

## Local Government in Times of Austerity – Reflections on Ireland.

The years 2010 – 2012 have been testing and turbulent ones for local government in Ireland. The contractions of the national economy and the state's subjugation to the terms of a financial bail-out from the International Monetary Fund and European Union have obliged local authorities to reduce and curtail their operations. The decline in resources available to the exchequer has prompted government to introduce new revenue-generation streams and mechanisms, some of which have met with considerable public resentment and resistance. A moratorium on recruitment to the public service and the premature retirement of many officers have reduced the skill pool within the local government system, and many of the remaining personnel are focused on maintaining day-to-day operations rather than promoting innovation and reform. Indeed, many of the structural and governance reforms that had been initiated during the previous decade are currently on hold. At the same time, growing social exclusion has led to an increase in the demand for local authority services, particularly social housing. The climate of austerity within which local authorities currently find themselves creates considerable challenges. Yet, it also presents some opportunities. The overwhelming public desire to learn from the mistakes of the neo-liberal 'Celtic Tiger' period and to avoid the largess and inequalities associated with privatisation, de-regulation and political corruption is manifesting itself in citizens and government converging on the need for institutional reform and strengthening of the planning system<sup>1</sup>. A growing recognition of the resourcefulness and capacity of civil society is propelling a discourse on the merits of the local and is engendering in the public conscience an increased valorisation of place. Favourable and growing citizen disposition to reform of public administration in Ireland presents a valuable opportunity for progression to a more European-style system of local government, with more accountability through directly elected mayors, greater controls in the planning regime and a better fit between local and regional development strategies.

This paper looks at experiences in Ireland's local government systems and structures over the three years 2010 – 2012. It notes how the economic recession has adversely impacted on the day-to-day operations of local authorities. The paper suggests that the rationalisation agenda advocated by the McCarthy Report<sup>2</sup> (2009) may not yield its envisaged financial savings, and may in the process of its implementation weaken local democracy. Ireland's local authorities have been at the coal face of central government efforts to broaden the tax base. In the short-term, this has led to widespread public opposition to household charges that has not helped to

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<sup>1</sup> Honohan (2010) outlines the shortcomings in Ireland's regulatory institutions. He describes the emergence of a 'property bubble' and the impacts on the market and on the exchequer of cheap credit and so-called 'light-touch' regulation, which failed to curb unprecedented sharp practices among financial institutions.

Kitchin et al. (2010; 4) report that "the thrust of property policy to private benefit was driven by a neoliberal policy agenda of promoting the free market, minimising regulation, privatising public goods and retreating from state services such as public housing, framed within a political system in which localism, clientalism, and cronyism existed to varying extents across the modes and scales of governance."

<sup>2</sup> Government of Ireland (2009) *Report of the Special Group on Public Service Numbers and Expenditure Programmes*. Dublin: Government Publications. This Special Group was established by the Department of Finance "to examine the current expenditure programmes in each Government Department and to make recommendations for reducing public service numbers so as to ensure a return to sustainable public finances."

advance local democracy. In the long-term however, a property tax and water charges have the potential to provide local authorities with reliable, and arguably, socially-progressive funding streams that are not dependent on central government. Judicial investigations into failings in Ireland's planning process, as manifest in so-called 'ghost estates,' suburbanisation, urban sprawl and environmental degradation have exposed systemic weaknesses including corruption. These high-level enquiries have identified and articulated pathways towards renewal that provide clear policy and legislative pointers for all tiers of government in Ireland. Debates on local government reform in Ireland may not by themselves attract major media headlines. Instead, the impetus towards change is occurring in the context of a wider political and institutional shake-up, the pace and extent of which tend to ebb and flow as citizens, policymakers, commentators, and public bodies are detracted by, and grapple with the constantly shifting sands of the fiscal crisis.

### **Fiscal Constraints and Local Government**

The Irish government's belated realisation in 2008 that the state had been overly-reliant on revenues from a credit-fuelled and speculative property boom and that the public finances needed major correction saw the establishment of Special Group on Public Service Numbers and Expenditure Programmes - popularly referred to as *An Bórd Snip-Nua*<sup>3</sup>. Chaired by renowned UCD (University College Dublin) economist, Colm McCarthy, the Board recommended considerable, extensive and far-reaching reductions in expenditure in several areas of the public service. The proposed cutbacks to local government focused on reducing the number of city and county authorities from 34 to 22. The report argued that this reduction should be achieved through amalgamations, the most noteworthy being the fusion of Limerick City and County Councils, Waterford City and County Councils, Sligo and Leitrim County Councils and North and Tipperary and South Tipperary County Councils. McCarthy also recommended the abolition of lower tier authorities such as Town Councils and Port Authorities.

The McCarthy proposals have been pursued, albeit slowly and cautiously by the Department of Environment, Community and Local Government, and of the more substantial amalgamations advocated, one has been formally adopted, namely that of creating a single local authority to govern Limerick City and County. The process of amalgamating the two Councils in Tipperary has also gained momentum. While the Tipperary process does not have to contend with the types of cultural, sporting and identity considerations that affect any potential amalgamation of Sligo and Leitrim, North and South Tipperary are in two different regional authority areas – the Mid West and South East respectively. Therefore, any geographical realignment in Tipperary will affect both the local and regional tiers of government. Moreover, the creation of a single county-level authority for all of Tipperary would produce one of the largest catchment areas of any local authority in the state. As the following table shows, the amalgamations proposed by McCarthy represent a considerable geographical up-scaling and population increase in the catchments of local councils.

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<sup>3</sup> An Bórd Snip was the name the media and members of the public commonly gave to The Expenditure Review Committee, which in the late 1980s had identified areas in which the then government under Taoiseach Charles J. Haughey could make savings, so as to reduce Ireland's spiralling public debt. The word 'Nua' in the more contemporary colloquialism is the Irish language word for 'new.'

**Table 1: Surface Areas (km<sup>2</sup>) and Population (2011 census data) of Authorities Advocated in the McCarthy Report.**

Current Authority			Proposed 'Amalgamated' Authority	
	Surface Area (km <sup>2</sup> )	Population	Surface Area (km <sup>2</sup> )	Population
Leitrim	1,502.49	31,798	3,293.68	97,191
Sligo	1,791.19	65,393		
Limerick City	28.38	57,106	2,683.04	191,809
Limerick County	2,654.66	134,703		
North Tipperary	1,992.21	70,322	4,247.95	158,754
South Tipperary	2,255.74	88,432		
Waterford City	38.35	46,732	1,835.57	113,795
Waterford County	1,797.22	67,063		
Mean	1,507.53	70,194	3,015.06	140,387

If fully implemented these re-drawings of local authority boundaries would increase the average size of Irish local authorities in respect of the number of citizens per council and per councillor. As currently constituted, Irish local authorities have among the largest populations and smallest number of councillors per elector of any local government system in Europe. In fact, among all EU member states, Ireland comes second only to Britain in respect of the large size and scale of its local authorities (Decoster, 2002; Callanan et al., 2012), and the absence of a municipal tier of government except in some urban locations means that there is greater distance between citizen and council in Ireland than in other EU member states (O’Keeffe, 2009). Indeed, Breathnach (2012) describes the current geography of Irish local government as one that is based on a “medieval county system unrelated to the spatial configuration of modern Irish society.” Some media commentators<sup>4</sup> on the other hand claim that Ireland has over 100 local authorities, but included in this figure are 80 town councils, which have limited legal competencies and a narrow range of functions relative to similar-sized town councils in other small states throughout Europe<sup>5</sup>. Indeed, those who argue in favour of decentralisation in Ireland envisage an enhanced role for town councils, including the extension of their geographical boundaries to ensure the inclusion of communities within their contiguous urban footprint and immediate hinterlands, including where these cross traditional county boundaries e.g. Drogheda (Co. Louth and Meath) and Athlone (Co. Westmeath and Roscommon)<sup>6</sup>.

<sup>4</sup> Former Minister for Agriculture, Ivan Yates, who is now a presenter on Newstalk Radio, is among the journalists calling for a stream-lining of local government. Their calls have been echoed by business and employer organisations. See for example [www.businessandfinance.ie](http://www.businessandfinance.ie).

<sup>5</sup> The 2001 Local Government Act changed the title of all Urban District Councils (UDCs) and Town Commissioners to Town Councils but without affecting their core functions. There are currently 80 Town Councils in the State (5 titled as Boroughs, 49 former UDCs and 29 former town commissioners). This legislation goes some way to simplifying what the OECD (2001) had described as the ‘sheer number of local governments’ in Ireland.

<sup>6</sup> The Report of the Reorganisation Commission – *Towards Cohesive Local Government – Town and County*, published in April 1996 identified specific ways in which Town Councils could be enhanced.

The trends towards local authority amalgamation since 2010 indicate that rather than establishing more localised, decentralised and flexible structures of local governance, Ireland is bucking the international trend, as the goal of national fiscal consolidation apparently takes precedence over decentralisation and advancing the greater democratisation of local government. Indeed, those who advocate centralisation and rationalisation often refer, at least in public debates, to Ireland being similar in size to Greater Manchester. However, the country's sorry experience of having centralised its ten regional health boards into one agency in 2005 weakens any such arguments. Indeed, as Dr. Ruth Barrington (2012) has observed - Manchester is a regional authority in England, Ireland is a sovereign independent state, the 15<sup>th</sup> largest (in surface area) in the EU. Greater Manchester has a population of 2.5 million, while Ireland has 4.5 million<sup>7</sup>. Barrington sums up her arguments by citing the 2008 Stronger Local Democracy Green Paper: "Developed and competitive countries continue to sustain a large number of small elected local authorities because active citizenship and social capital are important values in today's complex world" (Department of Environment, Heritage and Local Government, 2008; 35). Barrington's observations highlight a historical tendency in public policy discourses in Ireland to look at institutional models and practices in Anglo-Saxon countries, notably The UK, rather than to consider the transferability of working models from countries that are more like Ireland in terms of population, geography and cultural values.

Whatever about the structural and governance arguments against the McCarthy proposals, it needs to be acknowledged that An Bórd Snip Nua was charged with an economic brief. It had a short period of time in which to advise government of necessary savings, and its task was urgent given that in 2010 Ireland had a public balance deficit that stood at 32.4% of GDP (CSO, 2011). Moreover, its core arguments have since been supported by more specialist bodies such as The Local Government Efficiency Review Group and by the government itself. As a 2011 press release issued by the Ministry (Department) of Environment, Community and Local Government claimed that "A full merger would achieve greater savings both through the generation of scale economies and efficiencies and the removal of duplication." The rationale behind arguments for a rationalisation of local authorities is that economies of scale can be created that allow for greater efficiencies in administration and in the delivery of services.

While there is a strong consensus in Ireland on the need for greater efficiencies in public administration, an independent economic appraisal of local authority amalgamations calls into question the view that increased centralisation would yield any significant cost savings. Callanan et al. (2012) point out that costs associated with mergers, such as transferring staff and assets, making severance payments and the time extended in aligning policies and by-laws may negate any potential savings. Drawing on merger experiences in Denmark, Canada, Australia and the UK, they conclude that

*"Beyond populations of 15,000-20,000, there is limited potential for economies of scale in most areas... Some studies show larger local authorities are associated with higher levels of overall spending per capita... However, many studies suggest that for most services there is no statistical link between population size and costs."*

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<sup>7</sup> Greater Manchester has a surface area of 1,276 km<sup>2</sup>, which is similar to that of County Monaghan (1,294 km<sup>2</sup>).

Their statistical analysis of the performance of Irish local authorities on a number of output indicators shows that smaller local authorities are frequently more efficient than are larger ones. Callanan et al. advocate that economies of scale are best promoted through shared services rather than by amalgamations. Indeed, the merits of a shared services agenda have been elucidated through a number of applied research projects undertaken by the ICLRD (International Centre for Local and Regional Development).<sup>8</sup>

### **Financing Local Government**

Recession clouds over Ireland have caused the government to seek to cut-back public services, as evidenced by the move towards reducing the number of local authorities. The recession has also seen successive ministers since 2009 attempting to raise additional revenue through increased taxation and new charges and levies. Local authorities have been very much at the frontline of the drive to extract more money from citizens and service users. Indeed, the collapse of the construction sector, on which local authorities, through the imposition of development levies, had become financially reliant, has accentuated the pressure to raise funds to maintain local government services. In response, a number of local authorities have levied increased fees on service users, while central government has sought to introduce new taxes. Of the new tax-raising mechanisms introduced, the three most significant are:

- Tax on Non-Principal Private Residences - Citizens pay an annual tax of €200 on all residential properties other than the family home (e.g. holiday homes and investment properties). The tax is paid to the local authority in whose catchment area the liable property is located<sup>9</sup>.
- Household Charge – This is a flat payment of €100 liable on all households except those in rented accommodation or social housing and those on state supports. The government states that this charge is an interim measure, as a graduated property tax is to be introduced in 2014.
- Septic Tank Charges – A registration fee of €50 (reduced to €5 in late 2011) should be paid by all householders whose property is not connected to a public mains sewerage system, and who instead have a septic tank, reed-bed or other mechanism for treating waste water on their property. The government has announced that an inspection regime will be put in place to ensure septic tanks conform to environmental protection legislation.

In addition to introducing these new levies, the government has signalled its intention to introduce domestic water-charges, and the Department of Environment is currently considering tenders for the installation of water meters. Up to 2012, responsibility for water supplies rested with local authorities, although in many rural areas, local communities operate their own 'group water schemes' and a number of households have their own private well. With impending water charges, the government has announced the establishment of a new state company 'Irish Water,' which is to assume all responsibility for water services in the state. This move sees local authorities losing yet another of their functions, and is further evidence of the Irish state's tendency towards centralised state control.

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<sup>8</sup> Among the ICLRD Publications on shared services are: O'Keeffe (2011) and Driscoll and Creamer (2012).

<sup>9</sup> For details see [www.nppr.ie](http://www.nppr.ie).

Of the new and pending taxes and charges, the most controversial has been the so-called 'household charge.' As neither local authorities nor the state had a definitive database of households, citizens were obliged to self-declare for this tax. At the payment deadline of March 31<sup>st</sup> 2012, it was estimated that about 50% of householders in the state had registered their property and had made the required payment. While the level of compliance slowly increased subsequently, the scale of opposition to the charge is almost without parallel in Ireland. There have been several street protests in all major population centres, and a number of members of parliament, mainly independents and left-wing deputies have publicly declared that they have not paid the charge, which they perceive to be 'double-taxation.' Some have even stated they would go to prison rather than pay it.

Opposition to the septic tank charge was most vociferous during 2011, as evidenced by a number of rallies and public meetings, with some in Counties Limerick and Tipperary attracting several hundred people. Opponents of the charge claim it discriminates against rural dwellers. They argue that urban residences are connected to a public mains sewerage system, and once householders pay a connection fee, they are not liable for any further payments. In contrast, the septic tank charge targets those who, mainly due to the location of their house, do not have the benefits of connection to a public system. The announcement of the charge has engendered fears among many rural dwellers that an inspection regime could compel them to make costly changes to their waste water treatment systems, and at some public meetings figures of up to €8,000 were suggested. In response to public opposition and under pressure from rural TDs (members of parliament), the Minister for Environment, Community and Local Government has sought to allay fears regarding any inspection regime, and in late 2011 he announced that the fee for registering one's septic tank would be decreased from €50 to €5. The Minister's interventions have succeeded in dispelling much disquiet, yet the number of householders who have registered their septic tank falls far short of government targets.

The attempts over the past three years to better provide for the funding of local government have been propelled by the contraction in the public finances and by Ireland's obligations under the EU-IMF bailout deal. This agreement with the agents that are currently funding much of the day-to-day operations of the Irish state requires that the Irish government "will ensure that effective measures are in place to cap the contribution of the local government sector to general government borrowing" (2010; 25). However, the Troika (EU, ECB and IMF) has, apart from referring to a 'property tax,' not specified the ways in which the Irish authorities should raise funds for local government, not has it publicly advocated the rationalisation of the system in the manner which Ireland is currently pursuing. While Ireland's subjugation to an international bailout has accentuated the urgency of government actions and increased public suspicions of new and increased taxes and charges, it has long been recognised that the system of local authority financing has been in need of an overhaul (OECD, 2008; Local Government Efficiency Review Group, 2010; 33). The (2008) Green Paper on Local Government argues that supporting strong, democratic and responsive local government is contingent on reducing its dependence on the centre and that "autonomy in fund raising increases local discretion and accountability" (2008; 25). The Paper sites the work of the Commission on Taxation (established in 2008),

which had argued for the introduction of a property tax. Similarly, the Indecon Review of Local Government Financing (2005; vi) recommended that funding needs be addressed by a combination of “efficiencies; increases in charges, commercial rates, or motor taxation; new sources of local revenues or increases in exchequer funds; or a reduction in services.”

The current controversies regarding local government funding in Ireland have come at a challenging time for local authorities. As the next section of this paper outlines, the planning system has come under major scrutiny, and some unsavoury practices have been unearthed, which cast Irish local democracy in an unfavourable light. The findings of various enquiries into planning irregularities undermine citizen confidence in the local government system, and weaken arguments in favour of local fiscal autonomy and tax-raising powers. In addition, they have provided central government with a basis for delimiting local authorities. While such sentiments and actions are retrograde with regard to democratisation and decentralisation<sup>10</sup>, they attract considerable populist support.

### **Current Issues in Planning and Development**

Over the past decade, Irish society has had to grapple with the emergence of scandals in church and state that have shaken public confidence in institutions and undermined long-held perceptions and certainties. A series of Tribunals<sup>11</sup> of Enquiry have unearthed corruption at the highest level in the awarding of public service contracts and have indicted a number of senior politicians including former government ministers and Taoisigh (prime ministers) for evading taxes and / or receiving corrupt payments. While much of the coverage and commentary on the tribunals have focused on their findings and recommendations in respect of the body politic at national level, the tribunals’ deliberations are significant for local government too.

The most recent Tribunal Report (Mahon, 2012) issued very strong warnings on the damage that corruption has done to Irish society, and was scathing in its assessment of the operation of the planning system – a key competence of local authorities. Mahon has pointed out that the plans of local authorities fit into of a hierarchy of plans, and that in this hierarchy the NSS (National Spatial Strategy), which is overseen by the Department of Environment, Community and Local Government and the NDP (National Development Plan), which is ultimately the responsibility of the Department of Finance, are not on a statutory footing. The Tribunal Report also noted that Regional Authorities are charged with formulating regional planning guidelines and with ensuring that local authorities adhere to such guidelines. The Report went on to state however, that “regional authorities are insufficiently accountable... [and] their role is insufficiently transparent” (2012; 2518). It recommended that the authorities be directly elected, as is the case in most European democracies. Serving politicians of all political parties have accepted the findings of the Mahon Tribunal. Therefore there is no obvious political impediment

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<sup>10</sup> The term ‘decentralisation’ is frequently misused in Irish discourse. While decentralisation, which is synonymous with devolution, means transferring decision-making power from central to regional and local authorities, the word has come to be used in Ireland to refer to re-locating government offices and personnel from Dublin to locations elsewhere in the country. This misnomer has been uttered repeatedly in Ireland, such that a programme to relocate 10,000 civil and public servants announced by the Minister for Finance in 2003 is more often than not referred to as ‘decentralisation.’ Indeed, the Minister himself, Charlie McCreevy used the term. In practice, the programme announced by McCreevy failed to gather much momentum and was formally abandoned by government in 2011.

<sup>11</sup> A Tribunal is a public enquiry set up by statute and chaired by a member of the judiciary.

to implementing the reforms of regional government advocated in Mahon, although, regrettably, it is hardly likely to be a political priority given the government's preoccupation with reducing the public deficit and seeking to exit from being under Troika supervision.

Mahon's pronouncements in respect of regional authorities suggest greater formalisation of their role. The Planning and Development (Amendment) Act (2010) gives the regions specific powers in ensuring that the plans of local authorities are compatible with regional development targets and with the National Spatial Strategy. This gives the regional tier of government specific power over the local tier, and an important weighting to Regional Planning Guidelines. This enhanced role for Regional Authorities (relative to their standing up to 2010<sup>12</sup>) represents part of a government response to controversies that arose in the operations of planning systems at local level. During the decade up to 2008 Ireland was experiencing an unprecedented demand for property – much of it fuelled by low interest rates and investors, rather than by a genuine need for housing. Consequently, local authorities (as the planning agents) came under considerable pressure to zone significant parcels of land for development purposes. Banks, developers and landowners exerted pressures on planning officials and elected councillors, with the result that in a number of counties unsuitable lands were designated for development. Thus, local authorities were operating in contravention of the National Spatial Strategy and outside Regional Planning Guidelines. The most widely-publicised breaches of good practice where councillors ignored the advice of planners and management occurred in Counties Laois and Monaghan. In both cases the amount of land zoned for residential development was equivalent to over 300% of the counties' needs, and the Minister for the Environment was obliged to intervene and to use statutory instruments to overturn the reckless decisions of local authorities. In many counties, lands were zoned that were liable to flood, and several villages and rural communities, particularly those with a 100km radius of Dublin and other large urban centres found themselves swamped by new housing estates – usually on the periphery of villages<sup>13</sup>. Consequently, today many local authorities are de-zoning tracts of land, and re-classifying them for agricultural use.

Ireland's building frenzy, neo-liberal regulation failures and developer-led planning have had negative impacts on the landscape, on communities and on the entire local government system. Kitchin et al. (2010) describe what they call a 'haunted landscape of ghost estates,' and their extensive research raises serious questions about the workability of the government's response to the property collapse. Kitchin and his colleagues contend that:

*“Multi-scalar, long term, comprehensive planning strategies, underpinned by robust evidence, and linked to coherent social, economic and environmental policies, need to be implemented that are resistant to the vagaries of local clientelism (to a certain extent the new Planning and Development 57 (Amendment) Bill will address some of these issues). As part of the revisioning of planning, houses and settlements need to be viewed as homes and communities, not simply assets and opportunities” (2010; 57-58).*

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<sup>12</sup> See Douglas and O'Keeffe (2009) for a discussion on the role and responsibilities for Irish Regional Authorities.

<sup>13</sup> The blog 'Ireland After NAMA' <http://irelandafternama.wordpress.com/> provides an archive of material and contemporary commentaries on spatial planning issues. An Taisce (The National Trust for Ireland) and Friends of the Irish Environment are among the civil society organisations that have sought to promote good practice in planning.



The drip feed of revelations from Tribunals of Enquiry, which cost the taxpayer millions of Euro, and their elucidation of a darker side of Irish society, characterised by corruption and cronyism, the diminution of community, the destruction of landscape, the contamination of waterways and the saddling of householders with mortgage debt are among the negative legacies of the Celtic Tiger. The planning system and shortcomings in it and in the operation of local democracy, together with the lack of clear boundaries between national and local political spaces mean that local authorities face considerable challenges in restoring public confidence and trust. Public anger over the lack of adherence to good planning principles and inadequate regulatory enforcement has increased the public appetite for political reform and institutional restructuring. Thus, government has an unprecedented opportunity to effect real changes in the operation of regional and local government, and its capacity to deliver democratic reforms is strengthened by its strong electoral mandate.

### **Structural Reforms and Local Development**

The 2011 General Election was one of the most significant in Irish history. Fianna Fáil, which has been the dominant party in Irish politics since its first election to power under the leadership of Éamonn deValera in 1932 was roundly rejected by the electors; its support fell from 42% in the 2007 election to under 20% in 2011. Its coalition partner – The Green Party / An Comhaontas Glas lost all of its seats (it had seven in the outgoing parliament). Both parties were blamed for having gotten Ireland into the economic mess that had obliged the state to seek an internationally-financed bail-out. The incoming government led by Fine Gael (Christian Democrats) and The Labour Party (Social Democrats) secured a comfortable majority in both houses of parliament. In their election manifestos both parties advocated local government reforms including greater devolution and increasing the responsibilities of local authorities. Their agreed Programme for Government committed them to giving “local communities more control over transport and traffic, economic development, educational infrastructure, and [enabling] local responses to crime and local healthcare needs” (Fine Gael and Labour, 2011: 27). While both parties can argue that Ireland’s fiscal position militates against the realisation of their stated commitments to decentralisation, their election manifestos and their joint Programme for Government were all published after Ireland becoming an EU and IMF Programme Country. Therefore Fine Gael and Labour’s intentions regarding decentralisation are at best questionable, and can in the light of the moves towards centralisation highlighted in this paper, be considered as rather malign. It should also be noted that while Sinn Féin and other left-wing opposition parties are vociferously opposed to centralisation, Fianna Fáil has tended to avoid going against the government.

The policy agenda of the current government is undoubtedly delimited by financial considerations. In addition, it takes on board and builds on a number of initiatives that were spawned by the previous administration. In the previous government (2007 – 2011) the ministerial portfolio for Environment, Heritage and Local Government was held by John Gormley, then leader of the Green Party and the first Green Minister with responsibility for local authorities. Gormley can be credited with ushering-in the 2008 Green Paper on ‘Stronger Local Democracy’ and with advancing proposals for directly elected council mayors and endogenous

citizens' initiatives. As the country's economic plight worsened, Gormley was motivated to establish a Local Government Efficiency Review Group, which reported that local authorities should have a lead role in the provision of local services, especially community services and that publicly-funded local bodies be linked to local government. The Group castigated what it described as a multitude of local bodies operating without reference to local government, and contended that such arrangements "lead to duplication of resources and effort, with consequent costs for the Exchequer and the community" (2010; 8). In response to this situation, the Group recommended greater alignment of local government and local development agencies.

The process to align the functions and boundaries of local authorities and the local development sector has chugged along since the establishment of City and County Development Boards (CDBs) in 2000 / 2001. The Boards were formed with a view to providing a more coordinated approach to strategic planning among statutory agencies, development bodies and civil society organisations at city and county level. Although the Boards' performances and levels of activity vary across their different geographies, they were charged with enabling a so-called 'cohesion' process between 2006 and 2010 (Humphreys, 2011), which led to a considerable reduction in the number of local development organisations (from 94 to 52), as LEADER Local Action Groups and Area-Based Partnership Companies in shared and over-lapping territories were obliged to amalgamate. Moreover, the local development entities (including the cohesed organisations) are required to have their annual work programmes endorsed by the CDBs – an obligation not placed on any other publicly-funded organisations. The formation of CDBs and their interfaces with local development represent a notable expansion in the remit and power of Ireland's local authorities, and their development contrasts with the contraction of local authority functions in other areas.

Local authorities have generally been keen to build on the momentum gained by their forays into local development, and they have generally received government backing in their efforts. The nomenclature of the current ministry i.e. Department of Environment, Community and Local Government, and specifically the inclusion of the word 'Community' in its title represents a further signal of government intent to see local authorities engage more directly in local development activities. Furthermore the local development sector, which up to 2011 had as its parent ministry The Department of Community, Rural and Gaeltacht Affairs (2002 – 2007) and Department of Community and Gaeltacht Affairs (2007 – 2011) now comes under the aegis of the same ministry as local authorities do.

The recommendations of the Local Government Efficiency Review Group to intensify the consolidation of the local development sector and to integrate the functions of City and County Enterprise Boards with those of local authorities (2010; 159) have been pursued by government. Enterprise Boards are being phased out and government is also looking at greater alignment between local government and local development. In September 2011, the Minister for Environment, Community and Local Government, Phil Hogan T.D. established a Steering Group to consider among other things, how to enhance the role of local authorities in the delivery of local and community development programmes and functions. Its interim report (December 2011) argued for more joined-up planning under the governance of the local authority. In

addition, the Steering Group considered aligning the boundaries of local development organisations with those of cities and counties. A geographical alignment of the county boundaries and local development agencies already pertains in most of Leinster (the province with the smallest counties – in surface area terms – in Ireland). Along the western seaboard however, a number of local development agencies operate within each county<sup>14</sup>. The west's retention of more flexible and locally-delineated sub-county structures may indeed be geographically appropriate given that western counties' demography, scale, settlement patterns, socio-economic profiles and development issues are different to those on the east coast, and Ireland needs to avoid imposing a 'one size fits all model.' Furthermore, the work of Breathnach (2012) and that of AIRO (The All-Island Research Observatory<sup>15</sup>) in mapping the catchment areas of towns and functional territories across the island of Ireland exposes the increasing inappropriateness of county boundaries in respect of delineating service catchments, administrative areas and development territories.

Local development in Ireland has been recognised for its dynamism and its ability to promote bottom-up innovations (OECD, 2001; RUDI, 2010), and attempts to date to subject local development partnership to the control of local authorities are viewed with scepticism by many civil society organisations. Humphreys (2011) describes how the cohesion experience constrains local development in a straight-jacket of state control and replaces collaborative vertical relationships with controlling hierarchical ones. The European Union has also taken a jaundiced view of Ireland's attempts to direct its local authorities towards assuming local development functions, while simultaneously shedding other roles that are being taken-over by statutory agencies. A Court of Auditors Report (2010) re-affirms the EU's commitment to the bottom-up and multi-agency partnership approach, and it cautions against the institutionalisation of local partnerships. With reference to the Irish context, the Court of Auditors states "one of the key features of the LEADER approach is that decisions should be made not by public authorities but by a wider local partnership, where the local government is included but does not have a majority vote" (2010; 18). Thus, the debate on the role, functions and scale of local authorities in Ireland is likely to remain contested.

## **Conclusion**

Ireland's local and regional authorities are currently in a state of transition and flux. They have been scarred by their failings and shortcomings in planning, and need to work on fostering public trust and confidence. They are also challenged to increase their financial sustainability and autonomy, while delivering high quality local services in straitened economic times. While local authorities certainly face governance and resource difficulties, the system of local democracy in Ireland has seldom if ever before been in so ripe a position for structural reform, as Ireland gradually recovers from recession, and citizens come to expect more equitable social structures, transparent regulatory processes, inclusive decision-making and more accountable political leadership. In the twenty years since the publication of the landmark Barrington

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<sup>14</sup> The number of local development partnerships in counties along the west coast is as follows: Donegal 3, Mayo 3, Galway 4, Kerry 4, and Cork 5. In addition, offshore islands have their own federation partnership.

<sup>15</sup> Mapping outputs from the All-Island Research Observatory can be studied on [www.airo.ie](http://www.airo.ie). The observatory is based in NIRSA (The National Institute for Regional and Spatial Analysis) at NUI Maynooth [www.nuim.ie/nirsa](http://www.nuim.ie/nirsa).

Report<sup>16</sup> (1991) progress on reform has been incremental albeit slow. Barrington's recommendations have been echoed and re-enforced in subsequent reviews and position papers, including the most recent government Green Paper on local government. Councillors and officials who work in local government have become increasingly vocal in calling for more structural changes to the system, so as to provide for greater local inputs into decision-making and policy formulation. Academics and civil society organisations have gained direct experience of good practices in local democracy in other EU member states, and a number of grassroots initiatives have been piloted in Ireland. All political parties have publicly committed themselves to accelerating the pace of local government reform so as to promote greater subsidiarity. The prospect of directly elected regional government with statutory responsibility for the management, co-ordination and enforcement of a defined hierarchy of development plans is crystallising, and would represent a major advancement towards providing citizens with a more responsive system and a vision-led approach to spatial planning.

The possibilities for an overhaul of Ireland's local government system have also been advanced by progress on spatial planning over the past decade. The publication in 2002 of the National Spatial Strategy and its alignment with the National Development Plan since 2007 represent significant steps towards promoting regionally and territorially-differentiated approaches in the roll-out of development projects and the allocation of investment. Regional authorities have stepped up to the plate in respect to putting in place strategies and guidelines to enable place-based development and competitive regions. Together with civil society, the regional and local tiers of government have been to the fore in promoting collaboration with partners in Northern Ireland, resulting in enhanced infrastructure and service provision, particularly along the border. Across the state the institutional capacity in regional and local government is growing, and its growth and development are facilitated by increased access to reliable data, provided by agencies such as the Central Statistics Office and communicated by bodies such as NIRSA (National Institute for Regional and Spatial Analysis) and the AIRO (All-island Research Observatory). Indeed, there is considerable scope for local authorities to devote more attention to data collection and refinement, and to channel their findings upwards in contributing to policy.

The momentum for changes in the sub-national government has grown and institutions have become more attuned to the need for flexibility and innovation. However divergences have emerged in respect of delivering the reform agenda. The Barrington vision is one that focuses on increased subsidiarity; yet current government policy focuses on centralisation. Barrington advocated the establishment of a district tier of government; yet central government appears to be wedded to unwieldy county structures, and is even enlarging some local authority catchment territories. Civil society and voluntary organisations have been vibrant in Ireland and have filled service provision and development gaps caused by the absence of a municipal tier of government; yet central government is attempting to subjugate the local development sector to the excessive administrative controls and to dismantle collaborative governance. Yes, there is tremendous potential for local government reform and renewal, the signposts are in place – we just need to follow them.

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<sup>16</sup> Advisory Expert Committee (1991) *Local Government Reorganisation and Reform*. Dublin: Government Publications.

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