

**International Centre for Local and Regional Development (ICLRD)**  
**Fifth Annual Conference: Preparing for Economic Recovery: Planning Ireland – North and South, out of Recession**

**Session I Abstracts**

**STRATEGIES TO CREATE THE RIGHT JOBS IN THE RIGHT PLACES**  
**John FitzGerald, The Economic and Social Research Institute**

The Irish economy has undergone a traumatic two years. The fact that much of the pain was self-inflicted through unwise policy choices in the past has not made it any easier to deal with. However, a path to recovery is now becoming clearer. It is probable that the worst of the pain is now over and that from 2011 the economy will begin to recover. A key part of this recovery will be the repricing of the Irish economy as input prices, including the price of labour, adjust downwards. The faster this real depreciation of the currency occurs the more rapid will be the recovery.

Northern Ireland has had a much less traumatic experience over the last two years. The boom had not been as vigorous and, hence, in the bust the economy had less far to fall. However, the very serious problems in the UK economy give serious cause for concern. The UK faces a structural problem in its public finances of a similar order of magnitude to that in Ireland. However, while a very serious adjustment has been made in Ireland to put the public finances on a sustainable path to recovery, the UK has postponed all such action till after the election. Thus the Northern economy faces a number of years of very tough fiscal action in the 2011-15 period, albeit superimposed on a world economic recovery.

The Northern economy is very dependent on the public sector as an engine of economic activity. With dramatic cuts in public expenditure in prospect in the coming years in order to restore the UK economy to a sustainable growth path, this could have a disproportionate effect in Northern Ireland relative to the rest of the UK. However, the weakness of sterling will provide a very important offset for the UK, reducing the inevitable deflationary effect of fiscal action. What will be crucial will be the exploitation by the UK of its current competitive advantage to rebuild its economy. This is particularly important for Northern Ireland. Unless there is an immediate major reorientation of the Northern economy towards an expansion in private sector activity there will be no offset to the inevitable consequences of the coming fiscal deflation.

For Ireland what is now crucial is to reduce the cost base to bring about a recovery in private sector activity. The stimulus to recovery in 2011 can only come from exports, not from domestic demand. For this to happen there needs to be both a recovery in external markets and an improvement in competitiveness. Given the tight fiscal situation this reduction in the cost base can not be supported by government subsidies. It is for the private sector to seek and produce a reduction in its own cost base through tough negotiation with suppliers and through a realistic approach to its labour costs.

For the Northern Ireland economy there remain weaknesses in the availability of skilled labour at a realistic price. This poses challenges for policy in Northern Ireland. There needs to be both educational reform and a repositioning of the economy to attract back skilled labour that has previously left. In the case of the Irish economy attention needs to be paid to the quality as well as the quantity of education.

For the future, especially in the Irish economy, growth will be driven by competitive private sector firms employing highly skilled labour supplying foreign markets for goods and, especially, for services. This has implications for the location of the new jobs. Generally skilled jobs working in services are found in major urban areas. This is for two reasons. Firstly these activities have to be located close to a range of other services, services only available in major urban areas. Secondly skilled labour, like the animals in Noah's ark, tend to come two by two. There must be suitable jobs locally for the spouses and partners of those working in an enterprise providing highly skilled goods or services for exports. It is only in major urban areas

that such a diversity of skilled jobs can be found such that the social needs and expectations of skilled employees can adequately be met.

While there was a significant convergence in living standards between Dublin and the rest of the economy over the last decade the next decade will see rather different trends driven by market forces. Many of the jobs in rural Ireland over the last decade were based on agriculture or, especially, on building. With prospects for building and agriculture being much weaker over the coming decade, the growth in employment will tend to be concentrated in major urban areas.

This changed economic environment needs to be recognised and new policies developed to provide some offset to the likely direction of market forces. However, these policies will not be able to rely on any significant increase in resources from the government. Instead it will be essential that the policies focus on developing sustainable economic activity in successful private sector firms. The best opportunities for such development will be available in the immediate hinterland of vigorous and substantial growth centres. The original spatial strategy, developed a decade ago, needs to be revisited to take account of the new realities.

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## **PROPERTY SUPPLY AND DEMAND IN BALANCE: CHALLENGES FOR LOCAL GOVERNMENT, THE DEVELOPMENT SECTOR AND NAMA**

**Pat McArdle, Economist**

The Celtic Tiger ended around 2000 when the drivers of growth in the ROI economy changed and inward investment and exports were replaced by building, property and borrowing. This produced jobs but little productivity. It was fuelled by low interest rates and funded by banks which supplemented domestic deposits by recourse to what used to be called foreign borrowing but had morphed, with EMU, into unsecured interbank borrowing denominated in euro.

Northern Ireland experienced a similar, even more explosive, increase in property prices. This was also fuelled by bank credit though this was not as obvious as the banks active locally were subsidiaries of UK, Irish and others and credit statistics were not readily available. Higher interest rates eventually put an end to the party but not before substantial damage had been done in both jurisdictions. The global crisis exacerbated the situation as funding dried up, banks failed and confidence suffered.

The response to the crisis differed from country to country but the end results were similar. After some initial failures or near misses, Governments decided that systemic risks were so great that extraordinary measures were called for.

In the UK this took the form of the Asset Protection Scheme (APS); in the Republic the National Asset Management Agency (NAMA). They are similar in many ways but totally different in others. The most obvious difference has to do with transparency. The ROI scheme is being conducted in public with major debate over the amounts, haircuts, methodology, etc. The UK one, by comparison, is almost totally private and opaque.

This will have consequences for the future. Under NAMA, the taxpayer will end up owning vast tracts of property in varying stages of development, right across the Island. This is beginning to generate a debate about the social and other aspects.

There will be major implications for local communities. The UK scheme differs in that it is an insurance scheme which leaves the assets on the banks' books. The workouts of unfinished projects will be similar but will be largely private and done behind closed doors. The NI situation also differs in that the scale of the property overhang is less.

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**Session II Abstracts**

**PARTNERSHIP WITH LOCAL COMMUNITIES: NEW ROLES FOR THE NEW COUNCILS IN NORTHERN IRELAND**

**WESLEY SHANNON, DIRECTOR LOCAL GOVERNMENT POLICY DIVISION, DEPARTMENT OF ENVIRONMENT, NORTHERN IRELAND**

Wesley will outline the role for the new councils in Northern Ireland post 2011 in linking the planning and delivery of public services to the aspirations of local communities. The Executive's vision for local government is one of a strong sector creating communities that are vibrant, healthy, prosperous, safe and sustainable, and which have the needs of all people at their core. He will explore how the new council-led community planning process will provide a framework for councils, government departments, statutory agencies and other sectors to work together to develop and implement a shared vision for promoting the well-being of their area.

Community Planning will improve the connection between regional, local and neighbourhood levels through partnership working and making best use of all available resources. Wesley will indicate that Community Planning will be an outcome focused evolving process that will require those involved to be innovative in their thinking and to look for solutions rather than focus on problems. Effective engagement with communities will also be crucial to the process.

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**SERVICE DELIVERY FOR CITIZENS IN CHALLENGING ECONOMIC CIRCUMSTANCES: NEW ATTITUDES AND APPROACHES IN PROVISION OF SHARED SERVICES**

**HUBERT KEARNS, SLIGO COUNTY MANAGER**

Hubert's paper will provide an illustration of some of the work that has been carried out over the past ten years in the border county of Sligo in terms of implementing a shared services agenda. Over this time, the implementation of a shared services programme has taken place at many levels:

- Between the Sligo Local Authorities – Sligo Borough and County Councils
- Between Sligo and other Local Authorities
- Between Sligo and other State Agencies and Bodies,

Having set the context and outlined the mutual benefits to be gained from a shared services agenda, Hubert will discuss what has worked well across the various spatial scales at which shared services have been applied. Some time will also be spent highlight those initiatives that have been less successful; recognising that important lessons can be learnt from these endeavours also. Other issues that will be considered include: what obstacles existed and had to be overcome? and what was required to facilitate change, which in turn reflected changing local needs, over time?

Finally, Hubert will consider what scope exists for further implementation of shared services within Sligo?

across the Local Government system? And across Government as a whole? The paper will conclude with an overview of lessons learned and recommendations for going forward.

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## **EFFICIENCIES IN SERVICE PROVISION THROUGH SPATIAL PLANNING: THE ROLE OF INFORMATION IN BUILDING INTER-JURISDICTIONAL COOPERATION**

**CHARLOTTE KAHN, SENIOR DIRECTOR OF THE BOSTON FOUNDATION'S INDICATOR PROJECT**

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**HOLLY ST. CLAIR, DATA SERVICES DIRECTOR, METROPOLITAN AREA PLANNING COUNCIL (BOSTON)**

Charlotte Kahn is the Director of the award-winning Boston Indicators Project at the Boston Foundation, Greater Boston's community foundation and one of the largest and oldest community foundations in the United States. The Boston Indicators Project tracks change and progress with a focus on Boston in a regional context across ten sectors: Civic Vitality; Cultural Life and the Arts; Economy; Education; Environment; Health; Housing; Public Safety; Technology; and Transportation. Ms. Kahn will present the evolution of the project and its efforts to encourage a more regional approach to challenges and opportunities in the increasingly complex 21st century. She will discuss the value of using data to inform and drive a shared civic agenda as well as recent collaborative work with the Metropolitan Area Planning Council and others to create an open source platform for shared data visualisation and analysis.

Holly St. Clair is the Director of Data Services for the Metropolitan Area Planning Council (MAPC), a quasi-public organisation responsible for planning a region encompassing 101 cities and towns, including Boston, and about 3 million people in Eastern Massachusetts. Historically, it has been difficult to convince these cities and towns, whose boundaries have been in place for almost 400 years, to enter into regional approaches to planning and service provision. She will present recent initiatives, namely:

- a master plan, MetroFuture, that sets regional goals for the year 2030 in five major domains;
- the Metro Mayors Coalition, a collaboration among the elected leaders of cities and towns closest to Boston; and
- a recent effort to increase the number and effectiveness of shared services across municipalities.

In presenting these initiatives, Ms. St. Clair will emphasise the role of data and data visualisation, and present open source tools being developed in collaboration with the Boston Indicators Project and teams from across the United States in partnership with the University of Massachusetts-Lowell.

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**Session III Abstracts**

**SPATIAL AND ENTERPRISE STRATEGIES – THE KEY LINKAGES**

**CÉLINE MCHUGH, SENIOR POLICY ADVISOR, FORFÁS**

This presentation draws heavily on a recently completed study by Forfás on 'Regional Competitiveness

Agendas' which has had the objective of ensuring that each region, from an enterprise perspective, is enabled to develop its competitive environment and realise its potential, by building on its strengths and assets and addressing barriers to development.

Using a framework of competitiveness factors, a review of each of the NUTS III regions was undertaken by Forfás which highlighted assets and opportunity areas for enterprise development. A key output of the project has been the generation of a suite of Regional Competitiveness Agendas (RCAs) which provide a platform for collaborative action within the regions. The RCAs have been used to inform Regional Economic Strategies as part of the review of Regional Planning Guidelines by the Regional Authorities (due for completion early in 2010).

The study has underlined the strong interdependence between enterprise development and the planning, development and creation of an attractive environment. The analysis also demonstrated that the regions differ in terms of potential, stage of development and nature of sectors. The study has highlighted many instances where regions have within themselves initiated collaborative responses to specific challenges and opportunities, which, through their innovativeness and demonstrative impact, have the potential to inform regional policy development generally.

The extensive consultation involved in the study has gone some way to defining the issues and stimulating debate. Building competitive regions will require on-going commitment across a range of government departments and bodies, and strong proactive partnerships between the enterprise development 'community' (including education, skills and research providers and the enterprise support agencies) and those responsible for planning and implementing land-use strategies, the built environment and infrastructures.

(Forfás is Ireland's national policy advisory body for enterprise and science. Its mission is to contribute to the future success of Ireland's economy as an agency of the Department of Enterprise, Trade and Employment, by providing ambitious, coherent and widely understood enterprise and science policy advice that supports growth.)

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## **THE ROLE OF INFRASTRUCTURE IN ECONOMIC RECOVERY MARTIN SPOLLEN, STRATEGIC ADVISOR, STRATEGIC INVESTMENT BOARD**

Martin will explore the role of Northern Ireland's infrastructure investment programme in supporting the regional economy during the economic downturn - and in particular its importance to the construction sector. During 2009, a year of record investment by the NI Executive, the public works programme is estimated to have supported around 30,000 jobs directly - with a significant multiplier effect - and accounted for around 40% of construction output.

He will then turn to the role of modern infrastructure as a platform for economic recovery and future growth in an increasingly globalised world - and the essential links to social transformation. Physical connectivity, electronic connectivity, area regeneration, health and skills, energy, and environmental protection are all areas where business and government interests align to enhance relative economic competitiveness and provide equality of opportunity for all to contribute to future success and prosperity. There is also an opportunity now to ensure that future infrastructure is designed and delivered in more optimal ways - and Martin will end by sharing examples of better spatial planning of public services, joined-up provision and place-making - and the need to ensure we design for a low carbon future.

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## **STIMULATING SOCIAL AND ECONOMIC REGENERATION AT THE LOCAL LEVEL**

**BRIAN MURRAY, CHIEF EXECUTIVE, THE WORKSPACE GROUP**

This presentation will focus on the impact the Social Economy can have on social and economic regeneration at a local level, from a practitioners experience and point of view. The presentation will also look at what the key success factors are for this type of approach.

Brian Murray is Chief Executive of The Workspace Group, a social enterprise with charitable status based in South Derry. The organisation celebrates twenty five years of activity this year, has a turnover of c £6 m, employ's over 100 permanent staff and makes a significant impact on the local area. Its activities include enterprise development, commercial property, employability programmes, a recreation centre, energy efficient lighting, physical improvement of the area, home insulation and an after school club, as well as providing small grants from its own surpluses for local community benefit.

Among the key success factors for local social and economic regeneration to work is: the ability to balance a very commercial approach alongside a very strong community commitment; an entrepreneurial approach which takes risks, is innovative and recognises that progress and growth are fundamental to a healthy organisation; recognition that the key ingredients to success are people at all levels.

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**Session IV Abstracts**

## **SPATIAL PLANNING ON THE ISLAND OF IRELAND: THE CO-OPERATION PRIORITIES**

**MG LLOYD, BUILT ENVIRONMENT RESEARCH INSTITUTE, UNIVERSITY OF ULSTER**

This paper will consider the current social construction of spatial planning in terms of its spirit and purpose. The relationship between spatial planning and land use planning will be explored and questions asked about the extent to which spatial planning represents a new form of strategic planning. Two imperatives will be sketched out: the negative impulses associated with the critiques of statutory land use planning and a concern with efficiency and effectiveness in public administration and policy implementation; and the positive drivers for change relating to the EU priorities of securing effective economic, institutional, territorial and social cohesion.

In practice, spatial planning is highly variegated. The approaches evolving in Northern Ireland and in the Republic of Ireland are exemplars of the different constructions and institutional capacities involved. Context is all important, however, as evidenced by the economic recession, environmental extremism and vulnerability, energy and food securities, and the infrastructure deficit. The paper will draw on experience elsewhere where new strategic, institutional, temporal and territorial models of spatial planning have been put into effect. In the context of established practice and experience in the island of Ireland the paper will propose some co-operation priorities based on integrated working to secure economic, social and community, environmental and institutional innovation for the public interest in the island of Ireland.

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## **NORTHERN IRELAND – MAXIMISING OPPORTUNITIES IN THE TRANSATLANTIC CORRIDOR**

### **DECLAN KELLY, US ECONOMIC ENVOY TO NORTHERN IRELAND**

Envoy Kelly will discuss Northern Ireland in the context of the current global business climate. He will then focus on the importance of the Transatlantic Business Corridor in terms of collaboration, commitments, and links as they relate to the creation of strong, vibrant, innovative economies. His emphasis will be on entrepreneurship and promoting local/regional micro economies. Envoy Kelly will particularly focus on emerging industry clusters and the relevance of indigenous development for long-term prosperity and successful sustainable development in today's fast-paced business environment.

Envoy Kelly will share examples of Northern Ireland entrepreneurial companies involved in innovative, collaborative projects. Envoy Kelly will also highlight the current business climate and growth sectors in Northern Ireland and how they relate to maximizing business opportunities.

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