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## Large Retail Developments in Ireland: an Overview

Edmund O'Callaghan

*Technological University Dublin*, [edmund.ocallaghan@tudublin.ie](mailto:edmund.ocallaghan@tudublin.ie)

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# CONTROL OVER LARGE RETAIL DEVELOPMENT IN IRELAND: AN OVERVIEW

Edmund O'CALLAGHAN

School of Retail & Services Management, Faculty of Business,

Dublin Institute of Technology, Aungier St., Dublin 2. Ireland

Tel. 00 353 1 4027062 - Fax 00 353 1 4027199 -E-mail Edmund.ocallaghan@ dit.ie

## Abstract

*This paper illustrates the Irish public policy response to the location and development of large stores, through new planning guidelines issued in 2001. These guidelines provide the basis for a framework to guide local authorities in preparing development plans, in line with the broad principles of 'sustainable development'. The context against which the new planning guidelines were deemed necessary is outlined. The paper concludes that the new guidelines will not seriously hinder non-food formats, nor disadvantage potential new international or national entrants. While it will limit large food-store development, average food-store size will continue to increase and existing operators will re-engineer store formats to compete effectively across the sub-sector.*

**Keywords :** Store size, market concentration, public policy, sustainable development, retail, Ireland

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## 1. Introduction

Retail planning is a controversial issue that has received significant academic attention over the years (Davies 1979, 1995). Much debate revolves around issues of sustainable development, laws of competition and fair-trading and the size and location of new retail developments. The comments of Davies (1995) on the European planning context of the 1990s are particularly appropriate in the current Irish context, 'retail planning interests are increasingly tied with concerns about urban sprawl, growth of car usage and traffic pollution'. While considerable support exists in Ireland on the need for sustainable development (Forfas, 1999; Tym & Partners, 1999; Goodbody, 2000), the difficulty revolves around the reconciliation of two opposing goals of planning. The first concerns the economic need for planning policy to support the development of an efficient retail sector, thus delivering better consumer choice and value for money. The second concerns the societal need to have equitability of retail provision irregardless of where one lives. The new planning policy in Ireland attempts to strike a balance between economic and planning considerations.

In an Irish context, there has been substantial growth in store size (particularly in the grocery sector) and in the size of new shopping developments. Most of these developments have been located in out-of-town or edge-of town locations, away from traditional retail centres and this has provoked conflict and controversy. The increased incidence of both multiple and international retailers has fuelled an

increasing demand for larger retail units. In 1998, the minister of the environment introduced a temporary ban on the development of food-stores in excess of 3000 square metres. There followed a period of consultation which resulted in the publication of two studies; the first in April 1999 by Tym & Partners who presented draft retail planning guidelines for planning authorities; the second was a competition study on the economic aspects of Tym's proposed guidelines on the retail sector (Goodbody, 2000). Subsequently, these guidelines were issued (with minor amendments) as ministerial guidelines under section 28 of the Planning and Development Act 2000, and came into effect from the 2<sup>nd</sup> January 2001.

Under section 28, the cap on grocery store size was maintained at 3000 square metres nationally with the exception of the greater Dublin area, where the cap was increased to 3500 square metres. The higher cap had regard to the greater size and density of population in the greater Dublin area, the close proximity of residential areas to established town centres, and the size of the populations contained within the catchment areas of retail centres. The new guidelines also contained a range of other floor space caps and development control criteria in relation to various types of retail development within the food and non-food sectors.

## **2. Public Policy and Retail Planning**

Public Policy affects retailers through imposed government regulations introduced over different time-periods. Examples include directives on pricing and negotiation, merger and acquisition legislation and retail planning laws. Alexander (1997:173) suggests that governments, through public policy, endeavour to both control competition, and at the same time encourage fair competition. Sternquist & Jin (1998) give general examples of the effect of such legislation ie. limits on the importation of merchandise, reduction of excessive price competition and the protection of small businesses.

International examples of public policy legislation in a retail context include the Robinson-Patman Act in the USA ((Hollander & Omoura 1989), the Large Stores Law in Japan (Larke, 1992), the Loi Royer in France (Fries, 1978; Metton, 1995), the Loi de Cadenas in Belgium (Francois & Leunis, 1988) and Resale Price Maintenance in the UK (Davies & Harris 1990). Davies & Itoh (2001) state that the common feature of all such legislation is to restrict the activities of large-scale retailers, thereby inhibiting competition. The literature generally views exposure of markets to competition as increasing the likelihood of market efficiency. McAleese (2001) outlines three major economic benefits of competition. Firstly, it makes organisations internally more efficient by sharpening incentives to avoid slackness. Secondly, it allows the more efficient organisations to prosper at the expense of the inefficient. Thirdly, it improves dynamic efficiency by stimulating innovation. Davies & Whitehead (1995) postulate that in the absence of restrictive planning legislation that retailers achieve economies of scope by building larger outlets. They argue that such supports for the independent retail sector acts to restrict concentration in the retail sector. Boylaud & Nicoletti (2001) argue that restricting access by imposing special requirements for outlet registration and/or outlet size thresholds curbs the dynamism of an industry and competitive pressure, leading to lower employment growth and

higher consumer prices. They also suggest that unduly restrictive regulations generally lead to rigidities, hamper modernisation and competitiveness of the sector.

Public policy legislation has often been introduced as a result of political pressure by small business lobby groups. The introduction of retail planning controls to protect the interests of national small business sectors is a common theme in the literature [Alexander, (1997:175); Francois & Leunis, (1988); Merenne-Schoumaker, (1995); Metton, (1995); Pellegrini, (1995)]. Kacker (1986) pointed to the role of public policy in protecting small business interests in Europe during the 1960s and 1970s. More recently, Davies (1995) provided European examples in relation to specific national markets. Merenne-Schoumaker (1995) states that the solitary aim of public policy in Belgium has always been the protection of the independent trader. While in France, Metton (1995) states that the Roi Loyer was introduced to calm the anxiety of small shopkeepers regarding the phenomenal growth of hypermarkets in the 1963-1973 period. Similarly, Pellegrini (1995) points to the planning regulations introduced in Italy in 1971 whose un-stated aim was to ‘soften the impact of large stores on existing independent retailers’.

Mc Goldrick (2002) suggests that a change in regulation affects competitive behaviour in a market. An example of such a change in behaviour is provided by Sternquist & Kacker (1994) who stated that the motives behind French hypermarkets moving into the UK, Spain, Germany, Brazil and Argentina was primarily because of the 1973 Loi Royer Act, which sought to regulate the domestic expansion of large retail stores. Organisations like Auchan, Carrefour, Euromarche started exploring new growth opportunities in southern Europe in 1975 when the Loi Royer came into force. This has push theme resonance in terms of findings on the motives for retail internationalisation ( Kacker 1985, Treadgold 1991)

### **3. Irish Retail Sector**

The Irish retail sector is considered a relatively under-developed retail market by European standards (Euromonitor 2001, 2002). It exhibits characteristics associated with an under-developed retail structure where small independently run businesses and small stores dominate the retail landscape. While national enterprise density is high, there was a 10% reduction in the Greater Dublin Area (GDA) in the 1994-2002 period (Table I).

INSERT TABLE I

While overall store numbers increased by 9% during the 1994-2002 period (Table II), there is increasing evidence of a reduction in the numbers of small independent operators across retail sub-sectors. This is particularly evident in the grocery sector, where the top five grocery chains control in excess of 70% of the market (Nielsen 1994, 2002). The trend towards higher concentration levels is also evident in the non-food sector where large international retailers entered the market in the late 1990s, most notably in the electrical/ computers, furniture, DIY and pharmacy sectors. A UK based report suggested that Ireland’s prosperity in the 1990s acted as a magnet for UK

retailers keen to exploit opportunities in a nearby and similar marketplace (Financial Times, 1999). The increased internationalisation of the Irish retail sector has fuelled the demand for larger selling units, which have tended to be located in out-of-town developments.

#### INSERT TABLE II

*Tesco's* entry into the market in 1997 was significant in relation to the store size issue. Their arrival in Ireland was one of the most publicised take-overs in recent history. Stakeholder reaction was a cocktail of anxiety, distrust, and trepidation. Staff feared for their working conditions and in some instances for their jobs. Suppliers were conscious of *Tesco's* own-brand penetration within UK stores and feared being delisted. Other smaller competitors feared that the massive buying power of *Tesco* would undermine their viability. In fact, industry spokes-people expressed concern that the takeover could result in substantial job losses across other sectors of the Irish economy. It was also feared that *Tesco* would roll out its superstore format in the Irish market. Consequently, RGDATA, a trade organisation that speaks for independent grocers, pledged itself to an 'all out war' on *Tesco* and levied its members to fund its efforts. It was most vocal in its opposition to the possibility of *Tesco* developing its superstore format in Ireland. Mainly in response to its lobbying, the Minister for Environment and local government, through his 1998 planning directive, placed a moratorium on any new supermarket over 32,000 square feet, pending a legislative review. This occurred, despite the fact that Irish multiples, *Dunnes Stores* and *Superquinn* had already opened large modern stores in excess of the cap size.

The increased rate of new retail developments in the 1990s, principally occupied by both international and national multiple operators, was perceived as a major threat to the viability of town-centre retailing and, in effect, traditional small retailers. The out-of-town shopping developments served as ideal shopping locations for changing consumer requirements. In order to compete more effectively with these large developments, many city and town centres, through small business associations, encouraged high street retailers to refurbish premises, up-date shop fronts and standardise shopping hours (introduced late opening). Other town-centre development schemes were initiated to improve the overall high street ambience. Examples include the pedestrianisation of primary streets, additional car parking, street furniture, improved lighting and attractive floral displays. All these improvements were designed to transform the town centre shopping environments to compete with out-of-town developments.

The increased demand for new retail space was driven by a myriad of environmental factors: a booming economy, favourable demographics and changing lifestyles. Unprecedented increases in consumer spending and retail sales reflect the effective transformation of the Irish economy in the 1990s. It grew more strongly than any other OECD country in the 1990s, and consistently recorded the highest growth rate among EU countries during this decade (Central Bank, 1999). For example, in the decade to 1996, GNP growth was almost three times that of the previous decade, averaging 5 per cent per annum (Central Bank, 1997). This growth accelerated in the late 90s and GDP growth for 2000 was almost 10% (Central Bank 2001). Disposable

income, a key determinant of consumer expenditure and retail sales, increased in 1990s Ireland due to greater numbers in employment, lower personal taxes and lower interest rates (Mintel 1999).

The total population of the Republic of Ireland was 3.917 million in 2002 (Nielsen 2002). This represents an increase of 10.18% on the 1992 population and is the highest population recorded since Ireland became an independent state. In spite of its growing population, Ireland continues to have one of the lowest population densities in Europe at 52 persons per sq. km (Financial Times, 1999). It is a small market with a strong urban/rural divide. The distribution of the population has undergone a major shift during the second half of the 20<sup>th</sup> century. The decline in the rural population from 53 per cent of the total population in 1951 to 35 per cent by 1996 is indicative of population re-distribution (CSO 1996). Home ownership levels are high with an estimated 81 per cent of Irish people owning their own homes in 1997 (Foley 1998:24). The age distribution of the population is weighted towards the younger end of the spectrum with approximately 54% of the population under the age of 34 (Nielsen 2002). This young national demographic profile is reflected in a 13.3% increase in the number of households between 1991 and 2002. They increased from 1.06 million to 1.219 million between 1991 and 2002 (Nielsen, 2002; CSO, 1997).

Lifestyle changes in Ireland have also been dramatic; young people tend to leave the nest earlier; increased female participation rates in the workforce influence both family lifestyles and the family value system; better levels of education mean that young people are more questioning and more critical; greater affluence has facilitated foreign travel and widened people's horizons. Such lifestyle changes have increased demand for a wider range of consumer products. Equally, increased participation of women in the workforce has changed shopping patterns and has effectively reduced the time available for frequent shopping (Mintel 1999). The 1990s consumer almost exclusively used their car for shopping trips, shopped less frequently, spent more per visit and increasingly valued safe, secure and inexpensive or free parking (Ibid). Such requirements increased the attractiveness of out-of-town shopping centres and retail parks.

#### **4. Shopping Centre Development**

Ireland is now a country of purpose built shopping centres that exist alongside or implanted within the traditional pattern of town and suburban high street shopping areas. There are currently one hundred and sixteen shopping centres nationally, of which fifty-one are located in Dublin and the remaining sixty-five located in the rest of the Republic. There are twenty retail parks with twelve located in the capital and eight outside the Greater Dublin Area (Parker et al 2001a, 2001b). This represents a veritable metamorphosis of the Irish retail system over the past three decades. The first planned shopping centre development opened in the Dublin suburb of Stillorgan in 1966. There followed more than thirty years of substantial planned retail development. This had national impact as can be seen in Table III. The increasing urbanisation of the Irish consumer market was significant in driving this growth. The location of subsequent retail development was a logical consequence of such population shifts in terms of necessary retail provision. In the cities and towns, the



increased competition from out-of-town or edge-of-town shopping centres and retail parks was unwelcome by existing high street retailers as it posed a significant challenge to traditional town-centre retailing. Table III shows the number of purpose built shopping centres and the amount of lettable retail space opened in different periods since 1971. Nationally, the increase in the average size of shopping centre developments is significant and illustrates the trend towards larger retail developments. For example, the average size of shopping centre developments grew in each decade examined. However, the national average increase of 46 per cent masks phenomenal growth in average size of Dublin shopping developments which grew by 189 per cent over the period.

### INSERT TABLE III

An additional 223,244 square metres of retail space was created through planned shopping centre developments in the 1970s. In Dublin, all large developments were in the suburbs. In the 1980s, an additional 247,041 square metres of retail space was added to the landscape. This was the decade that saw the initial fight back by Dublin city centre. Both the *Ilac centre* and the *St. Stephen's Green* shopping centres opened in this decade and many urban regeneration schemes were initiated. The decade of the 1990s was remarkable in the amount of additional retail space added to the national retail landscape and reflected new confidence in the country as a result of exceptional economic growth figures. A further 389,836 square metres of new shopping centre developments and 133,318 square metres of retail parks came on stream during this decade, of which 92,159 sq.metres was created in the capital. 1996 was the exceptional year of the decade with an additional 75,000 square metres of retail selling space coming on stream in Dublin (O'Callaghan & Wilcox 1997). This represented the biggest investment in retailing for over ten years. An 'invasion' of international retailers, mostly from the United Kingdom fuelled the increased demand for space in the latter half of this decade. For example, the Jervis centre opened in 1996 (30,416 square metres and costing IR£50million) with big name UK retailers *Boots*, *Debenhams*, *Dixons*, *Tesco*, *Waterstones*, *Burtons*, *Marks & Spencer* and *Argos* acquiring the majority of lettable space.

## 5. Irish Retail Planning Context

Irish Retail Planning is part of the overall physical land-use planning system, a product of the 1963 through 1999 Local Government (Planning and Development) Acts. The physical planning system is administered by 88 local planning authorities (29 county councils, 5 County Borough Corporations, 5 Borough Corporations, and 49 Urban District Councils). Planning responsibility is vested in such local authorities for the preparation of local development plans to determine forward planning and development control policy, and planning objectives for each local area. Therefore all retail developments require planning permission from the relevant local authority, whose decision can be appealed to *An Bord Pleanála (Planning Appeals Board)*.

Parker (1995) points to the frequent conflict that occurred prior to the early 1980s as a result of the lack of guidance given to local authorities on retail planning.

Consequently, specific retail planning controls were introduced in 1982 under the Local Government (Planning and Development) General Policy Directive, 1982 (S.I. No. 264 of 1982). This directive outlined general criteria against which all new retail developments should be assessed. The Goodbody report (2000) expressed the view that the 1982 directive was issued as a response to the expressed concern of independent retailers about the need for greater control over the establishment of large-scale retail developments. Under the 1982 act, local authorities were to be directed by the following considerations:

- The adequacy of existing retail shopping outlets;
- The size and location of existing shopping outlets;
- The quality and convenience of existing retail shopping outlets;
- The effect on existing communities, including in particular the effect on established retail shopping outlets and on employment;
- The needs of elderly, infirm and disabled persons and of other persons who may be dependent on the availability of local retail shopping outlets;
- The need to counter urban decline and to promote urban renewal; and to promote the utilisation of unused infra-structural facilities in urban areas.

Keogh (1995) in (Parker 1995) suggested that this directive tended to reinforce rather than change the planning policies of many local authorities. The interpretation of the directive differed from local authority to local authority over issues such as 'adequacy', 'quality and convenience', and 'effect'. Parker 1995, after examining the decisions of various local authorities concluded that the planning emphasis was clearly on the maintenance of existing shopping infrastructure:

*'The retail planning policies of many local authorities are rooted primarily in maintaining and enhancing the appeal of existing shopping locations. As such, it is considerably more difficult to develop new retail locations than to develop in existing locations, for the principle of need generally has to be demonstrated'*

Parker's view is re-enforced by (Forfas 1999: 114) which stated that in practice, 'planners have on occasion refused permission for developments where there is substantial possibility of a development impacting on the existing retail structures of towns and cities'

The 1998 Local Government (Planning and Development) General Policy Directive (Shopping) restated in a strengthened form the considerations outlined in the 1982 Directive and contained a specific additional reference to the impacts on road traffic. It also introduced a cap on supermarket store size of 3000 square metres pending a legislative review of retail planning policy. A team of consultants were appointed in late 1998 to undertake a study on Retail Planning and prepare draft guidelines for public consultation. (Terms of Reference: see Appendix A)

## **6. Control of Retail Development**

The approach to controlling retail development in Ireland is informed by five key planning objectives summarised as follows. Firstly, the need to prevent urban decline and promote the vitality of town centres. Secondly, the socio-economic need to prevent the stripping of retail provision (small retail outlets) in both local urban neighbourhoods and rural hinterlands as a result of large retail developments. Thirdly, the need to prevent large retail development negating the strategic function of the national road network, through the distortion of traffic patterns and congestion. Fourthly, the need for retail development to proceed in accordance with the principles of sustainable development. Fifthly, the need to discourage retail developments of an inappropriate scale in out-of-town locations that give rise to a distortion of the established urban/retail hierarchy.

## **7. Draft Retail Planning Guidelines (DRPG) 1999**

### **7.1 Restrictions Recommended**

The guidelines recommended a maximum limit of 3000 square metres on the size of foodstores nationally, with the exception of the Dublin Metropolitan Area (DMA) where the cap was increased to 3500 square metres. Secondly, the DRPG recommended a retail park format in the range 8000 square metres to 15,000 square metres for exclusively household bulky goods or goods generally sold in bulk. Thirdly, for retail warehouse developments, a minimum unit size not less than 700 square metres with a maximum unit size of no more than 6000 square metres. Fourthly, the guidelines recommended a limit of 100 square metres on any shop associated with a petrol filling station. Fifthly, a complete ban on the development of any regional shopping centres outside the DMA was recommended. It was also envisaged that district centres in the 10-20,000 square metres range could be developed depending on population density in the catchment area. Re-use of existing non-retail and vacant premises within town centres was to be encouraged especially for discount food formats.

### **7.2 Guideline Objectives**

The draft retail planning guidelines are based on five fundamental policy objectives:

- In future, all development plans should incorporate clear policies and proposals for retail development including floorspace caps.
- The planning system should facilitate a competitive and healthy environment for the retail industry of the future.
- Retail development should be promoted in locations that are readily accessible, particularly by public transport, which encourages multi-purpose trips on the same journey.
- Retail planning policy should seek to support the continuing role of town and district centres which will reinforce investment in urban renewal.
- To ensure that national roads and motorways can fulfil their regional and national transport role, there should be a presumption against the location of large retail

centres adjacent to such roads as they can lead to inefficient use of such infrastructure

### 7.3 Planning Permission

The guidelines shift the onus onto the applicant to demonstrate compliance with the local development plan. The applicant also has to submit evidence (Appendix B) that demonstrates that there would be no adverse effect on the vitality and viability of any existing town centre.

## 8. Competition Study

A study commissioned jointly by the Department of Environment and Local Government and the Department of Enterprise, Trade and Employment to assess the economic impact of the DRPG broadly supported the DRPG approach. They accepted that the DRPG addressed legitimate socio-economic and environmental objectives and supported the hierarchical approach to planning (which dictates that retail developments should be of appropriate scale) even if it was accepted that this policy had the potential to raise retailing costs and consumer prices. They suggested that the hierarchical approach was a fundamental element of development planning in delivering retail structures that support the maintenance of vibrant and viable centres (with acceptable levels of traffic). They viewed the planning benefits associated with this approach as more important than the possible cost increases that would occur. However, they felt that the guidelines had the potential to raise retailing costs and consumer prices, reduce competition and hinder innovation, any or all of which would be to the detriment to consumers.

They recommended that implementation of the guidelines should have minimum adverse impact on retailing costs, prices and competition and that decisions should have regard to the maintenance and enhancement of competition in local markets. In assessing the material impact on the vitality and viability of town centres, they stated that no account be taken on the effects on any existing retailer. They also cited the need for periodic review of retail space requirements so that controls on space would not become a serious barrier to entry to a local market and thereby protect existing operators.

Addressing specific store size limits, they argued that the size caps of 3,000 and 3500 square metres would have no direct effect on retailing costs but recommended the application of the higher cap in all major urban areas. In terms of comparison goods retailing, they found little evidence that the development of large warehouse stores had a damaging effect on the viability and vitality of town centres but concluded that the cap of 6000 square metres would not increase costs and consumer prices, given the existing small store size in operation in Ireland. While they accepted that the cap on retail warehouses might inhibit entry to the market by foreign retailers, they suggested that any retailer would be able to enter the market and develop store sizes

in excess of existing outlets, and would not therefore be competitively disadvantaged.

## **9. Discussion**

There is general agreement on the strategic importance of retail planning in the development of national retail sectors and that retailing requires a supportive planning regime that encourages competition and promotes innovation. An assessment of the economic impact of the new planning guidelines revolves around four key issues; the amount of retail floor space to be provided, the scale of new retail developments, the size of individual outlets and the location of new retail developments. The extent to which the restrictions on store size and the location of new developments will affect competition is unclear. In theory, the guidelines are in line with McAlesse's (2001) sentiments on the positive benefits of competition in that they require local authorities ensure development plans promote competition in local markets and do not protect any individual local retailer. However, it is difficult to envisage what objective criteria would reasonably be utilised to achieve such an objective over the longer term. It is equally uncertain as to how future retail space requirements will be accurately evaluated. Controls on the development of new retail developments have also the potential to create substantial barriers to entry in local markets, thus inhibiting competition.

The adoption of a hierarchical approach to retail planning will mean that local authorities can restrict store size in neighbourhood or district centres. The economic downside of this policy is that it has the potential to increase costs and raise prices. However, from an environmental and social perspective, local authorities will support such centres that are likely to produce an acceptable level of traffic, in line with the concept of sustainable development. Similarly, the adoption of a sequential approach to retail development has also the potential to increase costs were it, for example, to force a potential new entrant to reduce the scale of operation to fit with available sites within town centres, having been refused permission to develop at either edge-of-town or out-of-town. This would adversely affect costs and prices.

The caps on store size introduced in the new planning guidelines in Ireland support Davies & Itoh's (2001) sentiments that the feature of all retail specific legislative instruments is to restrict the activities of large-scale retailers. The cap on grocery store size has undoubtedly hindered the development plans of multiple operators. This has restricted their ability to achieve higher economies of scope in line with the views postulated by Davies & Whitehead (1995). It is less evident whether the cap on store size will curb the dynamism and competitiveness of the sector as suggested by Boylaud & Nicoletti (2001). The grocery sector has shown itself to be a most dynamic and competitive sector in recent years despite the restriction on store size. Equally, given low population densities, there was limited potential for the development of superstores in Ireland, unlike the large population densities that facilitated the proliferation of supermarkets and hypermarkets in other European countries. The role of RGDATA in lobbying for the cap in 1998 mirrors experience in many European countries, in line with sentiment expressed in the literature [Alexander, (1997:175); Francois & Leunis, (1988); Merenne-Schoumaker, (1995);

Metton, (1995); Pellegrini, (1995)]. The key difference is that large store laws in other countries were introduced to as a response to the proliferation of superstores and hypermarkets (Fries, 1978), while in Ireland the superstore format was never allowed to emerge.

The development of large stores in densely populated areas facilitated efficiencies in other European countries, most notably in the UK and France. While average store size in the Irish market was increasing in the 1990s, the 1998 legislative cap on grocery store size blocked the development of large food stores; a cocktail of public policy determinism and effective small business lobbying. The cap effectively discriminated against multiple grocery operators with large stores and increased the complexity of the distribution challenge. It is less clear whether the cap on store size for non-food outlets is a significant inhibitor of development, given the scope for existing operators to increase present store size. What is clear is that there is considerable potential for new entrants to develop without being significantly disadvantaged by the size of existing store operators.

The cap of 6000 square metres on warehouse developments will restrict store size but should not seriously disadvantage either existing or future operators, given existing small average store size. Retail Parks are at a relatively early stage in development by international standards and the cap appears to fit with the Irish context, subject to review in the future

The decision to ban all future regional shopping centres outside the Dublin Metropolitan Area was taken on the basis that such centres had the potential to create long distance traffic, contrary to the principles of sustainable development. It would appear that this is too restrictive. If more objective criteria were developed in relation to future shopping needs, then it seems illogical that other large urban conurbations eg. Cork City, should be restricted from such developments.

## **10. Concluding Remarks**

One can characterise the Irish retail market as one undergoing significant structural change. An increase in enterprise density and market concentration levels are indicative of the emergence of a more sophisticated retail system. The new planning guidelines reflect both a strong political bias toward the protection of small independent operators and a genuine concern for sustainable development. The engrained political bias towards the protection of the small independent operator simply reflects the historical importance of family run businesses in Irish society. Given its small size and the parochial nature of Irish society, 'real politique' in Ireland means that politicians reflect local community sentiment, if they wish to be re-elected.

The general principles embodied in the new retail planning guidelines offer a reasonable compromise between economic goals of market efficiency and the social need for sustainable development. The more prescriptive nature of the new guidelines should achieve a greater level of consistency in local authority decision making, while at the same time, the flexibility built into the guidelines have the potential to allow an efficient retail sector to develop. However, local authority interpretation of the

guidelines is crucial in the achievement of this objective. In the future, there will undoubtedly be potential for special interest lobbying and the potential to inhibit competition.

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## Appendix A

### Terms of Reference: Tym & Partners 1999

To address all of the planning issues in relation to large scale retail developments, including the socio-economic aspects and, in particular

1. To examine the amount and location of such large-scale shopping development in Ireland including known proposed development.
2. To identify in particular the amount and location of supermarket development in Ireland, including known proposed development, in excess of 2000 square metres.
3. To estimate the amount, type and phasing of retail development needed in Ireland over the next ten years having regard to all relevant factors and, in particular, changes in the level and nature of retailing, demographic factors including spatial distribution, growth in the economy, employment, incomes and new technologies.
4. To consider the implications of large retail development for sustainable development, roads and road traffic, employment, the viability of existing town centres, urban renewal and the availability of an adequate and diverse retail service for all members of the community, including those without private car transport.
5. To outline the relevant international experience with such developments and the planning measures applied.
6. To consider the impact of the local Government (Planning and Development) General Policy Directive 1982, the likely impact of the continuance in force of the Local Government (Planning and Development) General Policy Directive (Shopping) 1998 and the Local Government (Planning and Development)(No.2) Regulations, 1998, and to recommend the policies most appropriate to Irish circumstances
7. On the basis of these policies to draw up draft planning guidelines for the guidance of planning authorities, retailers and interested parties, to be presented in the established format for such guidelines; these guidelines should outline site selection criteria, cumulative effects, concepts of high quality design and suggest headings for an environmental impact analysis/ shopping impact analysis, including scoping report.

## Appendix B

### Retail Impact Criteria

In submitting evidence in relation to retail impact, the applicant should address the following criteria and demonstrate whether or not the proposal would:

- Support the long-term strategy for town centres as established in the development plan and not materially diminish the prospect of attracting private sector investment into one or more town centres
- Cause an adverse impact on one or more town centres, either singly or cumulatively with recent developments or other outstanding planning permissions, sufficient to undermine the quality of the centre or its role in the economic and social life of the community
- Diminish the range of activities and services that a town centre can support.
- Cause an increase in the number of vacant properties in the primary retail area.
- Ensure a high standard of access both by public transport, foot and private car so that the proposal is accessible by all sections of society.
- Link effectively with an existing town centre so that there is likely to be commercial synergy.

## TABLES

**Table I. Outlet Densities by region selected years 1994-2002**

	1994	1996	2000	2002
Dublin	100	99	90	90
Rest of Leinster	149	145	144	137
Munster	165	160	176	174
Connacht/ Ulster	177	191	193	184
Nationally	145	144	146	142

**Table II Change in Outlet Numbers by Region 1993-2002**

	Total Outlets 1993	%Total Outlets 1993	Total Outlets 2002	%Total Outlets 2002	% Change 1993-2002
Dublin	9890	19.3	10,208	18.2	+3.2
Rest of Leinster	12612	24.6	13,489	24.2	+6.9
Munster	16906	33.0	19,189	34.3	+13.5
Connacht/ Ulster	11862	23.1	13,047	23.3	+9.9
Total	51270	100.0	55,933	100.0	+9.0

Source: Nielsen Retail Census 1994, 2002

**Table III Average Size of Retail Developments by Decade (Dublin & Rest of Ireland)**

Decade	Total No. of Developments (Irl)	Total No. of Developments (Dublin)	Total No. of Developments (Rest of Ireland)	Total Lettable Space (Irl)	Total Lettable Space (Dublin)	Total Lettable Space (Rest of Ireland)	Avg. Size of Development (Irl)	Average Size of Development (Dublin)	Average Size of Development (Rest of Ireland)
71-79	32	17	15	223,244	114,506	108,738	6,976	6,736	7,249
80-89	35	14	21	247,041	122,182	124,859	7,058	8,727	5,946
90-99	36	11	25	389,836	214,790	175,046	10,829	19,526	7,001
00-01	6	2	4	70,368	41,113	29,255	11,728	20,556	7,313

Source: Derived from data in (Parker, Kelly, Kyne, 2001a), 'The Dublin Shopping Centre and Retail Digest' / (Parker, Kelly, Kyne, 2001b), 'The Irish Shopping Centre and Retail Park Digest'