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Regional governance and regional development: Implications of the Action Programme for Effective Local Government

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Editor's introduction

Balanced regional and local development are ongoing challenges for the Irish public service. In 2013 we published a special issue guest-edited by Chris van Egeraat (Maynooth University) and Seán O'Riordáin on the theme of 'Putting People First: International and National Perspectives on Effective Regional Governance'. A decade on, much of the analysis in the papers in the special issue is still relevant. In order to highlight the relevance of the research, we made the decision to republish and make available on an open-access basis one of the papers from that special issue.

Abstract

Since the 1980s, regional development policy in advanced economies has emphasised the promotion of endogenous development potentials within regions, with local/regional government playing a leading role in the creation of effective governance structures for mobilising these potentials. A key feature of this approach is the adoption of the city-region as the organising unit for pursuing local/regional development. Ireland has not followed this lead, continuing to rely on external investment as the main engine of economic growth and failing to devolve highly centralised functions which could give local/regional government a more effective developmental role. This article argues that the 2012 *Action Programme for Effective Local Government* proposes a regional structure which is meaningless in terms of city-region development and fails to address the governance weaknesses which inhibit

development at the regional and local levels. The action programme therefore ignores international best practice regarding how effective regional development should be pursued.

Keywords: Endogenous development, governance structures, city-region, Action Programme for Effective Local Government

Introduction: Early regional development policy

The idea that national governments should address problems arising from spatial imbalances in levels of economic development first took hold in certain advanced economies in the 1930s, and subsequently became a general feature of the interventionist welfare states which emerged throughout the Western world in the decades after the Second World War (Clout, 1980). The regional development policies that grew from this typically focused on two main types of problem region (Brown & Burrows, 1977):

i. once-prosperous industrial regions whose economic bases had experienced severe contraction, due to factors such as the exhaustion of the local natural resource base, technological change and the emergence of more effective competitor regions elsewhere;
ii. peripheral rural regions which had never experienced industrialisation.

There was a remarkable uniformity across national jurisdictions in the types of policy which were developed to address the economic development problems of such regions, regardless of the type of region involved (Bachtler & Yuill, 2001). They were typically delivered in a top-down manner by central governments and were applied in a standardised way to all problem regions, regardless of variations in local circumstances. These policies assumed that the regions in question lacked internal capital and entrepreneurial and material resources, and that these therefore needed to be supplied from external sources, typically in the form of inward investment involving the establishment of manufacturing branch plants by externally based (and frequently transnational) firms. Standard incentive packages (involving combinations of capital grants, tax breaks and labour subsidies) were offered in order to induce such firms to invest in the regions in question. These incentives were accompanied by infrastructural investments (mainly in roads, transport and

communications links, and industrial parks and buildings) to help mitigate the extra costs that were assumed to apply to operating in the target problem regions.

Ireland represented an almost extreme example of this approach to regional development. In Ireland, as elsewhere, government attention to regional policy issues has waxed and waned over time, typically coming to the fore during periods of economic expansion and being moved to the political backburner during recessionary periods. When in vogue, regional policy has been driven by two principal considerations. The first of these has been to direct development away from the Dublin region and towards the less-developed western parts of the country. This was reflected in the state's first formal regional policy measure, the Undeveloped Areas Act of 1952, which provided capital grants to industries locating in the 'Undeveloped Areas' (subsequently re-titled 'Designated Areas') of the west. While the industrial grants scheme was extended to the entire country in the mid 1950s, higher grant levels were available in the west. The second main influence on regional policy has been the intense localism of Irish politics, which engendered a powerful impetus towards a widespread dispersal of state-assisted job-creation projects (Breathnach, 2010). With Ireland becoming strongly dependent on inward investment as the main driver of economic growth nationally from the late 1950s, foreign manufacturing plants became the key vehicle for delivering dispersed industrial employment. This dispersal policy (initially pursued on an informal basis) reached its zenith under the IDA Regional Industrial Plans in the 1970s, when a combination of a surge of inward investment following EEC entry and a major programme of advance factory construction saw virtually every town in Ireland of any size being in receipt of a foreign branch plant. Combined with substantial job losses in established indigenous industry in the main cities, this led to a remarkable degree of inter-regional equalisation in the ratio of manufacturing employment to population (Breathnach, 1982).

Despite this apparent short-term success, in the longer term the spatial dispersal policy proved unsustainable. In this, Ireland shared the same experience as other countries that applied similar policies. Basically, the kinds of branch plant attracted to Ireland's peripheral regions did not provide an economic base upon which long-term, self-sustaining development could be built (Breathnach, 1993; O'Malley, 1989; Telesis Consultancy Group, 1982). They typically involved low-skill activities, which did not contribute to skill upgrading in target

regions. This was accompanied by relatively low pay levels, which contributed to further widening of the income gap with core regions. Branch plants made very few local input purchases, while the partial and routine nature of their activities meant there was little useful technology transfer to local firms or workers. There was also little local reinvestment of profits, the key to sustained economic growth.

All of these features, plus the fact that, frequently, much of the capital cost involved was not borne by the firms concerned, meant that (as in other countries pursuing a similar development approach) branch plants were not embedded in the regions where they were located, so they were easy to close or relocate, especially in times of economic recession or as part of reorganisation/rationalisation programmes on the part of the parent companies of the branch plants in question (Dicken et al., 1994; Turok, 1993).

Because of the limited long-term economic impact of branch plants and their high turnover, branch plant industrialisation was seen as an inefficient use of public funding. It was also seen as wasteful in that its centralised and standardised approach made little use of local resources and failed to target specific local needs, which varied between regions. For example, this approach offered few opportunities in lagging regions for skilled workers and potential entrepreneurs, who typically chose to migrate to metropolitan regions, whether at home or abroad.

In Ireland many of the branch plants established in the 1960s and 1970s had already begun to close/contract in the recessionary 1980s, and very few (apart from those in the pharmaceuticals sector) are still in operation today. However, the spectacular success of branch plant industrialisation in the 1970s was to leave a negative long-term legacy in two major respects:

i. Economic policy became fixated on the attraction of foreign investment, with the result that the development of indigenous industry was marginalised. Calls for a reversal of this situation were made in two government-sponsored reports on industrial policy, the Telesis report (Telesis Consultancy Group, 1982) and the Culliton report (Industrial Policy Review Group, 1992). However, these calls were largely ignored and, despite the establishment in 1994 of a separate agency to promote indigenous enterprise (now Enterprise Ireland), Ireland still lacks a coherent and strategic approach to the development of such enterprise.

ii. The widespread dispersal of foreign branch plants around the country which occurred in the 1970s created an expectation among local communities that the government could continue to do the same, which is no longer the case. Apart from creating hostages to fortune for subsequent governments, this also had a dampening effect on local development capacity in Ireland as local communities came to assume that central government action would provide the solution for local economic problems.

New approaches to regional development policy

Ireland's response to the failure of branch plant industrialisation was very different from that in other Western countries (Albrechts et al., 1989; Bachtler & Yuill, 2001). Elsewhere, the common response was to place a much greater emphasis on the cultivation of endogenous capabilities as the key to economic development in lagging regions. Focusing on the identification and cultivation of local resources was seen as offering a more sustainable basis for long-term development. Addressing specific local needs and weaknesses was seen as constituting a more effective use of development funds and the energies of development agencies. A locally based approach to development facilitated networking between local firms, thereby facilitating the development of supply linkages and stimulating innovation via information-sharing. Also, a locally based, endogenous approach offered the prospect of a more flexible, coordinated and integrated approach to development involving all relevant local actors and stakeholders.

A key element in the so-called 'new regionalism' (Keating, 1998) has been the assumption by local and regional government of the leading role in organising and driving development at the subnational level. In most countries this has been accompanied by devolution to these levels of the appropriate powers and functions for implementing this role. This was a further extension of an existing process of decentralisation whereby most Western governments devolved to regional and local government responsibility for delivering the increasing range and depth of public services made available in the post-war period. In Ireland, by contrast, the process occurred in the opposite direction: not only were new public services for the most part delivered centrally, but there was also a gradual process of centralising functions previously carried out at local government level (including responsibility for the health service, agricultural advisory services, national roads and, most recently, the public water supply).

In spatial terms, a major feature of the new regionalism is its focus on the city-region (comprising a focal city and its adjacent functional hinterland) as its basic organisational construct (Breathnach, 2013; Robson et al., 2006). City-regions comprise territories wherein multiple (and frequently interlinked) spatial systems are simultaneously articulated, embracing such activities as commuting, supply of consumer and public services, transportation, communication, contact networks and production chain linkages; they therefore constitute the most appropriate spatial units for integrated socio-economic and environmental planning. This again marks a major departure from the earlier model of top-down regional development policy, which tended to focus on regions defined by common characteristics such as low income and high unemployment rather than their internal structural coherence. The Irish Designated Areas, the British Development Areas and the Italian Mezzogiorno provide good examples of the latter.

The utilisation of city-regions as the basic building block for regional development is a key element of the *European Spatial Development Perspective* (ESDP), a framework for spatial planning adopted by the EU member states (including Ireland) in 1999 (Commission of the European Communities, 1999). The ESDP argued that the most effective way of promoting regional development within the EU involved building development around the main regional cities, not as stand-alone entities but as organising centres for the mobilisation of their surrounding regions. This involved strengthening the links between cities and their hinterlands via the medium of a shared and integrated development strategy. The focal urban centre in each city-region should act as a 'gateway' through which the region's interactions (i.e. flows of goods, people, money, information, etc.) with the outside world would be channelled.

A good definition of the gateway concept, as envisaged by the ESDP is provided in Ireland's *National Development Plan 2000–2006*: 'the common attribute of Gateways is that they are centres which are strategically placed to drive growth in their zones of influence, generating a dynamic of development which embraces the complementarity between city, town, village and country' (Government of Ireland, 1999, p. 43).

Governance structures for effective endogenous local/regional development

Accompanying the growing focus on city-regions as actual or potential drivers of growth has been a corresponding movement towards the creation of new governance structures to drive the development process (Keating, 1998; Pike et al., 2006). Governance can be defined as the set of rules and the institutions which control and coordinate activity in society and the economy. These combine the legally based regulatory functions of the government sector and the norms and rules established in the non-government sector.

Governance structures for effective bottom-up endogenous development provide a platform for involving the key regional stakeholders in the design, implementation and monitoring of agreed and commonly shared development strategies and programmes. Typically these stakeholders include elected representatives, government functionaries, the private sector and a range of voluntary (not-for-profit) organisations such as trade unions, business associations and community/environmental groups. Creating effective collaborative partnerships from such a diverse range of interest groups poses a major challenge:

> Regional co-ordination… requires the politicians and administrators to adopt a view on government and planning that puts emphasis on co-operation across administrative tiers and sectors and between public, private and organized interest groups, thereby taking into account that different issues call for different alliances with different spatial competencies and different life spans... Putting such multi-level governance into practice is a complex task, even if politicians and administrators agree on its usefulness. (Meijers & Romein, 2003, p. 182)

However, where effectively organised, such 'development coalitions', it is argued, have the capacity to transcend sectional and geographical interests, mobilise cross-community support for development objectives and facilitate coordinated action in pursuit of these objectives (Keating, 1998).

Among the factors which play a key role in building effective regional governance structures (Breathnach, 2013; Jones, 2001; Keating, 2001; Meijers & Romain, 2003) are:

- the extent to which the regional economy possesses functional coherence (usually the case where the regional economy comprises a focal city and its associated functional hinterland);
- the extent to which political structures within the region are cohesive or fragmented;
- the extent to which the key actors within the region have local control over intra-regional activities;
- the availability of leadership and organisational ability within the region.

A recent OECD report (Clark et al., 2010) pointed to the leading role frequently played by local/regional government in promoting successful development at regional and subregional levels.[1] The key role in this respect is the provision of leadership in building development coalitions and collaborative networks among relevant actors. This includes creating a long-term vision for how the region should develop; promoting strategic thinking in terms of how this vision can be realised; setting goals for action in relation to vision realisation; communicating its vision and aspirations to regional stakeholders and ensuring that all stakeholders are informed about, and involved in, the actions being taken in pursuit of regional goals; and building trust and alliance between the various stakeholders, thereby ensuring their full commitment to the development effort. Other major roles played by local government include providing high-quality services and infrastructure and coordinating the contribution to the development effort of all relevant public sector agencies (municipal, regional and national).

In order to perform this role effectively, local/regional government requires appropriate authority and status. The crucial importance of the devolution of relevant powers to the local/regional level for effective regional development is widely recognised in the international literature, as reflected in the following sample of quotations:

> The experiences of a number of states with a variety of constitutional forms… show that a more devolved structure of governance promotes economic growth and development. (Danson et al., 1997, p. 15)

[1] These levels are not mutually exclusive; for example, the ESDP argues strongly that the long-term development of particular localities is best pursued through participation in coordinated development strategies organised at regional level (Commission of the European Communities, 1999).

> Ultimately… regional policy must be about decentralising economic and political power to the regions. (Martin & Minns, 1995, p. 143)
>
> The transfer of powers to regional government [in Italy] has helped to increase the competitiveness of the territorial and urban systems. It is also behind the development of new forms of regional partnership and contractualization involving private and public sector players and increasing the efficiency of regional and local government. (Governa & Salone, 2005, p. 278)

The absence of these requisites, as we shall see, acts as a profound barrier to the regional development process in Ireland.

Competitiveness: The regional dimension

Thinking in relation to the 'new regionalism' was strongly influenced by the publication, in 1990, of Michael Porter's path-breaking book *The Competitive Advantage of Nations* (Porter, 1990). This book arose from a major international survey conducted by Porter, who was seeking to identify the key ingredients which conferred competitive advantage on particular countries. Porter found that, rather than individual countries being competitive across the range of economic activities, they tend to be competitive in particular industries. Furthermore, these industries in turn tend to be concentrated within particular regions, and even sub-regions, within the countries concerned. Porter used the term 'industrial clusters' to describe such local concentrations of firms in a particular industry, and described, at great length, the way in which local interaction between firms in a particular industry created a growth dynamic, particularly through enhancing innovation, which Porter saw as the crucial ingredient in becoming internationally competitive. Again, Porter identified as a common feature in the emergence of successful clusters the role played by local/regional government in providing leadership, facilitating interaction between firms and providing key services and infrastructure.

The 1992 Culliton report on industrial policy (Industrial Policy Review Group, 1992) was strongly influenced by Porter's work, and recommended that the new agency responsible for promoting indigenous enterprise (whose establishment was proposed in the report) should pursue a policy of cluster cultivation and should be organised along regional lines in order to facilitate this. This approach

was further endorsed by a subsequent report by the National Economic and Social Council (NESC), which argued the case for a national programme for promoting networks between indigenous Irish firms (Cooke, 1996). Such networks, the report argued, would help Irish firms overcome their small individual scale and would provide the building blocks for the formation of industrial clusters.

However, in accepting the Culliton report's proposal for the establishment of a separate development agency for indigenous industry, the then Minister for Enterprise and Employment, Ruairí Quinn, pointedly stated that the new agency would not be organised on a regional basis, without giving any reason for this departure from what the Culliton report proposed. And indeed the agency which emerged from this recommendation (initially Forbairt and now Enterprise Ireland) has steadfastly refused to pursue, since its establishment, any kind of strategic sectoral or regional policy, focusing instead almost exclusively on providing supports to individual firms. We had here a foretaste of the antipathy to regional devolution on the part of Ireland's central state which was to undermine the *National Spatial Strategy* (NSS) following its introduction ten years later and which continues to bedevil Irish regional policy right up to today.

The National Spatial Strategy

The Culliton report had been commissioned in response to the poor employment performance of the manufacturing sector, including the foreign sector, during the 1980s. As mentioned already, one of its key recommendations was the need to give much higher priority to the development of the indigenous industrial sector. However, the prospects of this transpiring were sidetracked by the emergence of a new surge of inward investment that commenced in 1993 (the year after the Culliton report was published) and ushered in the Celtic tiger era.

While the Celtic tiger era had the effect of greatly raising national productivity and income levels, it brought with it new regional problems. The new types of inward investment which materialised in the 1990s involved much higher skill levels compared with the investment which characterised the 1960s and 1970s. Perhaps even more significantly, a rapidly growing share of the new investment was in export services activities, including software, financial services and back-office activities. These activities have grown to the extent that

they now account for one-half of total exports and continue to grow strongly, despite the recent recession. The higher skill levels of the new investment mean it is much more selective in terms of where it wishes to locate, with a particular focus on larger urban centres, where sufficient pools of suitably skilled workers can be accessed. Service activities, in particular, have a strong preference for large urban locations, and indeed two-thirds of all employment in state-assisted export services firms were located in Dublin City and County in 2005 (Forfás, 2006a).

A further factor promoting the location by foreign investment in larger urban centres has been the large size of many of the investments in question: in 2011, of the 1,100 foreign firms operating in Ireland, 55 employed 500 or more workers. These firms, representing just 5 per cent of all foreign firms, accounted for 35 per cent of all employment in these firms. One-half of these large firms (most of which were services operations) were located in the Greater Dublin Area, with another 30 per cent located in the four main provincial centres (information from the Forfás 2011 survey of employment in state-assisted firms, access to which was provided to the author by Forfás, the Irish government's advisory board for enterprise, trade, science, technology and innovation policy).

Growing concerns about the increasing concentration of investment in the main urban centres, especially Dublin, along with the need for providing a national planning framework for coping with Ireland's rapid growth in the 1990s, provided the impetus for the preparation of the NSS, which was published in December 2002. The essential approach of the NSS was along the lines proposed by the ESDP, in that it aimed to achieve balanced regional development in Ireland through the focused cultivation of eight regional gateway cities (Figure 1). This involved the creation in these cities of a 'critical mass' of economic resources (a range of skills, innovation capacity, infrastructure and business services, and facilities) that would support self-sustaining growth. The gateways in turn would 'drive' economic development within their respective regions, thereby enabling each region to achieve its full 'development potential'.

The NSS displayed an awareness of the governance processes associated with the 'new regionalism' model. It stated that 'Partnerships between local and national government and the private sector should be established to facilitate planning for the future roles of the new gateways proposed by the NSS' (Government of Ireland,

2002, p. 117) and, in similar vein, that 'Joint development groups… should be established between the relevant local, regional and government bodies, in partnership with local elected representatives and community interests' (p. 124). It identified, as a key step in the strategy-implementation process, the 'mobilisation of the appropriate civic, business and community interests to establish a consensus' on development objectives in the different gateways and issued 'a call for action by all relevant stakeholders to work in partnership and with enthusiasm to achieve an enhanced role for gateways… and their broader regions' (p. 123).

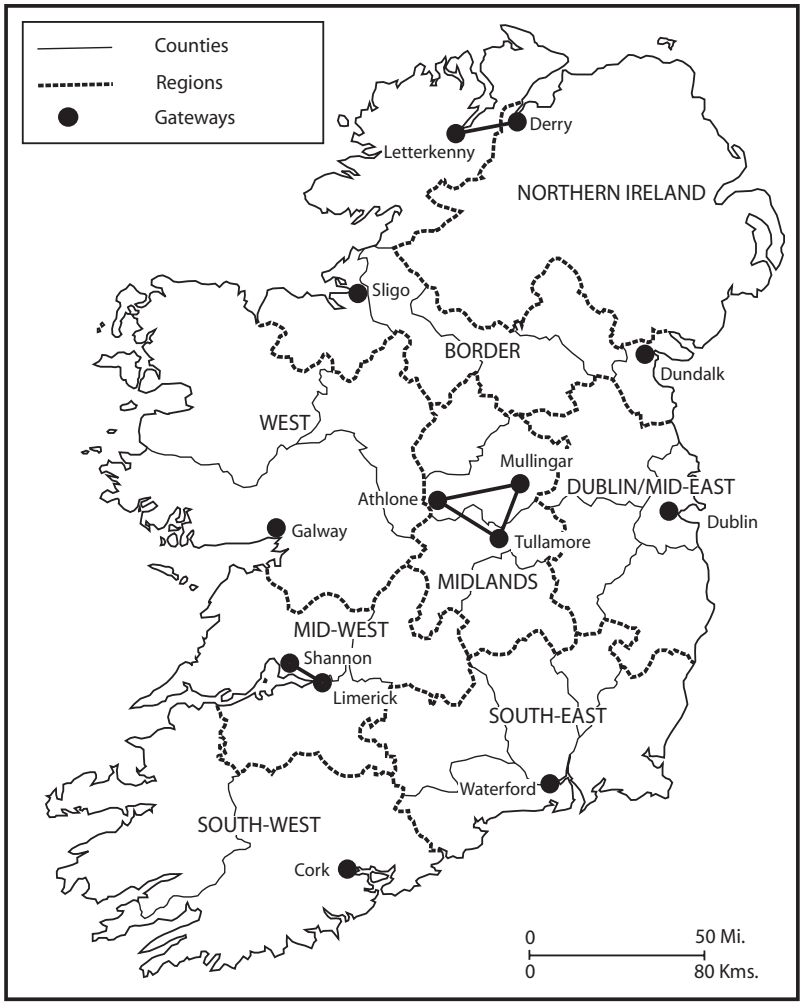
However, the NSS failed to address the fact that existing governance structures were incapable of creating the envisaged regional development coalitions, as demonstrated in the following quotation from Michael J. Bannon, former Professor of Urban and Regional Planning at University College Dublin:

> Ireland is characterised by its very high level of centralised administrative control, with limited institutional development at the regional level, and an extensive network of local authorities which have a limited range of functions, lack adequate local resources and are strictly controlled by central government. (Bannon, 2007, p. 224)

The primary problem here is the fact that regional governance institutions in Ireland are virtually non-existent. There is a set of entities in place called regional authorities (RAs), relating to the NUTS3 regions shown in Figure 1 (see also Figure 1 in O'Riordáin & van Egeraat in this issue). One of the most obvious characteristics of these 'authorities' is that they do not possess any authority. They consist of delegates nominated by the local authorities within each region, assisted by a tiny support staff (average of less than five per RA). They were established in 1994 in response to an EU requirement that there should be some sort of regional representative structure in place to monitor, and advise the government on, expenditure of EU Structural Funds at regional level in Ireland. It is an indication of the status and credibility of the RAs that they were largely ignored or marginalised by the government departments and state agencies involved in dispensing structural funding, and therefore unable to effectively fulfil this remit (Fitzpatrick Associates, 1997).

The RAs were also given some additional token functions. One of these was to coordinate the activities of central state agencies within

Figure 1: Ireland's NUTS3 regions and NSS gateways



the regions, and the press statement which originally announced the establishment of the RAs stated that the government had decided that all government departments and other state bodies would review their regional administrative structures with a view to aligning them with the RA boundaries. It is a testament to how seriously the government took this commitment that not only has such realignment never taken place but, within months of this announcement, the government

itself announced plans for regional education boards and a regional circuit court structure which bore no relation to the existing RA boundaries.

The RAs were given an additional function under the NSS, which was to produce regional planning guidelines to which local authorities within the regions were expected to align their own local development plans. However, in the absence of any powers to ensure such alignment, this essentially was yet another toothless function.

There is a second regional administrative tier in Ireland arising from the division of the country in 1999 into two parts in terms of their eligibility for EU Structural Funding (see Figure 1 in O'Riordáin & van Egeraat in this issue). The 'regional assemblies' established with respect to these regions have a set of functions similar to those of the RAs, in that their primary function is to monitor the functioning of the regional operational programmes that are part of the community support frameworks under which EU Structural Funds are disbursed to Ireland, and more generally to monitor and make proposals in relation to the general impact of EU funding in the two regions. Additional token functions include promoting coordination in the provision of public services in the two regions (as with the RAs) and making public bodies aware of the regional implications of their policies and plans. The assemblies also have an administrative function in relation to the territorial cooperation programmes that are part of the EU's Cohesion Policy. The membership of the assemblies is made up of delegates from their constituent RAs. As can be seen, they have no executive functions and no active independent role in promoting development within their respective regions.

In the absence of regional institutions with the capacity to effectively coordinate and animate the mobilisation of regional actors around gateway development, the NSS, rather than proposing the establishment of such institutions, relied instead on the local authorities within the region coming together on a voluntary basis to provide this function. However, achieving this was beset by all sorts of difficulties. The first of these is a deep-seated tradition of inter-county rivalry, rather than cooperation, in Ireland. An evaluation of the role of the RAs conducted by consultants some years ago showed that while they could have had a useful role in articulating an overall vision for their regions, this was undermined by the fact that delegates attending RA meetings saw it as their role to push the interests of their respective local authorities. As a result, there was no culture of

cooperation and consensus-building in the relations between the local delegates making up the authorities (Fitzpatrick Associates, 1997).

While sporting affiliations (particularly relating to Gaelic games) have played an important role in stimulating strong inter-county rivalries in Ireland, other factors have also been at work in the political/administrative arena. Thus, tensions exist between city councils seeking to expand their boundaries in order to keep pace with urban growth and adjoining county councils seeking to preserve their boundaries. Since the city councils in question are all designated gateway centres, such tensions create difficulties in promoting collaboration between gateways and adjoining jurisdictions, especially where there may be a perception that the main benefits of the NSS would be confined to the gateway cities themselves. Further difficulties arise from the fact that the regions which the gateways are meant to serve, being composed of crude groupings of counties, in many cases correspond poorly with the functional reach of the gateway centres in question, leading to weak or non-existent identification on the part of some counties with these centres. This would apply, for example, to County Kerry in relation to Cork City (in the case of the South-West region), and to much of Counties Mayo and Roscommon in relation to Galway City (West region).

Despite these obstacles, the county and city councils in each region did manage to come together to create collaborative gateway implementation groups. However, the effectiveness of these groups was profoundly constrained by a further distinctive feature of the Irish local government system, i.e. its very limited range of functions and powers, and hence its ability to leverage action at local level. The functions of Irish county and city councils are largely confined to social housing, physical planning, maintenance of local roads, public libraries and the provision of environmental services and facilities. They have very limited roles in such key areas of everyday life as economic/business development, education and training, health care, social welfare, public transport and communications. These are functions that are carried out, for the most part, by local government in other European countries.

Furthermore, local government has little or no leverage over the central government departments and agencies which provide the latter functions. This has major implications for the capacity to achieve coordination in the provision of public services, which is a key ingredient in effective endogenous development. This situation is greatly exacerbated by the lack of collaboration and cooperation in

Ireland between central government departments and agencies. This problem was highlighted in a recent evaluation of the Irish public service conducted by the OECD, which identified a major problem of fragmentation leading to a lack of 'coherence in policy development, implementation and service delivery' (OECD, 2008, p. 12). This applies at both national and subnational level where, as the OECD reported, local authorities 'have no responsibility for nationally provided services and limited, if any, levers to direct how national service providers actually operate' (OECD, 2008, p. 244).

These problems had already been highlighted in a report on the implementation of the NSS, published in 2006 by Forfás (2006a). While noting continuing disquiet within the gateway cities relating to problems of cooperation between neighbouring councils, this report identified even more widespread concern relating to difficulties being experienced in achieving cooperation between local councils, on the one hand, and a wide range of government departments and agencies, on the other.

This report also highlighted problems relating to another key ingredient of effective regional governance identified earlier, i.e. the absence from the Irish regions of the kinds of leaders who, elsewhere, have played a key role in mobilising cross-community support in pursuit of shared regional objectives. As the report put it, the NSS gateways 'are not championed by their regions in any kind of popular or political way' (Forfás, 2006b, p. 105). Again, this can be attributed, in large part, to the lack of effective governance structures at regional level and the inability of sub-regional local authorities to perform this role.

Concerns relating to the governance arrangements for the NSS were subsequently aired by two other government advisory agencies. An assessment of the NSS in a 2008 report by NESC (which advises the Irish government on strategic economic development issues) concluded that 'The development of governance frameworks that will allow key actors in the gateways to take coordinated and effective action together is, probably, the greatest and most urgent challenge facing the implementation of the NSS' (NESC, 2008, p. xix). Noting how county loyalties can hinder the achievement of coordinated action on strategic regional issues, the report called for a 'recasting' of regional structures as a key ingredient in facilitating gateway development.

The following year, in a report on the role of cities in national competitiveness, the National Competitiveness Council identified

governance as '*the* [emphasis added] key issue for managing urban growth and implementing policy actions to achieve competitiveness objectives' (National Competitiveness Council, 2009, p. 35), and highlighted the importance of a coordinated approach to tackling issues at the level of the city-region. Expressing concern that a lack of intra-regional cooperation could threaten the competitiveness of Irish cities, and echoing the sentiments of NESC, the council suggested that more coherent governance might require the recasting of local authority boundaries.

In 2010 Forfás published a further report in which it expressed concern about the implications of the lack of progress in the implementation of the NSS for the development of regional competitiveness in Ireland (now almost halfway through its intended plan period). The report stressed the need for governance and leadership structures at the regional level that are efficient, flexible and open to cross-regional collaboration, and observed that 'the existing [administrative] structures are not constructed in a way that enables a strategic and coherent approach to the development of the regions' (Forfás, 2010, p. 6). It referred to conflicts between local authorities within regions, low 'buy-in' to the gateway concept and problems arising from the fact that the functional hinterlands of gateways stretched across existing administrative boundaries. These problems, the report argued, 'negatively impacted on strategic and cohesive planning, development and delivery for the wider metropolitan areas' associated with the gateways (p. 7). It therefore recommended that a single body be designated with responsibility for the strategic development of the gateways, and acknowledged that this proposal had 'wide-ranging' implications for current and future political structures.

The Action Programme for Effective Local Government

These entreaties on the part of a range of its own advisory agencies appear to have made no impression on the Irish Government. This is reflected in the new regional structures proposed in the recently published *Action Programme for Effective Local Government* (Department of the Environment, Community and Local Government, 2012). The proposed new structures involve merging the existing RAs and regional assemblies to form three new regions – Eastern and Midlands, Southern and Connaught–Ulster (see Figure 1 in

O'Riordáin & van Egeraat in this issue). The main motivation behind this merger appears to be the desire to save money. No rationale on regional planning grounds is provided for the delineation of the new regions, the boundaries of which have been determined by the need to provide a degree of continuity with the existing arrangements for monitoring EU Structural Funding (like the RAs and regional assemblies, the new regional entities essentially comprise a token response to the EU desire that there be some regional governance structure in place to monitor, and advise on, the functioning of the EU-funded regional operational programmes). The existing NUTS3 regions, while being composed of medieval counties which have little relevance to the spatial configuration of the modern economy, still in most cases approximate to some extent to the functional hinterlands of the gateway centres. The proposed new regions bear no relationship to the gateway regions and mark an abandonment of any pretence at replicating the city-region structures which underpin the ESDP or, indeed, actual regional development planning practice in most other advanced economies.

More importantly, the new regional structures make no attempt to address the key governance weakness which undermined the NSS, i.e. the absence of mechanisms for effectively mobilising regional actors around shared visions and strategies for the development of their regions. The main regional development function envisaged for the new regional assemblies is preparing and monitoring the implementation of regional spatial and economic strategies. While the action programme states that 'relevant agencies' will be required to adhere to these strategies, it is not stated how this will be enforced. This replicates the existing situation, noted by Forfás in its 2010 report on regional competitiveness, that there are no mechanisms in place to ensure adherence to the regional planning guidelines prepared by the RAs (Forfás, 2010). It is also worth noting that the NSS stated that government departments and agencies would be required to comply with the NSS objectives, but this never happened.

It is therefore difficult to take seriously the claim made by the action programme that the proposed new regional assemblies 'will be capable of providing appropriate overarching regional structures to oversee important elements of a regional development agenda, to comply with Government policy set-out in the National Spatial Strategy' (Department of the Environment, Community and Local Government, 2012, p. 96).

The continuing lack of organising capacity at regional level, which is an inevitable outcome of the new proposals, might not be such a problem had the action programme substantially strengthened the ability of the local authorities to perform this organising function. This, as indicated earlier in the paper, would require the government to devolve a substantial range of functions to the local level and to confer on local government the ability to apply leverage to remaining central functions as they operate at local level. Unfortunately, the action programme does none of this. While it provides cogent arguments in favour of devolution of functions and repeatedly expresses a commitment to achieve this at some stage in the future, the document contains no definite and timetabled devolution commitments. This contrasts with the very real steps already taken by the present government to remove from local government several of its existing functions, namely control of the public water supply service, responsibility for vocational education and administration of the higher education grants scheme.

In this context it may be worth noting that, in the preparation of the action programme, all government departments were requested to identify functions and services which they currently performed centrally and which could potentially be devolved to local government. The action programme document records no response to this request from the Departments of Education and Skills; Health; Social Protection; Children and Youth Affairs; Communications, Energy and Natural Resources; Defence; or Jobs, Enterprise and Innovation. To give them their due, the Department of Agriculture, Food and Marine did manage to identify one function capable of being devolved to the local level, the function in question being responsibility for coastal navigation aids!

The action programme also devotes a considerable amount of space to strengthening the economic development role of local authorities but, apart from a redistribution of functions already performed at local level, it is difficult to identify in the document any specific functions transferred from central to local government or any meaningful new functions assigned to local government. For example, the proposed new local enterprise offices will deal only with microenterprises employing fewer than ten people. Larger firms will continue to be the responsibility of national agencies. In other countries, the role of local government in enterprise development is much more developed and sophisticated than what is envisaged in the *Action Programme for Effective Local Government*.

Conclusion

In a recent publication the OECD (2012) examined the growth performance over the period 1995–2007 of twenty-three regions from across the OECD, all of which had levels of per capita GDP below their respective national averages at the beginning of the period. Of these, twelve experienced above-average – and eleven, below-average – per capita GDP growth over the period. One of the most common features of the more successful regions was their 'deliberate adoption of a "horizontal" approach to regional development focused on better co-ordination of sectoral policies and mobilisation of local assets and resources rather than reliance on external supports' (OECD, 2012, p. 9). By contrast, less-successful regions tended to be characterised by an uncoordinated and fragmented top-down sectoral approach whose individual policy interventions are conducive to 'unintended and undesirable' effects.

This distinctive approach of the successful regions was found to be underpinned by 'sound institutions for policy-making and governance', whereas the opposite tended to apply in the case of the under-performing regions:

> the quality of institutions emerged as a key issue in both successful and under-performing regions – institutional bottlenecks were identified in nine case studies and improvements to institutions cited as factors supporting growth in eight others. *Thus, governance matters*… catch-up growth cannot be achieved via a top-down, subsidy-based approach. It requires a co-ordinated effort at regional level to identify local assets and remove the policy and other barriers to their mobilisation. A mix of top-down and bottom-up initiative is therefore needed, and the case studies suggest that success is most likely when the bottom-up element is strengthened. (OECD, 2012, pp. 11–12)

These findings provide a clear signpost to where Ireland should be moving in pursuit of sustainably successful, long-term regional development. Previously lagging regions in other advanced economies have been pulling themselves up by the bootstraps by focusing on building regional self-reliance from within, through forging broad-based development coalitions working to shared strategic objectives and armed with the instruments and capacities to effectively pursue

these objectives. This article has sought to demonstrate that Ireland's regions suffer from their profound lack of the kind of institutions and governance structures which have been shown to be key drivers of successful development elsewhere. This deficiency was a crucial factor in the abject failure of the NSS.

Unfortunately the government's so-called *Action Programme for Effective Local Government* fails to address these fundamental defects in Ireland's structure of sub-national government. The proposed regional structures are devoid of effective functions and, in spatial terms, are at odds with the city-region approach considered to be most appropriate for promoting regional development elsewhere. More importantly, and contrary both to commitments made in the programme for government published by the present government upon assuming office and to arguments advanced in the action programme itself, the action programme makes no proposals for the devolution of additional functions and powers to the regional and local levels. This leaves regional and local government in Ireland without the leverage or leadership capacity which has played a key role in mobilising regional actors in support of the development effort in other OECD countries.

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