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The Conditions Necessary for Gateway Development: The Role of Smaller Gateways in Economic Development

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The Conditions Necessary for Gateway Development & the Role of Smaller Gateways in Economic Development

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The key proposal in the Irish Government's *National Spatial Strategy* (NSS), published in 2002, is that the spatial framework for future planning and development should be organised around a small number of strategically located Gateways and Hub towns with supporting infrastructure in order to promote balanced regional development; and simultaneously contribute to maintaining and enhancing economic competitiveness. This short paper reviews the conditions necessary for Gateway development and explores the role of the smaller Gateways in economic development.

The Role of Gateways in Spatial Planning: international experience

One of the recurring themes in the international academic literature on regional development since the early 1990s concerns the role of cities and city-regions as the engines for national and regional development. Following the demise of growth centre strategies in many countries in the 1970s there was a tendency to neglect the constraints for regional development associated with the inherited legacy of hierarchically structured national urban systems. Throughout the 1990s, more attention was directed to devising new ways of managing urban systems in order to achieve progress in respect of two potentially conflicting objectives, namely: regional competitiveness and territorial cohesion.

The *European Spatial Development Perspective* (ESDP), published in 1999, introduced the concept of polycentric urban development as an alternative to stand alone growth poles; with polycentric development being the keystone for development strategies that simultaneously seek to enhance economic competitiveness and reduce the extent of disparities between regions. There is much debate over the precise meaning of polycentric urban development, and much discussion concerning the theoretical rationale underpinning the concept (see Davoudi, 2003; Davoudi and Wishardt, 2005). It may be helpful to adopt the broad working definition proposed by the ESPON research project on this theme, namely: a polycentric policy is

“a policy addressing the distribution of economic and / or economically relevant functions over the urban system” (ESPON 2005: 11).

A review of the objectives and contents of spatial development strategies for more than twenty countries identifies two main clusters of objectives aimed at: (a) achieving a better balance within national urban systems, and (b) enhancing the competitiveness of more city-regions as a response to the all pervasive influences of globalisation and internationalisation and also to the relative decline in the willingness and capacity of nation states governments to directly intervene against market forces. The issue of balance, which is an inward oriented objective, is usually associated with a need to strengthen the middle tier of the urban system and / or to provide a strong focus for development in predominantly rural areas at risk of depopulation. This is the situation in countries such as Denmark, Finland, Norway, Latvia, Estonia, France, Poland, Portugal, Greece and Italy.

The objective of increasing the international competitiveness of more cities is an outward oriented goal that seeks to establish stronger local/regional – global

interconnections. It is a key objective in almost every country with different forms of expression to reflect the local context. Thus, there are proposals for ‘anchor cities’ and ‘urban axes’ beyond Lisbon and Oporto to strengthen competitiveness throughout Portugal; similarly the twin poles of Larissa-Volos to complement Athens and Thessalonika in Greece; a network of seven ‘national centres’ in Denmark to increase the competitiveness of the regions beyond Copenhagen; ‘duopols’ in Poland; and ‘urban networks’ in parts of the UK, France, Belgium, Germany and Italy (see ESPON, 2005).

It is evident from the review of current practice across European countries that most governments are seeking to use their spatial plans to address both objectives: competitiveness and cohesion. In reality there may be a contradiction between these goals, at least over the short term. This is now recognised in Poland and in other countries of Eastern Europe where enhancing international competitiveness by concentrating supports around the capital city regions is the priority objective over the short term even though it may increase inter-regional disparities. This indeed was the situation in Ireland until the late 1990s until it became apparent during the course of preparing the 2000-2006 *National Development Plan* (NDP) that a spatial strategy was needed to enhance the competitiveness of places beyond the Greater Dublin Area. The resulting *National Spatial Strategy* (NSS) has since informed the current NDP¹, providing a regional focus to national investment decisions (Walsh, 2009).

The selection of Gateways included in the NSS recognises the pre-eminent role of Dublin as the capital city and as the major location for connecting Ireland to the European and global economies. The functional areas focussed on Cork, Limerick and Galway have a broad range of the necessary factors to support dynamic regional development (see below for more details) and they are sufficiently large and diverse to be attractive locations for significant national and international private sector investments in several sectors. Over the longer term if these city-regions coalesce into an urban development axis or corridor they could become a potential urban integration zone of European significance that would enhance the economic competitiveness of the regions beyond the Greater Dublin Area which itself may, of course, become part of a larger Dublin-Belfast axis over the same interval.

The primary role of the remaining Gateways, (Dundalk, Sligo, Letterkenny-(London)Derry, Waterford and Athlone-Tullamore-Mullingar) which are small by European standards, is to facilitate efforts to promote balanced regional development. The NSS, like the strategies in some other countries, correctly seeks to increase local levels of critical mass in respect of key resources by proposing linked Gateways; as for example Athlone-Tullamore-Mullingar in the Midlands and Newry-Dundalk on a cross-border basis, or via linked hubs as proposed in Kerry and Mayo. These proposals are very challenging and will require some fundamental changes in relation to both the ‘hard’ and ‘soft’ factors that are known to significantly influence the level of economic activity in different places. Over the longer term, the Southeast Gateway along with the linked hubs in Kerry and Mayo may become more closely integrated into the Cork to Galway polycentric integration zone. The *Gateway Development Index* (GDI) assessment, commissioned by the Department of Environment, Heritage and Local Government (DoEHLG) in conjunction with the two Regional

¹ Covering the period 2007-2013.

Assemblies², provides a comparative analysis of the performance to date of each of the Gateways. The 2008 GDI indicates, for example, relatively poor performance by the smaller Gateways in particular, across a range of indicators; although Sligo is found to be demonstrating significant progress. The larger Gateways of Dublin, Cork and Galway show strong performance across the range of indicators, reflecting the ‘critical mass’ and economies of scale achieved in these cities (Fitzpatrick Associates et al., 2009). Persistent regional contrasts in settlement patterns and demographic vitality indicators continue to cause particular challenges for the smaller Gateways (see Walsh & Walsh, 2008; Walsh, 2007).

Conditions for development of Gateways

The vital role of city-regions in promoting economic development has encouraged an extensive volume of research on the factors that contribute to place and regional competitiveness. The key factors contributing to regional competitiveness may be classified in terms of six forms of ‘capital’:

- Infrastructure capital
- Productive capital
- Human capital
- Knowledge capital
- Institutional capital
- Cultural capital

(See Parkinson et al., 2004; Regional Studies, 2004).

The importance of place quality is widely recognised in the literature (see Healey, 2004). This implies that the competitiveness or economic development potential of particular city-regions is something more than a narrow assessment of the comparative advantage at the level of individual firms might suggest. Public investment in infrastructure, institutional, cultural knowledge and human capital can boost the capacity of a city or region to achieve a sustainable critical mass. The concept of ‘creative cities’ has drawn particular attention in recent years in both academic and policy circles. It is suggested that workers in the ‘creative class’ of the knowledge economy are increasingly mobile and attracted to individual cities on the basis of a range of soft factors, including a wide range of social, cultural and recreational facilities, and a vibrant indigenous street culture or music scene. It is argued such creative workers are the key source of innovation in the knowledge economy (see Florida 2002a, b). The empirical evidence from Dublin and elsewhere, however, suggests that while such factors may be increasingly important in the retention of workers within a particular city or labour market, hard factors and principally the availability and quality of employment continue to be of greatest significance in attracting workers to particular cities (Murphy and Redmond, 2009).

Conclusion and policy implications

The development of institutional capital is a key factor influencing the capacity of the Irish Gateways to develop a common city-regional identity in an

² Namely, the Border, Midland and Western (BMW) Region and the Southern & Eastern Region.

international context where place marketing is becoming increasingly significant in attracting international investment (productive capital) as well as a highly-skilled knowledge economy workforce. Institutional capacity building thus requires the development of structures of governance (formal or informal) that facilitate coordination and collaboration with public, private and community sector stakeholders at the city-regional scale leading to the development of a shared vision. Given the limited functions and restricted political autonomy of both local government and regional authorities in Ireland, the requirement for coordination in policy and operational terms is all the more evident. The imperative for dedicated governance structures is even stronger in the case of the polycentric Midlands and Letterkenny-(London)Derry Gateways and the Newry-Dundalk Twin City Region.

There is considerable potential, however, for the eight regional authorities established in 1994 to assist in the process of developing institutional capacity and a city-regional perspective that transcends the boundaries of individual local authorities. The regional planning guidelines (RPGs) in providing a link between the *National Spatial Strategy* (NSS) and the County Development Plans of local authorities have the potential to provide a framework for coordination in relation to infrastructure provision and land-use planning and development. Attracting private employment-generating investment to the Gateways will increasingly require local and regional authorities to build on existing relationships between the Industrial Development Agency (IDA) Ireland and Enterprise Ireland through the County and City Enterprise Boards and County/City Development Boards. Recent reports by both Forfás (the national policy advisory body for enterprise and science) and the National Competitiveness Council stress the importance of coordination between spatial planning and transport and ICT infrastructure investments to achieving economic development and competitiveness at a regional level (Forfás, 2009; NCC, 2009). The Forfás report, in particular, argues for the need for a stronger national, regional and local planning framework ‘providing a clear strategic direction for development from national to regional and local levels’ (2009: 122). The 2009 *Planning and Development Bill*, if enacted, will provide for increased strategic capacity in the spatial planning system and facilitate a higher degree of conformance between local authority development plans, regional development and the objectives of the *National Spatial Strategy* (NSS).

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