



# IRELAND

---

## National Development Plan 1989-1993

*Submitted to the European Commission on 22 March 1989*

---

Clearly, substantially improved roads and air/sea services can only help companies exporting from Ireland. But, of themselves, they will not create more such companies. There is a danger that the discovery of "peripherality" is going to provide the excuse for an extension of life being granted the passive industrial policies of the past in which the State is the handmaid of the private sector, offering incentives (the new one being first - class transport and communications networks) which - as in the past - primarily foreign companies will come forward to grasp. If this is so, the net will be a surge of jobs in construction but then a settling down to dependence on a foreign-dominated industrial sector whose linkages with the rest of the economy are weak.

It is a pity the Plan did not have as much to say about "late development" as a factor inhibiting our industrial development as it did about 'peripherality'. Then, it might have spelt out the type of industrial structure we need to have with the same conviction that it spells out the future road network.

Spelling out our industrial structure would mean facing squarely our need for more large and medium sized, Irish owned companies engaged in exporting. It would mean accepting that the advantages enjoyed by established competitors in the other European countries make joint action by the State, private sector and trade union movement, in fostering specific companies in targetted industrial sectors, imperative if Ireland is to develop an economy that can grow and adapt on its own.

Just which are the Irish industries whose exports are to be enormously facilitated by improved transportation networks? The Plan is largely silent. With the exception of food processing, no manufacturing industry gets even a paragraph of attention. The Programme for National Recovery had mentioned tool-making, automotive components, mechanical engineering, electronics, clothing, craft products and DIY products - but the new Plan gives no evidence that, since 1987, further progress has been made in identifying measures that would give Irish companies break-throughs in these areas.

Bearing out our suspicion that the industrial policy in the Plan is still too passive was the subsequent press statement by the Minister for Industry and Commerce. He said that 45,000 of the 100,000 jobs expected from industry and internationally - traded services in the Plan are to come from foreign firms. The remainder, he said, are to come from small industry and medium - sized Irish industry. This is statistical confirmation that we are still relying on foreign firms to be the real motor force in our economy. The industrial promotion activities of the Taoiseach in the USA and Japan bear this out. Such reliance has not brought us sustained growth nor an integrated economy to date. It has not produced a healthy economy anywhere in the world. We should ambition - in the interest of jobs - to be more self-reliant and to have a stronger Irish manufacturing sector.

---