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# ISSC DISCUSSION PAPER SERIES

## THE POLITICS OF URBAN RENEWAL IN DUBLIN

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*This paper is produced as part of the Governance Research Programme at ISSC; however the views expressed here do not necessarily reflect those of ISSC. All errors and omissions remain those of the authors.*

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# The Politics of Urban Renewal in Dublin

## 1. Introduction

This Irish study will focus the politics of urban renewal in the Greater Dublin Area (GDA)<sup>1</sup>. During the nineties, the capital city of Dublin witnessed a huge expansion in the level of infrastructure, including office complexes, tourism and leisure facilities and residential areas. Moreover, some of Dublin's most derelict and crime-ridden inner-city areas have been rejuvenated and regenerated as flourishing focal points for tourism, housing and business activities. However for this study of the politics of urban regeneration in Ireland, there remains a curious twist to the story. Whilst the urban regeneration project has been largely successful in Dublin and in Ireland more generally, this activity has occurred despite the absence of a strong, democratic system of local metropolitan governance.

Instead the form of metropolitan governance that has evolved in Ireland and in Dublin over the nineties, is one of expanding participatory democracy involving ad-hoc, multi-level partnerships between a highly centralised, Irish bureaucracy and central government with very local, community-level actors and the social partners and which has actively *bypassed* traditional forms of local and regional government as the primary instruments of programme implementation. Whether one disputes or not the appropriateness of participatory, metropolitan governance (as opposed to democratically mandated), it is hard to deny the political success of this approach adopted in Ireland. It is well regarded by many in Ireland and elsewhere and held up as a model of innovative governance<sup>2</sup>.

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1 This research is part of the ISSC Governance Research Programme at UCD, and is funded by the Irish Research Council for the Humanities and Social Sciences (IRCHSS).

2 . In the OECD report "Ireland, Local Partnerships and Social Innovation" Sabel suggests that "the Irish experience demonstrates that the principles guiding current economic restructuring contain the means for addressing some of the dislocations that restructuring itself causes, and especially for combining active decentralised participation and the achievement of autonomy" (OECD, 1996, pp13)

This research examines metropolitan governance, Irish style, through the lens of urban renewal policy in inner city Dublin. We selected two fairly typical, large-scale, long-term projects as the in-depth case studies for our research: the Temple Bar project and the Digital Hub project within the Liberties/Coombe area of Dublin city. For the most part, existing research findings have *described* or mapped out the types of involvement that different types of political actors have in the policy process around the urban renewal of the Dublin area. In this research, the emphasis is on understanding *how and why* these particular mechanisms of governance have evolved over time and how they operate so as to successfully co-ordinate the actions of a range of very different policy actors in the urban renewal policy process?

## **2. The analytical framework for this study**

In both case studies, we explore the different successive phases of development that are progressed from the initial start-up phase, through to the formalisation phase, where there is a process of agreeing in legislation or public policy the project's objectives and scope and followed then, by the implementation phases. In this research we are particularly interested in understanding the form(s) of governance that have emerged over the start-up and the formalization phases of the two major projects. Both projects are fairly typical examples of large-scale urban redevelopment projects in Ireland during the nineties. A key distinction between the two case-studies is their timing: the Temple Bar project was one of the first major urban development projects in Dublin in the very early nineties, whilst the Digital Hub project began much later, at the end of the nineties. During the intervening time period, there were some important general legislative and policy changes impacting on local government and urban renewal policy. Despite this, the basic institutional format for managing large scale projects such as Temple Bar or the Digital Hub has remained fairly consistent: a central agency or quango, initially set-up at arm's length from a central government department, with a range of more ad-hoc, rather than democratically mandated, partnerships established with local government's elected and appointed officials, community interests and social partners.

### **2.1 Institutional and Network Embeddedness in policy making**

Public policy making in Ireland and particularly that concerned local development initiatives involves a range of different interested actors in a multileveled network. Finding a way to co-ordinate and build collaboration across these different policy interests poses a real challenge, the so-called collective action problem. An

*institutionalist perspective* provides a useful middle range theory that highlights the importance of institutions in framing and structuring processes of public policy making (Hall and Taylor, 1996; March and Olsen, 1997). Institutions are viewed as multidimensional – consisting of formal and informal attributes. The dimensions of institutions of relevance to this study are formal organisational structures and established rules for managing the urban renewal measures implemented in Ireland. The informal dimensions encompass norms, values and customs that influence the way things are done and how the policy process is handled. Moreover, drawing on the insights provided by rational choice institutionalism and the notion of transactions costs, we suggest that formal and informal institutions may act to lower the costs of negotiations. Institutions can reduce the uncertainty attached with policy making, particularly where new policy actions are being initiated and where the future benefits are uncertain. “From the rational choice perspective, then, institutions emerge to economise on transactions costs, thereby increasing the number of mutually beneficial transactions that can take place” (Millar, 2003, Mule, 1999). In this research we suggest that opportunities for deviating behavior between these policy actors can be restricted by institutional arrangements. Sociological theory (Raub 1997) provides a general classification of such restrictions in two types: (1) institutional embeddedness, and (2) social embeddedness. Institutional embeddedness guarantees credible commitments in a more formal way: by contracts and procedures to monitor the behavior and sanction the observed deviations of social actors. The social embeddedness also includes ‘network embeddedness.’ Networks have effects on cooperation through mechanisms, such as the dispersion of information about the credibility of actors and informal sanctioning mechanisms (Raub 1997). Social embeddedness reduces uncertainty about future behavior of social actors.

Within the institutional perspective, we will investigate these two complimentary explanations for the type of governance pattern emerging for urban renewal measures in the Dublin area<sup>3</sup>.

- *One explanation is the impact of network embeddedness (i.e. the existence of cohesive policy networks of policy co-ordination and decision-making).*

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3 Based on a paper by Akkerman, A and T. Torenvlied (2001) ‘A tentative explanation for coordination in Dutch social partnership’ Paper presented at the workshop “*The Celtic tiger and the Dutch Miracle. Social partnership and collective bargaining in Ireland and the*

Over the nineties in Ireland, there has been a proliferation of public/private, partnership-based local development initiatives, often funded under the EU Structural Funds, which have led some authors to suggest “these developments in Irish sub-national governance might be construed as evidence of a move away from *governance as hierarchies* to new forms of *network governance*” (Adshead, 2003). This new 'network governance' in Ireland is often described as 'bottom-up', flexible, consensus based with an ad-hoc and open membership involving multiple agencies and being multi-leveled. In this study it is argued that while the flexibility allowed by network governance often might lead to very productive arrangements, network governance can also lead to conservatism as well as to openness to innovations. Therefore this research identifies the type of network characteristics of the relationships between the actors involved in the policy process. This network analysis is useful as it can help us understand how the position of the actor in the network may act as a resource or a constraint on the actor reaching his or her goals in the policy process (Dowding, 1995).

- *The second explanation is the impact of institutional embeddedness (i.e. the existence of effective formal procedures for monitoring and sanctioning)*

Historical institutionalism encompasses analysis of the organisational and cultural dimensions of institutions, while the principal-agent theory compliments this approach by suggesting different types of institutional arrangements, which may ensure policy co-ordination. These may include policy statements or guidelines within the lead government departments and peak organisations; procedures for monitoring the behavior of relevant partnership organisations involved in the decision making and implementation or effective instruments to sanction deviant behavior at the sectoral and/or subnational levels (Akkerman & Torenvlied, 2001).

### **3. Broad institutional framework and case study methodology**

Ireland's highly centralised and sector-oriented system of policy making is closely modelled on the British structure of public administration, under which key decisions affecting the type of urban regeneration projects are adopted and the financial and policy implementation are all taken at the central government level. In Ireland, the

City and County Councils<sup>4</sup> provide the forum for local elected representatives, but these Councils have very limited capacity.<sup>5</sup> Executive decision-making and day-to-day management of local government is the responsibility of the city or county manager, who is directly appointed by the Minister for Environment and Local Government. Moreover, the tendency in Ireland has always been to establish a single function state body that is first answerable to the central state authorities and often to a particular government department (NESC, 1979). In the absence of functioning sub-national local and regional authorities, many semi-state bodies and public bodies had regional levels of organisation. At this level of organisation, one finds the ad-hoc growth of single function agencies and offices – quangos – arising mainly from decentralisation of government departments and state agencies and operating as autonomous actors and independent of each other<sup>6</sup>. Over the nineties, very substantial funding and impetus was given by the European Commission for local development and urban renewal initiatives in Ireland, including the Temple Bar project (Payne, 1999; 2000). Whilst by-passing local and regional authorities in Ireland, working partnerships have been formed instead between Ireland's central government 'lead' departments, these arm's length agencies or quangos, the social partners, including business interests, trade unions and farmers, and micro-level groups at the community level, thereby satisfying the Commission's demand for broad participation and consultation.

### **3.1 The case study methodology for this research**

This study was conducted using an extensive and in-depth analysis of relevant public documents and existing research on urban renewal, including spatial planning, and with particular reference to the urban area(s) of interest. Semi-structured interviews were undertaken with a wide range of senior officials from public and private organisations, who were involved in the regeneration of Temple Bar and/or the Digital Hub. For each of the case studies, we identified a number of phases of

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<sup>4</sup> Local government in Ireland consists of a number of local and regional authorities at three levels. These are: at county/city level: thirty-four local authorities are the mainline providers of local government services - twenty-nine county councils and five cities; at sub-county level: eighty town authorities carry out a representational role for the town with a varying range of local government functions; at regional level: eight regional authorities co-ordinate some of the county/city and sub-county activities; they play a monitoring role in relation to the use of EU structural funds; two regional authorities, known as Regional Assemblies, were established in July 1999 under new structures for regional development.

<sup>5</sup> Local councillors have "reserve powers" which implies that under some exceptions they may act to amend the county or city development plan.

<sup>6</sup> Coyle and Sinnott point to "a proliferation of regional bodies operating in differently constituted sets of regions" (1993: 79). More often than not, the boundaries of the territorial areas for which these different statutory bodies have responsibility, do not coincide with one another.

development, ranging from a start-up phase through to an implementation phase. The policy network of actors involved in each of the phases and for each case study was identified and measured (Akkerman & Torenlid, 2001). A non-technical overview of these network findings for each of the case studies is presented in this paper. We also sought to identify the types of formal institutional arrangements in place and emergent during each of these phases of development.

#### 4. The Temple Bar case study

The Temple Bar case study is the story of the renovation and development of a mostly derelict twenty-eight acres site, situated in the inner city of Dublin near the River Liffey. Table 1 below lists three phases of development and the key events therein.

**Table 1: Phases and Key Events for Temple Bar**

Phase/ Year	Phases of Development and Key Events
Phase 1 1965	<ul style="list-style-type: none"> <li>▪ <i>Transportation in Dublin</i> document: recommends central bus station, be located in Dublin's city centre.</li> </ul>
Phase 1 1975- 1976	<ul style="list-style-type: none"> <li>▪ A consultancy report (Skidmore, Owens and Merrill Report) prepared for the national Bus and Rail Company, <i>Córas Iompair Éireann</i> (CIE) adds impetus to former proposals by suggesting siting of central bus station in the Temple Bar area.</li> <li>▪ CIE approve this proposal and begin acquiring property in the area and leasing buildings at low rent to artists, retailers, etc. CIE were unwilling to invest in the upkeep of the fabric of the buildings so was the tenants and residents of Temple Bar themselves who started the process of redevelopment in the late 1970s about the future of the area.</li> </ul>
Phase 1 1985- 1986	<ul style="list-style-type: none"> <li>▪ <i>Temple Bar – A Policy for the Future</i>, published by An Taisce.</li> <li>▪ Temple Bar Study Group produce report urging Dublin City Council, referred to then as Dublin Corporation<sup>7</sup>, to rethink their support for bus station.</li> </ul>

<sup>7</sup> Under the Local Government Act 2001, the county boroughs of Dublin, Cork, Waterford, Galway and Limerick had their title changed from "Corporation" to City Council.

<p><i>Phase 1</i> 1988-1989</p>	<ul style="list-style-type: none"> <li>▪ Working without funding, tenants of the local shops in the area, established Temple Bar Development Council, which relied on the efforts of personal contacts and friends.</li> <li>▪ Temple Bar Development Council, make submission to Dublin City Council Planning Department on Draft City Development Plan. In anticipation of 1991 European City of Culture, Dublin City Council prepares an Area Action Plan for Temple Bar.</li> <li>▪ Informal contact between the Temple Bar Development Council and Paddy Teahon.</li> </ul>
<p><i>Phase 2</i> 1990</p>	<ul style="list-style-type: none"> <li>▪ Department of the Taoiseach in partnership with the Temple Bar Development Council prepare a proposal for submission to the EU for funding of Urban Pilot Projects .</li> </ul>
<p><i>Phase 2</i> 1991</p>	<ul style="list-style-type: none"> <li>▪ The Minister for Transport and Tourism directs CIE to abandon its plans for a transportation centre in the area. The Dublin City Council's Temple Bar Area Action Plan is included in the Dublin City Development Plan, 1991.</li> <li>▪ The Finance Act, 1991 sets out the tax provisions that would be available in the Temple Bar area until 1996.</li> <li>▪ The Temple Bar Area Renewal and Development Act, 1991 establishes the financial and statutory powers of the two new companies set up to deal with the development of Temple Bar: Temple Bar Renewal Ltd. and Temple Bar Properties Ltd. (TBP).</li> </ul>
<p><i>Phase 3</i> 1992</p>	<ul style="list-style-type: none"> <li>▪ Temple Bar Properties Ltd. publish a Development Programme for Temple Bar and start implementation process</li> </ul>
<p><i>Phase 3</i> 1994-1996</p>	<ul style="list-style-type: none"> <li>▪ EU Structural Funds Operational Programme for Local Urban and Rural Development – Sub Programme 3, Measure 5 outlines ERDF and Exchequer funding for continued development of Cultural Programme.</li> <li>▪ Planning application lodged by Temple Bar Properties Ltd. for redevelopment of west end of Temple Bar – mixed use residential and retail.</li> </ul>
<p><i>Phase 3</i> 2000-2003</p>	<ul style="list-style-type: none"> <li>▪ Development of Cultural Centres completed with the opening of The Project. Following years include planning for future development and Harrington report recommendations.</li> </ul>



#### **4.1 Network embeddedness and urban renewal in Temple Bar**

The most important development during the start-up phase (i.e. phase 1) was the establishment of the Temple Bar Development Council (TBDC), which represented the local, small-scale business and cultural interests and residents living in the area. In terms of the structure of the relationships between the various interests, this TBDC actor became the focal point (i.e. high centrality) of communication and influence in policy network. The wider network comprises of mainly local sub-national actors including Dublin City Council, although the EU Commission and the Department of the Taoiseach are involved on the periphery. A second key development came in the later part of 1988 when there was informal contact between the Temple Bar Development Council and Paddy Teahon, the dynamic and influential General Secretary of the Department of the *then*-Taoiseach, Charles Haughey. His access to the Taoiseach allowed the Temple Bar residents to by-pass the normal formal and time consuming political ladder and instead have access to the heart of government.

In the second phase of the project, there is a remarkable change in the composition and structure of the policy network. A number of new actors joined the network, which primarily included several central government departments and semi state agencies such as the national Tourism Board, Bord Failte. Moreover the most central actor in the network became the Department of the Taoiseach. The Taoiseach was in a position to pluck “pet projects” from the pool of schemes for his own attention. One actor involved in the plans believed that Charles Haughey, the Taoiseach, saw Temple Bar as a visible cultural initiative in which he could promote himself as a statesman in the dying days of his premiership. Once the Temple Bar project is taken on board as a key area of responsibility of the Department of the Taoiseach, the administrative, financial and political resources effectively become available to the TBDC. The Taoiseach's Department works directly with TBDC and Dublin City Council to submit a proposal for funding under the EU Urban Pilot Project programme and this proposal is ultimately successful. More notable perhaps, was the speed and relative ease with which the subsequent legislation was passed in 1991 to establish the new institutional structure or quango to manage the development of the Temple Bar area<sup>8</sup>.

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<sup>8</sup> Temple Bar Renewal Ltd. was set up with the remit to approve development proposals to enable them to avail of the incentives provided for in Chapter VII of the Finance Act, 1991. The Temple Bar Properties Ltd. is the Development Company for the Temple Bar Area, so designated under the Temple Bar Area Renewal and Development Act, 1991. The

It is also useful to note that some of the key individuals involved in the original Temple Bar Development Council also subsequently took management responsibilities within Temple Bar Properties.

## **4.2 Institutional embeddedness and urban renewal in Temple Bar**

Ireland's heavily centralized political system and administration asserts the central government departments as being ultimately responsible for the proper auditing and management of 'their' programmes and policy measures therein. In the absence of trusted informal, network type mechanisms and/or formal mechanisms of co-ordination, there is always a chance that 'other actors' will strongly deviate from the policy recommendation of the central departments. These central government departments must have the guarantee that other actors with whom they collaborate at the implementation stage, will stick to the agreed programme of policy measures. Central government actors will overtly regard credibility as an extremely important attribute, in determining trustworthy partners in the networks for policy decision-making and subsequent policy implementation. Moreover, the effect of this highly centralised political system is seen in the way in which the local actors TBDC and Dublin City Council interacted with each other in the first phase of the Temple Bar project. The TBDC produced a document with several proposals for the regeneration of the Temple Bar area. These proposals were deliberately pitched to bodies ranging from national to city level. It was felt that pitching initiatives at national level would put downward pressure from national government onto the City Council. At the same time, the TBDC had little faith in the capacity of the Dublin City Council to deliver. Dublin City Council had no cohesive over-arching development plan for Dublin, nor did it have the finances to undertake one. For example, the suggestion that the central government Department of Finance be approached came from Dublin City Council itself, who were unable to make financial provisions of that level and to raise the public profile of the whole proposal.

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establishment of these two new companies provided the organisational and management framework to give form and focus to the renewal process (Montgomery 1995).

In the second phase of this project's development, again we see the impact of the centralised political system in Ireland and in this case, the major role of the Department of the Taoiseach. Over the course of the first (1989-1993) and second (1994-1999) rounds of Structural Funds for Ireland, Temple Bar attracted some IR£40.6m (€51.55m) in EU and State funding, of which IR£22.1m (€28.06m) came directly from the European Regional Development Fund. Despite the European Commission's strong desire for subsidiarity – policy-making and implementation at the lowest possible level – the Temple Bar project was managed in a way wholly consistent with the centralised Irish approach to governance (Marshall, 2002). A key principle of the Reform of the Structural Funds legislation was the call for multilevel partnerships involving the public and private actors, at the relevant local, regional and central levels of administration within the member state. However, the lead department, in the case of Temple Bar, was that of the Department of the *Taoiseach* which implemented partnership and subsidiarity on its own terms, creating a brand-new State agency to serve as an implementing authority with the participation of local-level actors and the social partners. The development of Temple Bar remained a project under the auspices of the Department of the Taoiseach, up until 1993, when there was a general re-organisation of government departments. Responsibility for the Temple Bar project was then shifted to the Department of the Environment, a body better suited to overseeing the implementation of the project, following its incubation period in the Department of the Taoiseach.

The partnership between the local community in Temple Bar and central and sectoral oriented government departments remained strong as did the exclusion of the relevant sub-national authorities, namely Dublin City Council, from key executive decisions affecting the Temple Bar project. Whatever way we judge the Temple Bar project, the impact of the legislation introduced in 1991 is clear: it gave a new dynamic to the regeneration project and created new working patterns amongst the key partners to the process. At one level within Dublin City Council there is a deep sense of grievance that it has been effectively sidelined in terms of the executive decision making regarding the development of the Temple Bar area. Marshall has pointed out that "Dublin Corporation was included on both of Temple Bar's management committees, but as day-to-day executive decisions remained the province of Temple Bar Properties, the city's elected government played a comparatively minor role in the formulation of redevelopment policy.

The Corporation's only leverage over the Temple Bar project was in planning approvals; unlike the Docklands, Temple Bar was not designated an independent planning area" (2002).

## 5. The Digital Hub Case Study

The Digital Hub project is located on a nine-acre renovated site, which formed part of the famous St. James Gate Guinness Brewery complex situated in the Liberties/Coombe area of south inner-city Dublin. The aims of the Digital Hub project are to create a cyberspace village by clustering together Irish and international digital media start-up companies and research facilities in one area through the provision of state-of-the-art infrastructure.

**Table 2: Phases and Key Events of Digital Hub (Liberties/Coombe)**

Year	Phases of Development and Key Events
<i>Phase 1</i> 1997-98	<ul style="list-style-type: none"> <li>• Preparation and completion of Liberties/Coombe Integrated Area Plan (IAP); Establishment of IAP Monitoring Committee</li> <li>• Advisory committee on Information Technology to the Department of the Taoiseach: Information Society Commission (ISC)</li> </ul>
<i>Phase 1</i> 1999	<ul style="list-style-type: none"> <li>• Enterprise Ireland report recommends development of digital media in Ireland</li> <li>• Government announces plan to support establishment of MediaLab Europe (MLE) in Dublin associated "media village."</li> </ul>
<i>Phase 2</i> 2000	<ul style="list-style-type: none"> <li>• Digital Media Development Limited established by a Government decision under the aegis of the Department of the Taoiseach</li> </ul>

Phase 2 2001	<ul style="list-style-type: none"> <li>• “Digital Hub” discussion document published outlining vision for development of the area.</li> <li>• Dublin City Council approved a variation to the City Development Plan (includes Liberties/Coombe IAP) to provide for a core development of the Digital Hub</li> <li>• Responsibility for Digital Hub transferred to the Department of Public Enterprise</li> <li>• IAP Monitoring Committtee fail to endorse their Annual Report</li> </ul>
Phase 2 2002	<ul style="list-style-type: none"> <li>• Digital Hub Development Agency bill published</li> <li>• Private sector partners in place</li> <li>• Urban Design Framework Plan (with reference to IAP) agreed</li> <li>• IAP Monitoring Committtee fail to endorse their Annual Report</li> <li>• Two Community representatives resign from IAP Monitoring Committee</li> </ul>
Phase 2 2003	<ul style="list-style-type: none"> <li>◆ Digital Hub Development Agency Act 2003 signed into law</li> </ul>

## 5.1 Network embeddedness and urban renewal in the Digital Hub.

In the mid-nineties, prior to the concept of a Digital Hub taking shape, there was already emerging a small and informal group of private business interests, particularly interested in the development of the Information Technology sector in Ireland. This developed to form a small network comprising of IT business interests, government ministers, and their senior officials from the central government departments and relevant semi-state agencies<sup>9</sup>. In 1999, a government commissioned report<sup>10</sup> became available which stressed the increased importance of digital media as a growth industry and recommended that the Irish government formulate a policy to embrace this developing technology. At about this time also, the Massachusetts Institute of Technology (MIT) was seeking locations in Europe for their Media-Lab Europe (MLE). MIT's proposal for a Media Lab Europe would build

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<sup>9</sup> The Information Society Commission (ISC) was established, which is an independent advisory body to Government, reporting directly to the Taoiseach.

on its already pioneering partnership of corporate financing and academic research, which characterised the MIT Media Lab in Cambridge, Massachusetts. One of the key IT business interests, who played a relatively central role in the development of this policy network at this early stage, was the Fianna Fail political party's fund raiser (Paul Kavanagh). He enjoyed regular and direct access to the Taoiseach and other politicians within the Fianna Fail party and was also well known to politicians from the other political parties. In fact it was Paul Kavanagh, who helped to co-ordinate the proposal for the use of the derelict Guinness Brewery land and liaised with Dublin City Council, with regard to their Integrated Area Plan for that part of Dublin, the Liberties/ Coombe<sup>11</sup>. Following this, the Irish Government announced its plan to support the establishment of MediaLab Europe (MLE) in Dublin and an associated "media village", to located in the Liberties/Coombe area of inner city Dublin. This subsequently became known as the Digital Hub project.

The second phase of the Digital Hub project saw a change in the composition and size of the network of actors involved in the Digital Hub project. As in the case of Temple Bar, the number of public sector and central government actors in the Digital Hub policy network increased during this second phase. Indeed, many of the public and private sector representatives involved in the Temple Bar redevelopment project, were also participants in the later Digital Hub development, and the Department of the Taoiseach was a central co-ordinating actor in the policy network in this second phase of the project's development. At this stage, a separate body called Digital Media Development Ltd. (DMDL) was established to manage the implementation of the Digital Hub project. The relevant government departments and semi-state agencies continued to be represented on the management committee of DMDL and in the public/private partnerships being formed to develop the Digital Hub over time. Indeed during this phase of Digital Hub project, the Secretary General of the Department of the Taoiseach took up the position of executive chairman of the DMDL. One of the most noticeable aspects of Irish political life is the relatively small pool of people from which political actors are taken. A small population has given Ireland a small and readily accessible political elite. However, this may also have a downside.

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10 Irish Council for Science, Technology & Innovation (ICSTI) led this report..

11 Through the nineties, a number of urban renewal reforms were being introduced. In 1999, The use of Integrated Area Plans were established under the Urban Renewal Act 1998, whose preparation and implementation required consultation and partnership across a broader range of public and private interests.

More recently, another high-profile urban redevelopment project in Dublin has collapsed in part because of negative rumours surrounding the personal friendship of its major partners. Such has been the narrow band of people involved in urban redevelopment projects that the Irish Government (Dáil) Public Accounts Committee questioned whether tenders were awarded on the basis of friendships or on merit<sup>12</sup>.

## **5.2 Institutional embeddedness and urban renewal in Digital Hub area**

The Department of the Taoiseach facilitated the preparation of a strategy for the phased development of the Digital Hub project and also selected partner organisations to work together with the Taoiseach's Department to plan for the Digital Hub project. At the outset, there were five different government departments that could have made a legitimate claim on the sponsorship of the project. Instead officials from these departments were seconded to the Department of the Taoiseach where the project had the full attention of the Secretary General, the most senior civil servant in the department. This was also a very public way of confirming that the project had the full support of the Taoiseach. Alongside these interests, senior representatives of the statutory agencies Enterprise Ireland and IDA Ireland, both with various responsibilities for industrial development, were also asked to become involved in this planning phase.

The flexible and influential nature of the Department of the Taoiseach means that projects with no natural government departmental home can be "incubated" by the Taoiseach's Department until developed enough to be given a more permanent home in one of the government departments<sup>13</sup>. Our research suggests that it is questionable whether the Digital Hub would have ever taken off at this point had it not had the visible support of the government. Others have said that the individual patronage from the Taoiseach, Bertie Ahern, also lifted the project out of the possibility of it becoming mired in inter-departmental politics. In 2000, a separate body called Digital Media Development Ltd. (DMDL) was established with

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<sup>12</sup> A number of state-sponsored tribunals have been founded in Ireland to examine corruption in planning and other issues, partially resulting from informal practices in un-regulated areas of the economy. Collins and O'Shea's study into corruption in Irish politics has noted the overlapping of public duties and private interests in many political projects and the often informal nature of decision-making processes, especially "golden circles" or "cronyism" in matters of urban planning (Collins and O'Shea, 2000, p.71).

<sup>13</sup> By 2001, the Department of Public Enterprise had taken the role of "lead department" on the Digital Hub project. By 2003, this responsibility was to move to the Department Communications, Marine and Natural Resources

responsibility for the delivery of the proposed mix of digital media, enterprise, learning, retail and residential development in targeted Digital Hub area. DMDL also has responsibility to work along the public sector to develop the Public Private Partnership (PPP) financial model, which will fund the Digital Hub project over time.

This almost immediate establishment of DMDL to manage the policy and implementation process reminds us that there is still a very strong tendency to resort to this kind of model of governance, as opposed to enhancing the role and management capacity of existing sub-national government structures. At the time of the announcement of the government's investment in the private sector MIT-branded media lab, there was some criticism of the government decision from opposition parties and backbenchers, as well as from the academic community<sup>14</sup>. The setting up, at arm's length, of an agency or quango like DMDL, like the earlier establishment of Temple Bar Properties, is a useful tactic to be able to ensure reasonably smooth implementation of a major multifaceted project such as Digital Hub. For example, this type of institutional structure provides some distance for the central government, and particularly the Department of the Taoiseach, from the day-to-day political issues and controversies that will inevitably arise. It also easily facilitates the contracting in of full-time executive management services from the private sector and offers a pool of individuals skilled in business and project management, as well public relations.

From its inception, the Digital Hub project was clearly defined by the Department of the Taoiseach as a policy initiative to be driven from the national level. However the project is in fact clearly linked to the development of a particular defined area within inner city Dublin and addresses the multifaceted aims for urban renewal in that area, as identified in the Liberties/Coombe Integrated Area Plan (IAP). While the lead remained at level of national government, Dublin City Council was asked to come on board the planning process with a view to it co-ordinating the necessary planning and development of infrastructure in the area to facilitate the Digital Hub project. Unlike the Temple Bar project, there was no attempt to sideline the Dublin City Council. Instead it seems that DMDL recognised that a collaborative partnership approach with Dublin City Council would be much more beneficial and early on, Dublin City Council was asked to participate in the DMDL management committee.

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<sup>14</sup>[http:// www.darwinmag.com/read/070101/eire.html](http://www.darwinmag.com/read/070101/eire.html)



Another rationale for involving the Dublin City Council from an early stage was the need to change the original IAP for the Liberties/ Coombe area (i.e. part of the Dublin City Development Plan) to accommodate the Digital Hub proposal.

The DMDL quickly realised that given the proposed location of the Digital Hub in a very traditional community, it was important that local residents and businesses support and feel they can gain from the redevelopment of their area. The Digital Hub Development Agency Act was signed into law in 2003 and this put the DMDL on a statutory basis as the lead agency for managing the Digital Hub project. The Digital Hub Development Act modified the organisation of the Board and specifically listed its powers, making separate the roles for overall project management Board and day-to-day executive powers. Moreover, the Act specifically establishes the role and participation of local community representatives in the Digital Hub management Board, as part of a three way partnership model between public/private and community interests.

## **6. Metropolitan governance in Ireland**

Our empirical research has spanned a critical time period in the urban regeneration of Dublin's inner city. From the case studies presented, it is clear that the formal and informal institutions of Ireland's centralised government remain deeply rooted and powerful. While recognising the innovative character of partnership based policy co-ordination, this research also points to the important underlying governance mechanisms at work which primarily depend on central government departments initiating or directly engaging with micro level community actors and social partners in the initial stages of a local development initiative. Moreover over the 1990s there was a significant increase in the capacity of central government departments to effectively engage directly with local level actors and social partners more generally, often for the purposes of managing EU funds (Payne, 1999). With regard to the EU Structural funded urban projects, such as Temple Bar, the central government sectoral department established a separate body to manage the structural funded urban projects, rather than go through the existing local authority structures and the elected base of local representatives. For some commentators, the new institutional structures created such as Temple Bar Properties are seen in a negative light. Marshall argues that "the creation of a special regime for Temple Bar further eroded the power of existing local authorities" (Marshall, 2002). For others, such as Montgomery (1995), "the government was careful and very sure to keep Dublin City Council at arm's length from the whole initiative...the effect has been to free the area

from the dead hand of bureaucracy”, thereby ensuring efficient implementation and progress (in Marshall 2002). Russell suggests that “local authorities acted as a facilitators and enablers of private sector development, rather than as the key drivers or implementing agencies of urban renewal (Russell, 2001). Certainly these contrasting critiques go to the heart of the debate about the principle of local democratic participation and representation in this emergent Irish urban governance model. Moreover, this issue becomes more relevant when it is noted that the Temple Bar governance structure was later replicated throughout the Dublin area as additional European funds were directed to urban initiatives.

The story of evolving governance patterns in Dublin is also one of growing and persistent calls for greater representation in the policy process. While this call has been echoed across the Irish political system, in particular, public and private actors at sub-national level have become more aware and confident in their own potential contribution to the policy process. Moreover the impact of the various EU financed initiatives directly targeting local communities has allowed new actors to enter the policy networks, which have traditionally been centralist and hierarchical. Marshall suggests that “grass-roots actors, accustomed to a place at the table following a decade of EU-mandated partnership arrangements, show no intention of withdrawing from the urban policy process despite the progressive wind-down of EU funding for Dublin city-region” (2001). The ad-hoc approach to partnership governance in Ireland has led to a kind of confusion about the distinction between participative and representative democracy. Often this has resulted in the pursuit of partnership led governance for its own sake, with little attention paid to who is representing who, on what basis and with what capacity to do so. This research points to the general lack of trust, which characterises local level relationships between the local public elected representatives and the local private sector and community interests. Local urban development initiatives are seen to be successful often in spite of local government, which has usually felt threatened and sidelined by these activities.

The introduction of the various local government reforms from the mid-1990s onwards promises a stronger co-ordinating role for democratically elected local government in Ireland. Moreover, these reforms also attempt to incorporate into their model of local government the widespread demand and popularity of participatory form of local governance. However the research findings presented here show that, by themselves, these reforms are quite limited and do not adequately facilitate city and county councils to engage constructively with local partners and establish a

clear advisory role or voice for the local community and social partners in local government policy. While this move towards a more formalised approach to partnership at the local level and within local government is welcomed by many of those involved, the really difficult and thorny issues of enhancing the financial and other resources, management capacity and policy remit of democratically elected local government in Ireland remains essentially untouched. In the absence of real progress on this front, Ireland's favourite response, innovative but ad-hoc, effective but of dubious democratic credentials, the ubiquitous quango seems likely to remain the only game in town.

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