

REFLECTION: FIFTY YEARS OF NATIONAL AND REGIONAL PLANNING IN IRELAND



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The relationship between physical and economic planning for national and regional development in Ireland over the past fifty years is briefly reviewed in this paper. Commencing with a résumé of some contextual key indicators of the scale and complexity of the transition that has occurred in Ireland since the late 1950s, this paper identifies the main features of four distinctive phases in planning before concluding with a synthesis of lessons to be learned and some suggestions on how to improve planning in the future.

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Taking a long-term perspective on the Republic of Ireland (heretofore referred to as 'Ireland') over the past fifty years, it is appropriate at the outset to note the following contextual changes:

- A transition has occurred from being a very poor and underdeveloped country to one of the richest in Europe. The Gross Domestic Product (GDP) per capita in 2013 was the fourth highest in the EU18 and Gross National Product (GNP) per capita was greater than the EU18 average. Linked to this adjustment, there has been a transition from a very closed economy to one that is the most open and globally connected. This has been accompanied by strategic repositioning away from a strong dependence on London to variable locations on a Boston, Brussels and Berlin axis as Ireland became more integrated into the European Union (EU) and global economies. In this context, Ireland received many benefits, especially through the Structural Funds and the Common Agricultural Policy (CAP), that contributed significantly to national and regional development. But EU participation has also brought constraints on the range of policy options and instruments that could be used.
- For a significant part of the period under review the civil strife and dysfunctional political context in Northern Ireland impacted severely on the economies of both parts of the island of Ireland and especially on the Border region.
- The period since the early 2000s was first marked by a transition to an unsustainable model of economic development characterised by an economic bubble based on speculative property development and massively increased levels of public and private debt. This was followed since 2008 with the most severe economic collapse experienced in the history of the State which has, in turn, led to a prolonged phase of austerity measures designed to correct the imbalances in the public finances and to restore confidence in the capacity of the government and others to effectively manage the future development of the national economy.
- Over the period since the early 1960s, Ireland has progressed from being devoid of a systematic legal framework to support physical planning to the current situation where there is a highly integrated and comprehensive planning model that is internationally respected. There have of course been significant challenges in implementation which have resulted in outcomes

that are not sustainable, particularly in the area of residential planning.

- At this stage, a little more than fifty years after the commencement of planning as a formal process, the population total is 1.7 million (63% greater than in 1961) greater than in 1961, the share of the population residing in aggregate rural areas has declined from 54% to 38%, and the extent of inter-county disparities in per capita incomes is much reduced. The indications are that Ireland will have the fastest growing economy in the EU in 2014 and 2015, despite a catastrophic economic failure in 2008, and Ireland achieved higher scores than the UK, Germany, France and Spain on OECD *Better Life Index* 2013.

As the country is poised for the next phase of development it is timely to take account of the experience in relation to planning since the early 1960s and to identify how planning for the future might be improved. Four phases in planning for national and regional development are considered.

1. 1960s: Modernisation

The modernisation era began in Ireland in the 1950s. The highly innovative work of a small number of public servants led by T. K. Whittaker was an extremely important catalyst. In his seminal paper on Economic Development Whittaker defined and espoused planning as *“the approach of reason and order as opposed to drift and unrest”*. The Whittaker paradigm laid the basis for the earliest National Economic Plans in the 1960s. Whilst highly innovative these plans had little direct focus on regional aspects of development, other than via sectoral strategies.

The introduction of formal economic planning was complemented by the initiation of a framework to support physical planning. The *Local Government Planning and Development Act 1963*, which came into effect on 1st October 1964, was a major initiative in which planning was viewed as a dynamic process with a close and complementary relationship between physical and economic planning. Shortly

afterwards, Economic Development Committees were set up in each county, and local authorities were required to prepare County Development Plans. A national agency to support physical planning, An Foras Forbartha – the National Institute for Physical Planning, was established in 1964. But the aspirations for a joined-up approach to planning were quickly dissipated as weak coordination and integration became the reality in a context of weak local government and a political and administrative vacuum at regional levels. Physical planning quickly became associated with a regulatory approach to planning and less emphasis on planning for economic development.



TK Whittaker

Throughout the 1960s there was an increasing concern in many countries about the phenomenon of uneven regional development. The conceptual basis of the early expressions of concern frequently presented the issue as one of providing subsidies to weaker regions to overcome higher business costs, but the provision of subsidies risked weakening the efficiency of the national economy. At this stage the debates on uneven development or regional inequalities tended to focus on measures of regional incomes and less on identifying the contribution of productivity differentials to regional performance. The main policy initiative took the form of spatially concentrated interventions in the form of targeted investments in growth centres. As this model gained momentum in many countries, a major report recommending growth centres and investment in upgrading the inter-urban transport infrastructure was prepared by Buchanan and Partners in 1968.

The *Buchanan Report* along with separate coterminous initiatives in relation to the organisation

of the health and higher education systems presented some radical proposals to underpin a new strategy for regional development. However, while in tune with the prevailing international theoretical perspectives and practice, the growth centre proposals were strongly contested and ultimately defeated by a combination of a strong rural backlash to what was regarded as a top-down technocratic approach to planning, and also by weak political leadership unable to accept and promote a radical departure from the prevailing orthodoxy of Ireland as a predominantly rural country. The formal abandonment of the growth centre approach was encapsulated in government statements in 1969 and 1972 that were reiterated in 1975 in one of the first reports of the recently established National Economic and Social Council (NESC).

2. 1970s – late 1980s: New Directions

Ironically in the 1970s, despite the abandonment of the long-term strategic option of balanced regional development based on growth centres, there were significant changes in the 1970s that contributed to a reduction in the disparities in performance across regions. A key factor was the incorporation of Ireland, through an industrial policy heavily dependent on inward investment, into the Fordist phase of international capital accumulation. The pursuit of internationally mobile manufacturing plants became the main driver of a newly articulated regional development strategy. The Industrial Development Authority (IDA) developed a sophisticated and highly successful approach to attracting footloose new investments into Ireland and to dispersing them between and within regions, with the exception of Dublin which was considered to be not in need of special assistance. Simultaneously, there was a short boom period for agriculture associated with the transition to higher prices associated with the CAP of the European Economic Community (EEC) which Ireland had joined in January 1973. The combination of the industrial policy and the more favourable context for farming contributed to a major turn-around in rural Ireland. Out-migration was replaced by substantial net in-migration that included many return migrants, while at the same time regional

differentials in per capita incomes narrowed.

The progress on regional development via sectoral initiatives was complemented by slower progress in the area of physical planning and its integration with economic planning. The physical planning framework was still at an early stage. The first round of county development plans had been completed and adopted and were already being revised. A Regional Development Organisation had been established in 1969 in each region but with very limited functions and scarcely any resources. Some had already prepared regional strategies which tended to be heavily focused on infrastructure planning.

However, the model of the 1970s had inherent weaknesses that quickly became evident following the onset of a global economic recession in the late 1970s. The industrialisation model was severely criticised in a major review by the Telesis international consultancy group which over time resulted in a move away from the dispersal strategy applied to inward investment. The Dublin region endured extensive deindustrialisation leading to high unemployment and out-migration, and in rural areas the implementation of the CAP was leading to increased differentials between the more intensive farming in the south and east compared to the more traditional farming with lower productivity levels in other regions. The combined effect of these adjustments in a context of a weak national economy, exacerbated by the Troubles in Northern Ireland, was deterioration in the position of all regions, especially the Dublin region, which contributed to a downward convergence in key regional indicators.

Following the slow onset of national economic recovery at the end of the 1980s a new geography of development began to emerge. Key drivers of the new model were (a) a refocusing of inward investment in manufacturing towards targeted sectors (especially the ICT and pharmaceutical sectors) which were increasingly attracted to the larger urban centres, (b) a deliberate policy to establish Dublin as a significant node in the

international financial services sector, and (c) new directions in EU support for regional development following the reform of the Structural Funds in 1988. The revised industrial strategy was particularly successful in attracting several blue chip international corporations, mainly to Dublin and Cork with lesser concentrations in Galway and Limerick. The financial services sector expanded rapidly in Dublin and supported the development of many ancillary services. However, the relationship between financial services and property markets and their potential impact on national and regional economies was poorly understood and underestimated.

The influence of the EU on planning for national and regional development was considerable. From 1989 a series of multi-annual National Development Plans (NDPs) were prepared in order to access the Structural Funds. Regional development began to be viewed as primarily about Ireland as a single region pursuing a strategy to achieve convergence towards the EU average on key economic indicators with little regard for physical planning implications. The matter of uneven regional development in Ireland became a lesser concern. This was evidenced by the government's abolition of An Foras Forbartha and of the Regional Development Organisations in 1987, and a regional input to the first National Development Plan that was extremely weak and unworkable through a new set of regions with boundaries that made no sense.

3. Early 1990s – 2008: Unsustainable National and Regional Development

Despite this unpromising start to engagement with the new EU procedures there was much progress in the later National Development Plans (NDPs). The EU objectives brought to the fore the need to find ways of simultaneously addressing economic competitiveness, environmental sustainability, social and territorial cohesion, and the Lisbon Strategy to support the development of a globally competitive European economy. Regional Authorities were established to assist with implementation of the national plans, and they were later assigned responsibility for the preparation of regional

planning guidelines. Two Regional Assemblies were established to oversee the implementation of regional Operational Programmes that were intended to be tailored to the specific needs of each region and also to complement other initiatives funded under the NDPs.

The articulation of more comprehensive and also more coherent national plans was accompanied by significant advances in physical and environmental planning. The Environmental Protection Agency was established by law in 1992. The first National Strategy for Sustainable Development was published in 1997 and followed by the *Planning and Development Act 2000* which was the first comprehensive update of planning legislation since the 1963 Act. The 2000 Act established sustainable development as a key principle, introduced the requirement for Environmental Impact Assessments, and provided a framework for the adoption of Regional Planning Guidelines by each Regional Authority. Other important changes in the late 1990s were (a) the conclusion of the Belfast/Good Friday Agreement which opened the way for greater cooperation in strategic spatial planning between the Republic and Northern Ireland, and (b) the publication of the first national strategy for rural development.

Notwithstanding the changes noted above a significant focus of innovation in sub-national planning and development was at the local rather than at the regional level. The implementation of a new model of local development involving strong local partnerships attracted considerable favourable international attention but it deflected attention away from the more strategic issues that need to be addressed at the regional level. The case for a national spatial strategy to directly support a new approach to regional development, and to provide a coherent framework for the hierarchy of local and regional plans was advocated by the Economic and Social Research Institute (ESRI), NESC and others such as the Regional Studies Association from the mid-1990s.

The resulting *National Spatial Strategy* (NSS), published in 2002, introduced a functional spatial perspective with a strong emphasis on rural-urban linkages and the potential of each region which was articulated through proposals for regional gateways and hubs. As many aspects of the NSS were examined in a special issue of *Administration* in 2013 it is not assessed in depth here. It is sufficient to conclude that the eventual publication of the NSS and the articulation of many of the concepts that it contained were a major achievement. It is unfortunate that it had not been commissioned and published earlier. The effectiveness of the NSS was, unfortunately, seriously undermined at an early stage by:

- Weak and inconsistent political commitment which resulted in the absence of a legal framework to support implementation;
- The launch of an ill-conceived decentralisation programme for the public sector; and
- An abrupt termination of the Gateways Innovation Fund that had been established to incentivise local authorities to promote the gateways.

The NSS was also criticised by some for not providing sufficient attention to the areas beyond the Gateways.

Despite the challenges that arose in the implementation of the NSS, the Department of the Environment and Local Government continued to strengthen the legislative framework for physical and environmental planning. In 2006 a planning framework was put in place for complex strategic infrastructure projects of national importance. This was followed in 2010 by a major consolidation and strengthening of all planning legislation via the *Planning and Development (Amendment) Act 2010* which provided statutory support for the NSS, and introduced the Core Strategies as an essential component of all county development plans - thus facilitating the multi-scalar integration of a nested hierarchy of plans spanning local, regional and national levels. Unfortunately, much of the progress in this area was eclipsed by developer-led property

investments supported by political decisions regarding investment incentives, and inadequate resourcing of professional planning in the public sector.

4. Post-2008

A new era in national planning commenced in late 2008 that has been characterised by a prioritisation of fiscal policy, debt management strategies and a wide range of austerity measures impacting on public expenditure. This reorientation of public policy has been accompanied by a concentration of control into the Departments of Finance and Public Expenditure and Reform and a new relationship with the international funding agencies that replaced the partnership model expressed through the former Community Support Frameworks. In this context, the objective of balanced regional development in Ireland has been eclipsed. At the same time there has been some weakening of the dynamic in the Northern Ireland peace process with impacts especially in the Border region. Net emigration has resumed particularly from the weaker regions, unemployment has increased and new employment is becoming more geographically concentrated. The gap in regional GVA measures has widened but there has been relatively little change in the regional per capita income differentials.

5. Implications and Conclusions

A number of recurring themes emerge from this brief overview of experience since the early 1960s. These include a disconnect between spatial planning and regional development goals for most of the last fifty years during which there was frequent contestation of fundamental principles. There was on-going ambiguity about the objectives of regional planning and regional development: disparities in well-being measured by per capita disposable incomes continued to be confused with disparities rooted in sectoral productivity differentials that are manifested in measures of differences in regional per capita gross value added. The functional inter-dependence of regions and the role of inter-regional income transfers in the reduction of inter-county disparities in household incomes is not as widely appreciated

as it might be. There has been much scale-based confusion between local and regional development.

The prioritisation of resource allocations between sectors was often driven by the EU through Community Support Frameworks for the NDPs which resulted in too much focus on draw-down of EU funds instead of on the rate of return or the benefits for the economy and society. Strategies for rural development tended to be largely equated with agriculture and forestry with limited direct support for those communities beyond the farm gates and outside the boundaries of the principal gateways. Attempts to strengthen spatial planning at all levels have been frustrated by weak legislative frameworks, lack of consistency in the implementation of government policies, and inadequate resourcing of the professional capacity to evaluate and monitor decisions on planning applications.

There are already early signals of economic recovery, but there is also a high risk of multi-speed adjustments with strong contrasts between cities and other areas. The approach to national planning as expressed through the *Medium Term Economic Strategy 2014-2020* and the *Construction Strategy 2020* lack the comprehensiveness of the former NDPS and the objective of balanced regional development is no longer included as a strategic goal. The linkage between these strategies and the new Ireland-EU relationship mediated through the annual European Semester process and the related National Reform Programmes (NRP) is inadequate as the NRP remains spatially blind.

However, as part of the government's strategy for reform of local government, *Putting People First*, three new Regional Assemblies have been established and assigned responsibility to prepare Regional Spatial and Economic Strategies, that are intended to provide a bridge between the NSS (and from 2016 onwards, the new national planning framework) and Local Economic and Community Plans. This initiative provides a significant opportunity to address the scalar issues noted already. However, there remains a reality of a local government system with a political structure

that is struggling and in much need of support to enhance the capacity of many members to engage with strategic planning matters. The report of the Commission for the Economic Development of Rural Areas (or CEDRA), published in 2014, provides a suite of recommendations to promote rural economic development. Unfortunately, the assignment of political and administrative responsibility for the implementation of the CEDRA recommendations has been misguided and serves only to reinforce the tendency to equate rural with agriculture.

In conclusion, from this brief overview it is evident that over the past fifty years much was achieved, mostly via gradual incremental changes, but there were also some major mistakes. It is necessary to overcome the weaknesses that have tended to recur, to accept the validity of a plurality of approaches to planning, and to reassess how best to adapt to the changed roles of the EU in relation to planning in different spheres of activity. Ireland is now at a critical point at the start of the next phase of economic development which must be accompanied by a firm commitment and support for the implementation of a strengthened national economic and physical planning framework that will include a revised version of the *National Spatial Strategy*. There is an urgent need for a clearly articulated vision and strategy for effective planning over the next twenty years that will be supported by better management and governance frameworks at all spatial scales. There is also a need for sustained investment in capacity building via professional training. Despite the challenges, there is an opportunity for Ireland to become an international leader in the design and implementation of a new paradigm for smart, sustainable and inclusive planning and development at national, regional and local levels.

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