

A case study of Letterkenny in 2020: a scenario planning approach

Bridín Mc Ateer

Submitted to the Higher Education and Training Awards Council

July 2011

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Letterkenny Institute of Technology

‘A case study of Letterkenny in 2020: a scenario planning approach’

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Abstract

A case study of Letterkenny in 2020: a scenario planning approach

The objective of this research was to explore possible futures for the town of Letterkenny towards 2020 using a scenario planning approach. A six stage modified scenario development design was applied to develop a series of scenario statements.

The scenario includes six sub-scenarios: social cohesion; the business community and labour market; education; regional development; government policy; and the external environment. These sub-scenarios provide an account of possible, plausible futures for Letterkenny. The purpose of this study is to generate discussion and inform planning and policy development within the region.

Interviews were conducted with experts to enable the designation of the scenarios. Following this, two questionnaires were distributed: one investigating the practice of managing town centres in Northern Ireland and the second, a scenario statement questionnaire, testing possible scenarios for Letterkenny in 2020. This was followed by the presentation of the findings to a focus group to enable the writing of the final scenario for Letterkenny in 2020. This research indicates that Letterkenny has undergone radical change during the Celtic Tiger years. However, since the economic crisis Letterkenny is now facing a period of further change. This research facilitated the collection of a broad range of ideas and knowledge which will help policy makers develop appropriate responses to current economic developments. The results of this study will also have value for other urban areas who are trying to respond to the challenges of post Celtic Tiger Ireland.

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List of Abbreviations

BMW	Border Midlands Western Region
BRA	Border Regional Authority
CDP	County Development Plan
CSO	Central Statistics Office
DLDC	Donegal Local Development Company
DoCLG	Department of Communities and Local Government
DoEHLG	Department of Environment, Heritage and Local Government
DoF	Department of Finance
DRS	Donegal Retail Strategy
EGFSN	Expert Group on Future Skills Needs
EHEA	European Higher Education Area
ESDP	European Spatial Development Perspective
ESRI	Economic and Social Research Institute
EU	European Union
EU SDS	European Union Sustainable Development Strategy
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNP	Gross National Product
HE	Higher Education
IDA	Industrial Development Agency
IMF	International Monetary Fund
LEDP	Letterkenny and Environs Development Plan
LYIT	Letterkenny Institute of Technology

NESC	National Economic and Social Council
NI	Northern Ireland
NISRA	Northern Ireland Statistics and Research Agency
NDP	National Development Plan
NRP	National Recovery Plan
NSS	National Spatial Strategy
NWGSA	Northwest Gateway Strategic Alliance
OECD	Organisation for Economic Co-operation and Development
PFG	Programme for Government
PPR	Perceived Probability Rating
RDS	Regional Development Strategy
RPG	Retail Planning Guidelines
RPFG	Renewed Programme for Government
SME	Small to Medium Sized Enterprise
SS	Sample Size
TCM	Town Centre Management
UK	United Kingdom
UU	University of Ulster
USC	Universal Social Charge
WDC	Western Development Commission

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Chapter 1 Introduction

1.1 Dissertation Structure

This dissertation is presented in six chapters. Chapter one outlines the research aims and the primary research questions. Chapter one also provides an introduction to Letterkenny; and the methodology of scenario development. Chapter two provides a review of the policy context within which change has happened, is happening and will continue to happen in urban centres like Letterkenny. In chapter three, the methodology of scenario planning is reviewed and the six stage modified scenario development design used in this study is described. In chapter four, the analysis of the qualitative and quantitative data is presented. In chapter five, six possible scenarios for the future of Letterkenny are presented. The scenarios provide multiple views of possible futures for Letterkenny in relation to Social Cohesion; the Business Community and Labour Market; Education; Regional Development; Government Policy; and the External Environment. In chapter six, conclusions are made and plans for further research are presented.

1.2 Research aims and questions

This research seeks to answer the question: *What does the future hold for Letterkenny?* The question was answered by utilising scenario techniques to generate possible futures for the town of Letterkenny. The research contributes to the debate on long-term goals for the town and provides important data to policy makers. In asking the question: what does the future hold for Letterkenny?, this research facilitates the collection of a broad range of ideas and knowledge which will help policy makers develop appropriate responses to current economic developments. The aim of this

research is to explore using scenario techniques, possible futures for large towns in Ireland, specifically the town of Letterkenny. The primary research questions are:

1. What are the common characteristics of large towns in Ireland?
2. What strategies are in place for the development of large towns in Ireland?
3. How can scenario techniques be used to aid the design of appropriate development strategies?
4. What are the realms within which change occurs for large towns in Ireland?
5. What are the possible futures for each of these realms towards 2020?
6. What are the possible futures for Letterkenny towards 2020?

After reviewing two studies which provide an overview of best practice (Bradfield *et al.* 2005; Bishop *et al.* 2007) it was decided that the ten year period towards 2020 was appropriate.

In order to answer these research questions, the following research plan was implemented:

1. a literature review of relevant policy and strategy documents;
2. a review of the strategic plan of county and town councils;
3. a review of academic articles and research in the areas of urban, business and social development and scenario development, testing and planning;
4. the drafting of circa two hundred scenario statements related to possible futures for Letterkenny;
5. Interviews with local experts to short-list the scenario statements into realms and the subsequent design of a questionnaire circulated to a stratified sample of the population of Letterkenny;

6. the analysis of a questionnaire designed to investigate development strategies in Northern Ireland (NI);
7. the analysis of the quantitative and qualitative findings from a scenario statement questionnaire;
8. the presentation of the findings at a focus group; and
9. the writing of six scenarios relating to possible futures for Letterkenny.

1.3 Context

The main period of socio-economic change in Ireland has occurred since 1960 and the key phase in this change process became known as the '*Celtic Tiger*' period from 1995-2003, when Ireland achieved its highest economic growth rates (Kirby, 2004; O'Brien, 2008). The rapid growth in the Irish economy took place against a background of serious infrastructure deficits arising from limited capital investment in the 1980s. A high reliance on foreign direct investment (FDI) in selected manufacturing sectors and internationally traded services was the principal economic driver resulting in a major shift in investment, employment and population towards Dublin. Several explanations have been offered for Ireland's economic miracle: social partnership, European Union (EU) membership, FDI, the US boom of the 1990s, lower income taxes, falling interest rates, low rates of corporation tax (12.5%), falling trade union membership, the system of collective wage bargaining and a growing, skilled labour force (Pecchenino, 2009).

Ireland's rapid economic progress resulted in a dramatic increase in operational costs for manufacturing companies. The result is uncompetitive for many lower value manufacturing activities. The erosion of Ireland's traditional manufacturing base has

resulted in companies such as Motorola and Dell relocating jobs to India and Poland from Limerick. Furthermore, there is increased unemployment in construction and services. Against this backdrop of a decline in, and a restructuring of, the Irish economy many experts (OECD 2004; EGFSN 2007; ESRI 2007) advise a transition to an innovation driven knowledge economy through the uptake of high value activities. Economic success is therefore, strongly reliant on a flow of enabling knowledge from the educational system. Employment needs have shifted as the labour market increasingly requires high value skills. The intensification of competition from developing countries and the increase of FDI into other countries (Pecchenino, 2009), means that Ireland can no longer compete on costs alone. Sustainable job creation requires that Ireland provide a business environment that supports increasingly complex and skilled manufacturing and service activities. It must also enable firms, both indigenous and foreign-owned, to develop and produce innovative new products, services and production processes.

1.3.1 The choice of Letterkenny as a case study

The development achieved by Ireland over the last decade was remarkable. However, the distribution of progress has been uneven, with some areas developing much faster than others. These patterns of unbalanced and uneven development could continue, posing increasing threats to the competitiveness of Ireland's economy, the quality of the environment and the quality of life (DoEHLG, 2002).

Letterkenny has a population of 17,568 persons (CSO, 2006) and is the largest town in Donegal. The town has experienced rapid growth in size in terms of population, the number of service providers, the range of social and cultural amenities and the

development of infrastructure. Like other large towns there have been difficulties as infrastructural investment has lagged behind the rapid rate of development especially in relation to housing. Letterkenny has been designated a 'Gateway Town' under the National Spatial Strategy (DoEHLG, 2002). The Letterkenny-Derry Gateway is the largest linked gateway, and the only cross-border gateway in the NSS. According to the Northwest Gateway Strategic Alliance Report (Indecon, 2009), the Letterkenny-Derry linked Gateway had a combined population of over 125,000 persons in 2006 (it is the fourth largest urban centre in the island of Ireland). The town post *Celtic Tiger* has an over supply of housing and retail units. Moving forward the town requires a plan and a set of strategies and policies that can address the challenges faced by business providers, consumers, marginalised groups, the unemployed and community and voluntary groups. It is hoped that this research will act as a stimulus to a strategic debate about the development of Letterkenny.

1.4 Scenario techniques

According to Van der Heijden (2004) the future holds considerable uncertainty and to predict things precisely is impossible. Furthermore, he suggests that the main assumption underlying forecasting is that some people will be more expert than others in predicting what will happen. Therefore, the best that can be done is to ask people for their measured opinion on what might be happen in the future. Porter (1985) defined scenarios as an internally consistent view of what might turn out in the future – not a forecast, but one possible future outcome. Studies from Schwartz (1992), Ringland (1998) and Slaughter (2002) illustrate that scenario planning can describe how influential factors such as economic, social, political and technological forces combine to shape the future, based on how each of these forces have behaved in the

past. In order to explore what the future holds for Letterkenny, this research uses a six stage modified scenario development. Schwartz (1996, p.1) explains that ‘no matter what future takes place, you are much more likely to be ready for it – and influential in it – if you have thought seriously about scenarios.’ Scenario development, testing and planning are established elements in planning and management in a socio-economic context. Scenarios can be used to measure alternative and possible futures. Scenarios are useful planning tools precisely because the future is unpredictable and requires strategic planning by large urban areas like Letterkenny. The possible futures emerging from the scenario planning and testing act as an aid to ongoing discussion, debate and strategic visioning in Letterkenny and other comparable urban areas.

1.5 Research methodology overview

In this research a six stage modified scenario development design is used to explore possible futures for Letterkenny. The stages are as follows:

1. In stage one, an extensive review of policy, strategy and plans for counties and large towns in Ireland was conducted. This review generated two hundred potential scenario statements;
2. In stage two, interviewees representing a variety of stakeholders worked to expand the list of potential scenario statements;
3. In stage three, the researcher, ranked the list of scenario statements and short-listed seventy two of the statements under six categories;
4. In stage four, the scenario statement questionnaire was designed and circulated in paper and electronic format to a quota sample of the population of Letterkenny. The scenario statements were then ranked to give a perceived probability rating (McNay 2005);

5. In stage five, a focus group was held at the site of inquiry stakeholders. This was a question and answer session, which followed a presentation of findings to date. This helped inform the commentary that accompanies the analysis of the data and the writing of the final scenario; and
6. In stage six, the findings from the each phase of the research guided the writing of the final scenario.

In addition to the six stage scenario development design, a questionnaire was designed and circulated to investigate the current practice of Town Centre Management in NI.

1.6 Chapter Outline

Chapter two is the literature and policy review. This provides a socio-economic profile of the town of Letterkenny; an extensive review of policy plans and documents and introduces the six scenarios identified from the literature review. Chapter three introduces the methodology applied in this research. The research objectives, research philosophy, research design, data collection methods and analysis chosen in this research are described. Chapter four discusses the findings and analysis of the scenario statement questionnaire. Chapter five discusses the findings from chapter four for each of the six realms. Chapter six presents the conclusions drawn from the research and offers recommendations regarding the future of Letterkenny. Chapter six also provides details on the scope for further research.

Chapter 2 Literature and Policy Review

2.1 Introduction

In this chapter a review of literature is presented to provide a context for this research. The literature reviewed includes government policy and strategy documents and research publications from a range of bodies and institutions within the area of regional and urban development. The chapter is presented in four sections: a socio-economic profile of Letterkenny; a review of relevant plans and policy documents; the realms of change; and a review of applying scenario techniques. The literature review provides insights which are useful in answering two of the research questions outlined in chapter one. Firstly, what are the characteristics of large urban areas like Letterkenny? Secondly, what are the strategic visions of urban areas like Letterkenny?

2.2 A Socio-economic profile of Letterkenny

Letterkenny is the largest town in County Donegal. Despite its size, it is not the administrative centre of Donegal. (Lifford being the administrative centre of Donegal). Letterkenny has been designated as a Gateway town, along with Derry in the National Spatial Strategy (NSS, 2002). Figure 2.1 is a map of Donegal and illustrates the location of Letterkenny as a central link in Donegal.

Figure 2.1 Map of Donegal



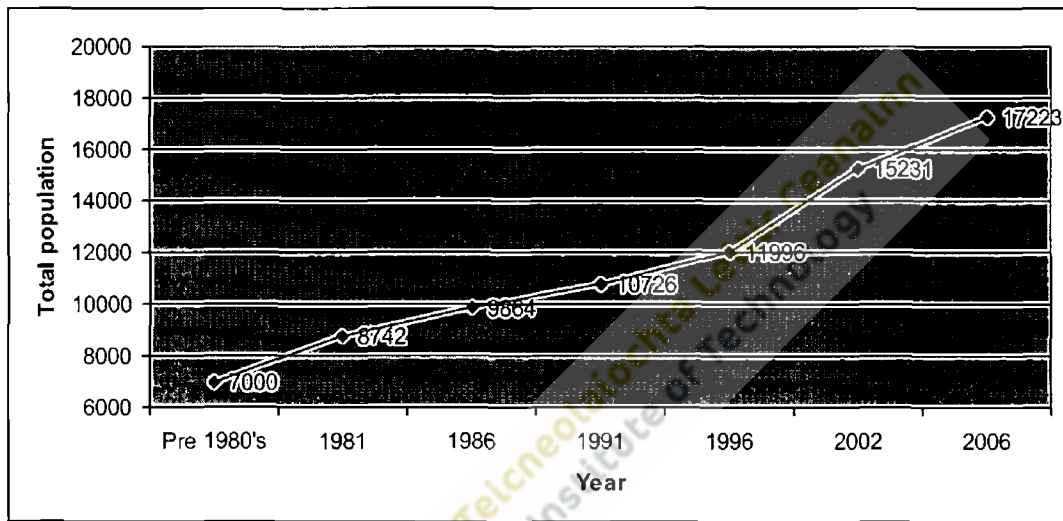
Source: adapted from www.google.ie (2011)

2.2.1 Demographic profile of Letterkenny (1980-2006)

Letterkenny (urban and rural) has a population of 17,568 persons (CSO, 2006). The census of 2006 was used in this research as the reference point as this was the most up-to-date information available. A census took place in April 2011, however only preliminary reports were published prior to the completion of this research. These preliminary figures suggest that the population of Ireland has increased by 341,421 persons to 4,581,269 persons (CSO, 2011). The preliminary reports also suggest that the population of Donegal has increased by 13,663 persons to 160,927 persons (CSO, 2011). However, as these are only preliminary reports, the status of the population of Letterkenny has not been reported to date and on completion of this research.

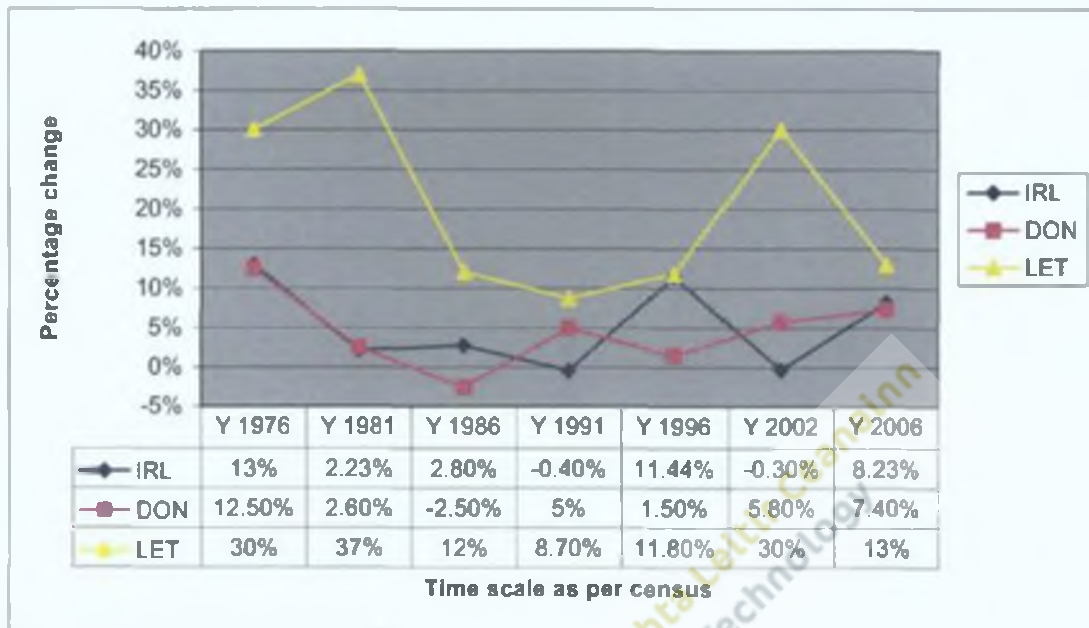
Sixteen percent of the current population are non-national (CSO, 2006). The population of Letterkenny has increased between 1980 and 2006 and this population change is illustrated in figure 2.2 Figure 2.3 details the comparison between Letterkenny, Donegal and Ireland.

Figure 2.2 Population of Letterkenny 1980 - 2006



Source: adapted from CSO (2006)

Figure 2.3 Comparison of population growth – Ireland, Donegal and Letterkenny



Source: adapted from CSO (2006)

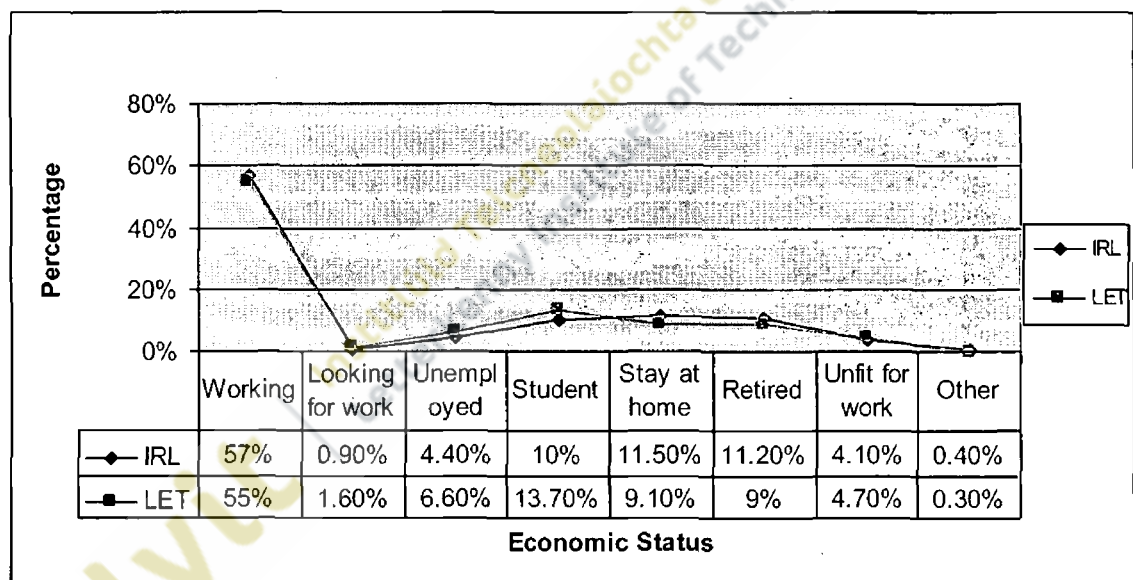
Letterkenny's population has grown in the period of the last twenty six years, with substantial growth during the last decade. Figure 2.2 illustrates that the main period of population growth was between 1996 and 2002, during the *Celtic Tiger* period. Letterkenny witnessed tremendous growth from 1996 up to 2002 as it rose by thirty percent in this six year period. Prior to this, there was also a substantial increase in the early 1980s. The population growth has slowed since 2002 but still remains above the national average which was just over eight percent in comparison to thirteen percent in Letterkenny. Figure 2.3 illustrates that the population of Letterkenny grew faster than that of Ireland and Donegal. In comparison to the island of Ireland and county Donegal, Letterkenny's population has not witnessed a loss in the last number of decades. The population of Donegal fell in 1986 by two and a half percent whilst the

population of Letterkenny grew by twelve percent. In the years 1991 and 2002, the population of Ireland dropped slightly by under one percent both years, whilst these years saw the increase of the population of Letterkenny by twelve percent and thirty percent respectively.

2.2.2 Economic profile of the population of Letterkenny

Figure 2.4 details the economic status of the population in comparison to the national economic status of the population in 2006.

Figure 2.4 Comparison of economic status

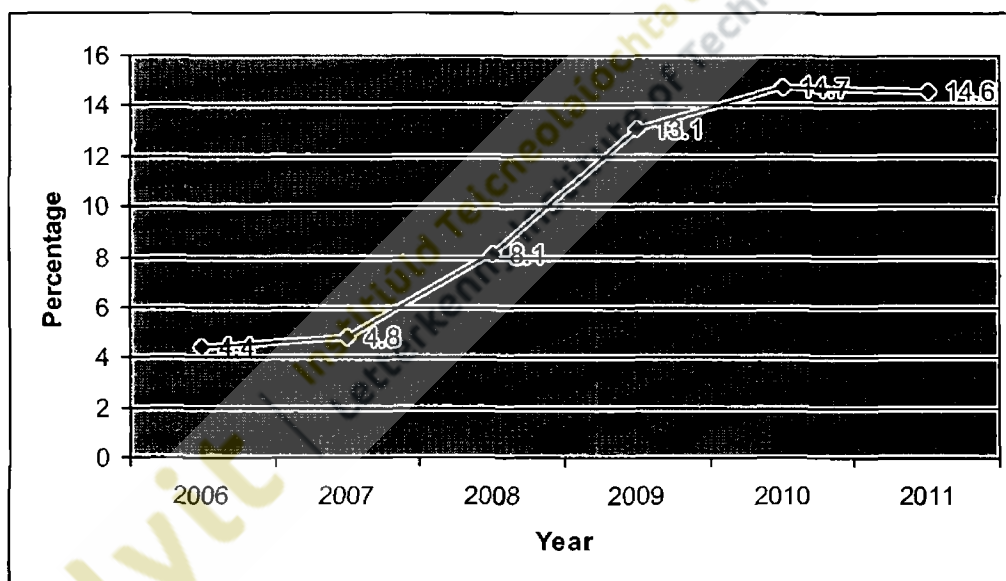


Source: adapted from CSO (2006)

Figure 2.4 illustrates that the economic status of the population of Letterkenny, and it is for the most part, equivalent to the national average. However, Letterkenny's unemployment rate was two percent higher than the national average which was just over six percent. The figure for the student rate is almost four percent higher than the

national average which is ten percent. This highlights that prior to the economic crisis, Letterkenny was producing and preparing a higher number of skilled and trained graduates to enter the workforce upon completion of their education. These figures are correct based on data from CSO (2006). However, to put into perspective the changing economic status of Ireland, it is important to highlight the unemployment figure that is present in the country at the moment. Figure 2.5 illustrates the unprecedented growth in the rate of unemployment since 2006, as a consequence of the economic crisis.

Figure 2.5 Growth in unemployment

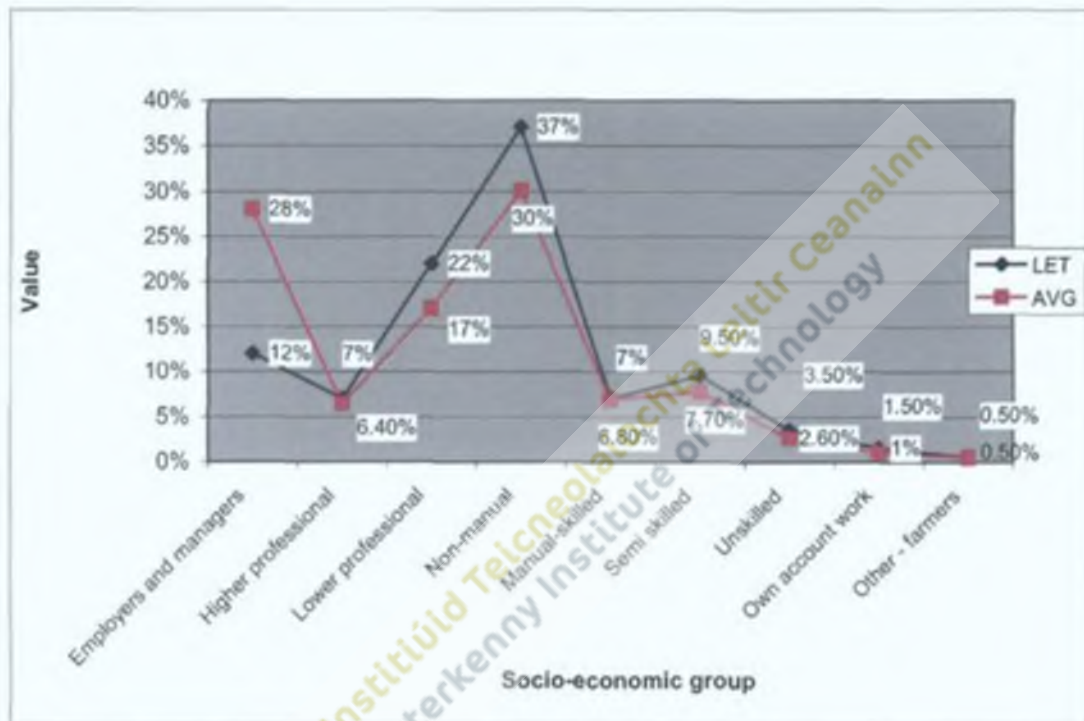


Source: adapted from CSO (2011)

Figure 2.5 illustrates the very substantial increase in unemployment since 2006. This increase in unemployment impacts on the future of planning and policy making as ensuring sustainable job creation becomes a necessity.

Figure 2.6 Comparison of Socio-economic profile on Letterkenny with towns of a similar size

Figure 2.6 illustrates the socio-economic profile of the people of Letterkenny compared to the towns of a similar size and population. The socio-economic profile refers to the level of employment.

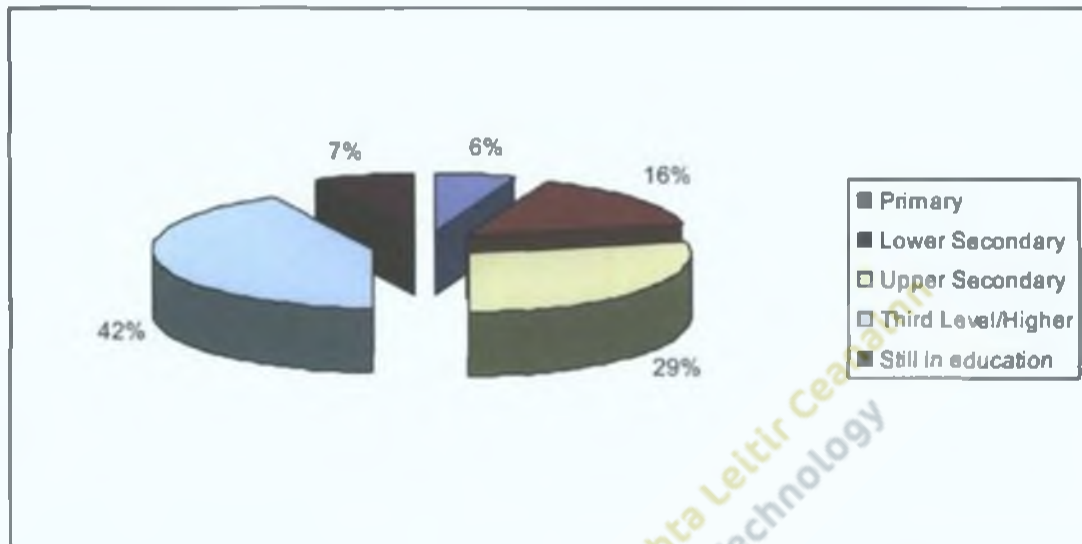


Source: adapted from CSO (2006)

The socio-economic profile is quite similar to that of other towns of a similar size and population. (Ennis, Killarney, Kilkenny, Naas, Mullingar, Navan, Leixlip which is a representation of the average). However, Letterkenny is producing less managers and employers, even though there is the capacity within Letterkenny, with the presence of LYIT, to train and educate people to this level. With regards each of the employment sectors, Letterkenny is comparable to the other towns.

Figure 2.7 Level of education of working population

Figure 2.7 illustrates level of education of the working population of Letterkenny in 2006.



Source: adapted from CSO (2006)

Forty two percent of the working population of Letterkenny have a third level or higher qualification. If Letterkenny is going to adapt to a knowledge economy, it needs to provide opportunities for those with a third level qualification and ensure that a greater amount of the population secure third level education. The numbers obtaining a third level education in Letterkenny can increase with the existence of LYIT. LYIT provides an opportunity to continue to educate and train the population to a high standard.

2.2.3 Industry and employment in Letterkenny

Letterkenny has become a major employment centre with high-tech industries relocating to the town. LYIT has fast tracked the town with over 3,000 students studying within four disciplines: Business; Engineering; Tourism; and Science, along

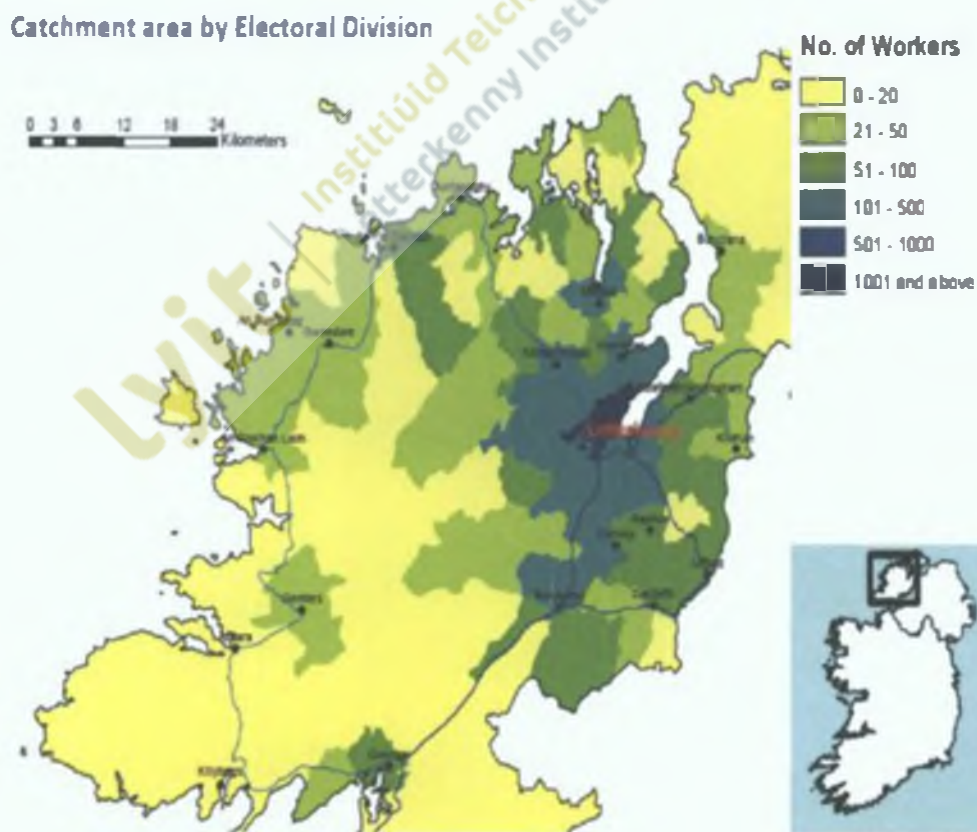
with a major Research and Development Centre. The town's major employers include the General Hospital (which grew from St. Conal's Psychiatric Hospital), LYIT, Pramerica, which is a software development and contact centre of Prudential Financial, United Health Group and the Department of Social and Family Affairs, the latter having decentralised to the town in 1990, following a government decision to relocate 200 civil service jobs from Dublin. Letterkenny is at the centre of industry in the Northwest of Ireland. As the main commercial centre of Donegal, Letterkenny also has a host of financial service institutions, legal firms and small businesses. Although there has been a significant decline in the manufacturing base, employment has grown in the service sector. Since 2002 there has been a significant expansion in the retail sector. Furthermore, the development of the cultural infrastructure has occurred. This includes the opening of An Grianan Theatre and the development the Regional Cultural Centre. Letterkenny's proximity to the border with NI, along with its geographic isolation from the rest of the Republic of Ireland, has led to Letterkenny and the rest of Co. Donegal diverging in attitude substantially from that of both sides of the border. The economy in the town is strongly dependent on cross-border trade, and times of economic boom are determined mostly by the currency exchange rate between the Euro and the British Pound. Recently, cross border trade has been characterised by consumers buying in NI which has a negative impact on the economy of Letterkenny.

2.2.4 Working population of Letterkenny

Figures from the CSO (2006) indicate that 6,219 workers reside in Letterkenny. Of these, 1,778 work outside the town. 4,441 persons both live and work in the town. A further 5,393 workers travel into Letterkenny to work resulting in a working population of 9,834. Letterkenny is therefore, a significant net gainer in employment

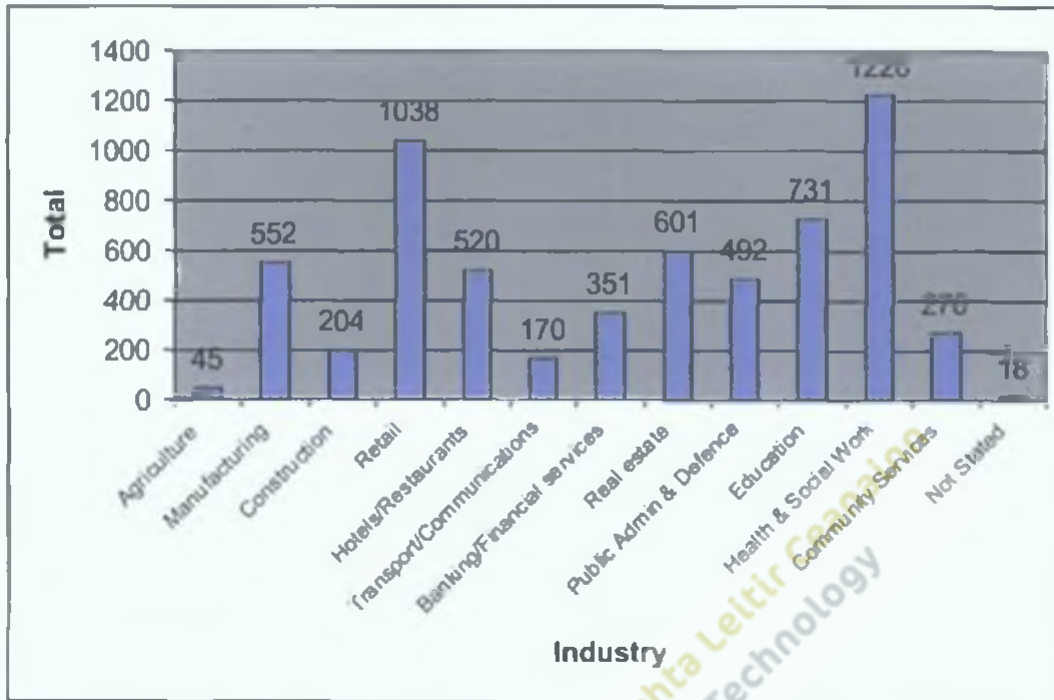
terms. Almost one in four jobs in Letterkenny are in the health sector, which employs over 2,300 people. Wholesale and retail trade is also a significant contributor with nineteen percent. Nearly forty percent of Letterkenny's working population has a third level education compared with thirty-three percent for all towns with a population of five thousand or more. Letterkenny's working population comes from a wide catchment area in County Donegal. With Letterkenny being the largest town in the county, it provides the largest number of job opportunities for people in Donegal. Figure 2.8 illustrates the number of people employed in Letterkenny in comparison to other parts of the county. Figure 2.9 illustrates the largest employers in Letterkenny and figure 2.10 illustrates the total working population categorised by industry.

Figure 2.8 Working population of Donegal



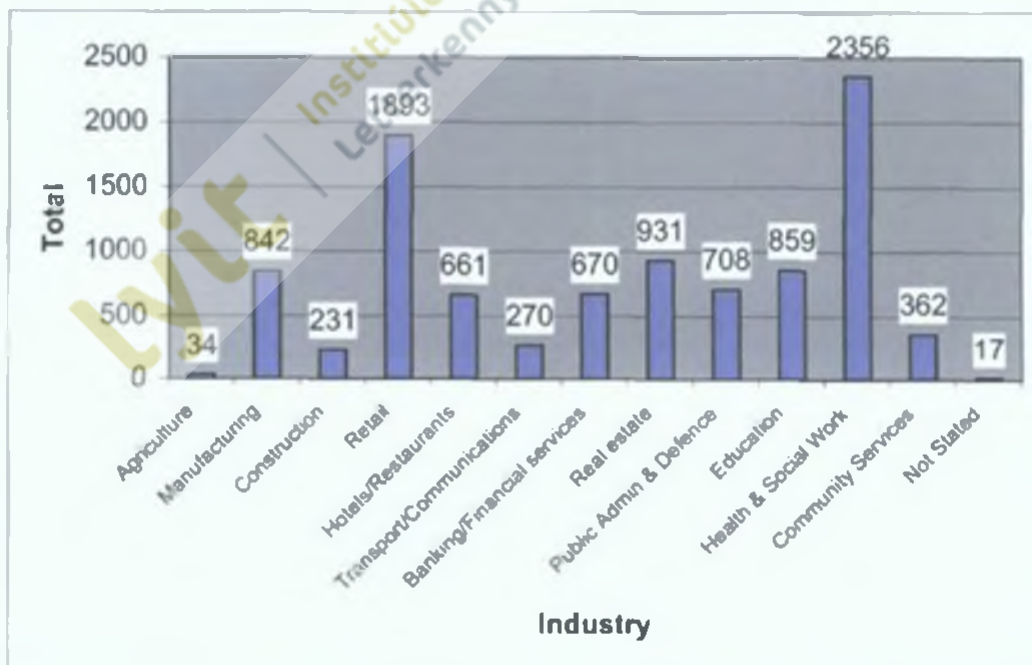
Source: adapted from CSO (2006)

Figure 2.9 Largest employers categorised by industry (resident population)



Source: adapted from CSO (2006)

Figure 2.10 Total working population categorised by industry

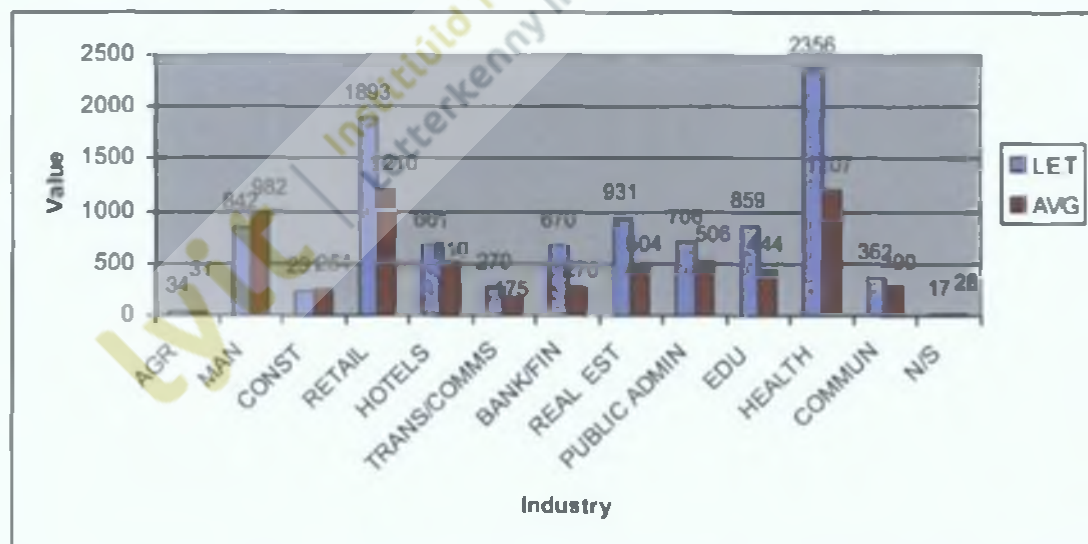


Source: adapted from CSO (2006)

Figures 2.9 and 2.10 identify that Letterkenny relies heavily on the health and retail sectors. The General Hospital is the largest employer. Letterkenny has established itself as a major retail centre in the Northwest of Ireland, benefiting from its own population and cross border trade. The expansion in the retail sector has led to the creation of many jobs. The education sector is also dominant. This is due to LYIT and the opening of new schools such as the Gaeil Scoileanna and the first inter-denominational school. With a strong educational base in Letterkenny, there is potential to further develop this sector and provide both training and employment opportunities.

Figure 2.11 identifies the comparison of industry in Letterkenny compared to towns of a similar size.

Figure 2.11 Comparison of industry in towns of a similar size



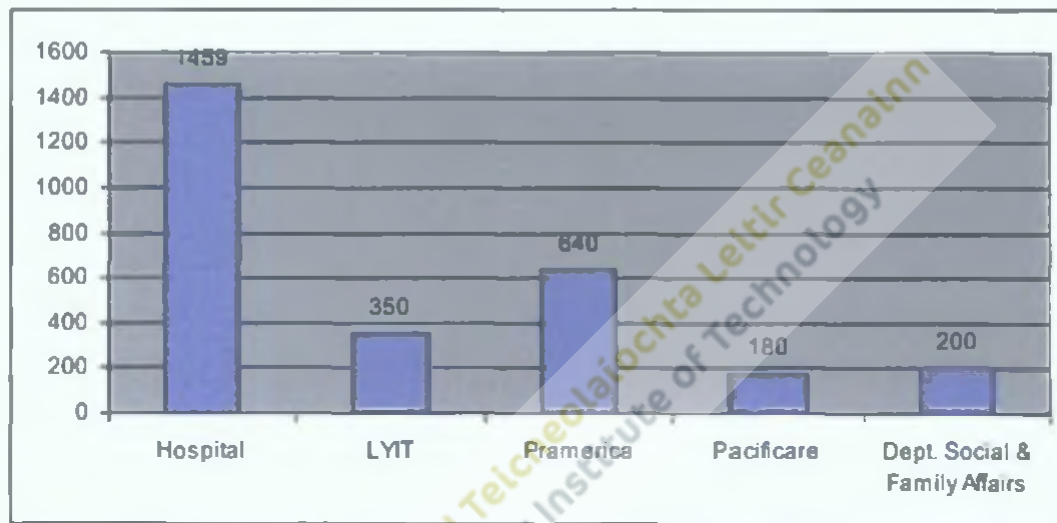
Source: adapted CSO (2006)

Letterkenny has a greater working population than the average of the towns of a similar size and population. Evident from this also is that Letterkenny is very heavily reliant on its health and social sector and retail sector. With many cuts and new

charges in Budget 2010 and 2011 such as the Universal Social Charge (USC), the changes to the grant system and a reduction in public service numbers, the services that Letterkenny relies on, will be severely impacted upon.

Figure 2.12 Largest employers in Letterkenny

Figure 2.12 illustrates the largest employers in Letterkenny.



Source: adapted from CSO (2006)

It is evident that the General Hospital, LYIT, Pramerica, Pacificare (United Health Care) and the Department of Social and Family Affairs are the largest employers within Letterkenny. LYIT continues to grow and now employs 350 people, along with almost 3000 students and is continually focusing on research and development, highlighting its mission to fully educate, train and prepare students for the workforce. The golden era of the *Celtic Tiger* attracted companies such as Pramerica and Pacificare to Letterkenny, which are now some of the largest employers within the town.

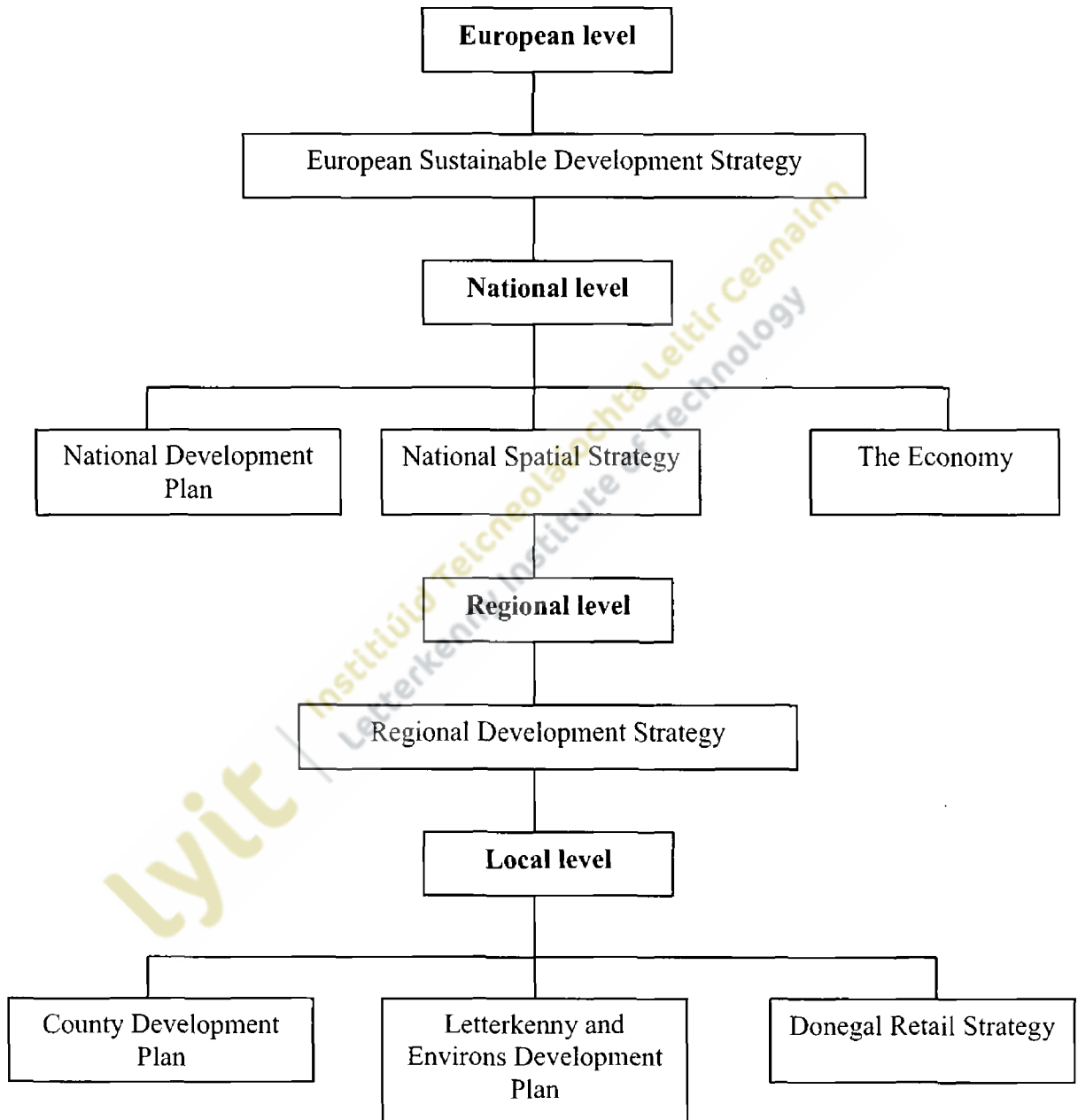
2.3 The drivers of change

In order to identify the drivers of change for Letterkenny, data was collected and analysed from various sources including: policy documents, publications and strategic plans. The drivers of change chosen for this study were based on a structural governance hierarchy at European, national, regional and local level. The eight drivers of change identified in this study are:

1. European Sustainable Development Strategy (2006): a European-wide strategy aimed at ensuring the needs of all members of society within the EU are met through sustainable development;
2. National Spatial Strategy (2002-2020): the planning framework for Ireland that aims to achieve a better balance of development throughout the country;
3. National Development Plan (2007-2013): the national investment plan for Ireland setting the path for future growth;
4. Donegal County Development Plan (2006-2012): the development plan for Donegal which aims to enhance the economic development of the county;
5. Letterkenny and Environs Development Plan (2009-2015): the framework for growth and development within Letterkenny and its environs;
6. Donegal Retail Strategy (2006-2012): which sets out the retail hierarchy for County Donegal;
7. Regional Development Strategy – Shaping Our Future (2025): the development strategy for NI; and
8. The Irish Economy: this incorporates the Renewed Programme for Government (RPFPG) (2009), Budget 2010 and An Bord Snip Nua.

Figure 2.13 identifies each of the drivers of change, from each level: European; national; regional; and local.

Figure 2.13 Drivers of change



The research presented in this dissertation has coincided with a significant reorientation of the Irish Economy. These policy initiatives will, in the opinion of the

researcher, be the strongest drivers of change for Letterkenny over the period towards 2020. The final list of seventy-two scenario statements and subsequently the six scenarios have been framed accordingly.

2.3.1 European Sustainable Development Strategy (2006)

Achieving Sustainable Development means that the needs of the present generation can be met, without compromising the ability of future generations to meet their needs (EU SDS, 2006 p.2). Sustainable Development is set out as the overarching, long-term goal of the European Union (EU). The EU introduced its European Spatial Development Perspective (ESDP) in 1999. The ESDP (1999) was based on the aim of achieving balanced and sustainable development, in particular by strengthening economic and social cohesion. Sustainable development covers not only environmentally sound economic development, which preserves present resources for use by future generations but also includes a balanced spatial development. To further commit to its aim to achieve sustainable development, the EU launched its first Sustainable Development Strategy in 2001. Because of enlargement in the territory of the EU, The Renewed Sustainable Development Strategy of the EU (EU SDS) was initiated in 2006. This is a framework for the long-term vision of sustainability, in which economic growth, social cohesion and environmental protection are mutually supporting and are filtered through all the member states.

The overall aim of the EU SDS (2006) is:

'to identify and develop actions to enable the EU to achieve continuous improvement of quality of life both for current and for future generations, through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion'

(EU SDS, 2006 p.3)

The EU SDS (2006) sets out a single, coherent strategy on how the EU will more effectively live up to its long-standing commitment to meet the challenges of sustainable development (EU SDS, 2006 p.3). It promotes a dynamic economy with full employment and a high level of education, health protection, social and territorial cohesion and environmental protection in a peaceful and secure world, respecting cultural diversity (EU SDS, 2006 p.2). The four objectives of the EU SDS (2006) are to ensure:

1. Environmental protection is attained to safeguard the capacity of the earth to support life in all its diversity;
2. Social equity and cohesion and a democratic, socially inclusive society is promoted;
3. The achievement of economic prosperity by the promotion of a prosperous, innovative and knowledge-based economy, which can provide employment for everyone; and
4. To ensure international responsibilities are met by actively pursuing sustainable development worldwide.

(EU SDS, 2006 pp. 3-4)

The EU SDS (2006) highlights that economic, social and environmental objectives can reinforce each other and they should therefore, advance together. The EU SDS (2006) is aimed at:

'supporting the necessary structural changes which enable the Member States' economies to cope with the challenges of globalisation by creating a level playing field in which dynamism, innovation and creative entrepreneurship can flourish whilst ensuring social equity and a healthy environment'

(EU SDS, 2006 p.6)

In order to achieve this, the EU SDS (2006) emphasizes that human, social and environmental capital requires investments, as well as advances in technological innovation. These are the prerequisites to ensure the long-term competitiveness of the EU and to ensure economic prosperity, social cohesion, employment opportunities for all and protection of the environment (EU SDS, 2006). The EU SDS (2006) recognises that the EU is facing worsening environmental trends, economic and social challenges and competitiveness pressures. Ireland is also facing these challenges. Because of this, it identifies seven key challenges for the EU which are also relevant to Ireland:

1. The limitation of climate change and its cost and negative effects to society and the environment;
2. Ensuring transport systems recognise and meet economic, social and environmental needs of society, whilst reducing any undesirable impacts on the economy, society and the environment;
3. Promoting sustainable consumption and production patterns;

4. Avoiding the overexploitation of natural resources, by recognising the value of ecosystem services and improving the use of resources effectively and efficiently;
5. Promoting public health by improving protection against health threats;
6. The creation of a socially inclusive society; and
7. Promoting sustainable development worldwide to ensure that the EU's internal and external policies are consistent with global sustainable development.

According to the EU SDS (2006) unsustainable trends still persist throughout the EU, including issues relating to: climate change, energy use, threats to public health, poverty and social exclusion, demographic pressures, management of natural resources, land use and transport and economic and financial issues. Because of this, the EU has mainstreamed the objective of sustainable development into a broad range of policies in recent years (EU SDS). Letterkenny is also faced with these challenges. To reinforce sustainable development, it must be adopted by society at large, as a principle to guide the choices and decisions that people make on a daily basis with regard to consumption, climate change, energy use, land and transport uses and their economic and financial issues.

2.3.2 National Spatial Strategy (2002-2020)

The development attained by Ireland as a state over the last decade has been a remarkable achievement. However, the distribution of progress has been an uneven process, with some areas developing much faster than others. This has led to rapid development in some places but severe underdevelopment in others. These patterns of unbalanced and uneven development could continue, posing increasing threats to the

competitiveness of Ireland's economy, the quality of the environment and the quality of life. The National Spatial Strategy (NSS) is an effort by the Irish Government to achieve balanced regional and local level. The NSS (2002-2020) is a twenty-year planning framework designed to deliver more balanced social, economic and physical development between regions. Its focus is on the relationship between people and the places where they live and work. The NSS seeks ways to unlock potential for progress, growth and development in a more balanced way across Ireland, supported by more effective planning. Balanced regional development is fundamental to the Programme for Government (PFG). The commitment to prepare the spatial strategy was included in the NDP. The mission of the NSS is *'to achieve a better quality of life for all people, a strong, competitive economic position and an environment of the highest quality'* (NSS, 2002 p. 10). The NSS is designed to ensure every place in the country reaches its potential. It recognises that various regions of the country have differing roles. It seeks to coordinate and organise these roles in a complementary way. It is about making regions competitive according to their strengths and about ensuring a high quality environment, as well as vibrant rural areas. The NSS recognises that *in order to achieve more balanced regional development, a greater share of economic activity must take place outside the Greater Dublin Area (GDA).*

The nine objectives of the NSS are:

1. To support a better balance of activity and development between areas experiencing rapid development and congestion and areas that are economically under-utilised;

2. To guide Government departments and agencies in formulating and implementing policies and public investment decisions which have a strong spatial dimension;
3. To set a national context for spatial planning to inform regional planning guidelines and strategies and county and city development plans and strategies;
4. To provide a framework, in conjunction with the Regional Development Strategy for NI, Shaping our Futures, for the spatial development of an all-island economy;
5. To inform strategic investment, transport and other infrastructure policy decisions, for both the public and private sector; it will also help to shape future NDP and other investment plans;
6. To promote certain strategically located places as part of an all-Ireland network which will energise the potential of urban and rural areas;
7. To support spatially balanced provision of key social and economic infrastructure, with a particular focus on this network of strategically located places;
8. To set out general principles of good spatial planning practice to help to develop ways in which the location of people and employment and the use of environmental resources can best serve national competitiveness, sustainability and a high quality of life; and
9. To be complemented by relevant plans and strategies of other public bodies.

(NSS, 2002 pp. 12-13)

To ensure every place reaches its potential, the NSS designated Gateways and Hub towns across Ireland. These Gateways and Hub towns will work in unison to open up the areas and regions of the country that have been neglected and underdeveloped in recent times. The NDP 2000-2006 identified Dublin, Cork, Limerick/Shannon, Galway and Waterford as existing gateways and the NSS designated four new national level gateways - the towns of Dundalk and Sligo and the linked gateways of Letterkenny/(Derry) and the Midland towns of Athlone/Tullamore/Mullingar.

The NSS enhances Letterkenny's current relationship with Derry, with the designation of Letterkenny and Derry as a linked gateway in the plan. The strategy is extremely important to the development of Letterkenny and with it comes many challenges, which include: finalising and implementing an agreed strategic development framework; enhancing accessibility in an integrated manner through investment on both sides of the border; development of public services on both sides of the border in a complementary manner; and of a shared strategy for enhancing research and development capacity in the Northwest, building on the capabilities of the existing third level institutes in both areas: LYIT and University of Ulster (UU). However, these challenges provide an opportunity to strengthen the Northwest. The NSS also highlights important functions for border towns and other rural areas in Donegal, which will enable collaboration with Letterkenny, in place of competition. To support the effective functioning of linked gateways, relevant local authorities at county and town level towns need to collaborate.

The Letterkenny-Derry Gateway is the largest linked gateway and the only cross-border gateway, in the NSS. According to the Northwest Gateway Strategic Alliance

Report (NWGSA) 2009, the Letterkenny-Derry linked Gateway had a combined population of over 125,000 persons in 2006, it is the fourth largest urban centre on the island of Ireland (after Dublin, Belfast and Cork) and it grew strongly by 3.3% between 2002 and 2006, in contrast, the population of Greater Belfast contracted during this period. Telecommunications infrastructure in the Letterkenny-Derry Gateway (including high-speed broadband) is being enhanced. *Project Kelvin*, a cross border venture to bring high speed broadband access to the Northwest complements cross-border initiatives and will improve the business base in the region. The project was completed in December 2009. Companies can set up in this region with this assurance that they can operate successfully in the global market. The region also benefits from two airports, one in the west (at Carrickfinn in the Donegal Gaeltacht) and one in the east (at Eglinton, County Derry) and both facilitate national as well as international access to the region. The strategic collaboration between LYIT and the University of Ulster has aided the development of the area through the introduction of many new college courses aimed at both school leavers and those left unemployed due to the economic crisis. Also, both are committed to collaboration with local business and industry regarding R&D/innovation and business development (one example is the FUSION programme). Specialist incubation support has been provided for new business starts in high-tech sectors with significant growth and employment potential (NWGSA 2009). However, transport infrastructure within the Gateway still requires significant improvements to facilitate improved access between the region and other parts of the island of Ireland. A continued commitment to strengthening the Gateway into the future required.

2.3.2 National Development Plan (2007-2013)

The National Development Plan (NDP) 2007-2013 *Transforming Ireland – A Better Quality of Life* sets out the roadmap to Ireland's future. Within the time frame of the plan, Ireland's economy and society will undergo a transformation as radical as the changes experienced in the past decade of growth and development. This transformation will be driven largely by the continuing increase in Ireland's population, projected to reach five million people by 2021 (NDP, 2007). The NDP provides investment in areas such as infrastructure, enterprise, human capital and social inclusion. The mission of the NDP is to:

'deliver a better quality of life for all within a strong and vibrant economy that maintains our international competitiveness and promotes regional development, social justice and environmental sustainability'

(NDP, 2007 p. 23)

The NDP states that:

'improving quality of life for all requires integrated development and progressing of social and economic policies. Maintenance of a productive and competitive economy, the availability of rewarding employment opportunities and the generation of sufficient resources to ensure provision of comprehensive social and recreational facilities and services are all inherently bound together in the context of improving quality of life'

(NDP, 2007 p. 13)

On publication of the NDP, Ireland had one of the highest levels of economic and social development in the world and the NDP aimed to reinforce Ireland's position on the global stage by further strengthening the international competitiveness of the economy. The NDP aims to further enhance regional integration and development and

build on social and economic needs of the population by providing education and employment which are fundamentals in ensuring a better quality of life.

The following challenges are facing Ireland:

- Removing remaining infrastructure restrictions that constrain our economic development and inhibit balanced regional development;
- Further preparing children with skills and an education to grasp the opportunities presented;
- Creating and sustaining high value employment opportunities; and
- Redistributing the product of wealth to foster an inclusive society, including adequately catering for those who have contributed to Ireland's success over previous decades.

However, since the drafting and implementation of the plan, Ireland has undergone radical changes. There has been a severe contraction of the Irish economy: unemployment is increasing; the property market has contracted; banks have ceased lending money and this is all compounded by the global financial crisis and economic slowdown. The country has gone from having a low unemployment figure two years ago to the second highest figure in the EU at present. According to the Organisation for Economic Co-operation and Development (OECD), Ireland's unemployment rate is at 13% based on the OECD Employment Outlook 2009 up from just 5% in December 2007. This was predicted to rise to 15% by early 2010 (OECD 2009). However, it stabilised at 13.6% by the end of 2010 (OECD, 2010). Public finances are under severe pressure with substantial cuts and increases in taxation required over the coming years. The seven objectives of the NDP are:

1. To decisively tackle structural infrastructure deficits that continue to impact on competitiveness, regional development and quality of life and to meet the demands of the increasing population;
2. To greatly enhance enterprise development, Science, Technology and Innovation and working age training and skills provision to increase and improve economic performance, competitiveness and the capacity to generate new enterprise from the indigenous sector, as well as to continue to attract foreign direct investment (FDI);
3. To integrate regional development within the NSS framework of Gateway cities and hub towns, to achieve the goals of economic growth in the regions and provide for investment in the rural economy;
4. To invest in long-term environmental sustainability to achieve the national goal of preserving the integrity of our national environment for future generations;
5. To build on the opportunities of strengthened all-island collaboration in areas of mutual interest to build up the island's competitive strengths particularly in the areas of infrastructure, research and development (R&D,) skills and innovation and to enhance the provision of public services;
6. To deliver a multi-faceted programme for Social Inclusion and improvements in the quality of life across all age groups and among all population cohorts; and
7. To provide value for taxpayers money through robust and transparent appraisal, management and monitoring systems.

This NDP integrates strategic development frameworks for regional development, for rural communities, for all-island cooperation and for the protection of the environment with common economic and social goals. The NDP strives to invest in the following priorities of the country, which are economic infrastructure, enterprise, science and innovation, human capital, social infrastructure and social inclusion. The NDP involves building on the substantial progress made by Ireland in recent years and eliminating major infrastructure deficits that are a threat to Ireland's economy. It will ensure the enterprise sector remains at the front-line globally, by continuing to attract FDI. The investment anticipated in the NDP is necessary to generate and maintain economic growth and employment and fulfil the expectations of the growing population. Overall the primary objectives of the NDP are the maintenance of budgetary stability, the elimination of economic and social infrastructure deficits, the supporting of enterprise and innovation, the promotion of social inclusion, achieving balanced regional development and environmental sustainability and all-island cooperation.

The NDP has rolled out many successes in Letterkenny and will need to continue for its duration. However, as there has been a severe economic crisis, certain objectives have been halted. Work began on the Atlantic Road Corridor linking Letterkenny to Waterford through Sligo, Galway, Limerick and Cork. However, this development has come to a halt with the Government announcing in the National Recovery Plan (NRP) (2010) that this would be the case for the foreseeable future. This road network is vital to improving the competitiveness of business and industry in Letterkenny and Donegal. However, childcare facilities in Donegal have been allocated over €3 million with a significant amount coming straight into Letterkenny. The Donegal

Local Development Company (DLDC) continues to be funded. The DLDC is a vital organisation in Donegal. It promotes social inclusion through actions focused on job creation, placement and training and improves opportunities for young people through participation in education programmes such as Youthreach. September 2009 saw the opening of CoLab at LYIT, an incubation centre offering support for new businesses to enable them to grow in an innovative environment. Also in September 2009, SITA, a software company in Letterkenny, announced the recruitment of a further eighty jobs over the next twelve months. This initiative is supported by the NDP through IDA Ireland.

To continue to build on these successes, Letterkenny needs to promote its gateway status with Derry, it also needs to work with the Northwest region to attract investment into the area. The linked gateway of Letterkenny-Derry must become fully functioning and vibrant, as it is the main driver for development in the area. Towns in close proximity to Letterkenny and the Gateway will need to provide support, but Letterkenny will also need to provide support for the rural villages and towns to achieve balanced development and cooperation and economic stability.

2.3.4 Donegal County Development Plan (2006-2012)

The economy of Donegal until the 1990s, was driven by traditional rural industries such as farming and fishing, along with textiles and clothing manufacturing. However, between 1995 and 2007 this evolved and the economy of Donegal became heavily reliant on the construction industry. Post *Celtic Tiger*, Donegal is faced with severe economic pressure and a significant increase in the rate of unemployment. The Donegal County Development Plan (CDP) (2006-2012) sets out a vision for the future

development of the County. The CDP is the principal instrument that is used to manage change of a physical nature in the landscape. This physical change can relate to the pressures on towns and villages through increased population growth; their renewal and regeneration; the protection of the county's heritage, as well as the many, varied pressures on the rural landscape in the form of rural housing, tourism, industry, transport, telecommunications and other infrastructure. The underlying aim of the CDP is to:

'drive forward the economic and social development in the county, enhancing the quality of life of the inhabitants of Donegal and its visitors, protecting an environment and heritage of high and distinctive quality and promoting the varying strengths of different parts of the county.'

(CDP, 2006 p. 9)

The nine critical issues that are addressed in the CDP are:

1. The need to address the decline of traditional industries such as textiles, clothing, agriculture and fishing, with an emphasis on rural diversification, eco-tourism and promoting indigenous start-up businesses;
2. The need to tackle the high unemployment rate relative to the rest of the country;
3. The inability of the region to compete for employment on a national or international scale;
4. The creation of strategic and local links to strong urban centres in NI;
5. Infrastructural constraints throughout the county and in particular the absence of a strong east-west road link;

6. The weak urban structure in place and the need to strengthen the role of the towns and villages, which serve the expansive rural population;
7. Tackling rural depopulation and maintaining the strong cultural identity of the Gaeltacht areas;
8. Strengthening the infrastructural links within the county and to regional centres outside the county, including Derry, Sligo, Omagh, Belfast and Dublin; and
9. The need to seek the conservation and enhancement of Donegal's scenic landscape, natural development and heritage through the implementation of the proper planning and sustainable development of the area.

The five objectives of the CDP are:

1. The creation of a vibrant and fully functioning Letterkenny – Derry linked Gateway as the principal driver for the development of the region;
2. The creation, through urban strengthening measures, of a strong urban structure at the sub-gateway level, which would consolidate the development of the Gateway as well as ensuring that the benefits of the spatial policy are spread evenly throughout the County;
3. The management of growth in close proximity to the linked gateway, through urban support measures;
4. The creation of vibrant rural areas, which are key drivers of a changing rural economy, by providing support for rural villages and rural communities; and

5. The protection and enhancement of the unique cultural and linguistic resource of the Gaeltacht through a process of urban strengthening, urban support and rural support.

(CDP, 2006 p.11)

Since the drafting and implementation of the CDP, Donegal has undergone extreme changes in its economy. The CDP needs to drive forward the economic and social development of the county. In recent times, Donegal has suffered an extreme contraction of its economy and industrial base, with the closure of many companies and factories leading to the loss of many jobs. The closure of companies such as Hospira Pharmaceuticals in Donegal Town, the Fruit of the Loom plants throughout the county, Nena Models in Ballybofey, Contact 4 in Gaoth Dobhair and Unifi in Letterkenny and the pressures on the fishing industry in Killybegs due to the European Union (EU) quota policy, highlights that every part of the county is suffering and its economy is in severe difficulty.

The majority of growth in Donegal has occurred in or close to Letterkenny (CSO, 2006). In particular, Letterkenny has established itself as the principle retail, commercial and service centre in the county and has seen considerable population growth in the last decade. This has led to Letterkenny being designated as a linked Gateway with Derry in the NSS. Letterkenny's population of 17,568 persons is extremely high in contrast to the population of the other larger urban areas in the county. Urban structure beyond Letterkenny remains relatively weak. For Letterkenny to sustain a vibrant economy, it needs the support of its surrounding towns. Buncrana is the second largest town in the county and is the only town to have a population of

over 5000. Meanwhile the towns of Bundoran, Ballyshannon, Donegal and Ballybofey-Stranorlar, which are all situated on the main route into the county from the West of Ireland, have populations that are between 2000 and 3600. Urban centres in the west of the county, which are further from major urban centres in the region, tend to have much smaller populations that generally do not exceed 1,000 in population. Furthermore, peripheral rural areas have continued to experience population decline as more people from these areas are moving in to Letterkenny and other urban centres for employment, social and recreational facilities (CDP, 2006). Figure 2.14 illustrates the main networks within the county.

Figure 2.14 Strategic links in Donegal



Source: adapted from CDP (2006)

The networks highlighted in figure 2.14 are all connected to Letterkenny. These networks include urban centres such as Buncrana, Bundoran, Ballyshannon and Donegal, but they also include the smaller urban and rural centres that can be linked

effectively to Letterkenny and to other urban centres throughout Ireland. The strengthening of an urban-structure at this level is essential, not only to consolidate the Letterkenny-Derry Gateway, but also to ensure that a network exists enabling the benefits of the Gateway to filter through to all parts of the county. The strengthening of these urban structures represents essential elements and functions for development, such as providing important retail, commercial and public service functions at an all-county level and will assist in promoting, sustaining and diversifying the rural economy.

The CDP deals with the Strategic Spatial Framework for the County and should play a role in pointing the way forward to improving and enhancing the development of the county and addressing these issues. The critical issues that were highlighted in the adoption of the CDP remain critical issues within the county with a further decline in traditional industries and an increasing unemployment rate. Change needs to be set and managed within a wider context going forward. The relationship of Donegal with its neighbouring counties and its regional, national and international context will play a pivotal role in managing future economic and social activity within the county.

2.3.5 Letterkenny and Environs Development Plan (2009-2015)

In October 2009 the Letterkenny and Environs Development Plan (LEDP) came into effect. The LEDP is a statement of policy that sets the framework for the future growth and development of the town over the period 2009-2015. The overarching aim of the plan is:

'to promote the sustainable growth and development of Letterkenny and its environs so as to focus on the delivery of quality urban structure through

the strengthening of neighbourhoods, the promotion of improved quality of life and the promotion of social inclusion and equal access to employment, housing, transport, education and social and cultural activities.'

(LEDP 2009, p. 13)

Specifically the LEDP has four aims:

1. to set out a vision and growth strategy for the town;
2. to identify areas and zones that are suitable for development;
3. to set out policies that will guide the manner in which development is carried out; and
4. to clarify proposals, including planned projects in the area.

The LEDP recognises that Letterkenny has been subjected to dramatic change since the last plan (2003-2009) was prepared and adopted and that the context for this plan has changed dramatically. The plan states that the rapid rate of development and the growth in the retail sector within the town centre are causes for change. Furthermore, the identification of Letterkenny as a linked gateway with Derry in the NSS provides a clear regional role for the town in terms of establishing itself as the engine of growth for the region. The LEDP highlights the following eight key issues:

1. The consolidation of the town centre and the need for a clear town strategy, focusing on the delivery of quality physical form;
2. The need to plan against urban sprawl;
3. The need to strengthen neighbourhoods;
4. The need to identify and provide for neighbourhood needs within a spatial context;

5. The need to identify a strategy to unlock constraints on appropriately located lands that are undeveloped;
6. The need to integrate open space, public realm and biodiversity into the urban structure of the town; and
7. The need for robust policy in terms of the economy to respond to changing conditions.

(LEDP, 2006 pp. 10-11)

The Letterkenny and Environs Development Plan sets out seven strategic objectives:

Strategic Objective 1:

To support vibrant communities in the neighbourhood context and prioritise social inclusion through equality of access to a range of activities including health, recreation, education, childcare, arts, culture, shopping and sports.

Strategic Objective 2:

To consolidate and strengthen urban form and to improve the quality of residential neighbourhoods, through improved connectivity and accessibility to community, social, cultural and physical infrastructure.

Strategic Objective 3:

To protect and support the existing economic base of Letterkenny and promote new balanced and sustainable economic growth at a local and Regional level through the provision of a quality business environment, high level infrastructural access and attractive urban form.

Strategic Objective 4:

To create a consolidated, vibrant, multifunctional, accessible and attractive town centre.

Strategic Objective 5:

To protect and enhance the built and natural environment, ensuring the sustainable use of identified important resources and to minimise the adverse impacts of development on the environment.

Strategic Objective 6:

To promote the integration of land use and transportation so as to encourage modal shift and the development of sustainable transportation policies.

Strategic Objective 7:

To identify and prioritise infrastructural improvements, in a balanced and sustainable manner that is required in order to support the linked gateway status of Letterkenny-Derry, in particular the growing population and economic activity.

The LEDP indicate that change for the town of Letterkenny will involve a process of ensuring the town has a structure in place to deal with the expected increase in population towards the end of the plan and furthermore towards 2020. The Border Regional Authority (BRA) in 2007 projected a figure of 36,956 by 2020. This increase in population will place significant pressure on the town and create challenges to efforts to consolidate, integrate and strengthen neighbourhoods. The development of social and community facilities, the use of existing lands and

resources to their potential, making provisions for providing adequate land supply for the anticipated population and developing current undeveloped lands are the basis on which the LEDP is prepared.

2.3.6 Donegal Retail Strategy (2006-2012)

According to the DRS (2006 p. 21) Ireland has witnessed unprecedented rates of economic growth in the last decade. This growth has manifested itself in the retail sector through increased floor space and increased volumes of growth. According to the CSO, the volume of sales in the retail sector rose by almost 23% between 2002 and 2007. The Retail Planning Guidelines (RPG) for Planning Authorities, as adopted by the Border Regional Authority (BRA), requires all local authorities to prepare retail policies for their administrative areas. The objective of the RPG is to *'support the retail sector in the Region and address any inter-county or regional dimension of retail both in the context of this Region and other adjoining regions'* (DRS, 2006 p. 3). The retail policies prepared for each region focus on the following six priorities:

1. The introduction of a retail hierarchy in the area;
2. The definition of the boundaries of focal retail areas;
3. An assessment of the requirement for supplementary retail floor space;
4. Strategic direction on the location and scale of development;
5. Preparation of policies and initiatives to encourage the enhancement of town centres; and
6. The identification of the criteria for the assessment of retail developments.

The county Donegal Retail Strategy (DRS) 2006-2012 updates and replaces previous retail strategies and prepares the county for the development of the retail industry within the county. The DRS aims to protect and enhance Letterkenny and its historic town centre and its mix of uses in the midst of the gradual development of commercial and retail facilities outside the town centre boundaries. The development of new retail and commercial facilities has led to Letterkenny effectively having two town centres. This development took place because of constraints such as poor traffic management and accessibility to the historic town centre. The long-term policy centres on the effective cohesion of the extended town centre with the historic town centre (DRS, 2006). The twelve objectives of the DRS (2006) are:

1. The improvement of the retail economy and competitiveness of Donegal within the retail sector;
2. The addressing of the loss of retail expenditure from the county, by providing the means to strengthen the range and quality of its retail offerings;
3. To ensure an equitable, efficient and sustainable spatial distribution of retail centres across Donegal;
4. The establishment of a retail hierarchy (see appendix 1) which assists in defining the county's spatial strategy and provide clear guidance on where new major retail floor space could be achieved;
5. To promote retail centres in the Gaeltacht and to continue the preservation and extension of use of the Irish language;
6. To encourage and facilitate innovation and diversification in the county's retail profile;

7. To encourage and facilitate the use and re-use and regeneration of derelict land buildings for retail and commercial uses to provide employment opportunities;
8. To promote and sustain the importance of the retail sector within the tourist economy in the county;
9. To encourage and facilitate the development of the retail sector in small villages and towns in the county;
10. To provide the criteria for the assessment of retail development proposals;
11. To locate comparison and retail warehousing which are regionally focussed, primarily in appropriate locations within the Letterkenny-Derry Gateway; and
12. To encourage the increase in the convenience provision in appropriate locations to reduce overtrading and assist in providing more sustainable shopping environment.

Within Donegal, the core urban growth continues to centre on Letterkenny and in a more regional context, on the Letterkenny-Derry Gateway. The Letterkenny-Derry Gateway remains the principle driver for development in Donegal. Letterkenny has been identified as the main retail centre in the retail hierarchy in Donegal (see appendix 1). However, the importance of other urban and rural areas plays a complementary role to Letterkenny and the Gateway, in providing local services and opportunities for employment. Nevertheless, the role required by the towns outside Letterkenny is one of a complementary status, whereby each need to work together rather than against each other. The closure of SuperValu in November 2008 and the loss of 27 jobs in Letterkenny, led to the decentralisation of SuperValu out of Letterkenny to other parts of the county. Letterkenny is the main retail centre in Donegal and it offers attractions for cross-border opportunities. The town centre of

Letterkenny is vibrant, as it hosts a wide range of inter-dependant stores and national operators (DRS, 2006). Conversely, Letterkenny possesses many weaknesses that include poor accessibility, car parking, townscape quality, currency fluctuations, the lack of public spaces and the absence of a landmark tourist visitor facility (DRS, 2006). The town now has a retail vacancy rate that is above the national average in 2009. According to a study carried out by Experian, the global information services company, the retail vacancy rate in November 2009 was 17.7%, three percent higher than the national average. All of these are threats to the retail economy in Letterkenny.

According to the DRS, it is the policy of the County Council to promote and encourage major enhancement of the development of the retail sector in Letterkenny. In association with the DRS, the Town Council, the Chamber of Commerce and other interested bodies are required to develop a strategy to maintain and develop a loyal customer base and attract new customers and to persuade previous customers to return to Letterkenny. This will include the following five principles:

1. An expansion of the core retail sector into the town centre extension area;
2. Encourage the change of use of existing commercial property within the town centre;
3. Effective linkage of the extension to the town centre;
4. An increase in pedestrian friendly measures; and
5. An improvement to urban design and environmental quality of retail centres.

(DRS, 2006)

The DRS identifies that Letterkenny requires development on a large-scale and this new employment generating development is within the capacity of Letterkenny. This may include retail development, civic, education, business and commercial development, along with the opportunities for the development of residential and recreational facilities to provide for the increase in population. Local jobs and products and services must become the focal point of the local economy, to ensure Letterkenny achieves the development within its capacity.

2.3.7 Regional Development Strategy (2025)

The Regional Development Strategy: Shaping Our Future 2025 is the development strategy for NI, which was published in September 2001. The RDS is:

'a strategy to guide the future development of Northern Ireland to 2025 and help to meet the needs of a fast growing region with a population approaching two million. The vision is to create an outward-looking dynamic and liveable region and to sustain a high quality of life for all.'

(RDS, 2001 p. vii)

According to the RDS, the place of a region is no longer defined by its geographic location. It is now defined by how it integrates among the wider environment and economy (RDS, 2001). This is why *'there is significant added value for the island of Ireland if both the NSS for Ireland and the RDS for the North can be implemented collaboratively. There are strong cross border dimensions in both strategies and collaboration will offer material advantage in terms of economic competitiveness, sustainability and economies of scale'* (RDS, 2001 p. 27). Because of this, the RDS plays a pivotal role in the development of Letterkenny. The Northwest gateway

provides an opportunity to secure balanced regional and cross border growth and development and achieve economic competitiveness, sustainability and economies of scale.

The RDS proposes a strategic, long-term perspective on the future development of NI up to the year 2025. The four main objectives of the RDS are:

1. To strengthen the competitiveness of the region and its economy and to challenge the issue of social and economic disadvantages;
2. To protect and enhance the physical, natural and man-made assets of the region;
3. To ensure the provision of planning for housing, transport, air and water quality, energy and waste strategies and for infrastructure providers and public service promoters; and
4. To develop plans for guiding public and private investment decisions relating to land use.

(RDS, 2001 p. 2)

According to the RDS, the forces that are currently driving change in NI and undoubtedly throughout Ireland and the rest of Europe can be grouped under four headings: Social; Economic; Transport; and Environment (RDS, 2001). The RDS takes account of local, national and international forces, which collectively, are driving change in NI. Like the NSS, the RDS is concerned with where people live and where they work. NI, as with other regions in Europe, shares the challenge of providing and sustaining a high quality of life for all members of its population. In line with the NSS, the RDS takes account of key driving forces, such as population

growth, the increasing number of households, transportation needs, economic changes and the spatial implications of a divided society (RDS, 2001).

(RDS, 2001)

Recently, significant issues have emerged which affect the way planning for development occurs. The RDS claim that the speed and direction of change in society has overtaken the RDS. Sustainability is a key factor in the RDS, in providing social and economic cohesion and progress. This remains a key factor in the development of NI due to the ever present cultural and religious divisions. The RDS states that NI's population growth rate is twice the current UK rate and exceeds the population growth of the Republic of Ireland, making it one of the fastest growing regions in Europe. According to the NI Statistics and Research Agency (NISRA), the population of NI in 2008, was 1,775,000 and the RDS claim that this will reach 1,835,000 by 2025. Taking into account the cross border areas, the RDS is significant to over two million people. The population of NI is one of the most youthful populations in the EU, which offers potential for the streamlining of education, training and employment opportunities towards this group. With a growing population, the region will be required to provide for this increase with basic social requirement such as providing extra housing and offering employment opportunities and ensuring the population can fulfill employment demands (RDS, 2001).

2.3.8 The Irish Economy

The past two years have been exceptionally difficult for the Irish economy. In November 2008, the Government announced that it would set up a committee through the Department of Finance (DoF) to review government expenditure and recommend

ways to cut spending in the public service sector. The Special Group on Public Service Numbers and Expenditure Programmes (An Bord Snip Nua) was formed. The mission of this new committee was *'to examine the current expenditure programmes in each Government Department and to make recommendations for reducing public service numbers so as to ensure a return to sustainable public finances.'* The four principle objectives of the group (DoF(a), 2008 p.viii) were to:

1. Review the scope for reducing or discontinuing Expenditure Programmes, with the primary aim to eliminate the current budget deficit by 2011;
2. Implement procedures to reduce the numbers employed in the Public Service Sector by streamlining the delivery of Public Service towards the consumer's interests;
3. Make recommendations on the reallocation of staff and expenditure resources between public service organisations, to deliver the objectives set out in the PFG; and
4. Examine possibilities to make recommendations for further rationalisation of State Agencies, beyond the rationalisation proposals and principles set out in Budget 2009.

The Special Group recommended that there should be cuts of up to 17,300 jobs from the public service sector and social welfare spending would have to be reduced by 5%. However, the number of jobs to be cut in the public service increased to 24,750 in 2010 when the Government announced the NRP (2010). A reduction in public service numbers has the potential to negatively impact Letterkenny due to its reliance of public services as an engine for growth.

After a period of sustained growth in Ireland's economy, the country is now dealing with a period of unprecedented challenge. In October 2009 the government published their Renewed Programme for Government (RPFGE). The initial Programme for Government was based on a growth rate of 4.5%, which was predicted prior to the global financial crisis. However, Ireland is experiencing a financial crisis with a severe contraction of the economy. The overarching objective of the RPFGE is to ensure that in the short term, the Irish economy can return to a sustainable position (RPFGE, 2009). The RPFGE is a programme of reform in all areas of government activity, including politics, economics and social activities. The RPFGE sets out the Government's vision for achieving economic recovery and national restoration and sustainability. The underlying priority is to restructure the economy and ensure Ireland will be prepared to take advantage of the global upturn (RPFGE, 2009). According to the RPFGE (2009) the four guiding principles that will enable economic stabilisation over the next three years are: a correction of the public finances; the restoration of a damaged banking system; the regaining of competitiveness and gaining of market share; and the protection of jobs and the investment in the retraining of those who have lost jobs. Furthermore, in order to stabilise the economy, the four priorities of the government are to: retain as many existing jobs as possible and support businesses; re-skill people who are working in traditional business and those who have lost their jobs; create new jobs in existing and new industries; and reform the banks and get them lending again (RPFGE, 2009 p. 6). Measures taken by the Government up to December 2010 did not lead to a stabilisation of the country's finances. Rather, Ireland had to call on external agencies: The EU and the International Monetary Fund (IMF) to bring about a stabilisation of the country's finances.

During the implementation of RPFGE, the Government is committed to supporting existing jobs and creating new, quality jobs, through building a high-productivity, low-carbon, Smart Economy. The investment in public transport, new broadband infrastructure and more energy efficient buildings, along with investing more in education, are further measures which the Government will undertake to ensure Ireland's recovery (RPFGE, 2009). The Government is working to ensure that the Irish banking system is able to provide credit and financial services that the economy needs for sustainable economic recovery (RPFGE, 2009). In November 2009, the Statistical Office of the European Communities, Eurostat, announced the first Euro-zone re-growth since the global economy began to contract. The Gross Domestic Product (GDP) grew by 0.4% up to November 2009 and the Gross National Product (GNP) grew by 0.2% in the same period. This is undoubtedly a positive. However, CSO figures show that in the first six months of 2009, Ireland's economy continued to contract. The Gross Domestic Product (GDP) fell to -8.4% in this period, while the Gross National Product (GNP) fell to -12.4% in the same period. However, Eurostat predict that by 2011, Ireland's GDP will once again rise and should reach 2.6%. (Eurostat, 2009) In December 2009, the Government introduced the toughest budget (DoF(b), 2009) in the history of the state, aiming to correct the public finances and restore the competitiveness of the Irish economy. Budget 2010 focuses on cutting public service expenditure and stabilising the budget deficit, with a €4 billion adjustment in finances. In announcing Budget 2010, the Minister for Finance said its aim was to *'stabilize the deficit by a system that is fair to all; safeguard those members of the population that are worst hit by the recession; and stimulate crucial sectors of the economy to sustain employment and create more jobs.'*

Budget 2010 (DoF(b), 2009) aimed to follow through on some of the recommendations from An Bord Snip Nua and to secure some of the targets of the RPG. The 17,300 job cuts in the public service sector is a long-term target, but the incremental decrease in the public sector pay bill is a means to protect existing jobs, which is set out as one of the main priorities of the RPF. Budget 2010 has cut Social Welfare spending by 4.1%, not the 5% as proposed in An Bord Snip Nua. Budget 2010 has the possibility to have severe effects for Letterkenny, due to the strong reliance it has on the public service sector. The large percentage cut in the public service bill means that there will be between 5-8% less disposable income in Letterkenny, ultimately leading to a decrease in personal consumption. However, in presenting Budget 2010, the Minister aimed to counter-act on the large numbers of the population travelling cross-border, due to the depreciation of the sterling against the euro. The increase in cross-border shopping is impacting very seriously on the retail sector in Letterkenny. Budget 2010 sees a decrease on VAT and excise duty on certain products to discourage people from shopping across the border.

2.4 Realms of change

This section introduces the six realms that have been identified through the policy review as the realms within which changes occurs and which are vitally important to the development of Letterkenny. The six realms were chosen from a list of twelve with the help of an expert panel (see chapter 3 – Methodology). The six realms identified are:

1. Social cohesion;
2. The business community and labour market;
3. Education;

4. Government policy;
5. Regional development; and
6. The external environment.

Each of these realms are important to the future of Ireland and Letterkenny and each can play their own part in framing change. In addition each of these realms are inter-related and change/growth in one can lead to change/growth in another.

2.4.1 Social cohesion

The Council of Europe defines social cohesion as *'the capacity of a society to ensure the welfare of all its members, minimizing disparities and avoiding polarization. A cohesive society is a mutually supportive community of free individuals pursuing these common goals by democratic means'* (European Committee for Social Cohesion, 2004, p. 2). The island of Ireland has witnessed extreme changes in the last three decades. The population of Letterkenny has been gradually growing in the last number of years. The population is currently 17,723 (CSO, 2006) and this is projected to grow to 35,000 by 2020 (NSS, 2002), with the population of Ireland expected to reach eight million by 2030. (Irish Academy of Engineers and Engineers Ireland, 2010) The CSO (2006) estimates that 11% of the population of Ireland are non-national and almost 14% of the population of Letterkenny are non-national. However, with the growing population is also a growing unemployment rate. Unemployment began to rise in late 2007 and early 2008 following an extended period of low and stable unemployment. (NESC, 2008) According to the CSO (2010) unemployment has reached record figures, now 13.6%. The challenge arises for Ireland, and Letterkenny to react to the changing needs of the growing population in terms of integration of all members of the community, education requirements and

employment needs to ensure each is met and to strengthen the connections and relations between people to ensure social cohesion.

2.4.2 The business community and labour market

According to the NESC (2008), sixty percent of those who will be in the labour force by 2020 are already in employment. For Ireland, this means that what employees learn on the job will critically influence productivity growth over the coming years, i.e. necessity for retraining and up-skilling. Forfás (2010) predict that there will be a decrease in the size of the labour force within the coming year. Already, the numbers unemployed have increased to 13.7% (CSO, 2010). Forfás (2010) explain there are areas of skills and labour shortages. These shortages are confined to areas for persons with third-level qualifications and specific expertise and work experience. Rather than a shortage of recent graduates, there is a shortage of graduates with suitable experience. Because of this, new programmes are emerging for recent graduates with the aim of ensuring graduates are employable. One such example of this is the *Strive 2 Work* programme (The Cresco Trust Ltd, 2010) through LYIT which is an employability model which aims to match the supply and demand in the labour market to graduates by enhancing their skills levels.

The economy of Ireland has a heavy reliance on FDI. However, future FDI and job creation in Ireland will depend increasingly on the quality of the workforce, with a distinct shift in the nature of FDI towards Research and development (R&D) and innovation (ESRI, 2009; IDA, 2010). The key to success in the global economy is to become flexible and more innovative. Constant change and adaptation to changing markets is imperative. Companies need to improve their and their employees skills,

technology and business processes. Like the higher education sector, the business community must forge new connections with other relevant stakeholders. Companies in Letterkenny who can continually adapt to the changing environments will be the companies that can harness the opportunities and ensure economic development for the region.

2.4.3 Education

Education is a critical investment for the future, for individuals, for economies and for society at large (OECD, 2009). The world economy is becoming increasingly driven by knowledge and creation. Lu (2008) explains that the capacities to not only apply, but to acquire knowledge is becoming increasingly crucial to create a successful economy. Etzkowitz and Leydesdorff (2000) suggest that the education system within a country can play an enhanced role in producing innovation in societies that are becoming knowledge-based. Higher education in Ireland, as in many other countries, is still in the main funded by the state. The recent review of the Irish higher education system conducted by the Organisation for Economic Co-operation and Development (OECD) notes that in Ireland the university sector is over 80% state funded and the Institute of Technology sector receives 90% of its funding from the state (OECD 2004). The third level education system in Ireland consists of two sectors: the Institutes of Technology, of which there are thirteen and the National University of Ireland, which consists of six universities and Trinity College Dublin (Crawley and O'Sullivan, 2006). Crawley and O'Sullivan note that for many years the higher education system was dedicated primarily to the teaching of undergraduates, with very little focus given to research and development.

The education system in Ireland has contributed to the economic development of the country. Furthermore, the HE system in Letterkenny (LYIT) has contributed to the economic development of Letterkenny. However, the HE system is now being called upon to innovate and drive change in order to meet the new requirements from the population, people in work and employers, (NESC, 2008) in the move towards a new smart, knowledge-driven economy. Businesses and employers attach a very high degree of importance to improving the range and quality of undergraduate, postgraduate and lifelong learning studies as well as initiatives aimed at enhancing R&D and innovation capacities (Indecon, 2009). LYIT is vital to future economic developments in not only Letterkenny, but in the Northwest and cross-border regions (NSS, 2002).

2.4.5 Regional development

In Ireland, the majority of economic development has taken place in the greater Dublin area (IDA Ireland, 2010). In order to ensure growth can take place away from the larger urbanised areas such as Dublin and Cork, IDA Ireland have ensured that 50% of FDI projects will be located in other areas. This target is in line with the NSS, to develop the regions such as Letterkenny, which has been designated as a gateway (IDA Ireland, 2010). The aim of the NSS (2002) is to achieve balanced regional development. The NESC (2008) believe that the Gateways, as designated in the NSS, are the key players in acting on the vulnerabilities of the economic structures of each of the regions. The development of each gateway will be shaped by the energy, vision and effectiveness of all gateway actors working to identify and harness their regions assets. Furthermore, with Letterkenny achieving gateway status, Donegal is part of the Border Midlands Western (BMW) region and is also one of the counties part of

the Western Development Commission (WDC) set up in 1999 by the government to promote, foster and encourage economic and social development in the Western Region, which also includes counties Sligo, Leitrim, Roscommon, Mayo, Galway and Clare. The WDC (1999) acknowledge that FDI has been one of the key engines of economic development in Ireland during the past three decades. Declining economic activity combined with rising unemployment presents the most significant economic and social challenge that the Western Region (Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare), and indeed the country as a whole, has faced for some considerable time (WDC, 2009). Building on and enhancing the competitiveness and attractiveness of the Letterkenny-Derry Gateway will be fundamental for the future growth of Letterkenny. The development of Letterkenny/Derry as a linked gateway can enhance this relationship and strengthen the Northwest. Letterkenny can be further developed in association with Derry in a way that ensures both continue to be effectively linked, have complementary strengths and work together as a gateway for the Northwest (NSS, 2002)

2.4.5 Government policy

Local government is tasked with serving a larger, more diverse, more educated and more demanding population (DoEHLG, 2008). One of the key objectives of the RPG (2009) is to make local government more transparent and responsive to its customers. The local government sector has witnessed progress in the recent years through the decentralization of public services and has led the public sector in some areas of innovative service delivery. One of the main challenges now facing local government authorities is to continue to improve performance and customer service within the current constraints of both staffing and financial resources available to local

authorities. This requires policies that deliver efficiencies and flexibility, encourage the sharing of resources between authorities where appropriate and ensure the recruitment of staff to match the requirements of local government. Local government services play a vital role in the economy of Letterkenny, due to the large number of jobs created through government services, such as health, education and public services (CSO, 2006).

2.4.6 The external environment

The economy of Ireland enjoyed a period of sustained growth from 1994 through to the early years of this decade. The ESRI (2009) maintain that this growth was driven by the expansion in the external world trade environment and because of this the Irish economy became very competitive. Ireland's previous success has been attributed to a number of factors:

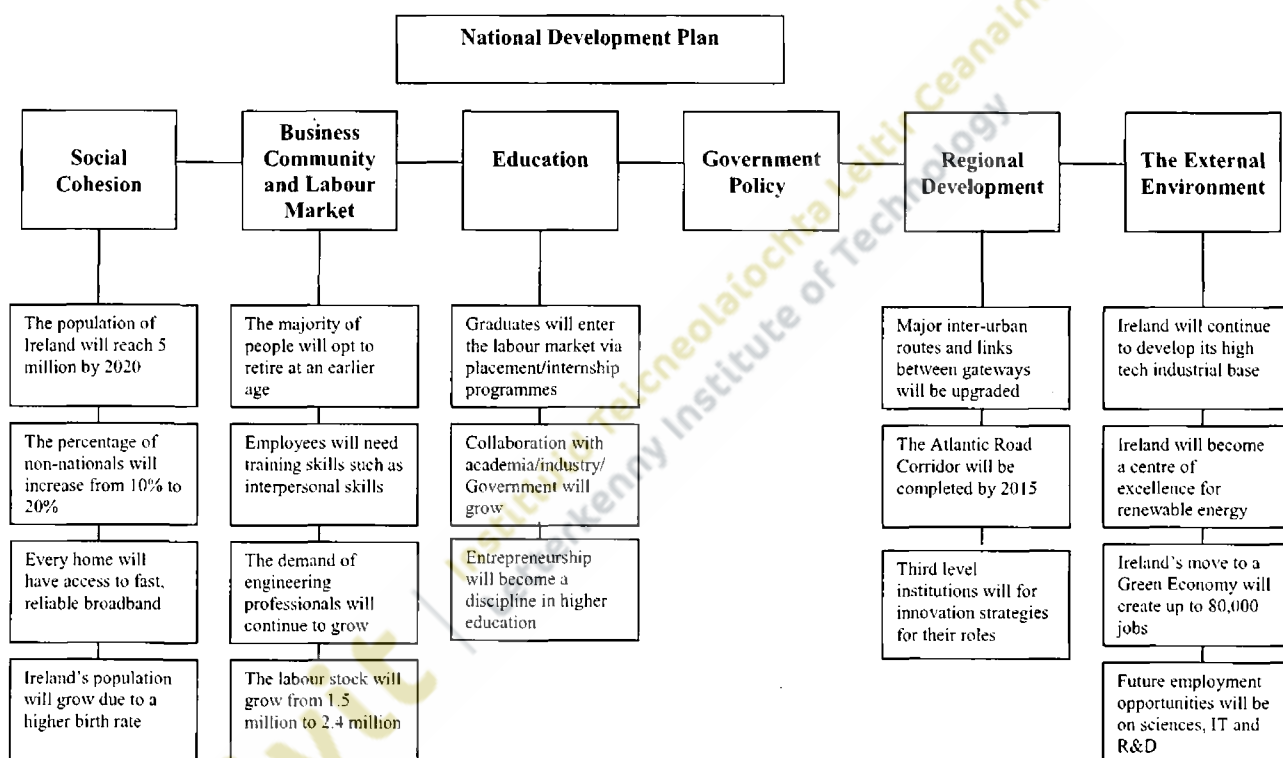
- EU membership;
- Low corporation taxes; and
- FDI.

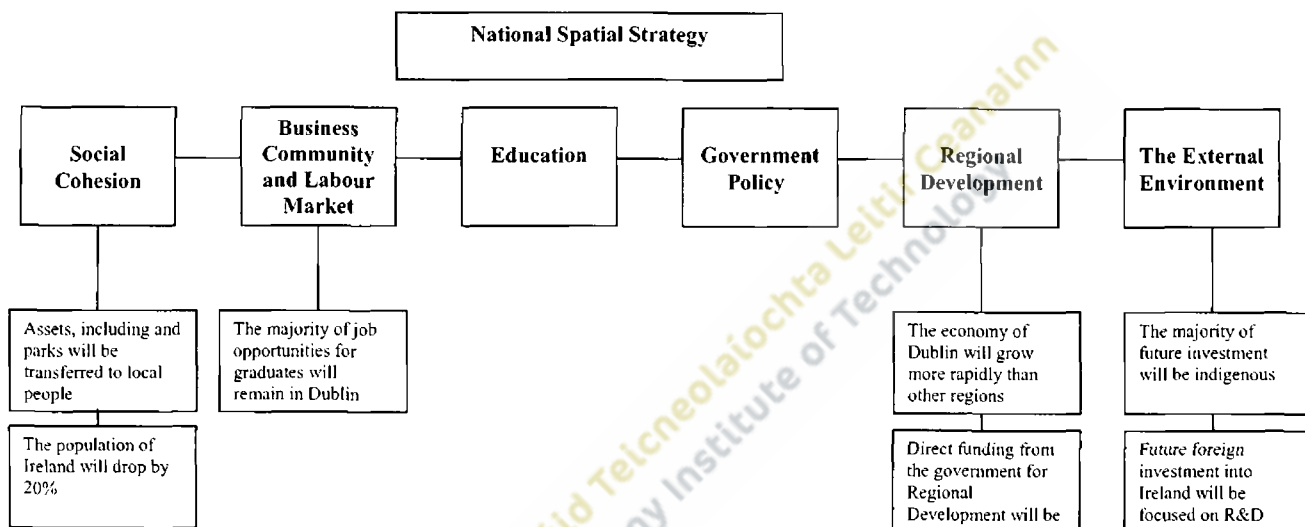
Nevertheless, the nature of the recession which the world economy is facing has serious consequences for Ireland as the economy is so open. Ireland is a member of the common currency (Eurozone). There has been a loss in competitiveness in the Eurozone, which has been substantially influenced by the slowdown in economic growth across the globe. To restore competitiveness to the economy, the economy of Ireland needs to attract new investment. Barry (2007) claims that Ireland had established itself as a prime European location for investment, but now Ireland need to foster the ability to attract the required investment at this time, with a changing nature of FDI to research driven capacity in science and technology.

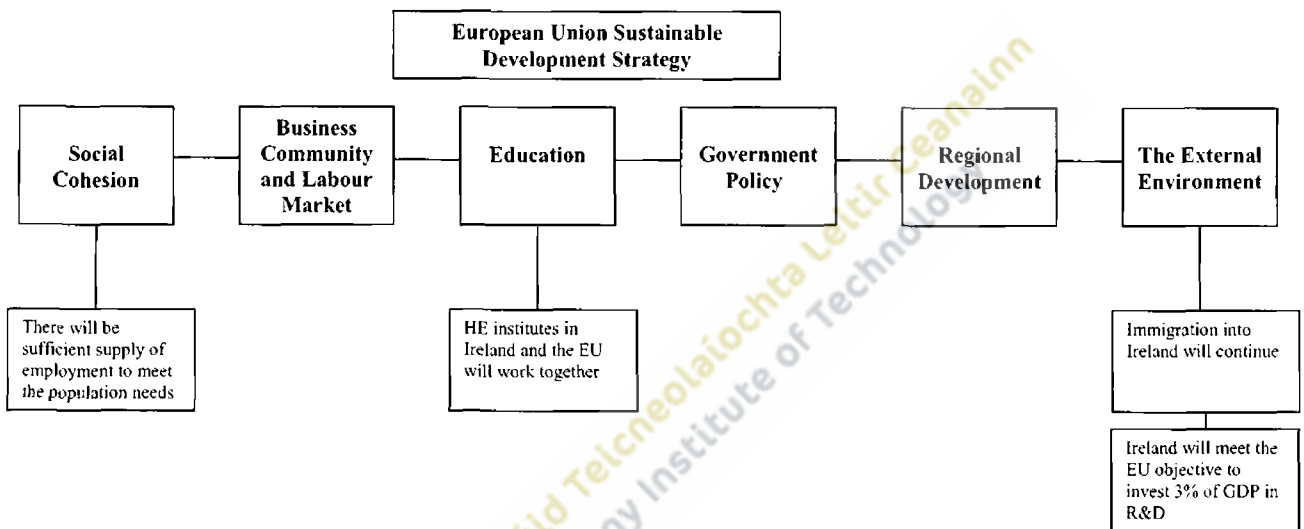
2.4.7 How the drivers and the realms linked to form the scenario statements

The eight drivers of change identified 6 realms within which change occurs and will occur in Letterkenny towards 2020. Each of the scenario statements have come from the eight drivers of change. Figure 2.15 illustrates each of the drivers of change which formed the basis of each for each of the scenario statements. A number of the scenario statements are specific targets and objectives from the drivers of change. The remaining scenario statements were formed from ideas and thoughts mentioned throughout the drivers of change.

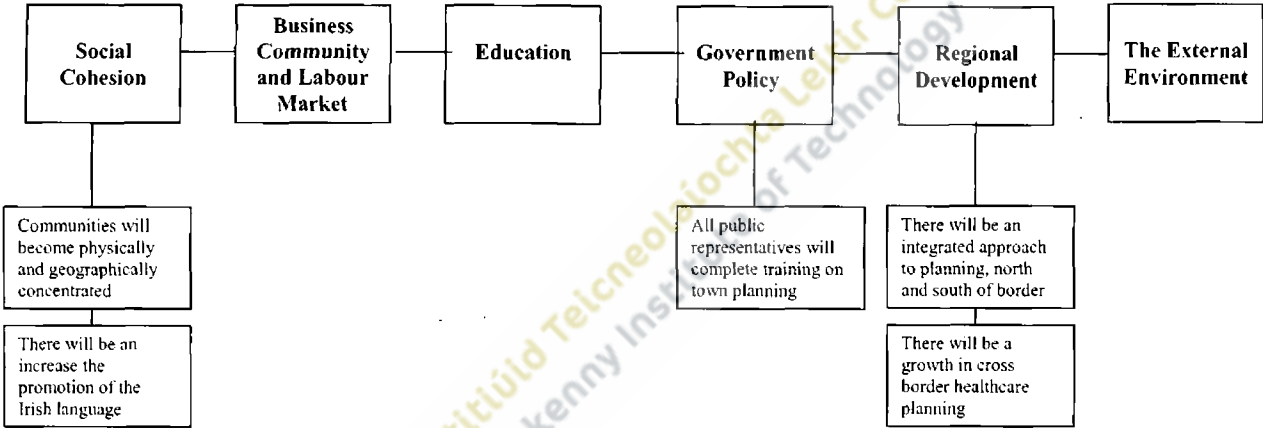
Figure 2.15 Matrix of scenario statements





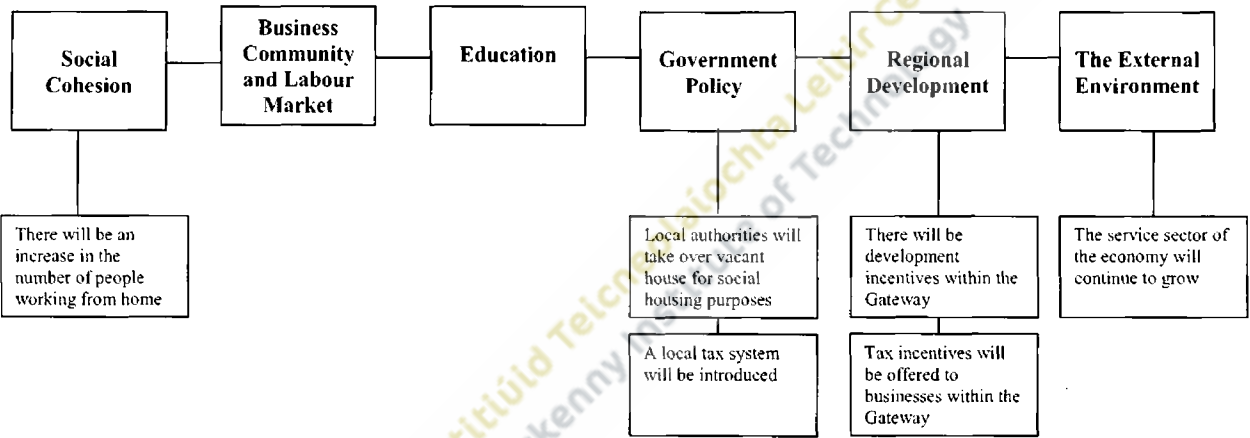


Donegal County Development Plan

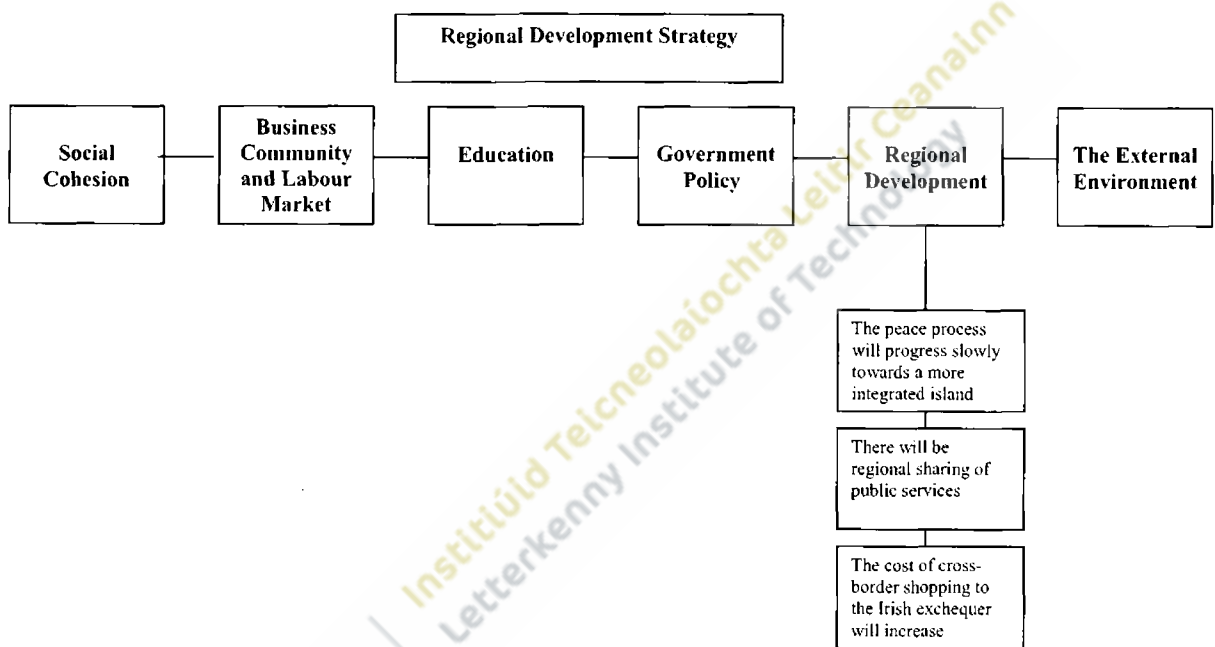


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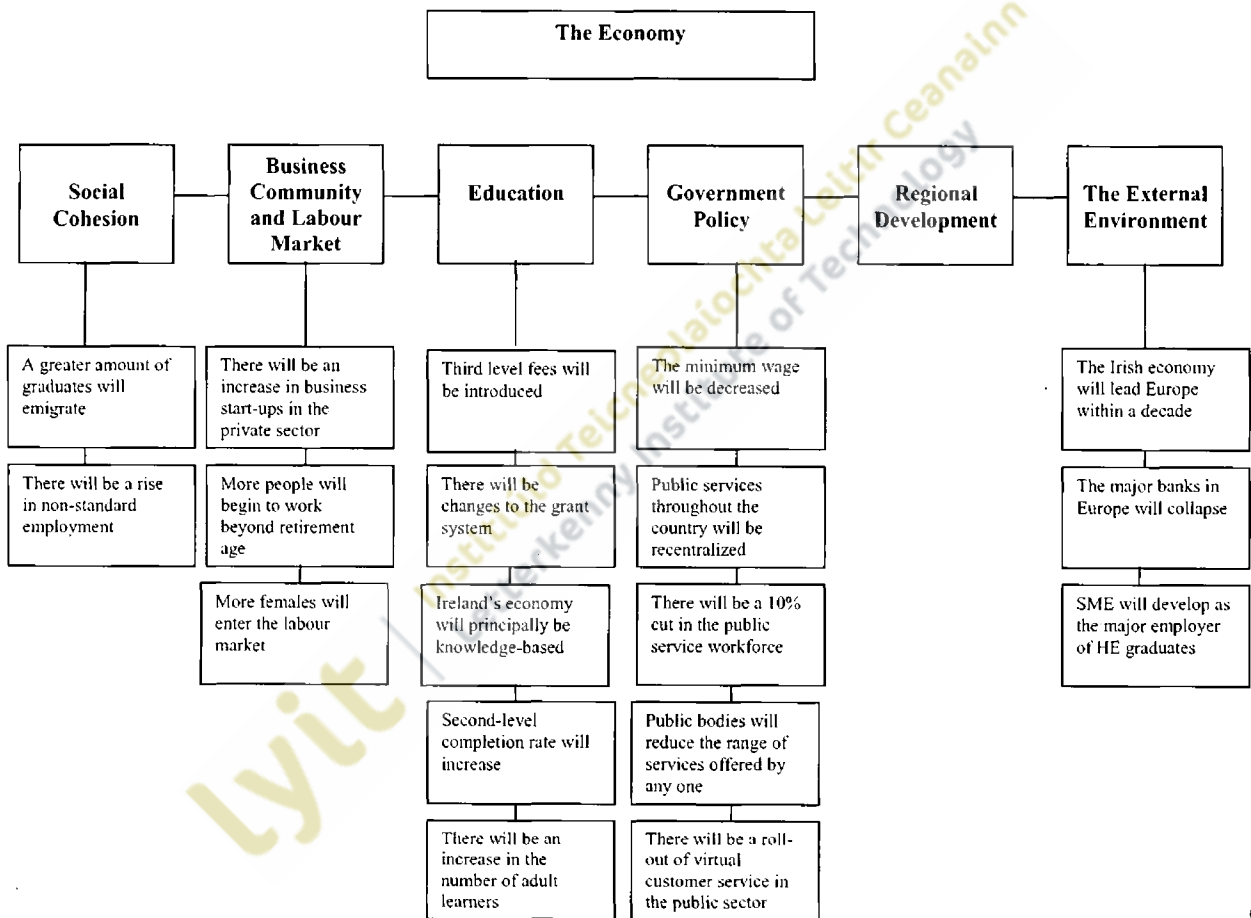
**Letterkenny and Environs
Development Plan**

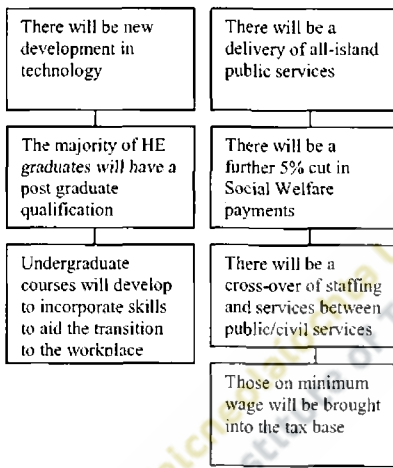


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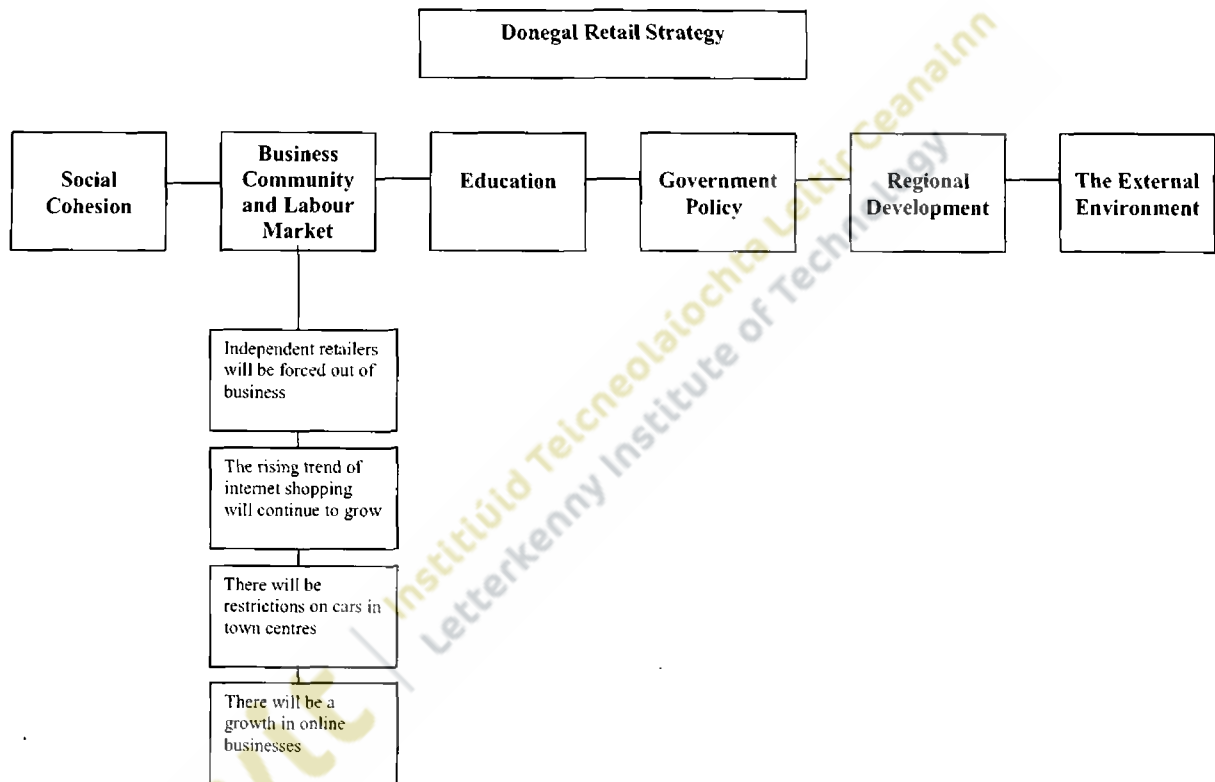


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2.5 Applying scenario techniques

'No matter what future takes place, you are much more likely to be ready for it – and influential in it – if you have thought seriously about scenarios'

Schwartz (1996, p. 1)

This section introduces the planning process and the problems encountered with it. According to Van der Heijden (2004) the future holds considerable uncertainty and to predict things precisely is impossible. The two methods of future thinking processes that were examined were forecasting and scenario planning. This section firstly, explains the problems encountered in the planning process and secondly, explains why the scenario planning process has been adopted for this research.

2.5.1 Problems with planning and policy development

Planning is a concept that takes on very different meanings in different settings.

Mintzberg (1994) suggests that planning can take on five different forms:

1. Planning is future thinking; simply taking the future into account;
2. Planning is a process of controlling the future, more than just thinking about the future, but acting on it;
3. Planning is decision making;
4. Planning is integrated decision making; and
5. Planning is a procedure to produce an articulated result, in the form of an integrated system of decision.

It is essential to be aware of the role and to the extent to which planning takes. Bean and Kuh (1984) reported that the planning process comprises three phases: phase one is the

initiation of planning, which involves identifying the factors, issues and limitations of the planning process. The second phase is the development stage, which involves identifying the methods and actions required to develop the plan and design the strategies for implementation. The final phase is the implementation itself, when the plan comes into effect. The implementation of the plan will enable guidance on a path into the future. Bean and Kuh argue that the process of progressing from each phase to the next is not a process in isolation; rather it is a gradual one. Problems emerge in the planning process due to a number of factors. According to Mintzberg (1994) the dilemma of how to conduct planning effectively faces all organisations. Goho and Webb (2003) explain this by stating the problem with planning comes from trying to link analysis of the issue effectively to the decision-making process. Those in a decision-making role often have little time and resources to provide a successful analysis of the situation. Furthermore, senior leaders will have an innate sense of the requirements of the organisation and where it should be headed. Negben (1991) and Goho and Webb (2003), comment that the success of planning relies on effective communication between all parties during each stage of the planning process. Table 2.1 looks at the potential problems encountered in planning.

Table 2.1 Potential problems encountered in planning

<i>Organisational constructs</i>	<i>Assessment of the capacity to plan</i>	<i>Initiation of the planning activities</i>	<i>Development of the plan</i>	<i>Implementation of the plan</i>
<i>Goals</i>	Level of institutional consensus	-Purposes of planning are unclear -Goals differ at different organisational levels -Hidden agendas	-Unclear expectations for planner behaviour -Conflicts with vested interests	-Goal displacement -Limitations of rational processes -Adaptability
<i>Participation</i>	Psychological preparedness of participants	-Too many/too few people -Representative levels -Experts -Use of new or existing structures	-Inadequate representation -Anarchistic behaviour -Technical staff/faculty relationships -Authority not commensurate with responsibility for planning	-Rewarding participation -Understanding change -Expecting conflict -Incremental adaptation
<i>Information and communication</i>	Access, types available & current patterns of communication	-Technical aspects of planning -Accuracy and relevance of information -Limitations of planning	-Clear understanding of planning process -Periodic status reports -Balanced treatment of unit data	-Communicating the plan -Appropriate level of specificity -Feedback, evaluation and revision -Degree of flexibility of the plan
<i>Interdependence</i>	Relationships between units	-Appropriate scope of planning -Degree of coupling among subunits -Timing relative to external requirements -Length of planning cycle	-Involvement of units that must carry out plans -Relationship to line administrators and faculty	-Environmental changes -Plan designed for external and not internal audiences
<i>Resources</i>	Time (staff) Expertise Organisational slack	-Adequacy for planning process	-Commensurate with unit needs -Adequacy for implementation	-Realistic process expectations -Conflict and turf protection -Continuation costs

Source: adapted from Bean and Kuh (1984)

Table 2.1 provides a snapshot of some of the common problems encountered in the planning process. Potential problems can arise in a number of issues during the planning process. Firstly, realistic goals that underline the purpose of the planning process must be set. By developing goals, unclear expectation and conflicts can be avoided. Secondly, it is essential that there is participation from those to whom the planning process will represent. Thirdly, it is imperative that there is availability and access to information and communication. Fourthly, the timing of events is relative to external requirements, which will ensure plans will be carried out. Finally, there is a need to have adequate resources such as time and expertise which can realistically reach expectations.

2.5.2 Town Centre Management

As Bean and Kuh (1984) identified, the planning process comprises three phases: phase one is the initiation of planning, phase two is the development stage; and the final phase is the actual implementation. One such method of adapting to the planning process is a system called Town Centre Management (TCM), which is in operation in many towns and urban areas throughout NI. Town Centre Management (TCM) is a strategic approach to planning, developing and maintaining the vitality and viability of town and city centres. This approach operates with the inclusion of all stakeholders and includes both the public and private service sectors (Stubbs *et al.*, 2002). According to Warnaby *et al.* (1998) TCM is an approach to the strategic planning and development of town centres, which is initiated by a partnership of all stakeholders.

Whyatt defines TCM as:

'Gathering and sharing market information, enabling stakeholders to work together in the strategic planning process, setting up formal and informal communication and social networks between partners, training the town's stakeholder employees to implement the regeneration strategy and maintain a marketing orientation, and evaluating success, in order to both motivate all involved and to assess progress'

Whyatt (2004, p. 253)

The researcher chose to study the principle of TCM in towns throughout NI because of their geographical proximity to urban areas in Ireland and because of their similarity in terms of layout; size; and governance.

2.5.3 Forecasting versus scenario planning

According to Van der Heijden (2004) the future holds considerable uncertainty and to predict things precisely is impossible. He suggests that the main assumption underlying forecasting is that some people will be more expert than others in predicting what will happen. Therefore, the most appropriate strategy is to ask people for their measured opinion on what might be happen in the future. There are many methods used. For this research, the research looked at two methods of future thinking: forecasting and scenario planning. Methods of forecasting are generated through the assumption that the past can be extended into the future and past trends can impact on future development. Van der Heijden (2005) suggests that the main assumption underlying forecasting is that some people will be more expert than others in predicting what will happen. He maintains that forecasting assumes that it is possible to predict the future on the basis of consistent and

ongoing correlations between variables persisting over time. Raspin (2007) explains that forecasting focuses on a dominant view of the future. He explains that forecasting also relates directly to the achievability of specific targets over the short term which are measurable. Raspin (2007) also explains that forecasting methods take on the assumption that there is only one correct answer to a question.

Porter (1985) defined scenarios as an internally consistent view of what might turn out in the future – not a forecast, but one possible future outcome. The intention of scenario planning is not to predict the future. Rather, it aims to draw attention to possible and potential futures. (Zegras *et al.*, 2004) It functions as one of the tools and technologies for managing the uncertainties of the future (Ringland, 1998). Van der Heijden argues that forecasting and scenario-based planning have very different purposes. Forecasting is useful in the short term where results on specific predictions can be measured. Whilst scenario planning is useful in the long term where, rather than offering a prediction, a set of alternative futures is offered.

2.5.4 Scenarios as an aid to planning

Studies by Schwartz (1992), Ringland (1998) and Slaughter (2002) demonstrate that scenario planning can describe how influential factors such as economic, social, political and technological forces can combine to shape the future, based on how each of these forces have behaved in the past. Scenarios can be used as one of the tools and technologies that can manage uncertainties that arise into the future and when carried out correctly, scenarios can illuminate aspects of possible futures and then tie these back to

assumptions, ways of thinking and decision-making in the present. Van der Heijden (2005) claims that scenario planning was used at the outset as a method for future planning without having to predict the unpredictable. Choosing to use scenario techniques as opposed to other forms of forecasting methods offers differences and provides opportunities for a planner. Schnaars (1987) offers insight into the two main differences between using scenario planning and other forms of forecasting methods. Schnaars (1987) states that the first of these differences is that scenario planning provides a qualitative and contextual description of how present thoughts and thinking will evolve into the future. The second difference is that scenario planning aims to identify a set of possible futures, with the occurrence of each of these futures possible, not assured. Borjeson *et al.*, (2005) identified three scenario types. Table 2.2 provides a summary of the work of Borjeson *et al.*, (2005):

Table 2.2 Key aspects of scenario types

Scenario type	Quantitative/Qualitative	Time frame
<i>Predictive – what will happen?</i>		
Forecasts	Typically quantitative, sometimes qualitative	Often short
What-if		
<i>Explorative – what can happen?</i>		
External	Typically qualitative, Quantitative possible	Often long
Strategic	Qualitative and Quantitative	
<i>Normative – how can a certain target be reached?</i>		
Preserving	Typically quantitative	Often long
Transforming	Typically qualitative with quantitative elements	Often very long

Source: adapted from Borjeson *et al.* (2005)

Godet (2000) evaluates that exploratory scenarios arise from trends from the past and the present which are likely to lead to trends in the futures. He states that normative scenarios, also known as anticipatory scenarios, are built on the basis of alternative visions for the future that are either desired or feared. Scenarios offer a solution to the problems identified in section 2.3 by enabling communication between all relevant parties and stakeholders, identifying what problems may arise into the future and preparing for this. This research adopts an explorative approach to scenario planning: it

will offer possible thoughts on what could happen rather than predicting what will happen.

2.5.5 Successful applications of scenario techniques

According to Bradfield *et al.* (2005) scenario planning has been an established forecasting and planning aid for thirty years. During this period, a multitude of techniques and methodologies have developed. Scenario planning has gained momentum through its adaptation in various organisations. Royal Dutch Shell was one of the first organisations to adopt scenario planning and they are consistent users of the methodology (Van der Heijden, 2005). Shell incorporated scenario planning into their strategy and planning in the 1970s. In 1972 Shell established their first scenarios. These scenarios focused on economic growth, oil supply and oil price options. By using scenario planning, Shell foresaw a disruption in oil supply and a subsequent rise in oil prices. In 1970 this scenario materialized and Shell, having identified this in their scenario planning, were positioned to deal with it (Cornelius *et al.*, 2005). Since then, numerous organisations have used scenario planning as an aid to planning and policy development. Table 3.3 provides a snapshot of the various organisations and companies that have adopted a scenario planning within their planning framework.

Table 2.3 Example of the use of scenario techniques

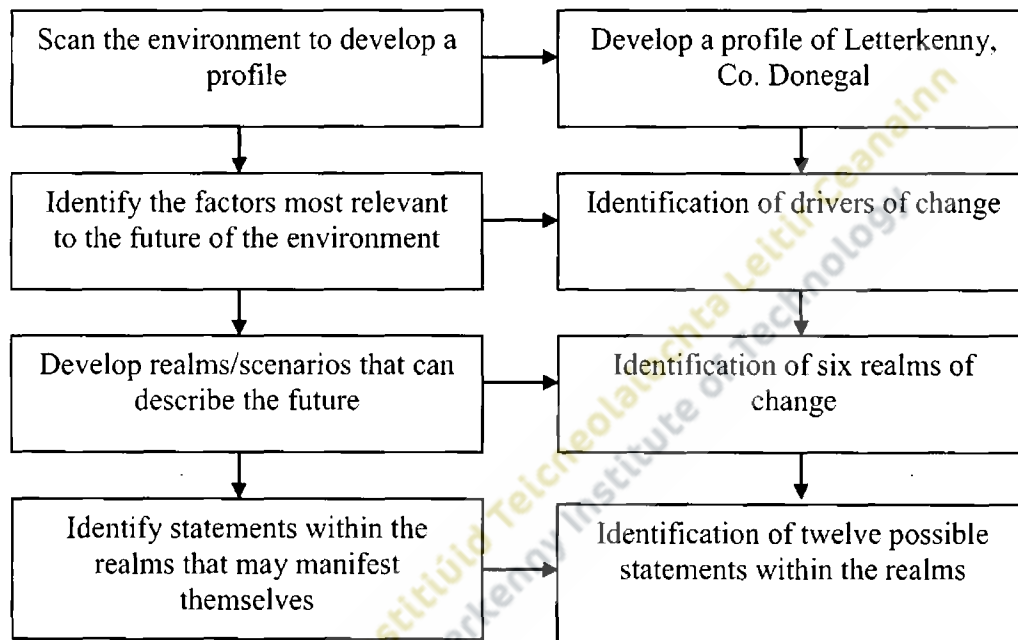
Organisation	Year	Topic
Shell	1985	Changing supply conditions
Cable and Wireless	1994	Collaboration between units
Motorola	1996	New services and products
British Airways	1996	Future Competition
Electrolux	1997	Environmental issues and demands
Novo Nordisk	2002	The prevention/treatment of diabetes
Morgan Stanley	2002	Investment in Japan
Surrey County	2002	Surrey in 2020
EU Commission	2004	The common market
Finland	2004	Socio-economic factors
HE in the EU	2005	HE in the EU in 2020
Imagineering Ireland	2005	Future scenarios for 2050
Beijing	2005	Beijing in 2020
Edinburgh	2008	E-learning
Levi Strauss	2010	Fashion world of 2025
National Intelligence Council	2010	Global Trends 2025
Ericsson Inc	2010	Communicating Worlds 2020

Table 2.3 illustrates that there is a broad spectrum of users of scenario planning. Some of these users are: retailers; city and regional councils; service providers and education. Each of these users have adopted scenario planning to gain an insight into the future of their company/place/market.

2.5.6 Application of scenario techniques in this research

Figure 2.16 introduces the scenario planning process adopted from Zegras *et al.* (2004), along with how this process is adopted in the research.

Figure 2.16 The scenario planning process and this project



Source: adapted from Zegras *et al.* (2004)

Figure 2.16 identifies the process adopted for this research. Firstly, a profile of the environment (Letterkenny) is developed. Secondly, the factors most relevant to the future of the environment are identified, these factors are known as drivers of change: EU SDS; NSS; NDP; CDP; LEDP; DRS; RDS; and the economy. Thirdly, the realms within change in the future will occur are identified: social cohesion; the business community and labour market; education; regional development; government policy; and the external

environment. Fourthly and finally, within each of these realms, the scenario statements that may describe possible events into the future are developed.

2.6 Conclusion

This chapter identified the eight drivers of change as: the European Union Sustainable Development Strategy; The National Spatial Strategy; The National Development Plan; The County Development Plan, Letterkenny and Environs Development Plan, Donegal Retail Strategy; The Regional Development Strategy and the Irish Economy. From these eight drivers of the change, the realms within which change happens and will happen were identified. These are: social cohesion; the business community and labour market; education; government policy; regional development and the external environment. This chapter also introduced and explained the reason for applying scenario techniques to this research. The next chapter introduces the research methodology, design and process.

Chapter 3 Methodology

3.1. Introduction

In chapter two, the drivers of change identified the realms within which change happens in Ireland: social cohesion; the business community and labour market; education; regional development; government policy; and the external environment. Chapter two also introduced the scenario planning process and explained why scenario planning was chosen as a method to conduct the research. The purpose of this chapter is to introduce the methodology chosen and adapted for this research in order to collect data. This chapter outlines the steps taken to enable the design of the scenario questionnaire and explains how the data will be collected, analysed and used.

3.2 The research process (scenario statement questionnaire)

Creswell (2009) offers insight into the differences between qualitative, quantitative and mixed methods research. He outlines that qualitative research is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. He identifies that quantitative research is a means for testing objective theories by examining the relationship among chosen variables. Creswell argues that using a mixed method approach, which combines both forms of research means that the overall strength of the research is greater. According to Kemp-Benedict (2008) the core of a scenario is the story it tells, and in any scenario exercise, a qualitative narrative is necessary. However, in addition to the qualitative narrative, many scenario exercises are supplemented by quantitative analysis. This research uses quantitative analysis of a

questionnaire through the use of Microsoft Excel, although the findings are disseminated qualitatively to provide a narrative story. Narrative structuring (Kvale, 1996) is used to create a coherent story of each of the scenarios.

3.2.1 The site of inquiry

Letterkenny was chosen as the site of inquiry for a number of reasons. It is the largest town in County Donegal. Like many urban areas in Ireland, Letterkenny experienced rapid growth in terms of population (CSO, 2006), the number of service providers, the range of social and cultural amenities and the development of infrastructure (LEDP, 2009). This development has been offset by the difficulties of the economic downturn. However, the announcement of Letterkenny as a linked Gateway town with Derry in the NSS confirmed its status as one of the fastest growing towns in Ireland, meaning Letterkenny offers itself as a useful reference point for studying the future. It is hoped that this research will act as a stimulus to a strategic debate about the development of Letterkenny and hence the development of other urban centres throughout Ireland.

3.2.2 The respondents (sampling)

The credibility of any research can be seriously impacted by the use of an inappropriate sample. Sampling methods can be divided into two categories: probability and non-probability. Probability methods are based on the premise that each element of the target population has a probability of being selected. In probability sampling, sampling elements are selected randomly. In non-probability sampling, the inclusion of elements in the sample is left to the discretion of the researcher (Malhotra, 2007).

3.2.3 Quota sampling/ determining sample size

The respondents to the scenario statement questionnaire were chosen by quota sampling. Bryman (2004) explains that the aim of quota sampling is to generate a sample that reflects the target population in terms of the relative proportions of people in the different categories, such as gender and age. Hair *et al.* (2007) explain that the total sample of a quota sampling method will have proportional representation of the target population. In quota sampling, the researcher defines the strata of the target population, determines the total sample size and sets a quota for the sample elements from each stratum. Hair *et al.* (2007) propose the use of the following formula to determine the sample size:

$$\text{Sample Size (SS)} = [\text{DC} \times \text{TV} / \text{DP}]^2$$

Where:

DC (Degree of confidence) is equal to the number of standard errors for the degree of confidence specified for the research results;

TV (True variability) is equal to the standard deviation of the population; and

DP (Desired precision) is equal to the acceptable difference between the sample estimate and the population value.

The desired degree of confidence is 95%, plus or minus 2 standard errors, as is typical according to Hair *et al.* (2007). To calculate the TV, the range must be known. This research uses a rating scale of 1-5. Therefore, the range is equal to 4 (5 – 1). Once the range is known, it is divided by 4 to estimate the standard deviation. The division by 4 is based on the assumption that the distribution of the responses is normal. Hair *et al.*

explain that business researchers determine the DP by consultation with the client. However, Watson (2001) explains that the DP is the level at which the true value in the population lies. The DC has been set at ± 2 for this research. Therefore, by adding/subtracting two percentage points, this is true value in the population. As a result, the DP for this research is specified as 2/10 of a unit on the rating scale. Taking the formula, the sample size for the research can be calculated as follows:

$$SS = [(2 \times 4/4) / .2]^2 = 100$$

One hundred is the minimum sample size required in order to meet the specified precision and confidence goals. The sample size estimation of 100 does not take into account non-responses (Watson, 2001). Based on research conducted by Visser *et al.* (1996), surveys with a lower response rate yield results that are more accurate than surveys with a high response rate. Visser *et al.* claim that surveys with a response rate of 20% will achieve precise results and measurements. Therefore, to ensure the sample is obtained, the following is the true value of the sample:

$$100 / .2 = 500$$

Obtaining a sample size of 500, based on a response rate of 20% ensured the quota sampled was reached. The quota samples are determined and categorised as per the practice of the CSO who categorise based on economic status and gender. The total working population is 13,677 persons. The sample for this research is 100. Those under the age of 18 were omitted from taking part in this research due to the requirement to acquire parental consent and ethical approval from these participants. Table 3.1 illustrates

each of the variables and their proportion within the population of Letterkenny. Taking these figures, the sample for this research can then be calculated, as table 3.2 illustrates.

Table 3.1 Breakdown of population of Letterkenny for sample

Employed		Unemployed		Student		Retired	
7514 (54%)		3152 (23%)		1868 (14%)		1233 (9%)	
Male	Female	Male	Female	Male	Female	Male	Female
3469 (46%)	4045 (54%)	1161 (37%)	1991 (63%)	8674 (46%)	1001 (54%)	674 (55%)	559 (45%)

Source: adapted from CSO (2006)

Table 3.2 Sample required

Employed		Unemployed		Student		Retired	
90 (53%)		38 (23%)		22 (14%)		16 (9%)	
Male	Female	Male	Female	Male	Female	Male	Female
41 (46%)	49 (54%)	14 (37%)	24 (63%)	10 (46%)	12 (54%)	9 (55%)	7 (45%)

3.3 Six stage scenario design

This research uses a six stage modified scenario development design to explore possible futures for Letterkenny. The six stages are:

1. Stage One: scenario drafting;

2. Stage Two: the pilot with the expert panels;
3. Stage Three: questionnaire design;
4. Stage Four: data collection;
5. Stage Five: dissemination; and
6. Stage Six: writing the six scenarios.

3.3.1 Stage 1: Scenario drafting

From an extensive review of development plans and policies in Chapter One (EU SDS; NSS; NDP; CDP; LEDP; DRS; RDS; and the Irish Economy), twelve possible scenarios and two hundred scenario statements were drafted. The scenarios relate to specific targets and objectives from these plans and policies. The scenarios were chosen from the extensive list: the economy; education; environment; social cohesion; cross border relations; urban sprawl; infrastructure/transport; regional development; tourism; retailing; government policy; and the business community and labour market. Subsequently, this list of twelve possible realms was broken down into a manageable number of six realms due to time constraints.

The process of choosing the final scenarios was conducted by carrying out interviews with local stakeholders. The participants were chosen on a convenience basis. The number of interviews to be held was not set. However, interviews were conducted up to the point of data saturation (Robson, 2002). The researcher conducted four interviews.

The participants in the interviews included:

- An academic;

- A local elected representative (town mayor);
- A nationally elected member of government; and
- A member of the local Chamber of Commerce.

The primary purpose of conducting interviews was to determine the focus of the scenario statement questionnaire. Therefore, the approach chosen was unstructured interviews. Hair *et al.* (2007) explain that unstructured interviews are a type of qualitative research that allows the researcher to gain a deeper understanding of the issues to be addressed and form the basis for the subsequent research (in the case of this research, the scenario statement questionnaire). Although the primary focus of the interviews was to determine the focus of the scenario statement questionnaire, the interviewees were open to discussing and giving their thoughts and opinions on the future. Therefore, the additional comments they provided will be used in Chapter five to supplement the writing of the final scenario.

From the four interviews, the researcher, along with the interviewees concluded that the following six realms are the most important factors in the future growth of Letterkenny:

1. Social Cohesion;
2. The Business Community and Labour Market;
3. Education;
4. Government Policy;
5. Regional Development; and
6. The External Environment.

3.3.2 Stage 2: the pilot with the expert panels

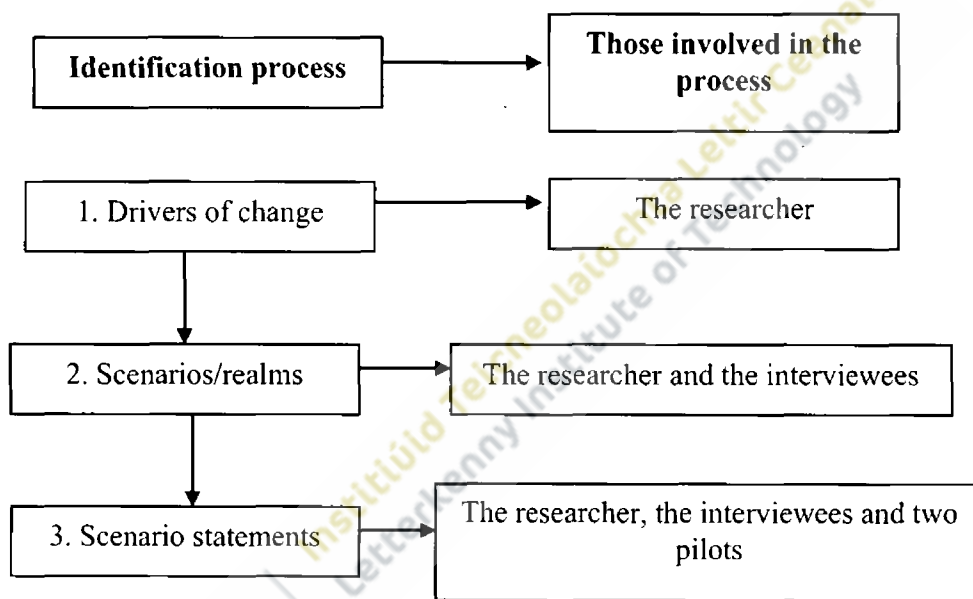
In an attempt to eliminate potential problems with the questionnaire, two pilots were conducted with two expert panels (see appendices 2 and 3). A pilot is a procedure by which the chosen research design is evaluated to ensure that it performs according to plan. The participants in the expert panels were chosen on a convenience basis, meaning the use of the sampling units are obtained because they are available at the time of research. Malhotra (2007) explains that in convenience sampling is a constructive technique for generating ideas and insights. The first panel of experts consisted of members of the business community in Letterkenny. The second panel of experts consisted of members of the public service workforce. These two groups were deemed to be experts as they possess relevant local knowledge and they had the ability to provide the researcher with information relevant to the research. These pilots (see appendices 2 and 3) ensured that scenario statements were worded correctly, that it made sense to the respondents and there were no mistakes. In addition to eliminating problems, the two pilots also enabled the researcher to get feedback and comments from the panel that was utilised for the drafting of the scenario statements for the final questionnaire design.

3.3.3 Stage 3: Questionnaire design

The design of the scenario statement questionnaire was determined by an extensive review of policies and development plans. The original number of scenario statements (two hundred) was reduced to seventy-two, within six realms. The following is an example of a final scenario used in the questionnaire: *Ireland will meet the EU objective to invest 3% of GDP in Research and Development* (see appendix 7). The policy review

of the eight drivers of change identified the six scenarios and within each of these scenarios, twelve sub-scenarios were identified. Figure 3.1 highlights the path taken to construct the scenario statement questionnaire and who was involved in each step of the process.

Figure 3.1 Identification of the participants involved in each step of the process



The questionnaire was designed to include the six realms (social cohesion; the business community and labour market; education; regional development; government policy; and the external environment). Within each of the six realms, there were twelve scenario statements (McNay, 2005).

3.3.4 Stage 4: Data Collection

A questionnaire was circulated to a sample of the population of Letterkenny and respondents were asked answer questions based on their perceived probability rating for each scenario. The first part of the questionnaire was designed to form a profile of each of the respondents. The body of the questionnaire was Likert scale. Each of the scenario statements were asked and had to be rated on a Likert scale. The final part of the questionnaire was open-ended questions, asking the respondents to comment on the scenario statements or offer any other thoughts or opinions. Robson (2002) explains that the most common Likert scale is that which has five fixed-alternative expressions. The answering options on the questionnaire were as follows: 1) Not a chance, it will never happen; 2) Possible, but not likely; 3) Uncertain; 4) Likely; and 5) Certain. In the final section of the questionnaire, respondents were asked for their comments, ideas, concerns and alternative and/or additional scenario statements. The scenario statements are ranked based on their likelihood of occurrence, perceived probability rating (PPR) scores. The data from the questionnaire was inputted into a statistical package (Microsoft Excel). The range for the PPR scores was analysed to show the convergence/divergence of views among respondents. The scenario statement questionnaire was a web-based questionnaire. The questionnaire was circulated by email. This method was deemed to be very successful, as it returned the majority of completed questionnaires. However, supplementing the internet, in order to reach the sample required, the researcher also circulated hard copies of the questionnaire. The collection of the data reached the required total of 166 persons. Once each of the samples were completed, the questionnaire was closed.

3.3.5 Stage 5: Dissemination

As part of the writing of the final scenario, the work plan, aims and outputs of this research were presented at a focus group, held at LYIT. The focus group was made up of stakeholders from a variety of local experts.. Hair *et al.* (2007) explain that a focus group is a semi-structured interview that uses an exploratory research. The findings and analysis from the scenario statement questionnaire was presented to the participants. These groups were asked to give their opinion on the findings from the questionnaire.

3.3.6 Stage 6: Writing the six scenarios

In the final stage, the results from the scenario statement questionnaire, along with the feedback (thoughts and opinions) from the focus group in stage five, was analysed. This enabled the writing of the commentary that accompanies the final analysis, projecting the possible futures for Letterkenny towards 2020 within the six realms: social cohesion; the business community and labour market; education; regional development; government policy; and the external environment.

3.4 Town Centre Management questionnaire

In conjunction with the six stage modified scenario design process, a questionnaire was designed and circulated to those involved in TCM in NI. The list of potential respondents to this questionnaire was obtained from the Association of Town Centre Management (ATCM) website, which is the governing body of TCM schemes throughout the UK and NI. Much of both the academic and practitioner literature on TCM has focused on descriptive case studies of specific schemes (see as, examples, Balsas 2004; Hogg et al.

2004; Paddison 2003). However, in this study an alternative approach is adopted. This research focused on a range of schemes and current practice throughout NI and explores how a TCM scheme could be utilised in the Rep. of Ireland (ROI). Data was collected through a postal questionnaire. The questionnaire examined three issues relating to TCM: the rationale for adopting TCM; the impact of TCM; and the role of TCM in the future of the town. The questionnaire achieved a response rate of seventy-five percent.

3.5 Research limitations

There is no such thing as a science of the future: For the future the only science is science fiction (de Boer and Westerheijden 2005, p. 1). This research could acknowledge the belief by Popper, (1961) that it is not possible to say anything about the future that is scientifically valid. However, De Boer and Westerheijden concur that scenario planning as a method has become popular among strategic companies since Royal Dutch Shell revealed that its scenario planning exercise helped the company prepare for the oil crisis of the 1970s. However, De Boer and Westerheijden agree with Ringland (1998) that scenario planning often is confused with forecasting techniques which aim to predict the future. This research, instead of aiming to predict the future, aims to offer visions of what might take place into the future. De Boer and Westerheijden illustrate that the scope of scenario planning and this type of research and the space within which respondents answers are interpreted by the researcher is predetermined. Specific statements are made available for the respondents to react on, which are included in the research due to underlying variables they represented. This means the scope for the respondents to extend the research options is limited. According to Doll (2004) the analysis of scenario

planning relies heavily on a high degree of knowledge from participants. Data from respondents who do not have adequate knowledge can have the capacity to distort findings. This indicates that the analysis from the questionnaire cannot be treated as predictions for the future. Rather, the data collected is viewed as possible paths the future may take.

3.6 Ethical considerations

This research involved human participants so there were ethical issues of ensuring confidentiality and privacy were present. In order to carry out any primary research, the researcher had to obtain ethical approval. This was approved by the School of Business Ethics committee at LYIT and the Institute Ethics committee at LYIT. Those under the age of eighteen were omitted from the study. All participants involved in the study were briefed on the confidentiality of their input. A letter of consent was provided to all ensuring that all information would be treated in the strictest of confidence and stored securely (see appendices 4 and 5).

3.7 Conclusion

This aim of this research is to explore future scenarios for the town of Letterkenny towards 2020. This chapter outlined the methodology for the collection of data through a scenario statement questionnaire. Data was collected from a sample of the population of Letterkenny. The data represents possible futures for the town under six realms (social cohesion; the business community and labour market; education; regional development;

government policy; and the external environment). The findings of the research are discussed and analysed in Chapter 4.

Chapter 4 Data Analysis

4.1 Introduction

This chapter reports the findings and analysis from the phases of data collection: the TCM questionnaire (see appendix 6); the scenario statement questionnaire (see appendix 7); and the focus group. The analysis of the TCM questionnaire investigates current practice in NI: how towns are managed; what challenges are facing towns; and how these challenges are reacted to. The quantitative and qualitative findings from the scenario statement questionnaire are provided, with analysis of each realm (social cohesion; the business community and labour market; education; regional development; government policy; and the external environment). The qualitative findings from the focus group are analysed, enabling the creation of a scenario for Letterkenny in chapter five.

4.2 Analysis of TCM questionnaire

The system of TCM in NI was investigated to provide an example of how towns in NI are managed, with a view to providing a basis for Letterkenny to adopt a management approach such as TCM. The questionnaire examined three issues relating to TCM: the rationale for adopting TCM; the impact of TCM; and the role of TCM in the future of the town. All the questions were open ended and narrative structuring (Kvale, 1996) was used to create a coherent story of the respondent's experience(s) of TCM. The questionnaire was circulated to the managers of TCM Initiatives in NI. Urban areas in NI were chosen because of their similarity in terms of: layout, governance, stakeholders and economic conditions.

4.2.1 Impact of Town Centre Management

Towns participating in a TCM scheme were firstly, concerned with ensuring a co-ordinated approach to development and secondly, the towns wanted to achieve the regeneration and development of their urban area. One reason for developing TCM was to:

'deliver a coordinated approach to the regeneration and development of the town centre in conjunction with the public, private and community/voluntary sectors and to readdress the decline of the town centre and to attract new investment, vitality and viability to the town centre.'

(Respondent A)

Furthermore, another respondent explained that they participate in a TCM scheme:

'to provide strategic co-ordination of town centre regeneration and as a delivery vehicle for the council to implement its economic development initiatives focused on the city centre.'

(Respondent C)

Another respondent stated that TCM was implemented in their town:

'to make a positive response to the general decline in town centre activity caused at least in part by the growth of out of town retail development.'

(Respondent F)

The town centre managers perceive TCM as an excellent opportunity to bring about significant change in the physical quality of their towns. Although many of the TCM schemes were focused on improving the public realm, these improvements helped to drive change in the economy through a reduction in derelict and vacant units. One respondent noted that:

'The scheme has helped to secure funding to improve the public realm which in turn improved the local economy i.e. new businesses, new jobs and new income.'

(Respondent D)

This was further evidenced by another respondent who observed that:

'Due to an uplift of the physical quality of the town, there has been more investment in town centre retail space, with a higher occupancy of retail space.'

(Respondent A)

Another respondent explained:

'Since the adoption of TCM, there have been public realm schemes which have rejuvenated the town centre. Because of this change, there has been a growth in the local economy.'

(Respondent I)

During the current economic difficulties the respondents have witnessed a change in both the economic and physical quality of their town. The towns are currently confronted by challenges, which include: out-of-town shopping and development, vacant properties, less business start-ups and reduced access to funding. Urban areas are facing an uncertain future. One respondent suggested that:

'Without it [TCM] it would become difficult to gain investor confidence [and/or] to attract private sector development, which is necessary to retain public confidence in the town and to counter the out-of-town development.'

(Respondent E)

The current challenges that face the towns studied are representative of the challenges facing Letterkenny. The common threats are out of town retailing and development, vacant properties and the current economic climate. This indicates that although urban areas in NI are facing an uncertain future, they are already preparing and implementing changes to prepare for the future, this is due in part to the partnership approach they have adopted. Furthermore, the economic downturn has made it more difficult to ensure funding for projects to regenerate urban centres.

Respondents indicated that the correct partnership approach and structure needs to be adopted to ensure TCM can operate to its best potential. It is important that local stakeholders with the energy and vision to lead the town become involved. One respondent explained that:

'The most important thing is to get the right partnership approach and structure in place.'

(Respondent B)

Another respondent highlighted that:

'In order to make an impact there must be a joint approach – private and public bodies can mix well when there is a common issue.'

(Respondent C)

When asked what advice could be offered to those areas in need of revitalisation or towns thinking about adopting a partnership approach, the respondents indicated that:

'In order to make an impact there must be a joint approach: private and public bodies can mix well when there is a common issue. Like all issues, funding and sustainability are issues.'

(Respondent G)

Another agreed that:

'The most important thing is to get the right partnership and structure in place - the stakeholders who can and will have input and opinions'.

(Respondent B)

TCM can put in place a range of policies, advice, support and approaches that can help to keep town centres attractive during times of difficulty and uncertainty. TCM can become a viable alternative to town planning, regeneration and management for towns in the ROI

but it would only be a success with the attraction of the right partners that can drive change.

4.3 Analysis of scenario statement questionnaire

The first part of the questionnaire was designed to collect the profile of each respondent i.e. age, gender and status. This also ensured the sample was representative of the population of Letterkenny. Those under the age of eighteen were omitted from completing the questionnaire due to the requirement of ethical consent. The survey asked respondents for their opinions on twelve scenario statements within each of the six realms. Each of the realms are analysed as a separate unit. Respondents were given the scenario statements on a Likert scale, ranging from 1 (not a chance, it will never happen) to 5 (certain). The scenario statements were designed with the intention of making respondents think about the future (up to 2020). Respondents were asked to indicate the likelihood of a scenario statement happening rather than their preference for the scenario statement happening. Respondents were given the option at the end of the questionnaire to comment on the scenario statements and/or provide additional/alternative scenarios. Although respondents were asked to answer questions based on what their expectations for the future, it is possible that some answers are biased due to their preferences for the future, rather than their expectations. Therefore, this analysis is treated as an indication of possible futures for Letterkenny towards 2020.

It must be noted that respondents completed the questionnaire prior to the events which unfolded in November 2010, which led to severe political instability in Ireland. Firstly,

the Green Party announced that it would withdraw from the Government in January 2011 – after budget 2011 would be implemented in December 2010. This led to the Government calling an election in early 2011 subsequent to all budgetary matters being finalized and agreed on. This announcement came just days after Ireland applied to the EU and the International Monetary Fund (IMF) for a bailout to correct the banking crisis. November 2010 also saw the Government publish its four year plan for Ireland: The NRP 2011-2014 (DoF(a), 2010) and the Budget 2011 (DoF(b), 2010) in early December. Had this political instability arisen prior to the completion of the questionnaire by respondents, the results may have been different. However, some of the scenario statements and also some of the comments provided by the respondents relate to issues dealt with in the NRP 2011-2014 and Budget 2010. The general election took place on 25th February 2011, with the election of a new government. Hence, where this has happened, these issues are discussed.

4.3.1 Analysis of quantitative findings

Kaynak and Macaulay (1984) explain that there are numerous statistical analysis techniques that can be used when analysing questionnaires where respondents are asked to rate each question. However, the most commonly used analysis measures the degree of convergence through mean and median scores and standard deviation for each of the ratings. For this study, the type of analysis that has been chosen is the calculation of the Perceived Probability Rating (PPR) (McNay, 2005) and the standard deviation for each scenario statement. The PPR scores are calculated as follows:

$$PPR = \text{Sum of all scores} / \text{the total number of responses}$$

Once calculated the PPR were grouped into three categories which are as follows:

1. Low probability rating: 1 – 2.4 (12% of the scenario statements fell in this category);
2. Uncertain probability rating: 2.5 - 3.5 (55% of the scenario statements fell in this category); and
3. High probability rating: 3.6 – 5 (33% of the scenario statements fell in this category).

The scenario statements that received a low PPR are described as the statements that were rejected by the respondents and will not happen. The scenario statements that received a high PPR are described as the statements that are accepted by the respondents and are likely to happen. Using this categorisation it was possible to ascertain the highest ranked statements and the lowest ranked statements. Because only eight scenarios belong in the low probability rating category, the researcher has chosen to interpret the top eight scenario statements and the bottom eight scenario statements to ensure there is a standardized format in the findings. The top eight PPR scores range from 3.9 – 4.1 and the bottom eight PPR scores range from 2.1 – 2.4. Table 4.2 provides a list of the eight scenario statements that received the highest PPR scores in the questionnaire. Table 4.2 provides a list of the eight scenario statements that received the lowest PPR scores in the questionnaire and table 4.4 provides a list of the eight scenario statements that had a high standard deviation score.

4.3.2 Highest scoring scenario statements

The eight statements with the highest PPR were grouped together. Table 4.1 presents each of the eight scenario statements and their PPR scores.

Table 4.1 Highest scoring scenario statements

	PPR	Scenario statement
1.	4.1	27. The number of adult learners in education will increase
2.	4.1	13. More and more people will begin to work beyond their retirement age
3.	4.0	35. There will be a re-introduction of fees for all undergraduate programmes by 2020
4.	3.9	22. The majority of job opportunities for graduates will remain in Dublin (64% at present)
5.	3.9	29. New developments in technology from increased internet access to teaching techniques will see an increase in the online learning environment
6.	3.9	9. A greater amount of skilled graduates will emigrate because of better working conditions and wages in other countries
7.	3.9	51. There will be up to a 10% cut in the public service workforce
8.	3.9	32. There will be changes to the current grant system due to increasing numbers in higher education

Table 4.1 indicates that respondents believe firstly, that change will occur in the education system, with five out of the eight top ranked scenario statements coming from the education realm. Respondents foresee an increase in the numbers in HE (4.1).

However, with the increase in the numbers in HE, respondents believe this will bring about changes to the current grant and fee system (3.9), most notably the re-introduction of fees for all undergraduate courses by 2020 (4.0). With an increase in the numbers attending HE, there is a belief that this will have a negative impact on Letterkenny. With increasing numbers in HE, there will be an increase in the number of people with higher qualifications (3.7), yet respondents do not believe the job opportunities will be available to meet the growing demands of these graduates. Respondents foresee the majority of job opportunities will be in Dublin (3.9). Furthermore, respondents indicate that although many job opportunities will remain in Dublin, a greater amount of these skilled graduates from HE will need to emigrate to gain both better working conditions and wages (3.9). A growing number of people in education may lead to a growing population in Letterkenny due to the presence of LYIT.

4.2.3 Lowest scoring scenarios statements

The eight statements with the lowest probability rating were grouped together. Table 4.2 provides a list of the eight scenario statements and their PPR scores.

Table 4.2 Lowest scoring scenario statements

	PPR	Scenario statement
1.	2.1	66. The Irish economy will lead Europe within a decade as it recovers from the recession and out-performs its competitors
2.	2.2	18. The majority of people will opt to retire at an earlier age
3.	2.2	8. There will be a sufficient supply of employment opportunities to meet the demand of the population
4.	2.2	6. Assets, including community centres and parks will be transferred to local people, giving the community the opportunity to generate income from these assets
5.	2.3	43. The Atlantic Road Corridor, which will link Letterkenny to Waterford, will be completed on schedule by 2015
6.	2.3	53. All public representatives will complete compulsory professional training on town planning
7.	2.4	72. The major banks in Europe will collapse, leading to the collapse of the Eurozone
8.	2.4	54. There will be an introduction of a local taxation system which means that large scale profit makers will help fund Small to Medium Sized Enterprises (SME)

Table 4.2 indicates that respondents believe the Irish economy will remain weak and reliant on the EU to stimulate growth. Respondents do not foresee that there will be sufficient employment to meet the demands of the population, which supports the finding from section 4.1.1 that more and more graduates will need to emigrate to sustain job opportunities. Respondents disagreed with the statement that people will retire at an earlier age, supporting the scenario statement from section 4.1.1 that more people will be working longer, past the current retirement age. People may decide to work into their retirement age to counteract cuts in wages and pensions. This could offer an insight into one of the reasons why respondents believe there will not be enough employment opportunities to meet the growing demands of the population. If more and more people are working into their retirement age, respondents believe this will ensure there will not be sufficient opportunities manifesting themselves for the currently unemployed and graduates.

4.3.4 Scenario statements with high standard deviation

Remenyi *et al.* (2009) explain that standard deviation is a measure of dispersion. It is used to calculate how dispersed the data is from the mean. A low standard deviation indicates that the data points are scored close to the mean, meaning the majority of responses are similar, whereas a high standard deviation indicates that the data is spread out over a large range of values, meaning that there was disagreement among the respondents. If a standard deviation score for a question was 0 this would mean that all responses were equal. The SD score for a question being close to 0 indicates that there is

little disagreement among the respondents in answering the questions i.e. the majority of the questions are scored the same.

The standard deviation score for the scenario statement questionnaire was 0.97. The maximum standard deviation score was 1.25 and the minimum was 0.80, meaning that there was a range of 0.45. This research uses a five point Likert scale. Therefore, to interpret which scenario statements had a high standard deviation, the scale measurement (5) was divided into the range (0.45):

$$0.45 / 5 = 0.9$$

Therefore, the scenario statements which scored 0.9 or more above the average score (0.97) were considered to have a high standard deviation. The eight scenario statements that had a high standard deviation, indicating the most disagreement among the respondents were then grouped together. Table 4.4 provides a list of the eight scenario statements and their standard deviation score.

Table 4.3 Scenario statements with high standard deviation

	S.D	Mean	Scenario statement
1.	1.25	3	49. The minimum wage will be decreased
2.	1.15	4	1. The population of the island of Ireland will reach 5 million by 2020 (current population of 4,239,848)
3.	1.15	3	47. The peace process will progress slowly towards a more integrated island
4.	1.13	3	42. Major inter-urban road routes and links between Gateway centres and regions will be upgraded
5.	1.11	4	4. Every home in the country will have access to fast, reliable broadband by 2020 (67% have access at present)
6.	1.11	1	6. Assets, including community centres and parks will be transferred to local people, giving the community the opportunity to generate income from these assets
7.	1.11	3	41. There will be a growth in cross border healthcare planning
8.	1.11	4	60. Those on the minimum wage will be brought into the tax base

The majority of these scenarios (five) fell between the neither agree nor disagree category (2.5 - 3.5) at 2.8 up to 3.4. Although these scenarios have not been accepted or rejected, a considerable amount of respondents deviated from the mean, causing a high standard deviation. Although there was disagreement among the respondents, they felt that change will occur in the tax system in Ireland. The statement *'those on minimum wage will be brought into the tax base'* received a score of 3.7. This highlights that the respondents

feel the government will gather revenue and taxes from a wider audience. Respondents believe that every home in the country will gain access to broadband. Those who are unemployed remain convinced that the minimum wage will be decreased.

4.4 Analysis of each realm

This section discusses each of the six realms in detail. Although each realm is treated as *unique* or *exclusive*, changes in one can lead to changes in other realms. This is highlighted in sections where the PPR of certain scenario statements are used to support the PPR and/or finding of another scenario statement. Within each of the six realms, respondents were asked to rate twelve scenario statements, with the results from each of the realms highlighted in table 4.4, table 4.5, table 4.6, table 4.7, table 4.8 and table 4.9

4.4.1 Social cohesion

Within the social cohesion realm, respondents were asked to rate twelve possible scenario statements. Table 4.4 illustrates the probability rating of each of the scenario statements within this realm.

Table 4.4 Social Cohesion responses

	(1)	(2)	(3)	(4)	(5)	PPR
The population of Ireland will reach 5 million	7.2%	25.8%	15.2%	42.4%	9.5%	3.2
The percentage of non-nationals living in Ireland will increase from 10% - 20%	9.1%	35.2%	25%	25.8%	4.9%	2.8
Communities will become more physically and geographically concentrated with a greater emphasis on self-reliance and on using local resources such as energy, food and leisure	5.3%	29.9%	25.4%	36.4%	3.0%	3
Every home in the country will have access to fast, reliable broadband by 2020	5.3%	14.4%	13.3%	47%	20.1%	3.6
Migration resulting from the economic downturn will see the population of Ireland drop by 20% by 2020	9.8%	45.5%	23.1%	18.2%	3.4%	2.6
Assets, including community centres and parks will be transferred to local people, giving the community the opportunity to generate income from these assets	33%	31.1%	18.9%	15.9%	1.1%	2.2
Ireland's population will grow due to a higher birth rate as opposed to an increase in inward migration	4.2%	17.8%	25.8%	45.8%	6.4%	3.3
There will be a sufficient supply of employment opportunities to meet the demand of the population	25.8%	40.5%	22.3%	10.6%	0.8%	2.2
A greater amount of skilled graduates will emigrate because of better working conditions and wages in other countries	1.1%	8.0%	13.3%	57.6%	20.1%	3.9
There will be a rise in non-standard employment, which includes: part-time work, flexi-time and self-employment	0.4%	8%	17.4%	60.6%	13.6%	3.8
There will be an increase in the number of people working from home	1.9%	14.0%	26.9%	47.0%	10.2%	3.5
There will be an increase in community and education facilities for the promotion of the Irish language	12.5%	34.1%	24.6%	25%	3.7%	2.7

When asked if the population would reach 5 million by 2020, respondents were uncertain, receiving a rating of 3.2%. Although respondents did not accept that this would happen there was much disagreement among respondents, with the majority of respondents giving this a probability rating of 4 or more. Respondents suggested that a greater amount of skilled graduates will emigrate to ensure they gain employment (3.9), which could highlight why respondents are unsure as to whether the population will increase. If a greater amount of graduates are forced to emigrate, this could see the population of Letterkenny drop because of the numbers enrolled in LYIT. Respondents believe that every home in the country will have access to reliable broadband by 2020 (3.6), which is a target by the European Commission in the Digital Agenda for Europe (2010). Given that there could be faster, more reliable internet access for a great amount of the population; this may lead to more the population being more integrated in a more cohesive society. Respondents believe there will be changes in types of work with a rise in non standard employment (3.8), which includes: part time work, flexi-time and self-employment.

4.4.2 The business community and labour market

Table 4.5 highlights the PPR for each of the scenario statements under the realm the business community and labour market

Table 4.5 The business community and labour market responses

	(1)	(2)	(3)	(4)	(5)	PPR
More and more people will begin to work beyond their retirement age	1.2%	9.7%	4.9%	48.6%	35.6%	4.1
There will be a significant increase in business start-ups in the private sector as more entrepreneurs start business ventures to counter-act public service cuts	3.6%	14.2%	21.9%	53.0%	7.3%	3.5
Independent retailers will be forced out of business as consumers continue to look for a wider choice at a lower cost	1.2%	8.5%	17.8%	54.7%	17.8%	3.8
The rising trend of internet shopping will continue to have a negative impact on the traditional means	.4%	13%	12.6%	51%	23.1%	3.8
Restrictions on cars and availability of car parking spaces within towns will have a negative impact on the retail sector	2.8%	28.3%	23.5%	33.2%	12.1%	3.2
The majority of people will opt to retire at an earlier age	18.2%	58.3%	13%	8.9%	1.6%	2.1
Virtual or on-line businesses will excel enabling more global operations from a small home market	1.6%	8.5%	27.9%	48.6%	13.4%	3.6
Employees in all job types will require training or education in skills such as interpersonal communication	3.2%	11.7%	20.6%	51.4%	13.0%	3.6
The female participation rate in the labour market, which is currently 59.6% will continue to grow	1.6%	11.3%	19.8%	49.4%	17.8%	3.7
The majority of job opportunities for graduates will remain in Dublin	0.4%	8.5%	16.2%	55.5%	19.4%	3.8
The demand for engineering professionals will continue to grow due to further innovation in the Information Technology (IT), health and pharmaceutical sectors	2%	10.5%	24.7%	51.4%	11.3%	3.6
The labour stock will grow from 1.5 million to 2.4 million by 2020	9.7%	21.1%	51.8%	15.4%	2%	2.8

Table 4.5 highlights that respondents indicate that substantial change will occur in the business community and labour market. Respondents remained uncertain as to whether the labour stock in Ireland will grow towards 2020. This supports both the findings from section 4.3.1 that firstly, the respondents are uncertain about a substantial growth in population numbers; and secondly, that a greater amount of graduates will emigrate. If more and more people decide to emigrate, it will become more difficult for the labour market to grow. The highest rating scenario is that more and more people will begin to work past their retirement ages (4.1). Respondents believe that people will not opt to retire at an earlier age. One quote from the comments section offers a reason as to why people will work longer:

'People will work past retirement age if their pension is cut by government intervention.'

(Respondent One)

The idea that more people will be working longer may suggest that there will not be new opportunities opening up to those that are unemployed or to graduates. Not only will there be more people working longer, respondents also suggest that the female participation rate in the labour market will grow (3.7), with more women opting to return to employment. This would suggest that gaining employment will become harder for the population due to increased demand. Coupled with these issues, respondents were strongly in agreement that the majority of job opportunities will remain in Dublin (3.9), meaning it will become harder for Letterkenny to sustain its economic growth, with one comment suggesting that:

'Dublin-centric investment is almost certain; Donegal is likely to continue to be marginalized.'

(Respondent Two)

Respondents indicated that there will be further innovation in the IT, health and pharmaceutical sectors (3.6), meaning the demand for professionals in these areas will continue to grow. This provides Letterkenny with an opportunity to develop these sectors by 1) developing the educational capacity at LYIT to train more graduates in these disciplines and 2) developing educational resources through LYIT to train graduates in these types of employment. For Letterkenny, this suggests that LYIT needs to train and educate more people in these specialized fields. Respondents believe that the internet will become more popular meaning smaller retail outlets may be forced out of business (3.8) or online, which could have a severe impact on the economy of Letterkenny because of the number of smaller retail outlets in operation. This could also be attributed to the rising trend of internet shopping which respondents indicate will continue to have a negative impact on the more traditional means (3.8) and become one of the favoured methods as consumers look for a wider choice at a much lower cost.

4.4.3 Education

Table 4.6 highlights the probability rating of each of the scenario statements in the realm Education.

Table 4.6 Education responses

	(1)	(2)	(3)	(4)	(5)	PPR
The majority of graduates from higher education will have a postgraduate qualification	2.6%	10.2%	15.3%	57.4%	14.5%	3.7
Graduates will typically enter the labour market via a placement or internship programme	2.6%	11.1%	22.6%	60%	2.8%	3.5
The number of adult learners in education will increase	.4%	5.5%	7.2%	54%	32.8%	4.1
Second level completion rate will reach to 90% by 2020	2.1%	16.2%	20%	50.2%	11.5%	3.5
New developments in technology from increased internet access to teaching techniques will see an increase in the online learning environment	.9%	6.8%	15.3%	54.5%	22.65%	3.9
Undergraduate courses will develop modules such as interview skills and CV writing to prepare graduates for the workplace	.4%	11.5%	20.4%	48.5%	19.1%	3.7
There will be a growth in the collaboration between academia, industry and the government in developing education and employment opportunities	2.6%	11.9%	21.7%	51.1%	12.8%	3.6
There will be changes to the current grant system due to increasing numbers in higher education	2.6%	8.9%	14.5%	43.4%	30.6%	3.9
Higher Education institutions in Ireland will continually work with European Higher Education Institutions, facilitating greater mobility in education within Europe	0%	6.8%	23%	51.9%	18.3%	3.8
Ireland's economy will be principally a knowledge based economy	4.3%	11.5%	30.2%	47.2%	6.8%	3.4
There will be a re-introduction of fees for all undergraduate programmes by 2020	2.1%	4.7%	14.9%	46%	32.3%	4
Entrepreneurship will become a dedicated discipline in Higher Education	2.6%	18.3%	32.8%	40.4%	6%	3.3

Table 4.6 indicates that respondents foresee significant change occurring in the education system in Ireland (both positive and negative). Firstly, there will be an increase in the number of adult learners returning to education (4.1). With greater competition to obtain employment, respondents believe that there will be an increase in the number of adult learners in education. This could see an increase in: 1) Full time education, due to unemployment and 2) Part-time education due to the need to up-skill and retrain. This suggests that LYIT will remain competitive and continue to attract mature students. Respondents believe that the majority of graduates from HE will obtain postgraduate qualifications (3.7), meaning that graduates will become more highly qualified. Respondents believe that graduates will be much better prepared for the workplace which would indicate that LYIT will continue to educate graduates of a high quality. However, as respondents indicated, there will not be adequate employment opportunities for graduates, meaning the economy of Letterkenny will lose valuable, highly skilled graduates to larger regions within Ireland or abroad. While it was not unanimous, there was agreement that students will enter the labour market through a work placement programme or internship, meaning that there are opportunities for collaboration between academia, industry and the government to develop both education and employment opportunities. This is an area of change revealed in Budget 2011 (DoF(b), 2010) with the announcement of five thousand work placement schemes. Respondents are of the opinion that HE institutions in Ireland will continually work with HE institutions in Europe (3.8), facilitating greater mobility in the education system. Currently, LYIT works with European HE institutions and welcomes up to one hundred and twenty Erasmus students each year. Respondents also believe there will be changes to the current grant system

(3.9) and they concur that there will be a re-introduction of fees for all undergraduate programmes by 2020 (4.0). The government alluded to changes in the system of registration fees in Budget 2011 (DoF(b), 2010) with the announcement of an increase in registration fees with immediate effect. Supplementary to this, changes to the grant system were also introduced. These changes relate to a reduction in the amount of grant received by students based on geographical location and proximity to their HE institute. This change may impact negatively on the education system within Letterkenny with many students now living less than the required distance from LYIT, thus seeing a decrease in their grant payment.

4.4.4 Regional development

Table 4.7 illustrates the PPR of each of the scenario statements under the realm Regional development.

Table 4.7 Regional development responses

	(1)	(2)	(3)	(4)	(5)	PPR
The cost of cross border shopping to the Irish exchequer will continue to increase from the current level of 3.5% of the entire retail market	1.8%	15.9%	35%	35%	12.3%	3.4
Within the Letterkenny-Derry Gateway, there will be development incentives for businesses from either side of the border to start up in the other district	5.5%	24.1%	34.5%	30%	5.9%	3.1
The Letterkenny-Derry Gateway will progress jointly in attracting Foreign Direct Investment into the Gateway	5%	23.6%	38.2%	29.1%	4.1%	3
There will be an integrated and collaborative approach to planning, north and south of the border between local authorities, community groups and business groups	7.3%	30.9%	27.3%	28.6%	5.9%	3
There will be a growth in cross border healthcare planning	8.2%	28.6%	24.1%	31.8%	7.3%	3
Major inter-urban road routes and links between Gateway centres and regions will be upgraded	12.7%	30%	22.3%	30.5%	4.5%	2.8
The Atlantic Road Corridor, which will link Letterkenny to Waterford, will be completed on schedule by 2015	31.4%	35.9%	18.2%	11.8%	2.7%	2.2
The economy of the Greater Dublin Area will continue to grow more rapidly than the economies of other regions	1.4%	7.7%	20.9%	49.5%	20.5%	3.8
Direct funding from the government towards Regional Development will be increased	10.5%	35.5%	39.5%	14.1%	.5%	2.6
There will be regional sharing of the management of public services i.e. health, education and infrastructure	8.6%	27.3%	37.3%	21.4%	5.5%	2.9
The peace process will progress slowly towards a more integrated island	9.1%	24.1%	23.3%	33.6%	10%	3.1
Third level institutions along with key stakeholders will formulate shared innovation strategies for their roles within the region	2.7%	10.9%	28.6%	50.5%	7.3%	3.5

Respondents are very uncertain about future developments in regional development. However, this realm caused disagreement among respondents. Firstly, respondents do not believe that the Atlantic Road Corridor, linking Letterkenny to Waterford will be completed by 2015. This finding from the respondents has since been supported by announcements in the NRP (DoF(a), 2010) that there would need to be a review of this development prior to any further work continuing. The result of non-completion of this infrastructure means that it will take longer for Letterkenny to be accessible to the rest of Ireland. This road link would ensure the western corridor of Ireland would be more accessible. Respondents suggest that the economy of the greater Dublin area will continue to grow and be supported by smaller regions, at their own expense. This supports the finding from section 4.2.2 that the majority of job opportunities for graduate will remain in Dublin. One respondent noted that:

'It seems that there is too much given to the Dublin and surrounding regions. I appreciated that there is a large population there, but the rest of the country is supporting the Dublin area at their own expense. Government agencies measure everything to the Dublin rates, where if the same amount of cash/investment was put into smaller regions it would be better spent and would achieve more.'

(Respondent Three)

The subject that caused the most disagreement among respondents was the issue of North/South relations. Respondents remain uncertain about collaboration between the two jurisdictions on issues such as planning, education and health. Not only was there disagreement among respondents in answering the scenario statements, conflicting comments were also provided by the respondents, highlighting why there would not and

why there would be collaboration between the two regions. One respondent noted that there will be heightened competition rather than collaboration between the two districts:

'There will be increased competition between the North and South for FDI – not collaboration'

(Respondent Four)

Another respondent maintained that within the retail economy of the two regions, retailers in the republic of Ireland (ROI) will become more competitive:

'Southern retailers will become more competitive to counter-act the cost of cross-border shopping to the exchequer'

(Respondent Five)

Contrary to this, one respondent noted that there will be an increase in economic collaboration:

'Cross border economic regions will become popular i.e. the Skone region (Southern Sweden and Northern Denmark). However, the main obstacle here is the absence of a common currency.'

(Respondent Six)

Along with this, one respondent indicated that there will be collaboration between academia, north and south of the border:

'Cross border cooperation on education issues will increase.'

(Respondent Seven)

4.4.5 Government policy

Table 4.8 highlights the probability rating of each of the scenario statements under the realm Government policy.

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Table 4.8 Government policy responses

	(1)	(2)	(3)	(4)	(5)	PPR
The minimum wage will be decreased	8.1%	21.5%	12%	39.2%	19.1%	3.4
Public services throughout the country will be re-centralized	6.2%	20.1%	28.7%	37.3%	7.7%	3.2
There will be up to a 10% cut in the public service workforce	1%	9.1%	12%	50.2%	27.8%	4
Public bodies will reduce the range of services offered by any one through strategic agreements with others	2.4%	9.1%	41.1%	38.3%	9.1%	3.4
All public representatives will complete compulsory professional training on town planning	23.9%	35.4%	25.8%	13.4%	1.4%	2.3
There will be an introduction of a local taxation system which means that large scale profit makers will help fund Small to Medium Sized Enterprises	22%	32.1%	32.1%	12.4%	1.4%	2.4
Local authorities will take over vacant houses for social housing purposes	8.6%	17.7%	18.2%	49.8%	5.7%	3.3
The roll-out of virtual customer service in the public sector will lead to substantial cost reductions	4.3%	22%	31.1%	35.4%	7.2%	3.2
There will be a delivery of all-island public services	17.2%	29.7%	31.6%	19.1%	2.4%	2.6
There will be a further 5% cut in the Social Welfare payments	1.4%	13.9%	7.2%	47.4%	30.1%	3.9
There will be a cross-over of staffing and services between the public and civil service sectors	7.7%	15.8%	32.1%	34.9%	9.6%	3.2
Those on the minimum wage will be brought into the tax base	3.8%	13.9	12%	45%	25.4%	3.7

Respondents believe that change will occur in the realm of government policy. However, this change may not be entirely beneficial to Letterkenny and will not stimulate future economic growth for the town. Firstly, respondents believe there will be changes within the public service, with a 10% cut in the workforce (3.9). As was announced in the NRP (2010) there would be further cuts in public staff numbers, from the recommended 17,000 in an Bord Snip Nua (2009) to a new number of 24,750. This would have a negative impact on Letterkenny because of the large numbers employed in the public service. Secondly, respondents believe there will be changes to the tax system in Ireland. At present, the entire working population is not in the tax base and respondents suggested that those on minimum wage will be brought into the tax base (3.7). An additional comment was provided by one respondent arguing that taxes will be increased for everyone:

'Interests will begin a sustained rise and further levies will be introduced.'

(Respondent Eight)

In the NRP (2010), it was announced that the numbers paying tax would increase. However, it remains to be seen whether this increase will arise from those on the minimum wage, as respondents suggested.

4.4.6 The External environment

Table 4.9 highlights the probability rating of each of the scenario statements under the realm the External Environment.

Table 4.9 The external environment responses

	(1)	(2)	(3)	(4)	(5)	PPR
Ireland will continue to develop its high tech industrial base, requiring increasing numbers of graduates in Science and Engineering	2%	9%	18%	60%	11%	3.7
Small to medium sized industry will develop as the major employer of Higher Education graduates	2%	12%	26%	55.5%	4.5%	3.5
Ireland will meet the EU objective to invest 3% of GDP in Research and Development	7%	30%	37%	25%	1%	2.8
The island of Ireland will become a centre of excellence for renewable energy by 2020	11%	25.5%	28%	33%	2.5%	2.9
Ireland's move to a "Green Economy" will create up to 80,000 jobs by 2020	19%	25%	30.5%	23.5%	2%	2.6
The Irish economy will lead Europe within a decade as it recovers from the recession and out-performs its competitors	32%	38%	21.5%	7.5%	1%	2.1
The focus on future employment opportunities will be on life sciences, Information Technology and Research & Development	3%	10%	31%	50%	6%	3.5
The majority of future investment will be indigenous	6%	22.5%	44%	23.5%	4%	3
Future foreign investment into Ireland will be focused on Research and Development	1.5%	13%	36.5%	43.5%	5.5%	3.4
Immigration into Ireland will continue at current levels	15.5%	35.5%	25.5%	20%	3.5%	2.6
The service sector of the economy will continue to grow	4.5%	19.5%	27%	45.5%	3.5%	3.2
The major banks in Europe will collapse, leading to the collapse of the Eurozone	15.5%	47%	22.5%	12%	3%	2.4

The external environment includes the factors and conditions which influence activities and determine opportunities and risks. As with the realm regional development, respondents are very uncertain about future developments in this area. Respondents do not foresee that the Irish economy will become strong and be one of the leading economies in Europe (2.1). Respondents believe Ireland will remain reliant on the EU. The capacity of Letterkenny to stimulate its own economic growth needs to be supplemented by a growth in the Irish economy, which effectively will be driven by the EU and the United States of America (USA). Respondents believe that Ireland will continue to develop its high tech industrial base (3.7). By doing this, there will be a requirement for an increasing number of graduates in science and engineering. This means there will be an opportunity for LYIT to educate a greater amount of students in these sectors.

4.5 Qualitative findings

In addition to being asked to rate each of the scenario statements, respondents were also asked if they could provide additional/alternative scenario statements. In this section, the comments, ideas and statements offered by the respondents are provided. A number of the opinions offered by the respondents have been used in section 4.2 to supplement the findings. The remaining additional comments that have not been provided in section 4.3 are used in this section to provide an overview of thoughts and opinions of the respondents. The additional comments provided here will be used at the next stage to complement the writing of each of the realms. The quotes from the respondents make reference to the environment within Ireland and Europe. There was a significant level of negativity from the respondents in the comments section of the

questionnaire. However, this negativity focuses on what respondents believe needs to happen to foster future growth.

Firstly, it was suggested that the standard of living and the cost of living needs to be reduced in Ireland:

'There will be a reduced standard of living for the next ten years.'

(Respondent Nine)

It was noted that, unless the cost of living decreases, other things such as social welfare and wages cannot be cut.

'Ireland must really go back to basics decreasing the cost of living, decreasing minimum wage, decreasing tourist costs (hotels and B&Bs) and social welfare because at the minute cost of living is leaving Ireland too expensive.'

(Respondent Ten)

These quotes capture a number of issues. The standard and cost of living is extremely high in Ireland at the moment. However, this high standard of living is supplemented by high wages, low taxes and high social welfare payments. The high standard of living has been driven by substantial wage increases and substantial increases in social welfare payments.

The second set of views from the respondents is that the political environment will play a huge part in determining what future path the country and Letterkenny will take. At the moment, the future political landscape, both within Ireland and within

Europe, remains uncertain. Respondents noted that what is required is a reform of the current system of politics in Ireland. It was commented that:

'This country needs complete political and social reform from the bottom up.'

(Respondent Eleven)

and,

'Many of the changes looked at will require a major overhaul of the present system of politics.'

(Respondent Twelve)

Many respondents were in agreement that the role of the EU on internal matters will continue to be one of the most important. A number of respondents highlighted that occurrences in the EU, will impact greatly on the future growth of Ireland and Letterkenny. One respondent noted that firstly, the EU may have more control over Ireland and secondly, the internal political system would not be strong enough to lead future growth. One respondent noted that there is so much uncertainty world-wide, that this uncertainty manifests itself in Ireland, meaning it is much harder for Ireland to develop:

'Three things cause uncertainty: 1) Open economy subject to global trends; 2) Economic sovereignty has been compromised and the EU may be the main player in the future; and 3) Irish political parties do not have ideologies and this makes forecasting problematic.'

(Respondent Thirteen)

It was also noted that, because weaker nations are now heavily reliant on the EU, this could cause a fragmentation of the union:

'The EU may fragment as countries like Germany become frustrated with the weaker nations.'

(Respondent Fourteen)

A fragmentation would lead to Ireland becoming self-sufficient without the aid of a union such as the EU:

'We have tried development and foreign investment to service our population. Neither of these engines will work any further. As we (Ireland) will be very much on our own, we need new strategies – there is no sign of coherent strategies as of yet.'

(Respondent Fifteen)

The suggestions by respondents that the EU may become the main player in the Irish political landscape has been to an extent verified, with the Irish government requesting a *bailout* from the EU in November 2010, with many feeling Ireland now has compromised its economic sovereignty. The overarching ideology throughout the comments section is that any change that will take place will depend on how quickly Ireland can move to implement plans:

'All good things in development and progress depend on how quick Ireland moves to implement change.'

(Respondent Sixteen)

4.6 Analysis of focus group

The focus group was held after the scenario statement questionnaire was analysed. The objective of the focus group was to present the scenario statement questionnaire and the ideas and opinions arising from the respondents, support and/or criticise findings and uncover new perspectives. The focus group was a discussion, whereby the participants were given time to both think about the scenario statements and give their measured opinions on what the results could mean for Letterkenny. This led to agreement and disagreement. The outputs from the focus group along with the analysis of the scenario statement questionnaire will enable the writing of the six scenarios for Letterkenny in the next chapter.

4.6.1 Results of the focus group

The participants in the focus group were much more optimistic about the future of Letterkenny, as opposed to the negativity offered by the respondents of the questionnaire. They noted the pessimism of the respondents in the scenario statement questionnaire. The participants believed that many of the scenario statements were rated with an instant reaction without the respondents of the scenario statement questionnaire always giving their measured opinion towards 2020. The participants had the ability to interpret the findings with a longer term vision towards 2020. During the focus group, there was both agreement and disagreement from the participants in relation to the likelihood of a scenario statement occurring. This section will present the main findings under the two headings: agreement on findings and disagreement on findings.

4.6.2 Agreement on findings

There were a number of scenario statements that the participants agreed on. The main findings have been analysed and are presented here. Firstly, participants agreed with the finding that there will be a reduced standard of living between now and 2020. There was a belief that a new standard of living will be adopted:

'People are already beginning to rethink about the standard of living and there will be a reduced level from now towards 2020. Regardless of when the economy recovers, people will remain more conscious of what has happened [economic crisis], happening again.'

(Participant 1)

Secondly, as with the data from the scenario statement questionnaire, participants are confident that people will need to work into their retirement for a number of reasons:

'There is no question about people working longer. There will be so many reasons people have to work longer for example mortgage repayments and cuts in pension.'

(Participant 1)

Thirdly, the participants confirmed the finding that the education system in Letterkenny will continue to have a vital role in the growth of the town with one participant noting that:

'Education is going to play a bigger part in the future of those in Letterkenny. However, this is going to be a challenge for LYIT as there will be growing numbers and fewer resources.'

(Participant 2)

Fourthly, the uncertainty of the respondents to the scenario statement questionnaire towards regional development reflects the changing nature of it i.e. it has lost its national significance in an era of economic uncertainty:

'Because regional development has lost its importance among the government issues, people are less aware of it.'

(Participant 3)

Although regional development has lost its national importance, there is a belief that it can ensure development of Letterkenny through its linkage with NI.

Fifthly, the participants agreed with the finding that Letterkenny cannot rely on government policy to drive change:

'Although we rely on government policy on a lot of issues, with regards to redeveloping Letterkenny, developing the economy of the country as a whole will become much more important to the government.'

(Participant 1)

Finally, the participants agreed that Ireland will remain reliant on the EU, particularly because of the bailout from the EU and the IMF:

'We will begin to witness more and more that European and International policies have much more of an impact here and Ireland will be bound to a lot of them.'

(Participant 2)

4.6.3 Disagreement on findings

Although the participants agreed with a number of the findings, they also disagreed with some of the findings of the scenario statement questionnaire. Firstly, findings from the scenario statement questionnaire indicate that emigration will continue because of the lack of employment opportunities in Ireland. However, participants disagreed with this by stating that there will be employment opportunities available to graduates who are trained and educated to a high level:

'Taking the longer term view to 2020, there will be employment opportunities for the population. Emigration has been and will continue to be part of Irish society, with or without any economic crisis.'

(Participant 2)

Secondly, although the respondents from the scenario statement questionnaire believed that industry such as health, I.T and pharmaceutical sectors will grow, the participants believe that Letterkenny cannot rely on these sectors to drive economic growth:

'Letterkenny must remember that it needs to use the resources it has to stimulate economic growth.'

(Participant 3)

Thirdly, there was a belief in the scenario statement questionnaire that the changes to be introduced to the grant and fee system will negatively impact on Letterkenny, the participants strongly disagreed with this saying that HE in Letterkenny can hope to

benefit from this because now with cuts to grant payments, LYIT becomes much more accessible to the people of Letterkenny and Donegal:

'The government have already announced that there will be changes on the system. However, this can enhance the profile of LYIT because it will become unaffordable for people to go to college or university in larger cities, therefore staying at home because the only feasible option for prospective students.'

(Participant 2)

Fourthly, the respondents in the questionnaire were unsure as to whether there would be any cross-border developments. However the participants believe that there will be increased cross border development and Letterkenny is one of the areas that is most likely to benefit from any this because of its location:

'Letterkenny is strategically located to benefit from cross border relations.'

(Participant 3)

Fifthly, data from the scenario statement questionnaire indicates that the proposed cuts in the public service will have a negative impact on Letterkenny. Nonetheless, the participants agreed that this again, is a short-term measure and although in the short-term it may lead to more unemployment, in the long-term this will be needed to provide public service restructuring:

'The government are seeking to cut jobs in the public service; this though will be attained within three to four years. Taking the longer time into perspective, as we are trying to do, this can only mean positive things for the public service as it needs to be restructured and remain accessible and feasible to maintain.'

(Participant 1)

Finally, responses to the scenario statement questionnaire indicate that the Irish economy will not recover and witness growth levels before 2020. However, the participants strongly disagreed with this stating that the Irish economy is already witnessing growth levels:

'Ireland is still one of the larger exporter countries and this is a trend that is likely to continue up to 2020.'

(Participant 2)

4.7 Conclusion

This chapter provided the data analysis, both quantitative and qualitative, from the TCM questionnaire, the scenario statement questionnaire: both an overview of the data and the results of the dataset of each of the six realms and the focus group. In the next chapter, the data collected is combined with related information and knowledge gained from the interviews and the focus group to present a coherent set of stories in each of the six realms (social cohesion; the business community and labour market; education; regional development; government policy; and the external environment) to present at the next stage (focus groups). The findings from the next stage of the research will supplement the findings for each of the realms to provide the final scenarios for Letterkenny.

Chapter 5 Six scenarios for Letterkenny

5.1 Introduction

'Writing the history of the future is much harder than writing the history of the past.'

Kinchella (2009, p. 28)

Based on the research conducted through interviews; a scenario statement questionnaire circulated to a sample of the population of Letterkenny; and a focus group consisting of an expert panel, it is possible to identify several trends, scenarios or expectations that are likely to characterise the future of Letterkenny towards 2020. Although the questionnaire was designed to make the respondents think about life up to 2020 in Letterkenny, some of scenario statements were answered with an instant reaction without thought for the timeline towards 2020. With the respondents not focusing solely on 2020, the expert focus group enabled the researcher to think about what the responses would mean for Letterkenny up to 2020. During the course of the data collection, particularly the scenario statement questionnaire, there was an overarching theme of uncertainty abound by negativity. This uncertainty is described by Kinchella (2009):

'The Irish economy is in free fall, its once-spectacular economic growth dragged down to depression levels by the twin weights of a property crash and an international economy in financial turmoil. Unemployment is once again the national obsession. The prospect of mass emigration has returned for the first time in a generation. Uncertainty abounds.'

Kinchella (2009, p. 24)

The inputs into the scenario statement questionnaire were: the policy review presented in chapter two, which identified eight drivers of change for Letterkenny and examined issues relating to the six realms. The outputs of the findings from the scenario statement questionnaire were presented to the focus group. When deciding on the most appropriate approach to writing up the findings, the following two options were considered by the researcher:

1. write one scenario for Letterkenny, taking into account all six realms; or
2. write an account of each of the six realms separately based on the data collection process, with the main findings of the research presented first.

When deciding on which approach to use, the researcher was guided by the scenario statement questionnaire. The scenario statement questionnaire was completed with each realm treated as one unit for change. Therefore, the decision was taken to write six scenarios as per the six realms used in the data collection process.

5.2 The outlook for Letterkenny

Letterkenny has undergone radical changes in the last number of years making it one of the fastest growing towns in Ireland. The changes Letterkenny witnessed were both physical and non-physical. The impact of these changes reflects the following:

- A growth in population;
- A growth in the number of multi-national corporations present;
- A growth in number of service providers; and
- Changes in the physical layout of the town.

The strategic and geographical location of Letterkenny will ensure it will remain the main centre of Donegal. In the 1970s Letterkenny prospered from an agricultural base in the county. Letterkenny lacked an industrial base: that was until the building of

Unifi. The main period of substantial change though occurred in the 1990s through the *Celtic Tiger* years to 2008. During this time, Letterkenny has almost gone full circle. Prior to the *Celtic Tiger*, Letterkenny had a high unemployment rate, a large proportion of the population were emigrating, and there was an inability to attract suitable investment. At the present time, these issues have returned.

The findings that emerged from the six-stage scenario design indicate that Letterkenny is facing a period of change. There is scepticism about the ability of central government and of national and international policy to ensure Ireland returns to achieving economic growth. Economic growth is required in place of the deficits being witnessed since the collapse of the economy and the banking and building crises. There is an expectation that Letterkenny will evolve to become a much more self sufficient economy. The following six findings from the research are likely to form the basis for Letterkenny towards 2020:

1. The reduced standard of living Ireland is now experiencing will become the norm;
2. Businesses in Letterkenny are going to have to find a niche in the market to excel;
3. HE will become a rite of passage for people in Donegal;
4. Regional development will remain absent from the agenda of central government;
5. The next three to four years will be much similar to now as the government strive to get Ireland back to achieving economic growth levels as opposed to deficits; and

6. National, European and international policies will have a much stronger effect
Letterkenny much more than now.

Based on these findings, a number of questions present themselves:

- What strategies can be put in place to address the growing unemployment rate?
- Can businesses in Letterkenny find a niche in the market to ensure sustainable growth without needing to compete with the larger cities?
- Can LYIT continue to provide a first class education service for an increasing number of students with fewer resources?
- Can Letterkenny develop greater collaboration with NI to harness the status of the linked gateway between Letterkenny and Derry?
- Will national, European and International policies mark the route for the future of Letterkenny or can Letterkenny become a self-sufficient town?
- Will the economy stabilise to allow growth to return prior to 2020?
- Can Letterkenny overcome the high unemployment rate and in doing so slow down the pace of emigration?

5.2.1 Social Cohesion

Society in Letterkenny has undergone radical change in the last number of decades. Letterkenny is now at a threshold of change, as is the rest of the country. Optimism for the short-term outlook is missing among the general population. The key ingredients to ensuring a cohesive society according to UK Department of Communities and Local Government (DoCLG, 2005) are: employment; income; health; education; and housing. Those charged with the development of Letterkenny

have a duty to provide the highest standard of each for the members of society. People in Letterkenny valued the quality of life far beyond the economic considerations. However, with the crisis, economic considerations have become much more important to everyone.

Over the next few years, the population will witness a new way of life: a drop in the standard of living. People will become much more conscious: aware of the effects that lifestyle choices can have. The standard of living of the population during the *Celtic Tiger* years was artificially high. The reduced standard of living that will be present in 2020 will be relevant to now and it will become the norm. The population of Letterkenny will increase in line with the population growth of the country. This will be due to Letterkenny remaining a viable location for societal needs i.e. providing schooling and cultural amenities. Another contributing factor for this increase will be the return of many people who emigrated since the economy contracted. Emigration has always been part of the Irish way of life and it will continue towards 2020. Regardless of the economic climate, people will continue to emigrate but this is something Letterkenny can benefit from this as it has done in the past. Those who have emigrated in the past add value to society on their return through knowledge and life experience and Letterkenny can use these people. Although at present there are larger numbers of people emigrating, the number will drop in the coming years. The proportion of the population emigrating now (mainly graduates seeking employment) will not remain as high as there will be employment opportunities available. It is expected that the percentage of non-nationals living in Ireland will not increase. A vast supply of employment opportunities increased the population of Letterkenny during *Celtic Tiger* years with the influx of large numbers of non-nationals. The

current supply of employment cannot match the demand of the population of Ireland. Therefore, there will not be an opportunity to attract non-nationals. People can also expect a rise in non-standard employment such as: part-time; flexi-time; and self-employment. This change will facilitate greater mobility for people willing to return to education or seeking to upskill or retrain. These changes will also facilitate greater social integration because people will have more time available to get involved in community life.

5.2.2 The Business Community and Labour Market

'Tangible resources (such as money and technology) are necessary but nor sufficient. Intangibles such as human, cultural and social resources, founded on the capabilities and relationships are essential.'

(Bradley, 2009 p. 317)

The business community and labour market to date has undergone substantial change. Letterkenny was once an agricultural town which moved to an industrial base in the 1970s with the building of Unifi. This industrial base was unknown to Letterkenny prior to this. Towards 2020, there is likely to be further change in the type of employment Letterkenny attracts. In the past, new businesses in Letterkenny had to recruit employees from outside the county due to a lack of population, but also due to a lack of an adequate amount of skilled employees, who possess both the academic qualifications along with the required experience. Towards 2020, this will not be the case as Letterkenny will have an abundance of skilled employees trained in a variety of sectors. This will make it more viable for new organisations to set up in Letterkenny.

With regards to working life, there is an expectation that people will need to work beyond their retirement age because the country will not be in a position to fund the pension deficit. In the shorter term this will have a negative impact on Letterkenny as it means there will be fewer job opportunities for graduates. This is supplemented by the governments plan to cut more jobs in the public sector as proposed in the PFG (2011). However, this is a short term measure and once the cuts are achieved, it is expected that then more opportunities will present themselves to the labour market.

Letterkenny will not be in a position to compete with larger cities like Dublin and Cork to attract investment from the FDI companies. Letterkenny will have to drive its niche market and provide what it is that sets the town apart from the larger centres. The research offered three possible niche markets that the economy of Letterkenny will be in a position to gain from and they are:

1. Food;
2. Tourism; and
3. Culture.

The influx of multi-national retailers into Letterkenny has meant the smaller retail outlets have struggled to compete for market share. Smaller retail outlets will be able to compete with larger companies on price. Therefore, they will need to focus on quality, which is evidenced in the growth of local food providers. Although it is believed that there will be a nationwide growth in industries such as I.T, science and engineering, Letterkenny will need to harness what it can do best. Letterkenny will need to re-engineer links with local suppliers and use local resources. This will enable Letterkenny to develop a self-sustaining economy with dynamic characteristics which set it apart and use its internal capacity. The achievement of a sustainable economy

will be enhanced by SMEs. The number of SMEs present in Letterkenny will grow meaning SMEs will have played a key role in bringing new opportunities to Letterkenny and providing employment. SMEs in Letterkenny will drive economic growth. It will become difficult for Letterkenny to attract large scale FDI because larger organisations such as Google and Facebook, who currently have their headquarters in Dublin, are not going to relocate away from there. It will remain difficult to redirect FDI outside of Dublin. Therefore, it will become essential that Letterkenny does not depend on attracting FDI through the growth in SMEs.

5.2.3 Education

'Really successful economies encourage lifelong learning, the notion of education as something which takes place throughout your life'

(Hayes, 2009 p. 220)

This sentiment was evident in the research which indicated that education and in particular HE will be the key to recovery. The research indicates that the biggest change in education will be that HE becomes a rite of passage for the people in Letterkenny and Donegal. By 2020, there will be an increase in the number of people finishing second level education and continuing into third and even fourth level as it is expected a large proportion of the population will have a post graduate qualification. Providing access to HE has been and will continue to be a priority at LYIT. At present, in a campus of over three and a half thousand people, over 70% of these are from Donegal. This ensures students not only gain a third or fourth level education, but facilitate them in becoming integrated members of society. As presented in section 5.1.1 there will be a rise in non-standard employment such as part-time and

flexi-time employment. This will facilitate a larger proportion of the population to return to education. There is an expectation that a number of smaller primary schools will be closed as the government look to cut costs. With this in mind, it is thought that Letterkenny will become the preferred place to enrol children in schooling.

There will be fewer numbers going to NI and Great Britain for HE because previous bursaries and scholarships have been removed. This suggests that there will be more people entering HE education in the ROI suggesting LYIT will have the opportunity to retain the younger generation of the county as there is an ease of access to it and it will be a viable option for the population of the county. The scenario statement questionnaire asked respondents if they thought there would be changes to the grant system. Subsequent to this, Budget (2011) and the PFG (2011) addressed these issues and introduced changes. These changes include the increase in fees and changes in the grants in relation to distance from the HE institute. Although fees will be reintroduced and there are changes in the grant system, this is a short term issue. By 2020, finances will have stabilised. Therefore this will not effect the number of people in a position to enrol in third level education.

The majority of programmes taught at He will encompass modules on entrepreneurship and skills such as preparation for the work-place meaning graduates will be much better prepared for when they enter employment. LYIT has already developed and fostered alliances with local industry in providing work placement schemes for students and it is likely that this is how graduates will enter employment.. Developing alliances with industry will also aid the promotion of life-long learning

that will enable people to up-skill and retrain. The need to up-skill and retrain will see an increase in the number of adult learners in education.

5.2.4 Regional Development

As a result of the economic crisis in Ireland, the issue of regional development has taken a lesser role in the issues of central government. Regional development is not at the centre mission of the government. This is brought on by the notion that the recovery of the country as a whole will mean the regions will benefit from it. This research indicates that Letterkenny possesses the three ingredients that are deemed necessary to be an effective region: it has a hospital; it provides third level education; and it has a viable transport and road network which is improving but which needs to be further improved to fully enhance Letterkenny's status. It is inevitable that Dublin-centric investment will continue meaning that in the short-term smaller regions will be negatively impacted. Because of this, it is important that Letterkenny aims to develop other alliances. The development of cross border relations is something which is of significant importance to Letterkenny, with the designation of Letterkenny as a linked Gateway town with Derry under the NSS (2002). Up until the economic crisis, the level of cross border interaction had increased and cross border relations had matured. Calleary (2009) hinted that the changed atmosphere in terms of political discourse North and South of the border in one of the reasons we can be more optimistic about the future because it provides so much opportunity to each jurisdiction. During the last recession in the 1980s North/South cooperation would not have taken any role. With a larger Sinn Féin presence in Dáil Eireann this means that North/South cooperation will be high on their agenda which means Letterkenny can benefit from any advances made. Cross border competition will always be present when there are

differing currencies in either jurisdiction. This is something that will remain towards 2020 and which Letterkenny can benefit from when there are currency fluctuations. However, there is likely to be much greater collaboration in areas such as health and enterprise, adding to the present education alliances in place. North/South cooperation has a role to play if Letterkenny can harness the potential. Already there are strategic alliances in education and it is anticipated that much more cooperation will take place in relation to issues such as health.

Progress in regional development will depend on how quickly Ireland can stimulate economic growth. Only when the economy is experiencing growth levels in place of deficits can and will regional development become a central issue for the government again. It is inevitable that Dublin-centric investment will still be a central government priority as it is then that large multi-national organisations locate to within Ireland.

5.2.5 Government Policy

There is an expectation that over the next three to four years, the policies of central government will not drastically change as the government look to restore economic competitiveness. However, by 2020 the economy will have stabilised. There is an overwhelming thought that Ireland's economic crisis is a direct result of government policies. There is contempt for the last government that led us to the economic crisis. Many of the challenges presented from the economic crisis require a major overhaul of the present system of politics. To date, this has not happened but there has been an overhaul of the government. A greater level of accountability and efficiency will be expected now from the government in relation to policies.

Local government will not be in a position to deal with the many challenges facing Letterkenny. There is a belief that the challenges that have arisen because of the current economic difficulties are challenges that cannot be dealt with solely by local government. Letterkenny will need to adopt an approach whereby local stakeholders have an input into how the town is managed, much similar to NI where towns have adopted a TCM approach. By doing this, Letterkenny could expect to benefit from: increased town activity; access to new/additional funding and access to new private investment. Letterkenny will need to rely on its stakeholders to drive change and stimulate growth.

5.2.6 The External Environment

Ireland and Letterkenny has benefited from EU membership. O'Sullivan (2009) maintains that the integration in the EU provided the platform for remarkable performance of the Irish economy during the years of the *Celtic Tiger* and the opening up of the Irish economy to a world stage. During the *Celtic Tiger* years, Ireland was an attractive destination for FDI and this attractiveness for FDI stems from EU membership. The future of Ireland now depends on external affairs (national; European; and international). Ireland is now bound by a contract to the EU and the IMF which will make it harder to stimulate growth. International and European agreements will now have a much bigger impact on national policies. Because of this, local affairs will also be affected by international affairs. External factors relating to currency, market instability and guidelines for European central banks will all have an influence on decision making within Ireland. There is a consensus that Ireland has lost its economic sovereignty by becoming a member of the EU and this has been further confirmed by the EU/IMF deal that will see Ireland indebted to it indefinitely. People

believe Ireland also lost its national identity and within Letterkenny the community spirit that helped to build Letterkenny into the thriving economy it was prior to the economic crisis is missing. The coming years will see the population of Letterkenny aim to retrieve this.

Although Ireland is trying to become a knowledge intensive based economy and move away from the historical manufacturing base, Letterkenny will have to continue to develop a manufacturing base because historically, this is what helped to develop Letterkenny. The next three to four years will be extremely important in the re-development of Ireland and Letterkenny. It is within this time frame that factors such as the banking crisis and the economic recession should have ended. Subsequent to this, there is much greater optimism. However, it all depends on how quickly the government move and act on developing appropriate responses to the current issues the country is faced with.

5.3 Conclusion

The scenarios presented in this chapter provide a plausible set of futures for Letterkenny between now and 2020. The futures presented are not predictions and therefore, may not happen. This may be because of a number of issues mainly relating to the current economic climate and the length of time it takes to regain growth in the economy. The uncertainty of the respondents in relation to the future reflects the economic uncertainty of the country. The aim of this research is to stimulate discussion and debate and aid the development of appropriate responses to the current economic climate. Therefore, the dissemination of the results from the scenario statement questionnaire and the six scenarios has focused on improving the

understanding of the drivers of changes, the expectation of the population of what changes may occur and facilitating discussion about the course of change Letterkenny will take towards 2020.

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Chapter 6 Conclusion

6.1 Introduction

Post 1990 Letterkenny transformed into one of the fastest growing towns in Ireland. In the context of this research, the change has been driven by: the European Union Sustainable Development Strategy (2006); The National Spatial Strategy (2002-2020); The National Development Plan (2007-2013); Donegal County Development Plan (2006-2012); Letterkenny and Environs Development Plan (2009-2015); Donegal Retail Strategy (2006-2012); Regional Development Strategy (2025); and the Irish Economy (2008 - present). However since 2007 there has been a period of substantial change due in large to the contraction of the global economy which led to the global financial and economic crisis.

Although this research is a case study of Letterkenny in 2020, it is important to acknowledge that change in Letterkenny is driven by change at a national level. Prior to the economic crisis Ireland was one of the fastest growing economies in the world. It is now characterised by a growing need to invest in sustainable job creation; its financial problems which led to a *bailout* from the EU and IMF; and a growing exporter base.

Letterkenny is now characterised by a large population; a range of social and cultural amenities; its proximity to NI; and a growing unemployment rate. The geographical location of the town and its close proximity to NI means it is a vital magnet for ensuring regional development. Prior to the economic crisis, Letterkenny had responded to the needs and demands of its growing population and once again it is

faced with fulfilling the needs and demands of the population in terms of employment.

Scenario planning is a useful tool because the future is unpredictable. During times of uncertainty it becomes much more difficult to predict future trends. Scenario planning offers an opportunity to give thought to the future. The final scenario for Letterkenny is a plausible scenario of what trends may occur, not a predication. It is accurate at this time from the data collected from the research process. Creating the scenario statements in this research required the researcher to understand the current issues facing Letterkenny and Ireland. This was made possible by identifying and reviewing the drivers of change and by interviewing local stakeholders, whom were able to question their assumptions on how Letterkenny will be in 2020.

6.2 The research questions

In chapter one six research questions were proposed. In this section, the research questions are revisited and a summary of the answers to these questions is provided. The first research question was: *what are the common and social characteristics of large towns in Ireland?* Large towns in Ireland possess a number of similar attributes in terms of: population size; the number of service providers; social and cultural amenities; economic conditions; governance; and stakeholders. Large towns in Ireland are faced with many challenges as a consequence of the global and national economic crisis. These challenges include a growing unemployment rate; high emigration; vacant retailing and housing units; and the need for sustainable job creation. In addition to this, Letterkenny possesses many of the characteristics commonly found in larger cities for example health services, education services, administrative services,

social and cultural amenities. The second research question was: *what strategies are in place for the development of large towns in Ireland?* The policy review in chapter two highlighted the importance of a number of plans in the development of towns in Ireland. Towns in Ireland rely on the development strategies of town and county councils along with national strategies. Large towns in Ireland adopt a development plan, in the case of Letterkenny; it is the Letterkenny and environs development plan. Supplementary to this, the county councils develop and adopt a county development plan. With Letterkenny geographically and strategically located a short distance from NI, the development of NI will also impact on the development of Letterkenny. Large towns in NI are similar to large towns in Ireland in terms of the characteristics mentioned in answering the first research question. Because of this the researcher decided to study the developmental plans of urban areas in NI. Towns in NI have adopted a planning approach, known as TCM. TCM operates with the inclusion of all stakeholders.

The third research question was: *how can scenario techniques be used to aid the design of appropriate development strategies?* Scenario planning has been an established method of planning and forecasting since the 1970s when Royal Dutch Shell first implemented it into their planning. In this research, a six-stage modified scenario development technique was applied to explore possible futures for Letterkenny towards 2020 in a number of scenarios. Scenarios can be used as one of the methods that can manage uncertainties that arise in the future. By providing possible futures and realizing potential future trends, if and when these trends manifest themselves, policy makers are much better positioned to deal with them. The fourth research question was: *what are the areas within which change occurs for*

large towns in Ireland? The policy review from chapter one identified a number of areas within which change has and continues to occur in Ireland. However, with the help of the expert interviews, it was concluded that the following six were the most relevant to this research: social cohesion; the business community and labour market; education; regional development; government policy; and the external environment. It must be noted that another research at another time may identify other relevant and/or additional realms.

The fifth research question was: *what are the possible futures for each of these realms towards 2020?* Each of these realms will witness a change between now and 2020 as a consequence of the economic crisis. People will be witnessing a new way of life, working longer with a lower standard of living. Businesses in Ireland are going to have to find a niche in the market rather than relying on gaining viable FDI to ensure sustainable development. HE will have to continually adapt to meet the needs of a growing number of students. Regional development will remain absent from the agenda of central government until the national economy recovers. The government will be much more accountable to policies. The external environment is going to have a much greater impact on Ireland and therefore on Letterkenny.

The sixth and final research question was: *what are the possible futures for Letterkenny towards 2020?* The scenarios indicate that Letterkenny will evolve in a number of ways. Firstly, people in Letterkenny will witness a drop in their standard of living, a lower standard of living than that of *Celtic Tiger* years will prevail. The diaspora of Letterkenny will become much more cohesive, reigniting the core societal values of the town. Secondly, the economy of Letterkenny will become self-sufficient,

relying on local resources to expand the economy and generate indigenous investment from within. Businesses operating in the district will need to find a niche in the market to ensure sustainable growth. Thirdly, HE will become a rite of passage for the people of Letterkenny. The participation rate in HE in Letterkenny will continue to grow, challenging the education servers to provide a service capable of meeting the demands of those participating in HE. Fourthly, whilst regional development on a national level has lost its significance, Letterkenny is positioned to gain from cross-border regional development with NI. Letterkenny needs to continue to develop its alliance with NI. This is already being witnessed in the HE sectors across both regions. However, this needs to be extended further to the business community, to successfully become a holistic region. Finally, although Letterkenny cannot rely on the national or international economy to ensure growth, it will have to become much more aware of national and international trends as their affect ultimately filters through.

6.3 Implications of the study

Given the significant change in economic and social circumstances, it is worthwhile to explore possible futures for Letterkenny. The research presented offers many insights into possible changes that will occur in Letterkenny between now and 2020. One challenge posed by this research is whether Letterkenny will be more successful by developing from within or from relying on national change and gaining investment from outside its own remit. The research indicates that Letterkenny needs to strive to develop within its own strengths but to also be aware that the external environment is continually changing and to be aware of these changes.

The findings from this research indicate that towards 2020, there will be a need for Letterkenny to develop to ensure that:

- it continues to meet the needs of the members of society who will be living a different way of life to now;
- there will be employment opportunities to meet the demands of the population;
- the economy of Letterkenny strives to become self-sufficient through using its own resources to their best potential;
- LYIT can continue to provide opportunities for a growing number of people who will enter HE;
- cross border development is extended and takes on a much greater role as the Letterkenny/Derry gateway emerges as a significant feature in the future of Letterkenny; and
- there is a greater awareness of the external environment as ultimately these changes impact on Letterkenny.

The research findings presented in chapter four and five identify several possible trends that will characterize Letterkenny between now and 2020. There is a need for a renewal of the policies and plans that were identified as drivers of change. Many of these plans are expensive and at present, not feasible. Although many of the targets and the objectives from the plans are still targets, the path to implementing them has become much more difficult due to the economic crisis. A range of policies and approaches that can help to keep Letterkenny sustainable during times of difficulty and uncertainty is required. It is critically important that the future is planned for by exploiting existing and emerging opportunities to create a vibrant and economically

sustainable community. Those involved in the planning and development of the town should be aware of the types of activities and sectors that may offer the best opportunities for growth within the locality. Sustainable competitive advantage is dependant on the total offering of a town. Maintaining a dynamic town will help to protect the current economic activity as well as ensuring the success of the future economy (Hogg *et al.*, 2004). Decision-makers must develop a clear vision and actively plan to take advantage of new opportunities that manifest themselves into the future. Developing appropriate strategies is important because these strategies help partners and stakeholders define their overall vision and aims and plan the steps that need to be taken.

6.4 Research limitations

In completing this research there were three primary challenges:

First, during times of economic uncertainty, scenario planning becomes a much more difficult task. The art of scenario planning requires the participants to think about the future. Although the participants may want to know what could happen in the future, their responses may be biased because rather than uncovering their expectations for the future, respondent's outlook may be distorted by their preferences for future trends. Participants were informed of the importance of responding with their idea of expectations rather than preferences.

A second challenge is the writing of the final scenario which reflects the information uncovered from the data collection process. In certain instances, respondents answered questions with an immediate response, without giving thought to the time period of the research. In the research, the final focus group was used as a control to

ensure the data collected could be disseminated in a way that represents Letterkenny in 2020.

A third challenge is the distribution of a lengthy online questionnaire. This was judged to be the most appropriate approach in attempting to answer the research questions and reaching the sample population required. However, the use of an online questionnaire may have limited the quality of responses to certain questions, especially open-ended questions.

6.5 Research reflections

This research has the potential to make a much needed contribution to the academic and practitioner development of urban areas in Ireland. The research process was a difficult one because of the uncertainty surrounding the Irish economy due to the global economic crisis. The process demanded the thorough reviewing of development plans and policies not only for Letterkenny, but also for Ireland and Europe in order to develop and design an effective research approach. The scenario planning approach adopted led to the development of a scenario for Letterkenny in 2020.

6.6 Scope for further research

As mentioned in section 6.1, another researcher at another time may identify a different set of realms within which change will occur. Further study could include research into the ways in which the scenario planning process can be adopted in a town, like Letterkenny, by engaging with those involved in its planning and development. This study seeks to inform policy making, but the inclusion of a study

engaging with planners could result in the formulation of a 'best-practice' model for the development of urban areas. This research refers directly to Letterkenny in 2020. However, while creating scenarios for Letterkenny in 2020, it was extremely difficult not to mention Ireland in 2020. This research could be adapted to study and create scenarios for any other urban area in Ireland. Whilst this research has created a scenario for Letterkenny in six realms, another stage of research could entail applying a scenario planning approach to a specific aspect of policy making in Ireland.

6.7 Dissemination

As part of the dissemination of this research, findings have already been disseminated and presented at the 39th Annual Conference of the Regional Science Association British and Irish section (see appendix 8). Further findings will be presented at the 40th Annual Conference of the Regional Science Association British and Irish section (see appendix 9). In addition to this, a paper has been accepted for publication in the Journal of Place Management and Development (see appendix 10).

6.8 Conclusion

'We do not know what will happen in the future, but our ignorance is not total.'

Van der Heijden (2005, p. 93)

The aim of this study is to generate discussion and inform strategic planning in Letterkenny with a view to uncovering what trends will occur in Letterkenny in 2020. To achieve this aim, a scenario planning approach has been adopted with the findings successfully disseminated to formulate a scenario for Letterkenny in 2020.

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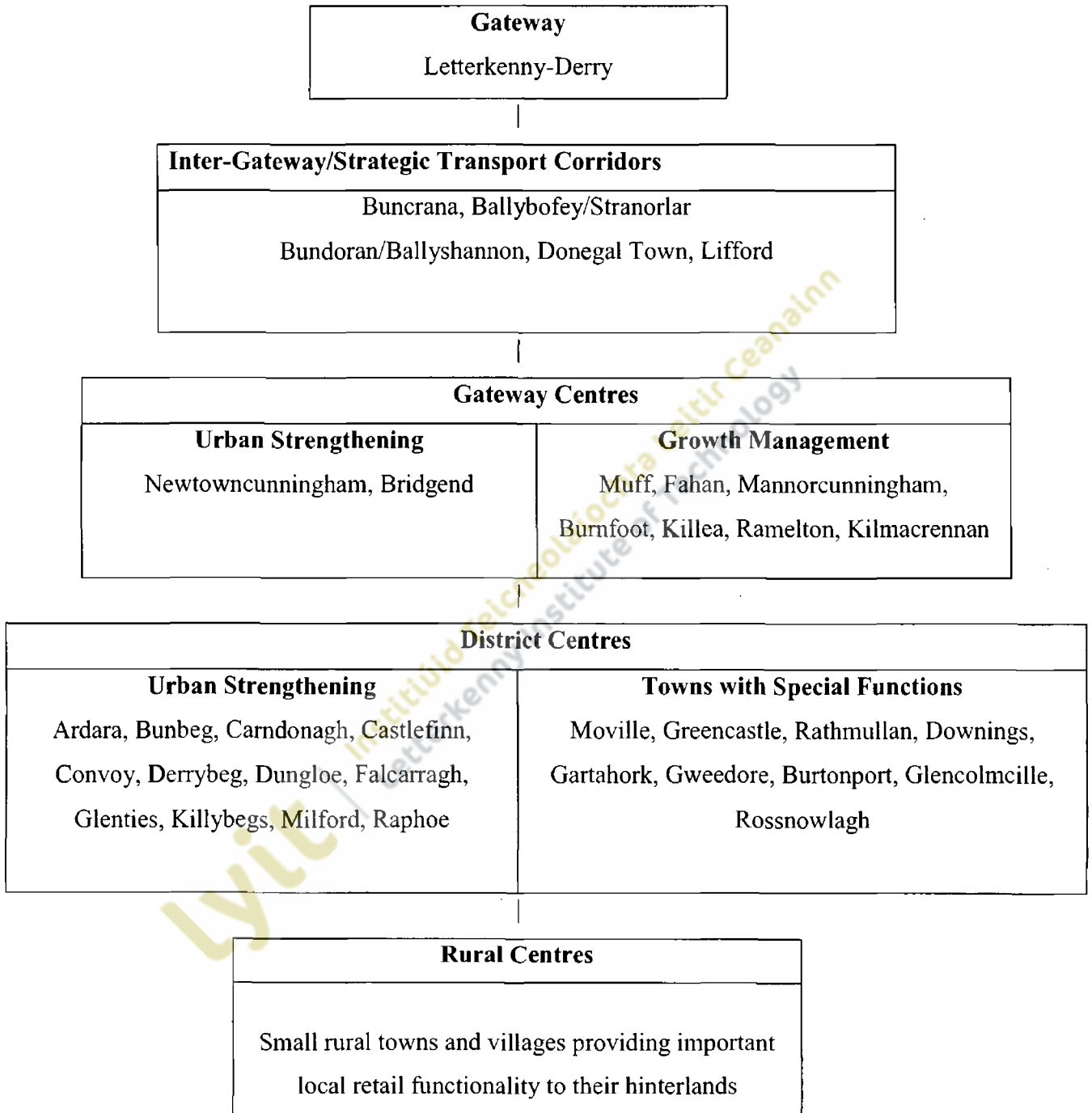
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Appendices

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Appendix 1
Retail hierarchy of Donegal



Source: adapted from DRS (2006 p.42)

Appendix 2

Pilot questionnaire 1

1. Economic Outlook

Ireland will meet the EU objective set out in Lisbon to invest 3% of GDP in Research and Development	1	2	3	4	5
The minimum wage will be decreased	1	2	3	4	5
There will be a significant increase in business start-ups as more entrepreneurs start business ventures to counter-act cuts in public services	1	2	3	4	5
The Irish economy will lead Europe within a decade as it recovers from the recession and outperforms its competitors	1	2	3	4	5
The rising trend of internet shopping will continue to negatively impact on traditional means	1	2	3	4	5
Virtual or "on-line" businesses will flourish, enabling new alliances and more global operations from a small home market	1	2	3	4	5
Independent retailers will be forced out of business as consumers continue to look for a wider choice at a lower cost	1	2	3	4	5
The volume of cross border shopping will continue to increase from the current level of 3.5% of the market	1	2	3	4	5

2. Social Change

Local authorities will take over vacant houses and housing estates for social housing purposes	1	2	3	4	5
There will be an increase in the number of people working from home due to access to fast and reliable broadband	1	2	3	4	5
Communities will become more physically and geographically concentrated with a greater emphasis on self-reliance and the use of local sources of energy, food and leisure	1	2	3	4	5
Donegal will be represented by 5TDs in one constituency rather than 3TDs in the 2 constituencies.	1	2	3	4	5

There will be an increase in community and education facilities for the promotion of the Irish language 1 2 3 4 5

Larger urban areas throughout Ireland will introduce a bicycle scheme to make their town/city more accessible for tourists 1 2 3 4 5

Assets including community centres and parks will be transferred to local people so that the community has an opportunity to generate income 1 2 3 4 5

Peripheral areas around the country will depopulate as people move into larger urban areas for employment opportunities 1 2 3 4 5

3. The Natural and Built Environment

The Atlantic Road corridor linking Letterkenny to Waterford will be completed 1 2 3 4 5

A housing/construction boom will re-occur as the population ages, demanding different types of houses or requiring changes to current dwellings 1 2 3 4 5

The increased use of eco-friendly measures, such as bio-fuels will become a planning condition for new apartment developments 1 2 3 4 5

A railway will link Letterkenny to Derry and/or Sligo 1 2 3 4 5

Petrol/Diesel cars will account for less than 50% of the cars on our roads by 2020 1 2 3 4 5

There will be large scale capital spending to develop flood defences to protect communities and infrastructure 1 2 3 4 5

Ireland will be a centre of excellence for renewable energy by 2020 1 2 3 4 5

Ireland's move to a Green economy will create up to 80000 jobs by 2020; 50000 in renewable energy, 23000 in eco-construction and 1500 in waste management 1 2 3 4 5

4. Public Services and Education

There will be up to 17,300 job cuts in the public service sector. 1 2 3 4 5

The progression rate into third level education will reach 70% by 2020.	1	2	3	4	5
Third level education fees will be re-introduced.	1	2	3	4	5
Public representatives will complete compulsory professional training in economics/management/planning.	1	2	3	4	5
Public services throughout the country will be re-centralized to larger urban areas.	1	2	3	4	5
The majority of graduates from Irish higher education will have postgraduate qualifications.	1	2	3	4	5
Graduates will typically enter the labour market via a placement/internship scheme i.e. the <i>gradlink</i> programme delivered by IBEC and FAS.	1	2	3	4	5
There will be a further 5% cut in the rate of social welfare payments.	1	2	3	4	5

Do you wish to comment on any of the above?

Do you have any scenarios to add, to which you would give a score of 4 or more? If so, please add them below.

Appendix 3

Pilot questionnaire 2

1. Economic and social changes

Ireland will meet the EU objective set out in Lisbon to invest 3% of GDP in Research & Development	1	2	3	4	5
Minimum wages will decrease significantly	1	2	3	4	5
There will be a significant increase in business start-ups in the private sector as more entrepreneurs start business ventures to counter-act more cuts in public services	1	2	3	4	5
The Irish economy will lead Europe within a decade as it recovers from the recession and outperforms its competitors	1	2	3	4	5
The rising trend of internet shopping will continue to negatively impact on the traditional means	1	2	3	4	5
Virtual or "on-line" businesses will flourish, enabling new alliances and more global operations from a small home market	1	2	3	4	5
Independent retailers will be forced out of business as consumers continue to look for a wider choice at a lower cost	1	2	3	4	5
Communities will become more physically and geographically concentrated with a greater emphasis on self-reliance and on using local resources such as energy, food and leisure to best effect	1	2	3	4	5

2. Education

Third level education fees will be reintroduced	1	2	3	4	5
An additional 500,000 individuals currently in the workforce will need to progress by at least one level of education attainment above their current level	1	2	3	4	5
The focus on future employment opportunities will be on life sciences and, Information Technology and R&D	1	2	3	4	5

The number of adult learners in education will increase	1	2	3	4	5
State investment in research will increase significantly	1	2	3	4	5
New developments in technology from increased internet access to teaching techniques will see an increase in the digital learning environment	1	2	3	4	5
The majority of graduates from Irish higher education will have postgraduate qualifications	1	2	3	4	5
Graduates will typically enter the labour markets via a placement/internship scheme i.e. the <i>gradlink</i> programme delivered by IBEC and FAS	1	2	3	4	5

3. Cross border relations

Within the Letterkenny/Derry Gateway, there will be development incentives for businesses from either side of the border to start up in the other district	1	2	3	4	5
The Letterkenny/Derry Gateway will progress jointly in attracting FDI into the gateway by offering tax incentives to those companies wishing to set up business within the Gateway	1	2	3	4	5
The cost of cross border shopping to the Irish exchequer will continue to increase from the current level of 3.5% of the entire retail market	1	2	3	4	5
The peace process will progress slowly towards a more socially, economically and politically integrated island	1	2	3	4	5
There will be an integrated and collaborative approach to planning, north and south of the border between local authorities, community groups and business groups	1	2	3	4	5
Donegal will join part of a Northern Ireland constituency rather than a Rep. of Ireland constituency for European elections due to geographical proximity	1	2	3	4	5
A virtual cross-border technology park will link businesses in Letterkenny to businesses in Northern Ireland	1	2	3	4	5
There will be a growth in joint cross-border healthcare planning	1	2	3	4	5

4. Public Services

Public services throughout the country will be re-centralized	1	2	3	4	5
Job-sharing throughout the public sector will increase	1	2	3	4	5
Public services will become more efficient	1	2	3	4	5
All staff in the public sector will be required to gain a public service academic qualification	1	2	3	4	5
All public representatives will complete compulsory professional training on town planning	1	2	3	4	5
There will be joint focus groups between town and county councils	1	2	3	4	5
Donegal will be represented by 5 TD's in 1 constituency rather than 3 TD's in 2 constituencies as at present	1	2	3	4	5
There will be up to 17,300 job cuts in the public service	1	2	3	4	5

Do you wish to comment on any of the above?

Do you have any scenarios to add, to which you would give a score of 4 or more? If so, please add them below.

Appendix 4

Letter of consent (questionnaire)

SCHOOL OF BUSINESS – RESEARCH CONSENT FORM

I am a researcher at the School of Business in Letterkenny Institute of Technology. The objective of this research project is to answer the question: what does the future hold for Letterkenny? The findings from this research will be used to aid the writing of a dissertation. Your responses from the questionnaire will be anonymised to ensure your privacy. All the data will be kept in electronic form on a password enabled computer. Only my supervisor and I will have access to this data. Upon completion of my dissertation, all data will be destroyed.

If you have no questions and you consent voluntarily to participate in this study please sign below.

Participant

Researcher

Date

Appendix 5

Letter of consent (interviews and focus group)

SCHOOL OF BUSINESS – RESEARCH CONSENT FORM

I am a researcher at the School of Business in Letterkenny Institute of Technology. The objective of this research project is to answer the question: what does the future hold for Letterkenny? The findings from this research will be used to aid the writing of a dissertation. Your responses from participation in the research will be anonymised to ensure your privacy. All the data will be kept in electronic form on a password enabled computer. Only my supervisor and I will have access to this data. Upon completion of my dissertation, all data will be destroyed.

If you have no questions and you consent voluntarily to participate in this study please sign below.

Participant

Researcher

Date

Appendix 6
TCM questionnaire

What is the population of your town? _____

How long has the town been participating in TCM? _____

What were the reasons for developing a town centre management approach?

Who are the partners and stakeholders?

Since the adoption of a TCM scheme, has there been a significant growth in the local economy? Please provide examples.

Has there been a significant change to the physical quality of the town?

What are the three most important improvements that have been made to the town under TCM?

What improvements are planned under TCM?

What are the current challenges your town?

What advice would you offer to a town considering using a TCM approach?

Appendix 7

Scenario statement questionnaire

I am a postgraduate researcher at Letterkenny Institute of Technology. The title of this research project is "*A case study of Letterkenny in 2020: a scenario planning approach.*"

The objective of this questionnaire is to obtain the views of people about the future of Letterkenny towards 2020 in a number of scenarios.

This survey is for academic purposes and the results will be used for writing a dissertation. All responses will be treated in the strictest confidence.

The survey should take no longer than 20 minutes to complete.

GUIDELINES: PLEASE READ BEFORE COMPLETING THIS SURVEY

- ✓ Please give a score of between 1 & 5 to each of the following scenarios. With the scores explained as follows:
 1. **Not a Chance, it will never happen.**
 2. **Possible, but not likely.**
 3. **Uncertain.**
 4. **Likely.**
 5. **Certain.**

- ✓ Additional comments are welcome, as are any additions to the scenarios or alternative scenarios (Space is provided at the end).

- ✓ Please try to complete every question

- ✓ **Please indicate the likelihood of an event happening rather than your preference for that event happening.**

Respondent Profile

1. Age <18 18-24 25-34 35-44 45-54 55-64 65+
(If you are <18 you are not eligible to complete this survey)

2. Gender Male Female

3. Where do you live? _____

4. What is your highest level of education attainment?

- | | | | |
|--|---|---|--|
| <input type="checkbox"/> No formal education | <input type="checkbox"/> Primary education | <input type="checkbox"/> Lower secondary | <input type="checkbox"/> Upper secondary |
| <input type="checkbox"/> Certificate | <input type="checkbox"/> Ordinary bachelor degree | <input type="checkbox"/> Higher bachelor degree | <input type="checkbox"/> Post-graduate diploma or degree |
| <input type="checkbox"/> PhD or higher | | | |

5. Status

- | | | | |
|-----------------------------------|---|----------------------------------|----------------------------------|
| <input type="checkbox"/> Employed | <input type="checkbox"/> Unemployed
(includes: looking for work, unable to work & home duties for the purpose of this study) | <input type="checkbox"/> Student | <input type="checkbox"/> Retired |
|-----------------------------------|---|----------------------------------|----------------------------------|

5.a.1. If Employed, what is your current occupation? (Be specific in your answer)

5.a.2. Employer Type:

- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Private sector organisation | <input type="checkbox"/> Not-for-profit organisation | <input type="checkbox"/> Local authority | <input type="checkbox"/> State government |
| <input type="checkbox"/> Self-employed | <input type="checkbox"/> Family-owned business | <input type="checkbox"/> Education | <input type="checkbox"/> Health services |
| <input type="checkbox"/> Other
(please specify) | | | |
- _____

5.b. If Unemployed, what was your last occupation?

5.c.1. If you are a student, what programme are you studying?

5.c.2. What is the level of you programme?

5.d. If Retired, what was your occupation?

1. Social Cohesion

1. Not a chance, it will never happen

2. Possible, but not likely

3. Uncertain

4. Likely

5. Certain

1. The population of the island of Ireland will reach 5 million by 2020 (current population of 4,239,848)	1	2	3	4	5
2. The percentage of non-nationals living in Ireland will increase from 10% to 20%	1	2	3	4	5
3. Communities will become more physically and geographically concentrated with a greater emphasis on self-reliance and on using local resources such as energy, food and leisure to best effect	1	2	3	4	5
4. Every home in the country will have access to fast, reliable broadband by 2020 (67% have access at present)	1	2	3	4	5
5. Migration resulting from the economic downturn will see the population of Ireland drop by 20% by 2020	1	2	3	4	5
6. Assets, including community centres and parks will be transferred to local people, giving the community the opportunity to generate income from these assets	1	2	3	4	5
7. Ireland's population will grow due to a higher birth rate as opposed to an increase in inward migration	1	2	3	4	5
8. There will be a sufficient supply of employment opportunities to meet the demand of the population	1	2	3	4	5
9. A greater amount of skilled graduates will emigrate because of better working conditions and wages in other countries	1	2	3	4	5
10. There will be a rise in non-standard employment, which includes: part-time work, flexi-time and self-employment	1	2	3	4	5
11. There will be an increase in the number of people working from home	1	2	3	4	5
12. There will be an increase in community and education facilities for the promotion of the Irish language	1	2	3	4	5

2. The Business Community and Labour Market

1. Not a chance, it will never happen

2. Possible, but not likely

3. Uncertain

4. Likely

5. Certain

1. More and more people will begin to work beyond their retirement age	1	2	3	4	5
2. There will be a significant increase in business start-ups in the private sector as more entrepreneurs start business ventures to counter-act public service cuts	1	2	3	4	5
3. Independent retailers will be forced out of business as consumers continue to look for a wider choice at a lower cost	1	2	3	4	5
4. The rising trend of internet shopping will continue to have a negative impact on the traditional means	1	2	3	4	5
5. Restrictions on cars and availability of car parking spaces within towns will have a negative impact on the retail sector	1	2	3	4	5
6. The majority of people will opt to retire at an earlier age	1	2	3	4	5
7. Virtual or on-line businesses will excel enabling more global operations from a small home market	1	2	3	4	5
8. Employees in all job types will require training or education in skills such as interpersonal communication	1	2	3	4	5
9. The female participation rate in the labour market, which is currently 59.6% will continue to grow	1	2	3	4	5
10. The majority of job opportunities for graduates will remain in Dublin (64% at present)	1	2	3	4	5
11. The demand for engineering professionals will continue to grow due to further innovation in the Information Technology (IT), health and pharmaceutical sectors	1	2	3	4	5
12. The labour stock will grow from 1.5 million to 2.4 million by 2020	1	2	3	4	5

3. Education

1. Not a chance, it will never happen

2. Possible, but not likely

3. Uncertain

4. Likely

5. Certain

1. The majority of graduates from higher education will have a postgraduate qualification	1	2	3	4	5
2. Graduates will typically enter the labour market via a placement or internship programme	1	2	3	4	5
3. The number of adult learners in education will increase	1	2	3	4	5
4. Second level completion rate will reach to 90% by 2020 (79% at present)	1	2	3	4	5
5. New developments in technology from increased internet access to teaching techniques will see an increase in the online learning environment	1	2	3	4	5
6. Undergraduate courses will develop modules such as interview skills and CV writing to prepare graduates for the workplace	1	2	3	4	5
7. There will be a growth in the collaboration between academia, industry and the government in developing education and employment opportunities	1	2	3	4	5
8. There will be changes to the current grant system due to increasing numbers in higher education	1	2	3	4	5
9. Higher Education institutions in Ireland will continually work with European Higher Education Institutions, facilitating greater mobility in education within Europe	1	2	3	4	5
10. Ireland's economy will be principally a knowledge based economy	1	2	3	4	5
11. There will be a re-introduction of fees for all undergraduate programmes by 2020	1	2	3	4	5
12. Entrepreneurship will become a dedicated discipline in Higher Education	1	2	3	4	5

4. Regional Development

1. Not a chance, it will never happen

2. Possible, but not likely

3. Uncertain

4. Likely

5. Certain

1. The cost of cross border shopping to the Irish exchequer will continue to increase from the current level of 3.5% of the entire retail market	1	2	3	4	5
2. Within the Letterkenny-Derry Gateway, there will be development incentives for businesses from either side of the border to start up in the other district	1	2	3	4	5
3. The Letterkenny-Derry Gateway will progress jointly in attracting Foreign Direct Investment into the Gateway by offering tax incentives to those companies wishing to set up business within the Gateway	1	2	3	4	5
4. There will be an integrated and collaborative approach to planning, north and south of the border between local authorities, community groups and business groups	1	2	3	4	5
5. There will be a growth in cross border healthcare planning	1	2	3	4	5
6. Major inter-urban road routes and links between Gateway centres and regions will be upgraded	1	2	3	4	5
7. The Atlantic Road Corridor, which will link Letterkenny to Waterford, will be completed on schedule by 2015	1	2	3	4	5
8. The economy of the Greater Dublin Area will continue to grow more rapidly than the economies of other regions	1	2	3	4	5
9. Direct funding from the government towards Regional Development will be increased	1	2	3	4	5
10. There will be regional sharing of the management of public services i.e. health, education and infrastructure	1	2	3	4	5
11. The peace process will progress slowly towards a more integrated island	1	2	3	4	5
12. Third level institutions along with key stakeholders (enterprise agencies, local authorities and businesses) will formulate shared innovation strategies for their roles within the region	1	2	3	4	5

5. Government Policy

1. Not a chance, it will never happen

2. Possible, but not likely

3. Uncertain

4. Likely

5. Certain

1. The minimum wage will be decreased	1	2	3	4	5
2. Public services throughout the country will be re-centralized	1	2	3	4	5
3. There will be up to a 10% cut in the public service workforce	1	2	3	4	5
4. Public bodies will reduce the range of services offered by any one through strategic agreements with others	1	2	3	4	5
5. All public representatives will complete compulsory professional training on town planning	1	2	3	4	5
6. There will be an introduction of a local taxation system which means that large scale profit makers will help fund Small to Medium Sized Enterprises (SME)	1	2	3	4	5
7. Local authorities will take over vacant houses for social housing purposes	1	2	3	4	5
8. The roll-out of virtual (online) customer service in the public sector will lead to substantial cost reductions	1	2	3	4	5
9. There will be a delivery of all-island public services	1	2	3	4	5
10. There will be a further 5% cut in the Social Welfare payments	1	2	3	4	5
11. There will be a cross-over of staffing and services between the public and civil service sectors	1	2	3	4	5
12. Those on the minimum wage will be brought into the tax base	1	2	3	4	5

6. The External Environment

1. Not a chance, it will never happen

2. Possible, but not likely

3. Uncertain

4. Likely

5. Certain

1. Ireland will continue to develop its high tech industrial base, requiring increasing numbers of graduates in Science and Engineering	1	2	3	4	5
2. Small to medium sized industry will develop as the major employer of Higher Education graduates	1	2	3	4	5
3. Ireland will meet the EU objective to invest 3% of GDP in Research and Development	1	2	3	4	5
4. The island of Ireland will become a centre of excellence for renewable energy by 2020	1	2	3	4	5
5. Ireland's move to a "Green Economy" will create up to 80,000 jobs by 2020	1	2	3	4	5
6. The Irish economy will lead Europe within a decade as it recovers from the recession and out-performs its competitors	1	2	3	4	5
7. The focus on future employment opportunities will be on life sciences, Information Technology (IT) and Research & Development (R&D)	1	2	3	4	5
8. The majority of future investment will be indigenous	1	2	3	4	5
9. Future foreign investment into Ireland will be focused on Research and Development	1	2	3	4	5
10. Immigration into Ireland will continue at current levels	1	2	3	4	5
11. The service sector of the economy will continue to grow	1	2	3	4	5
12. The major banks in Europe will collapse, leading to the collapse of the Eurozone	1	2	3	4	5

Do you wish to comment on any of the above or do you have any scenarios to add, to which you would give a score of 4 or more?

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Letterkenny Institute of Technology

Appendix 8

Abstract for 39th Regional Science Association Conference

Town Centre Management: a solution to the current challenges facing urban centres in Ireland

A consequence of the unprecedented growth in the Irish economy between 1998 and 2005 is unsustainable development trends in urban development. As a consequence of the economic downturn urban centres in Ireland are encountering difficulties. These difficulties include, but are not limited to: infrastructure deficits; incomplete housing projects; disenfranchised population groups; and unsustainable retail developments. A strategic approach is now required to enable towns to adapt to the changing economic environment. Town Centre Management (TCM) is a system whereby vitality and viability of towns and regions are fundamental to planning and development. The management of planning and development issues must recognise the importance of the various stakeholders and must comprise stakeholders from both the public and private sectors. Existing literature suggests that the partnership approach that TCM provides can ensure sustainable, strategic development. This study investigates the possible impacts of introducing TCM in Ireland. This paper reviews academic literature and presents the findings of quantitative research conducted to examine the current planning systems in operation in urban areas in Ireland.

Keywords: Town Centre Management, Planning, Sustainable Development, Ireland

Abstract submitted to the *Regional Science Association International: British and Irish Section* 39th Annual Conference, Glasgow, August 25-27, 2010.

Appendix 9

Abstract for the 40th Regional Science Association conference

Post Celtic Tiger: where next? A case study of Letterkenny

This research explores, using scenario techniques, possible futures for large towns in Ireland, specifically the town of Letterkenny towards 2020. The purpose of this study is to generate discussion and inform planning and policy development within the region. The research contributes important data to the debate on long-term goals for the town and advises those in the position of policy makers in this regard. In asking the question: what does the future hold for Letterkenny?, this research facilitates the collection of a broad range of ideas and knowledge which will help policy makers develop appropriate responses to current economic developments. The question is answered by developing a six stage modified scenario design. The scenario includes six sub-scenarios, which include: social cohesion; the business community and labour market; education; regional development; government policy; and the external environment. This study presents the possible futures for each of these sub-scenarios towards 2020. The results of this study will have value for other urban areas who are trying to respond to the challenges of post Celtic Tiger Ireland.

Keywords: *Scenario techniques, Ireland, planning and development.*

Abstract submitted to the *Regional Science Association International British and Irish Section* 40th Annual Conference, Cardiff, September 6th-8th, 2011

Appendix 10

Abstract for article for publication in the Journal of Place

Management and Development

Town Centre Management: a solution to the challenges facing urban centres?

Purpose – The purpose of this paper is to explore the experience of towns which utilize Town Centre Management (TCM) initiatives. The findings which emerge offer insights into how TCM can aid the development of urban centers.

Design/methodology/approach - In this paper we present qualitative research conducted with public servants charged with the delivery of TCM initiatives in Northern Ireland.

Findings – The paper presents multiple perspectives on the purpose, process, benefits and challenges of TCM, specifically the TCM initiative in Northern Ireland.

Practical implications - The paper presents evidence of the success of TCM in each of the participating urban centres.

Originality/value – The paper focuses on research which seeks to enhance the understanding Town Centre Management initiatives. TCM can become a viable alternative to town planning, regeneration and management with the attraction of the right partners.

Keywords Town Centre Management, planning, sustainable development, Ireland

Paper type Research paper

Abstract submitted to the Journal of Place Management and Development, accepted and awaiting publication.