Policy development and creative knowledge industries in the Dublin region

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ACRE report 10.13

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Accommodating Creative Knowledge – Competitiveness of European Metropolitan Regions within the Enlarged Union

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ACRE
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EXECUTIVE SUMMARY

This report forms part of an ongoing project examining the contribution of the creative knowledge economy to the competitiveness of thirteen European metropolitan areas. Previous ACRE reports have examined the role of the more tangible ‘hard’ factors along with the less tangible ‘soft’ factors in the competitiveness of each of the cities being examined. For Florida (2002), the role of ‘soft’ factors (such as cultural and leisure amenities, the ‘buzz’ of the city and the levels of diversity and tolerance associated with a place) have in recent years, become more important than the classic ‘hard’ factors (such as employment opportunities, the quantity and skill level of the local labour pool, the transport infrastructure and the overall cost of living) in driving the competitiveness of metropolitan regions. However, the findings of previous ACRE reports have indicated that ‘hard’ factors remain the most important factors for determining regional economic competitiveness (Murphy & Redmond, 2008; Murphy et al., 2008; Lawton et al., 2009; Fox et al., 2009).

This report examines the relationship between current economic policy development and the creative knowledge industries in the Greater Dublin Area. This involves an examination of policy development at the national, regional and local levels and how it relates to the creative knowledge sector and ‘creative city’ policies more generally. The analysis is undertaken within the context of Ireland’s worst economic recession since the Great Depression era. Although Ireland’s economy has undergone a dramatic transformation in the last two decades, and was seen as the success story of the EU, the last two years has seen a significant drop in terms of economic output. This is illustrated by a marked increase in unemployment from 4% to 12% and a decline in GNP of 11% in 2009. Ireland’s recession is now seen as one of the worst in the EU. The economic recession in Ireland has been intimately associated with a major property crash that has seen residential development come to a standstill; in nominal terms, house prices have fallen by over 30% in two years. More importantly, as a result of massive over lending to the property sector, and the inability of property developers to repay loans after the property crash, the Irish banking system has been brought to crisis point. Since September 2008 the government have guaranteed deposits in the major Irish banks, injected €11bn to recapitalise three major banks and have started a process of removing €77bn of property loans off the bank’s balance sheets in order to save them from collapse. Given this context, the prospect of a quick return to economic stability and growth look slim.

Not surprisingly, the advent of such a severe recession has led to new policy developments at national, regional and local level, all seeking to chart a way to economy stability and renewal. Recent developments in national policy, for instance, have emphasised the role of a ‘smart’ innovative economy as well as focusing on the potential of ‘green’ enterprise. Another major change has been the effective demise of social partnership which was a form of collective bargaining between government, employers and workers. Recent budgets have sharply reduced public service pay without the agreement or involvement of trade unions. Partnership approaches to governance and economic development had been seen to be a major element in
Ireland’s economic success. These have since been abandoned as the government makes radical decisions regarding reductions in public spending and saving the banking sector. In short, it could be said that policy development and implementation is in flux.

As a means of carrying out the analysis for this report, a critical examination of current policy documents was undertaken. While this was the main method of inquiry it was supplemented and reinforced by interviews with key stakeholders involved in the formation and articulation of policy at the national level as well as at the regional and local level in the Dublin. Three key findings are emphasised in the report. First, there is a clear distinction between national and regional/local economic policy. While national policy emphasises innovation through the ‘ideas’ economy and the ‘green’ economy, regional economic policy documents pay little attention to the national economic strategies being articulated; instead, the focus is on a narrower set of concerns. The second key finding concerns the influence of Richard Florida’s (2002) ‘creative class’ thesis on policy formulation in Dublin in recent years. Despite quite extensive criticism from academic and other quarters, the report highlights the continued focus by regional and local agencies on the attraction and retention of ‘creative talent’ as a primary aim of recent policy. More particularly, the report illustrates how one element of the ‘creative class’ thesis - 'place-making' - has become highly pervasive in policy rhetoric in the Dublin region (DRA, 2009). Third, the analysis highlights the considerable role that is played by individual actors in terms of economic policy formulation at the regional level. In the case of Dublin, much of the creative city rhetoric entering the policy arena appears to be driven by a small number of key individuals charged with the responsibility of policy formulation. Finally, the report discusses relative weaknesses in the structure of regional and local government in the context of Ireland’s current financial crisis. The analysis suggests that the lack of integration between different administrative bodies at the regional level, coupled with the inability of local and regional authorities to affect change in areas directed solely by national government, mean that local authorities in particular focus almost exclusively on ‘soft’ policy issues.
1 INTRODUCTION

1.1 Introduction

The past two years have seen Ireland enter into a severe economic recession, one which may take several years to emerge from. In that context, this report examines the formation of recent economic policy in the Greater Dublin Area as policy makers examine what policies can help end the recession and bring about economic growth and stability. As with previous ACRE Reports (Murphy & Redmond, 2008; Murphy et al., 2008; Lawton et al., 2009), the report is focused on examining the contribution of creative-knowledge industries to regional competitiveness in the Greater Dublin Area. In response to the recent recession in Ireland (Fox et al., 2009), a large number of policy documents have emerged from various government bodies, regional authorities, local authorities and other agencies with a view to refocusing the future of the Irish economy. Therefore, this report undertakes an in-depth examination of recent policy documents at the national, regional and local level. This is backed up by interviews with a number of key actors involved in policy formation within both government bodies and regional and local authorities in the Greater Dublin Area.

1.2 The administrative structure of the Greater Dublin Area

The Greater Dublin Area (GDA) is comprised of two regional authorities. These are the Dublin Regional Authority (DRA) and the Mid-East Regional Authority. The DRA is made up of the four local authorities in Dublin. These are Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire-Rathdown County Council. The Mid-East Regional Authority is comprised of the three counties surrounding Dublin: Meath, Kildare and Wicklow (See Figure 1.1).

The primary function of the GDA as an administrative area is in the development of Regional Planning Guidelines (RPG). The function of the Regional Planning Guidelines is to guide the development plans of each local authority in a manner that integrates the planning of the Greater Dublin Area. From the perspective of economic planning, the strategies that have emerged in recent years have originated predominantly either at the local level, and particularly through Dublin City Council, which is the most powerful local authority in the region, or through the Dublin Regional Authority.
1.3 Objectives

The report has three objectives. First, it explores the relationship between national, regional and local policies to the creative-knowledge economy. More specifically, it seeks to examine how particular policies have become particularly dominant in recent years. For example, this includes an examination of the adoption of what can be described as a 'creative city' policy by the Dublin Regional Authority, and how it relates to national economic policy. Secondly, it examines who the main actors are in the formation of current policy. This also involves gaining insights into the distribution of power and influence amongst different interest groups and bodies, both public and private. Finally, the report analyses the relationship between current policies in Dublin and the underlying political structure at the local and regional level.

1.4 Methods

The initial phase of this report involved an in-depth analysis of national, regional and local policy documents. Through the analysis of these documents, a number of key actors were selected to take part in semi-structured interviews. In total, five respondents were interviewed. These included policy analysts from a number of different bodies responsible for policy formation in national bodies, the Dublin City Manager and a local representative from Dublin City Council (see Table 1.1). It should be noted that the representative of the Dublin Regional Authority is also employed by Dublin City Council, who play a dominant role in policy formation within the Dublin Regional Authority.
### Table 1.1 - Summary of Interviewees

<table>
<thead>
<tr>
<th>Interview number</th>
<th>Title/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 1</td>
<td>Dublin City Manager</td>
</tr>
<tr>
<td>Interview 2</td>
<td>Representative of Dublin Regional Authority (Policy Analyst)</td>
</tr>
<tr>
<td>Interview 3</td>
<td>Representative of National Competitiveness Council (Policy Analyst)</td>
</tr>
<tr>
<td>Interview 3</td>
<td>Representative of National Economic and Social Council (Policy Analyst)</td>
</tr>
<tr>
<td>Interview 5</td>
<td>Lord Mayor of Dublin (Local Councillor)</td>
</tr>
</tbody>
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1.5 Outline of the report

Chapter two outlines the theoretical underpinnings of the report. This is followed by Chapter 3, which gives an overview of recent policies at the national, regional and local level. Here the focus of national policy on the 'Smart Economy' (Government of Ireland, 2009a; 2009b) is highlighted along with the focus on elements of the 'creative class' (Florida 2002) at the local and regional level. Chapter 4 examines the key factors to emerge from the analysis of current policy. While highlighting the role of 'soft factors', such as 'place-making' in current local and regional policy formation, it also discusses the role of individual actors and the emergence of new networks in recent policy formation. The term 'place-making’ is used here to refer to association between desired forms of social life in the city and the attraction and retention of ‘talent’ (Florida, 2002). Chapter 5 critically analyses the relationship between the current political structure at local and regional level and how it impacts on current policies. It concludes with an analysis of the relationship between current policy and different social factors such as equality and inclusion. The final chapter, Chapter 6, summarises the key findings of the report.
The conceptual and theoretical framework underlying the ACRE programme has been presented in length in ACRE Report 1 (Musterd et al., 2007). It is based on a critical review of literature on the role of creativity and knowledge in present and future economic development and the conditions for the successful development of a ‘creative knowledge region’. This review of literature, which has also pointed at gaps in knowledge, has framed the analysis of each case study in the following ACRE reports, and has been refined over the course of the project.

A number of key questions have been raised in relation with this conceptual and analytical framework. They are addressed throughout this report and will, in particular, guide the analysis of policies and strategies, which includes the analysis of policy documents and interviews with stakeholders. Key questions to be taken into consideration in the analysis of policies and strategies include the following ones:

- What is the role of creativity, innovation and knowledge in the metropolitan economic development strategies and visions in each case study?
- To what extent do local and regional governments in the case study regions want to build on existing regional strengths, and to what extent do they look for new strengths with regard to economic specialisations?
- What are the different types of policy approach adopted in different cities (e.g. promoting cultural quarters/infrastructures in the physical sense; or promoting creative industries in their industrial sector sense)?
- What is the role of ‘soft’ location factors in metropolitan economic development strategies when compared to the more traditional, ‘hard’ location factors?
- Do the metropolitan economic development strategies specifically address the conditions for attracting an international skilled labour force?
- Which regional geographic and administrative scale is the most relevant for regional competitiveness when aiming for ‘creative knowledge regions’? Should there be a focus on core city development or on the metropolitan regional level?
- To what extent can we speak of an integrated regional strategy, and on what geographic and administrative scale level?
- To what extent are the economic development strategies and visions embedded in broader urban development strategies and visions? Are economic development policies connected to regional spatial development policies, housing market policies and/or policies to attract and cater for the desired ‘talent pool’?

1 This section has been written by the ACRE Toulouse team (Hélène Martin-Brelot, Elisabeth Peyroux, Denis Eckert, University of Toulouse), with help from the Leipzig team (Bastian Lange, Leibniz Institute of Regional Geography). The section is common to all ACRE reports within Work Package 10.
How and to what extent do existing policies and strategies take into consideration issues of social cohesion and social integration?

The answers to these questions are informed by the refinement of the ACRE theoretical framework.

### 2.1 Refinement of ACRE theoretical framework

The first ACRE report (Musterd et al., 2007 p.6) acknowledged that many authors have come to the conclusion that ‘creativity plays an outstanding role in urban and regional development’ and recognised ‘the increasing coming together and co-mingling of technological innovation, cultural creativity and governance as the driving force of urban development in the 21st century’. In relation to urban competitiveness theories, at least two important interrelated ideas – mostly supported by R. Florida – have been explored. The first one suggests that policies should concentrate on their attractiveness towards individuals rather than towards companies. As a consequence, cities should strive to improve urban atmosphere – e.g. increase openness, tolerance – and pay much less attention to hard classical location factors.

The ACRE analytical framework has been refined over the course of the work. In light of the ACRE empirical results, we are now able to revisit Florida’s thesis on the mobility of people composing the ‘creative class’ and on the drivers that lie behind their decision to live in a city (Section 2.1.1). Statements about the difference between hard and soft factors, creative and knowledge workers and, above all, the relatively trivial expectations of the respondents are used as first elements to fulfil the debate about urban competitiveness and governance (Section 2.1.2).

#### 2.1.1 Revisiting Florida’s thesis on the mobility of the creative class and the role of ‘soft factors’

One objective of the ACRE programme was to test R. Florida’s hypotheses on the mobility of highly skilled creative knowledge workers. According Florida, in the book ‘The Rise of the creative class’ (2002), these people would be increasingly attracted by places combining high levels of technology, talent and tolerance. In other words, the classical ‘hard’ location factors would lose importance compared to the increasingly prized ‘soft’ location factors. The latter relate to the atmosphere of the city such as the openness and cultural and ethnic diversity.

Each of the three surveys conducted from 2007 to 2009 among the target groups of employees, managers and transnational migrants aimed at answering the following questions:

- What are the main drivers behind their decision to locate in the city where they currently live?
- What is the relative weight of hard and soft location factors in their decision-making process?
It appeared quickly that reasons related to what we called the ‘personal trajectory’ and reasons linked to classical factors such as employment or studies opportunities were highly significant in respondents choices to settle at a particular place. Soft factors seemed to weakly influence their decision.

By compiling the results of the first quantitative survey conducted among employees in the 13 participant cities, we indeed found out that 55 per cent of the respondents were born in the city or metropolitan region where they currently live. The place where higher education has been achieved seems to play an even more important role in their location choice, as 63.6 per cent of the sampled employees obtained their highest degree locally, ie., in the city or metropolitan region where they now reside.

Taking into account this ‘personal trajectory factor’ – measured by the places of birth and studies of the surveyed – allowed us to give more insight to the issue of the attractiveness of a city. We could indeed differentiate the people who already had an anterior link with the city and those who had none. Considered as ‘creative migrants’, the latter only represent 25 per cent of the sample. For them as for the rest of the sample, the job-related hard factors, play the most dominant role in the selection of a place of residence.

Soft factors only play a very marginal role in attracting creative knowledge workers to a city, as only nine per cent of the people coming from outside the region cite this type of reason in a first position. They seem however important to retain these workers on a long term basis. Indeed soft factors tend to have more importance if respondents are living in the city for more than one year. As an opposite, the role of hard factors is continuously decreasing with the time spent in the city. This result implies that hard factors work more as a reason for mobility (why coming to a city), whereas soft factors are more the reason to stay (why not leaving the city).

Qualitative surveys among managers and employers in creative and knowledge industries confirmed the major role of hard factors, especially the availability of a skilled labour pool, which is often correlated to the presence of higher education institutions in the region. Access to clients and supporting services is also crucial and depends on the size of the city as well as on an efficient transport system. Entrepreneurs also insisted on the quality of the working environment and their professional networks for succeeding in their business.

The presence of universities and higher education institutions constitutes the major attraction factor for transnational migrants. Employment opportunities come up as an important reason to settle in the city. The drivers behind the decision to stay also relate to personal links (friends, family). We could also notice the relative importance of a strong image of the city as centre of creativity (Milan, Barcelona…) or centre of technology (Toulouse, Helsinki…).

These first outcomes thus do not confirm R. Florida’s hypothesis of a highly mobile ‘creative class’. On the contrary, the highly skilled creative and knowledge workers surveyed within the ACRE programme tend to have a rather sedentary way of life. And, whenever they move, their mobility is rather driven by classical hard factor, most of the time related to employment. Our results rather confirm those of Storper and Scott (2009: 161): ‘most migrants – unless they enjoy a private income or are able to capitalize on some purely personal talent that can be practiced anywhere – are unlikely to be able to significant
numbers from one location to another unless relevant employment opportunities are actually or potentially available.’

2.1.2 Some elements for the debate on urban competitiveness

According to our results, the size of the city, the quantity and quality of transport infrastructures, and, above all, job opportunities, and third-level studies (university) act as a significant driver behind the decision to settle in a certain region. The respondents are also heavily tied to their native and family environment or to the place where they have studied and built their social networks. On the other hand, soft factors are clearly not directly influential in directly attracting creative and knowledge individuals - employees, entrepreneurs and transnational migrants - in a city. However this does not mean that they have no importance at all for the surveyed, especially to retain them on the long term. Several observations related to the ‘quality of life’ can be drawn from the empirical results and put into relation with current debates on urban competitiveness.

- Evaluating hard and soft factors…

First attempts of comparison between the 13 cities show a strong heterogeneity of the results, which can be explained by the differences of local conditions. In general, dissatisfactions are clearly expressed on what refers to material aspects of the city such as dwelling, transports, cleanliness of the streets etc. This can be put into relation with the crucial issue of the development pathway of each city, which is one of the dimensions to be taken into account for a typology. Conditions for success seem different in cities with a strong or a discontinued path. We could indeed notice a lower satisfaction with facilities and urban infrastructures in general among people living in ex-socialist cities of Sofia, Riga, Budapest and Poznan. But the situation also differs according to the level of infrastructure and the position of the city as a national or regional capital. The size of the city also has to be thoroughly considered in the way that it might offer more potential personal relations. Along this line, the presence of strong universities well integrated into the city’s life appears to play a major role as pre-condition to the formation of further social networks. It is also important to mention that a positive evaluation on one or several aspect of the city’s environment does not necessary mean that those surveyed are not worried about the evolution of the city. In Munich for instance, the transport system and a large number of urban facilities and services are judged to be very efficient but those surveyed tended to be pessimistic on the city’s future in general.

Soft factors seem to be much more difficult to evaluate than hard factors. Here it is important to distinguish between different types of soft factors. On the one hand there are conditions which policies cannot do anything, which relates to the natural assets of the city such as its location in a favourable natural environment or the sunny climate it enjoys or not. On the other hand, factors like openness and tolerance can be easily promoted through political decisions.
• No specific expectations of the ‘creative class’?

The fact that the respondents concerns do not differ much than those of the rest of the population is one important statement that we can draw from the empirical results. This contradicts again R. Florida’s on the idea of the specific needs of a ‘creative class’. For instance, worries about the availability of jobs and affordable housing are pregnant in most of the surveyed cities. Concerns about the efficiency of the urban transport system and the related issues of traffic congestion and air pollution, but also safety issues are important for a large part of the respondents. Moreover the above underlined role of soft factors as retention factors tend to confirm that policies should not only focus on the attractiveness of the city for a ‘creative class’ coming from outside but should be oriented towards inhabitants who already live and work in the city.

This leads to consider the complex issue of urban governance and the integration of various, often contradictory objectives such as the need to increase competitiveness, tackle social exclusion and preserve environmental resources.

The risks associated to policies focusing on economic excellence relate to the growth of social and spatial disparities within urban areas. This is one of the criticisms of Florida’s theory (Malanga, 2004; Peck, 2005; Scott, 2006). The elitism associated with the concept of ‘creative class’ also tends to play down the debate about social polarisation associated with economic restructuring. For instance, Thanki and Jefferys (2007) describe the informalised labour market of the media industries in London and show how the need for personal contacts to find work and the precariousness of the workforce have reinforced the dominance of the industry by a white middle-class elite.

• The issue of scale

The ‘competitiveness-cohesion’ binary, which is at the heart of the current debates about governance, has been scrutinised in a recent book in relation with a European research project running between 2004 and 2007 (COST Action A26). The authors insist on the rescaling process that has gone hand in hand with globalisation – characterised by open markets, removal of barriers for trade, investments and migration of labour. Cities have become ‘key territory for current capitalism’ and ‘place competition has become a key driver of spatial and urban policy’. At the same time, cities and regions are forced to redefine their objectives, their means, their institutions and their positions as socio-political units (Ache and al. 2008:7).

The new meanings of the local and regional systems have been pointed out in a context of globalisation and it has been concluded that this should not be regarded as separated from global processes (Musterd et al., 2007). The analysis highlights the need to take into account the city, the city-region and the wider regional scale, both in geographic and in political-administrative terms, as well as the need to consider ‘smaller areas (sometimes neighbourhoods with specific characteristics) which either do or do not fit the requirements of residents and firms and thus demonstrate dynamic economic transformation or fail to do so’ (ibid: 30).
The new importance of cities and regions in the global economy and the re-scaling process it entails let the neighbourhood appear as a new object of attention. One of our results points to the idea that if soft factors do not influence people’s choice to settle in a particular city, they might determine why they choose a certain district within an urban area (Martin-Brelot et al., 2010). This points to the differences we found between creative and knowledge workers. While creative workers seem to be more demanding in terms of cultural offer and social environment, the knowledge workers are more sensitive to hard factors. This has implications for policy makers who wish to favour a certain type of industries or individuals. Particularly in terms of scale, interventions in neighbourhoods might be more adapted to the needs of creative people, whereas strategies at the metropolitan and / or regional level suits more a strategy targeting the development of knowledge intensive activities. However, as will be discussed in further detail at a later point in this chapter, policies targeted at specific groups are in danger of missing out on the broader needs of the population of cities, or city-regions.

On the basis of the outcomes of this analysis and the surveys that have been carried out in the previous Work Packages, as well as on the basis of the synthesis reports, which have been written, current policies and strategies will be confronted with actual dynamics in the regions involved. Attention will be paid in particular to the institutional dimension and the role of organisations (governments, trade associations, large companies, universities, citizen movements etc.) and the mode of governance in a comparative perspective.

### 2.2 Governance approaches

The purpose of this sub-section is not to review, in detail, the different governance approaches and methods but to highlight key issues regarding comparative studies and identify a common ground for a comparative analysis of case studies.

The nature and scope of this research phase should be taken into consideration: it primarily involves an analysis of policy documents, a study of governance arrangements in the field of economic development as well as interviews with stakeholders. The research mainly relies on existing knowledge and expertise of the topic under consideration and on previous research conducted by the researchers on every case study.

#### 2.2.1 The diversity of governance concepts and theoretical approaches

Over the past decades a number of theories and approaches have been developed within what has been referred to as a shift of paradigm from government to governance. Prominent urban governance approaches include the American ‘growth-machine’ and ‘urban regime’ theories (and the related notion of ‘urban growth coalitions’) (Stone, 1993; Stone, 1989; Elkin, 1987; Stoker 1995). Those approaches rely on the notion of ‘policy networks’ which is based on the (contentious) assumption that political processes are not controlled by state actors alone and that governing increasingly depends on the interaction of public and private actors (Davies, 2002). Policy network analysis has been described as ‘attempts to explain policy development by examining networks of actors concerned with a given policy problem, across the public
and private sectors and throughout different levels of governance’ (Mikkelsen, 2006, p.17-18). Whilst all analyses use the network as a unit of analysis, several approaches have been developed (Ibid.). The term ‘policy network’ can also be understood as ‘as a generic label that embraces different forms of relations between state actors and private actors’ (Kriesi et al., 2006 p.341).

2.2.2 Governance in creative and knowledge industries

Despite their very different production conditions and marketing structures, the cultural and creative industries display characteristic features that are reflected in specific forms of governance. Micro-companies and/or project-based structures with a large portion of freelancers dominate. Some rare sub-areas are heavily dependent on state funds (theatres, even film industry). As a whole, the cultural economy is a high-risk area with extreme fluctuations in market success. Besides, creative industries lack an organisational basis and industry associations that could serve as negotiation partners. In these particular conditions, traditional ‘top-down’ governance approaches seem hardly adequate. Establishing leadership in structurally unstable situations require a more flexible, less hierarchical approach. Attention should be paid to intermediaries such as ‘culturepreneurs’ (Lange, 2007) or ‘creativity brokers’ (Bilton and Leary, 2002) that can mediate between agencies and creative industries.

The knowledge industries are far more institutionalised and rely on growth coalitions that often associate public agencies, big businesses and industry associations. Furthermore, long established policies and structures are critical (Hall, 2004). These sectors are less flexible, characterised by a strong inertia. Emerging spin-off companies and spillover effects are far from exceptional. The importance of educational assets in a given city for the progressive development of knowledge-intensive industries make them more dependent on the support of public structures; top-down governance approaches are much more frequent (and might be more relevant) in that area than in that of the creative and cultural industries.

2.2.3 The difficulty of conducting comparative studies

The comparative study of policies and strategies raises a number of theoretical and methodological issues that have been summarised as follow within the context of a study of two German and two U.S. cities²: ‘an over-dominance of deductive approaches, the lack of explicit methodological guidelines and the less than rigorous application of what has become a multitude of overlapping theoretical concepts’ (Gissendanner, 2003:3).

Whereas it is acknowledged that deductive studies make a valuable contribution to theory building, it is also pointed out that the use of different concepts for qualitative descriptions inhibits case comparisons. In addition prominent urban governance approaches such as the ‘growth-machine’ and ‘urban regime’ theories in particular are said to provide few explicit

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² This study aimed at analysing the different ways in which cities responded to de-industrialisation and at exploring why some would respond in a relatively more strategic fashion.
methodological guidelines and the authors that applied them do not usually specify the methodology they use, which also makes the comparison difficult. Finally, the concepts used by the researchers may differ from the one originally defined in the source texts (Ibid.).

According to some scholars the dominant urban governance approaches present some shortcomings as well. The urban regime theory has been criticised in a number of aspects: its focus on political management and arrangements of internal governance coalitions and its failure to move beyond ‘middle-level abstractions’; its tendency to overlook the role of higher level governments; a rigid and static conceptualisation of the division of labour between state and the market and the subsequent underestimation of the potential role played by the local state and community-based organisation in capital accumulation; as well as a narrow vision of the private sector that does not take into consideration small businesses as increasingly vital actors in the post-industrial era (Imbroscio, 1998; Gissendanner, 2003). Other criticisms of the urban regime theory underline the fact that it does not take into consideration the discursive dimension of partnerships and the power relationships (this is particularly relevant in urban regeneration policies, see Atkinson, 1999). The ‘growth machine’ approach has been criticised for its emphasis on the business communities and land use decision-making. Scholars also argue that the efficacy of local political structures and formal politics is not adequately considered and that the connections between the local state and the national state are neglected (Fox Gotham, 2000). Both approaches have been criticised for their underestimation of local political conflicts.

The relevance of approaches in term of ‘policy networks’ in the context of European cities has also been critically explored (see Davies for an analysis of the inadequacy of the term ‘governing by networks’ to describe the politics of urban regeneration in the UK). The debates revolve around the role and influence of public actors, in particular the national state, in sub-national affairs. The relative prevalence and power of ‘autonomous governing networks’ in different political systems is also put into question (Davies, 2002).

Following these shortcomings some authors have called for a more inductive approach that requires qualitative methods ‘that better uncover structural details of governance networks in ways that are less dependent on particular general concepts or on a logic of data selection that is independent from particular cases. Case study data must also be presented in ways that ease comparison’ (Gissendanner, 2003:6).

We propose to adopt such an inductive approach in order to describe and analyse simple structural aspects of networks through a set of common questions.

---

3 In addition to the fact that these theories are based on the U.S experience and context and do not necessarily fit the European ones.
2.2.4 **Defining a common ground for comparative work**

Again, we have chosen to present a set of common questions to be answered in every case study rather than a single theoretical approach (see Appendix: Elements to address the types of interactions between stakeholders). A broad definition of ‘policy network’ is proposed (see the same appendix). This set of common questions builds on various analyses of networks that have been developed to analyse European policies (Kriesi et al., 2006; Peterson and Bomberg, 1999; Peterson, 2003; Rhodes, 1990, 1997).

The aim of this analysis is to identify and describe networks structures and functioning, including:

- The stakeholders involved in the definition and implementation of economic development policy, including identifying who is the most influential
- The nature of their interactions
- How and to what extent the structure and functioning of coalitions and networks ‘may explain policy choice, democraticness, strategicness, openness to new policy ideas, effectiveness, and so on’ (Gissendanner, 2003:15).
3 POLICY OVERVIEW

3.1 Overview

This chapter examines the relationship between broader national economic policy, regional policies, and local policies in the context of the development of the creative-knowledge economy in Dublin. Most particularly, it explores the emergence of policies specifically orientated towards the 'city region' within both national and regional bodies (Government of Ireland, 2008, 2009; NCC, 2009). While the desire to promote a programme of balanced regional development through the National Spatial Strategy (Government of Ireland, 2002) continues at the level of central government, increased attention to the role of cities in the global economy in recent years (OECD, 2006) has influenced the emergence of economic policies that focus on the city region amongst a number of bodies. This has been of particular note within local and regional authorities (DRA, 2009).

Following from Dublin's emergence as an 'entrepreneurial city' throughout the last two decades, these policies have been strongly influenced by Florida's (2002, 2005) 'creative class' and 'creative city' thesis (DRA, 2009). Although a number of bodies, such as the National Competitiveness Council (NCC) and the National Economic and Social Council (NESC) have acknowledged the role of the city region in recent documents (NCC, 2009; NESC, 2008), there is a clear divide between the focus of national policies and policies emerging from local and regional authorities. While policies aimed at promoting Dublin as a 'creative city region' have emerged at roughly the same time as the Government's 'smart economy' policy (Government of Ireland, 2008; 2009), there is little connection between the two strategies beyond the use of buzzwords such as 'innovation', 'smart economy', and 'creativity'.

3.2 Dublin as a 'Creative City'

As discussed in previous ACRE reports (Redmond et al., 2007; Murphy & Redmond, 2008), a number of creative-knowledge industries, such as the ICT and the financial services sector have emerged as dominant elements of Dublin’s economy throughout the last two decades. Furthermore, from a policy perspective, the emergence of Florida’s ‘creative class’ thesis is, in many respects, reflective in part of previous policies in Dublin over the last two decades. For example, from the late 1980s onwards, urban regeneration in Dublin has been strongly influenced by city-boosterist strategies – including regeneration projects such as the International Financial Services Centre (IFSC) and Temple Bar (Inner city cultural regeneration) – that have gradually led to a focus on ‘soft factors’, such as leisure facilities, as key elements of urban policy. While the speculative expansion of office development in the docklands area in the early 2000’s was connected to enticing new industries, high-profile regeneration projects, such as the construction of the 'Spire of Dublin', have been
implemented as a means of re-branding Dublin (See Lawton, 2008). In the middle of the last
decade, such strategies were further boosted by the influence of Florida's (2002, 2005)
creative class thesis, which highlighted the role of attracting ‘talent’ as a means of boosting
economic growth. For Florida, the attraction of talented workers is highly dependent on
creating an attractive and tolerant living environment (2002). As with many other aspiring
creative cities, Richard Florida was invited to speak in Dublin during 2007 to promote the
ideas surrounding the creative city. Florida (2002, p. 301) had already outlined how much of
Dublin's success throughout the 1990s was linked to place-making strategies as follows:
“Dublin began by restoring its Temple Bar district, painstakingly revitalising the same pubs
where James Joyce, Bram Stoker and Samuel Beckett might have once had a pint.” Therefore,
the creative class thesis merged with and built upon already existing strategies. The influence
of Florida’s thesis has been particularly notable in the last three years with a number of
organisations in Dublin, such as the Dublin Chamber of Commerce – Developing a
Knowledge City Region: A Ten Point Plan (Dublin Chamber of Commerce, 2008) – and,
more recently, the Dublin Regional Authority – Economic Development Action Plan (2009)
focusing on the attraction and retention of talent and ‘place-making’ as core generators of
economic growth. These will be discussed in further detail at a later point in this chapter.

3.3 From boom to bust

3.3.1 Economic recession

From the mid 1990s until about 2007, the Irish economy was known throughout the world as
the ‘Celtic Tiger’ because of its very high economic growth rates and the high amount of job
creation. However, in the past two years the Irish economy has gone into a severe downturn
and recession with growth rates falling, unemployment increasing, and property prices falling
dramatically. While this is clearly part of the global downturn, it is important to point out that
the recession in Ireland has been more severe than elsewhere in the EU and that its causes are
heavily linked to a major property crash. Table 3.1 shows the decline in GDP. While once the
envy of the EU zone with regard to its growth rates, the recession has seen dramatic falls in
GNP output, with growth contracting by almost 3 per cent in 2008 and 11% in 2009.

Table 3.2 shows the effect of the recession on the labour market. The unemployment rate
averaged just over 4 per cent for most of the period of the economic boom. However, by the
end of 2009, the jobless rate stood at 11.6 per cent and the most recent official figures
estimate unemployment at 12.7 in January 2010, with a total of 436,936 persons unemployed.
Table 3.1 - Annual percentage change in GNP and GDP (volume)

<table>
<thead>
<tr>
<th>Year</th>
<th>GNP (%)</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>10.1</td>
<td>11.5</td>
</tr>
<tr>
<td>1998</td>
<td>7.6</td>
<td>8.4</td>
</tr>
<tr>
<td>1999</td>
<td>8.5</td>
<td>10.7</td>
</tr>
<tr>
<td>2000</td>
<td>9.8</td>
<td>9.4</td>
</tr>
<tr>
<td>2001</td>
<td>3.8</td>
<td>5.7</td>
</tr>
<tr>
<td>2002</td>
<td>2.9</td>
<td>6.5</td>
</tr>
<tr>
<td>2003</td>
<td>5.7</td>
<td>4.4</td>
</tr>
<tr>
<td>2004</td>
<td>4.3</td>
<td>4.6</td>
</tr>
<tr>
<td>2005</td>
<td>5.6</td>
<td>6.2</td>
</tr>
<tr>
<td>2006</td>
<td>6.3</td>
<td>5.4</td>
</tr>
<tr>
<td>2007</td>
<td>4.4</td>
<td>6.0</td>
</tr>
<tr>
<td>2008</td>
<td>-2.8</td>
<td>-3.0</td>
</tr>
<tr>
<td>2009</td>
<td>-11.3</td>
<td>-7.0</td>
</tr>
</tbody>
</table>

Source: Department of Finance (2010)

Table 3.2 - Unemployment as percentage of labour force in Ireland 2000-2009

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010 January</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>4.2</td>
<td>3.9</td>
<td>4.4</td>
<td>4.6</td>
<td>4.4</td>
<td>4.4</td>
<td>4.4</td>
<td>4.6</td>
<td>6.4</td>
<td>11.6</td>
<td>12.7</td>
</tr>
</tbody>
</table>

Source, Central Statistics Office, 2010

Table 3.3 shows the unemployment rate in the Dublin region. In line with the rest of the country, Dublin’s unemployment rate throughout the boom averaged at just over 4 per cent. Again, as with the national figures, the latest available data for Dublin illustrates an unemployment rate of 11 per cent in the third quarter of 2009. This is a total of 68,500 people unemployed in the Dublin region.

Table 3.3 - Unemployment as percentage of labour force in Dublin 2000-2009 (Third Quarter)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>3.4</td>
<td>3.5</td>
<td>4.2</td>
<td>4.6</td>
<td>4.3</td>
<td>4.6</td>
<td>4.5</td>
<td>4.5</td>
<td>6.5</td>
<td>11.0</td>
</tr>
</tbody>
</table>

Source, Central Statistics Office, 2010

Table 3.4 shows how the economic downturn has resulted in labour market change across a broad set of occupational categories between quarter 3 in 2007 and quarter 3 in 2009. We can see that there was a 33% fall in craft and related jobs and a 23% drop in plant and machine operatives. This clearly relates to the collapse in the property and construction markets in the main. Other categories also saw declines, with sales occupations falling by almost 9%, reflective of a drop in consumer spending, and clerical and secretarial jobs falling by almost 10%.
Table 3.4 - Unemployment changes in occupational groups in Ireland

<table>
<thead>
<tr>
<th>Broad Occupational Group</th>
<th>2007 Q3 '000s</th>
<th>2009 Q3 '000s</th>
<th>Change N</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and administrators</td>
<td>317.5</td>
<td>327.6</td>
<td>10.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Professional</td>
<td>235.7</td>
<td>242.3</td>
<td>6.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Associate professional and technical</td>
<td>189.9</td>
<td>193.7</td>
<td>3.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Clerical and secretarial</td>
<td>267.7</td>
<td>241.8</td>
<td>-25.9</td>
<td>-9.7</td>
</tr>
<tr>
<td>Craft and related</td>
<td>310.8</td>
<td>207.6</td>
<td>-103.2</td>
<td>-33.2</td>
</tr>
<tr>
<td>Personal and protective service</td>
<td>244.5</td>
<td>245.9</td>
<td>1.4</td>
<td>0.6</td>
</tr>
<tr>
<td>Sales</td>
<td>186.5</td>
<td>170.5</td>
<td>-16</td>
<td>-8.6</td>
</tr>
<tr>
<td>Plant and machine operatives</td>
<td>182.8</td>
<td>141.1</td>
<td>-41.7</td>
<td>-22.8</td>
</tr>
<tr>
<td>Other broad occupational groups</td>
<td>214.3</td>
<td>151.9</td>
<td>-62.4</td>
<td>-29.1</td>
</tr>
<tr>
<td>All broad occupational groups</td>
<td>2149.8</td>
<td>1922.4</td>
<td>-227.4</td>
<td>-10.6</td>
</tr>
</tbody>
</table>

Table 3.5 shows recent population changes in the Dublin Region. What is striking is that while the region has an overall loss of almost 7,000 people in the year from April 2008 to April 2009, the 15 to 29 age group saw a loss of 21,000 people in the same period. This is suggests that this age group is emigrating in search of jobs, although this will become clearer in the next census of population in 2011.

Table 3.5 - Population change in Dublin Region and State (000’s) in April 2008 and April 2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 14</td>
<td>228.7</td>
<td>234.9</td>
<td>6.2</td>
<td>912.3</td>
<td>937.7</td>
<td>25.4</td>
</tr>
<tr>
<td>15 – 19</td>
<td>71.1</td>
<td>69</td>
<td>-2.1</td>
<td>283.9</td>
<td>278.6</td>
<td>-5.3</td>
</tr>
<tr>
<td>20 – 24</td>
<td>102.7</td>
<td>89</td>
<td>-13.7</td>
<td>334</td>
<td>304.8</td>
<td>-29.2</td>
</tr>
<tr>
<td>25 – 29</td>
<td>146.8</td>
<td>141.9</td>
<td>-4.9</td>
<td>416.7</td>
<td>413.4</td>
<td>-3.3</td>
</tr>
<tr>
<td>Total 15-29</td>
<td>320.6</td>
<td>299.9</td>
<td>-20.7</td>
<td>1034.6</td>
<td>996.8</td>
<td>-37.8</td>
</tr>
<tr>
<td>30 – 34</td>
<td>113.3</td>
<td>115.6</td>
<td>2.3</td>
<td>366.9</td>
<td>371.4</td>
<td>4.5</td>
</tr>
<tr>
<td>35 – 39</td>
<td>96</td>
<td>97.1</td>
<td>1.1</td>
<td>342.1</td>
<td>348</td>
<td>5.9</td>
</tr>
<tr>
<td>40 – 44</td>
<td>80.8</td>
<td>80.5</td>
<td>-0.3</td>
<td>310.2</td>
<td>312.5</td>
<td>2.3</td>
</tr>
<tr>
<td>45 – 49</td>
<td>75.8</td>
<td>76.7</td>
<td>0.9</td>
<td>286.1</td>
<td>293.5</td>
<td>7.4</td>
</tr>
<tr>
<td>50 – 54</td>
<td>66.8</td>
<td>67.4</td>
<td>0.6</td>
<td>257.2</td>
<td>261.7</td>
<td>4.5</td>
</tr>
<tr>
<td>55 – 59</td>
<td>60</td>
<td>60.3</td>
<td>0.3</td>
<td>232</td>
<td>235.4</td>
<td>3.4</td>
</tr>
<tr>
<td>60 – 64</td>
<td>50.7</td>
<td>52.2</td>
<td>1.5</td>
<td>199.2</td>
<td>207.5</td>
<td>8.3</td>
</tr>
<tr>
<td>65 +</td>
<td>125.2</td>
<td>126.6</td>
<td>1.4</td>
<td>481.6</td>
<td>495</td>
<td>13.4</td>
</tr>
<tr>
<td>Totals</td>
<td>1,217.90</td>
<td>1,211.20</td>
<td>-6.70</td>
<td>4,422.20</td>
<td>4,459.50</td>
<td>37.30</td>
</tr>
</tbody>
</table>

Source: CSO 2010 and Dublin Employment Pact, 20103.3.2 Property and the Economy
3.3.2 Economic recession and the property market

The economic recession in Ireland is closely bound up with the collapse of the property market in the past two years. Table 3.6 shows the number of new house completions in Ireland since 2003. By 2006, at the height of the property boom, over 93,000 dwellings were completed. However, by 2009 this had dropped to just over 26,000 units. The likelihood is that this will fall further in 2010, especially as it is estimated that there are approximately 345,000 empty dwellings in the state (Williams, Hughes and Redmond, 2010). With such a large amount of vacant dwellings, housing production and development has virtually halted.

<table>
<thead>
<tr>
<th>Year</th>
<th>Houses completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>68,819</td>
</tr>
<tr>
<td>2004</td>
<td>76,954</td>
</tr>
<tr>
<td>2005</td>
<td>80,957</td>
</tr>
<tr>
<td>2006</td>
<td>93,419</td>
</tr>
<tr>
<td>2007</td>
<td>78,027</td>
</tr>
<tr>
<td>2008</td>
<td>51,724</td>
</tr>
<tr>
<td>2009</td>
<td>26,420</td>
</tr>
</tbody>
</table>

*Source, Department of the Environment and Central Statistics Office, 2010*

Table 3.7 shows the dramatic fall in residential property prices in recent years. The percentage changes depict annual change from the previous quarter. As can be seen, prices in the new and second hand market began to decline during the second half of 2007. Since then prices have consistently declined through to the second half of 2009. This has led to a significant problem of negative equity amongst property owners, with Duffy (2009) estimating that there will be 196,000 households in negative equity by the end of 2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>New house prices (€)</th>
<th>Annual % change</th>
<th>Second hand house prices (€)</th>
<th>Annual % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Q1 417,800</td>
<td>7.0%</td>
<td>516,211</td>
<td>9.1%</td>
</tr>
<tr>
<td></td>
<td>Q2 426,900</td>
<td>7.4%</td>
<td>507,544</td>
<td>-1.8%</td>
</tr>
<tr>
<td></td>
<td>Q3 412,324</td>
<td>-3.2%</td>
<td>489,749</td>
<td>-10.8%</td>
</tr>
<tr>
<td></td>
<td>Q4 402,346</td>
<td>-4.1%</td>
<td>462,806</td>
<td>-10.6%</td>
</tr>
<tr>
<td>2008</td>
<td>Q1 397,697</td>
<td>-4.8%</td>
<td>462,475</td>
<td>-10.4%</td>
</tr>
<tr>
<td></td>
<td>Q2 390,544</td>
<td>-8.5%</td>
<td>455,142</td>
<td>-10.3%</td>
</tr>
<tr>
<td></td>
<td>Q3 347,233</td>
<td>-15.8%</td>
<td>412,152</td>
<td>-15.8%</td>
</tr>
<tr>
<td></td>
<td>Q4 329,625</td>
<td>-18.1%</td>
<td>415,035</td>
<td>-10.3%</td>
</tr>
<tr>
<td>2009</td>
<td>Q1 290,402</td>
<td>-27.0%</td>
<td>380,965</td>
<td>-17.6%</td>
</tr>
<tr>
<td></td>
<td>Q2 256,749</td>
<td>-34.3%</td>
<td>367,018</td>
<td>-19.4%</td>
</tr>
</tbody>
</table>

*Source: Department of the Environment, Heritage and Local Government (various years)*
The recession has been marked by the collapse of a major residential property bubble which has in turn led to a crisis in the financial viability of the Irish banking sector. Despite warnings from the IMF, the OECD and other agencies that the Irish residential property market was significantly overvalued, the main Irish banks continued to lend extraordinary amounts of money to property developers for land purchase and property development. However, as the property market crashed it became apparent that the banks had pursued a policy of over lending and that many of the loans issued to developers had little or no prospect of being repaid, and have thus been termed ‘impaired loans’. In response to the crisis the government have taken the following major measures:

- On September 20th 2008 (soon after the collapse of Lehman brothers) the government guaranteed all deposits and most of the debts across the six major domestic financial institutions as there was a shortage of cash reserves in the banks.

- Exposure to the bad loans of the property sector put severe pressure on the capital reserves of the banks and the government have, over the past year or so, injected €11bn into the top three banks (€4bn to Anglo-Irish Bank; €3.5bn to Allied Irish Banks; €3.5bn to Bank of Ireland) to stabilise them financially. According to the governor of the Irish Central Bank, it is highly likely that the banks will need further and significant recapitalisation. This is evidenced by the recent announcement of losses of €2.65 billion by Allied Irish Bank for 2009. Anglo Irish Bank was nationalised in early 2009.

- The Irish government have responded to the property and banking crisis with the establishment of the National Asset Management Agency (NAMA). This agency will take all property loans (€77bn) off the books of the banks. The aim of NAMA is to take all loans – good and bad – out of domestic banks that had been provided for property development and land speculation with a view to development. The purpose is to remove uncertainty by taking entire development loan portfolios – the most toxic class of assets within the banks – off their books. The strategy is that the cost of covering the bad loans will be covered by repayments on the good loans and by selling off the properties and other assets backed by the bad borrowings. NAMA was granted EU approval in February 2010.

These policy responses have been highly controversial, especially the decision to save Anglo Irish Bank. This bank focused almost exclusively on property loans and was not a general clearing bank. Whether it should have been saved by the government is an open question, although the government argument is that it was systemically important to the Irish financial system. More controversial still has been the establishment of NAMA. By taking the property assets off the banks the idea is that this will free up credit and allow the banks to lend to business. However, this contention has drawn significant criticism from some economic commentators and analysts. One of the other (and there are many) criticisms of NAMA is that it is taking the property loans of the banks (€77bn) and purchasing them for €54bn, a discount of 30 per cent. However, many commentators have pointed out that the market value of property has decreased by much more than this. The government’s argument is that the 30 per cent reduction takes account of the long term economic value (LTEV) of the assets. More generally, it seems clear that these policy responses contain high levels of risk with little guarantee of successful outcomes. It is highly likely that the banks will need further recapitalisation and may become de facto nationalised.
3.4 Recent national policy: Towards a 'Smart Economy'

The scale and depth of the economic crisis in Ireland has led to a re-assessment of economic policy and a raft of policy documents have been produced in the past two years attempting to chart future economic policy. As illustrated in Tables 3.7 and 3.8, numerous strategies have appeared from different authorities and agencies in recent years at the national, regional and local level. Following from the downturn in the Irish economy, recent government policy has been particularly directed towards the growth of the 'smart economy', which is marked by the publication of *Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal* (Government of Ireland, 2008). For the Irish Government, the Smart Economy is defined as follows:

“The Smart Economy combines the successful elements of the enterprise economy and the innovation or 'ideas' economy while promoting a high-quality environment, improving energy security and promoting social cohesion. A key feature of this approach is building the innovation or 'ideas' component of the economy through the utilisation of human capital – the knowledge, skills and creativity of people - and its ability and effectiveness in translating ideas into valuable processes, products and services. A second important aspect is the greening of the economy and the development of green enterprise” *(Government of Ireland, 2008, p. 7).*

The document goes on to highlight four aspects of both capital accumulation and social progress. These are summarised as human and knowledge capital, physical capital (transportation, communications, machinery etc.), natural or environmental capital (naturally given raw materials, quality of surrounding environment), and social capital (connections and mutual trust) (*Ibid*, p. 32). The plan then highlights a number of themes, such as the promotion of the ideas economy or 'Innovation Island', the enhancement of the environment and investment in energy supplies and infrastructure. It also highlights the importance of what it terms 'smart regulation' within the public service. Of particular note for the purposes of this report is the focus on the ideas economy and the 'Innovation Island'. However, each of the different facets outlined in the plan are related to the overall desire to promote the smart economy in Ireland. For example, the promotion of research and development (R&D), and its entrepreneurial potential is highlighted as a key factor under the 'Innovation Island' theme. However, the focus on the output of R&D activities forms much of the rest of the ambitions of the original smart economy document. For example, the attention given to the environment and critical infrastructure is directly related to providing the base for the recovery of the Irish economy. This includes prioritising completion of the existing inter-urban motorway routes and investment in broadband in the coming years (*Ibid*).

The second government report on the Smart Economy, entitled *Science, Technology and Innovation: Delivering the Smart Economy* (Government of Ireland, 2009a), places further emphasis on the connection between R&D and future economic growth. The vision outlined within this document is that by 2013 Ireland “will be internationally renowned for its research and be at the forefront in generating and using new knowledge for economic and social progress, within an innovative culture” *(Government of Ireland, 2009a, p.8).* While the *Building Ireland's Smart Economy* document highlighted the different aspects of the smart economy, the *Delivering the Smart Economy* document is focused on the specifics of
implementing the proposed plan. For example, it examines and promotes the role of different
government agencies such as Enterprise Ireland and the Industrial Development Authority
(IDA)\(^1\) in helping industries to strengthen their R&D activities. It also highlights the specific
role of new technologies within areas such as the health and environment sectors, including
the 'green economy' initiative. To this end, another recent report entitled *Developing the
Green Economy in Ireland: Report of the Group on Green Enterprise Opportunities* has
stressed the role of convergence between waste management, renewable energy and ICT
(Government of Ireland, 2009b). This includes a plan to develop a 'green IFSC' (International
Financial Services Centre), which would carry out “the administration of funds managed
under green principles, and carbon trading and associated professional services” (*Ibid*, p.7).
The Irish government have, in the last six months, also established an 'Innovation Taskforce'.
The taskforce is comprised of representatives of the ICT industry, the emerging 'green
enterprise' sector and university heads. The aims of the taskforce are to establish Ireland as an
'International Innovation Development Hub'. More particularly, it seeks to enhance linkages
between industry and universities/research centres to promote the commercialisation of R&D
(Government of Ireland, 2009c).\(^2\)

Given the continued connection between the role of the higher education institutions, research
institutions and future economic growth in recent government policy, it is worth expanding
further on the broader connections between government policy and third/fourth level
education. For example, as outlined in *Building Ireland's Smart Economy*, “one of the
significant factors behind Ireland's economic success is the country's highly valuable human
capital base, that is to say, its young, well-educated and talented population and the activities
within its third and fourth-level sectors” (Government of Ireland, 2008, p.60). For this reason,
a number of programmes and funding bodies have been established in recent years that are
specifically related to targeting third-level education and the increasingly important
postgraduate, or 'fourth level', sector. These include the Programme for Research in Third
Level Institutions (PTRLI), the establishment of Irish Research Council for Humanities and
Social Sciences (IRCHSS) and Irish Research Council for Science, Engineering and
Technology (IRCSET). The function of the PTRLI is to make major capital investments in
research and development in order to boost Ireland's international profile as a centre of
research and development. IRCHSS and IRCSET support research in third-level institutions
in the humanities and social sciences and science, engineering and technology sectors, mainly
through the funding of graduate and post-doctoral positions. As with the PTRLI, the broader
aim of the establishment of these bodies is to promote the role of 'knowledge' as a key
element of the Irish economy.\(^3\) While such programmes highlight the role of education in the
future of Ireland’s economy, the NESC are cautious in their appraisal of the role of education
in regional growth:

\(^1\) For further information on Enterprise Ireland, see http://www.enterprise-ireland.com/
Further information on the Industrial Development Authority can be found at www.ida.ie
\(^2\) The report of the Innovation Taskforce is due out in early 2010.
\(^3\) For more information on PTRLI: http://www.hea.ie/en/prtli. More information on the IRCHSS can be accessed
at www.irchss.ie. The IRCSET web-site is http://www.ircset.ie/
“While the modalities such as coordination and cooperation take are as diverse as the regions themselves, some common characteristics are considered to emerge. Effectiveness in raising the skills and educational attainment of the workforce is a fundamental attribute, but more a condition of possibility than a guarantee of economic dynamism” (NESC, 2008, p.180).

However, a number of strategies have emerged that set out to address the connection between research and commercial output. For example, the Strategic Innovation Fund (SIF) seeks to establish inter-institutional collaboration and promote innovation and research within higher education establishments. Furthermore, the Strategy for Science, Technology, and Innovation, which was set up in 2006 under the stewardship of the Science Foundation Ireland (SFI), has targeted universities in an effort to boost their international appeal to 'world class researchers' (Ibid). This connection between the third-level institutions and the smart economy is further emphasised in the more recent Delivering the Smart Economy document (Government of Ireland, 2009a). As outlined in this document, the focus on universities is related to their perceived importance for prolonged economic output. This document also illustrates the leap in expenditure on higher education R&D over the period of 1996 to 2006 from €153 Million to €716 Million in 2006 (Ibid, p.19). The role of the universities and associated research institutes is further emphasised within this document, with particular emphasis placed on the connection between the universities and industries such as the biopharmaceutical sector. One example of where this connection has been taken up by the university sector is in the establishment of the ‘Innovation Alliance’ between University College Dublin and Trinity College Dublin. The Innovation Alliance has been established to promote connections between research and industry through the attraction of venture capital for the purposes of increasing the commercial output of research activities.4

While a number of aspects of the ‘creative knowledge economy’ fit within the current focus on the smart economy, there is little direct attention to these industries at the level of national policy formation. However, a recent report entitled Assessment of Economic Impact of the Arts in Ireland (Indecon Consultants, 2009) from the Arts Council promotes the role of the ‘creative industries’ as a core-element of the Smart Economy. While the report provides a broad overview of the Arts, cultural and creative industries (including tourism, museums, and areas such as advertising), the broader scope of the report emphasises the role of the creative industries in promoting innovation, and helping to promote Ireland’s international profile. Therefore, as well as emphasising the benefits of promoting the creative industries due to their own contribution to the economy, the Arts Council report also emphasises the positive effects of creativity in promoting innovation (Ibid).

4 For further information on the UCD Trinity Innovation Alliance, see: http://www.ucd.ie/nova/aboutus/vision/ucdtrinityinnovationalliance/
## Table 3.8 - National economic policy formation

<table>
<thead>
<tr>
<th>Government departments</th>
<th>Role</th>
<th>Recent documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of the Taoiseach (Prime Minister)</td>
<td>Support the Irish government, including formation of national policy</td>
<td>Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal (2008)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Science, Technology and Innovation: Delivering the Smart Economy (2009)</td>
</tr>
<tr>
<td>Government agencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Economic and Social Council</td>
<td>To analyse and report to the Taoiseach on economic issues</td>
<td>The Irish Economy in the Early 21st Century (2008)</td>
</tr>
<tr>
<td>National Competitiveness Council</td>
<td>Reports to the Taoiseach on matters related to the competitiveness of the Irish economy</td>
<td>Our Cities: Drivers of National Competitiveness (2009)</td>
</tr>
<tr>
<td>Forfás</td>
<td>Advises Government on issues to do with enterprise</td>
<td>Regional Competitiveness Agenda (Volumes 1&amp;2): East, (2009)</td>
</tr>
<tr>
<td>Other government bodies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science Foundation Ireland</td>
<td>Supports the growth of innovation in science through provision of funding to different bodies</td>
<td>Strategy for Science, Technology and Innovation (2006)</td>
</tr>
<tr>
<td>Arts Council</td>
<td>Government body responsible for the promotion of the arts in Ireland</td>
<td>Assessment of Economic Impact of the Arts in Ireland: Arts and Culture Scoping Research Project (Indecon, 2009)</td>
</tr>
</tbody>
</table>
3.5 Developing a policy for the urban region

While recent national policy has been focused primarily on sectors involved in research and innovation, a number of bodies, such as the National Economic and Social Council (NESC) and the National Competitiveness Council (NCC), have begun to look at the role of city-regions in the economic development of the country (NESC, 2008; NCC, 2009) (see Table 3.4). Much of this analysis is influenced by the OECD's inclusion of the Greater Dublin Area (GDA) in their 2006 publication, *Competitive Cities in the Global Economy*. For the NESC, the importance of a concentration of knowledge-intensive services is "the ability of concentrations of high skilled and professional workers – employed across a diversity of sectors – to attract more such workers because they contribute to each other's employment prospects and quality of life" (NESC, 2008, p.179). Notably, the NESC emphasise the 'hard' factors as being essential drivers of Dublin's regional economy as follows: "Arguably, the single most important challenge in protecting the GDA's dynamism and attractiveness will be a step-improvement in the integration of transport planning and land-use" (NESC, 2008, p.195). This emphasis on 'hard factors' is reflective of the key findings of previous ACRE reports (Murphy et al., 2008; Lawton, et al., 2009), where hard factors such as access to labour or employment and quality of transport emerged as dominant factors in the selection of Dublin amongst both employers and employees choosing to locate in Dublin.

The focus on the Dublin Region is further emphasised by a recent document from the National Competitiveness Council5 (NCC). Again, the focus for the NCC is on the pivotal role of Dublin in Ireland's position in the global economy:

"Although Dublin accounts for almost half of national GDP, we should not be complacent about its position as an internationally competitive location. Its continued success is critical for the performance of the entire economy" (NCC, 2009, p.7).

The document builds on the creation of the 'Smart Economy', but highlights the importance of critical mass in fostering growth. For the NCC, the role of the city region is of crucial importance to the wider country in terms of both agglomeration and sectoral mix. Moreover, following from broader national policy on the smart economy, the NCC highlight the role that connections between universities, public institutions and industry play, using the 'Triple Helix' example from Helsinki, which combines one third ownership amongst the different parties (NCC, 2009, p.21). Similarly to the NESC, the emphasis within the NCC document is on factors such as infrastructure, communications and improved land use. However, it also highlights and promotes the role of city governance and leadership. Most particularly, it emphasises the potential for city authorities to take an increasingly entrepreneurial stance towards the development of enterprise in response to increased competition on a global scale. While promoting the role of diversity and tolerance as a means of attracting and retaining skilled workers, the NCC also point to potential paradoxes between urban economic growth and increased deprivation and social exclusion, which are also outlined by the OECD report, *Competitive Cities in a Global Economy* (2006). This will be returned to in Chapter 5.

5The National Competitiveness Council was set up in 1997 under the Partnership 2000 agreement as a means of promoting and sustaining economic competitiveness in Ireland. It reports directly to the Taoiseach’s office.
### Table 3.9 - Regional and local policy formation

<table>
<thead>
<tr>
<th>Regional bodies</th>
<th>Role</th>
<th>Recent documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dublin Regional Authority</td>
<td>To coordinate interaction between the four local authorities in the Dublin region</td>
<td><em>Economic Development Action Plan (2009)</em></td>
</tr>
<tr>
<td><strong>Local authorities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dublin City Council</td>
<td>Local Authority with responsibility for Dublin city and surrounding suburbs</td>
<td><em>Developing an Enterprise Strategy for the Dublin City Region (Draft, 2009)</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Challenges and Promises for Immigrant Entrepreneurship in Dublin (2009) (Jack Pinkowski)</em></td>
</tr>
<tr>
<td>Office of International Relations and Research</td>
<td>Enhance international profile of Dublin city as a means of improving economy and enhancing world-wide connections</td>
<td><em>Leadership and Governance of Open Cities (2009) (Greg Clark &amp; Laura Coffi)</em></td>
</tr>
<tr>
<td>Office for Integration</td>
<td>Promotion of integration between different groups in Dublin</td>
<td><em>Towards Integration: A City Framework’ (2008)</em></td>
</tr>
<tr>
<td><strong>Other bodies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dublin Employment Pact</td>
<td>Promotes strategies targeted at enhancing employment opportunities in Dublin</td>
<td><em>Towards an Employment and Skills Strategy for the Dublin City Region (2010)</em></td>
</tr>
<tr>
<td>Dublin Regional Higher Education Alliance</td>
<td>Alliance established to strengthen the higher education sector in the Dublin region</td>
<td><em>Strategy for Developing the Dublin Region’s Capacity as an Internationally Competitive Learning Region (2008)</em></td>
</tr>
<tr>
<td>Dublin Chamber of Commerce</td>
<td>Lobby local and national government on behalf of business interests in Dublin</td>
<td><em>Developing a Knowledge City Region: A Ten Point Plan (2008)</em></td>
</tr>
</tbody>
</table>
3.6 Recent economic policy in Dublin

The emergence of the city-region as a focal point of the national economy and competitiveness amongst bodies such as the NCC has acted as a further stimulus to the promotion of Dublin as a 'creative city'. However, beyond the indirect connections between notions of the 'smart economy' and the desire to bolster Dublin's image as a 'creative city', correlation between Dublin regional policy and broader national policy is less than clear. The recent publication of the Economic Development Action Plan\(^6\) by the Dublin Regional Authority (2009) focuses on promoting an economic policy for the Dublin region. The Action Plan outlines a number of different strategies. These include a focus on third level education, the promotion of Dublin as a 'Worldclass City Region' and the formation of networks such as the Creative Dublin Alliance (CDA). More particularly, while at the national level the focus is on 'human capital' and its connection to employment and industry (Government of Ireland, 2008), the focus within the Dublin Regional Authority is on the attraction and retention of ‘creative people’, which places considerable emphasis on the 'soft' factors such as the creation of an attractive living environment in the promotion of a 'Creative City Region' (DRA, 2009, p.12).

Although the importance of the 'hard' factors such as infrastructure are pointed out within the Action Plan, the pervasiveness of elements of Florida's (2002) Creative Class thesis is illustrated by the emphasis on 'soft' factors as in attracting and retaining talented workers. For example, the document outlines the role of factors related to the quality of life within the economy as follows: “It is when the achievement of a higher quality of life is attached to goals of economic growth that a city region experiences prosperity. The rules of global economies are changing and the promise of a quality of life is a core economic driver” (DRA, 2009, p.23). The focus within the Dublin Regional Authority is therefore firmly upon the creation of a suitable form of living environment in order to attract 'creative people'.

The strategy is divided into three action areas: (1) 'Develop Strong City Leadership'; (2) 'Create a Vibrant Place'; (3) 'Nurture, Attract & Retain Creative People' (Ibid, p.14). However, through an analysis of the Action Plan it is evident that the role of leadership is somewhat different to the actions aimed at creating a 'vibrant place' and to ‘nurture, attract and retain creative people’. While the other two actions outline a number of ambitions for the Dublin region, the desire to promote strong leadership is seen as a way in which these ambitions can be achieved. For this reason this report examines issues related to the development of Strong City Leadership in the context of the aims of place-making and the attraction and retention of talent within the city. This allows for an examination of the factors influencing the emergence of these themes within the development of an economic action plan, while also allowing for the examination of other policies that run parallel to the Action Plan. It is also important to note that while the Dublin Regional Authority is comprised of the four local authority areas contained in the Dublin region, it is Dublin City Council that have taken the lead role in recent initiatives related to planning for the economic future of the area. This is emphasised by the dual role of many of those involved in policy making for both the Dublin Regional

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\(^6\) Given that this is a core document in terms of current regional strategies, it will be cited throughout this report as the Action Plan.
Authority and Dublin City Council. Moreover, much of the rhetoric of the Economic Development Action Plan can be traced to an earlier Background Paper on Economic Development Employment (Dublin City Council, 2008) formulated for the development of the Dublin City Development Plan 2011-2017. For this reason, many of the initiatives which run within the remit, or parallel, with the Action Plan are City Council projects.

### 3.7 Place-making for 'Creative People'

As indicated above, much of the emphasis within the DRA Action Plan is on place-making as a central facet of the promotion of the regional economy. While current DRA policy makes reference to broader national policy, such as the 'smart economy', there are two specific differences to the approach taken at the national and regional level. First, in the introduction to the Action Plan the DRA highlight the role of an attractive living environment as being of priority in terms of attracting and retaining talented workers. This is done by paraphrasing directly from the section of the Irish Government's 'Smart Economy' document (2008) dealing with environment and energy supplies: “More fundamentally, to keep talented Irish people working in Ireland, as well as attracting the most talented people from around the world, we must offer a high quality living environment” (DRA, 2009, p.5). The desire to promote a 'high quality living environment' is therefore given priority at the level of regional policy. It is, however, important to point to the difference in approach and context between the national and regional level. At the government level, specific reference is made to the importance of renewable energy sources in homes and their incorporation through the use of new technologies along with the upgrading of insulation within older dwellings. However, the focus on the living environment within the DRA is not so much concerned with broader issues related to the living environment – environmental concerns, balanced communities – as opposed a strategy aimed at creating a 'vibrant place' specifically for the purposes of attracting and retaining talent often associated with the promotion of a creative city region. As summarised by the DRA (2009, 18):

> "Good urban quality is of central importance in attracting investment and talent. This includes the quality of the built and natural environment, the vibrancy of street life, density and intensity, cafe culture, arts and music, outdoor activities, public spaces, a choice of quality places to live, a child friendly environment, tolerance and social harmony."

Such rhetoric places the focus on the 'soft' factors of residential preference, such as 'cafe culture', access to musical venues etc. as primary factors in attracting people to live in the city region. There are, however, two interconnected, yet distinct, shortcomings to this approach. The first of these is the relative paucity of and lack of evidence to support such claims. The argument here is not about the normative value of tolerance, place-making or the like but about causality. As discussed in previous ACRE reports, residents are attracted primarily based on access to employment, costs of living and high quality transportation infrastructure.

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7 Reference to living environment paraphrased from Building Ireland's Smart Economy Document, Government of Ireland, 2008, p.82).
(Lawton, Redmond & Murphy, 2009; Murphy & Redmond, 2008). The second is the difficulty in advocating notions of 'tolerance' and social harmony as a key element of economic growth. As will be discussed in further detail in Chapter 5, there seems to be a gap at policy level regarding the connection between economic policy formation and social equality/inequality.

A key factor in the promotion of place-based strategies is outlined by the DRA as the desire to 'nurture, attract and retain creative people'. This highlights “people and the capacity for innovation and enterprise” as “perhaps the most important resources to building a city region's competitive advantage in the knowledge economy” (DRA, 2009, p.23). A number of factors, ranging between the more measurable and the abstract are therefore identified as essential features amongst future populations in Dublin. These are 'creativity', 'innovation', 'confidence', 'entrepreneurship', and 'multi-lingual proficiency'. The Action Plan also focuses on the promotion of entrepreneurship, including incubation, retraining for unemployed people and the promotion of an enterprise strategy for the city. While a certain amount of the Action Plan is given over to establishing necessary infrastructure essential for economic viability, critically, what seems to be lacking is any reflection on established elements of enterprise or the current operation of specific clusters. For example, while promoting the role of establishing a digital cluster in Dublin (GDA, 2009 p.25), there is little mention of the function of the already established Digital Hub in promoting the creative industries (Fox et al., 2009). Moreover, the future of the current Digital Hub is currently unclear, with the Report of the Special Group on Public Service Numbers and Expenditure Programmes (Department of Finance, 2009) recommending it be joined to the operations of Enterprise Ireland and the Industrial Development Authority, and its property management functions given over to Dublin City Council.

As opposed to taking an 'infrastructural' approach, the current strategy within the DRA and at the local level is directed towards the creation of alliances, partnerships and collaborations between different groups. All of these are currently at an early stage of evolution. For example, an enterprise strategy for the city is currently being drafted by Dublin Regional Authority along with the City and County Enterprise Boards (Fitzsimons Consulting, 2009). The draft plan, which sets out to promote Dublin as the SMART Capital of Ireland, aims to enhance the competitiveness of Dublin by harnessing entrepreneurial potential, strengthening the Small and Medium Enterprise sector and promoting FDI (Ibid, p.63). Notably, it is envisioned that this would be carried out by the establishment of a Dublin Enterprise Forum. While promoting a number of aspects of future growth, including the improvement of access to finance, through the establishment of 'Finance Dublin', it is not wholly clear at the current time how it would work in practice. However, the establishment of forums and alliances has become a particularly striking element of current policy.

One of the elements of network formation which is mentioned within the draft enterprise strategy (Ibid), and is promoted by the Action Plan, is the focus on 'internationalisation'. As outlined by a recent policy document from Dublin City Council entitled Dublin Links: An International Policy Framework For the City of Dublin (2009), the pursuit of an internationalisation agenda is related to the desire to enhance connections with other countries and city regions on a global scale so as to promote Dublin's role in the European and global economy. To this end, the above mentioned policy framework sets out three core challenges
which can be addressed through the pursuit of international partnerships and linkages. The first is related to the desire to enhance Dublin's international profile so as to improve trade linkages and business arrangements on a global scale. The second is related to role of inter-cultural learning in promoting the city for larger multinational corporations. The third seeks to “mobilise opinion and the 'power of personal choice' to promote greater equality in economic activity and global trade.” (ibid, p.4) In order to develop this ambition further, Dublin City Council have also been involved in a British Council funded strategy entitled 'OPENCities', which aims to highlight the benefits of diversity and openness to a cities competitive advantage. Throughout the two years since its establishment, a number of events have been organised through the OPENCities project revolving around boosting Dublin's international profile.8 These include work-shops and seminars involving a number of stake-holders examining ways to boost a cities profile.

3.8 Building the Creative City: 'Developing strong leadership'

As discussed above, a number of strategies have emerged in parallel to the Economic Development Action Plan directly targeted at promoting interaction between different agencies, such as the four Local Authority areas which comprise the Dublin region. Of particular note in this regard is the establishment of the Creative Dublin Alliance. As summarised by the DRA (2009, 15), the aims of the Creative Dublin Alliance are “... to build a network of diverse urban leaders that gathers to identify solutions in response to the challenges that Dublin faces as an internationally competitive city region.”, More specifically, the objectives of the Creative Dublin Alliance can be summarised as follows;

1. Promotion of innovation in the city;
2. Creation of “a citizenship model that would get Dubliners passionate about contributing to their city via discussion forums, events, web presence, and project initiatives.” (DRA, 2009, p.15);
3. The establishment of the 'UniverCities' programme related to the future of research and teaching in the city region in the future;
4. promotion of 'Designing Dublin', which is focused on a number of design initiatives for the coming years;
5. 'Network Mapping', which involves the promotion of networking, of which the Creative Dublin Alliance is itself an example (Ibid).

While the role of the CDA will be examined in further detail in the next chapter, its connection to the higher education institutions will be examined in closer detail here. The enhanced focus on third-level institutions and associated research centres at the level of national policy places them as a central aspect of future urban and regional growth. Indeed, this is an area in which there is an overlap in terms of recent economic policy between the national and city/city-regional scale. In particular, the 4th level sector – PhD, and research

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8 For more information on the OPENCities project see http://opencities.britishcouncil.org/web/index.php?home_en
orientated activities associated with universities and other higher-education establishments – have received an increasing amount of attention amongst policy makers at different levels.

The Creative Dublin Alliance includes a number of representatives of the third level institutions in Dublin. As pointed out by a representative of Dublin City Council, one of the reasons for this is the desire to connect issues being studied within different universities to the operation of the city:

“If you have someone doing a PhD on social issues, or on transportation issues, or on environmental issues, instead of picking an obscure topic that ten people might read about as a PhD, why not pick a topic that has real relevance in the city? Then that piece of work is far more valuable to the person who both does it as a career item [and] to the city who might possibly be able to take on conclusions and to the university who become a far greater contributor to the life and the workings of the city in which they actually inhabit”.

The role of the higher education sector in the Greater Dublin Area is also further boosted by the establishment of The Dublin Regional Higher Education Alliance (DRHEA). Through funding from the Strategic Infrastructure Fund 9, the DRHEA was established to contribute to the establishment of the Dublin city region as an international centre of the creative knowledge industries and innovation (DRHEA, 2008). While there is no official connection between the DRHEA and the CDA, there is overlap in as much as the universities and Dublin City Council and Irish Business and Employers Confederation (IBEC) are represented on the board of both Alliances. Moreover, the core aim of each is based on similar objectives. For example, for the DRHEA (2008, p.1):

“The experience from international studies of successful regions is that the higher education sector plays a pivotal role as provider of high level learning and research opportunities which, through close interactions with other stakeholders, are mobilised to support innovative team-based approaches to devising ideas for new processes and products that can be successfully marketed internationally.”

There are four core strands of activity covered by the DRHEA. These are as follows: (1) Enhancement of learning; (2) graduate education; (3) Internationalisation; (4) Widening Participation. While each of the strands are directly targeted at enhancing innovation as an aspect of third level education, there are a number of features which are particularly striking in terms of the relationship between the DRHEA and the Greater Dublin Area. Of particular note is the focus on 'internationalisation'. For the DRHEA, in order to achieve the ambition of placing Ireland in the global marketplace as 'generator of knowledge', “Ireland's universities need to attract more international undergraduate and postgraduate students and researchers” (DRHEA, 2009, p.5). This, it is believed, will enhance innovation along with creating future international business networks (Ibid). The relationship between the universities, other third-level institutions, and Dublin will be expanded on in Chapter 4.

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9 The Strategic Innovation Fund (SIF) is directed targeted at supporting innovation in higher education institutions in Ireland. A total of €510 million will be made available for this purpose over the period 2006 to 2013. See: http://www.hea.ie/en/sif, last accessed, 22nd October, 2009
3.9 Conclusion

This chapter has given a broad overview of current economic policy at both the national scale and the scale of the Dublin region. At the national scale there has been an increase in attention to the 'smart economy' as a future economic strategy. Running parallel to this is a focus on the role of regions, and, more particularly, city-regions (NESC, 2008; NCC, 2009). However, at the scale of these city-regions the focus shifts from the Smart Economy to the 'Creative City' and 'Creative Class' as a driver of economic change. While similar terms are often used, the focus is placed on the attraction and retention of ‘talent’ over and above any particular economic strategy. Furthermore, the strategies involved in promoting the city region are based primarily on place-making aspirations, the creation of alliances, and the formation of other networks attempting to implement desired changes. On one level, this illustrates the potential lack of power available at the local level in terms of implementing changes in infrastructure and other 'hard' factors. However, more critically, there is a need to examine the manner in which 'creative city' policies have pervaded economic and urban policies in Dublin more closely. These issues will be picked again up in Chapter 4, which draws directly on interviews with key figures involved in policy formation in Dublin.
4 POLICY DEVELOPMENT: KEY STAKEHOLDERS AND POLICY FORMATION

4.1 Background

This chapter analyses the factors involved in the formation of recent economic policies in Dublin and how such policies relate to the creative-knowledge economy. In particular, it expands on the findings of this work package, which illustrate three interconnected aspects of current policy formation; (1) the centrality of place-making ambitions; (2), the dominance of individual actors and (3) the formation of private-interest networks.

The recent emergence of a dedicated economic policy in the Dublin region has been driven largely by Dublin City Council. To a certain extent this is due to a perception within the City Council that Dublin has been ignored as a specific entity at the national level in terms of policy formation. As pointed out by the Dublin City Manager, there is a desire amongst the current city leadership for the national government to recognise the “importance of Dublin as the economic driver of the state and to recognise that city regions are almost more important than nation states at the moment” (Interview 1: Dublin City Manager). While the focus on the city region forms a backdrop, policy itself has been directly influenced by two particular aspects of Richard Florida's 'creative class' thesis. The first of these is the focus on the attraction and retention of 'talent'. The second, which is seen as being connected to attracting talent, is a focus on 'soft factors' such as 'place-making' and 'city image' (including issues of 'tolerance’), which fit with Dublin's evolution as an 'entrepreneurial city' in recent decades (Peck, 2005; Fox et al., 2009). The entrepreneurial aspects of recent policy formation are further boosted by the formation of networks which are comprised of private interest groups and government bodies. Furthermore, the importance of the role of individual actors in influencing and formulating current policy has emerged as a key factor throughout the interviews for this work package. This will be discussed in a number of contexts throughout this chapter.

4.2 The dominance of 'Creative City' rhetoric: Place-making and design

The development of the creative-knowledge economy in Dublin in recent years has been influenced largely by a combination of targeted national economic policies along with the emergence of a highly educated workforce. However, as a means of promoting Dublin’s international profile, the Dublin Regional Authority have, in recent years, labelled Dublin as a 'creative city region' (DRA, 2009). Furthermore, with a focus on the attraction of talent as a key factor of economic growth, akin to Florida’s ‘creative class’ thesis (2002), place-making has become a dominant aspect of recent policy formulation (DRA, 2009). The analysis carried out for this report suggests that the focus on place-making has been strongly influenced by the
role of individual actors in the formulation of policy. However, individual actors also operate within a system and a set of constraints. For example, while the recent *Economic Development Action Plan* (DRA, 2009) had input from a number of interested parties, it was predominantly formulated by three individuals, who were able to write the plan in a manner that was heavily influenced by elements of the ‘creative class’ thesis (Florida, 2002). The approach taken was outlined as follows:

“Instead of dealing sectorally with the whole - the economy, the city, and trying to set out a strategy for that - we kind of zoomed backwards and just regarded all that other work as kind of like background papers...and then the critical things that we came out with, say having looked at everything, [were]... what were the three themes? And then we identified that as governance, the people and place”

(Interview 2, DRA Representative)

Expanding on the issues raised in Chapter 3, the people referred to in the above quotation are 'creative people', who, following from Florida (2002, 2005), are perceived to be attracted to a particular living environment which is ‘tolerant' and supportive of diversity. For Florida (2002), and those who are influenced by his ideas, this living environment is associated with an urban image which includes tightly-nit streets with coffee shops spilling on to the pavement and a vibrant arts scene, thus forming a spatial imaginary which can be easily evoked in different policy documents (Peck, 2005). Two particular aspects of place-making have emerged as dominant aspects of policy formation in Dublin. One of these is the pursuit of contemporary architecture and design as a signifier of Dublin as a creative city region. The other is the promotion of tolerance and diversity as a central element of attracting and retaining talent. Through an interview with one of the individuals directly involved in formulating the *Economic Development Action Plan* (2009), the focus on architecture and design was highlighted as follows:

“If you just have creative architecture... and Dublin has a lot of infilling to be done, and so you’ve got that really high quality stuff like Grafton Architects, that’s kind of a stimulus. [Architecture is] a symbol that a city is creative, it’s a stimulus, I think, because presumably going along to an art gallery, or a music event, or whatever, is good for you creatively, which needs a bit of a coax... Similarly, looking at a building like that, experiencing a building like that, if you’re working in it, [it] kind of boosts your creativity.”

(Interview 2: Representative of DRA)

For the above respondent, certain aspects of contemporary Irish architecture – particularly work by contemporary architectural practices which are highly respected in both Ireland and internationally – are seen to be symbols of Dublin as a creative city. Furthermore, these spaces are perceived to further boost the creativity of those working there. Therefore, the promotion of high quality architecture is seen as one aspect of the desire to promote, attract and retain talented workers.

A second aspect of Florida's creative class thesis (2002) highlighted in the interviews as a core-element of current policy is the focus on 'tolerance' and 'diversity'. For example, the recent *Economic Development Action Plan* (DRA, 2009 p. 23) states that “we need to develop a society that acknowledges, accepts and expects the following: Diversity, Integration,
Urbanity, Openness, Quality design” as being a direct prerequisite for the attraction and retention of creative people. A representative of the Dublin Regional Authority picked out the term 'urbanity' as a means of summarising the relationship between the above mentioned factors as follows:

“I suppose urbanity is that, if you regard cities now as the economic drivers, that urbanity is that quality of a city. And then I suppose there are all sorts of differences to what makes up that. Density obviously would be one and then there’s just urbanity in the sense of good quality of urban place and all that kind of other stuff…like clean, green and safe. And urbanity I suppose even in the sense of cities as melting pots... where people, where difference can live. Because if they come from different backgrounds, and that [there is that] sense of a tolerance [in the city] I suppose.”

(Interview 2: Representative of DRA)

The creative city when viewed in this regard is presented as a place of unproblematic interaction where particular ideals of tolerance and diversity are perceived as the backbone of both the economy and social life. The relationship of these factors to economic policy will be examined in more detail in Chapter 5. However, the above quote highlights the role of individual actors in promoting the role of 'place-making' within current economic policy. The role of individual actors as a core element of the formation of networks is highlighted below.

4.3 Policy interaction: The emergence of new networks

As discussed in Chapter 3, a key element of recent policy formation in the Dublin region is the promotion of city leadership (DRA, 2009). This does not only refer to the manner in which agencies such as Dublin City Council attempt to lead policy formation, but how they bring together different actors and institutions to actively partake in different strategies such as the formation of networks, with the overall aim of increasing the profile of the city. For example, a representative of the National Competitiveness Council (NCC) gave details of the interaction between them and Dublin City Council as follows:

“I really think…it’s unbelievable. I think the City Manager, John Tierney – you can singly put it down to one person saying ‘we’re going to drive this, we’re going to make a difference’. The number of project teams he set up with specific responsibility for the policy for developing Dublin City policy is staggering... I mean we keep quite closely briefed with it because of this project... I came across something on the OECD that I thought they would be interested in and they were coming back going ‘yeah we need to meet up in January…just sit down and have a chat with you and let you know what we are doing… these are the projects we are working on’. The stuff they are doing is really interesting stuff.”

While interaction between the NCC and Dublin City Council is now primarily between members of staff involved in policy formation, the initial interest in the city region was driven by overlapping interests, which were to a large extent dependent on particular individuals taking the lead in certain areas of policy formation throughout a number of different bodies. For example, a representative of the NCC outlined the process by which they began to look at
the role of cities in the national economy for the *Our Cities: Drivers of National Competitiveness* (2009) document as follows:

“More often than not, projects from the council would be proposed by the executive and then just supported by the council; but actually this was one where the council members themselves felt that they wanted to look at cities. So we would have gone off then and done up a proposal on what could be done... and the council would have given us approval for that and then we went about through stakeholder’s engagement. We went around and met with the different city managers and we would have met with local city chambers of commerce... things like that. And then we would have also had a sub-committee of the council. So council members who had a specific interest in this for example, Professor Ferdinand von Pondzyski of DCU was particularly interested in this. He is also involved in Dublin city’s Creative [Dublin] Alliance...”

(Interview 3: NCC Representative)

The representation of particular individuals on different councils and alliances can therefore be seen to have a direct impact on the promotion of a Dublin-orientated policy. Moreover, the networks formed by these interested parties are of importance in as much as they are directly involved in promoting the factors driving Dublin as a 'creative city region'.

While the promotion of place-based strategies, including city-branding and design, represents one aspect of policy formation, another aspect is the formation of networks and alliances. These alliances and networks include the Creative Dublin Alliance and Creative D, which are involved in the promotion of Dublin’s profile, within the remit of attracting, nurturing and retaining creative talent (DRA, 2009). To take one example, the Creative Dublin Alliance was established by Dublin City Council to bring a number of different actors together to promote Dublin as a 'creative city region'. This was outlined by the Dublin City Manager as follows: “I suppose we are putting flesh on the claim to be a creative city and making sure everybody is working in a complimentary way around that. It's about looking at problems in the city and [asking] can we develop solutions that a lot of parties have an input into...” (Interview 1, Dublin City Manager). Furthermore, the formation of the Creative Dublin Alliance is another illustration of the frustration at the level of the city-region with the level of attention to Dublin in national policy:

“Well what originally happened – out of challenge comes opportunity. There was a huge concern, particularly around the universities, which had been expressed around investment going into other parts of the country, as opposed to Dublin. There would have been a concern in the city council about the National Spatial Strategy and the way that [central government were] trying to spread everything around the country. But you have got to prioritise investment. There was a concern amongst business that an ABD philosophy- an ‘Anywhere But Dublin’ philosophy – was taking hold. And actually, the first meeting was organised by the chamber of commerce. The president of the chamber of commerce at the time was Ronan Keane. That was back in 2007 or thereabouts...and there was kind of a round table discussion amongst the universities, the chamber of commerce and ourselves.”

(Interview 1: Dublin City Manager).
The foregoing illustrates the role of private actors – in this example, the Dublin Chamber of Commerce – in influencing policy formation. Furthermore, although the original plan for the Creative Dublin Alliance was put aside, and the City Council led its eventual formation, it is noteworthy for its role as a targeted strategy aimed at improving the connectivity and networking between government bodies and private institutions. This includes the universities, the chamber of commerce, the Industrial Development Authority and the Irish Business and Employers Confederation. While it also includes the not-for-profit sector, there is a notable absence of representatives of both political representatives and community organisations.

A number of strategies have been initiated through the formulation of the Creative Dublin Alliance. The first of these was the hosting of a week-long event – Innovation Dublin – in October 2009 with 465 events targeting innovation and creativity in Dublin.¹ A number of sub-strategies have emerged from this event. These include, for example, 'CreativeD', which is a European Interreg supported initiative which promotes networking and innovation amongst the creative industries. Another is 'Designing Dublin', which was led by a non-profit group called Design 21st Century. As summarised by the City Manager, Designing Dublin is an initiative which sets out to use “the not-for-profit sector to convene and manage a project for us around the whole issue of using design thinking as a tool to develop a different approach to how we design services” (Interview 1: Dublin City Manager). This involves an examination of the role of innovation and design in everyday life, which is being explored through a project focused on “finding the hidden potential of place”. This sets about to explore how those living in a newly established community in Clongriffin in North Dublin can contribute to future design solutions for their area.²

A key aspect of the development of the Creative Dublin Alliance is the inclusion of the third-level education sector. The importance of the universities and other third-level education institutions is related to the increased attention to the role of education within the promotion of a creative city region, where terms such as 'knowledge economy' and 'smart economy' are used interchangeably. As discussed in Chapter 3, this also fits within the remit of the Dublin Regional Higher Education Authority in promoting education in the Dublin region. The role of the universities in the future of the Dublin region, and, more specifically, the CDA, was outlined by a representative of the Dublin Regional Authority as follows:

“Well I suppose that’s all kind of conventional wisdom now - knowledge economy, innovation economy, universities - that they are critical to economic success and development and [in] Dublin there’s a very high concentration of third level colleges, both public and private... I know [that in] all sorts of other cities [the question is] how to get that link between [cities and universities] so that universities aren’t just ivory towers, that they’re located in a city and they’re relating to the city [in terms of] the commercialisation of research and ideas and so on. I suppose that would have been the progenitor for the Creative Dublin Alliance, because there’s models of those all over the world – Triple Helix and all that kind of stuff”

(Interview 2: Representative of DRA).

1 See http://www.innovationdublin.ie/
2 For more on CreativeD, see http://www.citieslinked.com/uceu/creative-d/creative-d For more on Designing Dublin and Design 21st Century, see http://design21c.com/node/2
As well as indicating the dominance of private power within the Creative Dublin Alliance, the presence of the university heads on the Creative Dublin Alliance is also indicative of the role that universities play in an R&D orientated economy. Furthermore, the connection between the city council and the universities is also related to the greater level of attention being paid to both city and university rankings in recent years in terms of the overall international profile of the city:

“Well they have a huge role to play because they're the shapers of talent, producers of talent... [They're] such a huge influence in, not so much [the] urban brand, but in the perception of the city. We have two universities in the top 100 in the world, but they have so much potential to produce people who will do more for society.”

(Interview 1; Dublin City Manager).

This is reflective of the perception of Florida et al., (2006) that universities play a lead role in the production of 'talent'. The connection between the universities and city therefore works on a number of levels. While the UniverCities project, which forms part of the CDA, targets connections between the university and the city on a practical level, the broader remit is related to the role of the universities in enhancing the international profile of the city. For example, one individual involved in the preparation of the Economic Development Action Plan (DRA, 2009) outlined how the 'student city' had become a core-feature of an on-going effort to promote Dublin as follows:

“There’s a much more [of] a concerted learning thing going on and I think it’s a really good one because it’s an international one and it’s not just European cities that we are looking to... So, I think that’s really important because we have potential link now with Melbourne and places like that and that’s very relevant on a whole range of issues about say the student city, or you know the role of international education and stuff.”

(Interview 2: DRA Representative).

The promotion of Dublin as an 'International Student City' is of note in as much as it was established to give the political representatives a greater amount of involvement in the formulation of current policies and strategies. While there has been a certain amount of political involvement in the OPENCities Project, both the Economic Development Action Plan and the formation and workings of the Creative Dublin Alliance are predominantly management-driven. For example, only two local representatives are included on the list of those consulted regarding the development of the Economic Development Action Plan. The rest of those involved in the formation of the document are made up of representatives from council employees, senior management figures from the four local councils and other state agencies, university representatives and business representative groups, such as the Dublin Chamber of Commerce. The frustration amongst a number of local representatives regarding the emergence of the Creative Dublin Alliance as a top-down agency, and the perceived marginalisation of local representatives was made evident in the official process of formulating the 2011-2017 Dublin City Development Plan. During the finalisation of the Draft version of Development Plan for public consultation, the inclusion of the CDA was questioned based on both a lack of clarity of its purpose and a perception among councillors...
that it amounted to the City Council promoting the interests of particular groups over the interests of others.\(^3\)

The recently established Commission on Employment, which was set up by the Lord Mayor of Dublin, is aimed in part at least, at addressing the short-coming in input by local councillors. The current Lord Mayor of Dublin outlined the reasons for setting up this commission as follows:

> "Looking at local government in Ireland and the power say of the Mayors or Lord Mayors or Cathaoirleach [Chair-person of Council], you are actually quite limited in your powers and yet at the same time, you have quite a lot of influence. But it’s interested [in examining] what is happening at city council level and it’s trying to ensure that there’s a political direction to what’s happening... [There’s the] Creative Dublin Alliance and the Economic [Development] Action Plan. And while all of these are happening, I really felt that it was important that there was a political stamp on it... And so, that’s one of the objectives that I have; In the development of all of this... we would look towards putting a political stamp and that the councillors and the city council as the members of the council would actually take some ownership of [it]"

(Interview 5: Lord Mayor of Dublin)

The Commission on Employment was therefore set up with the aim of bringing the political representatives together, along with other agents (NGO's such as employment groups, the Dublin Chamber of Commerce, and Academics) to formulate policies for the economic future of the city.

Although, as stated above, one of the reasons that the Commission on Employment was formed was to ensure a political viewpoint was put across in terms of future policy formation, to a large extent, the focus within the Lord Mayor's commission reflects some of the desires of both the Economic Development Action Plan and the Creative Dublin Alliance. For example, two workshops held in January 2010 entitled 'Promoting the Cultural and Creative Industries and Innovation in Dublin', and 'Dublin as an International Student City' are illustrative of the manner in which the associated strands of the 'creative city' and 'internationalisation' have become key elements of current policy in Dublin. Indeed, according to a background paper associated with the 'Dublin as an International Student City' workshop:

> "Attracting foreign students has a range of benefits other than the income/employment generated such as: more innovation in education system and later (with commercialisation of ideas); increased tourism (from family/friends), trade links and investment, more lively and vibrant city, regeneration, promoting Dublin internationally etc”

(Dublin City Council, 2010).

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\(^3\) See minutes of Special Meetings of the City Council held on 25th November, 2nd December and 3rd December, 2009 at http://www.dublincity.ie/YourCouncil/CouncilMeetings/Pages/MeetingMinutes.aspx last accessed, February 9th, 2010
The desire to attract international students is therefore directly connected to the overarching aim to promote an internationalisation agenda in Dublin. There are also other factors in terms of the promotion of Dublin as an international student city. The first of these is the Mayor's personal connection to education, and more particularly, the role of exchange and international interaction. The second of these is directly connected to the current property crisis in Dublin:

“I was programme manager of the education service of Léargas up until 2007. So I would have a very strong background in that area and it’s an area that would interest me, would interest me greatly. And then also in discussions with the planners one of the issues that came up was a lot of the developers – with the property bubble bursting the way it did – have come to Dublin City Council stating that rather than developing office or apartment blocks, that they are interested in looking at student accommodation as a way forward. So that started us thinking... about if we are to design a student city”

(Interview 5: Lord Mayor of Dublin)

The forgoing illustrates the impact that the property boom of the last fifteen years has had on current policy formation in Dublin. While the desire to promote Dublin as an International Student City is being driven by a broader agenda related to the boosting of the university sector and boosting international trade connections, the legacy of the previous two decades is still present in as much as land-use is directly influenced by the shifting desires of the property development industry. The direct connection between urban development and place-making dictates that a high level of attention is needed at the level of policy so as to regulate land-use for future economic growth. This will be discussed in further detail in Chapter 6.

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4 Léargas is a national body with responsibility for international exchanges and interaction between students: http://www.leargas.ie/
4.4 Conclusion

This chapter has illustrated a number of findings. First, is the significant role of individual actors in the formulation of current economic policy. For example, the dominance of individual actors in the formulation of policy documents has resulted in focus being predominantly on 'soft factors' such as place-making, which are highly influenced by particular elements of Richard Florida's creative class thesis. The second finding of this chapter is the dominance of networks consisting largely of city management personnel and private interest groups with the aim of promoting particular areas such as the third-level education institutions. The creation of these networks, and in particular, the Creative Dublin Alliance, has contributed to the formation of secondary networks, such as Creative D.

The reliance on networking and 'place-making' point to core issues of current policy formation. First and foremost, the focus on place-making within the current Economic Development Action Plan (2009) results in the absence of a clear economic policy, along with any in-depth analysis of what industries might prosper in the future. Moreover, while the formation of Creative D promotes a certain amount of networking among those involved in the creative industries, the term 'creative city region' is, above all else, used as a catch-all term. It is however, worth noting the reasons for the current promotion of 'soft' factors in policy making in Dublin. Through the interviews carried out for this work package it has emerged that this focus is driven largely by the weaknesses in the ability of local authorities to direct policies aimed at broader infrastructural improvements. This will be discussed in further detail in Chapter 5.
5 CRITICAL ANALYSIS AND DEBATE

5.1 Background

This Chapter examines two specific areas related to current economic policy in Dublin. The first part critically evaluates the relationship between current policy at both the regional and national level in the context of the downturn in Ireland's economy. This involves an examination of the political structure and, in particular, an examination of the relationship between central government and local and regional authorities such as Dublin City Council and the Dublin Regional Authority. Following directly from this, the impact of recent cuts to local authority budgets will be examined. This leads to an analysis of the current downturn in the Irish economy and its broader significance for Dublin's economy. The chapter illustrates two key findings. The first is that the structure and powers of both Dublin City Council and the Dublin Regional Authority limits their ability to implement policies orientated towards the provision of 'hard factors' such as transport infrastructure. The second finding highlights the impact of financial cut-backs on overall funding at the local and region level. As a result, it is argued that the policy focus at the local and regional level has been dominated by 'soft factors' such as 'place-making'. Taking the focus on these 'soft factors' at face-value, the second part of the chapter critically examines how 'place-making' policies have dealt with broader societal issues, such as diversity and equality. Here it is argued that the connections between current economic policy and ideas of tolerance and equality in Dublin are unclear, and require a greater amount of research before being included as a major element of policy formation.

5.2 The structure of local government and current economic circumstances

While Chapter 4 analysed the role of individual actors in the promotion of 'place-making' as a central aspect of current policy, the interviews carried out for this report also indicated the nature of the relationship between the structure of local government and current policy formation. In particular, it was evident that a certain amount of frustration existed on the part of local officials in Dublin City Council and the Dublin Regional Authority. For example, one of the key problems for the Dublin City Manager was the way in which local government was structured. This was summarised as follows:

“The lack of a Dublin focus within our political system... leads to issues about certainty of investment in infrastructure for the city and the region. We have infrastructural deficiencies that we have to overcome, public transport being the biggest one.”

(Interview 1: Dublin City Manager)
For the city manager, a key issue is therefore making the most of the available resources, while at the same time lobbying for changes in the structure of government. This was reiterated at the scale of the Dublin Region by a representative of the Dublin Regional Authority involved in policy formation as follows:

“There’s lots of spaces that we don’t decide; the infrastructure, it’s the government, or the Department of Finance, who [dictate that]. The metro, the interconnector\(^1\), the waste, all the engineering, the other engineering, water supply, waste treatment, electricity supply; they are all outside our hands. We can kind of promote them, we can say ‘this is essential’ and we can facilitate them. Broadband is another one and again we can lobby for that or you know, highlight it and then facilitate it by whatever, through our property or our roads, or planning or whatever”

(Interview 2; DRA Representative)

The foregoing illustrates coordination and power as one of the biggest difficulties between different agencies in the Dublin Region, and the Greater Dublin Area. While there is a tentative shift towards regional governance, there is a lack of official coordination between different bodies. For example, while the National Transport Agency, which was established in 2009, has official responsibility for the integration of public transportation in the Greater Dublin Area, integration is further complicated by the structure of the GDA. The GDA comprises two separate agencies, which themselves comprise a total of seven separate local authorities; the Dublin Regional Authority (Four Local Authorities in Dublin) and the Mid-East Regional Authority (The three counties surrounding Dublin; Meath, Kildare and Wicklow). As the remit of the Dublin Regional Authority is to promote co-ordination between the different local authorities, as opposed to having any specific control over particular services, the integration of different areas, such as public transport, has been difficult to implement. For example, this is evidenced by recent prolonged efforts to promote integrated ticketing between the different bodies responsible for public transport in the Greater Dublin Area.

As well as the inadequacies in the structure of local and regional government, the recent downturn in the Irish economy has had a significant impact on the levels of funding available to local authorities, such as Dublin City Council. The main sources of funding for local authorities such as Dublin City Council are Commercial Property Rates, Motor Tax, and government grants, which have proven particularly vulnerable to the current economic crisis. For example, In January 2008, the allocated amount of funding from central government for Dublin City Council was €105 Million. By January 2010 this had been reduced to €88.7 Million, which marks a 15% reduction in funds allocated by central government over a two year period\(^2\). Furthermore, the reliance on commercial property rates and motor tax has also been impacted negatively. For example, office vacancy rates in Dublin are currently at 22%, and are expected to rise to 25% in the coming year.\(^3\) Thus commercial property rates have

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1 Both the Metro and the Interconnector are currently proposed rail infrastructure projects in Dublin.
3 http://www.thepost.ie/story/text/eyqlausncw/
also dropped. It is also important to note that during the property boom of the 2000's construction levies made up a significant amount to local government funding. Therefore, the downturn in the construction sector has further impacted Local Authorities in the Greater Dublin Area. Finally, the drop-off in newly registered cars from 146,470 in 2008 to 54,432 in 2009 is indicative of a significant drop in Vehicle Registration Tax (VRT) intake.

Outside the direct impact on local government funding, the current fiscal difficulties facing the Irish government also have profound consequences for the future of Dublin's economy. As discussed in more detail in Chapter 3, over the last two years the Irish government have introduced a number of measures aimed at supporting the banking and construction sectors, while also implementing methods of combating an increasing financial deficit. Initial measures to support the banking sector were introduced in September 2008. The first step was the introduction of a bank guarantee scheme, which guaranteed the deposits in Irish banks totalling €485 Billion. Parallel to this, the Irish government began to recapitalise the banks, with the three larger banks receiving a total of €11bn in government funding between them. Furthermore, in an effort to further stabilise the sector, one of these Banks, Anglo Irish Bank, was nationalised in January 2009. The establishment of the National Asset Management Agency (NAMA), which takes impaired property loans from each of the Irish banks, marks another example of measures aimed at stabilising the Irish economy. The establishment of NAMA places a significant amount of financial pressure on the Irish government and tax payers in as much it is reliant on benefitting from the long term economic value of the property assets involved. The inevitable risk is that such values will not be achieved.

At the same time, a number of measures have been put in place to control the increased financial deficit. Initially, these measures included the introduction of an income levy of between 1 and 3 percent, which were subsequently doubled to between 2 and 6 percent in the supplementary budget (emergency budget) in April 2009. Furthermore, a pension levy was introduced to members of the public service of between 3 and 10 percent depending on levels of pay. The most recent government budget for 2010 introduced further cuts to public spending. These included cuts to public servants pay by between 5% and 10% depending level of income. It also included cuts in social welfare payments such as job seekers allowance and child benefit. The combined impact of the above factors is likely to reduce the amount of funding available for new economic incentive packages.
5.3 The limits to 'soft factors'

A central aim of this work package has been to examine the focus of recent policy within Dublin. One of the dominant factors to emerge from the interviews was the focus on 'soft factors', such as 'place-making' and branding of the city. The City Manager outlined the importance of branding Dublin as follows:

“Well, currently we in the city council are working towards a brand of Dublin being a creative sustainable city with kind of a vibe that is distinctly Dublin; you can merge all the hard and soft factors into a vision like that for example. But that’s one thing, that’s having a vision for your area, but a brand is somewhat different. What do people intuitively associate with Dublin or what is their emotion about Dublin and you know branding is very important. It may be that as we examine that, Dublin is a sufficiently big brand already without interfering with it but this exercise is to see if we can develop the brand of the city to get us more recognised as an international city region.”

(Interview 1: Dublin City Manager)

As argued by the City Manager, the importance of promoting an international profile is directly related to building an export-led economy in the future. Therefore, to a large extent, the recent focus on 'soft' factors can be seen as a way of adding further stimulus to existing connections, which in this case is the presence of large multi-national companies, such as IBM, Microsoft, Intel, Hewlett Packard and Wyeth in Dublin. This was expanded as follows:

“Well look at it, there are a few very basic reasons for [the pursual of creative city policies]. Everybody is trying to save their creative knowledge economy and that. Innovation is a big issue as part of that and I suppose why we have been so acutely aware of it in Dublin is [that] Irish people have gone out and proved that they are innovative people, and the Dublin region has proved it’s an innovative region… We have retained the European headquarters of five of the top ten software companies in the world and you don’t retain them unless you’ve got that mix of creative workers available to them. Now obviously some of them are Irish and some of them are people who have come in, but they’ve proved attractive enough for people to come here…and obviously our tax policies and all those were crucially important, but they don’t just stay around because of that, there are other factors impinging upon it. Our education system has been helpful, so I suppose I would say we have and advantage of laying claim to being that, but you can never stand still…” (IBid)

In line with recent ACRE reports (Murphy, Redmond & McKnight, 2008; Murphy & Redmond, 2008; Lawton, Redmond & Murphy, 2009), it is the 'hard factors' that are cited here as being essential to the future of the creative-knowledge economy. However, given the weaknesses in the structure of local government, and, more particularly, the limited ability of local authorities to influence the development of 'hard factors', such as infrastructure, it is likely that the focus on 'soft factors' in current policy formation is a way of utilising the available resources.

One of the negative consequences of the current focus on 'soft' factors at policy level is the degree to which the notion of a 'creative city region' is now used as a cover-all term that embraces a wide array of industries without focusing on what their contribution is to GDP or
the future development of an export-led economy. To a certain extent this is due to the level of confusion within policy formation as to how to define what the creative industries are:

“Who do you include in the creative industries? Do you include advertising and all that kind of stuff so I mean you could just use employment or you could try and you know map out its contribution to GDP or whatever...”

(Interview 2: Representative of DRA)

The rhetoric surrounding the so-called creative city has therefore been adopted to act as a platform for broader urban development rather than focus on economic strengths. The lack of focus within the current Economic Development Action Plan on industries which are currently making a significant contribution to Dublin's economy is indicative of this tendency.

The pharmaceutical area is one example of an industry that is currently making a significant contribution to current exports, which is lacking from current policy for the Dublin region. A recent National Competitiveness Council report highlighted the success of the 'Life Sciences' or pharmaceuticals sector as follows: “Chemical products, including medical and pharmaceutical products, accounted for 51 percent of manufactured exports from Ireland in 2008.” Moreover, according to a recent Irish Exporters Association report, “The industry which spans pharmaceuticals, chemicals, diagnostics, medical devices and biotechnology generates over 60 per cent of our merchandise exports making Ireland the largest net exporter of medicines globally” (IEA, 2010 p.3). As such, it is an industry which is currently experiencing a high degree of growth.

The above example points to the need for a more strategic perspective on what the future growth areas are in both the national and Dublin regional economy. For example, there is a need for more detail within the promotion of the 'Smart Economy' at national level, which could then feed into future policy at the scale of the Dublin region. The current focus on the 'Smart Economy', as well as its potential for future economic growth, was expanded on by a representative of National Economic and Social Council (NESC) as follows:

“It’s a silly term. You talk about the Government and well, if by ‘smart’ we mean green energy. Okay let’s get down [that road]... It’s terribly challenging for instance how we are exploiting our potential to be in the engineering side of say wind turbines, given the potential for large wind farms on and off shore in Ireland... So that’s part of the thinking of smart economy, you say ‘green energy, well... what are our tech export and traded services? but smartness extends to how...to our public services, smartness extends to our childcare system, smartness extends to our public health services and you have to say [how] are we being smart you know?... it extends to the way we manage our public finances and the sustainability of our tax revenue and so on. So, we should be very slow to say ‘right, we’re a smart economy’ or want to be one”

(Interview 4: Representative of NESC)

The foregoing illustrates to the need to examine the potential of different areas in the future of economic growth in both Ireland and the Greater Dublin Area. Such a perspective would need to get away from the promotion of 'soft factors' as a backbone of regional economic policy, and instead ensure that other key elements, such as availability of employment, are also promoted in policy formation.
5.4 A safe, green, clean creative city region?

While previous ACRE reports have highlighted the importance of 'hard factors' amongst a number of different groups, such as managers and transnational migrants (Murphy, Redmond & McKnight, 2008; Murphy & Redmond, 2008; Lawton, Redmond & Murphy, 2009), this report has highlighted how bodies such as the Dublin Regional Authority has pursued strategies that are mainly, though not entirely, focused on 'soft factors’. This has been largely driven by urban planners who have focused on 'place-making', including the relationship between the economy and social factors, as a core-element of Dublin’s economic strategy. However, taking this focus on 'place-making', which has formed the basis of the recent Economic Development Action Plan, at face-value, it is unclear as to what the exact connections are between the promotion of a 'creative city region' and social equality, which is proclaimed as a core aim of the document.

There are two intertwined aspects of 'place-making' within recent policy formation. These are the focus on both the physical appearance of the city – architecture, design, urban form – along with the social dimensions with which this image is associated – 'tolerance', diversity and inclusion. For example, one of the desires of the Creative Dublin Alliance is to “encourage an open, merit based, tolerant and inclusive society that promotes well-being” (DRA, 2009, p.27). One element of this approach is the development of a number of strategies which promote integration amongst different migrant groups in Dublin. For example, economic factors have been highlighted as a central feature of promoting cohesion amongst recent immigrant communities in Dublin. This is summarised in a recent Dublin City Council report as follows:

“In geographic areas that are fortunate in that they are attractive to mobile citizens of other jurisdictions, cross-border movement of talent may be an untapped resource for growth through stimulating entrepreneurship. The search for new engines of growth should include the potential contribution that immigrant entrepreneurs can make to their new locations” (Pinkowski, 2009, p.1).

Here integration and cohesion are viewed only as integration of particular migrant groups (Catungal and Leslie, 2009). This focus misses out on an examination of how differences are produced and exacerbated between different social groups and how they relate both to current economic and urban policies. As pointed out by Catungal and Leslie (2009), the reduction of difference and tolerance to that of an economic tool reduces actual difference in the city to a question of city boosterism.

One of the aims of DRA's Economic Development Action Plan (2009, p.24), is to “Examine and develop consensus that would inform policy thinking on the role of equality and diversity in the new knowledge economy, in encouraging economic development, employment growth and global competitiveness.” From a policy perspective, it would also be worthwhile to recognise the role of the economy in promoting equality. For example, the shift towards a neo-liberal economy and the constant desire to market the city for both mobile capital and labour has been perceived by a number of commentators to produce a more socially imbalanced city. This is expressed by Scott (2008, p.38) as follows; “Modern cities have always been characterised by a glaring divide between upper and lower income groups, but
the divide has tended to widen significantly in large cities over the last couple of decades as the new economy has moved forward.” There is therefore a need to recognise the relationship between inclusion and economic growth.

While the current economic recession in Ireland is directly connected to problems of unemployment and income disparity, there is much to suggest that severe imbalance in thriving economies leads to other forms of inequalities. As outlined by Turok in the OECD's (2006, p.354) Competitive Cities in the Global Economy report, “Affluence and poverty seem to have grown side-by-side, undermining the integrity of cities, eroding hopes and expectations of marginal groups, and causing resentment and insecurity.” The current economic climate therefore offers an opportunity for both the negative and positive social effects of potential future economic growth to be considered in the context of policy formation. Going beyond the desire for 'tolerance' and 'diversity', social aspects of the city, such as inclusion, therefore need to be examined in close detail, taking on board a multitude of issues. For example, for Scott, referring to the extreme consequences of inequality, (2008, p. 39) the

“problem of the underclass in modern cities raises fundamental issues that lie far beyond and immediate concerns about technocratic procedures of social restraint. Above and beyond the need for improved employment conditions and opportunities for low-wage workers, these issues go directly to a number of pressing concerns at the heart of contemporary urban society, in particular, political representation, distributional equity, and the democratisation of urban space.”

There is a need for future policy to address some serious issues about the relationship between economic strategies and equality. These need to go beyond the image of the city as being somehow given over the needs of the creative class, and reflect on the subjective and relative aspects of the issues related to quality of life.

5.5 Conclusion

This chapter has examined a number of aspects of current policy formation in Dublin. It has illustrated the degree to which current economic policy at the regional and local level is directly impacted by the policy remits and structures of both local and regional agencies. Furthermore, when combined with levels of funding available, these structures have resulted in a constrained ability of local and regional agencies to implement detailed and focused economic policies. The focus on 'soft factors', which is in part related to limitations to impact on ‘hard’ infrastructure and in part related to current trends in urban planning practice, has further diluted policy formation at the local and regional level. Therefore, while there is a notion of promoting a ‘creative city region’, the exact focus on economic output of industries with which it is associated has been lost. This will be picked up on again in the concluding chapter.
6 CONCLUSION

6.1 Overview

The aim of this report has been to examine the development of recent economic policies in Dublin. The report began with an overview of recent policy at the national, regional and local levels, with a focus on the Dublin region. While this involved an examination of a number of different policies, the dominant influence of Richard Florida’s (2002) 'creative class' thesis on current policy in Dublin became a key focus of investigation. It also included an examination of the distribution of power (policy remits) between different actors and organisations in the context of the existing political structure in the Dublin region. This was carried out through an analysis of recent policy documentation as well as semi-structured interviews with a number of stakeholders. The stakeholders were drawn from different areas of current policy formation in local, regional and national bodies. The findings illustrate the relationship between the current focus on 'soft factors', such as ‘place-making’ and the underlying political structure at the local and regional level.

6.2 Central findings

While a number of government bodies, such as the National Competitiveness Council (NCC, 2009) and the National Economic and Social Council (NESC, 2008) have recently taken an interest in the city region and its role in the national economy, this report has illustrated the gap between broader national policy and policy formulation in the Dublin region. Although there is reference made to national policies within current local and regional policies, it is predominantly limited to the use of buzzwords, or terms such as 'smart economy' and 'innovation'. Beyond this, the core elements of policy within the Dublin Region are focused on attracting, nurturing, and retaining talented workers (Florida, 2002; DRA, 2009). Following from the focus on attracting and retaining talented workers, this report has presented three core-findings, which point to a number of issues related to current policy formation in the Greater Dublin Area. These are:

1) The centrality of ‘place-making' as a driver of economic policy in the Dublin region;
2) The importance of individual actors in policy development;
3) The increased importance of the formation of networks of public and private bodies as an outcome of policy.

As discussed throughout the report, the role of place-making has become a dominant element of recent economic policy in Dublin. Here, the report has highlighted the degree to which the desire to create a high quality living environment is limited by its narrow focus on the
attraction of talented workers. Moreover, the focus on place-making has also highlighted the role of individual actors in the formation of policy, although this must be tempered by considerations of the reality of policy formational and the constraints that surround it. The role of individual actors was also highlighted in the dominance of network formation as a third element of current policy formation. Here, the formation of networks such as the Creative Dublin Alliance indicated the role of agencies such as the chamber of commerce and universities as active agents of policy formation. Furthermore, in the example of Dublin, the formation of networks is not solely to form policies, but to promote networking as a policy outcome in its own right.

The three main findings outlined above are, to a large extent, illustrative of the constraints placed by the current structure of local and regional government in the Dublin region. When compared with regional and local governance in some other EU states it is clear that Irish local government has responsibility for a narrow range of functions, thus limiting its ability to influence key policy areas. In addition, there are problems of coordination between different agencies within the Dublin region. This, together with the high degree of administrative fragmentation in the region, severely constrains the degree to which, for example transport and other forms of infrastructure, can be provided in a coherent manner. Moreover, local government is dependent for its funding on a combination of central government grants, motor taxation and commercial property rates (there is no local residential tax in Ireland). Given the precarious state of central government finances, local authorities have experienced reductions in the grant provided by central government while the economic recession has reduced car purchases and hence the revenue being generated from motor taxation. The case is similar with commercial rates; with a reduction in economic activity the income from these rates has declined also. This combination of limited administrative power and declining budgets has led, we argue, to local authorities grasping selected aspects of the creative class hypothesis and deploying them as economic policy responses for the region.

In essence, the inability of both local and regional authorities to significantly influence economic policy has led them to promote what seems within their power, namely some of the ‘soft’ factors of urban development (Peck, 2005). There is nothing inherently wrong with this. One would expect, after all, local authorities to be concerned with the quality of urban development. Likewise, there is nothing wrong with espousing tolerance and diversity. The argument is first about causality, in other words, what is the precise relationship between place-making, tolerance and diversity, and economic growth. Florida, with his theory of a hyper-mobile set of elite workers, likes to think that good place-making will attract such workers. However, evidence from the ACRE project and elsewhere, disputes this causality and tends to demonstrate that workers and managers are most influenced by what are the traditional ‘hard’ factors of location. People came to take up jobs in Ireland because the jobs had been created and available; their arrival did not create jobs. The second argument regarding place-making is that it tends, certainly in its language and tone, to focus on a certain segment of the workforce and hence to exclude many others. Indeed, it is quite noticeable that issues such as equality are relatively absent from many of the documents.
6.3 Future projections

The current recession in the Irish economy presents the need for significant reflection on the impact of national and regional economic policy. With particular emphasis on current policy in the Dublin region, there is a significant amount of evidence to suggest that the focus on the attraction and retention of talent is an insufficient means of encouraging economic growth (Murphy & Redmond, 2008; Murphy et al., 2008; Lawton et al., 2009). For example, the population of young workers between the ages of 20 to 29 has reduced significantly over the last two years in Ireland, and particularly in the Dublin region.

Given the impact of the current economic crisis on all sectors of the economy, it is likely that a high proportion of the young workers to leave Ireland in the recent past are highly-skilled workers. This further illustrates the weaknesses associated with the role of ‘place-making’ and other such forms of policy-making in encouraging economic growth and jobs growth in particular. However, while the focus on place-making in recent policy formation has been predominantly aspirational, certain aspects of it have direct connections to the property development sector. For example, a certain amount of care is needed in the promotion of Dublin as a ‘Student City’. There is a danger that the current downturn in the property development sector will lead to the desire for a quick-fix solution such as student housing. While, there may be a certain amount of positives from promoting a student city, care must be taken to ensure that student accommodation is strategically planned and not a short-term solution for the troubled property development sector. Indeed, perhaps one of the only positive aspects of the current plight of this sector is the decrease in commercial property rents, which, in the city centre areas of Dublin, have fallen by between 33 and 38 percent in the last year\(^1\). Such a fall may have a positive impact in attracting new industries to set up in Dublin.

As discussed in Chapter 5, a number of recent reports have highlighted the importance of identifying and promoting industries that offer the potential for export-led growth in Ireland, and, more particularly, Dublin (NCC, 2009; IEA, 2010; Forfas, 2009; IDA, 2010). As well as continuing to support existing companies, the focus within both Forfas and the IDA is on new forms of industry, such as ‘clean tech’, and connections between areas such as nanotechnology and life sciences. The emphasis on these areas will be of significant importance for the Dublin region. For example, a recent Dublin Employment Pact Report highlighted future areas of employment growth as follows:

“Inasmuch as it is possible to identify growth areas there is general agreement internationally that there are structural employment gains to be had in certain high-end sectors such as education, health care, ICT related services including digital media, pharmaceuticals and bio-technology, medical instrumentation, and energy. The city region is well-placed to benefit from some of these growth areas and focusing on the strategic development of sectors with growth and export potential is clearly a vital component of a strategic response to growing employment.”

(Dublin Employment Pact, 2010, p.89)

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While a number of these industries are highlighted in current national and regional policy, there is little focus on how they might be encouraged and incentivised, particularly within current policies in the Dublin region. Moreover, at the national level there remains a lack of focus on exactly where funding should be prioritised. For example, the role of the Dublin city region is emphasised by Forfas as follows:

“The GDA has a distinctive economic profile and enterprise dynamic within Ireland, reflective of its role as the key driver within the national economy. It is vital that investments are prioritised that enhance the competitiveness of the city region internationally, to ensure that it plays a leading role in Ireland’s return to sustainable economic growth”

(Forfas, 2009 p.9)

However, in the latest IDA report, the emphasis is placed on removing the focus on the two largest cities and instead ensuring that “by 2014, 50% of projects will be located outside of Dublin and Cork” (IDA, 2010 p.13). There is therefore a need to seek a more consistent approach to prioritisation of industry within different regions in Ireland.

Although this report has pointed to structural weaknesses of local and regional governments to influence such interventions, one area in which local authorities still hold a considerable amount of power is in its ability to direct planning. Given the ability of local authorities to directly influence land-use through land-zoning, they are in a unique position to regulate future development in Dublin. There is a strategic need for planning policy in Dublin to focus on finding ways to regulate the land-use and development while also bringing together a number of different stands of economic policy. Moreover, the ability of regional government to influence change may be improved through the introduction of a regional mayor, the legislation for which is currently being finalised by central government. According to the Minister for the environment, writing in a recent newspaper article, in direct reference to the Local Government (Dublin Mayor and Regional Authority) Bill (2010):

“The mayor will set out strategic policy across Dublin. He or she will establish policy frameworks for the Dublin region in land-use planning – and therefore housing, waste management and water services. The mayor will have a strong role in transport and traffic management throughout the region. The legislation will give the mayor the authority and powers to implement...the policies which he or she and the revamped Dublin Regional Authority lay down”

(Gormley, 2010).

As such, the proposed mayor will help to bring together a number of the agencies responsible for the provision of services in the Dublin region, and may therefore significantly impact on the current state of Dublin’s infrastructure and spatial planning.

Outside the future remit of a regional mayor, the current formulation of updated Regional Planning Guidelines (RPG) (2010) provides the potential for an existing framework to be upgraded in order to strengthen the region through a coherent planning policy. For example, the RPG could be used as a means of strategically planning and promoting indigenous start-up industries on a regional level (see Fox et al., 2009). Moreover, with the current formation of a ‘Dublin brand’ in mind, this would allow those in positions of power and those responsible
for current policy to look beyond the surface image of the city and seek to gain an in-depth understanding of the relationship between a number of different factors related to the economy. While taking into account the role of diversity and equality, a focus on strategic planning at the regional level would allow for economic policy to move beyond the focus on ‘soft factors’, and instead re-engage with ‘hard’ factors, such as the development of infrastructure and the promotion of both export-led growth and employment.


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**Relevant seminars:**


Dublin City Council: 'Dublin as an International Student City: A Workshop for the Lord Mayor's Commission on Employment, 18th of January, 2010, Wood Quay Venue, Civic Offices, Dublin City Council, Dublin

Dublin City Council: 'Open Cities Seminar: Workshop discussing 'OPENCities' Project, Gresham Hotel, Dublin, 24th September, 2010