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Urban regeneration and the economic crisis: past development and future challenges in Dublin, Ireland

Niamh Moore-Cherry¹, Ignazio Vinci²

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¹ University College Dublin, School of Geography, Planning & Environmental Policy.
Email: niamh.moore@ucd.ie

² Università di Palermo, Facoltà di Ingegneria, Dipartimento di Architettura.
Email: ignazio.vinci@unipa.it

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Introduction⁴

Cities are products of their social and economic contexts and particularly influenced by external changes across geographical scales. A significant literature exists on the urban impacts of deindustrialisation and global economic restructuring and how the shift to the 'new economy' has created opportunities for redevelopment and spatial reorganisation (see for example, Martin and Rowthorn, 1986; Barber and Hall, 2008). Urban transformations reflect changes in society as a whole as evidenced in North American and European cities from the industrial revolution to the present time, and in less-developed countries where unprecedented urbanisation is currently taking place.

Among the medium to larger-sized European cities, Dublin is emblematic of the social and physical impacts of urban economic restructuring. In the last quarter century, the city experienced significant transformations that have already been the subject of extensive analysis (Moore, 1999; McGuirk, 2000; McGreal et al., 2002; Punch, 2009; Van Melik and Lawton, 2011). From the mid-1990s until 2007, when the global economic crisis hit, Ireland was one of the strongest economies in Europe with average annual growth rates almost double European averages (Barry, 1999). The economic boom was based on the convergence of a range of endogenous as well as exogenous factors, combined with a series of pro-growth public policy initiatives including the provision of attractive fiscal incentives to draw foreign direct investment, in particular from North American advanced producer service companies; significant net immigration for the first time in Irish history (from both foreign and return migrants) fuelling property demand; and the availability of EU structural funds to promote infrastructure and regional development initiatives.

The most significant impacts were felt in the Greater Dublin Area as new economic activities chose to locate either in the city centre or in the inner suburbs, while rising property prices forced workers to reside at ever greater distances from the urban core. Major physical infrastructure projects were developed to accommodate this demographic shift with some limited policies introduced in an attempt to re-balance unsustainable sprawling development patterns (Moore & Scott, 2005). While much of the new construction over the last 15 years has been accommodated in the formerly predominantly rural counties on the edge of Dublin, the city centre has gone through a series of major changes that may be characterised as a series of distinct, but not necessarily separate, phases. This paper analyses the general trends in urban development in Dublin, focuses in particular on a case study of the docklands area which provides empirical evidence of the city's development trajectory, and discusses the key challenges that face future urban development in the city.

1. Phases of development

While the city was founded by the Vikings, heavily influenced by the Anglo-Normans, expanded during the medieval period and substantially laid out in a classical style during the eighteenth century, the first phase of major and rapid urbanisation outside the limits of what might be defined as the historic city only occurred from the 1930s onwards. The transformation of the Irish economy during the mid-twentieth century from a predominantly rural to a more industrial/service base resulted in a growing concentration of employment and

⁴ This article is the result of Authors' common reflections. However, Ignazio Vinci has edited Introduction and section 1, Niamh Moore section 2 and the conclusive paragraph.

population in urban areas. Much of this development was focused on the capital city and eastern region heralding the beginnings of a significantly different development trajectory to the rest of the country. From 1936-1981, the population of Dublin doubled with most of this concentrated in suburban developments on the edge of the urban core. MacLaran (in Moore and Scott, 2005, p. 62) has described an "expanding ring of low-density suburban developments [that] came to dominate the character of Dublin by mid-century" reinforced by the suburbanisation of other urban functions. This trend, actively encouraged by government policy, including the Wright Report of the late 1960s advocating the development of three new towns on the western edge of the city, became significantly intensified with the economic restructuring of the following decade. Like many other cities in Northern Europe during the 1970s and 1980s, Dublin experienced the social and physical effects of economic restructuring, particularly in the areas most dependent on industrial or manual activities (MacLaran, 1984). The abandonment of the urban core by manufacturing industries as part of the broader suburbanisation mentioned above, and a major modernisation of port activities, resulted in significant changes in the employment and social structure of the inner city. As younger and more mobile populations migrated to suburban areas, a heavily dependent residual population with limited employment prospects came to characterise the inner city. Combined with this decline in social conditions, a major survey undertaken in 1986 identified more than 600 sites and buildings in the city in an advanced state of disrepair, emblematic of the physical decline accompanying the socio-economic changes (McGuirk, 1994; McGuirk and MacLaran, 2001). This general degradation of the physical and social environment combined with the inability of the local authority to intervene because of their lack of resources, resulted in a new approach to development led by central government in the mid-1980s, drawing heavily on the experience in other countries.

In the 1980s, neo-liberalisation began to characterise the evolution of urban policy in much of the Western world based on the principles of privatisation, liberalisation and de-regulation. The policy approach adopted in the UK and North America to address the urban impacts of de-industrialisation was particularly influential in the development of Irish urban policy. Based on the experience in the UK from the early 1980s and in particular in London docklands and Merseyside, successive Irish governments introduced a series of urban development proposals from 1982 onwards culminating in the Urban Renewal Act, 1986. This landmark legislation, combined with the Finance Act of the same year, set the institutional and economic framework that would shape urban governance and development for the following two decades. The first outcome of the new approach to renewal resulted in the targeting of specific geographical locations (designated areas) for redevelopment supported by attractive fiscal incentives.

Two areas in particular were selected for special attention, including the provision of additional incentives and the incorporation of specific development agencies, the former docklands and Temple Bar. Underpinned by discourses centred on the inefficiency and inability of the local authority to deliver change, the emphasis of the new development agencies was to use public sector funding to lever significant private sector investment and to streamline the development process by circumventing the traditional planning process (KPMG, 1996). In particular, the early regeneration policies favoured new-build and high-quality commercial office space, and combined with the attractive fiscal environment including a very low

corporation tax rate of 12.5%, Dublin became one of the most competitive urban areas in Europe during the 1990s and early 2000s (OECD, 2006).

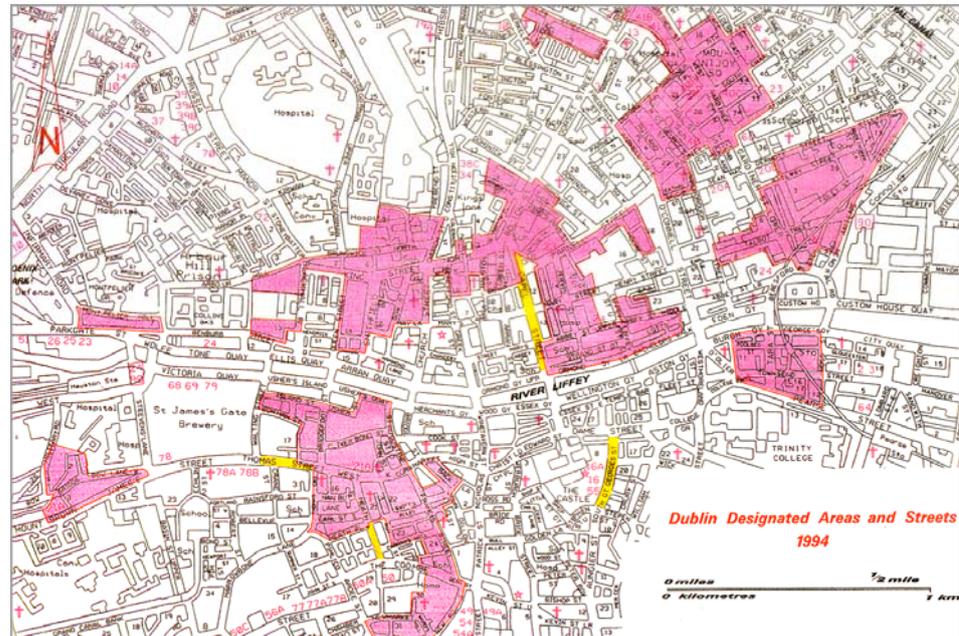


Image 1. Designated areas and streets in Dublin City.

Successful economic regeneration was accompanied by a growth in residential property and a return to the city of particular demographic groups (usually single, twenty-something professionals), resulting in significant population growth and an increased vitality in the urban core. Between 1991 and 2011, the population of the inner city increased by 61.6% (Cudden and O’Leary, 2012)⁵. In general, Dublin from the mid 1990s to the mid-2000s could be considered as one of the most entrepreneurial cities in Europe, with government-supported or at least deregulated private sector development fuelling the growth of the city-region generally and dramatically shaping the social and physical character of the capital city.

It is precisely because of the development model followed in Ireland from 1986-2006, heavily reliant on borrowed money to fuel an overheated property sector, that the post-2007 crisis has had such a major impact on the social, economic and physical landscape of the city. In the Dublin area, unemployment rose from 2.6% in the year 2000 to 10.8% at the end of 2009 (Cudden and O’Leary, 2010), with over 40% of the jobs lost from the construction sector and its associated professional activities – architects, auctioneers, planners, etc. Because the national economic boom was largely fuelled by economic reliance on the property development sector for both employment and tax revenue, in the form of stamp duty, the case study of Dublin provides a lense through which to understand the Irish crisis as a whole. It was in fact the collapse of the housing market and over-

⁵ At the end of 1996, ten years after the introduction of the Urban Renewal Act, it is estimated that over 10,000 new residential properties had been constructed in designated areas (KPMG, 1996). From 2001-2005, the number of new houses completed in Dublin rose from 9,605 to 18,019 (Williams *et al.*, 2007).

lending for property assets by the banks that triggered the sovereign debt crisis, as the state guaranteed the debt of those banks most exposed to the mortgage market. In addition, the consequences of a public policy agenda dominated by an 'all growth is good philosophy' and the liberal planning environment within which decision-making occurred resulted in rapid social and physical transformations of the urban region and the inner city, the consequences of which are now being felt. These challenges are twofold. Firstly the expansion of the metropolitan region through urban sprawl, in particular of residential activity, has created problems relating to accessibility and social cohesion in the former rural villages that are now dormitory towns. Secondly, in the inner city the key challenges facing policymakers relate to the future of partly-completed developments, the lack of financing across both the public and private sectors as many of the largest developers are now bankrupt, social issues linked to the impacts of austerity policies, and the need to construct a new development model given that previous policies are now neither appropriate nor feasible.

In the remainder of this paper we examine Dublin Docklands as an exemplar of the development trajectory of the city as a whole, but also to highlight the challenges facing the city as it attempts to chart a path out of the current crisis. We conclude with some observations on the general lessons that emerge for urban regeneration in Europe.

2. Case study: Dublin Docklands

East of the Central Business District, the Dublin Docklands Area comprising 526 hectares of under-utilised land is one of only two traditional industrial areas within Dublin city. Until as recently as the late 1970s, its character was significantly shaped by port and other maritime activities. With increased containerisation and mechanisation in Dublin Port from the 1960s, the requirements for large land banks and a largely unskilled, manual labour force were reduced. Within an environment of global economic recession, these local trends meant that Docklands rapidly became the most deprived district within an urban core that was itself more adversely impacted by restructuring than its hinterland. Major land-uses included transport, energy/utilities, industrial and wholesale functions. Industrial zoning was particularly extensive on the north side of the river while the southern quays were reserved for mixed-use development. On both sides of the river, heavy industrial zonings surrounded the residential areas.

Although, significant pockets of residential activity remained in Docklands in the mid-1980s, the population of the area had shown a pattern of accelerating decline between 1971 and 1991, in contrast to the population increases occurring in Dublin County concurrently. The most dramatic decline took place in the 1970s when a 20.7% decrease was experienced in 8 years. The selective nature of out-migration exacerbated social problems resulting in a largely dependent residual population. From 1975-1984, employment at Dublin Port – the biggest employer in the area – was reduced from 7403 to 5200. Because of its mono-functional nature and dependency on maritime activities, the docklands was particularly badly affected and became one of the worst slum areas of the early 1980s (Moore, 2002; 2008). In 1981, an unemployment rate of 24% in the north inner city was recorded with 52% of heads of household on Sheriff Street in the heart of docklands on the unemployment register. This figure had increased to 70% by 1986 (Dublin Corporation, 1986) The overall result was a generally 'hollowed-out' urban core

with dereliction and social deprivation in the Docklands on a scale unimaginable in other parts of Dublin.



Image 2. Aerial view of Docklands towards the sea (Source: DDDA)

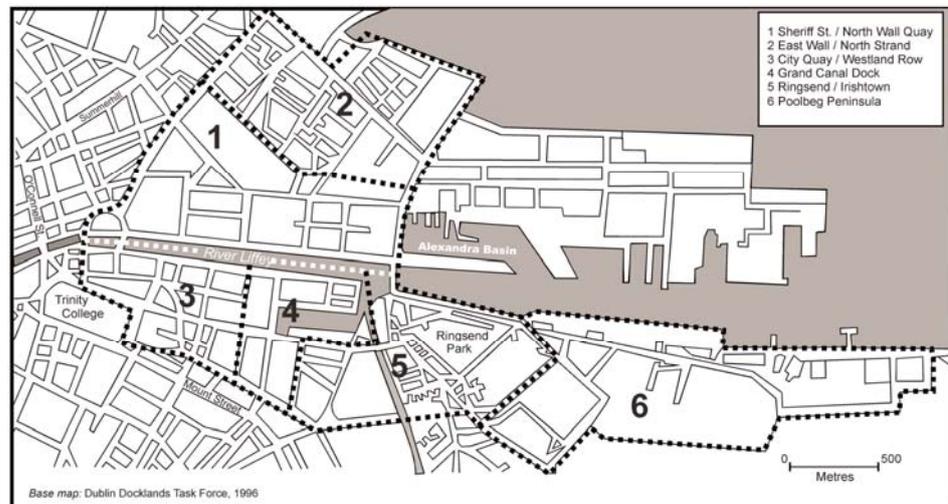


Image 3. Dublin Docklands Area and 'village districts' (Source: N. Moore-Cherry)

Early redevelopment: 1986-1997

As discussed earlier, the severity of social, economic and environmental problems in Dublin and other Irish cities forced central government intervention in the form of the Urban Renewal Act (1986), the most pro-active piece of urban legislation ever introduced in Ireland, laying the foundations for radical redevelopment in Dublin Docklands and elsewhere within the inner city (Prunty, 1995). Following

the international trend of waterfront regeneration, the Docklands area was selected for special attention within this legislation and a development agency – the Custom House Docks Development Authority (CHDDA) – was established to regenerate a small initial area (11 hectares). Heavily influenced by Urban Development Corporations (UDCs) in the UK, this agency was responsible for managing a flexible regulatory environment – planning and financial – as well as promoting the additional fiscal incentives provided for the flagship International Financial Services Centre (IFSC). This project was to serve a variety of political imperatives – to generate new tax revenue and thus contribute to national economic development, prevent brain-drain and harness the talent of highly-educated graduates as well as contributing to the regeneration of a severely deprived part of the inner city. The establishment of the CHDDA represented the emergence of a new urban politics within the city as planning control over this area was removed from the local authority entirely; it illustrated the beginnings of urban neoliberalisation in Ireland and radically altered the relationship of local government to this part of the urban core.

Although the 1990s was generally accepted as a time when Ireland, as a country, experienced the most dramatic and rapid changes in its long history, nowhere epitomised this as well as Dublin Docklands. In particular, the Custom House Docks Area that began as a derelict, problematic site in the mid-1980s had to come to represent the new Ireland – embedded in a global economy, increasingly cosmopolitan and demographically heterogeneous by the late 1990s. The major economic achievement in the first ten years of waterfront renewal was the delivery of the IFSC generating 15,000 new jobs and attracting over 500 international companies to Dublin. The impact of the project in general economic terms was felt as early as 1996 when the volume of business within the designated area was such that lending by IFSC companies had outstripped the Irish domestic banking total (Moore, 2008). Major physical improvements in terms of landscaping, upgrading of public infrastructure (lighting, paving etc.) and the development of new commercial buildings were the immediate outputs.

While the IFSC, which was conceived in the 1980s with the dual purpose of regenerating a decaying part of the urban core and stimulating an ailing economy, undoubtedly shaped the financial and policy landscape as well as the built environment in the docklands, the original Master Plan (1987) envisaged a much broader based redevelopment programme. For example, in contrast to the large shopping areas zoned in the original plan, the only retail and service facilities developed by the mid-1990s were small scale convenience stores, a launderette and bar primarily serving IFSC employees and the new ‘cash-rich-time-poor’ residents. Far from the plans envisaged by the local community at the outset of the redevelopment project, the largest residential scheme constructed within the Custom House Docks in the early 1990s was the gated community of Custom House Harbour. Similar in design to most of the other apartment complexes built in designated areas at the time, the development was targeted at speculative investors and at a very narrow demographic given the high cost and small size of the units. This development clearly illustrates the type of speculation that gave rise to the property bubble in Dublin more generally, as exemplified by a 2-bed apartment sold at auction in February 1998 for £216,000 (€274,320) having been bought by an investor 2 years earlier for £83,450 (€106,000). Newspaper reports noted that "the 700 sq ft unit was bought by another investor who can avail of the full Section 23 tax breaks on rental income" (*Irish Times*, 13 February 1998)

illustrating the role of government-sponsored property incentives in fuelling residential property prices and their adverse effects in an environment that no longer required them.



Image 4. Custom House Docks including the IFSC (Source: N. Moore-Cherry)

While the docklands came to embody all of the positive aspects of the Celtic Tiger economy, it also in many ways demonstrated the underbelly of that growth, in particular the emergence of a ‘dual city’. While spatial or geographical proximity between a range of social groups had increased, the problems of social polarisation became a major concern in docklands and elsewhere in the mid-1990s. Although thousands of jobs had been created in the new economic activities based around the financial services industry, they did nothing to address the long-term unemployed residents in the area many of whom were either manual or unskilled workers. The lack of education and training provided as part of the programme resulted in a continuing disimprovement in the quality of life for locals both in relative and absolute terms. While the pursuit in docklands of a property-led, economically driven agenda in support of private development might have been understandable in the late 1980s in the context of widespread recession, it became increasingly untenable in the context of a booming property market in the late 1990s.

Changes in the international political context where a ‘turn to community’ marked a major departure from Thatcherism and in the national context, where social partnership, became an important development paradigm in a booming economic environment, resulted in a revisiting of regeneration programmes generally. While in many cases across the city, this resulted in the withdrawing or narrowing of financial incentives available to private developers, in docklands a different approach was taken. In 1997, the boundaries of the docklands area were

significantly expanded (to include an area 1/10 the size of the inner city) and a new development agency was established – the Dublin Docklands Development Authority (DDDA) – to promote a more strategic approach to regeneration.

Managing the boom: 1997-2008

The establishment of the DDDA in 1997 with a remit to manage the regeneration of over 526 hectares of land within Dublin Docklands marked a more nuanced approach to regeneration in Dublin. A new organisational structure facilitated greater representation of interest groups – including major landowners and community groups – in decision-making, but the basic *modus operandi* remained the same. Through a public-private partnership approach, the goal was to spend approximately £350 million (€444 million) of public funds to lever circa £1.25 billion (€1.59 billion) of private investment in the greater docklands area. At a time when industrial policy focused primarily on employment creation, supporting the International Financial Services Centre continued to be a key priority given that it had already proved to be a successful policy intervention (White, 2005). In line with the greater focus on a partnership approach in Irish public policy generally, influenced by European Union requirements for targeted poverty reduction and social inclusion initiatives, the social agenda gained significant momentum in the docklands area. Increasing employment, providing opportunities for re-training in combination with programmes to increase educational attainment generally, and introducing a quota of 20% of new jobs for locals represented the core components of the social regeneration programme. These ‘people strategies’ stand in marked contrast to the earlier phase of regeneration that was almost entirely property-led. While land use planning continued to be important and specific locations were being earmarked for tourism, amenity, commercial and community activities, the most pressing land use policy issue within the area, as in much of the city and country, was housing.

While the property boom affected the entire country, properties in the docklands were in particular demand, from both investors and owner-occupiers. Within hours of residential schemes being launched for sale off plans, bidders were outdoing each other for the most desirable units. Two key factors influenced this pattern, firstly, a general shortage of city centre apartments in relation to the growing demand from particular demographic cohorts as a return to the city centre gained momentum; and secondly the continued availability of tax breaks for new-build private developments even though it could be argued they were no longer required. ‘Designation’ clearly fuelled the price bubble in the area, with the media at the time noting up to 25% variation in apartment prices on neighbouring sites depending on their tax status (*Irish Times*, 13 January 2000).

From a policy perspective, the tools used to drive the Irish economy and the city out of recession were now creating additional problems requiring further intervention. Although broadly neoliberal in its philosophy, the case of Dublin Docklands exemplifies quite clearly the difference between the theory of and ‘actually existing neoliberalism’ which has required more not less state intervention in the urban sphere (Ward, 2003; Brenner and Theodore, 2005). As a mechanism to address some of the earlier criticisms of redevelopment, local community representatives successfully lobbied in the 1997 Master Plan for the retention of 20% of all new housing stock constructed in docklands for social and affordable housing. These would be allocated to long-term residents of the area or surrounding neighbourhoods (strictly defined in policy) who wished to continue to



Image 5. Clarion Quay housing development (Source: N. Moore-Cherry)

reside in the area and it acted in effect as a brake on the intensifying processes of gentrification.

The first scheme completed under this provision was at Clarion Quay in the north docklands where 37/185 units were retained for social housing, managed by a housing association. Contrary to other research which would indicate that this kind of approach can often make older residents feel 'out of place' in the revitalised neighbourhood, the response to this development was hugely positive as represented by the following sample quotes: «it is a better quality of life here. We all get on well and we have good neighbours. I feel more secure and do not feel threatened or frightened»; «it is great living in yuppyland. We love the buzz and there is a great atmosphere». A measure of the perceived success of this intervention in dealing with at least one aspect of the housing crisis was the attempt by government to introduce a similar policy nationwide in the Planning and Development Act, 2000. However, after sectoral lobbying by the construction industry, the proposal was revised so that developers can make a financial contribution to the local authority in lieu of the 20% provision of units. For this reason, the development at Clarion Quay in docklands has been described as a 'museum piece of Irish social housing history' (*Irish Times*, 17 December 2002).

While the achievement of actual economic, physical and social regeneration was crucial, equally important was the development of a new image for the area in line with broader global trends in city marketing and branding. The docklands area both benefitted from and significantly contributed to major city branding campaigns for Dublin as a whole centred on ideas like competitiveness, vibrancy, fun, high quality environment, cultural and historic richness, and economic vitality. Global star architects were invited to the city to develop new landmark buildings



Image 6. Completed redevelopment on the north side of the river Liffey



Image 7. The planned, and now postponed, U2 Tower project (Source: www.archiseek.com)

and infrastructure such as the National Convention Centre (Kevin Roche), Grand Canal Theatre (Daniel Libeskind), and Beckett Bridge (Santiago Calatrava) all symbols of a brash, young and thriving European capital. However as the crisis of

2007 hit, major projects by architects such as Zaha Hadid and Norman Foster were put on hold, doubts began to emerge over whether some developments that were mid-construction could be completed and serious questions began to be asked about the planning and governance of the docklands project that until that point has been heralded as a shining example of Dublin's newfound confidence. The change wrought by the recession and property crisis has been nowhere more obvious than in U2 tower project, a major landmark for Dublin designed by Norman Foster. While work on the project was suspended in 2010, it has now been postponed indefinitely and the land has been acquired by the National Asset Management Agency in return for writing down some of the debt built up by the Dublin Docklands Development Authority.

3. Perspectives on future development

Since the mid-1980s, Dublin has benefitted from a range of policy interventions that have facilitated its re-positioning locally, nationally and internationally. Previously a relatively undesirable residential environment characterised by a decaying built fabric consistently being challenged by new suburban developments, the city centre has reasserted its position as an important employment, residential and cultural hub at the heart of a vibrant urban region. Nationally, the Greater Dublin Area has been broadly conceived as the economic engine of Ireland but this has brought its own difficulties in terms of achieving balanced regional development within a broader European framework of sustainability. Internationally, Dublin has become a major tourist destination and an important European capital with a significantly more heterogeneous population, extensive international transport connections as a hub for major airlines and is considered in the top tier of world cities⁶. These attributes have contributed significantly to Ireland's ranking, even during the current crisis, as the world's second most globalised nation in terms of GDP, and the most globalised nation in the western world (Ernst & Young, 2012) primarily based on the technology and finance industries. Both of these sectors have a significant presence in Dublin Docklands and have been the engines behind not only national economic success but also local economic regeneration. As we have illustrated, the development trajectory of, and issues faced in, Dublin Docklands in the last two decades are a lens, albeit intensified, through which it is possible to consider urban development in Dublin and in major urban centres of Ireland more generally. In this concluding section, we discuss some of the biggest challenges facing policymakers and Dublin City in the near future.

The first issue is in relation to the achievement of balanced and sustainable development in the context of economic uncertainty and instability. 'Imbalance' is a characteristic of all economic and social systems undergoing rapid development processes and even before the economic boom of the 1990s, the Dublin region was being conceived as an important economic hub for the country as a whole and illustrating demographic trends at variance with much of the rest of the country, and in particular the western seaboard. The specific profile of economic activities that located in Dublin - advanced consumer services and digital technologies are closely linked to urban resources, including high quality and readily available

⁶ See, for example, the ranking provided by the Globalization and World Cities Research Network, Loughborough University, Leicestershire, UK. (www.lboro.ac.uk/gawc/world2010t.html).

human capital as well as excellent physical accessibility both nationally and internationally. Although other urban centres such as Cork, with major multinational pharmaceutical industries and Limerick where there is a pole of high-tech industry associated with the university, illustrated very rapid development during the boom years, Dublin is the classic example of a primate city with more than double the population and economic activity of the next largest urban centre. The concentration of financial services industries, human capital and property development in the capital region would suggest that the crisis should have had its most detrimental impacts in Dublin but, while adversely affected, the city has proven to be relatively resilient. Nonetheless, if Ireland is to compete globally, investment will have to be focused in the capital region to complete unfinished infrastructural and commercial projects in an effort to reinvent the image of the city, and thus the country, internationally. How policymakers will square the need to strategically rethink Dublin's positioning internationally (Yarwood, 2006) while at the same time, ensuring that the needs of the capital do not further adversely affect other regions and increase the already significant development gap, will be a major challenge.

Within the city itself, major efforts have been made in recent years through targeted intervention in the form of area-based initiatives to regenerate those areas of greatest disadvantage and most potential. As our earlier discussion illustrated, this has resulted in the concentration of major economic activities in specific parts of the urban core, and in particular within the docklands. Rather than acting as a means of re-integrating the former port area with the rest of the city, it could be argued that the regeneration project has actually created a 'city within a city' with limited integration with its surrounding environment. While in recent years, a number of major public buildings have been opened such as the Bord Gais Energy Theatre at the Grand Canal Dock or the National Convention Centre at Spencer Dock, the commercial core of the docklands is relatively self-contained while some of the newer residential areas are isolated from, and lacking, major urban services such as post offices, schools, affordable grocery stores and medical facilities. The gleaming modernity heralded by many of the new residential buildings hides a very difficult economic situation for many new inhabitants who find themselves in significant negative equity, with unaffordable mortgages, often in housing units unsuited to their family situation, and with no prospect of being able to move in the medium-term. Similarly although the built environment of much of the district has been rapidly transformed through a range of interventions, parts of the docklands are still surrounded by derelict landscapes while in others new residential complexes are often juxtaposed with abandoned industrial or partly constructed buildings. While there are some success stories as discussed in the previous section, for some longer-terms residents the reality of the regeneration project has not lived up to the promise. How policymakers now address these multiple, and in ways contradictory, challenges in relation to the housing market and needs is unclear. While the government are now major property owners in the area holding a significant residential stock through the National Asset Management Agency, they cannot directly release properties for sale *en masse* to the market for fear of further depressing an already devastated property sector, nor provide them to those with significant housing need as in many cases they are unsuitable types of properties. While housing is an issue within docklands, the scale and character of the problem is quite different to that nationally where, in both smaller urban and

rural areas, the phenomenon of ‘ghost estates’⁷ has become a difficult reality and one on which there is little consensus among policymakers.

In the midst of the worst economic crisis that Ireland has faced since Independence, questions have been asked about the extent to which what happened in Ireland could have been minimized or at least substantially reduced. At the heart of the problem is the issue of governance in relation to planning, financial regulation and political accountability. The rapid and highly unsustainable development patterns experienced in Dublin over the last 25 years were made possible by a combination of political and institutional factors, in particular the relationship between planning, politicians and the property development sector. While partnership characterized the mode of intervention from the 1990s, the close personal relationships between a range of high profile public and private figures and the undue influence brought to bear on the planning and development of particular projects within the city have been the subject of special public inquiries. The neoliberal approach to development characterized by de-regulated planning in places like the docklands and the willing transfer of power to semi-private and private interests by the state, resulted in an environment within which massive speculation was permitted and indeed encouraged by a government in receipt of windfall tax revenues from such activity. The economic crisis in Ireland has shown that this approach does not yield positive results with the legitimacy of some agencies, such as the Dublin Docklands Development Authority, called into serious question and the Irish planning system as a whole suffering major reputational damage. The current difficulty is that, in a climate of austerity, the state is no longer in a financial position to complete major unfinished projects or to incentivise the private sector. Even if they were, the property development sector in Ireland is almost non-existent with most major developers now bankrupt, their assets seized by NAMA, and the Irish banks unwilling to lend for development projects. Ironically, while there is a concerted push towards the further disposals of public assets as part of the IMF/EU programme, the state has simultaneously become a major player in the development industry through its acquisition of development debts and property. Given this scenario, it is likely that international financial institutions and developers will play an increasingly important role in the development of Dublin and other Irish urban centres in the coming years. A strategic urban vision is required for the city now, accompanied by new governance structures, and a streamlined but accountable planning system to lay the foundations for the next development phase. This must occur within the context of a revised national development model to ensure that, in the quest for investment and a path out of the crisis, the mistakes of the recent past are not repeated. Given that many European countries are in a similar situation, adopting a collaborative and creative approach to these challenges across the European territory could herald an opportunity to innovate and develop new spatial development models and practices fit-for-purpose in an environment of relative austerity.

⁷ A ghost estate is an unoccupied housing estate that is part of a massive housing surplus produced during the economic boom in Ireland. In December 2011, the Irish government estimated that there were 1321 of such estates within the Republic of Ireland. A similar situation is evident in Spain, built before the economy collapsed.

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