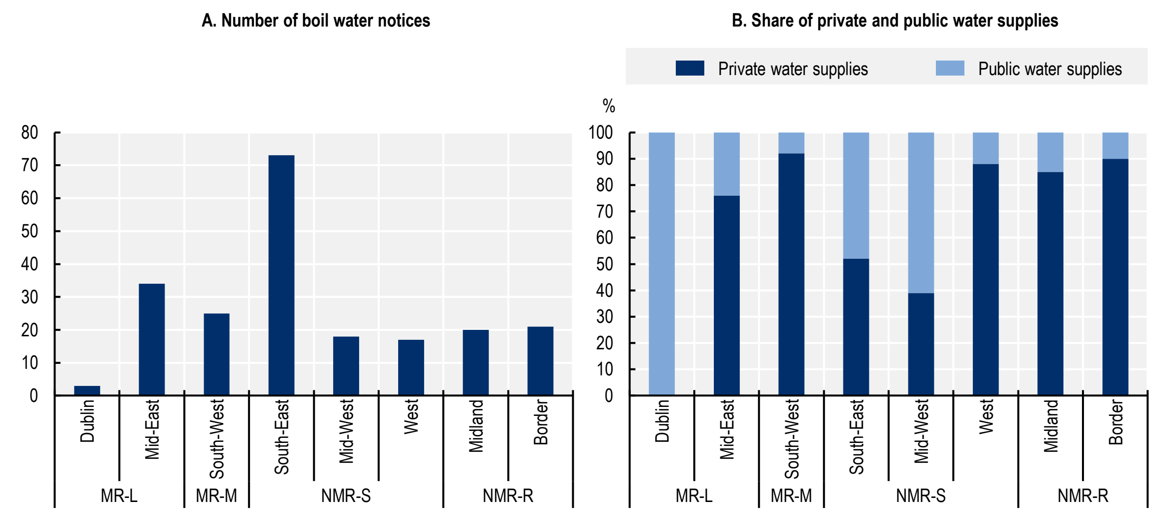
Policy targets: Getting "rural" right – Definitions, functions and delivery

Principles 1, 2, 3 and 7 encourage governments to make the differentiated areas within rural regions the focus of rural development policy. ORF puts people first and focuses on economic, social and environmental aspects, as reflected in the strategy and policy measures. The breadth of activity being realised through the 170 or more policy measures is impressive. However, many of these interventions remain insufficiently grounded in a spatial logic and lack the granularity needed to reflect the diversity of rural Ireland. They respond to national objectives but often fail to articulate clearly how they align with the distinctive economic geographies of rural areas.

National policies designed to support economic resilience, service delivery and well-being can and will have markedly different regional and local impacts (Vermeulen, 2022[28]). Irish data already reveal such variations. The "boil water" notices issued by Irish Water, an indicator of basic service quality, are disproportionately higher in rural regions, and even within the NMR-S and NMR categories (Figure 4.11). Lack of spatial differentiation has concrete policy consequences such as missed opportunities and unbalanced strategies, particularly around something as urgent as climate transitions. This was evident in the discussion on policy objectives.

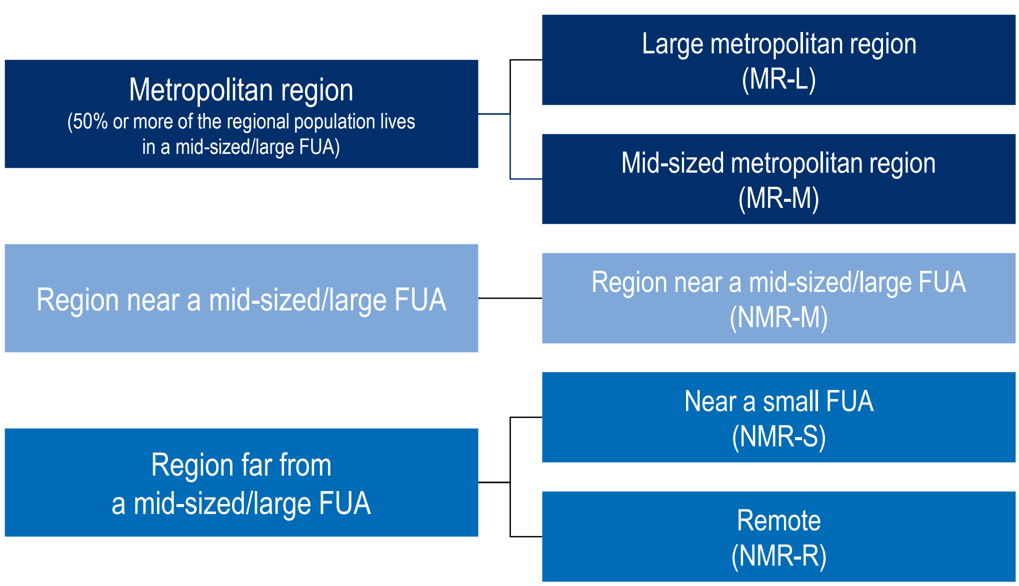
It is important that policy focus shifts towards a more spatially differentiated approach, one that is connected to the functional and economic realities of place. While ORF and other national strategies recognise that rural places are not homogeneous, this recognition is not consistently reflected in the data definitions or policy calibrations. In practice, there is limited evidence that measures are systematically differentiated to reflect the specific conditions of different rural contexts This need for greater spatial differentiation is not new, it was also recognised in the CEDRA report (2014), which highlighted the inherent limitations of advancing "national objectives" without a clear spatial logic, that is, specific indications of how policy would align with the distinctive economic geographies of rural Ireland, whether rural areas adjacent to urban centres, mid-sized rural areas or more remote communities (CEDRA, 2014[29]). The OECD regional and rural work also takes a differentiated approach with indicators by typology.

Figure 4.11. Boil water notices



Source: Regional Monitor

Figure 4.12. OECD territorial typologies



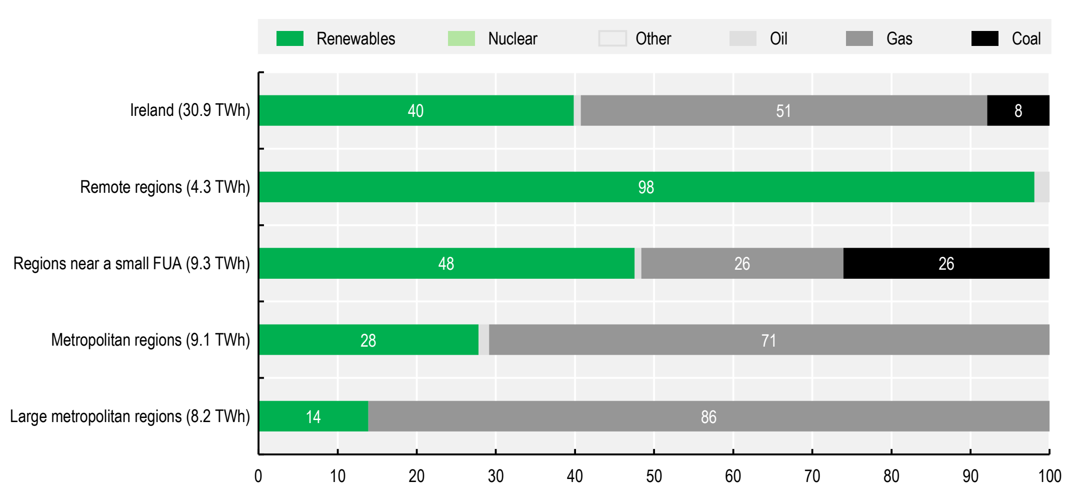
Rural areas are at the forefront of Ireland's renewable energy transition (Figure 4.13) but the full potential of this leadership may not be fully realised sis not being fully realised. Most of the country's renewable capacity, nearly 6 gigawatts (GW), primarily onshore wind and solar photovoltaics, is located in rural regions, underscoring their pivotal role in achieving national decarbonisation targets. Within this, performance varies significantly across rural types: remote rural regions often outperform mid-sized or peri-urban areas (Figure 4.13), reflecting differences in land availability, natural assets and levels of community participation in energy initiatives. However, national frameworks have not yet fully incorporated this spatial diversity into policy design. Without a clearer differentiation between rural types, Ireland risks missing opportunities to tailor measures to place-specific conditions and thereby optimise rural contributions to renewable energy growth.

The challenge then is to ensure that national and regional planning frameworks fully enable the scaling and integration of this rural potential. The National Planning Framework (NPF) and Regional Spatial and Economic Strategies (RSES) provide the statutory basis for onshore renewable development, linking climate objectives with compact growth and balanced regional goals. While the NPF's intent is to support sustainable development and curb urban sprawl, greater attention is needed to ensure that planning processes, grid investment and benefit-sharing mechanisms keep pace with rural generation capacity. A more spatially responsive approach, one that recognises the distinctive strengths and constraints of different rural contexts, would enable policy to unlock untapped potential and spread the gains of renewable growth across regions. Much of this process has been devolved to the regional assemblies that can identify more specific opportunities that are consistent with local conditions. Local authorities (LA) then develop the elements applicable to their jurisdiction. Conceptually, the approach should lead to an integrated power generation and distribution system. However, achieving this requires a sophisticated co-ordination mechanism to manage the sequencing of construction and interconnections has to be put in place.

The OECD believes that tailoring rural actions to tap into each rural area's unique assets will improve not just the response to global megatrends, such as digitalisation, climate change, trade, demographic shifts and urbanisation, but also benefit rural regions overall. When countries lack such territorial clarity, whether through incomplete or vague rural definitions that vary across policy areas and data sources, the effectiveness of their rural policy implementation is weakened (OECD, 2020[1]; OECD, 2018[5]). Other OECD countries have begun to develop such spatially adaptive approaches. In Korea, the government is exploring different ways to foster more effective rural development. These include identifying strategies that foster rural-urban linkages, ensuring mutually beneficial relationships; ensuring local government independence from the central government, including the preparation of independent economic-self-reliance structures; and, ensuring a flexible spatial definition to facilitate collaboration across administrative boundaries (OECD, 2022[30]).

Figure 4.13. Rural remote regions in Ireland lead in renewable energy production

Share of electricity production by source in 2019



Note: Renewables include geothermal, hydro, solar and wind energy sources.
Source: Based on the OECD Regional Database.

Towards a differentiated rural economy

Achieving spatially differentiated rural policy in Ireland faces several hurdles. National frameworks often lack the granularity needed to reflect local economic realities, creating tensions between broad policy objectives and place-specific needs. For example, in rural areas like Shannon Foynes Port, concerns were raised that climate targets are discouraging investment in roads and infrastructure, undermining housing development and job creation. During the OECD field visit to Limerick at the meeting at the Kantoher Enterprise Centre, stakeholders shared that efforts to establish an enterprise/innovation centre were discouraged on the grounds that the area was "too rural", with advice to relocate closer to urban hubs like Limerick. Such examples also reveal systemic tensions between climate ambitions and regional development goals.

The challenge is not unique to Ireland. Regions within OECD countries tend to be affected differently by economic cycles, due to differences in pre-existing conditions, including industrial and labour composition, geographic and economic linkages within the country and demographic factors, which contributes to unbalanced growth (Vermeulen, 2022[28]). Without spatial differentiation, national policies risk exacerbating these disparities rather than addressing them.

Steps toward differentiation are visible but inconsistent

Specific efforts to introduce a degree of differentiation are visible. In one policy measure, the DRCDG intends to deliver a range of strategic investment programmes over the lifetime of ORF policy that meet the needs of differentiated rural areas, through the EUR 1 billion Rural Regeneration and Development Fund, and an enhanced Town and Village Renewal Scheme. The DRCDG also provides dedicated funding streams for island communities. This measure recognises the structural challenges faced by offshore populations, including higher service delivery costs, accessibility barriers and demographic pressures, and ensures that geographic remoteness does not equate to policy neglect, a core aim of Principle 1.

At the same time, many policy measures are often framed at the national or regional level without embedding rural typologies or using spatial metrics to guide implementation. Several measures, particularly those led by DETE, continue to use broad references to "regions" without incorporating rural differentiation. For example, one action commits to aligning with the enterprise-related ambitions of the *White Paper on Enterprise 2022-2030* to support balanced regional and rural economic development. Yet the measure does not set out a rural-specific implementation strategy.

In discussions with stakeholders, a common assumption is that the LEOs, because they operate closer to the ground, can apply this differentiation during implementation. However, OECD analysis shows that policies are more effective when differentiation is built into their design from the outset, especially when typologies are used to structure diagnosis, targeting and delivery. Similar observations apply to job creation and enterprise growth strategies also led by DETE and the LEOs. Regional authority Údarás na Gaeltachta addresses similar economic development goals but with a specific mandate for Gaeltacht areas. These measures represent meaningful steps forward, but, without rural typologies embedded in their design, their transformative potential may be constrained.

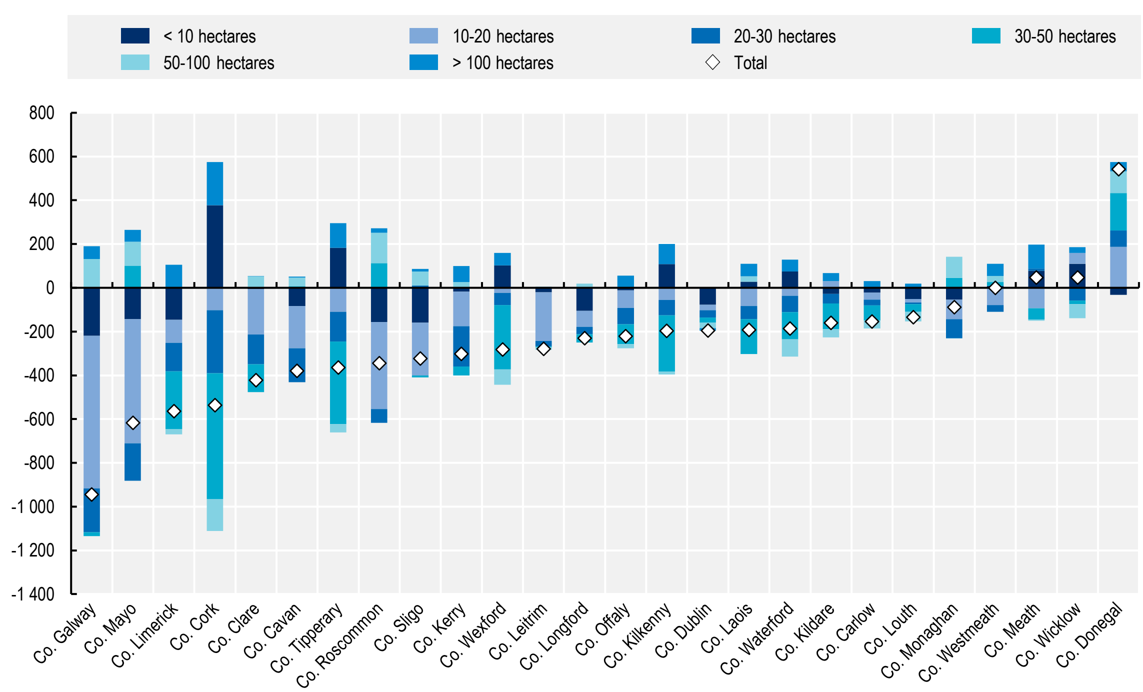
The Irish view of rurality or the "rural idyll" also works against differentiation

Ireland has a long-standing cultural narrative that views rural areas as homogenous and universally valuable (Edel Kelly, 2021[31]). This "rural idyll" is often associated with ideas of community, tradition and continuity and can act as a normative frame that shapes both public perception and political discourse. This attachment to a singular rural identity tends to resist efforts to differentiate between types of rural place. And, by extension, it can act as a barrier to spatially differentiated investments or interventions, even when the evidence clearly points to varying levels of vulnerability, opportunity or potential across rural Ireland. This is not to say that "rural idyll" is not important; on the contrary, it is. A vision of "rural Ireland" is the context in which most Irish people and much of the rest of the world characterise the country, even though most Irish people now live in cities and most economic activity takes place in cities (Edel Kelly, 2021[31]).

However, the specific way that "rural" is understood both by government and the larger population determines the types of policies that are developed that support and constrain rural areas.

- **It can be the attraction**: The essence of the "rural idyll" is a vision of rural being a verdant landscape populated by small farms and villages where people live in harmony with nature and each other (Bell, 2006[32]). An important aspect of the idyll is that it is often most embraced by urban residents who may pass through rural areas, but do not spend much time in them. In a sense, they are like tourists, but who value visual amenities in their own country. It remains a major driver of international tourism and is the way most of the global Irish diaspora choose to imagine the country.
- **It can be misleading**: The Irish idyll imagines an agricultural sector based on family small holdings where farm income provides the household with adequate revenue. In reality, a relatively small number of large farms account for the majority of agricultural output in Ireland and other OECD countries. Although the proportion in Ireland would be larger than in other OECD countries. Small family farms in Ireland, as in other OECD countries, need a significant amount of off-farm earnings if they are to have an acceptable level of income. Figure 4.14 shows that the total number of farms in every county decreased except for Donegal, Meath and Wicklow (staying constant for Westmeath). In counties where farm numbers fell the most, the largest source of decline was concentrated among the three smallest-size-class farms, where off-farm income is vital for an acceptable level of family income.

Figure 4.14. Farm sizes in Ireland, change between 2000 and 2020



Source: CSO; OECD (2024[12]), *Ireland*, OECD Background Report, OECD, Paris.

- **It can be limiting**: The idyll also sees farming as not only the quintessential rural economic activity, but largely excludes any other land use in the countryside. It sees rural village and towns as compact service centres for the surrounding farm population, traditional “market towns” that have no internal economic dynamics. For example, rural manufacturing establishments do not fit within the idyll, although in OECD countries about 40% of all manufacturing occurs in rural regions (OECD, 2023[33]).

Compared to other OECD countries, Ireland continues to have a relatively large rural share of its population and there are still many small farms, with small land holdings being the predominant form of rural land tenure. In addition, people living in urban areas remain linked to rural Ireland. Aspirations of having a seasonal rural home are common and levels of return migration are significant (Cawley, 2020[34]). Clearly international tourism remains driven by some version of the Irish rural idyll and it accounts for a significant share of economic activity in some parts of rural Ireland.

On the other hand, long-standing rates of out-migration by young people from many rural areas are perhaps one of the most persistent challenges to the rural idyll, even as Ireland records net in-migration nationally. While limited economic opportunity remains a primary driver of youth out-migration, dissatisfaction with rural social and cultural amenities and services is also reported in the literature. This undermines the idyll’s idealised harmonious social fabric. Moreover, the presence of water pollution in streams and rivers across Ireland contradicts the sense of harmony with nature. For example, for surface waters overall, just over half are in good or better ecological condition (54%), while 46% are unsatisfactory (national assessment for 2016-2021) (EPA, 2025[35]). For rivers and lakes specifically, nitrate remains too high at about 42% of monitored river sites, and phosphate is too high at 27% of river sites and in 35% of lakes, key drivers of eutrophication (EPA, 2023[36]). River nitrogen concentrations declined overall in 2024 versus 2023, but remain too high in the South-East; phosphate showed no significant national improvement (EPA, 2025[37]). There are also positive signals on the coast, with reports of declining nitrate at some inflows and fewer raw sewage discharges in recent years (O’Sullivan, 2025[38]).

While some small farms now earn significant amounts of off-farm income and can remain viable, others do not. In part, this reflects a lack of nearby employment opportunities that are compatible with the farm enterprise. However, it also reflects the increasingly older age distribution of farm operators who are less interested in off-farm employment. Whether these farms will transition to new operators or be consolidated into other enterprises is an open question for the coming decade. Climate change adaptation and mitigation are also likely to alter the countryside in ways that may be inconsistent with the idyll. Afforestation/reforestation for carbon sequestration can either enhance or diminish visual amenities, depending on design, species choice and siting. Separately, measures to reduce cattle-related emissions are likely to place pressure on the dairy sector, with smaller or less efficient farms most exposed unless supported to adapt.

There is clear scope to move beyond an idyllic view of rural Ireland (Box 4.6), especially as demographic change, multinational investment and improved connectivity are reshaping opportunities and perspectives on rurality. For example, rural Ireland is now home to a growing share of foreign-born residents who bring new skills and networks. Similarly, the presence of multinational manufacturing firms in rural communities has created jobs, supply chain linkages and opportunities to build local capabilities, broadening perspectives on what is achievable. Improvements in infrastructure, including upgraded roads and rapidly expanding high-speed broadband coverage have increased connectivity both within rural Ireland and with the wider world. Experience across OECD countries shows that, while farming remains the dominant land use, diversification of the rural economy into modern manufacturing, higher-value services, a broader year-round tourism offer and stronger functional ties with nearby urban centres has improved incomes and bolstered resilience. Ireland can draw on these lessons to frame a realistic, forward-looking vision of rural.

Box 4.6. Moving away from an idyllic view of rural places

The European Union's long-term vision for rural areas and OECD work on rural development both represent explicit moves away from traditional, idyllic portrayals. These frameworks promote differentiated, place-based approaches, acknowledging diversity in opportunities, challenges and community realities across rural Europe. Similarly, there are a few countries that have moved away from an idyllic or homogeneous view of rural areas in both their academic narratives and policy approaches.

- **United Kingdom**: The United Kingdom has seen a clear policy and academic shift from viewing the countryside as "idyllic" or as a static rural paradise. Contemporary British rural policy now acknowledges the economic, social and demographic diversity within rural regions, highlighting issues such as rural poverty, service decline, housing pressures and the impacts of migration and urbanisation. British rural studies also critique the idyllic view and place emphasis on heterogeneity, calling for "re-imagining the rural" beyond nostalgia.
- **New Zealand**: Research has shown that while newcomers often arrive with expectations of an idealised countryside, practical realities of employment, services and social diversity challenge these preconceived notions. Overtime policy discourse has become more problem-focused: Government guidance on rural proofing, the Rural Health Strategy (2023) and the National Adaptation Plan (2022), explicitly address rural service access, health and environmental risks, marking a shift from romanticised framings.
- **Czechia**: Post-communist rural policy in Czechia and other countries in Central and Eastern Europe has moved beyond broad, simplistic notions of rural life. These countries have increasingly recognised uneven development, rural polarisation, the rise of peripheralisation and demographic changes, rather than maintaining the idea of an undifferentiated rural paradise.

Sources: EC (2025[39]), "A vision for rural areas towards 2040", https://rural-vision.europa.eu/rural-vision_en (accessed on 15 August 2025); Martin Šimon, J. (2016[40]), "Rural Idyll Without Rural Sociology? Changing Features, Functions and Research of the Czech Countryside*", https://doi.org/10.1515/eec-2016-0003 (accessed on 15 August 2025); Dirksmeier, P. (2007[41]), "Strife in the rural idyll? The relationship between autochthons and in-migrants in scenic regions of South Bavaria", https://d-nb.info/1346411093/34 (accessed on 28 August 2025); Alam, A. et al. (2023[42]), "Settling in New Zealand's Small Towns: Experiences of Minority Ethnic Immigrants", *Journal of International Migration and Integration*, Vol. 24/S6, pp. 1079-1101, https://doi.org/10.1007/s12134-023-01044-6; New Zealand Government (2022[43]), "Rural proofing: guidance for policymakers", https://www.mpi.govt.nz/resources-and-forms/registers-and-lists/rural-proofing-guidance-for-policymakers? (accessed on 10 August 2025); Perkins, H., M. Mackay and S. Espiner (2015[44]), "Putting pinot alongside merino in Cromwell District, Central Otago, New Zealand: Rural amenity and the making of the global countryside", https://doi.org/10.1016/j.jrurstud.2015.03.010; OECD (2011[45]), *OECD Rural Policy Reviews: England, United Kingdom 2011*, https://doi.org/10.1787/9789264094444-en.

Data collection limitations work against taking a differentiated approach

Another hurdle in taking a more differentiated approach in Ireland is the lack of detailed, disaggregated data on the specific needs of different rural places. For example, the PEX (Probability of Exit) score, which determines the likelihood of an unemployed individual gaining employment, is not broken down by region, gender or age. There are also limited data on local labour markets, yet labour-market policies are developed without this granularity. While the revised NPF (National Policy Objectives 70-55) introduces spatial objectives for climate adaptation and resilience, stakeholders' discussions noted that underlying climate targets and monitoring frameworks remain primarily sector based, with limited visibility of the differentiated impacts on rural areas (Government of Ireland, 2025[46]). Similarly, there are insufficient data on the operation and impact of digital hubs. While planning authorities collect data and prepare statutory plans under the Planning and Development Act (2000) and the 2005 Rural Planning Guidelines, stakeholders noted that housing data are typically aggregated at the LA level. This limits the ability to distinguish housing needs and supply dynamics between rural and urban areas within the same jurisdiction. So, housing need is understood at the LA level rather than differentiated by rural or urban contexts.

One potential solution is to provide a biennial publication of regional statistics, covering key areas such as employment, demography, housing, transport and health. This would provide an evidence base to inform policies that better account for geography and scale. A greater understanding of the differences between rural areas and across regions is needed. One option is for the Irish government to follow the example of the *State of the Nordic Regions* reports, published by Nordregio and now in its 20th edition. This independent publication provides a technical definition of rural and presents up-to-date trends and developments in demography, the labour market and the economy, broken down by region, municipality and city. It offers a panoramic view of regional development in the Nordic countries, supported by statistical data, maps and analysis.

Functional and territorial approaches to scale

One aspect is tailoring policy actions to suit the different rural regions, the logic of Principle 1. The other is about organising delivery in a way that considers the scale and real-world local conditions. This is the rationale behind Principle 2. It challenges governments to move beyond rigid administrative boundaries and instead design interventions based on functional rural areas, those spaces defined by commuting patterns, service usage, economic ties and social infrastructure. Put simply, by understanding how people interact with places, governments can better design and deliver services that reflect those lived geographies. This is especially relevant in rural areas, where persistent gaps in access to public transport, healthcare and other core services remain a central policy concern. In Latvia, the emphasis is on supporting FUAs as a common strategy to create a polycentric development pattern where the benefit would flow to rural areas (OECD, 2023[47]).

Some sense of scale but more can be done

While there are few rural development measures in ORF that explicitly reference functional geographies or spatial governance arrangements, several actions align with the intent of Principle 2. These measures do not organise rural policy at the right geographic scale per se, but they enable it by investing in the tools, knowledge systems and co-ordination mechanisms that support place-based delivery. For example, the DRCDG’s commitment to develop a single online information portal that maps available funding programmes across government is a small but significant step toward creating more transparent and navigable governance systems. It improves the ability of actors at different levels to engage with state resources and could support better co-ordination between local, regional and national actors.

Research led by the Department of Children, Disability and Equality on the experiences and outcomes of children and young people in rural Ireland, while not presented as a spatial governance tool, can generate granular, context-specific insights into the needs of rural communities and inform policy action at the most appropriate scale. In a similar vein, the DRCDG’s support for communities to develop long-term, place-based development plans is perhaps the clearest example of Principle 2 in action. These plans are explicitly intended to align with regional spatial strategies, local development frameworks and national objectives, helping ensure that rural development is integrated across scales rather than fragmented by them. These initiatives, while often indirect, represent meaningful groundwork toward more spatially co-ordinated rural governance. They suggest a growing institutional understanding that rural development is not just about programmes, but also about ensuring the scale and co-ordination of delivery match the lived geography of rural life.

Nonetheless, the emphasis on compact growth, while coherent from a national spatial planning perspective, may underplay or even obscure the functional relationships that underpin rural life. The NPF and Project Ireland 2040 strongly emphasise compact growth, focusing development within existing built-up areas to reduce sprawl, improve sustainability and use infrastructure more efficiently (Government of Ireland, 2018[48]). This approach is national in scope, not city-only: National Policy Objectives 3a-3c set explicit housing-location targets, at least 50% of new homes within the existing footprints of the five cities and at least 30% within the footprints of other settlements, and these targets are retained in the revised NPF (2025). Consultation documents from 2023-2024 also indicate continued political and planning support for compact growth to meet Climate Action Plan and United Nations Sustainable Development Goal obligations (Government of Ireland, 2018[48]).

However, functional rural life is shaped not only by density or proximity to cities, but by networks of interdependence, seasonal rhythms, social capital and multi-directional mobility that can be under-represented in a national spatial logic. While the DHLGH has worked to encompass rural concerns in recent NPF revisions, it is not clear that the process captures the variety of opportunities and constraints that influence rural areas. Irish scholarship underscores this point: Meredith (2020[49]) argues that rural territories are functionally diverse and should not be planned through urban-centric lenses. The National Economic and Social Council (NESC Council, 2025[50]) cautions that compact growth can unintentionally intensify rural exclusion if not sensitive to local dynamics; Moore-Cherry and Tomaney (2018[51]) highlight how centralised planning can limit the capacity of smaller towns, rural regions and peri-urban areas to shape their futures; and O'Shaughnessy et al. (2021[52]) note that rural voices have been under-represented in NPF processes. Taken together, these insights suggest the need to couple compact growth with a more consistently functional, place-based approach for dispersed rural systems.

Functional data and governance gaps

The ability to fully embrace a functional approach is constrained, both by the limited use of territorial data and by the persistence of administrative silos that fail to reflect the spatial realities of rural communities. While Chapter 9 of the revised NPF strengthens spatial co-ordination in climate and energy planning (National Policy Objectives 70-75), Ireland still lacks equivalent functional data and governance mechanisms for understanding how people live, work and access services across rural territories. This data-and-governance gap limits place-based planning, for example data on commuting flows, service catchments, labour markets, SME ecosystems, digital-hub use or local housing need, all of which are often aggregated only to the county or LA level. The absence of fine-grained indicators makes it difficult to design policies that fit the realities of different types of rural places, whether adjacent, mid-sized or remote.

Hierarchies versus functional catchments

At the same time, there is a reluctance of the spatial planning system at all levels of government to accept that the boundaries of a town or village are not a useful way to define the extent of its economy. The settlement hierarchy set out in the RSES, and local development plans acknowledges the different roles and interdependencies of cities, key towns, smaller towns and villages. However, a hierarchy does not equate to functional catchments. Daily working, shopping and service patterns often extend across multiple municipal districts and even county boundaries. Evidence from the Eastern and Midland Regional Assembly, the Central Statistics Office (CSO, 2022 Census) and the WDC's labour-catchment studies shows that a large share of residents work outside their home settlement, and in many counties, fewer than half of resident workers are employed within the county itself (Government of Ireland, 2022[53]; WDC, 2018[54]). Despite this, implementation mechanisms and funding eligibility criteria still default to administrative boundaries rather than travel-to-work or service catchments, particularly for smaller settlements.

Small settlements do have untapped capacity and are recognised as multi-functional nodes in national policy. However everyday rural life still operates across multiple settlements, and this requires functional planning and targeted infrastructure (transport, digital, housing). Inter-settlement interactions are normal, and leveraging them can support innovation and service delivery. Individual places cannot match all of their residents with local jobs, especially in two worker households. Nor can the population of a small place support a variety of retail establishments; and if people have to commute it may be to multiple surrounding communities, not just to the nearest city. In the absence of a public transport system that connects smaller places in the same way an urban system interconnects neighbourhoods, there is no viable alternative to individual cars.

Inter-settlement interactions and innovation potential

Even though compact growth applies nationally, its implementation tools and density models remain heavily urban-oriented and ill-suited to dispersed rural systems. Rural areas require different forms of "compactness" (e.g. gentle infill, reuse, adaptive density). And, without the planning system being more responsive to the needs of local businesses, there will be fewer new employment opportunities in the municipal districts of rural Ireland, despite this being the ambition of community plan Putting People First. The introduction of municipal districts under *Putting People First* (2012) laid the foundation for stronger sub-county governance and community-level engagement (DRCDG, 2012[55]). While the document itself is now dated, it remains relevant as the policy root of today's local delivery structures. Subsequent frameworks, including the Local Government Reform Act 2014 (Government of Ireland, 2014[56]), the Town Centre First policy (DHLGH and DRCDG, 2022[57]) and the Revised NPF (2025), build on this foundation by seeking more integrated, place-based delivery across municipal districts and regional assemblies. Together, these reforms illustrate a gradual evolution towards more locally responsive rural governance, even if full alignment across departments and tiers of government remains a work in progress.

What about the rural hinterland?

The current policy focus seems to be primarily on town centres, even in smaller rural places as evident by the Town Centre First policy and the NPF. But who is working on the rural hinterlands? The Italian government provides an example of a different approach. It has a mapping system for remote area strategies whereby various indicators monitor what is happening in each area. Findings from this approach revealed that: the health system is weakening; the education gap was narrowing in literacy; the use of the public transport system was low in remote areas; and the impact of climate change on land use was worsening (OECD, 2023[58]). This experience highlights that critical economic, social and environmental challenges can quietly intensify over time if they are not paid attention.

It is worth recalling that while it is beneficial for all rural communities to have a "main street" or a thriving centre, not everyone wants to live in town centres. There are non-agricultural enterprises that require space and land so being outside a town centre has more appeal. If housing, services and investments are channelled only into town centres, the promise rural hinterlands offer is being overlooked or under explored. These are issues that require a whole-of-government approach, not just a sectoral focus.

Although the revised NPF, Section 28 Ministerial Guidelines for rezoning economic activity, RSES and local development plans recognise rural settlements and hinterlands as living and evolving landscapes, in practice, the policy focus and investment narrative remain focused around town and village centres. Programmes such as Town Centre First, the National Outdoor Recreation Strategy, targeted investment programme Ceantair Laga Árd-Riachtanais (CLÁR) and the Social Inclusion and Community Activation Programme play important roles in supporting communities within and beyond these centres, particularly in addressing isolation, recreation and small-scale investment. However, these initiatives operate largely in parallel rather than as part of a coherent spatial or economic framework for hinterland development. As a result, the emphasis on town centre renewal risks underrepresenting the economic and service potential of the wider hinterland. In principle the municipal districts represent a mechanism that could help better link small urban places to their immediate hinterland. Reframing the hinterland as a multifunctional space, encompassing economic activity, housing, services and community life, would help bridge the gap between policy intention and rural lived realities.

Earlier work such as the CEDRA report (2014) first highlighted the “untapped potential” for “niche investments” in non-metropolitan centres and the need for more targeted action in this area (CEDRA, 2014[29]). Since then, successive Enterprise Ireland and IDA Ireland strategies have progressively strengthened their regional focus. The IDA’s current strategy (2025-2029) commits to 1 000 investments, including 550 in regional locations outside Dublin, signalling a continued effort to broaden the spatial spread of FDI (IDA Ireland, 2025[59]). Nonetheless, evidence from national and OECD monitoring continues to show that investment, particularly large-scale FDI, remains more concentrated around urban cores and university-linked regions.

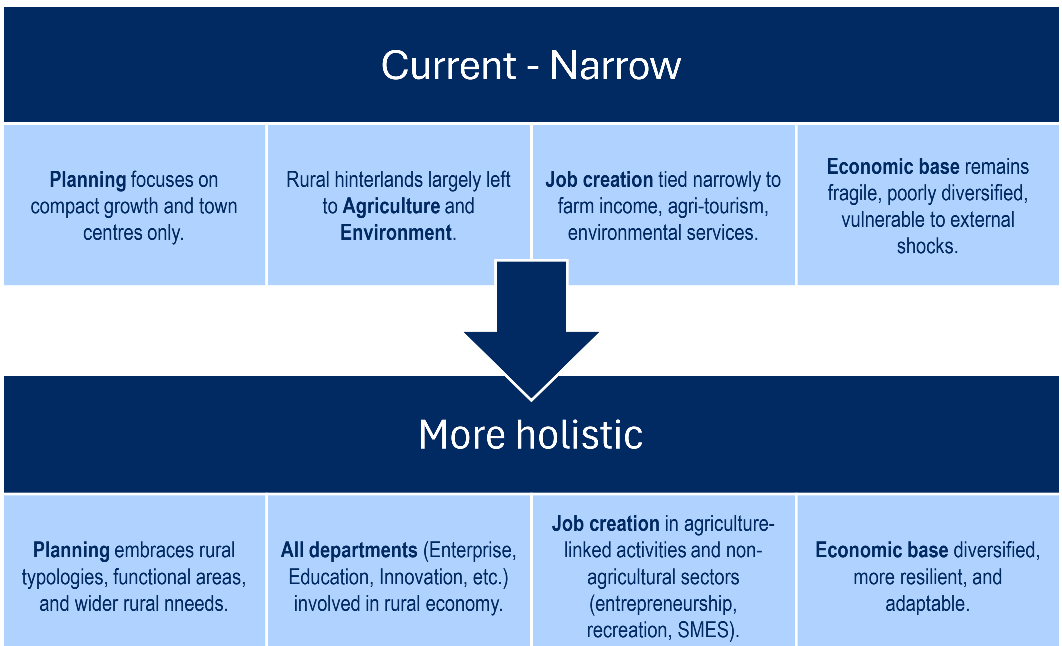
For example, the rural areas in County Limerick are mostly in a rural-adjacent to a city; many rural people in the western half of the county are close to metropolitan Limerick. However, weak transport connections into the county from Limerick city act as a barrier to deeper integration. Metropolitan Limerick also extends into the adjacent county of Clare, and the southwestern part of the county in the Ballyhoura Hills is more attached to similar places in neighbouring counties. The population of the rural areas is mainly located in smaller villages, although there is a significant amount of new larger housing built along major roads. Rural villages have a mix of housing, with a significant part of village centres consisting of older housing and retail, with a significant portion being in poor condition or not occupied. Private and public services in villages are limited in terms of quality and quantity, due to small populations and limited income. Sustained co-ordination between the DRCDG, DETE, Enterprise Ireland and IDA Ireland therefore remains essential to ensure that smaller towns and rural hinterlands can capture a share of enterprise growth and innovation spillover.

What is needed is a genuinely bottom-up local rural economic development strategy, built from the ground up, based on differentiated rural typology, and recognising the diverse assets, needs and potentials across rural spaces (Figure 4.15). This approach builds on earlier calls for place-based, bottom-up strategies to unlock the diverse economic potential of rural communities, an ambition that has since been echoed in ORF and recent Regional Enterprise Plans. Agriculture departments do have a role. In some areas, off-farm diversification opportunities might remain linked to agriculture, such as agritourism, on-farm renewable energy or speciality food production. But there will be times when diversification may be delinked entirely from agriculture, focusing instead on digital services, financial support functions, recreational services or creative industries.

These local rural economic strategies should be grounded in objective evidence about the opportunities within each typology and designed to build regional partnerships around those specific strengths. Importantly, the aim is not to replace the NPF but to ensure stronger two-way alignment, where local rural evidence and innovation can inform national and regional priorities, and where the flexibility already provided within the NPF is fully leveraged in practice. Such feedback loops would help the planning system remain responsive to diverse rural realities while reinforcing coherence between local development efforts and national objectives.

OECD evidence from across member countries shows that multi-level co-ordination, planning based on functional-area- and typology-based strategies produce better alignment between national objectives and local realities. Countries are increasingly turning to high-quality data systems to support rural development planning and help communities prepare for transitions such as climate change, digitalisation and demographic shifts by expanding their knowledge base. These examples show that well-designed data tools can improve rural capacity building, planning accuracy and policy delivery (Box 4.7). Applying this learning in Ireland means grounding local rural economic strategies in objective evidence within each typology and building regional partnerships around those specific strengths, thereby ensuring that local innovation and data actively inform national and regional priorities, co-ordination, and planning based on functional areas.

Figure 4.15. Moving from narrow to more holistic economic strategies



Box 4.7. Strengthening rural planning through data tools: Lessons from Korea and Lithuania

In **Korea**, the government is making the development of micro spatial data systems a priority to support rural policy. These new data systems analyse population trends, service needs and land use in detail at the small-area level using administrative data. National and local stakeholders can access information via mobile dashboards for real-time monitoring and planning. Additionally, Korea integrates data on idle residential and commercial real estate into mid- and long-term rural development strategies, enabling better use of underutilised assets.

Lithuania has invested in a national data governance system that provides open access to a wide range of indicators, covering not only economic dimensions such as income and employment, but also health, education and social well-being. Publicly available interactive dashboards and downloadable data improve transparency and allow for faster, better-informed policy decisions. Policymakers increasingly use it to pinpoint emerging rural needs and craft better interventions, both nationally and locally.

Source: OECD (2022[30]), "OECD Rural Principles on Rural Policy Dialogue Series: South Korea", OECD, Paris.

An appropriate geographic scale exists for local politics and policy formation

Irish legislation has long emphasised the need for devolution and the importance of subsidiarity to ensure that policies and programmes respond to local realities. Electoral divisions (EDs) have historically served as the basic unit of local governance and statistical reporting, though, since 2011, the CSO has also used small areas for data collection and analysis. Ireland's circa 3 440 EDs are aggregated into 95 municipal districts, which in turn form part of 31 LAs. Elected representatives are chosen from each local electoral area, and these councillors collectively form the LA council. Council size varies by population, from 18 to 63 members, reflecting differences in settlement patterns and population density.

The geographic boundaries of most municipal districts broadly correspond to local labour-market areas surrounding towns and villages. In many cases, they reconfigure the footprints of former town councils, with less authority but often more functional boundaries for capturing local economic and social interactions. Each district combines contiguous EDs to achieve roughly similar populations, creating units that are large enough to support service delivery yet small enough to reflect distinct local contexts.

From a policy perspective, this existing geographic hierarchy already provides an appropriate scale for capturing differentiated data and analysing rural realities. The challenge is not the absence of territorial units but the limited integration of the data into national rural policy formation. Leveraging municipal district and small area data could allow Ireland to develop more granular, typology-based insights into employment, service access and quality-of-life outcomes, providing the missing foundation for more functional and place-sensitive rural strategies.

OECD analysis consistently highlights the value of working at the correct territorial scale and of applying functional or cluster-based approaches to capture rural diversity. Comparative evidence, such as in reports *Rural 3.0: A Framework for Rural Development* (OECD, 2018[5]), *Rural Well-being: Geography of Opportunities* (OECD, 2020[1]) and *Reinforcing Rural Resilience* (OECD, 2025[6]), demonstrates that using differentiated and appropriately scaled data is essential for effective place-based policy. Country examples (see Box 4.8) illustrate that differentiated, functional approaches are now a core feature of modern rural policy. Ireland's existing territorial framework, anchored in small areas, electoral divisions and municipal districts, could therefore be mobilised to generate the evidence base required for more nuanced, place-responsive policymaking.

Box 4.8. Differentiated approaches to rural policy: Canada, Finland, France, Japan, Korea and Norway

Canada, Finland, France, Japan, Korea and Norway all utilise functional definitions and typologies, often adapting or building on OECD frameworks, to define what constitutes "rural".

- **Finland**'s Rural Policy Council explicitly uses three rural types (urban-adjacent, intermediate, remote) when tailoring measures for service provision, innovation and population retention. Funding and programmes under the Rural Development Programme consider these typologies. The approach builds on Finland's functional commuting and accessibility data.
- **Norway**'s District Policy applies differentiated regional support zones (A-D) based on population density, labour markets and remoteness. These determine eligibility and intensity of state aid, investment grants and tax incentives, one of the clearest operational examples of typology-based differentiation.
- **Japan** distinguishes between core, interlinked and isolated rural regions in the Comprehensive Strategy for Overcoming Population Decline. Policy instruments vary by category, e.g. subsidies for depopulated areas, and support for innovation in peripheral or mountainous municipalities.

- **Korea**'s Balanced National Development framework differentiates between metropolitan hinterlands, provincial cities and rural counties. Programmes such as the Rural New Vitalisation Programme use these spatial categories to design support packages, functional logic embedded in funding allocation.
- **France** applies "living zones" (*bassins de vie*) and FUAs (*aires d'attraction des villes*) as spatial units for service and transport planning. While not a full typology-based funding model, these functional areas underpin differentiated territorial contracts (*contrats de ruralité*).
- **Canada**'s federal and provincial programmes (e.g. Rural Economic Development Strategy, Atlantic Growth Strategy) increasingly apply accessibility and remoteness indicators to tailor interventions, especially in northern and Indigenous regions. Statistics Canada's accessibility index supports this differentiation The categorisation is designed to capture socio-economic realities more granularly than population density alone, supporting distinct policy needs.

Source: OECD (2014[60]), *OECD Rural Policy Reviews: Chile 2014*, https://doi.org/10.1787/9789264222892-en.

Local authorities/counties align with sense of place

As a small country, Ireland has been cautious about imposing extra layers of bureaucracy between the national government and localities. Currently, while there are four formal levels of government, only the national government and the LAs play a significant role in delivering programmes and services. Co-ordination between the national and LA levels is enhanced by national agencies stationing employees in each LA as liaisons to help facilitate coherence.

People in Ireland, especially rural people, are attached to a specific county, both because of their long-standing stable boundaries, and because their county forms the basis for most cultural and social interaction. Historically, counties provided many of the social and public services that are now provided through national government. Since Ireland has only a small number of larger cities, much of the population live in smaller towns and villages, and there is a strong sense of attachment at this level as well. This dispersed population has to travel to a number of places to work, shop and access services, because in most LAs there is not one large population centre that dominates the surrounding settlements. Frequent interaction across a larger territory makes people familiar with more than just their community and leads to identification with the county as their larger society.

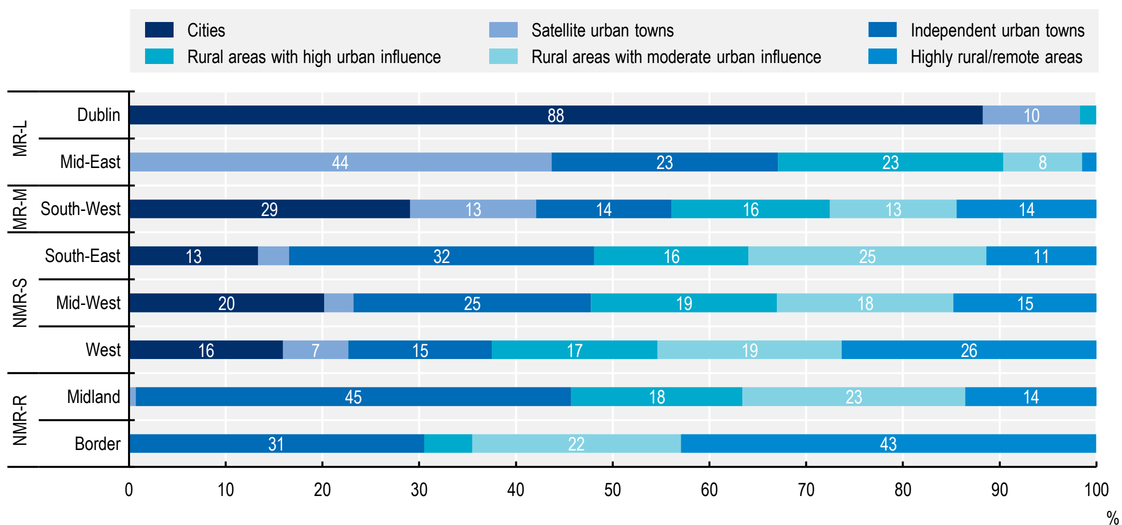
Counties, while not ideal, are workable units in terms of size and population for rural development and there is already capacity to work across boundaries when needed. This tends to happen at county boundaries, where people are geographically closer to a settlement in another county than in their home county. While this can require some element of co-operation across LA boundaries, it is generally not seen as a problem. Similarly, the use of regions allows the possibility to aggregate LAs into bigger units for certain purposes. Regions can play a useful role in planning larger public infrastructure projects such as major roads and in developing tourism marketing strategies and co-ordinating higher and further education facilities.

Data and evidence for rural differentiation: The six-way split is an underleveraged tool

The good news is Ireland does not need to start from scratch in developing tools to better reflect functional rural geographies. The CSO six-way rural-urban classification provides an underutilised yet promising foundation for identifying spatial patterns in how people live, work and access services (Figure 4.16). While not originally designed to delineate labour-market zones or economic catchments, the classification already captures a more nuanced rural-urban continuum that, if tested and integrated more systematically, could support the delineation of local economic zones, an idea first proposed in the 2014 CEDRA report

(CEDRA, 2014[29]). The potential here is twofold: first, as a tool to map current socio-economic flows and service usage patterns at the sub-county level; and second, as a platform for informing targeted investment, planning and inter-agency collaboration within and across functional areas. Figure 4.16 provide a breakdown of the six-way split combined with OECD typology to show the variations in how different categories of rurality are aggregated.

Figure 4.16. Distribution of different types rural in Ireland



Source: Based on CSO data.

Increasing the focus on rural-urban linkages

Proximity to urban centres such as Dublin, Cork and other cities offers clear advantages, commuting, service access and infrastructure spillovers, but these relationships are often framed in one direction, with rural areas serving primarily as residential or labour supply zones for urban cores. There is a broader spectrum of benefits that flow from the rural-urban relationship, particularly in areas like circular economy models, tourism, food systems and local service innovation. Yet such differentiated relationships are rarely made explicit in policy instruments or governance frameworks. Unlocking this potential requires both better evidence, moving beyond commuting data to map tourism flows, waste systems, food chains and more deliberate policy design that allows rural-urban interdependence to be structured, strengthened and scaled for national gain

ORF acknowledges the importance of recognising and supporting rural-urban interdependence as part of Ireland's rural development strategy. In parallel, the evidence base for examining urban-rural dynamics is also expanding. The CSO publishes an increasing number of outputs that apply rural and urban classifications, not only at a basic binary level, but also using more granular population-based typologies (CSO, 2019[61]). The first publication *Urban and Rural Life in Ireland 2019* employed the six-way classification that differentiates both urban and rural areas based on employment location patterns. Despite the commitment to urban-rural interlinkages, there is little evidence of the execution of relevant policies. Discussions revealed poor transport connections between towns and cities only ten miles apart. Housing and employment opportunities in rural areas could alleviate the congestion in Dublin and Galway. There is little visible joined up thinking. Census data on workplaces, commuting activity and working from home demonstrate a complexity of rural affairs and a blending of lived experience and identity. It is argued that until the complicated reality of the Irish lived experience is publicly and politically acknowledged, the continued reliance on the traditional urban-rural binary in politics and lobbying will remain a stumbling block to more effective spatial planning.

Examples from OECD countries further underscore the value of understanding and supporting rural-urban interdependencies. In Colombia, rural areas with stronger linkages to urban centres tend to have lower poverty rates. Recognising this, the country is actively identifying opportunities for economic diversification beyond agriculture and strengthening competitiveness in rural territories. Colombia's National Development Plan explicitly includes the assessment of urban-rural linkages, including the types of relationships to promote and their sectoral impacts (OECD, 2022[30]). Similarly, Türkiye has modernised its understanding of rural-urban interactions by improving the co-ordination role of metropolitan provinces, tasking them not only with managing core urban functions but also supporting the development missions of surrounding rural areas. In France, experimentation with "reciprocity contracts" between large and small cities is helping to formalise two-way partnerships that encourage mutual development benefits, rather than one-directional flows of resources or labour (OECD, 2023[62]).

Research and policy analysis note that, in recent years, Irish strategies have sought to harness urban-rural linkages and the diffusion of innovation and technology, particularly through digital transition and remote working, as key instruments for rebalancing regional development. Indeed, ORF and the National Remote Work Strategy explicitly frame digitalisation as a driver of rural opportunity and spatial equity, supported by broadband rollout, the Connected Hubs network and Smart Village initiatives. Digitalisation is important but it should be coupled with place sensitivity, not framed as a "rural panacea" or a universal remedy for rural problems.

The sensitivity of the place still needs to be considered because, as Salemink et al (2025[63]) note, digitalisation does not always benefit rural regions equally. In fact, uneven capacities, spatial divides and social inequality can mean that technology ends up reinforcing, rather than correcting, existing spatial disparities, both between urban and rural places, and also within them (Arcuri, 2023[64]). If the underlying disparities in infrastructure, skills and institutional support are not addressed, it cannot be expected to transform rural areas uniformly. The next iteration of ORF should then encourage a much more spatially nuanced approach to rural innovation.

Opportunities to further explore rural-urban connections

While ORF does not present a dedicated rural-urban action framework, Ireland's planning architecture, particularly through instruments aligned with the NPF, provides a platform to better explore and operationalise these relationships in practice. At the regional level, the RSES define the development vision for each of Ireland's three regions. As each region encompasses both urban and rural areas, the strategies are inherently cross-territorial in scope. Notably, "placemaking" is identified as a guiding principle, directing strategic investment to generate balanced outcomes for both people and place (SRA, 2025[65]). This integrated vision offers an entry point for strengthening functional linkages between towns, their hinterlands and surrounding rural settlements.

The RSES are underpinned by city and county development plans, prepared by Ireland's 31 LAs. These statutory plans guide land use and development for residential, commercial, industrial, agricultural and recreational purposes, and shape key public investments in transport, infrastructure, amenities and economic development (Local Government Ireland, 2025[66]). Some LAs have also placed particular emphasis on strengthening agricultural and food-system linkages between municipalities, improving market access for local producers and supporting rural-rural collaboration. Each plan is reviewed by the Office of the Planning Regulator to ensure consistency with national and regional policy objectives, and all local planning applications are assessed against their provisions. These development plans provide a key lever to embed rural-urban linkages at the local level, including infrastructure connectivity, service access and land use compatibility.

At the metropolitan scale, Metropolitan Area Strategic Plans (MASPs) were introduced as part of the RSES process for the Dublin, Cork, Limerick-Shannon, Galway and Waterford city regions. These 12-year statutory plans offer a new co-ordination mechanism, led by Ireland's regional assemblies in partnership with LAs, for sequencing infrastructure investment, supporting compact growth and aligning strategic goals across jurisdictions. By establishing shared priorities for housing, transport and employment across metropolitan areas, MASPs offer a useful template for co-ordinated, spatially aware development that could inform broader urban-rural integration efforts (ESPON, 2024[67]).

Taken together, these spatial instruments, while not explicitly framed as rural-urban development tools, offer considerable potential to operationalise the vision articulated in ORF. Ensuring that this potential is realised requires a deliberate effort to embed rural-urban connections more clearly into policy design, spatial strategies and monitoring frameworks, including through strengthened interdepartmental co-operation and rural-sensitive planning capacity at the local and regional levels.

In practice, most countries, including Ireland, still interpret rural-urban linkages primarily through commuting or labour-market patterns. There is significant scope to expand this lens to include environmental, economic and social systems, consistent with the OECD Functional Areas and Rural-Urban Partnership frameworks. Ireland already has the institutional architecture, but it needs the right analytical tools to capture these multidimensional relationships. Box 4.9 illustrates why measuring a wider range of interactions, beyond commuting flows, is essential to understand the full spectrum of rural-urban interdependencies.

Box 4.9. Looking beyond commuting flows to capture more nuances in rural-urban relations

One of the limitations in current rural policy frameworks, both in Ireland and more broadly, is the tendency to view urban-rural relationships through a narrow lens, often focused on commuting flows or labour-market integration. While commuting is a useful proxy for certain types of interaction, it fails to capture the full spectrum of interdependencies that exist between rural and urban territories. These include environmental systems (e.g. water catchments, food systems, biodiversity corridors), economic linkages (e.g. supply chains, service flows, innovation spillovers), and social ties (e.g. migration, education, cultural exchange). Moreover, these relationships are not unidirectional. Rural areas do not simply receive services, labour or knowledge from urban cores, they also contribute critical assets: energy, food, recreation, cultural identity and environmental stewardship. Yet these contributions are rarely measured or recognised in investment planning.

Measuring and institutionalising a wider range of urban-rural linkages, including those that extend beyond commuting, is needed. This would support a more balanced, reciprocal framing of interdependence and provide a stronger basis for designing joint development strategies, targeted funding mechanisms and spatial governance reforms. Such an approach would also help unlock synergies, rather than treating rural and urban policies as parallel tracks. Applying this broader perspective in Ireland would mean systematically mapping flows of goods, services and environmental resources between towns and their surrounding rural areas, beyond simple commuting patterns

Source: OECD (2025[6]), *Reinforcing Rural Resilience*, https://doi.org/10.1787/7cd485e3-en.

National Planning Framework and urban-rural linkages

Ireland's NPF sets the strategic direction for spatial and population growth across the country, with a strong emphasis on compact growth, urban consolidation and infrastructure alignment. Within this system, small towns and villages, typically those under around 1 500 people, are recognised as part of a wider rural settlement network. They serve as local service, residential and community hubs, and are expected to grow modestly based on their infrastructure capacity and local role (Government of Ireland, 2025[46]). Planning policy seeks to reduce rural sprawl by encouraging alternatives, such as serviced sites within these small settlements, rather than dispersed one-off housing in the open countryside.

In contrast, the NPF includes population projections and a typology that differentiates “self-sustaining” towns from “commuter” towns, as stated in the original 2018 document (Paragraph 3.4) and retained in the 2025 revision (see Table 4.3). Small and medium-sized towns (1 500-5 000 people) are treated more variably. The NPF distinguishes between self-sustaining and commuter towns, the former typically having stronger employment bases and local services, the latter often being car-dependent with limited economic activity. For this tier, the policy approach allows for more tailored planning, with LAs encouraged to adjust housing density and development strategies based on each town’s function, location and infrastructure.

On the one hand, the NPF aligns with the objectives of Principle 3 of the OECD Principles on Rural Policy by encouraging housing alternatives within rural towns and villages. This approach can help reduce unsustainable rural sprawl by concentrating services and population in defined rural centres. It may also strengthen rural-urban ties, particularly where people live in rural towns but commute to or trade with each other, as well as with nearby urban cores. Recognising the different roles of small towns, including their function as commuter settlements, reflects an understanding of the functional linkages between rural and urban areas. Tailored growth strategies further support this by helping to prevent rural areas from becoming either hollowed out or overdeveloped, contributing to a more balanced territorial system.

Nonetheless, there could be tensions where proportional growth limits, if not matched with complementary investment in connectivity, employment and digital infrastructure, may undermine the small towns’ potential to serve as effective rural anchors. Towns designated primarily as commuter settlements could face constraints on growth without corresponding measures to strengthen local employment and services. This risks reinforcing an urban bias rather than fostering productive interdependence, which runs counter to the spirit of integrated territorial development. This could also limit the potential for groups of rural towns to find collective ways to manage their development potential.

Table 4.3. Comparing planning approach to small towns in Ireland

Policy area	Rural towns and villages (<1 500)	Small and medium towns (1 500-5 000)
Role in the settlement	Local service hubs for surrounding rural hinterlands	More diverse roles: some self-sustaining, others commuter-based
Expected growth	Limited and modest, not designated for significant population growth	Planned growth encouraged, but linked to local economic drivers
Growth conditions	Based on available infrastructure and existing service function	Based on type of town: economic base, services and infrastructure
Housing strategy	Provide alternatives to one-off rural housing through serviced sites	Provide alternatives to one-off housing, with greater housing choice
Transport and accessibility	Implicit focus on local connectivity	Recognise issues of car dependency, especially in commuter towns
Planning flexibility (density)	Density targets now apply, but limited plan-led flexibility exists with strong justification	Flexible density standards encouraged to suit local conditions
Economic orientation	Serves nearby rural economy	Encouraged to grow if they have or can develop a local economic base

Looking ahead, the forthcoming Planning and Development Act 2024, enacted in October 2024, will introduces a more integrated strategic and long-term orientation to local planning (DHLGH, 2025[68]). Given the scale of the act, it is being commenced on a phased basis to facilitate the transition from the arrangements under the Planning and Development Act 2000 to those under the new act, including the preparation of regulations. Development Plans will extend from six to ten years, with a mandatory five-year review, supporting more coherent and long-term planning at the local level. Local Area Plans will be replaced by more flexible, needs-based planning tools designed to strengthen alignment between local and county priorities.

These changes aim to enhance co-ordination, certainty and evidence-based decision making, particularly to accommodate population growth, climate adaptation and infrastructure investment. At the same time, ensuring that local innovation and place-sensitive planning remain integral will be critical for implementation. While the 2024 act provides a clearer and more balanced planning hierarchy, its success will depend on how effectively LAs can use the new instruments to empower rural towns, villages and their surrounding areas as part of an integrated rural-urban system.

Aligning service delivery

Principle 7 represents the operational core of the policy focus: once differentiation and functional logic are established, the challenge becomes one of delivery, aligning objectives, instruments and institutional capacities to meet local realities. Viewing rural areas through a differentiated lens and understanding their functional scale of interaction and rural-urban dynamics enable more coherent and efficient service provision. The key task is to identify the strategic services most essential for rural vitality, health, education, transport, energy and economic development and ensure that the mechanisms used to deliver them are fit for purpose. Groups of smaller towns should also be empowered to co-ordinate shared services where collaboration is more cost-effective.

Principle 7, therefore, calls for alignment between sectoral strategies and the specific needs of rural populations. It is not enough to deliver the same services everywhere: policy must be assessed for its differentiated impact and adapted to ensure equitable access and effective outcomes. Many of the clearest Irish examples are emerging in transport, education and health, where service models are being redesigned to suit rural contexts.

In education, the Department of Education and Youth has committed to reviewing the School Transport Scheme, with specific attention to how it operates in rural areas. In transport, the Smart Demand-Responsive Transport pilot, part of the Rural Mobility Plan, tests flexible, locally tailored services that use digital tools to match demand and routes. This model demonstrates how innovation and data can enable high-quality services in low-density areas without replicating traditional, resource-intensive systems. Another example of how digital innovation supports more effective rural service delivery is Ireland’s Eircode system, which has improved geolocation, public service targeting and emergency response, particularly in dispersed rural areas (Box 4.10).

Box 4.10. Eircode: Enhancing public service delivery and emergency response in rural Ireland

Introduced in 2015, Eircode is Ireland’s national postcode system, providing a unique code for every postal address. This innovation holds particular value for rural areas, where address duplication and dispersed settlements can hinder service delivery. Approximately 35% of addresses in Ireland are non-unique, meaning they share the same address line, making precise location identification a challenge.

Eircode addresses this issue by enabling:

- improved planning and targeting of services such as education, health, housing and waste management.

- enhanced service delivery, especially in sparsely populated and geographically complex rural areas.
- accurate geolocation and address verification, supporting both public and private service providers.
- simplified digital applications, through address autofill and validation tools.

A clear illustration of Eircode's rural relevance is its integration by the National Ambulance Service (NAS). NAS has embedded Eircode in their computer aided dispatch system, equipping ambulances with mobile data terminals that display precise location data and navigation assistance. This technology significantly reduces response times and increases accuracy, especially in rural communities where locating households can be challenging.

Furthermore, NAS actively promotes public use of Eircode during emergency calls and includes it in text alerts sent to cardiac first responders (CFRs). This removes ambiguity about location and enables CFRs to navigate the fastest route, potentially saving lives.

Eircode exemplifies how digital infrastructure and spatial tools can strengthen rural service accessibility, co-ordination and responsiveness, directly supporting the goals of Principle 7 (Align strategies to deliver public services with rural policies) and Principle 11 (Foster monitoring, evaluation and accountability).

Source: OECD (2024[12]), *Ireland*, OECD Background Report, OECD, Paris.

Beyond these, healthcare reform also shows growing alignment with Principle 7. The Department of Health's establishment of 96 Community Healthcare Networks represents a significant shift toward community-based delivery, bringing care closer to where people live and helping rural residents maintain independence within their communities. Box 4.11 illustrates how other OECD countries are pursuing similar objectives, aligning service design, governance and delivery with rural realities, through innovation, cross-sector co-operation and empowered local actors.

The Healthy Ireland programme complements this by promoting community well-being through partnerships between LAs and rural stakeholders, encouraging locally driven responses to population health needs. Similarly, the Department of Justice, Home Affairs and Migration is supporting local policing engagement through the establishment of Local Community Safety Partnerships, where national police force An Garda Síochána and other relevant service providers will work in partnership with the local community to identify and prioritise the safety needs of that community The multi-purpose community spaces supported by the DRCDG are also a practical example of flexible, community-anchored service delivery, enabling rural areas to meet multiple needs, social, cultural, recreational and even administrative, within shared infrastructure. In rural areas, such hubs can consolidate access to services that might otherwise be fragmented or unavailable, enabling innovation without requiring costly new infrastructure.

Box 4.11. Align strategies to deliver public services with rural policies

As part of the OECD Principles on Rural Policy dialogues, countries provided examples of how Principle 7 can be achieved. This principle emphasises the need to deliver high-quality public services in rural areas through infrastructure improvements, innovation in service models and co-ordination across governance levels and territorial boundaries. Several OECD countries illustrate how this can be achieved:

- **Japan**: Regional management organisations, such as those led by farmers' groups, co-ordinate across multiple sectors to deliver local services, enabling integration and efficiency across administrative and policy domains.
- **Italy**: Local co-design is central. In one example, stakeholders collaborated to create a tailored transport solution, buses connecting students to a tourism-focused vocational school, showing how inclusive planning can bridge service and labour-market needs.
- **Portugal**: Territorial instruments funded through EU programmes are key enablers. These tools strengthen intermunicipal co-operation and help bridge the urban-rural divide in public service delivery, especially in smaller or remote areas.
- **Slovak Republic**: Cross-border service integration remains a challenge. Health sector co-ordination, such as ambulance services crossing national boundaries, has required international collaboration to overcome legal and logistical barriers.

These examples demonstrate how countries are innovating within their governance systems to align rural service delivery with local needs, often by empowering local actors, improving inter-jurisdictional co-operation or leveraging EU and cross-border mechanisms.

Source: OECD Principles on Rural Policy Dialogue Series.

Many of the problems of ORF are common to rural policy, where one government department is tasked with responsibility and is reliant on the buy-in of other government departments. This is particularly the case for housing, health services and transport. However, within the DRCDG's core rural programmes, such as the Town and Village Renewal Scheme, CLÁR and the Rural Regeneration and Development Fund, there remains scope for further innovation and alignment with local service and housing needs. Local Link transport is important and more could be done to fund community transport schemes.

Over-shop spaces to respond to housing needs

ORF specifically discusses converting over-shop space into apartments. Indeed, since 2018, Ireland has Planning and Development (Amendment) Regulations that introduce exemptions from the requirement for planning permission when converting vacant commercial premises (including over-shop spaces and former pubs) into residential units. This is especially relevant in a moment when viable options are needed to respond to the acute recruitment challenges for teachers and healthcare professionals in rural Ireland, many of whom face barriers to relocation due to housing shortages. School principals report prolonged vacancies and staff redeployment because new teachers are unwilling or unable to relocate without secure accommodation (McGreevy, 2025[69]). Similar difficulties affect the recruitment of healthcare workers, exacerbating shortages in rural and remote hospitals and clinics (Reilly, 2023[70]).

Between 2018 and 2024, LAs received 1 457 notifications to convert vacant commercial properties, including shops and over-shop spaces, into new homes, totalling over 3 400 new residential units. In 2024 alone, nearly 300 exemption notifications resulted in over 700 homes (DHLGH, 2025[71]). These exemptions are scheduled to expire at the end of 2025, but the intent is to extend them.

Extending them is good but discussions with stakeholders suggest that the measure was underutilised, partly due to misconceptions about its eligibility and regulatory requirements. The DRCDG could collaborate with LAs to raise awareness and dispel regulatory misunderstandings. It could also pilot targeted initiatives that ringfence refurbished housing for essential service providers such as teachers, nurses and general practitioners. Such measures would strengthen the alignment between housing, service delivery and rural well-being objectives in ORF II.

Key takeaways: Policy targets

This section analysed Ireland’s rural development strategies through the prism of the OECD Principles 1, 2, 3 and 7. It finds broad alignment in intent, particularly around town centre vitality and cross-government engagement, but also reveals a gap between national ambition and place-sensitive execution. A single “rural” category obscures meaningful differences; policies should instead be designed around functional geographies using spatial typologies to target investment and delivery. While ORF’s 170-plus measures have enhanced policy visibility across government, the challenge lies in how they are monitored, steered and adapted, shifting from information collection to strategic influence. The issue is no longer the number of measures, but the ability to track and adjust them using typology-rich, functional evidence.

ORF II should position the DRCDG as the keeper of rural intelligence, standardising the use of spatial typologies and aligning sectoral delivery models with the diverse realities of rural places. By embedding functional logic and rural-sensitive service design across departments, Ireland can move from co-ordination to coherence in rural affairs.

Key takeaways

- **Identify and capitalise opportunities that risk being missed**: Identify and capitalise on opportunities that risk being missed: Clearer differentiation between rural area types is necessary to maximize Ireland's renewable energy potential and respond effectively to global trends.
- **Functional scale matters**: Policy design should follow how people actually live and interact (labour markets, service catchments), not just administrative lines.
- **Apply differentiation to rural economic development**: Steps toward differentiation are visible but inconsistent. Three shifts are needed: building differentiation into policy design from the outset; moving past an idyllic view of rural Ireland; and collecting detailed, disaggregated data on specific rural needs.
- **Increase the focus on rural-urban linkages**: Stronger attention to two-way flows (jobs, services, value chains, natural resources) is needed; commuting alone is too narrow a lens. Various existing spatial instruments, though not explicitly rural-urban development tools, could be operationalised together to support the ORF vision.
- **Align service delivery**: Ireland has developed innovative rural service models**, including demand-responsive transport, Community Healthcare Networks, and Eircode for emergency response. Building on this progress, ORF II should scale successful pilots and address implementation gaps, such as expanding over-shop housing conversions to support teacher and healthcare worker recruitment in rural areas.
- **Avoid inadvertent growth limits when tailoring interventions:** The NPF’s compact growth and tailored treatment of towns can support balanced development, but proportional growth limits and “commuter town” labels may constrain potential if not paired with jobs, connectivity and services.

Policy implementation: Towards an evidence-led place-based approach

Strengthening subnational governance structures to enhance rural development

Structural reforms do not equate to functional devolution. In Ireland, the institutional architecture for more bottom-up policy making exists, but local discretion and autonomy remain limited. The creation of regional assemblies and municipal districts reflects a political and administrative openness to empowering subnational actors. Yet, Ireland’s national government agents play a much larger role in the local delivery of services than is the case in most EU countries. This point was highlighted in the 2023 final report by the

European Charter of Local Self-Government (Monitoring Committee). The report notes that, "there is still a lot to be done before local self-government in Ireland is on par with other European countries". It also observed the limited share of service delivery under LAs' own responsibility and their limited own resources (Prebilič and Helgesen, 2023[72]). The 2014 reforms aimed to extend local governance across the entire territory, particularly by dissolving town councils, establishing new municipal districts, and clarifying the relationship between elected and executive roles in LAs. However, while structures changed, substantive empowerment did not – LAs continue to lack the autonomy requisite for bottom-up policy making. Arguably, the challenge now is to build on this trajectory by deepening the role and strengthening capacity of LAs so they can more effectively shape rural development outcomes.

Regional assemblies

Regional assemblies in Ireland do not have executive or funding control comparable to regional governments in federal systems or in larger EU countries. Their influence is co-ordinative and analytical, rather than directly operational. They shape frameworks, guide investment priorities and support coherence, but delivery remains with LAs, the DRCDG and national departments. Regional assembly structures do not have a rural mandate *per se*: they help align spatial and regional planning with ORF objectives through RSES linkages, but they are not central actors in delivering or designing rural policy. Their involvement is more indirect, not necessarily proactive or strategic. Nonetheless, the very nature of their activities, their emphasis on balanced development and the integration of RSES positions them to contribute directly and indirectly to rural outcomes. This role could be strengthened further through ORF II.

Embed spatial typologies (rural/urban, remoteness, etc.) into regional data systems

The fact that regional assemblies must co-ordinate across unclear regional boundaries and overlapping mandates among multiple agencies and authorities has, to some extent, limited their ability to "lead effective place-based development" (Irish Research Council, 2021[73]). This in reality means that they have had to become adept at taking a functional approach to planning and building in the needs of the different types of territories within their portfolio of action. Regional assemblies are de facto operating functionally, because the administrative boundaries in Ireland do not align neatly with economic, social or service delivery geographies. Assemblies have had to plan across diverse territorial contexts, from commuter belts and small-town clusters to remote hinterlands, bridging the realities of LAs with very different conditions. This functional adaptation arises from necessity, not formal design: regional assemblies must co-ordinate planning across LAs with different territorial realities (commuter belts, small-town clusters, hinterlands). Thus, they already understand and manage functional relationships, even without a formalised functional framework.

They have also built valuable analytical foundations for this kind of work. In collaboration with the All-Island Research Observatory (AIRO) and Ordnance Survey Ireland, the assemblies developed the Regional Development Monitor (RDM), an open-access dashboard that maps socio-economic and environmental indicators across regions and supports evidence-based policy and evaluation. The RDM tracks key themes such as "Our people and place", "Our region's economy" and "A green and sustainable future", providing a shared platform for regional analysis and alignment.

The RDM and related monitoring systems are not typology-based. Their indicators are largely thematic and not spatially differentiated. The assemblies should consider embedding spatial typologies (rural/urban, remoteness, etc.) into a regional data system to make rural differentiation a structured instrument in their strategic role. Doing so would help them address regional inequalities, particularly in the Northern and Western regions, which have been classified as "lagging" by the European Commission and where the effectiveness of Regional Assemblies has been called into question (NWRA, 2025[74]). For example, embedding the CSO's six-way classification into the RDM would strengthen regional strategic planning and support rural development.

Increase the focus on rural-urban dynamics

At present, regional assemblies focus on spatial coherence and statutory plan alignment, not on explicitly examining rural-urban relations or producing rural-sensitive outputs. They are limited: to some, the fact that the assemblies are not directly elected for their regional role is also an issue. The concern here is the potential conflict that can arise between local and regional priorities, especially when members are accountable first to their local area (Kayanan, 2024[75]). Similarly, Breathnach (2021[76]) notes that their largely advisory role and modest resources reduce their ability to ensure that regional priorities translate into action. But within those limits lies untapped potential. In particular the regional assembles may become a forum for aggregating the concerns of people in diverse LAs to provide upward pressure on the national government, as well as improving co-ordination among LAs.

Having a mix of councillors from either urban or rural territories is an opportunity to lead on a core issue: rural-urban interdependencies and exploring ways to leverage those connections for economic growth in both territories. Regional assemblies could become convenors of rural-urban collaboration (e.g. around shared infrastructure, housing, transport or enterprise zones).

They should:

- Use their unique mixed composition (urban plus rural councillors) to initiate structured rural-urban dialogue within their regions.
- Institutionalise this dialogue by creating rural-urban tables or sub-committees in their regular RSES monitoring/implementation cycles.
- Publish periodic rural-urban factsheets or reports that capture both quantitative evidence (flows, linkages, commuting, service access) and qualitative insights (councillor priorities, citizen feedback, local innovation).
- Pilot new ways to measure rural-urban connections, combining quantitative indicators (CSO, AIRO, RDM) and qualitative analysis (case studies, local surveys).

Local government

Effective local government capacity is fundamental to the implementation of ORF. Ireland’s system of local and regional governance has evolved considerably over the past decade, moving from the reform ambitions set out in Putting People First (2012) to the current framework established by the 2014 Local Government Reform Act. While these reforms have provided a clearer institutional map, many of the challenges around co-ordination, resources and rural sensitivity persist.

LAs play a critical role in delivering ORF through initiatives such as Town Centre First, local community development committees (LCDCs) and Local Economic and Community Plans. These mechanisms provide vehicles for integrating economic, social and community objectives at the local level. However, local government capacity differs significantly across authorities. Smaller or more rural authorities face constraints in staffing, analytical capability and fiscal autonomy, which limit their ability to lead strategic initiatives or access complex funding streams.

The abolition of town councils expanded territorial coverage but also reduced local representation in some areas, requiring municipal districts to balance broader geographic responsibilities with community proximity. Although the 2014 reform clarified governance structures, practical devolution of powers remains limited. LAs continue to rely heavily on central-government grants, and many of the functions most relevant to rural well-being, housing, health and transport remain controlled by line departments.

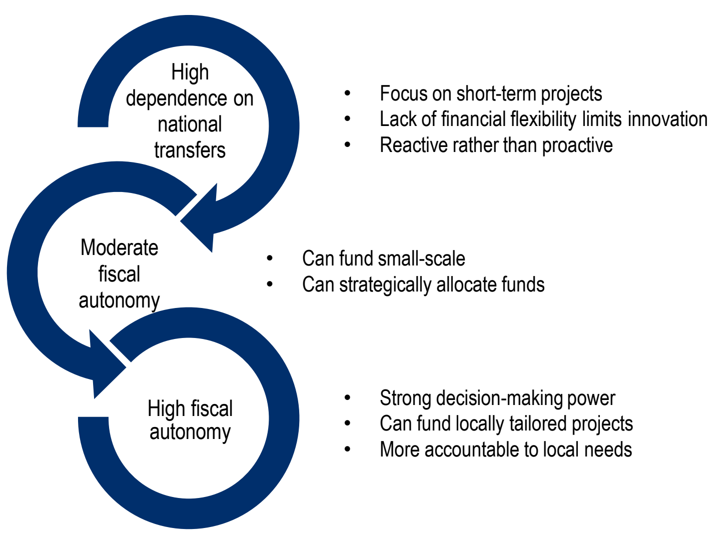
Could municipal districts do more?

Some argue that the governance architecture certainly exists, but local discretion and autonomy remain limited. While municipal districts could provide the capacity to extend sub-county government to both urban areas and their hinterlands, their actual role and capabilities remain unclear (Boyle et al., 2021[77]). The key findings from the *Municipal Districts: A Review* (Boyle et al., 2020[78]) highlight ambiguity in their roles and status, and variation among LAs in how municipal districts are structured and supported. However, a core strength of municipal districts lies in their potential for community engagement. They have proximity to, and responsiveness toward, local communities, and their meetings provide opportunities for local input and representation. Empowering municipal districts by harnessing this strength, for example through more formalised facilitation of local participation in foresight meetings on the green transition or co-design processes, could enhance their contribution to place-based development.

Limited revenue

Limited amounts of own-source revenue make it more difficult for local governments to effectively engage in local economic development (Figure 4.17). While national investments aim to distribute funds more evenly across regions, final spending decisions still rest with central government. Without adequate revenue-raising powers, local governments rely on funding from the Exchequer of Ireland and the European Commission. However, national and EU programmes come with constraints and predetermined outcomes that may not align with the specific needs of rural areas. This situation hampers local governments' ability to move beyond delivering centrally funded programmes and limits the development of comprehensive, place-based frameworks that address local priorities when available resources and expected outcomes do not align effectively.

Figure 4.17. Impacts of local fiscal dependence on rural development



Source: Based on Vammalle, C. and I. Bambalaite (2021[79]), "Funding and financing of local government public investment: A framework and application to five OECD countries", https://doi.org/10.1787/162d8285-en.

National government sets the parameters of local government responsibilities and financial autonomy. In Ireland, these parameters remain narrow. The OECD (OECD, 2023[7]) notes that Ireland stands out as the OECD country with the highest level of subnational public investment funded by central capital transfers. These transfers account for around 90% of subnational capital expenditure and are specific-purpose grants that offer little discretion on how funds are spent. In addition, central government frequently funds officers in local government to deliver centrally designed policies, allowing no scope to tailor delivery to local needs

Indeed, 53% of LA revenue is now classified as "locally sourced" (commercial rates, service charges, local property tax or LPT). However, commercial rates and LPT are heavily nationally regulated, not locally autonomous in setting or use. The LPT is set within narrow central-government parameters, and equalisation adjustments are centrally managed. Specific-purpose grants (still nearly half the total) come with tight conditions on use. So "locally sourced" does not necessarily equate to "locally discretionary". Thus, Ireland's local governments still have very limited fiscal autonomy, even if revenue technically originates from local sources.

Box 4.12. Limited fiscal capacity at the subnational level

An observation from the 2023 OECD paper "Towards balanced regional attractiveness in Ireland: Enhancing the delivery of the National Planning Framework" (2023[7]) highlights the limited fiscal capacity of Irish local government and its implications for delivering balanced territorial development.

In 2020, subnational revenues accounted for only 10.6% of total public revenue (just 2.4% of GDP), placing Ireland among the most centralised systems in the OECD and EU27. The majority of local funding – about three-quarters – comes from central-government grants and subsidies, significantly exceeding the OECD unitary average of 53.3% and the EU27 average of 46.6%. This reliance increased during the pandemic, with additional transfers for COVID-19, housing and transport infrastructure.

Own-source revenues remain limited, with tariffs and fees comprising 11.7% of local revenue, and local taxes only 8.3%, far below international benchmarks (35.4% in OECD unitary countries). This constrains local governments' capacity to fund and tailor development initiatives independently.

While Ireland's National Development Plan aims to disperse investment more evenly across the territory, decision making remains largely centralised. The 2021 preliminary assessment of the plan revealed that regional cities received a disproportionately low share of large-scale investments relative to their projected growth, raising concerns about alignment with the NPF's compact growth objectives.

This centralised fiscal structure poses a challenge for rural and regional development, limiting the ability of local governments to act as effective delivery agents in a place-based policy system.

Source: OECD (2023[7]), "Towards balanced regional attractiveness in Ireland: Enhancing the delivery of the National Planning Framework", https://doi.org/10.1787/3df116ad-en.

Lack of capacity at the local level

The question of capacity also relates to the ability of local councillors to effectively deliver rural development. There is a view that the capacity developed by the local action groups and local development companies has been reoriented to local programme co-ordination and oversight, placing more emphasis on structured, council-level co-ordination rather than solely community-led action. The 2016 report *The Changing Landscape of Local Government* notes that the introduction of statutory committees and more bureaucratic co-ordination (like LCDCs) has led to concerns about the loss of bottom-up, community-led structures, replacing them with top-down administrative oversight, potentially subject to greater political influence and less responsive to local needs (Forde et al., 2016[80]).

There are also questions about place-based identity and engagement, with the LAs being too large to embody meaningful place-based identity for community development. Irish LAs are relatively large and population-based, particularly following the 2014 merger of town councils into county structures. While municipal districts and their councillors do provide a sub-county layer of local representation, research and OECD reviews suggest that the loss of stand-alone town councils can reduce local distinctiveness and identification, potentially weakening engagement and perceived representation in some communities.

Meaningful place-based identity for community development refers to a scale of governance and sense of belonging that enable residents to participate actively in decision making and collaborative local initiatives. The OECD report *Place-Based Policies for the Future* stresses that effective place-based policies depend on matching the scale of governance to citizens' attachment to place (OECD, 2025[81]). It finds that local identity and trust are crucial for mobilising local assets and engaging residents in long-term co-production processes, particularly in smaller-scale or networked governance arrangements. Table 4.4 summarises benefits and challenges of place-based policies according to where and when they occur.

OECD data show that 70% of deliberative democratic initiatives across member countries occur at the local or regional level, where proximity creates stronger civic trust and participation (OECD, 2025[82]). Smaller-scale institutions are better able to institutionalise participation and sustain co-production practices over time. In the Irish context, county-level LAs are often too large and administratively distant to sustain this sense of shared identity, particularly in rural or peripheral areas. Smaller units, such as municipal districts, parishes or local community networks, tend to provide a stronger territorial and social basis for effective community development.

OECD analyses of Estonia (2025) and Poland (2021) demonstrate that empowering municipalities and counties through multi-level co-ordination and participatory budgeting fosters higher alignment between development objectives and citizens' lived realities (OECD, 2025[83]; 2021[84]). The broader point is that scale and connectedness matter: when local governance operates at a level that people identify with, engagement and co-production of development outcomes become far more sustainable.

Table 4.4. Potential benefits and challenges of place-based policies

Location and timescale of impact	Potential benefits	Potential challenges
Policy impact on the targeted place	Better accounting for local needs, circumstances and characteristics through targeted policies (asymmetric)	Fragmentation of policies and reductions of economies of scale and scope, particularly if a policy could be otherwise harmonised across a large area
	Leveraging local assets, knowledge and networks to unlock untapped potential	Increased complexity of policy design and governance structures risking a high need for co-ordination and clarity in responsibilities, which may increase implementation cost
	Proactively reducing long-term local impact of negative shocks or transitions	Risk of benefits being captured through rent seeking and political interest
	Integrating across policy domains to break down silos and align policy action	Challenges to support policy learning due to decentralised implementation and difficulties to measure and evaluate
	Enhancing local buy-in through deeper engagement with local communities, private sector service providers and employers	Risk of insufficient local administrative and fiscal capacity to mobilise financial and non-financial resources that match policy design and implementation responsibilities
	Supporting policy experimentation by testing policies in one place before broader adoption	
Policy impact beyond the targeted place	Enhancing policy alignment across levels of government	Risk of reducing overall welfare by lowering incentives for mobility or by less efficient allocation of resources
	Potential to create positive spillovers that also benefit other places (e.g. knowledge, financial)	Risk of reduced harmonisation of investments and public service provision across jurisdictions and lower sectoral policy coherence
	Potential to avoid negative spillovers that may come from	Risk of negative interactions with other policymaking

	decentralised policymaking (e.g. tax or investment competition)	frameworks reducing sectoral policy coherence
Long-term impacts from place-based policymaking	Reinforcing local governance structures and enhancing local democracy, social capital and trust in government	Varied impact on local administrative and fiscal capacity building if place-based policies are of a short-term "start and stop" nature
	Avoiding widening gaps in territorial inequalities and supporting long-term social cohesion and political stability	Lower fiscal flexibility of subnational governments if there is ongoing reliance on place-based policies for investment

Source: OECD (2025[81]), *Place-Based Policies for the Future*, https://doi.org/10.1787/e5ff6716-en.

Moving responsibility for rural development functions such as the move to Local Community Development Committees as lead partners for LEADER, and the integration of some formerly community-based structures into county-level has prompted concerns about capacity to maintain locally responsive delivery and about transparency linked to decision making. While statutory mechanisms for accountability and transparency exist, several analyses highlight that the increased scale and administrative centralisation following the 2014 reforms weakened local responsiveness and reduced proximity between decision makers and communities (The Labour Party, 2024[85]) (Council Review, 2025[86]). The Association of Irish Local Government and independent councillors argue that municipal districts lack adequate independent budgets and devolved power, which limits their ability to tailor local development responses effectively (AILG, 2024[87]).

Historically, Irish local politics has been shaped by clientelism, where elected representatives acted as brokers between citizens and the state. Clearly, there is an imprecise line between the normal efforts of an elected official to provide constituent services and favouritism. By limiting local elected officials' capacity to influence events in their jurisdiction, the problem of clientelism has been reduced but it may have led to decision making that takes place too far away to fully incorporate important local knowledge. Although administrative and governance reforms have reduced overt clientelism, the Council of Europe found that Irish local government lacks autonomy, with limited decision-making powers and weak accountability between councillors and executives, creating an environment susceptible to personalistic politics rather than programmatic governance (Prebilič and Helgesen, 2023[72]).

The local government structure includes a formal mechanism for the representation of the community and voluntary sector through public participation networks (PPNs). PPN membership is open to groups representing community and voluntary interests, social inclusion interests and environmental interests. Feedback from PPNs and independent reviews indicates that a perceived power imbalance between PPN representatives and elected councillors can limit the PPN's ability to influence policy outcomes (DRCDG, 2023[88]). While councillors rightly retain formal decision-making powers through their electoral mandate, evidence suggests that the effectiveness of participatory engagement depends on the strength of local relationships and on whether councillors and officials actively support the PPN's deliberative role (DRCDG/PPN, 2019[89]).

Key takeaways: Policy implementation

This section applies OECD Principle 9, which focuses on a whole-of-government approach to rural policy implementation, to assess Ireland's institutional framework for rural development. It finds that ORF provides an invaluable systemwide view of rural commitments, enhancing accountability across departments on rural matters. Few OECD countries have achieved this level of integration.

The challenge now lies not in scope but in steering coherence, elevating the DRCDG's role from information collection to strategic direction. Ireland's regional assemblies, though lacking executive authority, are well positioned to act as analytical and co-ordination hubs, particularly for managing rural-urban dynamics. At the local level, Irish LAs remain heavily dependent on central-government grants, with limited fiscal autonomy and discretion. This dependency constrains their ability to tailor interventions to local needs.

Key takeaways

- **Maintain the whole-of-government approach**: ORF employs a unique, ambitious, complex and cross-government strategy at the forefront of putting the OECD's recommendation for a whole-of-government approach to rural policy into practice. Patience and incremental action will be key to sustaining buy-in.
- **Shift from data collection to strategic influence**: The DRCDG's challenge is to evolve from monitoring a vast strategy to orchestrating coherence, alignment and strategic dialogue across departments.
- **Anticipate incremental, evidence-based progress**: Future progress will rely on small but strategic reforms, embedding typologies, piloting functional approaches and aligning national policies with local realities.
- **Support regional assemblies to take the lead on rural-urban dynamics**: Regional assemblies' mixed composition (urban and rural councillors) provides an underused platform for structured dialogue on shared challenges, housing, transport, enterprise and infrastructure. Similarly, their analytical and co-ordination capacities can bridge rural and urban policy domains and integrate spatial typologies (e.g. CSO six-way split) into regional data systems like the RDM to enable more place-sensitive policymaking.
- **Strengthen municipal districts' role in participatory governance**: Municipal districts' participation in governance and foresight planning can enhance the community connection with local decision making, offsetting the effects of centralisation.

Policy tools: Turning strategy into delivery, refining instruments for co-ordination and impact

Effective rural development depends not only on good design, but also on delivery capacity. Without sufficient resources, staffing or institutional backing, even well-intentioned strategies risk underperformance. Moreover, a strong monitoring and evaluating process enables opportunity for improvements and refinements.

ORF evolved from a robust consultative process that involved a diverse range of stakeholders, including public bodies, private enterprises, social and non-profit actors and community-led organisations. So, the strategy was developed and refined through feedback from a wide swathe of rural stakeholders in Ireland. At the national level, the DRCDG has an advisory group comprised of representatives from different departments that meets twice a year. The DRCDG facilitates a number of stakeholder groups, e.g. educational leaders, business networks, etc., and sits on different advisory boards at the regional level. However, structural constraints such as limited financial resources, fragmented co-ordination mechanisms and overlapping mandates across government levels continue to pose challenges.

Local involvement is central to almost all of the measures for which the DRCDG are responsible. It relies heavily on volunteers and has developed a volunteering strategy. The PPNs, established under the Local Government Reform Act 2014 to ensure community voices are represented in LA decisions, are funded and supported by the DRCDG, which is responsible for their national policy and co-ordination. Community cohesion is well embedded in Irish policy and is a successful component of ORF. There is considerable community buy-in with people giving a lot of their time for free to community initiatives. The LEADER programme clearly states that it operates on a community-led approach to rural development. The strength of rural community spirit and the level of volunteering are very positive features of rural areas.

Risk of over consultations

Another hurdle in Ireland's governance system is the civil service culture. Traditionally, Irish public administration has tended to prioritise generalist competence over specialist expertise (Boyle and O'Riordan, 2021[90]). This tradition is coupled with a measured resistance to change and a cautious, consensus-oriented approach to decision making, reflecting what MacCarthaigh (2021[91]) describes as a policy analysis environment constrained by risk aversion, political sensitivity and limited administrative discretion within a hierarchical structure. Similarly, the OECD 2023 review of Irish public administration noted a system that often emphasises compliance and procedural consistency over innovation and policy experimentation (OECD, 2023[92]).

This implicitly shifts the burden of technical problem-solving onto consultants, as the main source of technical expertise that underpins public policy analysis. Academics, non-governmental organisations, professional associations and citizens provide much of the technical information that flows into civil service analysis. Ireland's commitment to inclusive engagement is well established, illustrated by guidance jointly developed by the DRCDG and community organisations, and has strengthened legitimacy and trust in policymaking. However, when consultations must perform both democratic and technical functions, they risk slowing implementation and diffusing accountability.

The Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation's 2025 report on stakeholder engagement found that extensive consultation processes, though essential for legitimacy, can "slow or complicate the timely implementation of infrastructure and policy projects" because of overlapping feedback loops and procedural demands (DPEIPSFD, 2925[93]). Stakeholders interviewed for this review echoed this dual reality: a strong commitment to inclusion, but also prolonged decision making and co-ordination fatigue. As highlighted in Box 4.13, designing consultation processes with clear feedback loops, realistic expectations and transparency about influence is essential to prevent fatigue and maintain trust. For ORF II and future reforms, the government should balance inclusive consultation with stronger in-house analytical and technical capacity, otherwise consultations will keep doing too much heavy lifting.

Box 4.13. Designing consultations to sustain engagement and trust

The OECD report *Strengthening Policy Development in the Public Sector in Ireland* (2023[92]) highlights that listening to citizens' views does not necessarily mean these views can, or should, be implemented. Policymakers are often confronted with contradictory or unrealistic suggestions that may not account for evidence, resource constraints or legislative processes.

When consultations are not carefully curated or expectations are not managed, they may paradoxically erode trust in government rather than strengthen it. The report therefore stresses the importance of clarity about when and how to involve the public, the degree of influence participants will have and how feedback will be used.

For rural development programmes, this finding underscores the need for clear feedback loops, transparent communication and realistic goal setting, especially when relying on volunteers and community groups whose sustained engagement depends on visible results. Several OECD and partner countries have introduced structured processes to ensure that stakeholder feedback is acknowledged and acted upon, closing the feedback loop through transparent communication:

- **Colombia**: The Ministry of Environment and Sustainable Development publishes responses to stakeholder comments online. If a comment is rejected, the website explains the decision; if accepted, it outlines how the feedback was integrated into the proposal.

- **Iceland**: Policymakers publish consultation conclusions on the government's online portal, summarising key stakeholder inputs, proposed improvements and areas of concern.
- **Slovak Republic**: When a comment on a draft regulation receives more than 500 reactions during public consultation, regulators are required to respond and engage directly with stakeholders. For each comment, policymakers indicate whether it is major or minor, and whether it has been accepted, rejected or partly accepted, providing clear reasoning.

Source: OECD (2023[92]), *Strengthening Policy Development in the Public Sector in Ireland*, https://doi.org/10.1787/6724d155-en.

Over dependence on volunteers to deliver key strategic objectives

ORF places significant emphasis on bottom-up delivery mechanisms, community-led initiatives, which is in line with OECD guidance on empowering rural communities. However, while these mechanisms remain central to programme delivery, they function within a highly centralised governance system. LAs and community bodies often have limited discretion, yet rely heavily on voluntary capacity to implement national priorities. A question that should probably be asked is: why would volunteers commit to delivering somebody else's vision of their community? This dynamic reflects a structural imbalance between local initiative and national control, rather than an outright shift away from the bottom-up approach.

While civic engagement is vital, this presents some visible challenges. In some ways, it shifts the responsibility for rural development to local communities by prioritising a bottom-up approach and allowing local people to identify their own needs. Yet, capacity and strategic understanding vary. For example, the Town Teams, made up entirely of volunteers working with town regeneration officers, have reported that some of the town centre plans are overly ambitious, likely linked to varying skill bases within volunteer groups.

Volunteers are essential, but core rural development functions should not be outsourced entirely to unpaid actors if the aim is to build resilient and inclusive rural communities. This dependence could be linked to the fact that staff recruitment has proven increasingly challenging for local planning authorities (OECD, 2025[94]). There is a potential for uneven service provision, gaps in coverage and, in some cases, the capture of local initiatives by narrow self-interests. Simply put, people will volunteer for what they are interested in doing, which means that other community needs could go unmet due to a lack of interest. Communities with strong voluntary networks may thrive, while others without sufficient social capital risk falling behind. There are currently no clear mechanisms to fill these gaps except through greater efforts to activate new volunteers.

Discussions on the ground also reveal signs of volunteer fatigue, given the level of commitment and the range of tasks being placed on a relatively small pool of individuals. The same volunteers are often approached repeatedly, leading to burnout. There is also a broader issue of accountability, as volunteers are largely self-appointed and not formally mandated. Moreover, many structural issues common across rural communities, such as access to housing and basic services, cannot realistically be addressed at the community level and require top-down intervention.

At the community level, competition for funding between communities, and between communities and the public or private sectors, can lead to inequalities depending on the capacity of different groups to organise, bid and manage projects. There is currently limited animation or structured capacity building to support communities in navigating these processes. The competitive aspect of rural funding needs to be carefully managed to ensure that competition does not undermine the trust and collaboration between stakeholders, which are critical for the success of place-based approaches.

To sustain the ambition of ORF over the long term, future iterations of the strategy will need to recognise and address these risks. This could include providing some baseline staffing or technical support for key community-led initiatives, setting clearer principles to safeguard against exclusivity or service gaps, and strengthening capacity-building programmes to encourage wider and more inclusive participation. In addition, better motivation for volunteers could require devolution of greater decision-making authority to the people who are volunteering to increase their sense of ownership, and to allow more appropriate local solutions.

Monitoring and evaluation

The realities of a whole-of-government approach

While the volume of policy measures in ORF, 170 or more in total, could be seen as overly ambitious or diffuse, a more strategic reading suggests that this breadth is a strength. The strategy could have opted to include only those measures under the direct control of the DRCDG, perhaps a more manageable 12 or 15. Assembling rural-relevant actions from across government enables a comprehensive view of what each department has committed to delivering for rural Ireland. This kind of information is integral to taking a whole-of-government approach to rural development not only for tracking cross-government commitments but also for shaping future dialogue, policy alignment and accountability. This approach also underscores the complexity of implementing what the OECD itself prescribes.

The OECD consistently encourages governments to think about the direct and indirect policies that impact rural areas, emphasising that rural well-being depends not only on rural affairs departments but also on co-ordinated actions in education, health, transport, environment and beyond. The DRCDG's approach demonstrates this principle in action. It has made visible the interdependence of rural policy domains as well as exposed the operational complexity that accompanies it.

The challenge for Ireland is not the number of measures per se, but the framework through which they are monitored, nudged forward and adapted over time. This signals the need for new governance capacities: not simply managing delivery, but orchestrating coherence across diverse actors. The current administrative burden of monitoring 170 or more measures is considerable, particularly for a small department tasked with producing biannual progress reports. The DRCDG needs to move from information collection to strategic influence, preserving the intelligence value of the strategy while alleviating its administrative strain.

By bringing the policy measures under one strategic umbrella, it has created an unprecedented degree of visibility into what government departments are doing, or should be doing, on rural issues. Other OECD countries have taken steps to institutionalise cross-ministerial and territorial dialogue to achieve this balance between central leadership and local ownership. For example, Chile's Territorial Dialogue Boards bring together national, regional and municipal actors to co-ordinate policy delivery and monitor outcomes across sectors (see Box 4.14).

Box 4.14. Empowering regions in Chile

The Chilean government has pursued important decentralisation and regionalisation reforms. At the regional level, the deliberative power is in the hands of a regional council, whose members have been directly elected every four years since 2014. In 2018, the regional governance model that had been in place since 1992 was transformed into a "mixed" regional system (both deconcentrated and decentralised). Since 2021, there is a full self-government system, with direct election of the regional executive (governors) by popular vote every four years. In parallel, in 2018, the process began of transferring responsibilities from the national government to the new self-governing regions on land use planning, economic and social development and culture. The Inter-ministerial Committee of Decentralisation supports and advises the President of the Republic on the competences to be transferred, which can result from presidential initiative or upon request from the regional government. Still, together with the new elected governors, a presidential delegate represents the central level in each of the 16 regions and is responsible for public security, emergencies and co-ordinating public services. The ministerial regional secretaries (SEREMIS) are also deconcentrated entities representing each ministry at the regional level.

Source: OECD (2022[95]), *Regional Governance in OECD Countries: Trends, Typology and Tools*, https://doi.org/10.1787/4d7c6483-en.

The path forward cannot be one of sweeping transformation, but rather one of incremental and deliberate action. This includes strengthening institutional mechanisms, such as working groups, interdepartmental dialogues and rural-proofing tools, that can convert cross-government awareness into cross-government action. It will also require patience. Success will likely come not through sweeping reforms but through targeted, evidence-driven engagements, for example using the six-way rural classification to examine how national spatial policies, such as compact growth, interact with different types of rural areas to help ensure that implementation remains sensitive to diverse local conditions. Other examples include revisiting the local economic zones recommendation by CEDRA and convening a group to consider how that could be brought forward. These small, strategic wins will be key to sustaining buy-in and demonstrating the long-term value of this whole-of-government approach to rural development.

The sense of ORF's achievement is that it has successfully established the scaffolding for rural development, launching well-funded schemes, expanding connected hubs and embedding new local roles such as town regeneration officers. However, while the strategy's objectives are clearly articulated at the national level, the next challenge lies in evidencing and aligning local implementation with these overarching goals.

Top-down monitoring

Monitoring and evaluation are critical components of ORF. At the central level, the DRCDG has developed a highly visible system to track progress, gathering information from departments and agencies on the implementation of the priorities, and publishing regular public progress reports. This top-down monitoring provides an important administrative overview of policy delivery across government. ORF would be stronger and easier to evaluate if it included more robust data and focused its objectives around those data. For example, what percentage of the population lives in rural areas as defined by the CSO? How did it change between 2011-2016 and 2016-2022 and how does it vary across the state? What is the impact of ageing in the most rural areas, especially in the West and North-West? What are nuanced housing challenges for the younger generation in both urban and rural areas? The impact is probably greater in urban or rural areas within commuting distances as these are the places where the younger cohorts are most strongly represented. The 2022 Census provides some data on the levels of in-migration to each county and possibly to smaller areas. This type of robust data should be included in ORF II.

The monitoring and evaluation process is hindered by several hurdles. The first is that there is no agreed definition of "rural", and no clear use of definitions of "rural", different or otherwise, across different departments. This makes it difficult to monitor progress. In some departments, we saw that "rural" amounted to everywhere outside of Dublin. Without different layers of gradation, it is impossible to assess impact in different places. Going forward, further progress needs to be made on the acceptance of the CSO definition. This will be difficult because, while there is no formal political opposition to defining "rural", rather, there is a diversity of views and administrative preferences on which definition most accurately reflects Ireland's varied geography and social structure.

Box 4.15. Monitoring and communicating progress: Insights from Costa Rica and Germany

Effective rural policy depends not only on design but also on the ability to monitor implementation, assess outcomes and adapt based on feedback. Both Costa Rica and Germany offer examples of how monitoring and communication mechanisms can support more responsive rural development.

- In **Costa Rica**, the Rural Development Index serves as the main tool for evaluating policy initiatives at the district level. It includes indicators across five domains: infrastructure and services, equity and inclusion, institutional management, the economy and ecosystems. Data are sourced from national institutions and international partners such as the Economic Commission for Latin America and the Caribbean. Legal provisions also require the use of Territorial Councils for Rural Development, multi-stakeholder bodies that include local governments, social actors, private companies and civil society. These councils use the index to monitor progress and guide territorial plans. Efforts are underway to enhance the index's usability, including the creation of interactive dashboards and user-friendly maps. However, challenges remain, especially the limited availability of granular data at the district level, which hinders deeper impact assessment.
- In **Germany**, several national institutions contribute to a robust monitoring system. The federal and state statistical offices publish regional panel data on topics such as demographics, labour markets and health, though not all datasets are rural-specific. The Federal Institute for Research on Building, Urban Affairs and Spatial Development maintains a spatial monitoring system with over 600 indicators available through an online atlas. Complementing this, the Thünen Institute provides a dedicated rural-focused atlas with over 100 indicators, including detailed information on access to basic services by different modes of transport. These tools support both national planning and local-level diagnosis, offering layered insight into spatial and rural development trends.

Source: OECD (2023[47]),

Bottom-up monitoring

There is a monitoring and evaluating gap at the local level. It is much harder to systematically track how ORF effort is translating into real improvements in rural communities. While some anecdotal evidence suggests that certain areas, particularly town centres, are seeing visible impacts, the broader rural landscape, including hinterlands and remote areas, remains less systematically assessed. There is no structured bottom-up monitoring system that captures rural people's experiences of how the strategy is affecting their lives, well-being and opportunities.

During discussions, the DRCDG proposed using the six-way rural typology (six-way split) to assess the implementation of ORF by mapping the 170 or more priorities across different rural types. This proposal is still in its early stages, and no results have yet been generated. The intuition behind the approach is understandable: the DRCDG has progress reports showing the delivery of the different actions and wants to demonstrate that these actions produce good results. However, from a conceptual standpoint, there is a risk of conflating action delivery with improvements in well-being. True well-being measurement is about quality of life as defined by rural communities – a bottom-up, people-centred exercise – and should not be assumed to automatically follow on from completing government priorities. Tying well-being assessments too tightly to administrative progress risks losing the authentic voice of rural communities and obscuring whether the strategy delivers real, lived improvements.

It is important to reflect carefully on the relationship between action delivery and rural quality-of-life outcomes. There is also a deeper risk in tying well-being measurement too tightly to the delivery of the 170 or more priorities. Even if all of the measures are technically implemented, this would not automatically mean that the quality of life in rural areas has improved. Structural constraints, such as the lack of rural differentiation, limited local resources, inflexible planning systems and heavy reliance on volunteerism, continue to shape rural experiences. If these enabling conditions are not addressed, the impact of policy measures could be muted or even create unintended frustrations on the ground. There is, therefore, a risk that rural communities may not feel meaningful improvements in their quality of life, even if government reporting suggests that actions have been completed successfully. This could undermine the legitimacy and credibility of ORF over time.

Box 4.16. Measuring well-being on islands: Insights from Gotland, Sweden

Gotland, Sweden's largest island region, illustrates the complex realities of measuring well-being in island territories. While it offers a high quality of life and a clean environment, Gotland faces significant demographic, socio-economic and environmental challenges. These include an ageing population, high prevalence of age-related illnesses, gender health disparities and concerns over obesity and alcohol consumption. Elderly residents also face social isolation, despite an otherwise active and engaged community life.

Geographic isolation, seasonal economies and a reliance on narrow sectors like tourism, agriculture and fishing make island regions particularly vulnerable to external shocks. Environmental risks, such as droughts and extreme weather, compound these challenges. Despite these vulnerabilities, standard well-being metrics often fail to capture essential dimensions of island life, such as community cohesion, cultural heritage and connection to nature.

Gotland's experience underscores the data limitations in capturing nuanced, place-specific well-being on islands. Small and dispersed populations, gaps in local data infrastructure and lack of co-ordination between governance levels make it difficult to generate accurate, actionable insights. Commercial data systems often overlook island-specific issues, and traditional indicators may not reflect lived realities.

To address these gaps, emerging strategies include developing island-specific indicators, investing in mobile data collection tools, establishing regional data hubs and encouraging community participation in monitoring efforts. Strengthening multi-level governance, improving service access and fostering sustainable economic metrics are also key. Cross-national collaboration, such as between Croatia, Greece and Sweden, can enhance capacity, create shared benchmarks and amplify learning.

The case of Gotland highlights why measuring rural and island well-being requires tailored, participatory and resilient data systems, especially where traditional models fall short.

Source: (OECD, 2023[58]) (OECD, 2023[62])

Key takeaways: Policy tools (monitoring and engagement)

This section applies OECD Principles 10 and 11, both of which focus on the policy tools used to deliver and monitor the effectiveness of ORF. It finds that ORF has established a strong participatory foundation, engaging public, private and community actors. Ireland's culture of civic participation remains a defining strength, yet sustaining it requires clearer boundaries, baseline staffing for key initiatives and empowerment measures that give volunteers a genuine sense of ownership. The monitoring system could be strengthened through a shared definition of "rural", fuller integration of CSO spatial typologies and more outcome-focused metrics. Bottom-up monitoring should also be enhanced to better capture the lived experience of rural residents and to link administrative progress with tangible improvements in well-being.

ORF II should therefore prioritise recalibrating participatory models, harmonising definitions of "rural", strengthening outcome measurement and connecting community-level insights to national evaluation frameworks.

Key takeaways

- **Mitigate the risk of over-consultations**: Consultation processes have become the default mechanism for gathering expert input and innovation. This over-reliance is double-edged: it upholds transparency but slows delivery, fragments accountability and can distort influence among actors. Moreover, where expert opinions differ, there is little internal capacity for choosing among them.
- **Volunteerism as a double-edged strength**: Rural community spirit is a major asset, yet overdependence on volunteers for programme delivery creates uneven capacity, burnout and accountability issues. Delivery may favour communities with stronger social capital, widening gaps between places with different organisational capacities.
- **Address the discretion-responsibility mismatch**: Local bodies have limited fiscal autonomy and discretion (90% of capital from central transfers), yet communities shoulder delivery responsibilities. This structural imbalance leaves volunteers implementing national priorities without adequate resources or decision-making authority to shape local solutions.
- **Monitoring lacks consistent data definitions and outcome measures**, particularly on well-being. Local feedback and lived-experience data are underdeveloped, progress reports risk equating completion of actions with real improvements in quality of life.

In summary

One of the distinctive features of ORF is that it reveals the direct actions for rural development (e.g. managed by DRCDG), alongside the indirect ones managed by departments without a rural lens. This dual perspective is welcome and not always visible in other OECD member countries. In fact, what is more common among member countries is that different agencies or ministries implement policies that deeply affect rural areas without recognising them as being rural in nature. Additionally, what this approach revealed is just how complex taking a whole-of-government approach to rural development is in practice. It underscored the need for cross-governance co-ordination on rural issues and implicitly why tools to help unpack the potential impact of policy on rural areas (e.g. rural proofing) are needed.

This chapter applied the OECD Rural Well-Being Framework and the OECD Principles on Rural Policy (2019) as the method of analysing ORF. This anchored Ireland's national rural policy in an internationally recognised framework for developing inclusive, place-based rural development. The analysis revealed that the:

- Policy objectives are sound despite the challenges in translating them into integrated territorial policy delivery
- Policy targets need more differentiation
- Policy implementation has some structural gaps
- Policy monitoring and engagement need to evolve to be more dynamic and impact-driven

Under **Principles 4-6 and 8 (policy objectives**), the analysis highlighted progress in economic and environmental diversification but also identified persistent weaknesses in labour-market activation, entrepreneurship ecosystems and resilience planning. ORF was shown to be conceptually strong, aligning well with OECD guidance on cross-sectoral well-being, rural-urban linkages and spatial sensitivity. However, gaps remain in translating this vision into integrated, territorial policy delivery. Economic diversification emerges as a central challenge. Ireland's growth model, anchored in FDI, export-oriented manufacturing, agrifood and agritourism, has so far delivered high returns but exposes rural areas to volatility and dependency. The next phase of ORF should focus on developing place-based ecosystems that nurture enterprises, strengthen SME and social enterprise capacity, and connect digital and physical infrastructure to local economic needs. Tourism and broadband investment are critical enablers, but their benefits depend on complementary measures including skills development, innovation, access to finance and the ability to retain value locally.

Achieving sustainable, resilient rural futures requires institutional continuity and foresight. Climate action, land stewardship and social inclusion must be integrated into every aspect of rural policy, ensuring that green transitions generate shared prosperity. Embedding participatory foresight and long-term planning mechanisms, such as a Rural 2040 strategy, would allow Ireland to move from short-cycle policy responses to anticipatory, adaptive governance. By balancing inclusion with strategic vision, Ireland can transform ORF II into a durable framework that strengthens both the economic and social fabric of its rural regions.

Under **Principles 1-3 and 7 (policy targets)**, ORF contains over 170 measures across economic, social and environmental domains, signalling robust commitment to rural revitalisation. However, many interventions remain anchored in national rather than territorial logic, with limited attention to the functional and spatial diversity of rural areas while the enduring "rural idyll" still shapes perceptions of rural. A more functional, place-based approach would better capture the diversity of rural Ireland, integrating typologies such as the CSO six-way classification, while acknowledging inter-settlement linkages and hinterlands as living, productive spaces beyond town centres. The path forward lies in sharper spatial intelligence. institutionalising typology-based planning and embedding rural-urban linkages into national frameworks linking local evidence to regional strategies and national priorities.

Under **Principle 9 (policy implementation)**, the review found that ORF's breadth demonstrates genuine whole-of-government ambition, yet institutional follow-through, particularly at the subnational level, remains constrained by fiscal and administrative centralisation. Ireland's regional assemblies, though lacking executive power, are well positioned to act a s analytical and co-ordination hubs. Embedding typologies such as the CSO six-way classification and fostering structured rural-urban dialogue would allow assemblies to operationalise functional approaches to planning, better reflecting the diversity of Irish territories while enhancing regional coherence and supporting rural development. At the local level, municipal districts, while small, could be empowered through participatory foresight processes or co-design to lead meaningful local engagement.

Applying **Principles 10-11 (policy tools: monitoring and engagement)** reveals the presence of structural frictions between Ireland's inclusive participatory culture and its centralised governance model, where extensive consultation compensates for limited analytical capacity but can dilute accountability. The analysis highlights that Ireland's culture of civic participation remains a defining strength but sustaining it requires more support. The DRCDG's monitoring system effectively tracks programme implementation but needs stronger data foundations and better outcome metrics. Bottom-up monitoring remains limited, making it difficult to capture rural people's lived experience or link administrative progress with well-being improvements.

Annex 4.A. OECD Rural Review of Ireland: Virtual missions and field visits

The OECD conducted seven virtual meetings and 2 field visits involving over 600 government officials and stakeholders as part of the research for the Rural Review of Ireland. The virtual discussions included were as follows:

- Introduction and Overview of Our Rural Future (April 2024)
- Innovation and Entrepreneurship in Rural Ireland (May 2024)
- Access to Public Services: Housing, Broadband, Health, and Skills (May 2024)
- Economic Development and the Local Labour Market (May 2024)
- Rural Well-Being (May 2024)
- Meeting with Former Irish Government Officials (September 2024)
- Meeting with the Irish Higher Education Institute Network (October 2024).

These were complemented by field visits to:

- Dublin and Limerick in June 2024
- Dublin and Roscommon in September 2024.

The discussions and visits were supplemented by a Background Report on Rural Development in Ireland prepared by the Government of Ireland (OECD, 2024[12]). The objective of the report and activities was to engage with various government and non-government representatives at national, regional and local levels to understand the approach to rural policy in Ireland. The discussions focused on identifying challenges, exploring areas of opportunity and assessing strengths and weaknesses. This document outlines some preliminary findings and observations on rural development policy in Ireland that emerged from these discussions. It does not cover all the issues that will be analysed in the final report but instead provides an overview of the recurring themes.

The OECD rural reviews involve peer reviewers, delegates from the Working Party for Rural Policy (WPRUR), and the Regional Development Policy Committee. These are government officials currently working on rural or regional policy in their countries. The peer-reviewing countries participating in the OECD Rural Review of Ireland are the Netherlands, Denmark, Switzerland and Norway. Representatives from each of these countries contributed to the discussions and shared their insights on the key messages highlighted in this report.

- ***Target strategies to make rural regions more attractive to live and work.*** Recognise that childcare, transport, water and digital infrastructure shape where people and businesses choose to locate. Design and co-ordinate service delivery to reinforce the liveability and competitiveness of rural communities.
- ***Invest in new entrants in rural places e.g. migrants and connect them new opportunities provided by green skills.*** Invest in people and inclusion. Expand modular, place-based training and ensure gender and migrant inclusion in the green transition.
- ***Build a well-being framework that measure what matters to rural people*** and use it to track outcomes, develop mor nuanced strategies and guide investment decisions.

Together, these steps would translate national progress into balanced prosperity anchoring Ireland's rural future in the OECD Principles on Rural Policy and the Well-being Framework.

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5 Why rural Ireland needs more forward-looking, targeted action

This chapter identifies six priority actions for the next phase of Irish rural policy: leveraging FDI to expand rural innovation and SME capacity; integrating housing policy with economic development; co-ordinating service delivery to enhance rural liveability and competitiveness; investing in green skills training for the rural workforce including new entrants with attention to inclusion; strengthening the approach to measuring rural well-being; and integrating foresight practices into long-term planning. Implemented together, these actions would translate national objectives into balanced prosperity, further aligning Ireland's rural future with the OECD Principles on Rural Policy and Well-being Framework.

Key points

- Ireland's foreign direct investment (FDI)-led success risks a two-speed economy, especially if FDI-derived opportunities do not sufficiently diffuse beyond larger cities. Thin and misaligned local labour markets, particularly in rural areas, waste skills and stall productivity, while environmental pressures threaten rural incomes and natural capital. Avoiding this risk can be accomplished by diversifying the economy into activities related to bio-innovation clusters and the circular economy and improving rural attractiveness through key public services such as wastewater treatment and electricity transmission capacity.
- National averages conceal significant rural disparities. Developing tailored well-being indicators that track outcomes at the territorial level could be used as evidence to prioritise investment, guide delivery and measure progress.
- Housing shortages and inadequate infrastructure have become important bottlenecks for rural competitiveness. Solutions that can help include linking housing delivery to places with unmet labour demand and prioritising investments in high-potential towns where there are available serviced sites.
- Fragmented childcare, transport, digital and water services quietly erode rural viability, limiting where families can settle and firms can invest. Planning and funding for these services should be done as one interconnected system, aligned with local economic and social goals, with inclusion embedded as a delivery rule.
- Gender, migrant and cost-of-living gaps continue to suppress workforce participation and enterprise creation. Without targeted rural upskilling, implementing the green transition may widen spatial inequalities, excluding workers and small and medium-sized enterprises (SMEs) through distance, higher costs and limited access to training.

Introduction

Rural development policy Our Rural Future (ORF) set out to create rural places that thrive. Achieving this ambition requires harnessing investment opportunities and innovation beyond cities and across rural regions, enabling rural value chains to upgrade and ensuring that productivity and wage gains are broadly shared. Younger workers leave and local enterprise density thins when housing near jobs is unavailable. Rural businesses struggle to hire locally or attract staff. Service gaps in childcare, transport, water and digital connectivity further constrain participation and firm growth. Climate shocks, as seen during recent storms, cascade through rural systems, disrupting work, learning, care and investment confidence. Moreover, focusing on aggregate growth rather than rural well-being can mask stagnation and feed disengagement.

The OECD report *Reinforcing Rural Resilience* (2025[1]), the OECD Principles on Rural Policy and Well-being Framework all emphasise the importance of building resilience in rural communities. These frameworks underpin Ireland's ORF strategy and remain central as the Department of Rural and Community Development and the Gaeltacht (DRCDG) prepares the next phase, ORF II.

Building on the previous chapters, this chapter explores five areas where Ireland's strong overall performance may be masking vulnerabilities that could, over time, weaken rural resilience and the effectiveness of existing strategies. The analysis focuses on the following six interrelated areas:

- Strengthening the economic foundations for the rural economy

- Rebalancing Ireland's agri-food model and developing the bioeconomy for sustainable rural futures.
- Housing as part of rural economic development.
- Preparing the rural workforce for the green transition.
- Addressing social inequalities and inclusion
- Improving access to services in rural Ireland
- Strengthening rural well-being measurement
- Embedding foresight into long-term rural policy development processes

Each of these areas represents a domain where current policy efforts risk being under-prioritised, despite their centrality to long-term resilience. To explore these issues in depth, this chapter proceeds as follows. The first section assesses Ireland's FDI-led growth model and the capacity of local labour markets and SMEs to drive balanced development. The second examines agriculture and environmental transition, focusing on diversification, innovation, bioeconomy and circular-economy opportunities to sustain farm and household livelihoods. The third section explores how housing interacts with economic development, and the fourth focuses on social inclusion, skills and equality. The final section brings these threads together, proposing ways to embed outcome-based well-being evidence and foresight-based planning into Ireland's rural policy framework.

Together, these themes argue that reinforcing resilience in rural Ireland does not require new programmes, but more substantial alignment of existing ones, connecting economic, social and environmental policy levers under a coherent framework led by the DRCDG and reflected in ORF II.

Strengthening the economic foundations for the rural economy in Ireland

Ireland's strong macro-economic performance masks a growing spatial imbalance that threatens long-term national resilience. Rural regions have not benefitted from Ireland's global competitiveness and record FDI inflows as much as metropolitan areas have. The concentration of investment, infrastructure and skills in metropolitan corridors risks creating a two-speed economy: dynamic cities on the one hand and stagnant rural regions on the other.

The challenge is not simply to increase economic strength but also to foster diffusion to translate and broaden the benefits of national competitiveness into rural prosperity. Strengthening rural economic foundations requires complementing the policy focus of increasing rural attractiveness to also include efforts for diffusion. These include tightening value-chain linkages, upgrading domestic SMEs and aligning skills, housing, transport and land use with functional rural-urban labour markets. Without such measures, Ireland's national advantages will remain geographically narrow, leaving large parts of the country under-used and vulnerable to future shocks.

Foreign direct investment and spatial concentration

FDI has driven Ireland's international competitiveness but remains geographically concentrated. It underpins growth in high-value sectors such as information and communication technology (ICT), pharmaceuticals and financial services. These high-productivity employment clusters are mainly located in Cork, Dublin and the Galway-Limerick corridor. Rural counties host relatively few multinational enterprise (MNE) sites, and those that exist often function as operational enclaves rather than embedded nodes in local value chains (Landman et al., 2022[2]).

Spillovers to rural SMEs remain limited and uneven. Technology, management and market diffusion from MNEs to domestic firms depend on supplier readiness, absorptive capacity and deliberate linkage policies (supplier development programmes, cluster governance, targeted procurement). Many rural SMEs face capability and scale constraints that prevent them from capturing these spillovers, reinforcing productivity gaps.

The national economy is highly exposed to a narrow set of MNEs. At the macro level, Ireland's growth is both tax- and sector-dependent on a small number of firms. However, for most rural areas, the risk is not over-dependence but under-participation and thereby missing opportunities for value-chain integration, skill pipelines and innovation diffusion. The task for ORF II is therefore not to attract more FDI per se, but to integrate and diffuse future investment more effectively across territories.

This will require thinking about FDI in a different way. For example, investment promotion agency IDA Ireland has been urged to develop "small-scale/niche FDI" strategies to target rural towns (CEDRA, 2014[3]). IDA Ireland's current five-year strategy (2025-2029) includes a focus on securing more investments in regional locations, developing "next-generation strategic sites" in regions and working in partnership with local stakeholders to improve placemaking and infrastructure that attract investments beyond just large urban centres (IDA Ireland, 2025[4]). This shows a broader ambition to spread FDI benefits regionally, although the emphasis largely remains on strategic sectors and larger-scale site developments.

Spreading growth: Sector mix, productivity and small and medium-sized enterprise structure

Spatial concentration of FDI amplifies Ireland's two-speed economy. Knowledge-intensive tradeable services (ICT, finance, professional services) cluster in city-regions, while rural economies rely more on non-tradeables (construction, retail, local services) and resource-based sectors (agrifood, forestry, tourism) (DJEI, 2025[5]). This sector mix, along with the lack of economies of agglomeration drives the lower average productivity and wages in rural areas, as depicted in Chapter 1, and greater sensitivity to domestic cycles.

Manufacturing footprints are also unevenly located. Advanced manufacturing (pharmaceuticals, medical technology, ICT hardware) clusters near research and development (R&D) assets and ports, while medium-technology (mid-tech) and light manufacturing (timber, food processing, fabricated metals) are more dispersed and anchorable in rural counties if supported by automation, digitalisation and patient finance to lift productivity and wages. Government agency Enterprise Ireland and IDA Ireland, through the Industry 4.0 Strategy 2020-2025, have introduced programmes such as Future Manufacturing Ireland to help regional manufacturers adopt digital, data-driven processes and automation (DBEI, 2019[6]). These initiatives are critical because rural manufacturers typically lag in technology adoption, training and productivity performance compared to urban regions.

The domestic-SME productivity gap remains wide. Productivity data show that Ireland's high national labour productivity (over EUR 125/hour in mid-2025) is largely driven by MNEs, masking persistent lagging productivity and wage levels in domestic rural sectors (CSO, 2025[7]). While lagging domestic SMEs, common in rural enterprise structures, face management-capability gaps, limited finance for second-stage growth and export barriers (standards, certification, market intelligence). These dynamics constrain convergence despite tight labour markets. The OECD and Ireland's Economic and Social Research Institute (ESRI) have both underlined that unless these regional and sectoral disparities are addressed, social inclusion and balanced growth will be increasingly constrained (OECD, 2025[8]).

Rural services also matter. Care, repair, logistics, visitor-economy and digital-enabled micro enterprises employ large numbers but are often low-margin and low-wage. Targeted upgrading in digital tools, shared back-office systems, quality standards and aggregated procurement can raise productivity and stabilise incomes without displacing local ownership.

Evidence from OECD sources supports the view that rural economic growth now depends on moving from generic enterprise supports to more targeted, place-specific upgrading strategies, particularly in manufacturing, services and SME export readiness (OECD, 2025[8]; DBEI, 2019[6]). The 2025 Action Plan for Competitiveness and Productivity and the Enterprise 2025 report both highlight that Ireland must focus on place-based productivity strategies to close the rural-urban gap and strengthen supply linkages between rural SMEs and major MNEs (Portefaix, 2025[9]; DJEI, 2025[5]). In short, Ireland's rural economy must evolve from general enterprise support to place-specific upgrading paths that include supplier readiness programmes tied to MNE demand, plant modernisation and Industry 4.0 measures for rural manufacturers, professionalisation of rural services and export-readiness initiatives for domestically oriented SMEs. Without these, rural productivity and wage gaps will widen further, constraining inclusive growth.

Local labour markets: The missing economic gear

Functional labour markets form the hinge between opportunity and place. The report *Impact Evaluation of Ireland's Active Labour Market Policies* (OECD/DSP/EC-JRC, 2024[10]) shows that effective labour market activation not only raises employment outcomes, but also anchors local economies by helping people move from social programmes to employment without relocating (OECD/DSP/EC-JRC, 2024[10]). Rural workers often commute into cities, while rural employers face persistent vacancies due to skills mismatch, housing constraints and transport gaps. National indicators that mask these local dynamics can often lead to one-size-fits-all policies that overlook the rural realities.

Improving labour market outcomes is therefore central to rural well-being. While Ireland's overall unemployment is low, many rural areas experience under-reported forms of joblessness, such as underemployment, discouraged workers and low labour-force participation among specific groups (CSO, 2025[11]; OECD, 2025[8]). Beyond formal unemployment, lower participation, underemployment and skills underutilisation remain significant, particularly where people work fewer hours than desired, operate in the informal economy, or accept lower-paid social enterprise roles in the absence of formal opportunities. In Ireland, as in other OECD countries, many rural or peripheral areas face forms of "concealed joblessness" where people are working fewer hours than they want, involuntarily part-time or outside the formal economy through casual, seasonal or social enterprise work rather than fully waged employment (Houston et al., 2024[12]). These conditions, combined with the shortage of both social and market-rate housing, reduce disposable income and mobility, further depressing well-being.

More granular evidence is required. Differentiated analysis by rural typology (see Chapter 1 and the Central Statistics Office [CSO] six-way split), commuting zones, travel-to-work areas and sectoral demand should inform local skills pipelines, further education offerings, childcare and eldercare capacity and transport scheduling. Addressing these barriers means shortening the distance between people and jobs – both physically through improved mobility and housing – and increasing skills, through targeted upskilling aligned to local demand. It is important to treat labour markets as core economic infrastructure. There is a need to develop stronger mechanisms to align training, housing, transport and land use with local demand profiles, by mobilising the Regional Skills Fora, Education and Training Boards (ETBs), local enterprise offices (LEOs) and Enterprise Ireland as a co-ordinated engine supported by the DRCDG's emerging rural intelligence capacity.

Brexit exposure and rural SME resilience

While Ireland avoided the most severe disruptions anticipated in the immediate post-Brexit period, the withdrawal of the United Kingdom from the European Union remains a live stress test for rural resilience. Its consequences continue to challenge rural regions despite financial buffers such as the Brexit Adjustment Reserve. SMEs in border counties and agrifood chains face persistent customs frictions, logistics costs, standards compliance pressures and exchange-rate volatility. Impacts have been geographically uneven, with the Border region on the front line due to economic and logistical exposure. The West/North-West and South-West experienced significant but secondary effects, particularly across agrifood and fisheries industries. The Gaeltacht and offshore island regions remain vulnerable as they depend on traditional sectors (e.g. fishing, craft exports, agriculture) that have been acutely affected by market volatility and regulatory uncertainty. Box 5.1 illustrates how these regional effects have unfolded across Ireland's rural economy, highlighting sectoral and spatial differences in exposure.

Box 5.1. Brexit effect across rural Ireland

The counties that experienced the largest farm income declines after Brexit were those most dependent on beef, sheep and dairy exports to the United Kingdom. The worst-affected counties were predominantly Cavan, Donegal, Leitrim, Monaghan and Roscommon, with secondary impacts in Clare, Kerry and Mayo. The South-West, home to Ireland's largest dairy processing plants, experienced heavy impacts linked to export costs and regulatory divergence for dairy products, particularly cheddar cheese shipments to the United Kingdom. Cork and Kerry, despite stronger infrastructure, saw reduced margins for small food producers and tourism operators due to weaker sterling and a fall in British tourist arrivals.

The West and North-West, with substantial employment in food processing, fishing and small-scale manufacturing, also faced notable Brexit-related shocks. These areas are dominated by indigenous enterprises highly reliant on United Kingdom (UK) trade links, making them sensitive to customs friction and exchange-rate fluctuations.

The Gaeltacht and offshore island regions, characterised by smaller and more isolated rural economies, were similarly affected because their traditional export sectors – fishing, craft production and agriculture – experienced heightened uncertainty and market contraction after Brexit.

Sources: Copenhagen Economics (2025[13]), *Ireland and the Impacts of Brexit Strategic Implications for Ireland Arising from Changing EU-UK Trading Relations*, https://enterprise.gov.ie/en/publications/publication-files/ireland-and-the-impacts-of-brexit.pdf; European Parliament (2023[14]), *Impact of Brexit on the Development of Irish Regions and their Cross-Border Cooperation*, https://www.europarl.europa.eu/RegData/etudes/STUD/2023/733127/IPOL_STU(2023)733127_EN.pdf.

Strengthening rural economies post-Brexit

The 2025 government report on the impacts of Brexit identifies agrifood, agriculture and wholesale-retail as the sectors experiencing the deepest structural effects, largely due to tariff risks, regulatory divergence and higher logistics costs (Copenhagen Economics, 2025[13]). With the presence and persistence of diversification and digitalisation gaps, many rural SMEs lack the working-capital depth and market-development capacity needed to pivot towards EU or overseas markets. E-commerce, digital marketing and certification adoption remain inconsistent, limiting their access to new supply chains.

Future rural policy must therefore embed post-Brexit resilience within ORF II's enterprise pillar, combining diversification advisory, tailored finance, shared logistics or fulfilment hubs, mentored certification pathways and digital-sales enablement, targeted especially at border regions and export-exposed sectors. Building such adaptive capacity would not only strengthen SME resilience but also advance Ireland's goal of balanced territorial development.

Rural recovery efforts are increasingly framed around diversification, local value chains and resilience policies. A 2023 Economic Resilience Scorecard study identifies Ireland as a priority case for testing "rural recovery through local interdependencies", showing how post-Brexit support schemes can foster diversified local supply chains and SMEs (Sensier, Rafferty and Devine, 2023[15]). At the same time, evidence from the OECD shows that filling the post-Brexit gap in small rural places could involve several complementary actions. These include: strengthening place-based economic models and rural SMEs; investing in digital and green transition capacities; leveraging community entrepreneurship and rural hubs; and improving policy coherence between the local and national levels.

The last OECD flagship report on rural development *Reinforcing Rural Resilience* emphasises four drivers for renewing rural economies:

- specific assets (place-based strengths like food, craft, landscape)
- tradeable specialisation (niche exports, creative sectors)
- access to markets (including urban-rural linkages rather than dependence on one export partner)
- resources (natural and human capital).

It argues that rural regions formerly dependent on EU-UK trade can rebound through small-scale manufacturing, renewable energy and digital entrepreneurship, provided investment in skills, broadband and connectivity improves (OECD, 2025[1]).

Rebalancing Ireland's FDI model and building rural competitiveness after Brexit

Ireland's FDI-led growth model has delivered prosperity but produced uneven territorial outcomes. Several rural economies are still grappling with the structural effects of Brexit. ORF II can play a strategic enabling role by converting national competitiveness into local capability. Table 5.1 summarises key challenges and feasible actions to transform FDI from a concentrated growth source into a more balanced engine of regional resilience. These measures focus on tightening supply-chain linkages, strengthening SME upgrading and embedding labour-market and spatial planning within rural policy co-ordination frameworks.

Table 5.1. Converting national strength into local resilience: Building on existing initiatives to diffuse FDI benefits

Recommendation	Existing initiatives and programmes	Scope to go further
1. Promote a balanced spatial distribution of FDI beyond Dublin and large cities	IDA Ireland's Regional Property Programme and Advance Building Solutions target FDI to regional centres such as Athlone, Sligo and Waterford. The National Planning Framework (NPF) 2040 commits to "50:50" growth between Dublin and the rest of the country, and IDA Regional Plans (2021-2024) track investment by region.	Highlight rural-adjacent enterprise zones and strengthen linkages between rural areas and regional FDI clusters through IDA promotion and spatial targeting within ORF II.
2. Strengthen local enterprise linkages between FDI firms and rural SMEs	Enterprise Ireland's Global Sourcing Initiative and Cluster Programme connect MNEs and Irish SMEs; the Regional Enterprise Plans reference cluster development and supply-chain linkages.	Launch supplier readiness supports for rural SMEs and co-ordinate LEOs as intermediaries linking local firms with MNE procurement networks, monitored through annual linkage metrics.
3. Encourage knowledge spillovers and innovation diffusion from FDI to rural enterprises	Regional Technology Clusters in ICT and medical technology foster collaboration between FDI firms and education providers. The Technological Universities (TUs) network expands research capacity outside Dublin.	Pilot "rural innovation vouchers" connecting TUs, LEOs and FDI firms, and establish small-town "satellite R&D hubs" to diffuse innovation into peripheral counties.
4. Embed FDI attraction within a place-based development model	Regional Enterprise Plans and Project Ireland 2040 emphasise balanced regional development; IDA Ireland has begun integrating spatial logic into its strategy.	Convene joint DRCDG-IDA Ireland foresight dialogues to align new FDI with rural skills, land availability and sustainability priorities, ensuring spatial coherence in future attraction efforts.
5. Leverage rural assets – renewable energy, tourism, food and the circular economy – as part of Ireland's FDI offer	Enterprise Ireland markets Ireland's green and agrifood sectors internationally; new regional offshore wind and hydrogen initiatives are emerging; Smart Villages and bioeconomy strategy indirectly support investment attraction.	Develop a unified "sustainable rural investment offer" co-led by IDA Ireland and Enterprise Ireland, positioning low-carbon value chains and nature-based industries as a core pillar of Ireland's global FDI narrative.

Recommendation	Existing initiatives and programmes	Scope to go further
6. Enhance the role of local authorities (LAs) and regional assemblies in FDI readiness	LAs collaborate with IDA Ireland through the Regional Enterprise Development Fund and LEOs; regional assemblies identify industrial land and transport links.	Support capacity building and shared data platforms enabling LAs to plan for FDI readiness and monitor local economic impact, backed by DRCDG intelligence systems.
7. Improve monitoring of FDI impacts in rural and small-town contexts	IDA Ireland and the CSO publish regional data on job creation and investment values.	Develop fine-grained rural FDI indicators – employment share, local supply-chain multipliers and spatial spillover indices – to guide ORF II performance tracking.
8. Use foresight and scenario planning to anticipate FDI trends affecting rural areas	National foresight exercises (Future Jobs Ireland, Science Foundation Ireland, Department of Enterprise, Tourism and Employment) explore skills and sectoral shifts.	Institutionalise rural foresight dialogues with IDA Ireland and Enterprise Ireland under ORF II to anticipate digital, green and distributed-industry trends and adapt rural skills pipelines accordingly.

Policy priorities to strengthen the rural economic foundations

Ireland's approach to attracting and leveraging FDI has evolved significantly over the past decade. The initiatives already in place, spanning regional prosperity programmes, cluster support and regional enterprise strategies, demonstrate a clear national commitment to balanced growth. However, as Table 5.1 illustrates, these activities are not yet fully spatially integrated, nor systematically connected to rural economic ecosystems. The challenge is less about inventing new instruments and more about ensuring that existing ones better reflect rural realities. These include targeting smaller firms, thinner labour markets and distance from main transport and innovation corridors. Based on the initiatives and activities already underway, and the areas identified where further depth is possible, several policy priorities emerge.

ORF II should focus on converting national economic strength into local resilience, including making FDI diffusion, SME upgrading and labour market alignment the foundation of a truly inclusive, place-based economy. By treating rural economic capacity as part of the national competitiveness system rather than its residual, Ireland can support a more balanced growth model across all regions and, with it, mobilise the growth potential of rural assets. The evidence above suggests five practical levers for doing so:

- **Diffuse FDI impacts through stronger local linkages**. Ireland's success in attracting global investment must now be matched by deliberate mechanisms to spread its benefits spatially, through supplier readiness programmes, rural brokerage platforms and co-ordinated regional promotion.
- **Back second-stage growth for rural SMEs**. Close the "missing-middle" gap by providing finance, mentoring and export-readiness support that help established rural firms scale up and compete in international value chains.
- **Professionalise rural services as part of a productivity agenda**. Use shared digital platforms, targeted training and quality-certification schemes that are expressly designed to operate in a rural milieu to raise incomes, attract younger workers and formalise informal activity.
- **Treat labour market alignment as a structural policy lever**. Integrate housing, transport, childcare and training strategies to match local labour supply and demand within functional rural-urban labour markets.
- **Fully adopt typology-based targeting and institutionalise rural intelligence to better serve diverse rural Ireland**. Acknowledge the differing needs of adjacent, intermediate and remote areas by equipping the DRCDG to translate granular local data into cross-government policy signals and funding priorities.

Together, these levers provide a coherent roadmap for ORF II, linking the "scope to go further" actions in Table 5.1 directly to the strategic priorities that can help activate rural assets and increase rural resilience. International experience reinforces these findings. As Box 5.2 shows, other OECD countries facing similar spatial concentration risks have successfully used supplier development programmes, foresight intelligence and local partnerships to diffuse FDI benefits into rural regions.

Box 5.2. Approaches to diffusing FDI benefits and strengthening regional innovation systems

Other OECD countries show that supplier development, foresight intelligence and local partnerships are crucial to spreading the benefits of FDI beyond major cities. Each example illustrates how governments embed regional innovation, supplier upgrading and foresight systems into rural and industrial strategies, connecting regional innovation ecosystems with inclusive FDI and rural competitiveness.

Czechia and Portugal demonstrate how European Union (EU) co-financing can scale supplier upgrading and SME diversification; Denmark and Finland highlight the integration of foresight, labour intelligence and diffusion networks; while Costa Rica and Czechia show how territorial governance and multi-agency co-ordination deepen value-chain spillovers. Together, they form an emerging set of international best practices for balanced FDI diffusion and regional resilience.

Portugal: Compete 2030 and regional supplier upgrading

Portugal's Compete 2030 Innovation and Digital Transition programme (budget EUR 3.9 billion) provides a model for linking regional SMEs, especially in agriculture and manufacturing, to global investor networks while raising technological capability. Administered by the Agency for Competitiveness and Innovation under Portugal 2030 and co-funded by the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+), the programme supports SME internationalisation, digitalisation and integration into MNE supply chains. It co-finances supplier certification, R&D collaboration and technology adoption, particularly in food processing, automotive and green industries. The OECD report *The Green Transition of SMEs and Entrepreneurship in Portugal* (2025[16]) notes that this supplier-upgrading component enables rural and peripheral SMEs to join complex value chains, though uptake varies regionally.

Finland: Foresight in smart specialisation strategies

Finland demonstrates how integrating foresight and labour intelligence tools into regional planning aligns foreign investment priorities with education and R&D systems. Each region embeds foresight within its smart specialisation strategy, combining data on skills, investment trends and technology diffusion to guide priorities such as bioeconomy, digitalisation, well-being and tourism. Cross-regional foresight systems in Central and Northern Finland link universities, regional councils and enterprises. Finland's Anticipatory Innovation Governance Model (OECD, 2022[17]) institutionalises foresight across government, ensuring that research, development and innovation investment, FDI attraction and workforce development evolve in tandem.

Czechia: Supplier Development Programme

Czechia's Supplier Development Programme, implemented by CzechInvest with the World Bank Foreign Investment Advisory Service, shows how direct FDI-SME linkage schemes can strengthen rural and regional business ecosystems when funding and technical assistance target verified supplier potential. Piloted between 2000 and 2002 in automotive and electronics, it paired MNEs with local SMEs for joint process certification, mentoring and quality audits (using European Foundation for Quality Management benchmarking). Forty-five suppliers completed tailored business reviews, securing an estimated USD 46 million in new contracts within three years. The framework later expanded through EU Phare and ERDF funds to regional suppliers, laying the foundation for CzechTrade's competitive-cluster system.

Denmark: Regional business hubs and FDI knowledge diffusion

Denmark connects foreign investment, innovation and rural enterprise policy through a network of regional business hubs and innovation partnerships. These hubs link municipalities, universities and firms to accelerate knowledge diffusion from global investors to local SMEs. Supported by the Green Development and Demonstration Programme and the OECD FDI-SME Ecosystems Initiative (2025), Denmark prioritises knowledge upgrading and sustainable productivity over isolated project grants. It provides a governance model where FDI agencies, LAs and higher education institutions jointly deliver regional innovation and diffusion strategies.

Costa Rica and CzechInvest: Multi-ministerial supplier development

The Costa Rican Investment Promotion Agency (CINDE) and Czechia's CzechInvest both highlight the importance of inter-ministerial collaboration in turning investment promotion agencies into enablers of territorial knowledge diffusion rather than narrow FDI brokers. CINDE co-ordinates supplier development frameworks across electronics, medical devices and advanced manufacturing, linking with the ministries of economy, science and education. Its participation in microelectronics and semiconductor industry event Semicon West 2025 exemplifies a focus on ecosystem maturity – certification, traceability, talent partnerships and infrastructure – that extends value-chain integration beyond metropolitan areas. Similarly, CzechInvest has evolved from a traditional investment promotion body into a multi-ministerial co-ordination platform linking the Ministries of Industry, Labour and Regional Development to drive supplier diffusion into peripheral regions.

Sources: Compete 2030 (n.d.[18]), "Structure and Objectives", https://www.compete2030.gov.pt/en/structure-and-objectives-2/; OECD (2025[16]), *The Green Transition of SMEs and Entrepreneurship in Portugal*, https://doi.org/10.1787/36e668f2-en; Keski-Suomen liitto (n.d.[19]), "Smart Specialisation Strategy for Central Finland", https://keskisuomenliitto.fi/en/strategic-choices-and-success-stories/smart-specialisation-strategy-for-central-finland/; Lapin liitto (n.d.[20]), *Shared Smart Specialisation Strategy for East and North Finland as from January 2024*, https://www.lapinliitto.fi/wp-content/uploads/2023/12/IP-Suomi-A%CC%88ES-taitto-210x210mm_ENG_verkkojulkaisu.pdf; WEF (n.d.[21]), "Case 13: Pilot Czech Supplier Development Programme in Electronics and Automotive", https://www3.weforum.org/docs/Manufacturing_Our_Future_2016/Case_Study_13.pdf; OECD (n.d.[22]), "FDI-SME Ecosystems to boost productivity and innovation", https://www.oecd.org/en/about/projects/fdi-sme-ecosystems-to-boost-productivity-and-innovation.html; CINDE (2025[23]), "Costa Rica Showcases Its Vision of Resilience and High Technology at SEMICON West 2025", https://www.cinde.org/en/essential-news/costa-rica-showcases-its-vision-of-resilience-and-high-technology-at-semicon-west-2025; CzechInvest (n.d.[24]), "Homepage", https://czechinvest.gov.cz/; OECD (2025[16]), *The Green Transition of SMEs and Entrepreneurship in Portugal*, https://doi.org/10.1787/36e668f2-en; OECD (2022[17]), *Anticipatory Innovation Governance Model in Finland: Towards a New Way of Governing*, https://doi.org/10.1787/a31e7a9a-en.

Rebalancing Ireland's agrifood model and developing the bioeconomy for sustainable rural futures

Ireland's agriculture and food system remains the backbone of rural life, yet its future resilience will depend less on productivity gains and more on how well it adapts to changing environmental, labour and market dynamics. Agriculture still accounts for around 5% of national employment, but its importance is magnified in rural regions, where farm households anchor local economies, cultural identity and environmental stewardship. However, structural ageing, weak diversification and environmental pressures are converging to challenge the sustainability of Ireland's rural agri-economy.

From productivity to innovation: Reframing the growth model

The next wave of agricultural productivity must come from innovation within and beyond farming. Productivity gains at the national level mask widespread income fragility. The latest Agriculture and Food

Development Authority of Ireland (Teagasc) analysis affirms that less than half of Irish farms are economically viable, confirming the persistence of structural income imbalance within an otherwise efficient agrifood system (Sharewatch, 2025[25]). Ireland's agrifood system has achieved high levels of efficiency and export competitiveness, yet its productivity model that is based primarily on scale expansion and input intensity is under pressure from environmental limits and changing consumer demand. Future gains must come from innovation that links farm activity to value addition, bioeconomy applications and climate-smart production. OECD work on agricultural transitions shows that innovation-led growth helps reduce emissions intensity while enhancing income diversity (OECD, 2024[26]).

Ireland's Food Vision 2030 strategy already identifies innovation as a core driver, but the alignment with rural development objectives remains partial. Rural SMEs in agri-processing, circular bioeconomy or ecotourism could be key nodes in the transition. The Common Agricultural Policy (CAP) Network Ireland National Conference 2025 and Bioeconomy Ireland Week 2025 confirm that SMEs are at the heart of Ireland's transition to a sustainable, circular and low-carbon economy, particularly in the West and Border regions (CAP Network Ireland, 2025[27]; DCEE, 2025[28]). Yet they often lack access to tailored finance, research partnerships or enabling infrastructure. This underscores the need for ORF II to act as a bridge between agrifood innovation and rural enterprise development, ensuring that rural communities are part of the bioeconomy transition rather than simply its landscape.

Diversification, adding value and functional integration

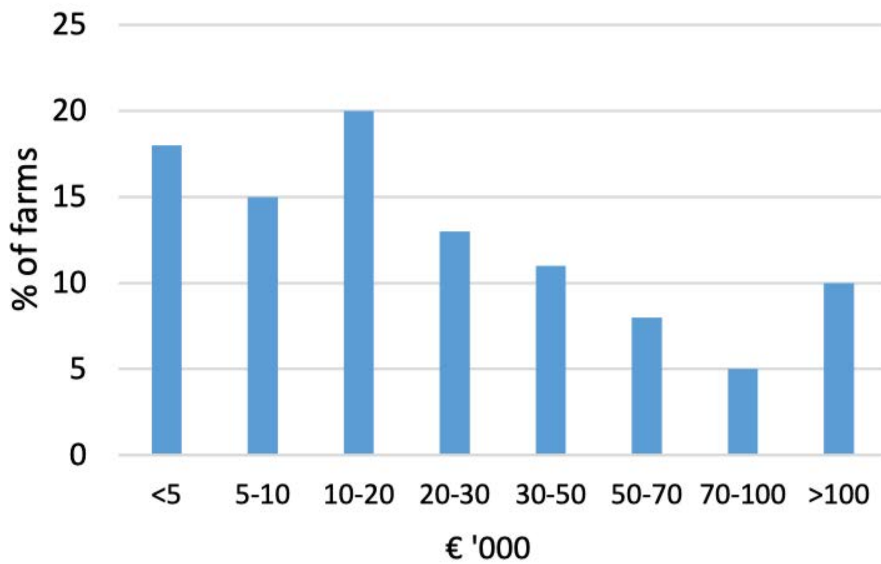
Farm diversification remains uneven across Ireland. Data from Teagasc and the Department of Agriculture, Food and the Marine (DAFM) reveal that while diversification is expanding, especially in rural tourism, renewable energy and horticulture, uptake varies across regions, farm types and scales of operation (Teagasc, 2025[29]). Yet diversification is one of the most effective levers for both income stability and environmental transition. While niche enterprises that include horticulture, organics, agritourism and renewable energy are expanding, they remain marginal in most regions. Barriers include regulatory complexity, limited advisory reach and fragmented market access. Greater emphasis on local and regional food systems such as processing, branding, logistics and tourism linkages, can help capture more value locally.

Functional integration between agriculture and other rural sectors is equally limited. Ireland's rural economy still operates through segmented sectoral systems rather than an integrated rural enterprise model (OECD, 2025[8]). Rural enterprises connected to agrifood value chains through logistics, renewable energy, digital services and tourism can amplify rural incomes. The *OECD Regional Outlook 2023* finds that countries leveraging such cross-sectoral linkages – between farming, SMEs and local services – generate more stable employment and innovation spillovers (OECD, 2023[30]). In Ireland, regional clusters around dairy, meat and seafood already provide examples, but broader replication and investment in support infrastructure (cold chains, testing facilities, rural incubators) remain limited.

Enhancing rural employment and farm household livelihoods

Farm households anchor the social and economic life of rural Ireland but face mounting pressures. The 2024 Teagasc National Farm Survey showed that only 43% of the roughly 88 000 farms in the survey population were economically viable, defined as having a farm income sufficient to pay family labour and earn a 5% return on non-land assets (Teagasc, 2025[31]). While the survey covers 96% of the livestock population and 85% of Irish farmland, its sampling frame excludes farms with annual sales below EUR 8 000, about 47 000 farms, or 35% of all holdings. With such low sales, virtually all of these farms would be considered non-viable. This suggests that, in 2024, only 28% of Irish farms or around 37 800 holdings were economically viable. Figure 5.1 below shows the distribution of farm family income from the farm survey. Fewer than 40% of farm households earned more than EUR 30 000 in farm income, while just over 30% generated less than EUR 10 000.

Figure 5.1. Average farm gross income distribution, 2024



Source: Teagasc National Farm Survey

This pattern indicates that most Irish farm households depend heavily on agricultural transfer payments, off-farm earnings and other transfer income for much of their livelihood. Even where farms are efficient and receive CAP subsidies, those subsidies are often small because the farms themselves are small. In Ireland, around 65% of farm households reported off-farm earnings, lower than in many OECD countries, where most farm households earn more off farm than on farm (Pastusiak et al., 2017[32]).

Low farm incomes create a dual challenge: they constrain productivity and succession, while limiting agriculture's wider contribution to the rural economy. When incomes are insufficient, farmers cannot invest in modernisation, expansion or maintenance, which dampens productivity growth (Shin, 2022[33]). Persistent low incomes also delay succession, since a farm that can barely support one household cannot support two. The average age of new farmers has risen from 39 (1971-1976) to 56 (2016-2°22) (Food Vision 2030, 2025[34]; DAFM, 2022[35]). Older successors tend to invest less in increasing output and are less likely to take or seek off-farm work.

For rural regions, this means agriculture contributes less to local growth while continuing to rely on public expenditure. Yet younger entrants could strengthen both the agricultural and non-agricultural rural economy: farm operators typically have mechanical skills and equipment that can fill gaps in rural labour markets. Many seek part-time or seasonal employment to balance farm and off-farm work, supported by their own transport and community networks. Farm spouses are also key participants in local economies, often with their own skillsets that add value to rural labour markets. Importantly, farmers rarely migrate out of their communities for work, so they help anchor population stability.

A weak local labour market, in turn, discourages generational renewal. When rural job prospects are thin, younger people delay taking over small farms, opting for urban employment until they can afford to semi-retire. This rational individual choice has cumulative costs for rural communities, locking in demographic decline and economic stagnation. Increasing the viability of farm households requires linking rural employment and enterprise development to agricultural policy, so that off-farm work, skills and diversification are seen as mutually reinforcing, not separate domains.

Implications for ORF II – From productivity to resilience

ORF II should position agriculture as part of a wider rural resilience agenda linking diversification, innovation and employment policy across multiple sectors under a shared vision of "productive sustainability". Ireland's agricultural model remains a cornerstone of rural identity and employment, but its long-term vitality depends on diversification, generational renewal and stronger integration with the wider rural economy. Table 5.2 identifies where further depth and co-ordination could be advanced through ORF II.

Table 5.2. Agriculture and rural economic development: Building on existing measures to strengthen farm and household resilience

Recommendation	Existing initiatives and programmes	Scope to go further
1. Enhance farm viability through innovation and value-chain upgrading	Food Vision 2030, the Agri-Innovation Programme and Enterprise Ireland's agri-tech support promote competitiveness and sustainability.	Support small-scale collaborative processing, shared logistics and marketing co-operatives to capture more local value; align these with enterprise support under ORF II.
2. Strengthen generational renewal and farm succession	National CAP Strategic Plan includes the Young Farmers Scheme, Succession Farm Partnerships and advisory services.	Introduce a rural renewal package linking farm succession incentives with affordable rural housing, tax reliefs and mentoring to attract younger entrants.
3. Expand advisory and training capacity for diversification	Teagasc and LEOs deliver farm-diversification advice, though coverage is uneven.	Establish joint Teagasc-LEO Rural Diversification Teams in each region to provide integrated business, financial and environmental guidance.
4. Build rural bioeconomy and renewable energy clusters	National Bioeconomy Policy Statement and Action Plan, Irish Bioeconomy Forum, Regional Enterprise and Skills Plans, and EU Horizon projects pilot initiatives.	Pilot Bio-Innovation Campuses connecting farmers, SMEs and TUs around circular-economy and renewable energy projects.
5. Foster dual livelihoods and off-farm employment	Rural Social Scheme and TÚS provide supplementary income; LEOs and Rural Social Scheme link limited.	Merge support into a Dual-Livelihoods Pathway, integrating training, social enterprise participation and small-business start-up support for farm households.
6. Improve access to finance for small and micro enterprises	Strategic Banking Corporation of Ireland and Microfinance Ireland offer targeted loans.	Develop flexible micro-credit lines for farm-diversification and circular-economy ventures, co-ordinated through local development companies.
7. Strengthen rural labour market intelligence	CSO Labour Force Survey provides national data; limited spatial disaggregation.	Create a DRCDG-led Rural Labour Observatory to track farm household employment, green skills demand and diversification outcomes.
8. Expand community-based renewable energy participation	Renewable Electricity Support Scheme and Sustainable Energy Authority of Ireland community programmes exist.	Streamline permitting and advisory processes for small-scale solar, anaerobic digestion and wind projects owned or co-owned by farm communities.
9. Integrate foresight and scenario planning into agrifood governance	Food Vision 2030 taskforces monitor implementation; foresight remains sector-specific.	Establish a cross-government Rural Employment Foresight Taskforce to anticipate technological, environmental and demographic shifts impacting farm households.

Policy priorities to rebalance Ireland's agrifood model

While the actions in Table 5.2 highlight where existing instruments can go further, the priorities below identify the structural levers that ORF II should embed to sustain and scale these improvements:

- Reframe agricultural transition as an integral part of rural development. Position diversification and innovation as the twin pillars of rural economic resilience, ensuring DRCDG and DAFM strategies are mutually reinforcing.

- Build regional bio-innovation clusters. Develop pilot bio-innovation campuses, linking farmers, SMEs and TUs to translate agri-innovation into regional value creation.
- Enable dual livelihoods and household entrepreneurship. Integrate off-farm employment schemes, enterprise support and training so farm households can build balanced income portfolios.
- Develop rural labour intelligence and foresight systems. Use the DRCDG's data capacity to monitor skills transitions and anticipate new green- and digital-job opportunities.
- Embed cross-sector planning within ORF II. Ensure agriculture, enterprise, housing and environmental policies are co-ordinated through a shared rural resilience framework.

Ireland already possesses many of the institutional pieces that include Teagasc, LEOs, Regional Skills Fora and the regional assemblies. The task is to align them under a shared vision of rural innovation, for example through a cross-departmental rural innovation platform, embedding foresight analysis within policy design and supporting demonstration projects that link farm transition to local job creation.

Box 5.3. Lessons for building rural innovation and resilience

International experience shows how regional innovation hubs, diversification funds and foresight platforms can transform traditional farming systems into diversified, resilient rural economies. These examples demonstrate that diversification and resilience emerge where national policies empower regional clusters to lead innovation and connect farmers with research, markets and communities.

Finland: Regional bio-innovation hubs

The Bioeconomy Campus in Tarvaala, Saarijärvi (Central Finland) illustrates how a co-ordinated regional R&D model can convert natural resource endowments (forests and agriculture) into sustainable, circular business systems. Anchored by Jamk University of Applied Sciences, the Institute of Bioeconomy of the University of Jyväskylä and regional development bodies, the campus links farmers, SMEs and researchers through applied R&D and pilot production. It hosts a Smart Farm and Smart Bioeconomy Testbed developing renewable materials, precision-farming tools and circular-biomass systems. The hub has become a launchpad for bio-based start-ups and demonstrates how integrated governance can mobilise public agencies, universities and entrepreneurs around regional green growth.

Austria: Farm diversification funds

Austria's Rural Development Programme 2014-2020 (LE 14-20), co-financed by the European Union and Austrian federal provinces, created a robust model for expanding rural income streams while maintaining primary agriculture. Through Measure 6: Farm Business and Farm-Diversification Support, around EUR 80 million financed rural tourism, agrifood processing and small-scale manufacturing. By 2020, approximately 8 400 agricultural holdings offered accommodation, experiential tourism or small craft production – about 6% of all Austrian farms – generating EUR 1-1.2 billion in turnover. The programme strengthened rural employment and landscape stewardship, showing how diversification funding can align economic, cultural and ecological goals.

Denmark: Smart-land networks

Denmark's Smart Farming Network, co-ordinated by Landbrug and Fødevarer (the Danish Agriculture and Food Council) with Aarhus University, demonstrates how farmer co-operatives can integrate land use efficiency and renewable energy generation through shared digital infrastructure. Supported by the Green Development and Demonstration Programme, it combines precision-agriculture technologies, Global Positioning System (GPS) nutrient accounting and co-operative biogas or district heating projects to enhance productivity and reduce emissions. The Mark Online system now covers roughly 85% of Danish farmland, enabling circular resource use across manure management, green-protein production and local energy co-operatives.

Canada: Agricultural foresight platforms

Canada has institutionalised anticipatory governance for agriculture through two linked initiatives: the Agri-Foresight initiative within Agriculture and Agri-Food Canada and external partnerships with the Canadian Agri-Food Policy Institute and the Canadian Agri-Food Foresight Institute. These platforms convene governments, producers, academics and private actors to conduct scenario planning, vulnerability mapping and "crisis-management toolbox" modelling for food system resilience. Tools include foresight visualisation for identifying trade, climate or biosecurity disruptions and system-level modelling to inform adaptive resource allocation. Together they provide a structured model of foresight governance applicable to other rural sectors seeking long-term resilience planning.

These cases confirm that effective rural diversification depends on embedding innovation capacity where production occurs, through regional hubs, co-operative digital networks, targeted diversification funds and foresight platforms linking local knowledge to national strategy. Each demonstrates how rural economies can transition from dependence on single sectors or export partners towards integrated, knowledge-driven resilience

Sources: Jamk (n.d.[36]), "Smart Farm for Bioeconomy Campus", https://www.jamk.fi/en/research-and-development/rdi-projects/smart-farm-for-bioeconomy-campus; Quendler, E., et al. (2024[37]), "Austria under the auspices of global agritourism values: a narrative literature review", https://doi.org/10.3389/frsut.2024.1513292; Fourlis, L. (2025[38]), "Future Farming Denmark", https://lwid.dk/future-farming-denmark/; CAPI (2023[39]), *Canadian Agri-Food Resilience: A Toolbox for Managing Crises*, https://capi-icpa.ca/wp-content/uploads/2023/09/2023-09-13-Canadian-Agri-Food-Resilience-CAPI-EN.pdf.

Housing as part of rural economic development

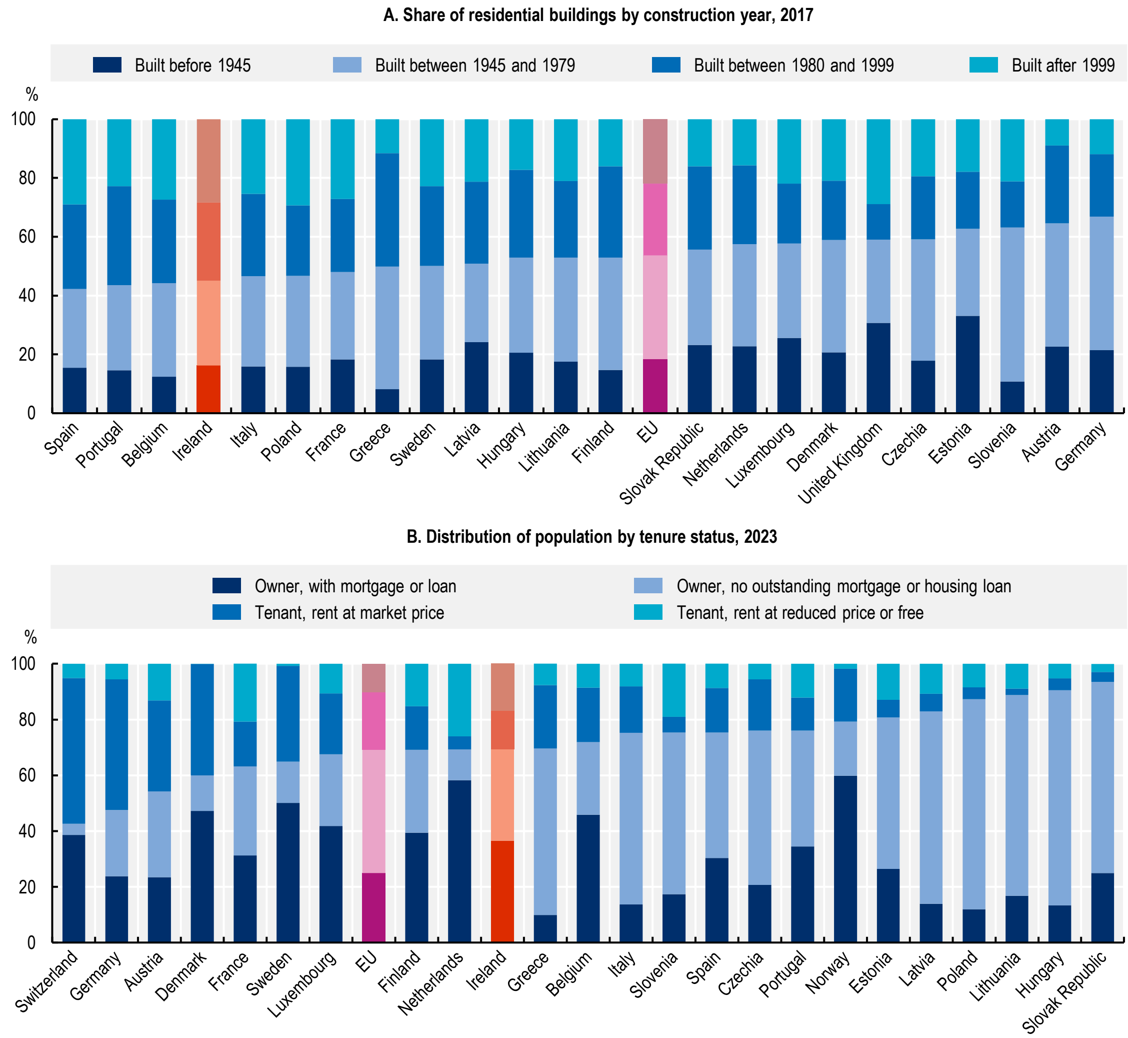
Housing is not merely a social policy issue: it is core economic infrastructure. Adequate, affordable and well-located housing determines where people can live, work and invest. It underpins labour mobility, community vitality and enterprise growth. In rural Ireland, housing policy has become a structural determinant of whether regions can retain or attract people and firms (OECD, 2025[8]). Linking housing and rural economic development is therefore essential for unlocking the potential of rural places. While Ireland has made progress through programmes such as Town Centre First and *Croí Cónaithe* (Cities), the challenge lies in ensuring that rural housing policy is not treated in isolation but embedded within a wider economic, spatial and labour market framework.

National and rural housing context

Ireland's housing stock has grown substantially since 2016, yet not fast enough to keep pace with population growth or demographic change. Although the stock is relatively recent and not excessively skewed towards home ownership, acute affordability issues and regional disparities persist.

Between 2016 and 2022, the population increased by over 8% while the housing stock grew by only 6%, resulting in an estimated shortfall of over 50 000 dwellings (CSO, 2023[40]). Rural counties face a double burden, new housing supply lags behind national trends, while older housing stock, much of which is substandard, dominates much of the periphery.

Figure 5.2. The housing stock is relatively recent and not excessively skewed towards home ownership



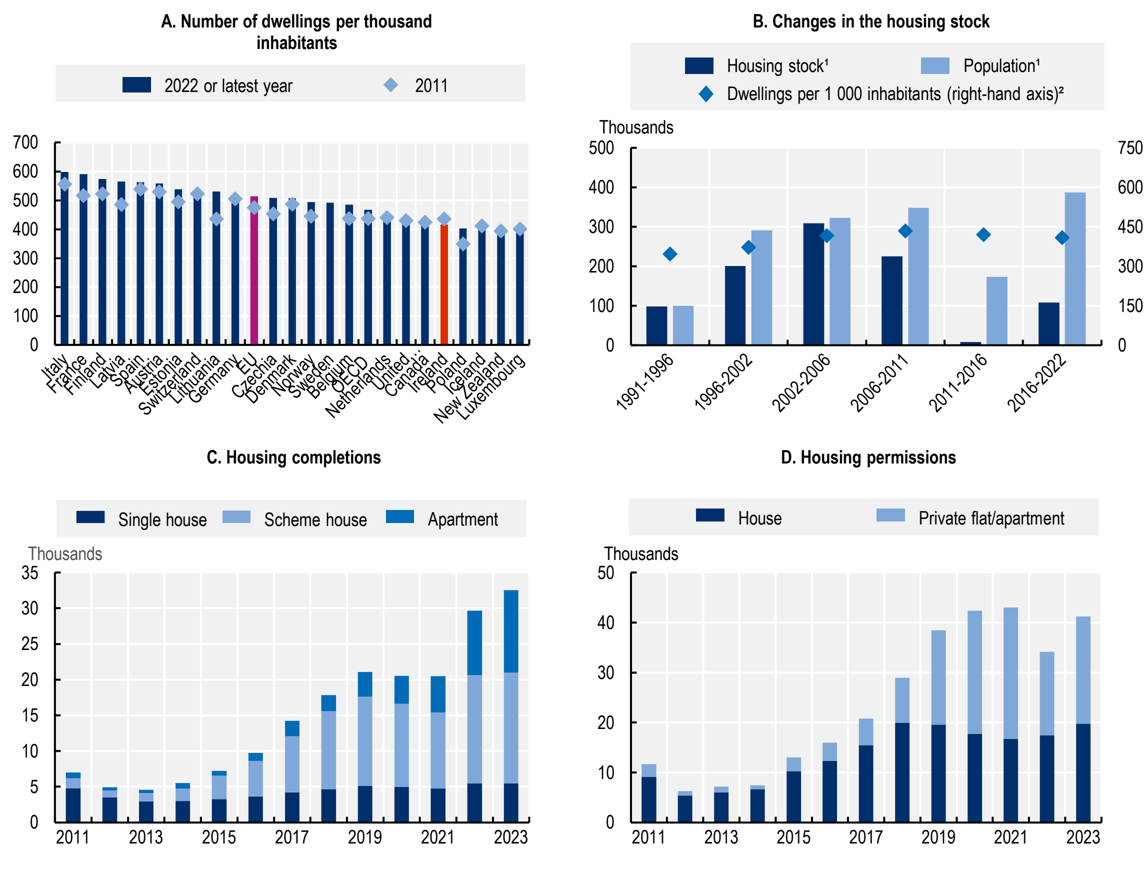
Source: OECD (2025[8]), *OECD Economic Surveys: Ireland 2025*, https://doi.org/10.1787/9a368560-en.

Housing affordability pressures are most severe near urban centres and along the eastern seaboard, but many rural counties experience stagnant or declining construction activity, limited rental markets and declining availability of public housing. The GeoDirectory Second Quarter 2025 Report shows that Cork, Dublin, Galway, Kildare, Meath and Wicklow drive nearly 60% of annual completions, while counties like Leitrim, Longford and Roscommon report the lowest new starts and smallest rental base (CSO, 2025[41]). Similarly, the Arcadis Construction Market Review (Arcadis, 2025[42]) reports that while Ireland saw rising national construction investment, “activity remains spatially concentrated”, with weak developer incentives outside urban growth zones.

According to the Chambers Ireland submission to the National Housing Plan 2025-2030, this divergence reflects not only land use patterns but also planning constraints, infrastructure deficits and fragmented delivery capacity, especially where small LAs lack planning resources or viable landbanks (Chambers Ireland, 2025[43]). A 2025 Housing Commission review notes that Ireland’s housing system remains structurally undersupplied and geographically imbalanced with stagnant housing construction across many rural counties (Housing Commission, 2024[44]). A 2025 report from property and financial services advisors

Sherry FitzGerald found a particular shortage of second-hand homes in regional and rural Ireland. It states how essential it is to prioritise new housing delivery outside of major urban centres to ensure sustainable growth and economic balance (Buckley, Crowe and Cotterill, 2025[45]). Although housing plan Housing for All and related measures have boosted national output, the pace of delivery and its spatial distribution continue to favour high-demand markets. The result is that peripheral areas experience little spillover from national housing gains, undermining the goal of balanced regional development.

Figure 5.3. Increases in the housing stock fell short of population growth in the last decades



Notes:
1. Changes relative to previous census.
2. The measurement refers to the end of period (for example, 1996 for the 1991-96 period).
Source: OECD (2025[8]), *OECD Economic Surveys: Ireland 2025*, https://doi.org/10.1787/9a368560-en.

Tensions shaping housing delivery

Ireland’s housing system reflects decades of centralised decision making and fragmented delivery responsibilities. LAs continue to have limited autonomy over budget allocation, project selection and data analysis, which reduces responsiveness to local housing-labour dynamics. Historically, the focus on urban housing needs created an implicit policy bias that treated rural housing as residual rather than integral to national competitiveness.

National housing policy, though well-intentioned, still lacks mechanisms to tailor delivery to Ireland’s diverse settlement types, from remote villages to peri-urban clusters. Policies such as Town Centre First, *Croí Cónaithe* (Cities) and Housing for All aim to regenerate towns and reuse existing stock (e.g. by increasing conversions of second floor space above village shops to apartments); yet, the absence of systematic co-ordination between these schemes and economic development instruments limits their effectiveness. In particular, compact-growth principles, while environmentally sound, can unintentionally constrain smaller settlements that already have labour demand but insufficient serviced sites.

Rural housing policy in Ireland therefore embodies a series of unresolved tensions: between compact growth and local autonomy; between housing demand near cities and the needs of remote areas; and between environmental goals and economic viability. These contradictions are evident in the most recent revision of the NPF (2025), and ongoing debates around rural housing guidelines, The NPF promotes compact, low-carbon development and aims to locate 50% of housing growth within or adjacent to existing urban settlements. However, rural planners and LAs have argued that this national densification approach limits local autonomy to meet genuine housing needs outside major population clusters (Hogge, 2025[46]).

Stakeholders interviewed for this report echoed these sentiments, noting the "double constraint" faced by many rural counties: limited new construction in villages and declining viability of scattered housing due to stricter environmental and mobility requirements. These dynamics risk hollowing out smaller settlements even as suburban fringes expand. The tension between climate policy and rural viability is also an active planning challenge. The recent Irish High Court ruling explicitly acknowledged that rural housing refusals now require balancing EU climate legislation with sustainable rural development objectives (Planning Permission Ireland, 2025[47]).

LAs face continual planning trade-off pressure to limit one-off housing while lacking the tools and market conditions to deliver infill or clustered developments at scale. Many rural planning units lack in-house spatial analysts or economists capable of linking housing, labour markets and service delivery, creating information and capacity gaps with cross-departmental implications.

The OECD Rural Policy 3.0 framework underscores that housing cannot be treated as an isolated policy domain: it interacts with mobility, employment, services and sustainability (OECD, 2018[48]). Without co-ordinated spatial and economic planning, even well-designed housing programmes risk reinforcing existing inequalities and inefficiencies instead of resolving them.

Specific housing challenges in rural Ireland

Rural housing faces distinctive demographic, infrastructural and environmental constraints. Population ageing, youth outmigration and weak rental markets combine to reduce dynamism. Meanwhile, dispersed settlement patterns elevate per-unit servicing costs and complicate planning approvals. Planning and infrastructure limitations further constrain progress. The Environmental Protection Agency explicitly warns that Ireland's wastewater network remains "a key constraint on both environmental protection and planned housing delivery in numerous small settlements" (EPA, 2024[49]). A 2022 baseline survey by the Department of Housing, Local Government and Heritage identified 547 villages and settlements without public wastewater infrastructure (DHLGH, 2022[50]).

The government allocated EUR50 million under the Rural Villages Waste Water Scheme to tackle this deficit, with further funding commitments made in subsequent budgets (DHLGH, 2022[50]). This is a step forward, yet delivery timelines remain uncertain. Without such foundational infrastructure, many rural communities remain effectively "zoned out" of future growth. Planning can also discourage new housing outside designated settlement boundaries, even when such development could sustain local schools or services. Conversely, legacy one-off housing has generated environmental and mobility issues, with rural households frequently dependent on private vehicles for access to work and services (O'Neill, Finn and Varley, 2025[51]).

Energy efficiency presents another major vulnerability. Older rural homes are typically energy-inefficient and costly to retrofit. High upfront costs and limited contractor availability have slowed participation in national retrofit schemes, while older houses (e.g. pre 1940s) have just recently been allocated funding support in a new SEAI retrofit scheme, the Traditional Homes Pilot. The absence of district heating or public transport alternatives compounds household vulnerability to energy-price shocks, undermining the green transition in rural areas. The 2024 ESRI Rural Housing Review emphasises that many existing schemes treat rural housing needs as residual rather than strategic, focusing on urban demand spillovers rather than endogenous growth. The review calls for a “rural housing pathway” that explicitly links housing targets to rural labour market and enterprise strategies (ERSI, 2024[52]).

Housing and labour market outcomes

Housing shortages and mismatches have become an invisible barrier to rural economic vitality. Employers in many rural towns struggle to attract or retain workers because suitable accommodation is unavailable. Even where jobs exist, it is difficult to relocate if affordable, energy-efficient housing is lacking. This disconnect contributes to underemployment, and commuting inefficiencies that weaken rural productivity. Functional labour market analysis reveals that housing and employment are mutually reinforcing. In regions where housing availability aligns with job density, unemployment is lower, wages are higher and commuting times shorter. In areas where housing is scarce or poorly located, employers struggle to fill vacancies, leading to unrealised output. A 2024 Indecon study found that housing constraints were among the top three deterrents to enterprise expansion across Ireland’s western and rural regions, alongside infrastructure deficits (transport and broadband) and labour-force recruitment challenges (Indecon, 2024[53]).

Evidence from Indecon’s study (2024[53]), the OECD Economic Survey of Ireland (2025[8]) and the National Housing Plan consultation submissions shows that rural housing shortages have become a direct constraint on firm expansion and labour attraction. Aligning housing provision with labour market needs would make regional economies more functional. Addressing these constraints requires an integrated approach: matching housing delivery with regional employment patterns and ensuring that land use zoning, transport investment and labour market policies reinforce each other. For instance, linking housing delivery targets with Regional Skills Fora data and enterprise-zone planning could ensure that new housing corresponds to actual workforce demand.

Similarly, vacancy-reuse programmes such as Croí Cónaithe could be more deliberately targeted towards settlements experiencing labour shortages, creating a clearer link between regeneration and economic activation, particularly in towns and small urban centresAlso, the Rural Employer-Linked Housing Partnership model could be further explored. This would allow employers or enterprise agencies to co-invest with approved housing bodies in workforce housing through tax-offset or low-interest loan schemes. There are similar schemes in Austria and Finland, that allow municipalities to designate plots for “employer housing cooperatives”, ensuring workers can live within commuting range of jobs.

Box 5.4. Will action plan Delivering Homes, Building Communities deliver for rural areas?

The success of the Government of Ireland’s new housing action plan Delivering Homes, Building Communities depends on its ability to meet the unique challenges faced by rural regions. This box provides a brief overview of some of the most significant provisions in the action plan for rural Ireland, assessing their strengths and where their scope could be broadened.

Local authority delivery and the Land Development Agency

The action plan commits to collaborating with LAs for more timely and efficient delivery. Actions include streamlining the approval process and transferring a greater control over costs to LAs. The current four-stage process by the department is a barrier to direct procurement; streamlining it will help LAs fast-track new housing projects.

The action plan sets out a welcomed larger role for the Land Development Agency. However, as civil society stakeholders have mentioned, without increasing the total housing output targets, the agency is constrained in its ability to grant new planning permissions in LA areas (Keena, 2025[54]).

Shops and derelict spaces

The action plan aims to bring 20 000 derelict homes, or about one-fifth to one-eighth of the estimated total, back into use through property grants (Social Justice Ireland, 2025[55]). The barriers to bringing derelict homes back into use are not just financial; streamlining permitting processes and tackling the infrastructural bottleneck, particularly as it pertains to water and electricity connectivity, is key to the success of this in rural areas. This is acknowledged in the action plan, and recent and planned investments are promising. For instance, the plan commits to investing EUR12.2 billion in water and wastewater services, which follows the EUR74 million investment in rural water services made in July 2025.

Town Centre First and the hinterlands

The new action plan strengthens settlement-centric regeneration, brownfield/infill use and serviced land as the main spatial instruments for rural housing. It builds on the NPF and Town Centre First model, rather than changing the underlying spatial approach; rural housing is to be supported, but within a plan-led, compact pattern that prioritises existing settlements. Rural areas are supported primarily through small towns, villages and regeneration tools rather than through a focus on the hinterlands.

Sources: Keena, C. (2025[54]), "Will the Government's latest plan to fix the housing crisis work? Experts have their say", https://www.irishtimes.com/ireland/housing-planning/2025/11/15/will-the-governments-latest-plan-to-fix-the-housing-crisis-work-experts-have-their-say/; Social Justice Ireland (2025[55]), "Does the New Housing Plan Match the Scale of the Challenge?", https://www.socialjustice.ie/article/does-new-housing-plan-match-scale-challenge.

Implications for ORF II: Building rural housing and economic coherence

The key challenge is not simply to build more homes, but to connect housing strategy to functional economic realities. Table 5.3 illustrates this relationship. On the left, Ireland's main housing policies and initiatives, such as Town Centre First, *Croí Cónaithe* (Cities) and the NPF, represent ongoing efforts to increase supply and revitalise rural settlements. The connective element is the rural lens that can help understand labour markets and employment as spatial dynamics that shape housing need. The proposed actions are not necessarily new: they simple demonstrate how these missing elements can enhance their effectiveness. Moreover, the elements can be systematically integrated, through data, interdepartmental co-ordination and capacity building, to align housing provision with rural economic resilience.

Table 5.3. Linking housing and rural economic development: Building on existing programmes to strengthen spatial and labour market coherence

Recommendations	Existing initiatives and programmes	Scope to go further
Link housing delivery to employment demand	There are policies like Town Centre First and *Croí Cónaithe* (Cities) which link housing in towns/villages to regeneration.	Housing and regeneration are tied to town centres, but not always clearly tied to local employment/labour market demand.
Pair vacancy/dereliction reuse with workforce needs	The *vacancy* and dereliction agenda is part of Town Centre First.	Vacancy is addressed, but the workforce needs link is less explicit.
Shared technical capacity/pooled teams for refurbishment	Many LAs handle refurbishment individually.	National pooled technical team model. Minimal/Absent – this appears to be a gap.
Infrastructure/serviced sites tied to housing and employment zones	Policies exist for serviced sites (e.g. Housing for All plan mentions serviced sites).	Serviced-site programmes exist, but not clearly integrated with employment zoning in rural areas universally.
Regional co-ordination of housing within economic strategies	Town Centre First and ORF reference co-ordination.	Structures exist (Town Teams, regional assemblies) but rural housing-labour linking still needs stronger integration.
Right-sizing and housing circulation to free up stock	Some references to vacancy reuse, but explicit policy on older residents right-sizing in rural context is less visible in the sources found.	Potential gap: right-sizing rural stock less prominent in large-scale policy.
Flexible housing models (live-work, modular) in rural contexts	Less visible.	Potential gap: targeted rural live-work/modular models appear limited.
Rural housing-labour real-time data and dashboards	There is strong policy emphasis on data and monitoring (e.g. Town Centre First has research and evidence platform).	Data systems exist but explicit rural housing-labour dashboards seem underdeveloped.

Box 5.5. Delivering Homes, Building Communities 2025-2030

In November 2025, the Irish government launched *Delivering Homes, Building Communities: An Action Plan on Housing Supply and Targeting Homelessness*. This new housing plan follows the previous strategy, Housing for All, and aims to accelerate new housing delivery through regulatory reforms, tax incentives, envisioning larger roles for both the state and private sector and investing EUR 275 billion over ten years through the National Development Plan, making it the largest infrastructure investment in state history (DHLGH, 2025[56]).

Two pillars, eight priorities

- **Pilar 1: Activating Supply**

  The government looks to activate the supply of 300 000 homes by 2030 through an all-of-government approach by:

  - Ensuring a strong pipeline of zoned and serviced land is available.
  - Creating the conditions to attract the required investment.
  - Increasing skills and supporting the adoption of modern methods of construction in the residential construction sector.
  - Working towards ending dereliction and vacancy.
- **Pillar 2: Supporting People**

To end homelessness, support affordability and address diverse housing needs, the government looks to partner with local authoring, the Land Development Agency, and approved housing bodies to:

- Focus on ending homelessness, deliver homes for older people, support social inclusion.
- Deliver an average of 12 000 new social homes every year over the lifetime of the plan.
- Promote affordable homeownership, protect renters and make buying and renting homes more affordable.
- Invest in the built environment of towns, villages and cities across the country to enhance community well-being (DHLGH, 2025[56]).

Assessing targets and strategy evolution

Since launching in 2021, housing plan Housing for All has built 137 000 homes, exceeding yearly targets in 2022 and 2023 but under-delivering by around 10 000 homes in 2024 (Murphy, 2025[57]). Over the next five years, Delivering Homes, Building Communities seeks to increase the housing supply by 300 000 homes, with a provision for 72 000 social homes and 90 000 affordable housing supports. The total target surpasses the deficit estimated by the Housing Commission in 2022 of between 212 500 to 256 000 homes. This calculation was based off the unmet need reported in the 2022 Census and did not account for future population growth and other demographic trends likely to increase demand. Similarly, the provision for social homes and affordable housing support offers a significant boost in supply, but one that does not match the scale of demand: the Parliamentary Budget Office estimated that at least 115 425 households required social housing support in 2023, which some civil society organisations argue is an underestimate (Social Justice Ireland, 2025[55]).

Delivering Homes, Building Communities is the 4th national housing policy in 12 years. It departs from the last two strategies (Housing for All in 2021 and Rebuilding Ireland in 2016) by omitting annual targets. While this approach offers some flexibility to adapt to changing circumstances, uncertain timelines complicate stakeholders' ability to measure progress. It is worth assessing what other tools might help assess whether the action plan is on track to meet its targets, and its ability to deliver long-term and to completion.

Sources: DHLGH (2025[56]), *Delivering Homes, Building Communities 2025-2030*, https://www.gov.ie/en/department-of-housing-local-government-and-heritage/campaigns/delivering-homes-building-communities-2025-2030-an-action-plan-on-housing-supply-and-targeting-homelessness/; Social Justice Ireland (2025[55]), "Does the New Housing Plan Match the Scale of the Challenge?", https://www.socialjustice.ie/article/does-new-housing-plan-match-scale-challenge.

Policy priorities to improve housing and rural economic development

The DRCDG's rural policy mandate provides a unique vantage point to connect existing housing initiatives with rural labour market intelligence and effectively bridge housing, labour and spatial data and to promote stronger coherence across departments. While the actions in Table 5.4 show where existing instruments can go further, the priorities below identify the structural levers that ORF II should embed to sustain and scale these improvements:

- **Recasting rural housing as part of economic infrastructure.** Survey evidence in the Indecon 2024 Western Development Commission report shows that housing access is now a top-three deterrent for enterprise growth due to difficulties retaining workers (Indecon, 2024[53]). Firms in manufacturing, renewable energy and logistics cite lack of affordable housing in their local labour market as a constraint on expansion and filling workforce vacancies.

- **Recognising housing as integral to regional competitiveness and labour mobility**. Enabling staff relocation and SME clustering by linking housing delivery to regional employment hubs. Identifying rural growth zones where housing targets, wastewater investment and enterprise supports are aligned under Regional Spatial and Economic Strategies and ORF II.
- **Integrating housing and labour market data.** Using CSO six-way typology and regional assemblies' planning frameworks to link housing targets with functional commuting zones and job demand.
- **Closing infrastructure bottlenecks.** Prioritising wastewater and transport investment in small towns and villages where development potential is constrained.
- **Recognising that conventional urban public transit solutions are not viable in rural areas**. This is due to longer distances between small settlements, diverse travel patterns that do not follow a hub and spoke structure, and relatively few people spread over a large geographic area.
- **Strengthening analytical capacity.** Supporting LAs in developing housing-economic planning expertise and rural intelligence tools.
- **Promoting ompact, viable growth.** Prioritizing clustered housing models near service and job nodes while respecting environmental and social goals.

Box 5.6. Approaches to integrating rural housing and economic development

Several OECD countries have developed cross-sectoral approaches that explicitly link rural housing, labour markets and economic development. These models show how aligning housing provision with employment, transport and demographic trends can strengthen rural competitiveness and well-being.

Finland: Regional Housing Observatories

Finland's Regional Housing Observatories ensure that housing planning complements regional labour-market strategies, preventing housing undersupply from becoming a brake with regard to rural growth. Developed under the Ministry of the Environment and Statistics Finland, and supported by regional councils, the observatories form part of Finland's data-driven territorial governance reforms.

They forecast rural and semi-rural housing demand through multi-agency data platforms integrating commuting flows, labour market projections and regional business and population scenarios. The observatories operate within the framework Housing Production Needs 2025-2045, which aligns housing production with regional employment centres and public transport access.

This system allows county-level planners to anticipate where housing shortages could constrain labour mobility or enterprise expansion. OECD and Finnish research highlight the observatories as a model of foresight-based rural-housing governance, balancing decentralisation with data coherence and evidence-led decision making.

Sweden: Rural settlement strategies integrated with regional plans

Sweden's national rural policy, anchored in the Coherent Rural Policy Bill 2018, mandates that county administrative boards and municipalities incorporate housing targets directly into regional development and transport plans. This approach links housing provision to labour mobility, environmental sustainability and regional economic goals. The key features include:

- **Labour mobility alignment**: Municipalities are legally required to prepare strategic housing provision programmes (Paragraph 2 of the Planning and Building Act), ensuring new or renovated housing supports local labour supply and commuting patterns.

- **Environmental integration**: Housing expansion must comply with national carbon-neutral and biodiversity objectives. Compact settlement is promoted where public transport or digital infrastructure already exists.
- **Cross-sector planning**: Housing, economic development and environmental sustainability are deliberated jointly within regional plans co-ordinated by Tillväxtverket, the Swedish Agency for Economic and Regional Growth.

Together, these mechanisms create a coherent, place-based housing strategy that strengthens both rural labour market functioning and environmental stewardship.

Sources: PTT (n.d.[58]), “Housing”, https://www.ptt.fi/en/housing/; OECD (2020[59]), “Rural Well-being: Geography of opportunities: Sweden”, https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/12/rural-well-being-country-notes_d66ebd53/sweden_787a5b02/979a044a-en.pdf.

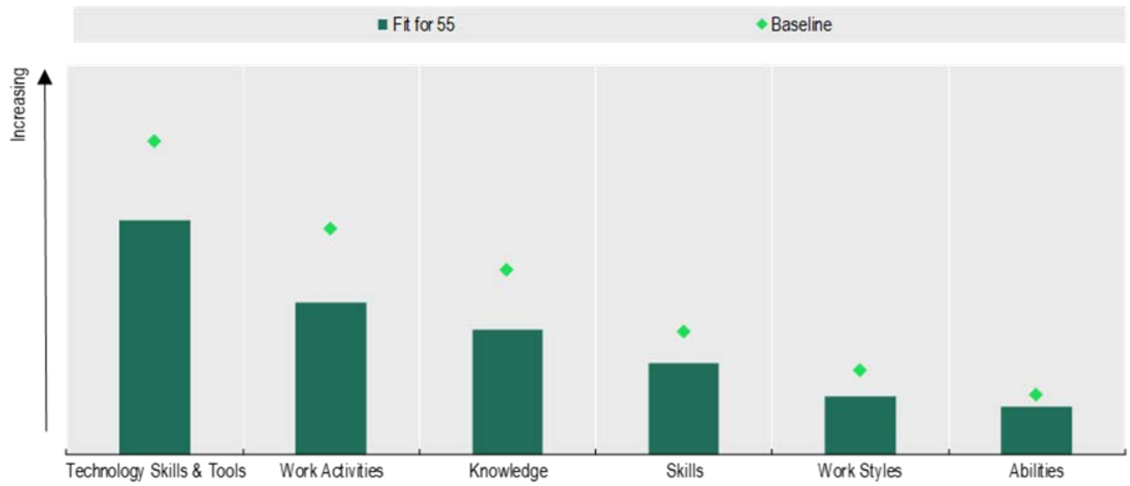
Finally, integrating housing and labour markets takes on even greater importance in the context of Ireland’s future skills transformation. As technological change, automation and the green transition reshape where and how people work, the spatial relationship between jobs and housing will shift. Rural areas with adaptable housing, accessible transport and digital infrastructure will be better positioned to attract and retain workers in emerging green and digital industries. This transition underscores the need for forward-looking, skills-sensitive housing strategies, linking the physical environment to Ireland’s evolving workforce, a theme developed in the following section.

Preparing the rural workforce for the green transition

Ireland’s ability to achieve a just and inclusive green transition will depend on the development and retention of a skilled rural workforce. While national unemployment is low, many rural areas face limited access to education and training opportunities, persistent underemployment and skills mismatches that threaten both economic resilience and social cohesion. Skillnet Ireland’s Talent Landscape 2025 warns that a deficit in basic digital and management skills among rural SMEs is a major bottleneck for competitiveness, especially in services and export-facing sectors (Skillnet Ireland, 2025[60]).

Without a targeted rural skills approach, the green and digital transitions risk widening existing territorial inequalities rather than reducing them. The green transition will alter labour demand across multiple sectors including energy, construction, agriculture, and transport, creating new opportunities, but also exposing existing gaps. Rural Ireland, with its concentration of resource-based industries, is particularly exposed to these shifts. To remain competitive and inclusive, rural regions must be equipped to anticipate, prepare for and benefit from these structural changes. Figure 5.4 illustrates how skill needs in agriculture and related industries are shifting towards green, digital and technical domains.

Figure 5.4. Projected change in the demand for skills between 2019 and 2030 when considering relative growth in employment, by main skill category



Note: The figure shows the projected change in the demand for each of the six main skills categories between 2019 and 2030 under the Fit for 55 and baseline scenarios across European Union countries when considering relative employment growth in different sectors and occupations identified in the section above "Projected employment changes resulting from the implementation of the Fit for 55 policy targets". A detailed description of the underlying analyses is provided in Borgonovi et al. (Borgonovi et al., 2023[61])).
Sources: Calculations based on OECD ENV-Linkages model, Lightcast (2023[62]), "Homepage", https://lightcast.io/ (accessed 15 April 2023); EU (2019[63]), European Labour Force Survey, ad hoc data extraction (for the year 2019), https://ec.europa.eu/eurostat/web/microdata/european-union-labour-force-survey, in Borgonovi, F., et al. (2023[61]), "The effects of the EU Fit for 55 package on labour markets and the demand for skills", https://doi.org/10.1787/6c16baac-en.

Skills mismatch evidence and territorial gap data show that Ireland's labour market, though dynamic, faces substantial skills mismatches and under-qualification challenges, especially in rural areas. In 2023, approximately one-third of workers (31%) were employed in roles for which they were under-qualified, while many rural counties reported lower tertiary attainment rates and limited participation in lifelong learning (OECD/DSP/EC-JRC, 2024[10]). These disparities have direct implications for green and digital readiness. Rural enterprises often lack the specialised skills required for retrofitting, renewable energy, circular economy projects and sustainable farming.

At the same time, regional labour markets remain thin, with few mechanisms to retrain workers or attract specialised talent to smaller towns. The evidence suggests that Ireland's challenge is not a lack of training institutions but an absence of spatially differentiated planning and delivery. National-level systems generate high-quality labour market intelligence, yet rural skills needs are not systematically disaggregated or addressed. Addressing this spatial blindness is essential to make national systems work for all territories.

Skills intelligence and foresight systems

A stronger rural skills-intelligence function is needed to anticipate future labour market needs and target interventions more effectively. Ireland already possesses a solid data infrastructure through state agency SOLAS, the Expert Group on Future Skills Needs (EGFSN) and the CSO. However, these systems operate mainly at aggregate levels and do not capture the distinct variations between rural and urban areas, or across different types of rural territories.

Developing a spatially disaggregated skills intelligence framework would enable earlier identification of local training needs and more efficient targeting of public investment. Such a framework could integrate data from the CSO's six-way typology, regional enterprise strategies and sectoral transition plans to produce a more accurate picture of territorial demand.

This intelligence function should be embedded within an interdepartmental framework linking the Department of Education and Youth, the Department of Enterprise, Tourism and Employment (DETE) and the DRCDG, rather than operating as a standalone system. By connecting foresight analysis and policy design, Ireland can ensure that national training programmes align with the employment transitions most relevant to rural economies, such as green construction, sustainable farming and renewable energy maintenance. Similar approaches are emerging internationally. Box 5.7 illustrates how regions in Italy and the Nordic countries have developed spatially disaggregated skills intelligence systems to link training, labour market demand and regional development.

Box 5.7. Spatially disaggregated skills intelligence systems

Several OECD countries, especially in the Nordic region and parts of Italy, are developing spatially granular skills intelligence frameworks to better match local labour and training needs, and to guide public investment in workforce development.

Trentino, Italy: Integrated monitoring and the For Talent initiative

The Autonomous Province of Trento (Trentino) has established an integrated monitoring system combining national labour-force surveys, local business data and real-time workforce tracking. The platform produces regionally and locally disaggregated data on skills shortages, employment shifts and training needs. This enables policymakers to intervene quickly and target training and talent-attraction schemes. The For Talent initiative uses these insights to address sectoral and local skills gaps, link training with employer demand and design strategies for teleworking and hybrid workforces.

Nordic regions: Localised skills and learning networks

The Nordic Thematic Group for Innovative and Resilient Regions has piloted spatially detailed skills policy projects across rural and urban regions. Examples include North Karelia (Finland) and Hedmark/Oppland (Norway), where locally co-ordinated networks – so-called “education factories” and regional dialogue platforms – map skills supply and demand at a micro-regional level. These networks rapidly adapt training curricula to emerging employer needs and support small businesses in recruiting and upskilling locally. The approach explicitly links skills policy with spatial planning, tailoring learning systems to urban, rural and remote contexts.

Source: OECD

Regional skills ecosystems: Regional technological universities, Education and Training Boards and employers

Regional technological universities (TUs) and ETBs can become pivotal engines for rural upskilling. OECD analysis (2023[64]) points to the potential of Ireland’s new TUs and ETBs to anchor place-based skill ecosystems that respond to regional economic needs. However, persistent rural-urban imbalances in student access, transport and employer engagement further constrain their reach (OECD, 2023[64]). If fully empowered, these institutions could co-ordinate applied research collaborations, green-apprenticeship schemes and micro-credential programmes in partnership with SMEs and community actors. To realise this potential, Ireland should increase the funding and autonomy of RTUs to expand applied research partnerships and strengthen links with local enterprises.

Bridging local labour markets and the green transition will also require more flexible training and apprenticeship pathways. In many rural regions, skills bottlenecks persist not because workers lack capacity but because existing programmes remain inaccessible, misaligned or overly rigid. Green economy transitions, such as retrofitting, renewable energy installation, waste reduction and sustainable tourism, depend on practical, place-based training. Flexible modules, digital learning hubs and mobile ETB units can reach workers who cannot easily relocate or leave the farm. Expanding modular upskilling and community-based training delivery would enable rural residents and small firms to participate more fully in emerging green sectors.

Implications for ORF II: Strengthening the territorial dimension of skills policy

Ireland has made significant progress in building a comprehensive national skills architecture, yet its territorial application remains limited. Table 5.4 illustrates that many of the foundations for a successful green skills transition such as national co-ordination mechanisms, data systems and regional training structures are already in place. However, most of these measures still function primarily at the national or sectoral levels, with insufficient spatial differentiation.

Table 5.4. Green skills and workforce transition: Building on existing systems to strengthen rural labour market integration

Recommendation	Existing initiatives and programmes	Scope to go further
1. Embed spatial skills intelligence within Ireland's skills architecture	National data systems (CSO, SOLAS, EGFSN) provide strong forecasting and labour market data at the national and regional levels.	Disaggregate data by functional-area typology to produce regionally differentiated "skills dashboards" linking employment, housing and transport planning. Integrate this within ORF II's rural intelligence framework.
2. Operationalise regional skills ecosystems linking RTUs, ETBs and employers	RTUs, ETBs, and Regional Skills Fora exist but operate with limited co-ordination.	Develop shared regional workplans and field labs where RTUs, ETBs and employers codesign green skills pathways, apprenticeships and applied-learning projects anchored in rural labour markets.
3. Ensure equitable rural access to lifelong learning and micro credentials	Programmes such as Springboard+, Skillnet Ireland and the Adult Literacy for Life strategy expand short-cycle and digital training opportunities.	Institutionalise rural access criteria (digital-hub delivery, flexible scheduling, travel bursaries) within national schemes to reduce participation gaps for rural residents and small firms.
4. Link green skills planning to rural mobility and housing investment	The National Training Fund, Housing for All and Connecting Ireland initiatives separately address training, housing and transport needs.	Use labour demand and foresight data to guide public transport frequency upgrades, serviced-site zoning and housing renovation in areas with strong employment potential.
5. Accelerate recognition of prior learning and migrant inclusion	Recognition of Prior Learning (RPL) frameworks and migrant integration programmes exist through SOLAS and ETBs.	Develop Green-RPL toolkits and bridging courses in construction, energy and nature-based services to expand rural labour supply and promote social integration.
6. Pair SME decarbonisation and upskilling measures	Enterprise Ireland and LEOs provide decarbonisation audits and productivity supports for SMEs.	Embed mandatory staff-training modules within energy efficiency grants and audits to ensure that knowledge and productivity gains remain within rural enterprises.
7. Strengthen interdepartmental co-ordination on skills foresight	Multiple departments (education, DETE, environment, DAFM, DRCDG) produce sectoral strategies with limited cross-reference.	Establish an interdepartmental rural skills foresight group to align green transition training targets with regional enterprise and sustainability plans.
8. Enhance data feedback loops and evaluation capacity	Evaluation of training outcomes occurs within SOLAS and Expert Group on Future Skills Needs reports, but rarely disaggregated by territory.	Integrate rural-specific monitoring indicators into ORF II's performance framework to track participation, outcomes and impact across typologies.

Table 5.4 also acknowledges ongoing efforts and highlights practical ways to strengthen them showing where modest, spatially targeted steps could further embed rural specificity, enhance functional integration and improve outcomes for rural workers and enterprises.

Policy priorities for green skills and workforce transition

The opportunity for ORF II is therefore to connect and deepen existing initiatives rather than to create new ones. By embedding a stronger territorial lens, the strategy can make current programmes more responsive to the realities of rural labour markets, commuting zones and SME structures. This approach would translate national ambition into local outcomes by linking spatial intelligence, institutional co-ordination and targeted access measures. Collectively, the refinements in Table 5.4 would not require new national institutions but rather a rewiring of existing delivery systems through a rural lens.

Based on the identified scope to go further, ORF II should focus on embedding the following system-level priorities to advance a coherent rural green skills transition:

- Embed spatial skills intelligence within ORF II's rural intelligence framework. Integrate CSO functional area and typology data with SOLAS and Expert Group on Future Skills Needs forecasts to generate regionally differentiated skills dashboards that inform transport, housing and enterprise planning.
- Operationalise regional skills ecosystems linking RTUs, ETBs and employers. Support applied-learning networks where training supply, SME innovation and job creation are designed as a single ecosystem, anchored in rural labour markets and supported through RTU-led field labs.
- Ensure equitable rural access to lifelong learning and micro credentials. Institutionalise rural access criteria (delivery via digital hubs, flexible scheduling and travel bursaries) within Springboard+ and other short-cycle learning schemes.
- Link green skills planning to rural mobility and housing investment. Use labour demand evidence to guide public transport frequency upgrades, serviced-site zoning and housing renovation in areas with strong employment potential.
- Accelerate recognition of prior learning and migrant inclusion in green sectors. Develop Green-RPL toolkits and fast-track bridging courses in construction, energy and nature-based services to strengthen rural labour supply and social integration.
- Pair SME decarbonisation and upskilling measures. Embed mandatory staff-training modules within energy efficiency grants and audits to retain knowledge and productivity gains locally.

Together, these actions would enable ORF II to consolidate Ireland's national strengths into a territorially balanced, forward-looking skills system, one capable of sustaining inclusive growth through the green transition.

Addressing social inequalities and inclusion in rural Ireland

While Ireland's rural development narrative often emphasises opportunity, persistent social inequalities reveal who remains excluded from those opportunities. Rural women, migrants and low-income households continue to face structural barriers that limit participation in economic and civic life. These divides are not marginal social issues; they are central to the success of rural economic development and to the inclusiveness of growth. Despite progress on gender balance and inclusion, the capacity of rural communities to retain and empower all residents remains constrained by uneven childcare, limited transport and the cost of living.

As shown in the previous section on service access, the effects of underdeveloped infrastructure fall disproportionately on women, carers and low-income earners. In parallel, the experience of new migrants and minority groups in smaller communities demonstrates how the absence of inclusive planning can create social fragmentation and labour underutilisation. Addressing these inequalities is therefore not a separate policy agenda. It is a prerequisite for rural resilience and well-being.

Women's labour market participation and entrepreneurship

Women's participation in the rural labour market remains significantly lower than men's, despite rising educational attainment. As of 2023, women represented only 13.2% of farm holders and 34% of total farm workers in Ireland, with substantial under-representation in primary agricultural roles (DAFM, 2023[65]). Limited childcare, scarce transport options and local employment structures with few part-time or flexible roles constrain their ability to engage in paid work. Many rural women take up self-employment to balance household and caring duties, but their enterprises tend to remain small-scale, under-capitalised and concentrated in lower-value sectors.

Programmes under ORF and Enterprise Ireland have sought to improve female entrepreneurship. These include the National Women's Enterprise Day, the Going for Growth mentoring initiative and LEO training supports. However, the reach of these initiatives in remote and peripheral rural areas remains uneven, with participation skewed toward towns and better-connected regions. Over 20 000 female entrepreneurs have accessed supports since 2020 through LEOs, but most events and mentoring clusters are concentrated in urban and larger town settings (DETE, 2020[66]). More targeted outreach, peer networks and access to finance for rural micro entrepreneurs could help close these spatial gaps and unlock latent female labour capacity.

Representation and leadership in rural governance

Women continue to be under-represented in decision-making structures in rural Ireland, from local development boards to farming organisations. As of 2023, only 13.2% of farm holders in Ireland are women, with little change since the early 1990s. Female representation on dairy co-operative boards remains below 3%, far lower than in similar organisations in other countries (DAFM, 2023[65]). Only a minority of municipal councillors, LEADER group chairs and agricultural co-operative board members are women (NWC, 2023[67]). This imbalance limits the diversity of perspectives shaping local policy and rural priorities. Evidence suggests that where women participate in governance, there is greater attention to community well-being, childcare and local services, areas critical to rural vitality. Studies in Ireland and internationally consistently find that women's presence on LAs and boards leads to greater prioritisation of social infrastructure, health, childcare and community development initiatives (NWC, 2021[68]).

Ireland's Women in Agriculture Stakeholder Group Consultative Committee and Rural Women's Assembly have advanced awareness and policy dialogue, but there is scope to embed gender balance targets more systematically within rural governance frameworks, including LA committees and development partnerships. Leadership training and networking for rural women could also be strengthened by expanding existing community capacity programmes and giving them a clearer focus on supporting women.

Migrant inclusion and local integration strain

Rural migration has increased modestly over the past decade, contributing to local labour supply and demographic renewal. However, migrant integration in smaller communities remains uneven, often shaped by access to housing, education, language supports and employment pathways. In many localities, migrant families face limited childcare options, language barriers and weak community infrastructure for intercultural engagement (SICAP, 2022[69]).

Some counties have begun establishing Local Authority Integration Teams and community-based projects funded through the Asylum, Migration and Integration Fund. Yet coverage is patchy, and rural areas hosting new arrivals often lack the institutional capacity to co-ordinate services across education, health- and social inclusion (NWC, 2021[68]). Strengthening local partnerships between the DRCDG, the Department of Children, Disability and Equality and local development companies would enable more consistent and tailored integration support outside urban centres.

Cost-of-living pressures and economic participation

The national cost-of-living crisis has amplified spatial inequalities. Rural households face higher energy, transport and home-heating costs, combined with lower wage levels and fewer local services (Teagasc, 2024[70]). These pressures disproportionately affect single parents, pensioners, carers and part-time workers, groups in which women are overrepresented. Fuel and transport poverty are particularly acute in isolated rural settlements, where alternatives such as public transport or shared mobility are scarce. Government initiatives such as the Fuel Allowance, Electric Vehicle Grants and Community Energy Grants provide partial relief, but few are calibrated to the realities of rural living costs. Without more granular spatial targeting, these measures risk reinforcing rather than narrowing disparities. Data on rural cost-of-living differentials, combined with local well-being indicators, could help inform a more responsive social support model.

Implications for ORF II

Ireland has developed a comprehensive suite of social and equality programmes, yet their impact in rural areas remains uneven. Table 5.5 summarises where existing initiatives can be deepened or better aligned with rural-specific needs highlighting modest, targeted steps that could enhance participation, service access and representation without creating new institutions.

Table 5.5. Addressing Social Inequalities and Inclusion in Rural Ireland: Building on Existing Initiatives to Strengthen Participation and Well-being

Recommendation	Existing initiatives and programmes	Scope to go further
Strengthen support for rural women's entrepreneurship and flexible work	National Women's Enterprise Day; Going for Growth; LEO training programmes.	Extend targeted outreach and funding to micro and home-based enterprises in peripheral rural areas; integrate childcare access with entrepreneurship support.
Promote gender balance in rural governance and decision-making bodies	Women in Agriculture Stakeholder Group; Rural Women's Assembly.	Embed gender targets across LEADER groups and LA committees; expand leadership training via the Rural Regeneration and Development Fund.
Improve childcare availability and affordability in rural areas	National Childcare Scheme; Core funding for early-years providers.	Incentivise flexible hours provision and wrap-around care; link childcare planning with local labour market needs.
Strengthen local integration frameworks for migrants and asylum seekers in rural areas	Local Authority Integration Teams; community projects funded by Asylum, Migration and Integration Fund.	Develop rural-tailored integration pathways, including language and employment programmes co-designed with local no-governmental organisations.
Address rural cost-of-living and energy disparities	Fuel Allowance; Sustainable Energy Authority of Ireland Community Energy Grants; electric vehicle support.	Build rural cost-of-living index; target fuel poverty interventions spatially to remote households.
Enhance data and monitoring on rural gender equality and inclusion outcomes	CSO Equality Data Strategy (national level).	Embed disaggregated rural metrics within *ORF* monitoring; link to Well-being Framework data.

Policy priorities to address social inequalities and inclusion in rural Ireland

For ORF II, the challenge is not only to promote inclusion as a value but to operationalise it through concrete delivery systems. Embedding inclusion within rural governance, labour market activation and social support design will translate equality goals into tangible outcomes for households and communities. Based on the areas where there is scope to go further, several policy priorities emerge:

- Integrate inclusion metrics within ORF II monitoring, linking rural gender, migrant and cost-of-living data with local well-being indicators.

- Embed gender balance targets across local governance and programme delivery structures.
- Support integrated childcare and flexible work solutions as rural enterprise enablers, not separate welfare measures.
- Encourage co-designed migrant integration pilots through the DRCDG's convening role and partnerships with local development companies.
- Apply a spatial lens to social support, ensuring that cost-of-living and fuel poverty schemes account for rural travel and energy realities.

Rural Ireland's inclusive potential remains constrained not by lack of policy attention but by uneven delivery, insufficient territorial differentiation and weak institutional co-ordination. ORF II should convert social inclusion goals into spatially targeted actions that improve access, participation and representation–embedding equality as a foundation of rural well-being and resilience.

Improving access to services in rural Ireland

Rural services remain one of the most visible markers of uneven living conditions across Ireland. While national growth and modernisation have raised overall standards, rural communities continue to face persistent gaps in essential services from power and water to communications and healthcare. Storm Éowyn in early 2025 laid these weaknesses bare, demonstrating how fragile and interdependent service systems remain in rural areas (James, 2025[71]). The storm became an unexpected national stress test. When it struck the North-West, power outages rapidly cascaded into water supply failures, communication breakdowns and disrupted healthcare access. Emergency responders struggled to reach isolated households and some rural areas waited days longer than urban centres for basic restoration. The event revealed not only technical vulnerability but also the limits of co-ordination across agencies. Box 5.8 below summarises the sequence of failures triggered by the storm and how local communities coped in its aftermath.

Box 5.8. Storm Éowyn: Stress-testing rural resilience

On 24 January 2025, Storm Éowyn brought record-breaking winds and widespread disruption to Ireland and the United Kingdom. At the storm's peak, 750 000 premises lost power, cutting households off from heat, food, water, communication and medical equipment. In rural areas, the outages lasted far longer: 5 days after the storm, almost 200 000 farms and households were still without electricity, and nearly a fortnight later, 18 000 rural homes remained unpowered. Many also lacked fresh water, as pumps depend on the grid. In early April, some elderly residents in the North-West still had no functioning telephone line.

Two fatalities occurred, both in the rural North-West: one from a fallen tree, another when essential medical technology ceased functioning. Rural health centres and water-pumping stations lacked backup generators. The event demonstrated how quickly a power outage cascades into failures of water, health and communications systems.

Political and public reaction

In the aftermath, media coverage and parliamentary debate highlighted the unequal impact on rural communities. During a Dáil Éireann session on 5 February 2025, several TDs argued that "had Dublin been as severely affected as the West and North-West, the national response would have been swifter". The Dáil did not sit until 12 days after the crisis, when thousands of rural homes were still without power, feeding perceptions that centralised institutions overlook rural needs. Members of parliament also noted that LAs lacked the mandate and resources to co-ordinate place-tailored emergency responses, and that the government's approach remained reactive rather than preventive.

Infrastructure vulnerabilities

Ireland provides 21% of its electricity to data centres, largely located in Dublin, where underground cabling offers greater protection. In contrast, 84% of the national electricity network runs overhead, compared with about 40% in Finland and Sweden, countries with lower population densities. The grid's 160 000 kilometres of overhead lines and 2.4 million poles are vulnerable to damage; thousands need replacement.

In many rural areas, lines run beside narrow roads bordered by diseased or damaged trees on private land. Despite repeated calls for a co-ordinated tree-management policy, responsibility still rests with landowners. Eir Telecom has warned that without funding or policy for vegetation control, the risk to energy and communications networks will persist. Visiting contractors from continental Europe expressed surprise at the proximity of trees to power lines and the absence of clear safety corridors. The prevalence of one-off rural housing further slowed reconnection, as dispersed dwellings required multiple site visits.

Overall, Storm Éowyn exposed years of under-investment in rural electricity, water and communications infrastructure, and demonstrated how institutional centralisation magnifies vulnerability when shocks occur.

Source: DHLGH (2025[72]), "Review of Storm Éowyn response published", https://www.gov.ie/en/department-of-housing-local-government-and-heritage/press-releases/review-of-storm-%C3%A9owyn-response-published/.

The experience underscored three systemic weaknesses in Ireland's rural service framework.

- First, many services depend on physically fragile infrastructure, such as overhead electricity lines, unprotected substations and ageing water networks.
- Second, a high degree of institutional centralisation limits LAs' capacity to respond quickly or invest in small-scale resilience measures.
- Third, governance remains reactive rather than preventive, with investments concentrated after crises rather than anticipating them.

These weaknesses compound one another. When energy fails, water treatment halts, mobile networks collapse and essential health services stall. Rural areas, because of their dispersed geography and limited backup systems, are the last to recover.

Storm Éowyn therefore exposed more than just the consequences of extreme weather: it highlighted how decades of fragmented investment and narrow sectoral planning have left rural systems interdependent but brittle. To build resilience, Ireland needs to move beyond single-sector responses towards place-tailored strategies that integrate power, water, communications, transport and health planning within the same resilience framework. The following sections examine these service challenges in more detail, first across general service domains such as childcare, education, transport, digital connectivity and water, and then through a deeper focus on health the most visible and consequential frontier of rural service inequality.

Public service access: Everyday systems under strain

Beyond the immediate lessons from Storm Éowyn, broader service access in rural Ireland continues to reveal longstanding structural weaknesses. Despite targeted programmes, on average, rural residents still face higher costs, longer travel times and reduced reliability in essential services such as childcare, education, transport, digital connectivity and water. These gaps not only constrain well-being but also limit the capacity of rural economies to retain and attract people.

- **Childcare and education**: Access to affordable, flexible childcare remains uneven across rural areas, particularly for families outside larger towns. Limited hours and scarce spaces restrict women's labour-force participation and reduce options for dual-earner households. Longer travel times to secondary schools and further education colleges compound these pressures, especially where public transport is infrequent. Aligning childcare hours, school transport and post-secondary programmes with local labour demand would help families remain in rural areas and encourage new residents to settle.
- **Transport and digital connectivity**: Despite improvements under Connecting Ireland and Transport for Ireland Local Link, rural transport services remain infrequent and poorly timed. Limited evening and weekend routes restrict access to employment, education and healthcare. While broadband coverage has expanded, gaps in digital skills and affordability persist, particularly among older and lower-income groups. Without localised digital skills support and reliable physical mobility, rural residents will continue to face barriers to participation even where infrastructure exists.
- **Water and wastewater**: Infrastructure constraints and quality issues still prevent development in many rural towns and villages. Boil water notices, leakage and capacity limits in wastewater systems delay new housing and enterprise projects, eroding trust in local services. Integrating water and wastewater upgrades with spatial planning especially in towns prioritised for housing and enterprise would accelerate both development and resilience.

Implications for ORF II

These service deficits are cumulative rather than isolated. Weak childcare, transport and digital access reinforce one another, discouraging young families and small enterprises from locating to rural areas. The challenge is not only to fill gaps in individual sectors but to co-ordinate investment across them as suggested in the *OECD Recommendation on Effective Public Investment across levels of government* (OECD, 2025[73]), ensuring that service provision supports wider goals for housing, employment and inclusion. Table 5.6 below summarises existing programmes addressing these issues and identifies areas where there is scope to go further.

Table 5.6. Strengthening rural service access: Exploring different ways to enhance delivery

Recommendation	Existing initiatives and programmes	Scope to go further
Expand community-based childcare provision and flexible hours	National Childcare Scheme; Core funding for providers.	Incentivise rural micro settings; extend wrap-around hours; link childcare planning to rural labour demand.
Strengthen rural school and further education access	School Transport Scheme; Delivering Equality of Opportunity in Schools support.	Review travel time thresholds; co-locate secondary/further education provision in multi-service hubs; extend subject choice through digital delivery.
Align skills pipelines with family-friendly provision	Regional Skills Fora; ETBs.	Joint planning of childcare hours with training providers; support onsite childcare at further education colleges.
Integrate transport planning with health, education and employment access	Connecting Ireland; Transport for Ireland Local Link.	Pilot joint health-transport scheduling; increase evening/weekend coverage; establish inter-county connectors.
Support digital adoption for service delivery	National Broadband Plan; library digital initiatives.	Pair National Broadband Plan rollout with tele-service adoption grants and digital skills training; locate digital mentors in Connected Hubs.

Embed transport-digital links in regional planning	Regional Spatial and Economic Strategies.	Integrate mobility and connectivity mapping into rural investment decisions.
Improve water and wastewater capacity in small towns and villages	Rural Water Programme; Small Towns and Villages Growth Programme.	Prioritise capacity where housing and jobs plans intersect; develop rural pipeline maps with state water utility company Uisce Éireann.
Enhance water quality monitoring and public communication	Environmental Protection Agency National Monitoring Programme.	Introduce localised reporting dashboards and rapid-alert systems; link water quality data to health and housing indicators.

Policy priorities to improve access to services in rural Ireland

The cumulative nature of rural service deficits means that progress in one area often depends on improvements in another. ORF II should therefore focus on strengthening the connective tissue among local service systems ensuring that childcare, transport, digital access and infrastructure investments work together to sustain viable communities and local economies. Based on the areas where there is scope to go further, the following priorities emerge from Table 5.6:

- Develop integrated childcare, education and transport planning so that rural childcare hours, school timetables and transport routes reinforce one another.
- Create local digital skills and access hubs (e.g. in Connected Hubs, libraries or community centres) to ensure broadband investments translate into actual use.
- Link water and wastewater upgrades to spatial and housing plans, prioritising small towns where capacity constraints block development.
- Expand evening and weekend rural transport routes to improve access to jobs, education and healthcare.
- Investigate options for providing “quasi-public” transport alternatives based on private firms or community developed entities that offer low-cost flexible timing and car-based or mini-bus services.
- Adopt joint funding frameworks across departments so that service investment is planned as interconnected infrastructure rather than in silos.

Focus on health access and resilience

Among all public services, health remains the sharpest expression of rural inequality. Rural residents face longer travel times, ageing facilities and shortages of healthcare professionals, even as demand rises with an older population. Workforce pressures, housing constraints, and weak system co-ordination have combined to create territorial divides in both access and quality of care.

- **Primary care**: Rural general practitioners (GPs) are ageing, and more than 15% of practices rely on rotating locums. Patients often travel 30-60 kilometres for routine appointments or out-of-hours cover, while local practices struggle to recruit successors. Without incentives for long-term placements and adequate key-worker housing, service continuity will continue to decline. Integrating housing provision for health staff into local development plans would help stabilise rural practices.
- **Health infrastructure**: Many primary care centres and small hospitals remain poorly equipped for power outages or connectivity loss. The storm demonstrated that when electricity or communications fail, medical records, teleconsultations and emergency co-ordination halt immediately. Minimum backup standards for rural health facilities, covering power, water and communications, should be established and enforced nationally.
- **Workforce and training**: Rural placements for nurses and medical students are limited and often short-term. Expanding rotation programmes and linking them to regional housing supports would

improve recruitment and retention. Training pathways through TUs could also widen entry routes for rural students into health professions.

- **Digital and telehealth**: While telehealth capacity expanded during the pandemic, use in rural areas remains modest. Connected Hubs and libraries could serve as assisted consultation points for older residents or those lacking reliable home Internet. Strengthening digital infrastructure alone is insufficient; assisted access and digital literacy are essential to ensure uptake.

Implications for ORF II

Health therefore encapsulates the broader challenge of rural service delivery. Gaps in workforce, housing and infrastructure are mutually reinforcing and require co-ordinated solutions. Progress will depend on aligning health policy with spatial planning, housing and digital strategies treating health access as a shared resilience objective rather than a standalone sectoral concern. Table 5.7 below outlines current measures and indicates where there is scope to go further in building resilient rural health systems.

Table 5.7. Strengthening rural health systems: Exploring new ways to improve access

Recommendation	Existing initiatives	Scope to go further
Expand rural GP and primary care capacity	Sláintecare community-care network; GP contract revisions.	Pilot rural GP packages combining housing support, tax incentives and locum rotations; test mobile clinics in isolated settlements.
Shorten emergency-response times	National Ambulance Service reform.	Develop rural rapid-response units using local fire or volunteer capacity; pre-position defibrillators at hubs and libraries.
Link staff-housing solutions to local labour demand	Housing for All; Town Centre First.	Reserve units in town centre regeneration schemes for health workers; explore modular or community-land-trust models near rural clinics.
Establish rural clinical-training rotations	Health Service Executive (HSE) training programmes; university partnerships.	Expand RTU-based nursing and allied-health placements; introduce bursaries for rural residencies with guaranteed placements.
Enhance climate resilience of rural health facilities	HSE climate-adaptation plan (2023).	Set minimum backup power and communications standards for rural clinics and pharmacies; integrate with local emergency plans.
Strengthen local public-health preparedness	Civil defence partnerships.	Develop joint simulation exercises with LAs; create community-pharmacy emergency protocols.

Policy priorities to improve access to core public services

Based on the gaps and opportunities identified in Table 5.7, there is clear scope to deepen Ireland's inclusion agenda by embedding a stronger rural lens across social, economic and governance systems. While many of the national initiatives already address gender equality, childcare, migrant integration and social supports, most operate without explicit spatial targeting or sustained attention to rural contexts. ORF II can help close these gaps by promoting tailored actions that translate national inclusion goals into locally relevant outcomes. The following policy priorities highlight where further progress could be made to ensure that inclusion, equality and social participation are integral to rural development and community resilience.

- Integrate inclusion and equality metrics within ORF II monitoring, including rural-disaggregated gender and migrant data linked to the OECD Rural Well-being Framework.

- Embed gender balance and parity commitments across local rural governance and decision-making structures (LEADER, local community development committees [LCDCs], public participation networks [PPNs]).
- Support rural enterprise and childcare ecosystems by developing sustainable, flexible-hours childcare models and women's enterprise pipelines co-located with local hubs.
- Encourage co-designed rural integration pilots linking language and employment training to SMEs.
- Apply a rural spatial lens to social supports by creating a rural cost-of-living index and using it to target fuel poverty, mobility and energy programmes.

Connecting non-health and health service priorities

Rural service systems function as an interconnected whole. Deficits in childcare, transport, digital access and water services are closely linked to those in health provision, often compounding one another and limiting rural quality of life. For example, health workforce shortages are intensified by limited housing and childcare options, while weak transport and digital connectivity restrict both service delivery and patient access.

ORF II should therefore approach rural services as a single ecosystem, aligning sectoral investments, local-delivery capacity and spatial planning to reinforce one another. Table 5.6 summarises cross-cutting (non-health) measures and opportunities for deeper co-ordination, while Table 5.7 focuses on health-specific priorities that require similar place-based integration. Together, these interventions can build a coherent and resilient foundation for rural well-being.

The persistence of these social inequalities underlines why measuring well-being solely through programme completion is insufficient. Even where infrastructure improves or new initiatives are launched, uneven participation and exclusion dilute impact. The next section therefore explores how a local approach to measuring well-being can make these invisible disparities visible and help ensure that ORF II translates into tangible quality-of-life gains across Ireland's diverse rural communities.

Strengthening rural well-being measurement

OECD frameworks for measuring rural well-being

The 2020 OECD report *Rural Well-Being: Geography of Opportunities* introduced a new approach for rural development, explicitly placing well-being at the centre of rural policy (OECD, 2020[74]). The framework goes beyond economic growth to include factors such as health, education, digital access, environment, civic engagement and housing. It stresses that rural policy must respond to demographic transitions, digitalisation and local asset development.

The OECD Regional Well-Being Database (and user guide) allows countries and regions to measure and compare well-being across 446 OECD regions using 11 dimensions including income, jobs, housing, health, education, environment and subjective life satisfaction (OECD, 2025[75]). This is complemented by discussion and workshops like the 2024 "The Rural Principles Series: Measuring Well-Being in Rural Areas - Bridging Gaps in Data and Perception" webinar, which focus on how to best collect rural well-being data, engage rural populations and use these data to shape services and development projects (OECD, 2024[76]).

Measuring rural well-being in Ireland: Gaps and opportunities

Ireland's well-being agenda has made substantial national progress, yet rural well-being remains only partially captured within current frameworks. While the national Measuring What Matters framework reflects a whole-of-government commitment to people-centred policy, its data are predominantly national or regional in scale. Local variations, particularly across Ireland's six-way urban-rural typology, remain largely invisible in national reporting. As a result, the lived experiences of rural residents, and the differentiated outcomes of policies such as ORF, are not systematically reflected in the country's well-being evidence base.

At present, three complementary efforts provide partial coverage: the CSO Well-being Information Hub, ORF's monitoring of action delivery and the PPN Community Well-being Statements at the county level. Each of these initiatives strengthens understanding of how people are faring, but none yet offers a coherent, rural-sensitive dashboard that connects policy delivery to well-being outcomes. The PPN statements, while rich in qualitative local insights, are not harmonised into a comparative dataset; and ORF's monitoring remains focused on the completion of actions, not their territorial impact on people's lives.

Potential indicators to strengthen local well-being measurement

A rural well-being measurement framework should bridge the national and local levels of analysis, using indicators sensitive to rural realities. To be meaningful measurement must combine objective and subjective data that link household income and service access to more qualitative measures such as, belonging, participation and trust. Such an approach would help Ireland move from counting actions delivered to understanding the quality of outcomes achieved in rural territories.

To capture the full spectrum of well-being in rural areas, Ireland could progressively integrate indicators that reflect both the material and social dimensions of rural life. Table 5.8 provides an example of such indicators, grouped by their analytical purpose what each could reveal about local well-being conditions. Local indicators will necessarily vary, but these examples demonstrate the types of information that could be drawn from existing data sources (the CSO, state-sponsored organisation Pobal, the HSE, the DRCDG and LAs) to produce more nuanced insights into rural well-being.

Collecting these indicators at the municipal-district or settlement scale would make it possible to construct a territorial well-being dashboard, one that not only tracks progress on ORF actions but also helps identify where policy success is (or is not) translating into improved quality of life. This localised evidence would also support the DRCDG's role as a cross-government facilitator, equipping it to highlight spatial disparities and advocate for stronger rural proofing within national well-being policy.

Table 5.8. Potential rural well-being indicators

Analytical focus	Illustrative indicators	What these indicators reveal
Economic security and access to opportunity	Median disposable income (by rural typology)	Spatial disparities in economic resilience and the ability of rural households to access stable livelihoods.
	Share of households in precarious or seasonal work-	
	Commuting time and costs relative to income	
	Off-farm or self-employment income share	
Access to essential services and infrastructure	Travel time to GP, childcare and secondary education	Territorial gaps in mobility, digital connectivity and essential service access shaping everyday life.
	Broadband uptake rates	
	Share of households connected to water/wastewater networks	
	Frequency and coverage of public transport	
Housing and affordability	Households spending more than 30% of income on housing	Affordability pressures, the quality of housing stock and energy vulnerability across rural areas.
	Vacancy and dereliction rates	
	Energy efficiency of dwellings	
	Incidence of fuel poverty	

Community vitality and participation	Participation in community/voluntary groups Sense of belonging and trust in institutions Volunteering and intergenerational exchange Access to local cultural or social amenities	Levels of social capital and civic participation influencing subjective well-being and cohesion.
Environmental quality and resilience	Frequency of boil-water notices Flooding recurrence Share of renewable energy generation Access to green and recreational spaces	Interplay between environmental safety, infrastructure resilience and quality of life in rural settings.
Health and subjective well-being	Life expectancy and healthy life years (by rural typology) GP-to-population ratio Self-reported life satisfaction and mental health Reported loneliness among older adults	How health outcomes and personal perceptions combine to define overall well-being and inclusion.

Implications for ORF II

Table 5.9 identifies initiatives already supporting well-being measurement where targeted improvements could enhance their rural relevance. The table highlights practical steps to strengthen linkages and support actions ensuring that data collection, reporting and policy design systematically reflect rural realities and help translate evidence into more balanced outcomes across territories.

Table 5.9. Strengthening rural well-being measurement

Recommendation	What is already being done	Scope to go further
Integration of well-being into national monitoring frameworks	Ireland's Measuring What Matters framework (Department of the Taoiseach, 2023) is the government's official national well-being framework, built on the OECD model. It includes 11 dimensions and is reported through the CSO Well-being Information Hub. The framework is operational.	The indicators are not spatially disaggregated or adapted to rural typologies; rural metrics could be integrated to reveal territorial differences.
PPN Well-being Statements	PPNs are required to develop Community Well-being Statements for each county, identifying local priorities across social, environmental and economic domains. The framework is mandatory across all counties and supported by the DRCDG.	While these statements are qualitative and not officially embedded in local development planning, they offer a ready-made local platform that could be aligned with national well-being monitoring and used for rural benchmarking.
Use of rural typologies in national data	The CSO publishes data using the six-way urban-rural classification (cities, independent towns, hinterlands, rural-adjacent, intermediate, remote). However, this typology is inconsistently applied in government reporting.	Embed this typology systematically in well-being measurement and reporting across departments so rural differences are routinely visible and comparable.
Linking ORF monitoring to well-being outcomes	ORF currently tracks completion of its measures using the CSO six-way split.	Add a focus on socio-economic outcomes, for example income, access or service satisfaction, so progress reflects people's lived experience rather than only delivery milestones.
Subjective and qualitative well-being data	Ireland's national well-being framework includes subjective indicators such as life satisfaction and sense of belonging, drawn from EU-Survey on Income and Living Conditions and other national surveys.	These data are not localised or rural-specific; extending collection to community or county level would capture distinct rural experiences and strengthen policy responsiveness.
Local capacity for data collection	The DRCD has funded several LCDC capacity-building pilots through LEADER and SICAP. Some LAs or LCDCs have begun collecting well-being data.	Current work is often ad hoc (community surveys or project-level monitoring). There is scope to harmonise methods, provide technical support and ensure that relevant rural indicators are consistently identified and tracked.

Using well-being to guide investment or spatial planning	Well-being evidence rarely informs regional or local investment prioritisation. Project Ireland 2040 and the NPF include policy references to this direction, showing interest but no operational integration.	Develop mechanisms for systematically linking well-being indicators to investment choices – for example, in transport, housing, childcare or healthcare – and encourage ORF II to pilot this approach in selected rural areas.

Policy priorities to strengthen rural well-being measurement

To move from scattered activity to an integrated rural well-being system, ORF II should embed well-being as both a metric and a method for decision making. Measurement should be used not only to describe conditions but to steer investment, planning and programme delivery toward better outcomes for rural people. The following priorities build directly on the opportunities identified in Table 5.9. To move from scattered activity to an integrated rural well-being system, ORF II could:

- Track socio-economic outcomes alongside delivery metrics, ensuring that rural well-being is measured by tangible improvements in people's lives, not only by programme completion.
- Pilot harmonised regional and local well-being indicators, drawing on existing tools such as PPN Well-being Statements, CSO typology data and LCDC capacity-building pilots.
- Embed rural well-being results in regional and local plans, encouraging regional assemblies and LCDCs to use them as part of investment prioritisation and community planning.
- Facilitate data alignment across departments, using the DRCDG's convening role to ensure rural dimensions are systematically recognised within the national Measuring What Matters framework.
- Promote learning through demonstration projects, testing how rural well-being indicators can guide planning and funding decisions in two or three pilot regions before wider rollout.

Embedding foresight into long-term rural policy development processes

Each section in this chapter has identified areas for action, or even where existing measures could go further, from aligning housing with labour markets, to targeting green skills, strengthening service resilience and embedding well-being data locally. Translating these opportunities into effective action will require structured and shared exploration to test what is feasible and build a common vision and approach. This matters because rural regions are often at the forefront of change.

The *OECD Skills Outlook 2023: Skills for a Resilient Green and Digital Transition* report shows that demand for skills such as data analysis, digital literacy and renewable energy technologies will grow significantly (OECD, 2023[77]). Many of the skills most at risk of decline are those concentrated in rural labour markets, where access to upskilling opportunities remains limited. Anticipating future skill needs and aligning training, workforce development and rural economic strategies will be essential to ensure that the green and digital transitions reinforce, rather than exclude, rural regions. Foresight offers a disciplined framework for doing this and it can easily be folded into the existing consultancy approach. The co-design and co-produce features of foresight means stakeholders would be working together to develop potential solutions. It will also help participants recognise trade-offs early and identify where priorities align.

The OECD encourages governments to integrate foresight into their policy development toolbox. Through the Strategic Foresight Unit within the Office of the Secretary-General, the organisation supports national governments and public administrations in building foresight capacity. The OECD Observatory of Public Sector Innovation also produces regular guidance, tools and case studies on implementing foresight processes, such as scenario planning, horizon scanning and anticipatory innovation governance. The OECD Regional Development Policy Committee and Working Party on Rural Policy encourage the use of foresight at the subnational levels.

Several reports, including *Strategic Foresight for Better Policies* (OECD, 2019[78]) and *Towards a Strategic Foresight System in Ireland* (OECD, 2021[79]), outline pathways for embedding foresight within strategy, risk and innovation units, linking it to regular policy review and budget planning. Ireland is already moving to a stronger foresight approach. For example, the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation delivered a pilot programme on strategic foresight in 2023 that is part of a broader effort to transform the delivery of public services to make suitable for an evolving environment. This initial effort was designed to identify an approach that could be broadly adopted across the civil and public service.

Institutional foundations for foresight in Ireland

Ireland already possesses an initial foundation for foresight-based policymaking. The *Rural Ireland 2025: Foresight Perspectives* report – developed by Teagasc, University College Dublin and Maynooth University and funded by the DAFM, the Council for Forest Research and Development and the Environmental Protection Agency – produced national scenarios and long-term policy perspectives for rural and coastal Ireland. However, this was a one-off exercise rather than a recurring foresight process, and its outputs were never systematically integrated into rural or regional planning frameworks.

Recent initiatives signal growing institutional interest. The Strengthening Policy Development and Foresight in the Irish Public Service project (Teagasc, NUI Maynooth and University College Dublin, 2025[80]) encourages departments – including the DRCDG – to establish foresight units and apply anticipatory methods to strategies extending beyond 2030 (OECD, 2023[81]). The OECD report *Towards a Strategic Foresight System in Ireland* similarly recommended embedding foresight cycles within departmental policy processes (OECD, 2021[79]). Yet, as the *OECD Policy Coherence Scan of Ireland* confirms, foresight capacity remains fragmented: it is well developed in innovation, agriculture and climate policy, but still nascent for territorial and cross-government planning (OECD, 2025[82]).

Foresight tools

Arguably, foresight provides government with two complementary tools that can help close the gaps identified in this chapter: targeted data gathering and scenario building in a facilitated, multi-stakeholder environment. The latter enables decision makers to activate co-design and co-production processes that bring together diverse perspectives.

Box 5.9. Foresight in action, examples from different countries

Strategic foresight has a variety of uses in government including:

- The Provincial Council of Gipuzkoa, Spain, developed a programme entitled Building the Future *(Etorkizuna Eraikiz*) to promote and improve open and collaborative governance in the region.
- The French Ministry of Defence, through its *Agence de l'innovation de défense*, created the Red Team. This group of science-fiction writers and illustrators conceive and explore scenarios for the future of armed conflicts. They uncover the blind spots and invisible blockages that stand in the way of imagining situations outside those presently existing in handbook examples.
- The European Commission's Civil Protection and Humanitarian Aid Operations department (DG ECHO) and the European Civil Protection Mechanism use scenarios of critical events to help countries stress test their risk management systems.

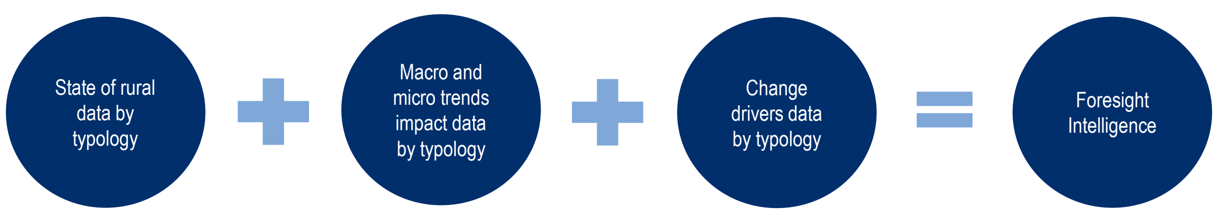
- In Germany, the Social Foresight Lab allows citizens to experiment with future solutions by, for instance, introducing prototypes of potential social and technological developments on mobility, working and living into their everyday lives.
- The government of Finland used strategic foresight in its AuroraAI programme to explore what future life-event-based service provision in the country could look like.

Sources: OECD (2016[83]), "Provincial Council of Gipuzkoa, Spain: Building the Future", https://oecd-opsi.org/innovations/etorkizuna-eraikiz-building-the-future/; PSL (n.d.[84]), "Découvrir la Red Team", https://redteamdefense.org/decouvrir-la-red-team; DG ECHO (n.d.[85]), "Homepage", https://civil-protection-humanitarian-aid.ec.europa.eu/index_en; EC (n.d.[86]), "EU Civil Protection Mechanism", https://civil-protection-humanitarian-aid.ec.europa.eu/what/civil-protection/eu-civil-protection-mechanism_en#:~:text=In%20October%202001%2C%20the%20European,preparedness%2C%20and%20response%20to%20disasters; Government of Finland, AuroraAI; OECD (2018[87]), "Social Foresight Lab", https://oecd-opsi.org/innovations/social-foresight-lab/.

Intelligence gathering: Data on macro and micro trends

Targeted data gathering to support rural foresight work involves compiling three interconnected types of data with a spatial lens: i) the state of rural conditions; ii) trends and impacts; and iii) change drivers. The first, state of rural data, was introduced in Chapter 3 and refers to evidence on the overarching conditions shaping rural life, including demographic, housing, employment, and service access patterns (see Figure 5.5).

Figure 5.5. The intelligence package to support rural foresight work



The second type focuses on global, national and local trends that may influence Ireland's rural futures. It includes megatrends such as demographic change, digital transformation, climate pressures and geopolitical shifts alongside macro trends affecting national systems and micro trends emerging within specific territories. At the micro level, data capture how these forces play out differently across Ireland's six rural typologies. They can also reveal local variations: regions experiencing high in-migration versus those losing population; areas with strong volunteer participation versus weaker community capacity; or territories more exposed to external shocks such as Brexit.

While trends data show what is happening, change drivers help explain why change is happening and where future shifts might occur. Change drivers are the forces that cause a trend to move (Gordon, 2010[88]). For example, a changing mix of residents in rural areas will affect attitudes toward planning, land use and public services requiring new approaches and policies to reflect evolving community needs. Drivers can vary across regions and are often highly localised. They may include low stakeholder engagement, weak institutional relationships, limited authority at the regional level compared to municipalities, or changes in local government leadership leading to new strategic directions (e.g. Limerick).

Closely examining the interplay between trends and change drivers across different rural contexts provides a richer understanding of possible futures. Brexit heightened the emphasis on cross-border co-operation, territorial cohesion and resilience in the regions of rural Ireland most affected. Before Brexit, regional policy and cross-border initiatives benefitted from open borders and EU-supported collaboration; Intelligence should also incorporate a spatial lens to ensure that data reflect the territorial diversity of rural Ireland. This approach builds directly on earlier recommendations to strengthen rural data systems and apply Ireland's six-way urban-rural classification more consistently. By combining spatial intelligence with trend and driver analysis, foresight provides a structured framework for interpreting how rural realities may evolve under alternative futures.

Scenario building

The second tool, scenario building, can use this intelligence as the foundation to construct evidence sensitive strategies to explore policy choices. Through structured workshops and participatory design sessions, national and local actors can explore how various combinations of trends and policy responses might affect different types of rural areas. Scenario building does not predict the future; it tests pathways – for example, what housing, skills or service delivery models would remain resilient under demographic ageing, automation or climate shocks. Scenario building, grounded in local data and intelligence can push consultation processes to a different level. Instead of asking communities simply for feedback on predetermined plans, it enables them to think through what could or would not work helping them, in effect, to self-test ideas and understand the trade-offs behind policy options. This allows policymakers and communities to co-design and co-produce realistic solutions before investments are made.

This process can also foster transparency and trust. By allowing communities to see how decisions are shaped, to understand why some measures must happen today and others in two or five years, foresight embeds a sense of shared ownership in decision making. It builds mutual understanding between government and citizens about what is possible, what is urgent and what must be sequenced over time.

Implications for ORF II

Building foresight exercises into existing consultation models can be used as a way to deepen, rather than expand, them. This means using foresight methods selectively and purposefully, for example when government is preparing to move from planning to implementation on a major issue such as housing, green skills or service access. Embedding foresight in this way allows one structured moment where actors collectively test the feasibility of proposals and explore their implications.

Table 5.10. Using foresight to strengthen rural policy design and anticipatory governance

Recommendation	What is already being done	Scope to go further
1. Use more foresight approaches to strengthen anticipatory governance across rural policy areas	Ireland has already undertaken foresight work at the whole-of-government level, including the OECD-Department of the Taoiseach Foresight Review of the Irish Civil Service (2022-2023). Several departments have also used scenario planning for climate and digital transitions.	Extend this practice to ORF by embedding foresight capacities within the DRCDG and regional structures, ensuring rural perspectives and territorial differentiation are systematically included in future national foresight work.
2. Enhance data systems through "foresight intelligence", combining trend analysis with spatial rural data	Building blocks exist (Measuring What Matters plus CSO classification, regional monitoring), but the rural disaggregation and trend-monitoring layer is not institutionalised. Ireland's Measuring What Matters well-being framework (Department of the Taoiseach) is live and reported via the state information hub; it is a national data scaffold for quality-of-life and societal progress.	Build on these foundations by adding rural typology-based trend assessments that capture both macro trends (digital, demographic, climate) and micro signals (e.g. Brexit-related shocks, entrepreneurial risk aversion, migration inflows). This would help identify weak signals and emerge
Integrate scenario building into existing consultation and policy design processes	Ireland regularly conducts public consultations and stakeholder engagement through ORF, LEADER and other policy frameworks. It has strong participation infrastructure (e.g. PPNs) that produce Community	Avoid new consultation rounds by embedding scenario building within existing engagement models, using these exercises selectively to co-design and co-produce solutions with communities and local

	Wellbeing Statements in each county, useful qualitative inputs that could anchor scenario work.	actors. PPNs could provide the foundation to run structured scenario workshops.
Publish short, transparent outputs (close the loop on "what we heard")	National well-being updates and various consultation reports, but no standard, public foresight brie.	Adopt a light, public "foresight note" format (what issues, what scenarios, what choices, what next) at the county/functional-region level to improve legitimacy and reduce consultation fatigue.

Policy priorities to embed foresight into long-term rural policy development

Based on the scope to go further identified above, four priorities emerge:

- **Encourage the systematic use of foresight practices across rural policy areas**: ORF II should actively promote the inclusion of foresight-based approaches, such as trend scanning, weak-signal detection and scenario testing, within the DRCDG's programme design and review cycles. This does not require creating new consultation rounds but rather integrating foresight logic into existing engagement and monitoring processes to anticipate emerging rural challenges before they escalate.
- **Develop "foresight intelligence" by aligning rural intelligence and trend analysis**: The DRCDG should encourage partners to use the existing six-way urban-rural split and forthcoming rural intelligence data to construct a foresight intelligence system that merges national data collection with macro- and micro-trend analysis. This could be supported through partnerships with institutions such as ESRI, the CSO and Ireland's network of rural researchers, helping to capture differentiated regional signals such as the effects of demographic change, climate pressures or Brexit within a consistent analytical framework.
- **Use future consultancy activities to host at least one strategic co-design foresight exercise**: As Ireland already conducts wide-ranging consultation processes under ORF, LEADER and related programmes, the DRCDG could build foresight into these cycles by incorporating one structured, in-depth foresight session within each major consultation phase. This would provide a deliberate space for communities and local actors to co-design and co-produce policy responses, testing potential actions against different future scenarios.
- **Build transparency into the foresight process**: Each foresight exercise should produce a short public-facing summary such as a one-page fact sheet or brief outlining "what the community wants to do" and "where the community wants to go" across the major policy themes (green skills, housing, services, agriculture, well-being). These concise outputs should be made available online and shared with inter-ministerial working groups, ensuring that the lessons and aspirations identified at the community level directly inform national decision making and strengthen accountability.

Conclusion

Ireland's rural strengths identified in Chapter 1 are clear, but improving rural resilience will depend on how well policies connect and scale existing capacities. The message across this chapter is straightforward: Ireland does not need more programmes; it needs to make current ones work together. ORF II offers the opportunity to link these efforts under a coherent, place-based framework led by the DRCDG. Five actions stand out.

- **Maximise Ireland's strong FDI foundation by enabling rural economies to leverage new opportunities, new firms and new innovation**: Build on existing investment networks so that small businesses in rural areas can grow, innovate and integrate into broader value chains, strengthening FDI-SME linkages and expanding local labour market capacity.

- **Design housing policies with the link to rural economic development in mind**: Integrate spatial planning, serviced-site provision and labour demand analysis so that homes are built where jobs and services exist.
- **Connect service delivery enhancement with strategies to make rural regions more attractive to live and work to firms and families**: Recognise that childcare, transport, water and digital infrastructure shape where people and businesses choose to locate. Design and co-ordinate service delivery to reinforce the liveability and competitiveness of rural communities.
- **Invest in new entrants in rural places, e.g. migrants, and connect them to new opportunities provided by green skills**: Invest in people and inclusion. Expand modular, place-based training and ensure gender and migrant inclusion in the green transition.
- **Build a well-being framework that measures what matters to rural people** and use it to track outcomes, develop more nuanced strategies and guide investment decisions.
- **Integrate foresight practices such as co-design exercises into existing consultation processes into long-term planning**, develop a foresight intelligence system that draws from the six-way urban-rural classification, and produce public-facing summaries that connect community aspirations to national decision-making.

Together, these steps would translate national progress into balanced prosperity anchoring Ireland's rural future in the OECD Principles on Rural Policy and Well-being Framework.

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OECD Rural Studies

Rural Policy Review of Ireland 2026

Ireland's rural areas are central to the country's economy, society and territorial identity. Compared with many OECD countries, they show strong economic performance and relatively favourable demographic trends, particularly in regions with good access to urban labour markets. Yet, persistent spatial disparities between urban and more remote rural areas create distinct policy challenges.

This report examines Ireland's rural development approach through the lens of the OECD Principles on Rural Policy and the OECD Rural Well-Being Framework. The analysis highlights the complexities of delivering a whole-of-government approach to rural development. It assesses how effectively policies connect existing capacities, scale successful initiatives and adapt to diverse territorial contexts. The analysis underscores the need for more spatially differentiated, place-based rural policies that leverage rural-urban linkages, harness innovation, support the green transition and targeted economic diversification. The report includes recommendations that can help strengthen implementation, coordination and promote greater place-sensitive delivery in the next iteration of its rural development strategy.

The report provides actionable recommendations to improve implementation, reinforce coordination and enhance place-sensitive delivery as Ireland develops the next iteration of its rural development strategy.

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