

Our Cities: Drivers of National Competitiveness

April 2009





Introduction to the NCC

The National Competitiveness Council was established in 1997 as a Social Partnership body, reporting to An Taoiseach on key competitiveness issues facing the Irish economy and offering recommendations on policy actions required to enhance Ireland's competitive position.

Each year the NCC publishes the two-volume Annual Competitiveness Report.

- Volume One, **Benchmarking Ireland's Performance**, is a collection of statistical indicators of Ireland's competitiveness performance in relation to 17 other economies and the OECD or EU-15/Eurozone average.
- Volume Two, **Ireland's Competitiveness Challenge**, uses this information along with the latest research to outline the main challenges to Ireland's competitiveness and the policy responses required to meet them.

As part of its work, the NCC also publishes other papers on specific competitiveness issues.

Chairman's Preface

The NCC understands competitiveness as the ability of Irish enterprises to successfully sell goods and services on international markets. Competitiveness is a crucial determinant of national economic survival and future prosperity. Cities play an increasingly crucial role in enhancing competitiveness in modern knowledge-based economies. As people become more mobile and firms more selective about where they locate, competitive cities have emerged as magnets for talent and investment.

The concentration of more and more of our population, enterprise activity, innovation networks and cultural amenities in cities and their hinterlands, as well as the presence of higher education institutions, has unfortunately created in this country a sense of ambivalence about the central role our cities play in supporting national economic growth and standards of living. It is critical that both national and regional policies support the development of Dublin and of our other main cities and that nationally we work to ensure that the development of our cities is fully understood as being in the national interest. The challenge is not the redistribution of resources between Dublin and the rest of the country but rather of enhancing the competitive advantages of Dublin and other major urban centres as drivers of overall national prosperity and contributors to social cohesion and wellbeing.

The harsh new fiscal realities which Ireland faces necessitate a rigorous process of prioritisation and sequencing of public expenditure to position Ireland to take advantage of the global economic recovery when it occurs. It is in that context that this paper outlines the rationale for targeting investment to provide the hard and soft infrastructures necessary to ensure that our cities remain attractive places to do business and to live, work and visit. The paper also proposes a number of actions to enhance city governance and provide greater coordination between the various public policies which affect urban development.

The core objective of the recommendations set out in this report is to enable Irish cities to achieve their full potential and thereby enhance national competitiveness.

It is hoped that this paper can stimulate informed and constructive debate in this important area of policy and development. I would like to thank the Council members and the advisors from relevant government departments for their valuable contributions throughout the development of this report. I would also like on behalf of the Council to thank the Forfás Executive for their crucial support for the work of the NCC in regard to the preparation of this report and in respect of all our work.

Don Thornhill

Chairperson, National Competitiveness Council

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Executive Summary

The National Competitiveness Council (NCC) monitors and reports on competitiveness issues facing the Irish economy and makes recommendations on policy actions required to enhance Ireland's competitive position. Cities are increasingly seen as the drivers of national competitiveness and of economic and social development. This paper examines the core elements that make Irish cities competitive and highlights actions that can improve their performance and ultimately enhance our national competitiveness. Analysing competitiveness through an urban lens should not be interpreted as divisive or be seen as promoting inter-city or urban-rural competition. Given the relative smallness in size of Irish cities and the Irish economy as a whole, it is essential that we implement policies that promote national competitiveness by enhancing the competitiveness of our cities.

With the rise in globalisation, cities across the world are becoming less concerned with national rankings of competitiveness and are focussing instead on improving their positions in a global league table of cities. Cities play an increasingly crucial role in the development of national competitiveness in modern knowledge-based economies. As people become more mobile and firms more selective about where they locate, competitive cities have emerged as magnets for talent and investment. For example, 66 out of 78 cities studied in an OECD review have a higher GDP per capita than their national average; hence they improve the economic performance of their country. The GDP per capita of Dublin (the only Irish city of the scale required to be included in the OECD study) is more than 20 percent higher than the national average¹. However, the corollary is that, without proper management, cities can lower national economic growth rates.

The majority of the population, businesses, jobs, innovation systems and higher education institutions are concentrated within our cities and their hinterlands. They are hubs of international trade, transport and communications and attract higher numbers of immigrants and tourists than other areas in the country. Our cities, therefore, play a critical role in driving national competitiveness and national income levels.


Key Findings

While there is much debate over what makes cities competitive, this paper highlights a number of key elements and provides a high level assessment of how our cities perform.

Enterprise

The development of an enterprising city is influenced by a sectoral mix of firms weighted towards high value industries, the availability of a skilled workforce and competitive costs of doing business. As Ireland has targeted high-tech, high-value internationally trading sectors, Irish cities have developed sectoral specialisms - for example, medical technology in Galway, software and financial services in Dublin, pharmaceutical and chemicals in Cork, and ICT hardware in Limerick. Given the small size of Irish cities and their proximity to one another, the NCC believes that Irish cities should

¹ OECD, "Competitive Cities in the Global Economy", Territorial Review, 2006.



endeavour to have a relatively wide sectoral mix. Building on significant progress in recent decades, further potential exists to enhance the depth of local education and innovation systems in Irish cities. Despite improvements, third level institutions in Irish cities are not yet among the best in the world and there are significant disparities in secondary level student performance between neighbourhoods within our cities. Finally, Irish cities are relatively expensive for both businesses and citizens, in part driven by higher land and building costs.

Connectivity

Successful cities have the physical and electronic infrastructure to facilitate trade and business and to move goods, services and people quickly, efficiently and in environmentally sustainable ways. External connections, such as airports, seaports and adequate internal road and public transport are vital. The airport and seaport in Dublin are significant national assets, with Dublin airport being the eighth largest in Europe. The completion of the inter-urban motorway network will improve travel times and the connectivity of national air and sea ports. However, Irish cities are highly car dependent and average peak hour speeds in Dublin (only city where data is available) are very low by international standards. It is also critical that infrastructure systems are integrated and that ICT is utilised. In this respect, there has been an unacceptably long delay in introducing integrated fares, ticketing and smart cards for public transport in Ireland. Finally, despite recent progress, Ireland is lagging competitors in terms of its progress in providing advanced communication services in key centres. Broadband speeds of up to 100 Mbps are being offered over fibre in many parts of Amsterdam, Cologne, Copenhagen and Paris. The fastest speed broadly available in Dublin, and to a more limited extent in other Irish cities, is 24 Mbps.

Sustainability

A sustainable urban environment enhances the competitive performance of our cities in a variety of areas. It improves quality of life, maximises land use potential, attracts more overseas talent and tourists, and reduces negative environmental costs. Policy areas of specific importance to ensure sustainable city competitiveness include land use policy and planning, and transport and environmental sustainability.

Much of the city development of recent years has been extremely positive, for example modernising and revitalising previously dilapidated and abandoned areas in the centre of cities. However, urban development has been accompanied by sprawl, as growing numbers of people located in expanding commuter belts around our cities. Poor planning decisions and a failure to properly coordinate private development with public infrastructure and service needs have affected the quality of life and competitiveness of our cities. This has also resulted in excessively high house prices, severe traffic congestion, long commuting times, and increased pressure on local authority services such as water and waste.

Attractiveness and Inclusiveness

Cities are competing for citizens, workers and investment. Competitive cities are attractive and inclusive and these characteristics are nurtured when disparities are minimised and social exclusion is avoided. A cohesive society enables all of its members to be active participants and contributors, enabling individuals to achieve their goals and communities to exploit their economic and social potential. It also reduces criminality and negative reputational effects. Vibrant recreational, entertainment, cultural and sporting infrastructures are also key to enhancing city attractiveness. Irish cities perform relatively well in terms of international benchmarks of quality of life and foreign national residents comprise a significant share of their populations.

Recommendations


The NCC believes that we need to recognise fully the importance of cities as drivers of national competitiveness. Successful countries and regions must have successful cities at their core. The evidence clearly demonstrates that cities drive economic growth and living standards with significant benefits for national living standards. In Ireland, there can be a sense of ambivalence over the role and importance of cities. It is critical that both national and regional policies support the development of our main cities.

The NCC has identified a range of policy actions to support the development of our cities and enhance Ireland's competitiveness. These are set out below.

Prioritising Investment in Dublin and Our Other Main Cities

1. Prioritising investments that develop the competitiveness of Dublin and our other main cities is essential to enable Ireland to take advantage of the global economic recovery when it occurs. The forthcoming 'refresh' of the National Spatial Strategy (NSS) provides an opportunity to confirm the critical role that cities play in driving national competitiveness. In view of the significant reductions in public investment arising from the deterioration in the public finances, it is critical that city related projects of most importance for future economic growth and those likely to have greatest impact in terms of supporting the productive sector are prioritised. Since enhanced city performance has positive spill-over effects on surrounding regions and ultimately on the country as a whole, prioritising investment and initiatives that develop the competitiveness of our cities presents an effective use of Exchequer funds.

Dublin is Ireland's only city of international scale, with over one million residents and a significant number of international linkages. While it is by far, Ireland's largest and most densely populated urban area, at an international level Dublin is a small city on the margins of northwest Europe. Of the 78 cities in the OECD report, Dublin ranks as the second smallest in terms of population levels - despite the significant population growth in recent years. 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.



In view of Dublin's pivotal role in driving national growth and prosperity, a strong focus on maintaining and enhancing Dublin's attractiveness as a location to do business in and to live and work in is essential. The NCC supports the promotion of Dublin as a key driver of national competitiveness while also recognising the need to develop our other cities to ensure they achieve the critical mass required to compete internationally. In line with the NSS, the principle guiding regional and urban development should be to maximise the inherent growth potential of each city and region, rather than redirecting economic growth away from Dublin. It is important that actions are not taken that result in the dilution of Dublin's current or future competitiveness. The NCC believes that a competitive Dublin can serve to strengthen the performance and attractiveness of other Irish cities and provide them with opportunities that may not be accessible otherwise.

2. Ensuring the long-term economic and social vibrancy of our other main cities through the provision of targeted supports is essential for both national and regional competitiveness. A key challenge for Ireland is to support the development of these cities and to create greater linkages between them so that they can achieve the critical mass required to enable sustainable growth.

It is vital that we develop the potential of individual cities, enhancing their competitiveness through policy actions that deliver the cornerstones of competitive cities (enterprise, connectivity, sustainability and attractiveness and inclusivity). At the same time we should seek to make the most of opportunities for sharing specialised assets rather than duplicating resources (e.g. education and research activities, health facilities, etc.). The development of the Atlantic Corridor and Dublin-Belfast Corridor have the potential to pool the strengths of our cities in order to develop internationally competitive regions. Key to the success of the corridors will be the development of excellent physical infrastructures between the centres.

Improving City Governance

3. In response to globalisation, many city authorities across the world are shifting their governance from a managerial approach, which is primarily concerned with effective provision of services, to one of entrepreneurialism. In this system, policymakers from different administrative institutions work in partnership with each other and a variety of public and private stakeholders to develop the city, which in turn enhances its business environment, the quality of life enjoyed by citizens and the experience of visitors. A growing emphasis on competitiveness by Irish city authorities is welcome and should continue to be nurtured.
4. The NCC believes that the introduction of a directly elected mayor for Dublin must be supported by a clear demonstration of how this office will improve the efficiency and democratic accountability of local government and deliver value for money. Because of their relatively small size, the case for introducing directly elected mayors in other Irish cities remains to be established. It may be prudent to postpone assessing the merits of directly elected mayors elsewhere until the office of the directly elected mayor of Dublin has been established and

trialled. The forthcoming White Paper on Local Government Reform provides an opportunity to review other mechanisms for strengthening city leadership.

5. Few Irish cities have developed neatly within the borders of a single governing local authority. For example, Dublin's four authorities share responsibility for Dublin's success with Louth, Meath, Kildare and Wicklow, and the development of Limerick City requires cooperation with Limerick County and Clare local authorities. Internationally, the evidence suggests that the key challenge for successful cities has been to develop coordinated policies across existing institutions for tackling problems and developing solutions rather than the creation of a single citywide governing entity. Innovative means of encouraging cooperation between local authorities should be explored, building on the initiative and cooperation developed as part of the now postponed Gateway Innovation Fund. Where cooperation is not attainable, it will be important to ensure that the competitiveness of a city is not hindered. This may involve assessing the merits of alternative mechanisms for coherent governance, including the possibility of altering boundary lines or the merging of local authorities.
6. The NCC believes that the current funding model for local authorities is unsustainable and over-reliant on direct revenues from enterprise and the central Exchequer. The NCC welcomes the broadening of the local authority revenue base to include a levy on non-principal private residences and hopes that as well as easing charges on business, which damage competitiveness, it will act as a model for further reform of property taxes as described below. In the context of reforming local government, alternative methods of raising revenue should be considered – including charges for all users of local services such as water.
7. The over-dependence of both central and local government funding on construction related taxation (stamp duty, VAT, capital gains and local development levies) is clearly not sustainable. As demonstrated by the collapse of activity in the construction sector, transaction-based taxes are highly volatile. These transaction taxes also act as a barrier to labour mobility and discourage people from moving house as their needs and circumstances change. The Council has for some time argued that an alternative annual levy on property stocks, rather than transactions, would benefit the housing market and increase the predictability of tax revenues. In current circumstances where there is a need to strengthen and broaden the revenue base and yield, the imposition of an annual property tax would, in contrast with increases in income or consumption taxes, have a more benign economic impact. However, the Council cautions against the development of a hybrid form of property taxation involving sizeable stamp duty levies and an annual property tax.

Delivering Key Urban Infrastructure Priorities

8. In view of the long lead times for the delivery of air and sea port infrastructure and services, it is critically important that we plan now to ensure that our cities are well positioned to meet the longer term needs of business and citizens across the island. The air and sea ports in Dublin are especially important not just for the eastern region's external access but also for the island of

Ireland's international connectivity. In particular, decisions are required on the future of the Dublin seaport.


9. Continued, focused investment in road and rail infrastructure is required to improve Ireland's internal connectivity and enable the effective and efficient movement of goods and people in and out of the country. The inter-urban routes which connect Dublin to Belfast, Cork, Limerick and Galway are essential to ensure that our cities are well connected nationally and internationally. The NCC welcomes the recent Government commitment to complete the routes by 2010. In addition, the NCC believes that upgrading the Atlantic Road Corridor (particularly Cork to Galway) needs to be prioritised.

10. Sustained investment is required in public transport projects (e.g. suburban rail, bus networks), which offer the highest economic and social returns, based on rigorous multi-criteria *ex ante* analysis, to improve public transport in our cities. ICT can play an important role in upgrading our urban transport systems. Public transport needs to incorporate elements such as integrated fares and tickets, real time travel information, an integrated mesh of radial and orbital transport services, and the provision of interchange stations between the various transport modes.

11. There is a trend internationally towards the availability of significantly faster broadband speeds in the main cities than is available nationally. City authorities should aggressively promote next generation networks (NGNs) rollout by seeking to extend existing Metropolitan Area Networks to improve their reach. This can be achieved by mandating the provision of optical fibre ducting in the planning process for all new premises and developments, and the mandatory provision of ducting as part of all State infrastructure development programmes (e.g. roads, water network investments, rail and public transport enhancement programmes, smart metering programmes).

Improving Urban Land Use and Planning Policy

12. The NCC recognises and supports the identified need for higher residential density in Irish cities. Combining carefully located, well designed high density developments with social, educational and recreational facilities and world class transportation connections offers the possibility of increasing the supply of both commercial and residential property in a more cost effective and environmentally sustainable manner. The NCC welcomes the Department of Environment, Heritage and Local Government's 'Developing Areas Initiative' which seeks to ensure that the necessary physical and social infrastructure is delivered in a joined up manner to facilitate the sustainable and high quality development of rapid growth areas.

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13. An integrated approach to land use and transport policies in our cities is critical to allow the efficient movement of people and goods and to improve the viability of public transport. The enactment of the Dublin Transport Authority Act, 2008, which facilitates a more coordinated approach to planning and transport policy across the Greater Dublin Area local authorities, is a positive development. Its effectiveness in terms of delivering a coherent approach to land use policy by local authorities and transport policy by the Dublin Transport Authority will need to be monitored. Similar provisions need to be put in place in the other cities.

Enhancing Social Cohesion

14. Support for social, cultural and sports infrastructure and sustained assistance at national and local level for urban regeneration projects are necessary to enhance social cohesion and the potential for positive change in traditionally socially excluded urban areas.

Building a City Image

15. The NCC believes that it is essential that the relevant stakeholders in each city work together to develop a unique and comprehensive city brand to ensure the city's attractiveness.

Developing a Better Understanding of Our Cities

16. The NCC recommends that the individual performance of each city should be monitored on an on-going basis using relevant indicators. Collecting data which reflect the geographic footprint of Irish cities will require cooperation between the CSO and local authorities active in city areas.

1. Introduction

The National Competitiveness Council (NCC) monitors and reports on competitiveness issues facing the Irish economy and makes recommendations regarding policy actions required to enhance Ireland's competitive position. To date, the NCC's work has focussed primarily on competitiveness at a national level. The aim of this paper is to highlight actions that can improve the competitiveness of our cities and ultimately enhance our national competitiveness. Given the current economic challenges the Irish economy faces, the NCC believes it is an appropriate time to assess the role our cities play within the national context. International evidence highlights that actions taken at a city level can improve both city and national competitiveness significantly.

In response to globalisation, cities across the world are becoming less concerned with national rankings of competitiveness and are focussing instead upon improving their positions within a global league table of cities. The growth of the knowledge economy means that firms, particularly those in high value added knowledge-based industries enjoy greater freedom when choosing their geographic locations than before. Likewise, as people have become more mobile and more selective about where they live, successful cities emerge as magnets for talent and investment. In this context, the opportunities from globalisation and its costs have arguably been felt most acutely within cities.


It is in the interest of city authorities and national governments to implement the necessary changes required to improve their competitiveness. The exploration of the relationship between cities and competitiveness fits within a wider European and worldwide trend towards the monitoring of urban economic performance. In Ireland and internationally, policymakers are developing a better understanding of the role of cities as drivers of national economies and are exploring in detail how actions that improve city competitiveness can promote national economic success.

1.1 Structure of Paper

This paper is organised into four chapters. The importance of cities to national competitiveness is outlined in chapter two. Chapter three gives an overview of international research into the drivers of city competitiveness. Building on this work, the chapter develops four cornerstones for city competitiveness and illustrates their relevance to Irish cities. The final chapter puts forward a number of policy actions required at both national and local level to enhance our cities' abilities to compete internationally.

1.2. Cities and the National Spatial Strategy

The National Spatial Strategy (NSS) was published in 2002 and is a 20-year national planning framework to develop the potential of each region. Recognising the increasingly crucial role cities play in the development of competitive regions in modern knowledge-based economies, the NSS emphasised the need to build up critical mass in a small number of large urban centres to enable them to drive growth in their wider regions. The forthcoming 'refresh' of the NSS provides an opportunity to reiterate the critical role that cities play in driving national competitiveness.



Analysing competitiveness through an urban lens should not be interpreted as an effort to promote inter-city or urban-rural competition. Given the relative smallness in size of Irish cities and the Irish economy as a whole, it is essential that Irish cities cooperate with each other and find ways to build on their respective strengths. More competitive cities will enhance national competitiveness which is essential to maintaining and growing income levels.

While the paper focuses on six key cities on the island of Ireland (Belfast, Cork, Derry, Dublin, Galway and Limerick), many of the recommendations made in the report are relevant and applicable to the other NSS gateways. These six cities have been selected based on having a Larger Urban Zone (LUZ)² population in excess of 100,000, making them comparable with other small cities in Europe. In view of the potential role that key Northern Ireland cities can play in creating economies of scale and driving regional competitiveness as well as the importance of developing coherent spatial planning, this paper takes an all island approach.

² Larger Urban Zones (LUZ) are geographic units used by the European Union for city data collection and comparisons such as the Urban Audit Study (2006). This data unit was developed to account for the fact that the boundary line of a city administration authority generally does not reflect the spatial reality of the city. The LUZ incorporates areas from which a significant share of residents commute into the city for work, a concept known as the 'functional urban region'. The Dublin LUZ mirrors the Greater Dublin Area (GDA). It includes the geographic areas covered by Dublin, Dun Laoghaire-Rathdown, Fingal, South Dublin, Kildare, Meath and Wicklow local authority areas. Cork, Galway and Limerick LUZ are composed of both the city and county local authority areas. It is important to recognise that the LUZ overestimates the urban area, taking into account large tracks of rural areas. For example the Cork LUZ includes West Cork and North Cork which would both be outside the urban area of Cork.

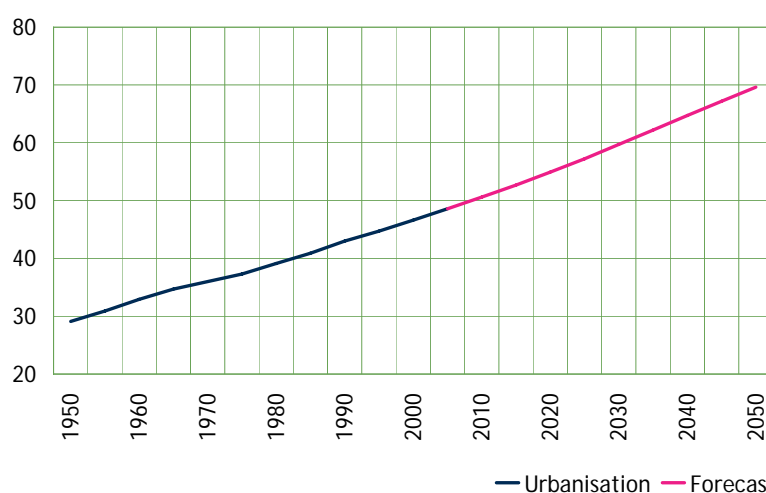
2. Why Cities Matter

In recent years, there has been growing awareness of the key role cities play in determining the economic performance of countries and their impact upon the quality of life of people living and working within them. Cities have a number of distinguishing features, which set them apart from other geographic entities.

Cities are Growing Rapidly

In 2008, the world passed a demographic milestone. For the first time, more than half the world's population, 3.3 billion people, are living in urban areas³. To a degree, this is due to the rapid expansion of the world's largest cities, as the number of mega-cities (more than 10 million inhabitants) and meta-cities (more than 20 million inhabitants) continue to increase.

Figure 1: Percentage of World Population Living in Urban Centres, 1950-2050(f)



It is important to note, however, that smaller cities are

Source: Economic and Social Affairs, United Nations, 2007

playing a far more significant role in facilitating this watershed. More than 50 percent of the global urban population live in cities with less than 500,000 inhabitants and 20 percent of the global urban population live in urban areas of between one million and five million inhabitants. These smaller cities, cities that share greater similarities with Irish cities, are predicted to grow at a faster rate than the larger conurbations for the foreseeable future⁴.

Between 2002 and 2006, the population within city council boundaries increased by 4.2 percent overall compared to a national average of 8.2 percent⁵. Below national average growth rates are a normal feature of established cities, as they tend to have less space for residential development. However, our cities' commuter belts are growing rapidly as many of the administrative areas of neighbouring local authorities had the highest growth rates in the country (e.g. Fingal - 22 percent, Meath - 21 percent, Cork County - 11.4 percent and Galway County - 11.2 percent) as our cities expand⁶.

³ United Nations Population Fund (UNFPA), "State of the World's Population", 2007.

⁴ Ibid.

⁵ CSO, Census 2002 and 2006.

⁶ Ibid.

Cities are the Key Drivers of National Economic Growth

Cities drive economic growth and enhance national competitiveness. Cities are more open to the global economy, and are both enabling and benefiting from globalisation. A growing number of cities are embedded within various global networks such as the production and marketing of output of multinational firms, international labour migration flows and the worldwide web of information resources⁷.

As the location of domestic and global transport and communication hubs, cities act as indigenous and international connectors, all of which are vital to facilitating trade. Increased trade gives rise to increased flows of people, goods, capital, services and innovation⁸. Economies of scale, linkages among firms and the concentration of high skilled workers mean that cities generally outperform their countries across a broad range of economic benchmarks. Many of these drivers are self-perpetuating.

International research highlights that cities drive economic growth and enhance national competitiveness. For example, 66 out of 78 cities in the OECD have a higher GDP per capita than their national average; hence they improve the performance of their country. Sixty-five of these cities also achieve productivity levels that are higher than the national average. The per capita GDP of Dublin (the only Irish city of the scale required to be included in the study) is more than 20 percent higher than the national average⁹. However, the corollary is that, without proper management, cities can lower national economic growth rates with implications for national living standards (e.g. Lille-France, Fukuoka-Japan, Pittsburgh-USA and Naples-Italy). International data highlights that disparities between cities can be far greater than the differences between regions or countries¹⁰.

Cities Play Important Roles within their Regions

Cities matter regionally, as well as nationally. Competitive cities drive competitive regions, by promoting growth and employment and joining up separate business hubs to expand existing markets and create new ones¹¹. They act as economic engines for their regions providing a critical mass of public and private institutions. Cities boost regions by creating employment for residents and they provide national and international connectivity through the concentration of infrastructure.

Cities also facilitate regions in enhancing their international profile. Cities are not just home to large numbers of people and businesses. They play host to local, national, and sometimes international political institutions. They are often home to a variety of historic and cultural sites and major sporting venues attracting visitors from around the world. Cities attract tourists to regions through the growth of short break holidays driven by more convenient and competitive air

7 Kim Y.H and Rennie Short J, "Cities and Economies", 2008.

8 OECD, "Competitive Cities in the Global Economy", Territorial Review, 2006.

9 Ibid. This is above the OECD average which is significant given that Dublin accounts for 47 percent of national GDP.

10 European Commission, "State of European Cities", 2007.

11 United Kingdom Treasury Office, 2006.

access. They are also places where specialised services are provided such as healthcare and higher education.

Cities depend on their regions to provide a wider workforce and skills base. Regions provide the necessary land space for the delivery of major infrastructure projects, which are essential for city competitiveness. Regions also offer leisure opportunities, which are not available in areas that are more built-up, and this can add to the quality of life on offer.

There is a clear link between growth rates achieved at city level and those experienced at regional level¹². The scale of production and generation of wealth, which occur in cities, can and usually do, have positive spillovers into surrounding regions, through fiscal revenues and the procurement of local goods and services. Many of the resources of the city also serve firms and consumers located elsewhere in the country. However, the success of cities can also have a negative impact on surrounding regions, draining them of talented young people, capital and physical resources.

The Diversity of Cities Creates both Opportunities and Challenges

Cities often experience an *urban paradox*, a clustering of wealth and economic activity alongside relatively high levels of social exclusion - '*cities concentrate both jobs and the jobless*'¹³. This is because cities are centres of employment, which provide jobs not only to their citizens but also to many people who live within their surrounding regions. However, cities also tend to encompass areas where high numbers of residents are unemployed¹⁴.

More broadly, the profile of city residents differs from the national profile on almost every socio-economic indicator. City residents are more likely to be single and less likely to have young children. Cities have a higher percentage of people with tertiary education qualifications than the national average but they also have a disproportionate share of residents who are without secondary education¹⁵.

While the diversity of city residents offers a range of benefits, it also poses a challenge for policymakers at national and city level. In particular, the dichotomous profile of city residents can lead to a lack of social cohesion. Social exclusion in urban areas is often visible through geographic segregation of neighbourhoods between prosperous and deprived populations and through increased rates of crime when compared with the national average¹⁶.

12 OECD, "Competitive Cities in the Global Economy", Territorial Review, 2006.

13 European Commission, "State of European Cities", 2007.

14 Ibid.

15 Ibid.

16 OECD, "Competitive Cities in the Global Economy", Territorial Review, 2006.

The Governance of Cities is Complex

Few cities have developed neatly within the borders of a single governing local authority. In general, cities are spread across a number of different administrative areas. The dynamic between the various local authorities operating within a single city region is further complicated by their relationships with regional and national governance structures.

The multiple layers of administration, which cities are often subject to, can act as barriers to policy innovation and affect the coordinated implementation of long-term strategies for the city.

The governance of cities emerges as a key issue for managing urban growth and for the implementation of policy actions and strategies in pursuing competitiveness objectives. Internationally, the evidence suggests that the key challenge for successful cities has been to develop coordinated policies across existing institutions for tackling problems and developing solutions rather than the creation of a single citywide governing entity.

Cities Enhance National Competitiveness

Globalisation has created new opportunities for cities and new geographical areas in which they can operate. In addition to the daily management of our cities, this has promoted the development of more entrepreneurial strategies for competitive cities¹⁷. Cities have shifted from a focus on maintaining or challenging national urban hierarchies to boosting their performance within the international environment.

While many aspects of the performance of Irish cities are determined at a national level (e.g. corporate and personal taxation rates, regulation, education policy, etc.), the implementation of localised initiatives which are tailored to the specific needs of a city, can positively affect its performance within a short space of time and these improvements can serve to boost national competitiveness¹⁸.

¹⁷ OECD, "Competitive Cities : A New Entrepreneurial Paradigm Shift in Spatial Development", 2007.

¹⁸ Parkinson M et al, "Competitive European Cities: Where do the Core Cities Stand?", 2004.

3. Cornerstones of Competitive Cities

Drivers of City Competitiveness

The ability of a city to compete is largely determined by the dynamic which exists between the attributes of the city and the strengths and weaknesses of the firms and other economic agents active in them¹⁹. The importance of each factor will vary between locations, enabling cities to develop unique competencies and gain competitive advantages in specific areas.

Studies of city competitiveness propose a wide variety of factors which impact upon the performance of cities within the global economy. Each study provides an alternative approach and weighting to the various engines of city success. A number of important studies are summarised in Box 3.1.

Box 3.1: City Competitiveness - International Assessments of the Key Drivers

The OECD's 2006 study "Competitive Cities in the Global Economy" ranks productivity as the primary factor in determining urban performance. It found that labour productivity explains the most variation in GDP per capita between the 78 cities examined. A high quality stock of human and physical capital endowments are noted as boosting city productivity levels. To a lesser degree, the structure of the labour market impacts on GDP per capita in cities²⁰.

The "State of European Cities" report summarises the drivers of urban competitiveness under four broad headings; talent, innovation, connectivity and entrepreneurship. The European Commission argues that the particular combination of these elements determine a city's industrial structure and productivity and from this grows employment and income, profits and investment and taxes. A competitive city also flourishes when social inclusion, citizen welfare and sustainability have been established²¹.

Parkinson²² (Competitive European Cities: Where do the Core Cities Stand?) has assessed the competitiveness of a range of UK cities. He lists the existence of innovation in firms and organisations, a skilled workforce, internal and external connectivity, economic diversity and strategic decision-making capacity as 'critical' drivers, while social cohesion is noted as an important driver. Soft location factors such as a distinctive city centre, cultural facilities and quality housing are listed as other drivers.

Begg, in "Cities and Competitiveness," categorises the four determining factors of city competitiveness as the structure of economic activity, company characteristics, innovation and learning and the business environment²³. He also argues that social and environmental factors, for example the city's crime rate, the quality of residential accommodation and the availability of civic amenities play a significant part in persuading investors and senior managers to select a city to invest in. The level of social cohesion also affects the attractiveness of a city to outside investment.


19 Begg, I., "Cities and Competitiveness", 1999.

20 OECD, "Competitive Cities in the Global Economy", Territorial Review, 2006.

21 European Commission, "State of European Cities", 2007.

22 Parkinson M et al, "Competitive European Cities: Where do the Core Cities Stand?", 2004.

23 Begg I., "Cities and Competitiveness", 1999.



There is debate among researchers regarding the importance of the various drivers of competitiveness and their impact on city performance. Rather than attempt to assess which are the most important factors, it is useful to begin the analysis by grouping the different drivers under broad categories and then exploring their relevance and performance within Irish cities. The NCC has identified four cornerstones, which underpin city competitiveness:

- Enterprise;
- Connectivity;
- Sustainability; and
- Attractiveness and Inclusiveness.

3.1 Enterprising Cities

A prosperous business environment has positive effects on a city, both economically and socially. Enterprising cities recognise business performance and innovation as a key driver of city competitiveness and pool local resources to facilitate the growth and development of firms in an effort to achieve sustainable improvements in living standards and quality of life. The development of an enterprising city is affected by the sectoral mix of firms, innovation intensity, the cost of doing business and the quality of available human capital.

Sectoral Mixes within Cities

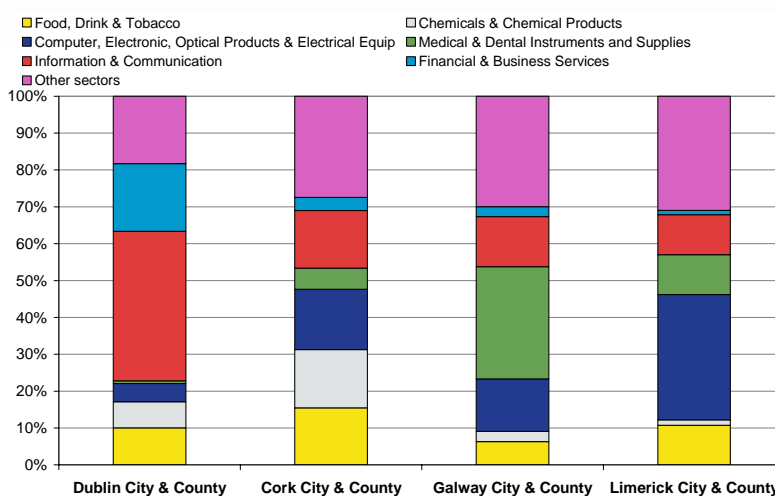
Variations in sectoral mixes are evident between Irish cities - for example, Galway has a significant share of Ireland's medical technology sector, Dublin has a large share of the software and financial services industries and the pharma-chem sector has a strong presence in Cork. Limerick has a relatively high number of ICT hardware firms.

Significant growth in all these sectors (in some cases, a small number of firms) over the past decade has delivered huge benefits to Irish cities, their regions and the country as a whole. In turn, a degree of specialisation has enabled the development of some 'agglomeration effects' i.e. a deeper pool of skilled workers, specialised support services and targeted education and training courses. However, it is prudent to avoid over-reliance on a single area of economic activity. For example, the recent job losses at Dell's Limerick plant and the implications for the local sub-supply sector have highlighted the importance of encouraging sectoral diversity at city level. Internationally, London's dependence on the financial services sector has been identified as a possible vulnerability for the city, particularly in light of the recent financial crisis²⁴.

²⁴ Rode P., London School of Economics speaking at the North West City Region Conference, Derry 15th January 2009.

Given the small size of Irish cities and their relative proximity to one another, Irish cities should endeavour to have a relatively wide sectoral mix. The creation of industry clusters and their ensuing benefits may be achievable through a multi-polar approach with various firms and associated institutions basing themselves within a group of well-connected cities (e.g. Dublin-Belfast or the Atlantic Corridor). Industrial and inward investment policy can support this.

Figure 2: Agency Employment in Selected Sectors of the Economy at County Level, 2007²⁵



Source: Forfás Employment Survey, 2008

City authorities and local stakeholders can also play a key role in identifying opportunities and developing new sectors within cities. For example, in recent years Derry City Council and a number of local agencies and enterprises have worked in partnership to develop the city as a tourist destination for weekend breaks. As the only walled city on the island of Ireland and as the site of a number of key historical events, the city's partners identified Derry's heritage as a key asset to drive the development of the tourism sector in the area.

Innovation Systems at City Level

Ireland's competitiveness increasingly depends on our capacity to innovate and enhance our capabilities. Cities appear to be predisposed to innovative activity as a positive relationship exists between population density and propensity to innovate²⁶.

Competitive cities seek to embed innovation across all fields of activity: enterprise, education, tourism, public policy and civic engagement, etc. Cities play host to a large number of enterprises, higher education and research institutions, hospitals, and a range of other agencies and institutions involved in the innovation process. Formal and informal structures that support cooperation and collaboration between these stakeholders nurture the growth of an innovative environment.

The governance of local innovation systems can influence the economic performance of city regions. Parkinson found that the largest UK cities, with the exception of London, under-perform relative to European comparators with regard to their innovative capacities. He points to differences between the governance of local innovation systems as a crucial factor. The UK's market driven model is criticised for providing little incentive or funding for city authorities to engage in economic

²⁵ Data is only available at aggregate city and county level.

²⁶ Jordan D., and O'Leary E., "Is Irish Innovation Policy Working?", Journal of Statistical and Social Inquiry Society of Ireland, October 2007.

activities and for the absence of a long-term public strategy for local innovation²⁷. European approaches of developing linkages between city and regional industry networks, characterised by engagement of a rich mixture of institutions, have yielded positive results. These include city authorities, local and regional education and research institutes, government departments, agencies and semi-state companies.

The Helsinki Triple Helix Innovation Model provides an interesting example of how these policies have been successfully applied to enhance the innovative capacity of a city. The University of Helsinki and the Helsinki local government authority were the initiators in establishing the *Helsinki Region Centre of Expertise Culminatium*. This public-private organisation is based on the Triple Helix model, which means that one-third of its shares are owned by the local universities and research institutes, one-third by the City of Helsinki, its neighbouring municipalities and the Uusimaa Regional Council, and one third by the business community, financiers and science park companies. The organisation has been recognised internationally as contributing greatly to development of a strong innovation support system involving policymakers, academia and enterprise²⁸.

Irish city-based institutions are involved in a variety of activities which aim to strengthen innovation systems within their regions and are using international best practice such as the Helsinki Triple Helix Innovation Model as a template. For example, the “Centre for Innovation and Structural Change” (CISC) based in NUI Galway and the Border, Midlands and West (BMW) Regional Assembly are involved in the development of an innovation network project called the “Regina Partnership” that aims to build links between Galway and the wider BMW region with six other European regions. The objective of the project is for the regions to work together to develop a common methodology for regional scientific, technological and innovation knowledge management²⁹. Further potential exists to enhance the depth of local innovation systems in Irish cities.

Skilled Human Capital

The demography of cities tends to be more economically dynamic than the national profile with a younger, better-educated population³⁰. The presence of a skilled workforce is a key attraction for mobile investment³¹ and the creation and expansion of indigenously owned exporters.

27 Parkinson M et al, “Competitive European Cities: Where do the Core Cities Stand?”, 2004.

28 OECD, “Competitive Cities in the Global Economy”, Territorial Review, 2006.

29 www.nuigalway.ie/cisc/research/innovsys

30 European Commission, “State of European Cities”, 2007.

31 Cushman and Wakefield, European Cities Monitor, 2008.

Developing a well-educated labour force requires high quality education and training systems. Disadvantaged neighbourhoods within cities can experience lower rates of completion at secondary level and lower participation at third level education than the national average³³. In recent years, higher education institutes across Ireland have developed programmes to tackle educational disadvantage within their areas. Continued support for programmes which seek to address underperformance in education within our cities is required.

Ranking third-level institutions is an exercise fraught with difficulties. The rankings shown in Table 1 are based on peer review and recruiter review assessments, number of citations, ratio of faculty to student numbers and success in attracting foreign students. This index identified Trinity College as Ireland's leading institution ranking it 49th out of 200 institutions, while University College Dublin ranked 108th.

Developing greater cooperation between higher education institutions operating within a region could strengthen the quality of activities which they undertake, provide the critical mass required to achieve recognition as an international centre of excellence in specific disciplines and enhance the offering for students and researchers.

As the global pool for highly educated and skilled people upon which knowledge economies rely is limited, cities must also establish themselves as attractive places to live and work for migrant workers. Therefore, strategies, which encourage highly skilled immigrants to move to Irish cities, offer an opportunity to boost the stock of knowledge assets and human talent in the short to medium term. In recent years, Ireland, and Irish cities in particular have witnessed a large increase in immigration. Compared with the indigenous population, immigrants to Ireland tend to have higher educational attainment rates. Given that employment and the opportunity for career advancement are the biggest magnets for skilled migrant workers³⁴, it is important that institutional

Imperial College London	6
University College London	7
University of Chicago	8
Columbia University New York	10
Australian National University, Canberra	16
University of Tokyo	19
King's College London	22
University of Edinburgh	23
University of Hong Kong	26
New York University	40
Boston University	46
University of Copenhagen	48
Trinity College Dublin	49
University of California, San Diego	58
Tokyo Institute of Technology	61
London School of Economics	66
University of Geneva	68
University of Glasgow	73
Technical University of Munich	78
University of Helsinki	91
University College Dublin	108
<i>Source: The Times Higher Education Supplement, 2008</i>	

32 No other Irish higher education institutions were included in these rankings.

33 Within cities there can be significant concentrations of under performance in certain locations. For example, in 2004 there was a wide variation in admission rates to higher education by Dublin postal district, ranging from 11.7 percent in Ballyfermot to 86 percent in Rathfarnham-Clonskeagh. Source: Higher Education Authority, 2006, Who Went to College in 2004?, Dublin.

34 Clark G, British Council, "Open Cities", 2008.

barriers which prevent migrant workers from entering the labour market at a level commensurate with their skills and qualifications are removed.

Local authorities can play a key role in promoting diversity. For example, in 2004 Galway City Council launched an Anti-Racism strategy which set out a vision of Galway as an intercultural city that promotes the conditions for interaction, understanding, equality of opportunity and respect between all communities. Individuals and organisations, particularly enterprises, were encouraged to participate in the initiative by signing a declaration thereby publicly committing themselves to pursuing the key objectives of the strategy.

Cost of Doing Business

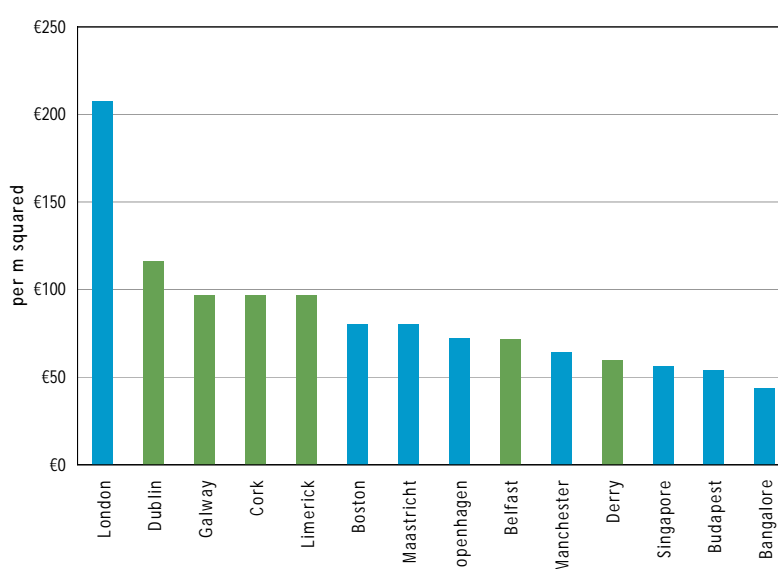
The cost of doing business in a particular location affects the number and type of indigenous firms that will set up there and also how successful the area will be in attracting foreign direct investment (FDI). The NCC Cost of Doing Business in Ireland, 2008 report highlights the variations in business costs. Of the fourteen benchmarked locations, Dublin was ranked second most expensive in the biopharmaceuticals, biotechnology, fund administration and

telecommunications software sectors, fourth in the business hotels, medical technologies and engineering sectors, and fifth in the food processing sector. Irish regional cities' international cost competitiveness has also eroded. Middle income cities that we increasingly compete with for trade and investment such as Singapore, Budapest and Bangalore retained cost advantages across all sectors in 2008 compared with EU-15/US locations.

Many of the costs associated with doing business are determined outside the scope of city influence (e.g. labour costs and locally traded services). However, local authorities play a key role in determining business costs with regard to land and building costs (availability of zoned and serviced land), some utilities (e.g. water and waste) and local authority charges (rates, planning and development charges). These charges can reduce cost competitiveness if they do not reflect the true economic cost of providing services.

According to NCC research, property costs were the second largest cost category for business in 2008 and on average accounted for 11 percent of total costs. However given the recent downturn in

Figure 3: Cost of Office Rental per Meter Squared, 2008



Source: NCC, Cost of Doing Business, 2008

the Irish property market, the position of Irish cities may improve in 2009. Office rents as shown in figure 3 are particularly high in Dublin.

Cost of Living

The ability of cities to attract and retain a skilled workforce and the cost competitiveness of local firms are affected by the local costs of living. Dublin is the only Irish city to be consistently included in international comparative studies of the urban cost of living.

Residential property prices form a large part of the cost of living and given supply constraints, the cost of homes in cities tend to be considerably higher than the national

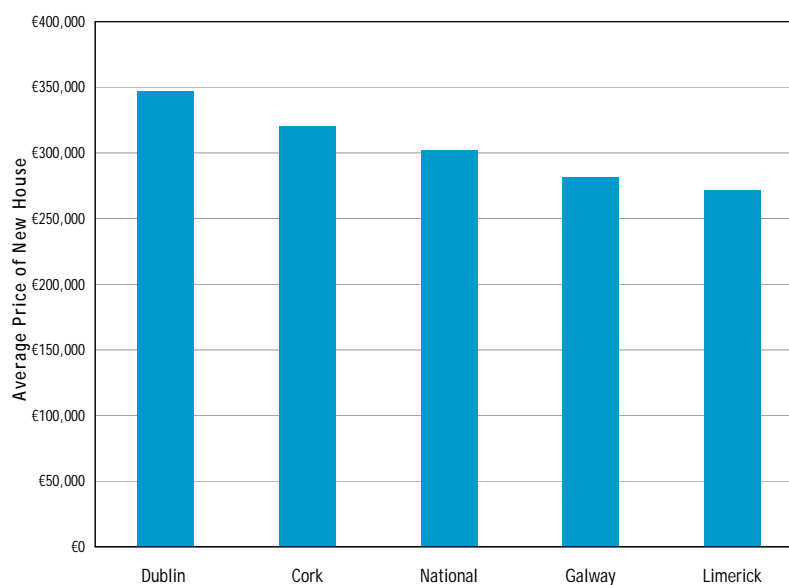
average. According to the OECD, Irish property prices have been among the most expensive in Europe in recent years³⁶, however they have fallen by 17 percent between their peak in February 2007 and January 2009³⁷. A lack of affordably priced housing in central locations also places pressure on city workers to

move further and further out from the core city area, increasing both commuting times and traffic congestion while also having a negative impact on quality of life. The resulting urban sprawl also increases the cost of providing public services. The current downturn in the property market provides an opportunity to improve housing affordability and to rejuvenate the city centre.

Tokyo	1
Paris	3
Copenhagen	4
Helsinki	7
Singapore	10
Hong Kong	11
Dublin	13
New York	23
London	27
Sydney	29

Source: EIU, Worldwide Cost of Living

Figure 4: Average New House Price in Ireland, 2008 Q3¹



Source: Department of Environment, Heritage and Local Government, Housing Statistics, 2008 Q3

³⁵ Dublin is the only Irish city for which comparable data is available.

³⁶ OECD Economic Outlook, No 83, June 2008.

³⁷ Permanent TSB / ESRI House Price Index, March 2009.

3.2 Connected Cities

National and international connectivity is critically important in an increasingly globalised economy and for ensuring cities remain attractive places to live and work. Successful cities have the physical and electronic infrastructure to move goods, services and people quickly, efficiently and in an environmentally sustainable manner. External connections, such as airports, seaports, and adequate internal road and public transport are vital.

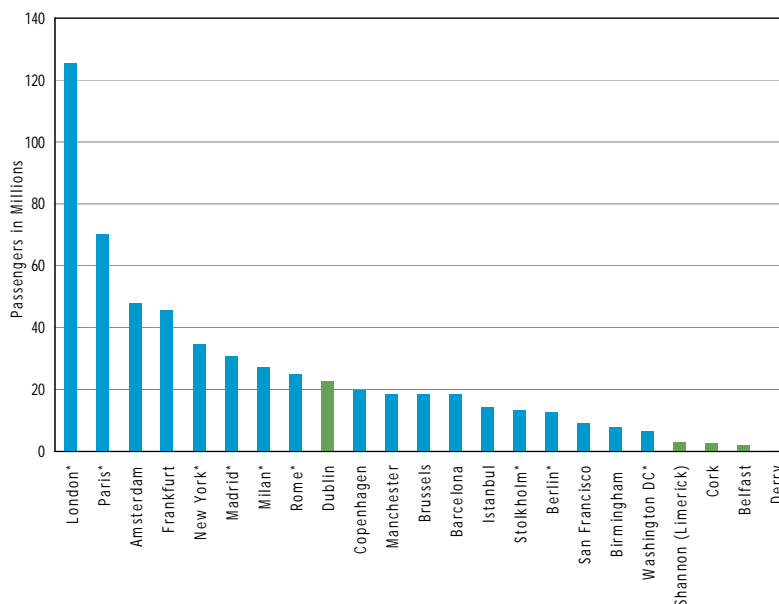
As cities have grown, so too have the complexities of the infrastructure required to ensure their smooth operation. It is clear that the most attractive cities for business expansion and investment will be those that invest in advanced infrastructures such as next generation networks that make business operations within the metropolitan area more efficient and responsive. This not only requires sufficient capacity within infrastructure systems to support current and future growth, it also necessitates the utilisation of ICT to support the integration of the different networks. This section assesses the international and internal connectivity of Irish cities.

International Connectivity of Cities

Airports: In 2008, 23.5 million people travelled through Dublin airport, double that of 1997, making it the eight largest airport in Europe³⁸. Shannon and Cork's airports, while growing, are significantly smaller.

Seaports: In light of Ireland's geographic location and our dependence on export markets, Ireland's commercial seaports and the services they provide are vital to the country's prosperity³⁹. In terms of total unitised trade on an all island basis, the port of Dublin accounted for 45 percent of goods handled in 2007⁴⁰. It handled 53 percent of lo-lo traffic and 41 percent of ro-ro traffic⁴¹. Other key ports for unitised trade on the island of Ireland include Belfast and Cork.

Figure 5: Annual Air Passenger Traffic in Major Cities, 2008



Source: Airports Council International, Passenger and Air Freight Traffic Report, October 2008

* denotes aggregate data for cities with more than one airport.

38 Dublin Airport Authority, 2009.

39 The seaports handle 99 percent of Ireland's international merchandise trade in volume terms and 75 percent in value terms. However, Irish ports are relatively small in European and global terms.

40 The Port of Dublin handled 70 percent of all unitised trade in the Republic of Ireland in 2007.

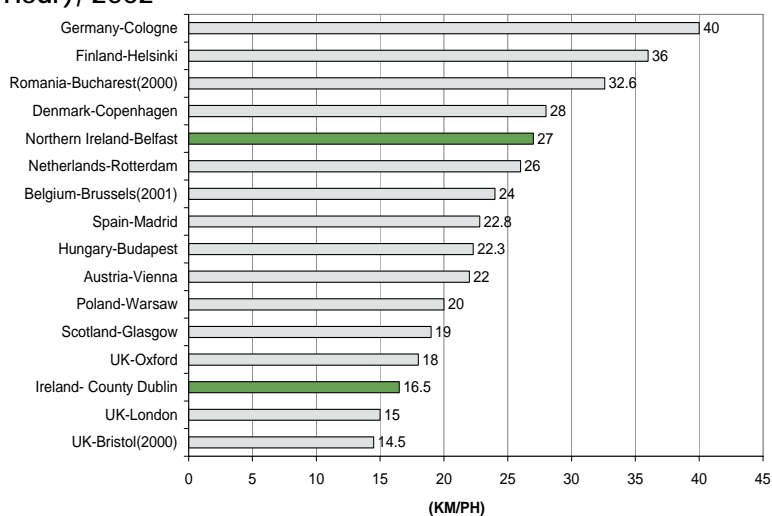
41 Unitised trade is made up of Ro-Ro and Lo-Lo traffic. Ro-Ro or roll-on/roll-off ships are designed to transport trucks carrying containers, while Lo-Lo or lift-on/lift-off ships use cranes to load and unload containers.

Internal Access

In Ireland jobs are significantly more concentrated within our cities than the population is. This means large numbers of people commute into our cities for work⁴². Well-developed transport infrastructure in our cities can reduce traffic congestion and costs, and increase productivity and labour mobility. This not only affects existing firms, but also affects the country's attractiveness as an investment location and general quality of life.

While there has been major investment in roads infrastructure in recent years, congestion within Irish cities continues to be a major problem. One available measure of transport congestion in our main cities and regions is the average peak-hour speeds of cars and motorcycles in these cities. Dublin performs relatively poorly. The average speed on radial roads into Dublin city in the morning peak hour could fall to 8kph by 2016 due to increased cars on the road⁴⁴.

Figure 6: Average Peak Hour Speeds in Major Cities (Km per Hour), 2002⁴³



Source: Urban Transport Benchmarking Initiative/ Dublin Transportation Office

Transport 21 provides a capital investment framework under the National Development Plan which aims to ensure that Ireland has a world class transport network to meet the needs of business, workers and individuals. The strategy contains two strands, a national programme and a programme for the Greater Dublin Area, which will specifically focus on Dublin's urban transport needs.

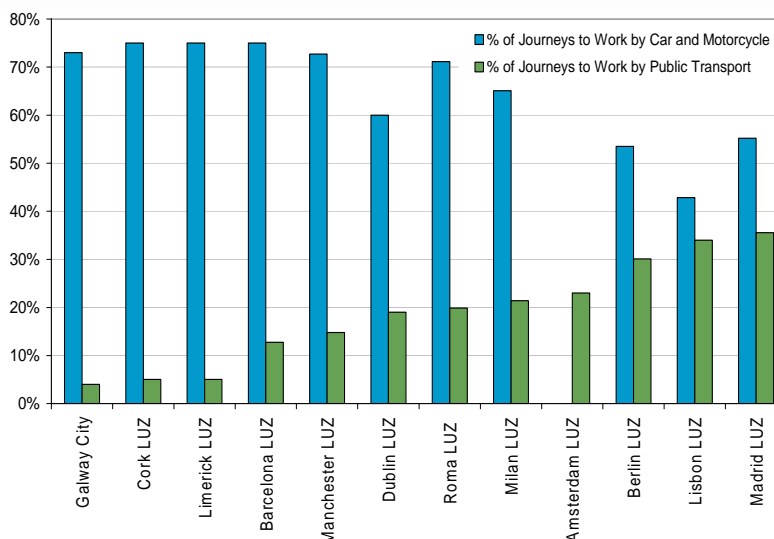
⁴² Morganroth E., ESRI, "Exploring the Economic Geography of Ireland", 2008.

⁴³ Dublin and Belfast are the only cities for which comparable data is available.

⁴⁴ Department of Transport, 2020 Vision - Sustainable Travel and Transport: Public Consultation Document. February 2008.

Figure 7 illustrated the balance between public and private transport across a range of cities. Irish cities are currently highly car dependent. This highlights the need to continue to support the development of viable public transport in Irish cities and to consider measures to manage traffic congestion. In recent years, many initiatives have been introduced to facilitate enhanced traffic flow and to encourage the use of alternative forms of transport. A number of cities, including London, have introduced congestion charging to reduce the number of vehicles travelling to and through the city centre. Other urban authorities actively promote car pooling by enabling vehicles with a minimum number of passengers to use bus lanes.

Figure 7: Percentage of Journeys to Work by Car and Motorcycle and by Public Transport, 2001-2006⁴⁵



Source: CSO Census, 2006; Eurostat Urban Audit, 2001 and 2004

Telecommunications

The availability of high quality broadband is strategically important to improve productivity, facilitate innovation, maintain our status as an attractive location for foreign direct investment and enable Irish services firms to compete in international markets. There is a trend internationally towards the availability of significantly faster speeds in the main cities than is available nationally. Despite recent progress on improving access to basic broadband services, Ireland is lagging competitors in terms of its progress in providing advanced communication services.

Speeds of up to 100 Mbps are being offered over fibre in many parts of Amsterdam, Cologne, Copenhagen and Paris, while the fastest speed available in Dublin and to a more limited extent in other Irish cities, is 24 Mbps.

The State can play an important role. For example, the Singaporean government has committed funds (\$750 million) for the deployment of a fibre network. This network will cover approximately 60 percent of homes and business in the country at speeds up to 1Gbps⁴⁶. Within Ireland, Project Kelvin is an example of an initiative, which aims to provide more competitively priced international broadband connectivity to Derry city and the wider North West region of the island. It should boost the competitiveness of the region and make it a more attractive location for FDI and knowledge-intensive enterprise activity.

⁴⁵ Comparable data is unavailable for Belfast and Derry.

⁴⁶ www.unpan.org/Regions/AsiaPacific/PublicAdministrationNews/tabid/115/mctl/ArticleView/ModuleID/1467/articleId/17055/Default.aspx?ListType=Aggregated

3.3 Sustainable Cities

In recent years, the importance of achieving sustainability to ensure long term competitiveness at city level has been recognised, both nationally and internationally. Achieving sustainable urban economies will enhance the competitive performance of our cities in a variety of areas such as improving quality of life, maximising land use potential, attracting more overseas talent and tourists and reducing negative environmental impacts.

Ensuring from the outset the sustainability of city level policies and developments militates against the need to later modify or make amends for imprudent policy decisions. For example, ensuring a high quality build on city buildings will reduce the need to retrofit these buildings in the future.

Policy areas of specific importance to ensure that city competitiveness is sustainable include; land use and planning, transport and the environment.

Land Use Policy and Planning

Effective land use policy facilitates and coordinates efficient infrastructure, enterprise, civic and community development and underpins a city's ability to operate smoothly. The manner in which land use policy is applied has a direct impact upon a city's competitiveness. Critically, land use policy plays a key role in determining the levels of mobility within cities and the costs of residential and business properties. Smart planning assists in the development of a joined-up city in which, for example, office spaces are located coherently in terms of public transport networks and major facilities⁴⁷. Forward looking spatial planning can facilitate a city in becoming more enterprising, connected, sustainable and attractive and inclusive - as such enhance the four cornerstones of competitive cities.

Recent economic growth in Ireland has been accompanied by urban sprawl, as growing numbers of people locate in expanding commuter belts around our cities. In the past there has been a lack of strong strategic planning in Ireland and the benefits of compact settlement have only recently been acknowledged in the policies of central and local Government.

While much of the city development of recent years has been positive, for example modernising and revitalising previously dilapidated and abandoned areas in the centre of cities, the pace of change often resulted in ill-thought out planning decisions and a failure to properly coordinate private development with public infrastructure and service needs. A number of negative outcomes have emerged and are affecting the quality of life and competitiveness of our cities such as high house prices, severe traffic congestion, increased commuting times, over-crowded public transport, and increased pressure on local authority services such as water and waste.

It will be important that the necessary policies are put in place to overcome the economic challenges that we presently face. However, the current economic climate also offers a number of

⁴⁷ Diziain R, "Office Real Estate and the Competitiveness of Cities in North-Western Europe".

policy opportunities, for example the downturn in construction activity should provide policymakers with the necessary hiatus to develop a comprehensive and coordinated strategy for future urban development.

The nurturing of efficient and cohesive Irish cities requires a shift away from Ireland's traditional low-density, high-dispersion policies. The NCC believes future growth should be consolidated by providing for high-density residential development in the right locations such as brownfield sites in the city centre which are well-serviced in terms of public transport and community facilities and are built to the highest possible standards. Maximising the potential of derelict sites in central urban locations through the development of high quality residential units and associated amenities rejuvenates city communities and enhances the availability and affordability of housing.

Integrated housing and economic planning can also support the development of dynamic communities and clusters. The Titanic Quarter in Belfast, one of the largest waterfront developments in Europe, is an example of strategic planning which will integrate residential and business units with recreational amenities. A number of developments such as Cork City council's innovative proposal for the regeneration of the docklands⁴⁸ and Dublin City Council's "Maximising the City"⁴⁹ illustrate the work of city authorities to ensure land use policy is used to drive the sustainable competitiveness of their cities.

Transport Sustainability

Section 3.3 outlines the importance of transport connectivity to city competitiveness - this connectivity must be achieved in a sustainable manner to maintain competitiveness. Sustainable transport systems need to accommodate future population growth and development. The European Commission's Green Paper on urban transport *Towards a New Culture for Urban Mobility* highlights the key issues of urban mobility: free-flowing and greener towns and cities, smarter urban mobility and the development of urban transport which is accessible, safe and secure⁵⁰. The Commission intends to set a new European agenda for urban mobility and to facilitate the search for solutions by, for example, sharing best practices and optimising financial means. An Action Plan on Urban Mobility is due for publication by the Commission in 2009.


The Department of Transport's action plan "Smarter Travel - A Sustainable Transport Future", which sets out the actions required to facilitate the long term sustainability of transport in Ireland, will require focussing future population and enterprise growth in urban areas. The action plan also sets out measures to ensure that alternatives to car commuting are more widely available, to enhance fuel efficiency and to develop a strategy to reduce the environmental impacts of the freight sector and boost its efficiency. These actions are consistent with policies to improve the competitiveness of Irish cities⁵¹.

48 Cork Docklands, "Cork Docklands Economic Study", 2007.

49 Dublin City Council, "Maximising the City - A Strategy for Intensification and Height", 2008.

50 European Commission, "Green Paper on Urban Transport - Towards a New Culture for Urban Mobility", 2007.

51 Department of Transport, "Smarter Travel - A Sustainable Transport Future", 2009.



Providing innovative solutions that enhance the sustainability of urban transport should be a key objective for future city development. For example in La Rochelle a cleaner and quieter urban delivery system has been implemented. Heavy vehicles unload their goods at distribution centres located at the urban periphery. The goods are then clustered according to destination and transported into the urban core using electric and hybrid light duty vehicles. The resulting overall freight traffic is reduced, as is the locally emitted carbon emissions⁵².

Environmental Sustainability

From an environmentally competitive perspective, a sustainable city should operate with minimal impact on the surrounding area and leave the smallest possible ecological footprint. A city must constantly strive to merge its physical/environmental planning with its economic planning to sustain its competitiveness⁵³.

Cities face environmental challenges such as traffic congestion, noise pollution and poor air quality which could impinge upon their competitiveness. Overcoming these challenges in the long term requires sustainable solutions. These environmental problems can be complex as their causes are often inter-related at city level⁵⁴. For example, problems relating to a poor quality built environment are often linked to underlying socio-economic problems. Local initiatives to resolve one problem can possibly lead to new problems elsewhere and can conflict with national and regional policies. Both local and national authorities need to recognise and overcome these challenges.

Urban areas are vulnerable to the consequences of climate change and city plans should therefore incorporate measures to limit environmental risks such as flooding and smog. Priority areas for local authorities to decrease greenhouse gas emissions are transport and construction⁵⁵. The Commission of the European Communities states that wider implementation of sustainable urban transport plans including specific measures to promote low carbon emission and energy-efficient vehicles will help to reduce greenhouse gas emissions at city level⁵⁶.

Sustainable construction also impacts on a city's competitiveness from an environmental perspective as it can improve both energy efficiency and CO₂ emissions. Local authorities should promote sustainable construction through setting and enforcing standards and adopting best practices where possible⁵⁷.

Recreational and green areas such as parks are an important attribute of creating a sustainable urban environment.

52 European Commission, "Sustainable Urban Transport Plans - Preparatory Document in relation to the follow-up of the Thematic Strategy on the Urban Environment - Annex", 2007.

53 J. R. Kenworth, "Sustainability and Cities", 1999.

54 Commission of the European Communities, Communication from the Commission to the Council and the European Parliament on Thematic Strategy on the Urban Environment, 2006.

55 Ibid.

56 Ibid.

57 Ibid.

3.4 Attractive and Inclusive Cities

Cities are competing for citizens, workers and investment. Competitive cities are attractive and inclusive and these characteristics are nurtured when disparities are minimised and social exclusion is avoided. A cohesive society enables all of its members to be active participants and contributors, enabling individuals to achieve their goals and communities to exploit their economic and social potential. It also reduces criminality and negative reputational effects.

Social Cohesion

Social exclusion undermines competitiveness and limits the ability of cities to achieve their potential. Yet a combination of urban features means that cities are pre-disposed to experience higher levels of social exclusion than elsewhere. Within cities there are often large concentrations of persistent pockets of unemployment along with vulnerable single-parent, female-headed families. These households are far more likely to live in consistent poverty than the national average. There is international evidence to suggest that socio-economic inequalities are increasing more rapidly within cities than outside of them⁵⁸. It has also been noted that poverty ratios may be positively correlated to real GDP growth in urban areas⁵⁹.

The high degree of social exclusion within cities can result in higher levels of criminality and strong spatial polarisation between high and low earners. As well as the direct cost of crime to its victims, social exclusion means that urban areas are not maximising their existing assets in order to achieve their full potential. The image and reputation of cities are damaged by criminality and the decline and polarisation of city neighbourhoods and thus, discourage migration to the city by skilled workers and investment by foreign firms.

Diversity and Creativity

Diversity provides a richer cultural experience for citizens and visitors, bringing with it openness to new ideas and wider markets and customers. A tangible measure of growing diversity was the rapid increase in the percentage of city residents who are foreign nationals, as illustrated in figure 8.

City creativity is nurtured not only through the diversity of its people but also through civic, cultural and sports infrastructure such as libraries and theatres and through the existence of a thriving creative arts sector. As highlighted by Richard Florida, diverse and tolerant cities are more likely to attract the skilled workers who possess the "creative capital" required to power knowledge economies⁶⁰.

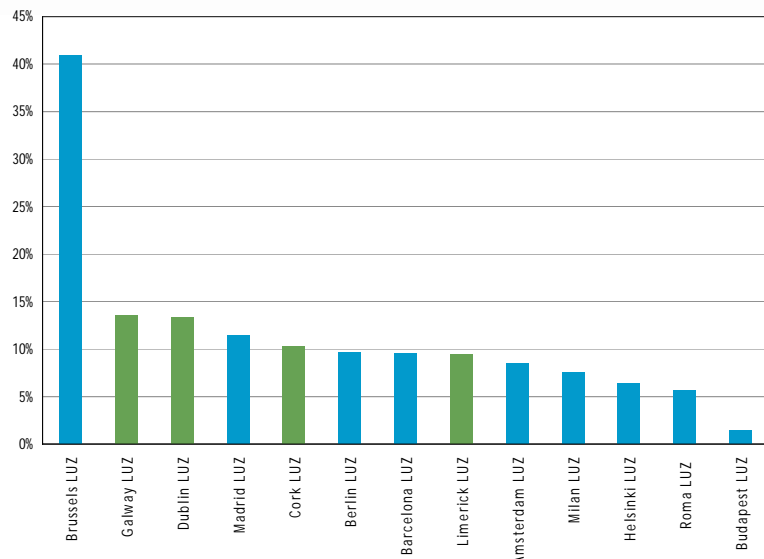
58 OECD, "Competitive Cities in the Global Economy", Territorial Review, 2006.

59 Based on an analysis of micro survey data from Austria, Canada, Denmark, Finland, France, Germany (West), Italy, Norway, Spain, Sweden, United Kingdom, United States, Poland, Russia, Mexico and Taiwan in 1995 (or nearest available). Source: Brandolini, A & P. Cipollone, 2003, "Urban poverty in developed countries," in Amiel, Y. & J.A. Bishop (eds) *Inequality, Welfare and Poverty: Theory and Measurement*, pp. 309-343, Philadelphia: Elsevier.

60 Florida R., "Cities and the Creative Class", 2005.

Diversity also acts as a spur to creativity which is essential for innovation. The success of mega-cities such as London, New York, Hong Kong and Los Angeles has been partially attributed to their ability to attract a diverse population which in turn boosts the stock of creative capital. It has been argued that the innate ambitious and risk-taking natures of immigrants means they are more predisposed to establishing entrepreneurial ventures.

Figure 8: Percentage of Foreign Nationals Resident⁶¹



Source: CSO Census, 2006; Eurostat Urban Audit, 2001 and 2004

Quality of Life

The primary goal of creating competitive cities is to improve city and national quality of life. European cities such as Munich, Lyon and Barcelona, which have good environments, distinctive architectures, cultural facilities, diverse housing stock and access to natural amenities are developing strategies to preserve and improve these factors as part of a wider strategy to promote city competitiveness.

Policymakers in cities which do not enjoy such endowments, such as Dortmund and Rotterdam, are actively seeking new ways of improving the quality of life of their citizens. According to the Mercer 2008 quality of living survey of 215 cities, Dublin ranked 25th for quality of life and 17th for personal safety.

Table 3: Cities by Quality of Living, 2008⁶²

Zurich	1
Copenhagen	11
Amsterdam	13
Brussels	14
Berlin	16
Dublin	25
Helsinki	29
Paris	32
London	38
Milan	41
Barcelona	42
Madrid	43
Lisbon	44

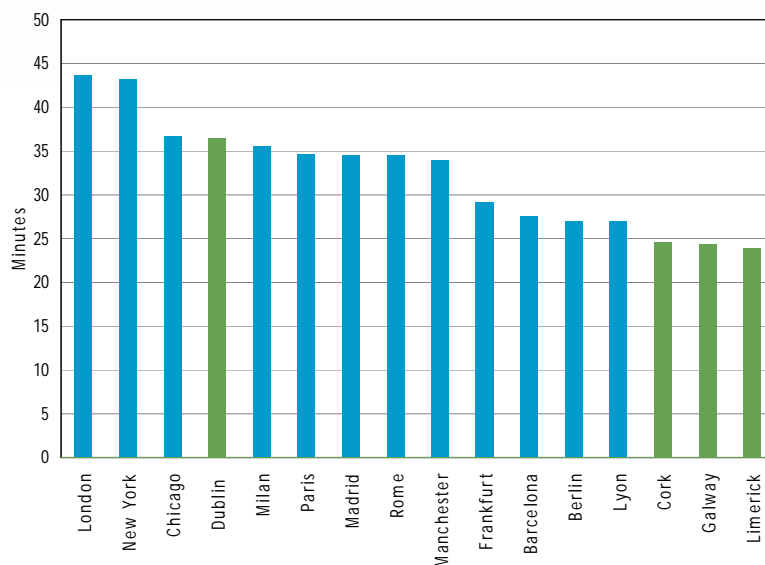
Source: Mercer Quality of Living Survey, 2008

61 Comparable data is unavailable for Belfast and Derry.

62 Dublin is the only Irish city for which comparable data is available.

The size of Ireland's other cities may offer them a competitive advantage with regard to the quality of life they offer. For example, Ireland's smaller cities have shorter commuting times as shown in Figure 9.

Figure 9: Commuting Time in Minutes⁶³



Source: PayScale, Employee Survey Report, 2008

Urban Branding

A city may have great infrastructure and a good quality of life; however, if this message is not communicated to the outside world in a strategic manner, it will find it difficult to compete with those cities which have developed sophisticated brands and long term marketing plans. The best performers in terms of city marketing are those that are capable of building a shared 'city-vision' and are characterised by a consistent approach across all agencies involved in marketing the city. The city brand must work across a range of fields because cities are targeting workers, investors, students and tourists among others⁶⁴.

Uncompetitive cities tend to be weak in the area of branding and if a city possesses a negative image, it can be difficult to shake that perception and change public opinion⁶⁵. On the other hand, cities experiencing growth have an attractive brand that is contemporary and appeals to migrant workers and FDI decision makers alike. Dubai and Barcelona are noted among the best examples of cities that have used their buildings and events as catalysts for actively promoting their city's image internationally⁶⁶. Superior city planning, high quality urban design and iconic architecture can all enhance competitive city brands.

63 Comparable data is unavailable for Belfast and Derry.

64 Clarke G. "Open Cities", 2007.

65 Winfield-Pikkleform J., "The Branding of Cities" 2005.

66 Jones Lang Lasalle, "City Governance Report", 2004.

4. Conclusions and Recommendations

4.1 Prioritising Investment in Cities

We need to recognise fully the importance of cities as drivers of national economic performance and the social and cultural impact they have on their regions. Successful countries and regions must have successful cities at their core. International evidence illustrates that cities drive economic growth with significant benefits for national living standards. In Ireland, there can be a sense of ambivalence over the role and importance of cities. It is critical that both national and regional policies support the development of our main cities.

The NCC welcomes the Government's recent statement that the prioritisation of future investment in capital projects must be consistent with "*international thinking on the key role that strong cities play in driving economic growth and in enhancing regional and national competitiveness by acting as economic engines for their regions and providing a critical mass of public and private institutions*"⁶⁷.

The forthcoming 'refresh' of the NSS provides an opportunity to confirm the critical role that cities play in driving national competitiveness. It is in this context, that the recommendations proposed in this report are put forward for consideration. The NCC believes that developing competitive cities requires strategic investment to ensure they achieve their potential. Maximising city potential requires long term commitment from all of the relevant actors involving large scale infrastructure projects and addressing complex social issues.

Given the current economic climate and the likelihood of future investment cuts, investments in cities must be protected to ensure our long term competitiveness. Since enhanced city performance has positive spill-over effects on surrounding regions and ultimately on the country as a whole, prioritising investment and initiatives that develop the competitiveness of our cities presents an effective use of Exchequer funds.

4.1.1 Promoting Dublin as a Key Driver of National Competitiveness

Dublin is currently Ireland's only city of international scale, with over one million residents and a significant number of international linkages. While it is by far, Ireland's largest and most densely populated urban area, at an international level it is a small city on the margins of northwest Europe. It is the only Irish city to be consistently included in international comparative urban studies. Of the 78 metro-regions in the OECD, Dublin ranks as the second smallest in terms of population levels - despite the significant population growth in recent years. We should not be complacent about its development as an internationally competitive location.

Dublin enjoys many benefits derived from its role as the capital city, for example, as the centre of Government administration, the location of international transport hubs and the clustering of national cultural facilities. This places Dublin in a distinctive position within the Irish economy. Its

⁶⁷ Department of the Taoiseach, "Building Ireland's Smart Economy - A Framework for Sustainable Economic Development", 2008.

continued success is critical for the performance of the entire economy. Economic activity in the Dublin region accounts for 47 percent of national GDP⁶⁸ and its Gross Value Added per capita is 40.9 percent higher than the national average⁶⁹ - a significant differential.

The Greater Dublin Area has been the focus for foreign direct investment in Ireland and has developed into a significant centre for international trade. On occasion Dublin competes against other Irish cities for investment from firms. However often it is the only Irish base under consideration alongside international locations of comparable or larger scale. It is important that the capacity and competencies of the capital city are built upon to ensure that it remains a competitive location for such investments and that it can continue to develop as an international hub.

In line with the NSS, the principle guiding regional and urban development should be to maximise the inherent growth potential of each city and region, rather than simply redirecting economic growth away from Dublin. It is important that measures are not taken that result in the dilution of Dublin's current or future competitiveness. A competitive Dublin can serve to strengthen the performance and attractiveness of other Irish cities and provide them with opportunities that may not be accessible otherwise.

4.1.2 Developing Our Regional Cities

Ensuring the long term economic and social vibrancy of our regional cities through the provision of targeted supports is essential for both national and regional competitiveness. A key challenge for Ireland is to support the development of these cities and to create greater linkages between them so that they can achieve the critical mass required to enable sustainable growth. At the same time, we should seek to make the most of opportunities for sharing specialised assets rather than duplicating resources (e.g. education and research activities, health facilities, etc.).

In addition to the provision of targeted supports for key centres, the development of the city-region corridors (Atlantic Corridor and Dublin-Belfast Corridor) has the potential to pool the strengths of individual cities in order to develop internationally competitive regions. Key to the success of the corridors will be the development of excellent physical infrastructures between the centres.

4.2 Improving City Governance

The governance of cities emerges as the key issue for managing urban growth and implementing policy actions to achieve competitiveness objectives. Apart from providing basic public services, which are a necessity for city competitiveness, efficient and innovative local government can be a differentiating factor that ensures that cities are competitive. However, central government also has a role to play in coordinating a range of actors at local, regional and national level to develop competitive cities.

⁶⁸ OECD, "Competitive Cities in the Global Economy", Territorial Review, 2006.

⁶⁹ CSO, "County Incomes and Regional GDP", 2005.

4.2.1 Urban Entrepreneurialism

Local governments make a significant impact on the enterprise environment and directly influence economic growth through the provision of services and infrastructures, the planning of the local environment and the strategies and policies they implement. City authorities should therefore play a proactive role in improving and sustaining their competitiveness positions and be responsive to the negative effects of urbanisation (urban sprawl and spatial disparities, congestion and pollution, social issues)⁷⁰.

In response to economic globalisation, many city authorities across the world have shifted their governance approach from one of managerialism, which is primarily concerned with effective provision of services, to one of entrepreneurialism. This mode of policymaking is characterised by pro-competitive approaches and innovation⁷¹. In the urban entrepreneurialism system, policymakers from different administrative institutions work in partnership with each other and a range of public and private stakeholders to develop the city's economy, which in turn enhances its business environment and the quality of life enjoyed by citizens. The NCC welcomes the growing awareness within Irish city authorities of their influence and responsibility with regard to enhancing competitiveness. In tandem with the effective provision of local services, city authorities should continue to develop their capacity to act as drivers of urban competitiveness by embracing this governance approach.

4.2.2 City Leadership

City leadership is critical to the development of competitive cities. To achieve and retain competitiveness, key policy decisions need to be made for the city region by a strong leader or leaders. This leadership must be responsible for providing a coordinated approach to tackle the issues faced by the greater city area. Transparent and accountable leadership facilitates efficiency and greater competitiveness. Strong leadership can coordinate and implement progressive strategies in all areas of local governance and act as an advocate for the region to external stakeholders such as enterprise and central government.


In line with the Programme for Government, the Green Paper on Local Government Reform 2008 proposes to introduce a directly elected mayor for Dublin by 2011⁷². It also discusses proposals for the introduction of directly elected mayors in other locations.

A directly elected mayor in Dublin presents a number of opportunities. It may invigorate local governance in the city by enhancing public engagement and ensuring individuals of the highest calibre are attracted to run for the position. The Green Paper has also suggested that it may improve transparency and accountability of local government and increase the engagement of the citizens at local level. The NCC believes that the introduction of a directly elected mayor must be supported by a clear demonstration of how this office will improve the efficiency and democratic accountability of local government and deliver value for money.

70 OECD, "Competitive Cities in the Global Economy", Territorial Review, 2006.

71 OECD, "Competitive Cities : A New Entrepreneurial Paradigm Shift in Spatial Development", 2007.

72 Department of Environment, Heritage and Local Government, " Green Paper of Local Government Reform" 2008.



Because of their relatively small size, the case for introducing directly elected mayors in other Irish cities remains to be established. It may be prudent to postpone assessing the merits of directly elected mayors elsewhere until the office of the directly elected mayor of Dublin has been established and trialled. Strong city leadership should remain an objective for urban stakeholders. This leadership can be provided by a range of sources such as elected councillors, city managers or groups of stakeholders and can work effectively within existing structures to ensure city policy is coordinated and that the needs and concerns of the city are heard at national level.

The NCC believes that the executive powers presently entrusted to the county and city managers should not be compromised by the creation of a new mayoral office. Professional managers are necessary to execute local authority functions effectively, and to advise elected councillors, including the mayor, in matters relating to these functions.

4.2.3 Efficient and Coordinated Governance

Few Irish cities have developed neatly within the borders of a single governing local authority. For example, Dublin's four authorities share responsibility for Dublin's success with Louth, Meath, Kildare and Wicklow, and the development of Limerick City requires cooperation with Limerick County and Clare local authorities. Internationally, the evidence suggests that the key challenge for successful cities has been to develop coordinated policies across existing institutions to tackle problems and develop solutions rather than the creation of a single citywide governing entity. Notwithstanding the relative disparities in size between European and Irish cities, the approach of high performing cities such as Barcelona and Stockholm may provide a useful template for enhancing cooperation between Irish urban local authorities.

The Gateway Innovation Fund (GIF) provided an incentive for local authorities to cooperate to secure funding for joint projects. Innovative means of encouraging cooperation between local authorities should be explored, building on the initiative and partnership developed as part of the now postponed GIF. Where cooperation is not attainable, it will be important to ensure that the competitiveness of a city is not hindered. This may involve assessing the merits of alternative mechanisms for coherent governance, including the possibility of altering boundary lines or the merging of local authorities.

Adequate funding is essential to enable city authorities to fulfil their functions and become more proactive in driving national competitiveness. The NCC believes that the current funding model for local authorities is unsustainable and over-reliant on direct revenues from enterprise. The NCC welcomes the broadening of the local authority revenue base to include a levy on non-principal private residences and hopes that as well as easing charges on business, which damages competitiveness, it will act as a model for further reform of property taxes as described below. In the context of reforming local government, alternative methods of raising revenue should be considered – including charges for all users of local services such as water services.

The over-dependence of both central and local government funding on construction related taxation (stamp duty, VAT, capital gains and local development levies) is clearly not sustainable. As demonstrated by the collapse of activity in the construction sector, transaction-based taxes are highly volatile, being a function of both price and market activity. These transaction taxes also act as a barrier to labour mobility and discourage people from moving house as their needs and circumstances change. The Council has for some time argued that an alternative annual levy on property stocks, rather than transactions, would benefit the housing market and increase the predictability of tax revenues.

In the current circumstances where there is a need to strengthen and broaden the revenue base and yield, the imposition of an annual property tax would, in contrast with increases in income or consumption taxes, have a more benign economic impact. However, the Council cautions against the development of a hybrid form of property taxation involving sizeable stamp duty levies and an annual property tax. The introduction of an annual property tax should be phased in and should allow adequate relief for low income and other vulnerable households and those that have recently paid substantial stamp duty subject to appropriate ceilings⁷³.

Given Ireland's already high cost base, Government should proceed cautiously on increasing the costs to enterprise from local authority charges and development contributions. Potential exists to achieve greater efficiencies within local authorities by enabling fragmented public services to be coordinated at a national or regional level. For example, the national or regional coordination of waste management and water services would support the development of more cost competitive and integrated services as greater potential would exist to develop in-depth expertise and economies of scale.

4.3 Delivering Key Urban Infrastructure Priorities

As previously highlighted, successful cities must have the physical and electronic infrastructure to move goods, services and people quickly, efficiently and in an environmentally sustainable manner. External connections, such as airports, seaports, telecommunications, and adequate internal road and public transport are vital.

The considerable growth in terms of population and economic activity in recent years has placed enormous strains on our cities' infrastructure which the NCC believes necessitates a number of actions as outlined below.

4.3.1 External and Internal Access

Good international air and sea access coupled with effective internal connectivity is a key factor in mitigating the impact of Ireland's peripheral location. As a small open economy at the edge of Europe, Ireland needs to have the international connectivity that allows executives, investors, researchers and tourists to connect as easily with Ireland as with other global cities.

⁷³ NCC, "Annual Competitiveness Report 2008 - Volume 2 Ireland's Competitiveness Challenge", 2009.

In view of the long lead times for the delivery of air and sea port infrastructure and services, it is critically important that we plan now to ensure that our cities are well positioned to meet the longer term needs of business and citizens across the island. The air and sea ports in Dublin are especially important not just for the eastern region's external access but also for the island of Ireland's international connectivity. In particular, decisions are required on the future of the Dublin seaport⁷⁴.

Continued, focused investment in road and rail infrastructure is required to improve Ireland's internal connectivity and enable the effective and efficient movement of goods and people in and out of the country. The inter-urban routes which connect Dublin to Belfast, Cork, Limerick and Galway are essential to ensure that our cities are well connected nationally and internationally. The NCC welcomes the Government's recent commitment to complete these routes by 2010.

In addition, the NCC believes that upgrading the Atlantic Road Corridor (Cork to Galway) needs to be prioritised. Linking the Atlantic cities, in particular Galway, Limerick and Cork should be an investment priority as it will provide greater critical mass in terms of population, skilled workers and required support services. It will also reduce over reliance on specific sub-sectors through the creation of larger economic regions and support the better utilisation of existing infrastructure and services.

Sustained investment is also required in public transport projects (e.g. suburban rail, bus networks), which offer the highest economic and social returns, based on rigorous multi-criteria *ex ante* analysis, to improve public transport in our key urban centres.


ICT can play an important role in upgrading our urban transport systems. Public transport needs to incorporate elements such as integrated fares and tickets, real time travel information, an integrated mesh of radial and orbital bus services, and the provision of interchange stations between the various transport modes. There has been an inordinate delay in producing integrated fares, ticketing and smart cards for public transport in Ireland. However, the establishment of the Dublin Transport Authority may provide the leadership required to finally deliver these initiatives within the capital city.

4.3.2 Telecommunications

The more limited availability of advanced communications services in Ireland's large urban cities is of concern given that many cities with which we compete internationally are already offering 100Mbit/s services to homes and businesses.

It is essential that an open access next generation network (NGN) is rolled out in key Irish cities as a matter of priority. City authorities should aggressively promote NGN rollout by seeking to extend existing Metropolitan Area Networks to improve their reach. This can be achieved by mandating the

⁷⁴ Uncertainty around the future of the Port of Dublin and in particular the possible move of the port from its current location may hinder much needed investment in the port's facilities over the medium term.



provision of optical fibre ducting in the planning process for all new premises and developments, and the mandatory provision of ducting as part of all State infrastructure development programmes such as roads and rail, water network upgrades and smart metering programmes. For example, many of our large urban centres will be undertaking significant upgrades of their water networks over the coming years to reduce the current high levels of leakage. This provides an ideal opportunity to install ducting in these centres in a cost effective manner.

A regulatory framework that will incentivise and support private sector investment in next generation broadband infrastructure, and reward providers for the risk involved in undertaking long-term investment is also required.

4.4 Improving Urban Land Use and Planning Policy

Ireland has not been successful in developing cities of scale, as evidenced by the sprawl of low-density housing developments around the Greater Dublin Area (GDA) and surrounding counties. This approach is not sustainable from energy, environmental, climate change or quality of life perspectives. The NCC welcomes the recent publication of Planning Guidelines on Sustainable Residential Development in Urban Areas, and advocates their implementation. The NCC specifically recommends prioritisation of the following elements of the guidelines:

- Provision of adequate public transport to meet existing demand and provision of new public transport services in tandem with proposed developments;
- Development or Local Area Plans must encourage more efficient use of energy and a reduction in greenhouse gas emissions; and
- Sustainable patterns of urban development should be promoted, particularly higher residential densities in locations which are, or will be, served by public transport.

The ease with which people and goods can move between and within cities is the main transport policy priority for city competitiveness. An integrated approach to land use and transport policies in our cities is critical to ensure an efficient and sustainable transport system, with levels of service comparable to other international locations with which we compete.

The enactment of the Dublin Transport Authority Act, 2008, which will facilitate a more coordinated approach to planning and transport policy across the GDA local authorities, is a positive development. Its effectiveness in terms of delivering a coherent and effective approach to land use policy by local authorities and transport policy by the Dublin Transport Authority needs to be monitored and kept under review to ensure the new arrangements are enabled to operate as intended. Similar provisions need to be put in place in the other Irish cities.

While property prices are currently falling, a range of land use policy actions could further increase the availability of competitively priced housing and business premises. Increasing density in Irish cities is critical. Carefully located and designed high density developments, with social, educational and recreational facilities, together with world class transportation connections offer the possibility of increasing the supply of both commercial and residential property in a more cost effective and

environmentally sustainable manner. In this regard, the NCC welcomes the Department of the Environment, Heritage and Local Government's Developing Areas Initiative which seeks to ensure that the necessary physical and social infrastructure is delivered in a joined up manner to facilitate the sustainable and high quality development of rapid growth areas.

The NCC recognises and supports the identified need for higher residential density in Irish cities. Trends towards smaller household sizes, the need to encourage the provision of affordable housing and the need to reduce carbon emissions by reducing energy consumption are all relevant to the need to increase the density of residential areas as outlined in the Sustainable Residential Development in Urban Areas Guidelines⁷⁵.

4.5 Enhancing Social Cohesion

The urban paradox, as previously highlighted, is apparent in the emergence of affluent urban neighbourhoods alongside areas with high poverty and unemployment rates. Urban regeneration schemes can be an effective means to enhance the performance of local business and social communities in disadvantaged areas. Cork City Council has been a partner of the European Project "Local Communities in the European Strategy for Social Inclusion". The main focus of this European project has been the exchange of experiences between local authorities on projects that aim to combat social exclusion. The Ballymun regeneration project in Dublin is redesigning the spatial landscape of the area and through the creation of local authority offices and arts amenities; it has effectively created a new civic centre for the north side of Dublin city. More recently the Limerick Southside and Northside Regeneration Agencies have identified three key pillars around which the ten year plans for urban revival will be built, namely social, economic and physical regeneration⁷⁶. These projects provide a good example of how special purpose bodies can be established to effectively spearhead complex urban regeneration initiatives working in close partnership with local authorities.


Sustained support and assistance for regeneration projects at national and local level is necessary to ensure their objectives are achieved and the potential for positive change in traditionally socially excluded urban areas is maximised. Projects that can assist in the rejuvenation of urban communities through the redevelopment of infill sites that are derelict or under-utilised should be encouraged by local authorities. The NCC believes that it is critical that we address emerging disparities before they reach crisis point.

4.6 Building a City Image

Soft location factors are not only essential to ensure the social and cultural vitality of cities and their environs but they also enhance their attractiveness to foreign direct investment. Through nurturing the diversity and creativity of our cities, urban areas enable the growth of higher value

⁷⁵ Department of Environment, Heritage and Local Government, "Sustainable Residential Development in Urban Areas, Guidelines for Planning Authorities", December 2008.

⁷⁶ Limerick Southside and Northside Regeneration Agencies, 2007.



knowledge economies⁷⁷. Effective public investment and support for social, cultural, tourism and sports infrastructure and events facilitates the development of strong urban brands which act as a magnet for tourists, workers, academics and investors. The NCC believes that it is essential that the relevant stakeholders in each city work together to develop a unique and comprehensive city brand to ensure the city's attractiveness

4.7 Developing a Better Understanding of Our Cities

Our cities have grown rapidly in the last fifteen years reflecting the complex changes which the economy has undergone. The NCC believes that a better understanding of the performance of our cities is required. There is currently limited data in Ireland at city level and this presents difficulties with regard to developing evidence based policies. The NCC recommends that the individual performance of each city should be monitored on an on-going basis using relevant indicators. Collecting data, which reflect the geographic footprint of Irish cities, will require cooperation between the CSO and local authorities active in city areas.

⁷⁷ Florida., R, "Rise of the Creative Class", 2004.

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