

DESIGNATION AND REGIONAL POLICY

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That a spatially equitable distribution of income and resources does not necessarily result from a free-market system has been widely accepted from both political and economic perspectives. It has been observed that "there is a tendency inherent in the free-play of market forces to create regional inequalities" (Myrdal, 1958). The spatial concentration of such phenomena as low incomes, high unemployment and net out-migration is recognisable in the emergence of distinct geographic units. Some such units have come to be regarded as "marginal" or "disadvantaged". They may be remote rural areas such as the Scottish Highlands, areas with a declining traditional industry such as Tyneside or decaying residential inner-city areas. These areas with what are perceived to be special problems become subject to remedial policy measures. Such policies, known as regional policies, have been implemented in many countries with the stated purposes of reducing inter-regional disparities in terms of income levels, employment opportunities, and so on. Generally, the stated intentions of regional policies are the reduction of imbalances between regions in economic activity, income levels, prosperity and welfare; the planning of economic development in the regions so as to further both regional and national growth; and the encouragement of social and cultural development within regions. (OECD, 1970).

The demarcation of so-called "marginal" areas is a necessary pre-requisite for the implementation of any regional policy measures. Certain areas are delimited and designated as deserving of preferential aid under the terms of regional policy. This designation is a central precept in regional planning. In this paper particular attention is paid to the principle of designation. Questions are raised relating both to the validity of areal demarcation for policy purposes and to the effectiveness of policy itself. Aspects of Irish regional policy are examined in the light of these questions.

The designation of areas for regional policy purposes in Ireland commenced in 1952 with the Undeveloped Areas Act which identified specific areas of the country which were deemed to require special attention. These areas were Donegal, Kerry, West Cork and all counties west of the Shannon. They represented 55 percent of the area of the State and contained 33 percent of its population. These areas with

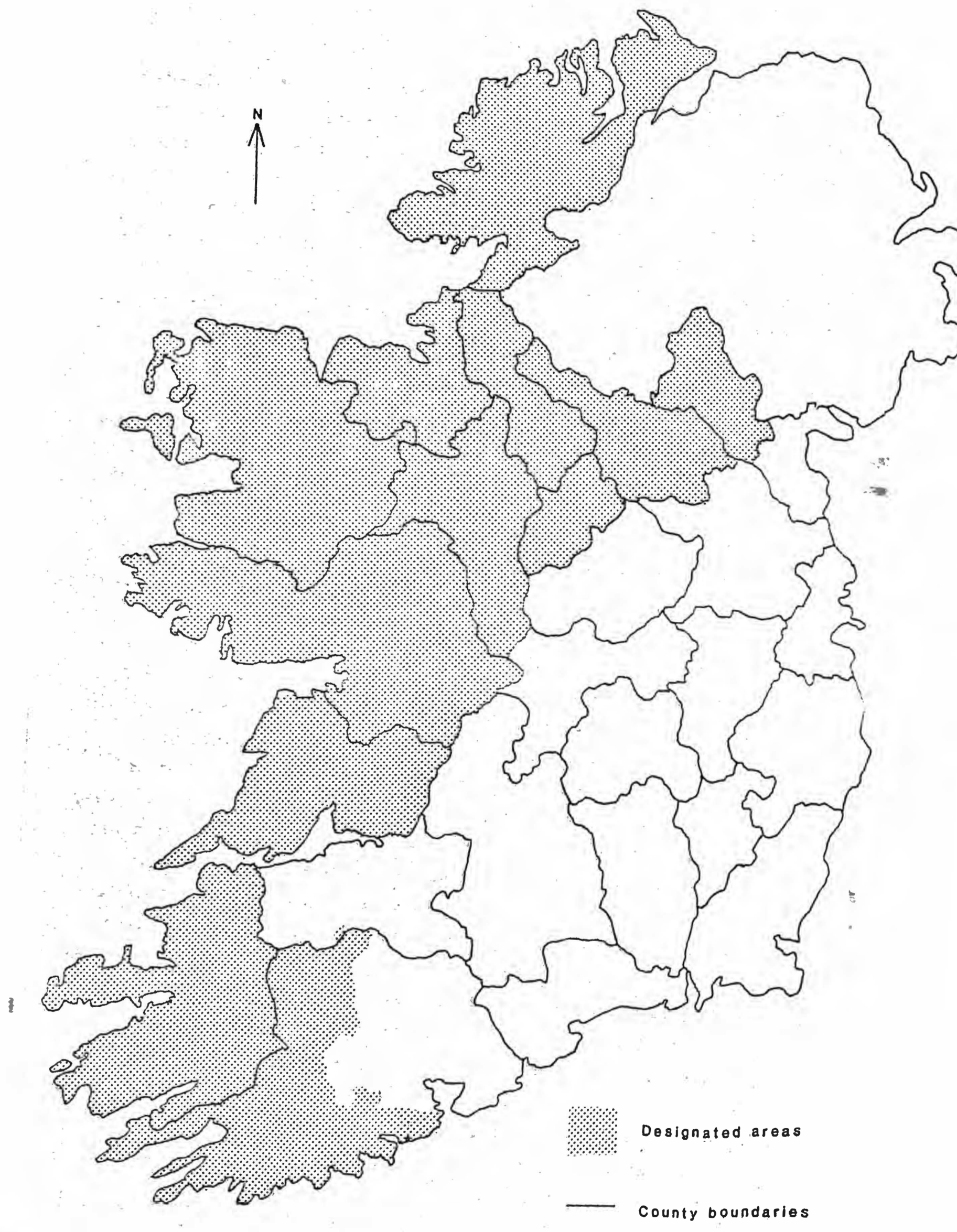
some additions constitute what are now referred to as the "Designated Areas" (Fig.1). It is worth noting that in Ireland there are no set criteria used in the designation procedure (NESC,1985). This suggests that political pressure could be used periodically in order to gain this status for a particular area. However, it must be stated that there is no evidence of this having occurred in Ireland but, given the absence of precise criteria, the possibility undoubtedly exists. It has been suggested that this may have happened in Britain (Jones,1986).

Initially, it is necessary to comment on a problem inherent in the terminology used in discussions of regional problems and policies. Reference is made to so-called "marginal" (or disadvantaged) regions. Such a concept is meaningful only in the sense that people within those regions are experiencing the symptoms of marginality, such as low incomes. A region itself cannot be disadvantaged (Cawley,1986).

The principle of the designation of geographic units has been criticised by many authors for a number of reasons. Firstly, it may tend to over-emphasise the extent to which the characteristics of marginality are spatially concentrated. In a study of urban deprivation in Dundee in the 1970's, it was discovered that this phenomenon was more widely dispersed throughout the city than might have been expected (MacLaran,1981). Similar findings were made in relation to other British cities in the 1970's, calling into question the effectiveness of area-based urban policies which were shown to exclude from their measures considerable numbers of people experiencing deprivation (Community Development Project,1977,a,b). Thus so-called marginal regions contain within them residents whose standards of living are well above the regional average. Intra-regional inequality may tend to be overlooked in the pursuit of inter-regional equality. This is a serious error: "to assume that a reduction in inter-regional inequality is equivalent to a reduction in inter-personal inequality is ...to infer that the average conditions in an area apply to all individuals in that area" (Gore,1984). Inter-regional disparities may lessen while inter-personal disparities may actually increase. For this reason, policy should perhaps be more concerned with inter-personal equality rather than equalising regional averages.

The issue of the demarcation of "marginal" areas in Ireland has been raised by Baker and Ross (1970). Using data on income levels and sectoral employment, they questioned the validity of dividing the country into a "disadvantaged" west and a relatively more "prosperous"

FIG. 1 DESIGNATED AREAS



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east, a division which continues to provide a framework for both research and legislation. Later the same authors stated that "a simple division of the country into a more and a less developed region is an inappropriate basis for policy" as there was no clear dividing line between the east and the west on the basis of selected criteria (Baker and Ross,1975). Their data indicated that so-called "western problems" were not confined to the west. A comparison of Census of Population data at Rural District level for Leitrim, a designated county, and Carlow, a non-designated county, in 1981, using selected criteria demonstrates that while there are substantial differences between the county averages, there is significant variation at sub-county level within each county, more especially in Carlow. Idrone Rural District in South Carlow displayed features commonly associated with "marginal" regions; namely population loss, high dependency ratio, high agricultural employment and a very low level of urbanisation (Storey,1987). In the same study, it was found that just under 30 per cent of Carlow school-leavers in the period 1983 to 1985 obtained employment, compared to over 37 percent in Leitrim. These findings suggest that "marginal" features may not be as spatially concentrated as might be expected, a fact which should be borne in mind when policy is being formulated.

Another criticism of designation is that it may give rise to the belief that so-called 'regional problems' are due to factors internal to those regions. Cultural traits of inhabitants may be seen as resulting from family characteristics, rather than from external social and economic factors. For example, vandalism by inner-city children may be viewed as resulting more from parental neglect than socio-economic deprivation. Thus, areas are held responsible for the apparent problems occurring in them (Massey,1979). This results from a tendency to view such regions in isolation from the rest of the country. There is a failure to recognise that 'underdevelopment' in one region may be due in part to economic development elsewhere. It has been stated that 'underdevelopment' and 'overdevelopment' are "opposite faces of the same coin" (Frank,1967). Within an Irish context the apparent underdevelopment of the west was partially caused by loss of population to Dublin as well as to British and North American cities (see Adams,1932;Handley,1945;Jackson,1963), which benefited from this imported labour. The apparent overdevelopment of the east and the underdevelopment of the west are thus part of the same

process. The problems of the west cannot be viewed in isolation from the east and are not attributable to factors entirely internal to the west. Having raised some questions regarding the principle of designation, attention is now turned towards the nature and implementation of regional policy.

Policy in Ireland and throughout Europe has attempted to reduce perceived inter-regional inequality through the provision of financial incentives to manufacturing industry in order to encourage the location of such industry in 'marginal' areas. This, it is argued, will generate employment and thus raise incomes in such areas. It has been held that this type of policy has facilitated profit-making for large corporations via the guise of regional development (Damette, 1980). Similarly Santos (1979) has argued that state regional policies tend to facilitate the needs of monopoly capitalism and multi-national companies. These institutions themselves contribute towards inequality by their tendency towards geographic concentration. Damette (1980) has demonstrated how regional inequality is initially created through industrial convergence in order to achieve economies of scale and subsequently the 'poorer' regions offer an 'escape' for firms to areas with cheap reserves of labour when the costs of concentration become too high. Thus, while regional policy may ostensibly be designed to reduce the negative effects of free-market forces, it attempts to do so by assisting those elements which have, at least partly, contributed to regional divergence in the first place. Taking this perspective, regional problems are viewed as no more than geographical concentrations of structural problems within society (Rowntree Research Unit, 1974), which are a logical result of a capitalistic system rather than abnormalities caused by an inadequate adjustment to changing economic circumstances (Carney, 1980). The logic of this argument is that industrial incentives serve only "to paper over the cracks in capitalism" rather than to effect any real change (Community Development Project, 1977a). Thus, it can be argued that it is futile to attempt solving such problems within the confines of a socio-economic system which has given rise to them in the first place (Gore, 1984).

Within Ireland, the IDA, as the chief agent of industrial policy, endeavours to develop industry within the country both through the attraction of foreign firms into Ireland and through the encouragement of indigenous small industry. It is felt that increased incomes will

give rise to a multiplier effect generating further income increases as the effects spread throughout the economy. Much has been paid out directly in the form of grant aid and indirectly in the form of tax concessions in order to attract multi-national companies (MNCs) into Ireland. The arguments against such investment by the State have been summarised elsewhere (Walsh,1980). Evidence of the regional impact of MNCs is conflicting (O'Huallachain,1986), although in Ireland it has been shown that they are marginally more likely to locate in designated areas where grant rates are higher (O'Farrell,1980). The desirability of Irish tax payers subsidising some of the world's largest companies has been questioned (Perrons,1981). In any event, while the benefits to local communities may be problematic, the benefits to the companies concerned can be quite substantial. The emphasis on regional industrial development has also resulted in a lack of attention being paid to regional service sector development. The latter's potential for job creation has been referred to elsewhere (O'Farrell,1970).

A common criticism of Irish regional policy is its obvious lack of coordination. Up to 24 separate agencies are involved in the developmental process in the Gaeltacht (NESC,1978). This overlapping of activities is not unique to Ireland. A similar situation exists in Britain (Armstrong,1986). Alongside this, there is an apparent reluctance on the part of central government to devolve any of its powers to regional bodies. Decision-making has tended to be very centralised. Serious flaws thus exist in both the nature and implementation of policy.

Alternative methods of population stabilisation and employment creation in rural areas might need to be examined more closely than they have been up to now. The efficacy of community development strategies have been examined by some researchers, e.g. Regan and Breathnach (1981), using a case study in a rural area of Co. Donegal. One of the conclusions of that study was the lack of government support for such initiatives, a finding repeated by Breathnach (1986). It would appear that alternatives to subsidising manufacturing industry are frowned upon by the IDA, who perhaps see such initiatives as a threat to their existence. Lack of state support for alternatives would imply a reluctance on the part of those in authority to deviate from established practice. A similar situation exists in England and Wales in the area of rural settlement planning where agencies are unwilling to cooperate with other bodies, except when it is in their

own interest to do so (Hanrahan and Cloke, 1983). It has been recommended that "state agencies should see themselves as facilitating and serving community-based bodies, rather than, as is commonly the case at the moment, the state agencies regarding community groups as annoying thorns in their side" (Breathnach, 1986). The approach of the Highlands and Islands Development Board in Scotland, which works closely with community groups, has enjoyed a reasonable measure of success in terms of job creation (Breathnach et al, 1984). There is a lack of comprehensive studies of community-based initiatives and other strategies, thus making it difficult to accurately assess them. A discussion of the merits of alternative development strategies is beyond the scope of this paper. It is sufficient to mention that alternatives do exist.

Conclusions Irish regional policy by operating within an east/west framework fails to explicitly recognise that considerable numbers of people in the east are as likely to require preferential treatment as those in the west. Designation tends to emphasise differences between areas in the east and the west while overlooking the fact that they may have similar problems. There is also a danger of viewing the problems of each region in isolation from the other, rather than seeing the interconnections between them. The types of policy pursued would appear to work more to the benefit of the better off, i.e. industrialists and large farmers, rather than the people in actual need. Alongside this, there has been an absence of State support for alternative initiatives, the success of which must remain a matter of conjecture.

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