A little less hard economics, a little more social action please? The policy rhetoric and political realities of an English region

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A LITTLE LESS HARD ECONOMICS, A LITTLE MORE SOCIAL ACTION PLEASE? THE POLICY RHETORIC AND POLITICAL REALITY OF AN ENGLISH REGION

In response to the work of authors such as Michael Porter, the concept of regional competitiveness has become a ‘hegemonic discourse’, whereby programmes of decentralisation to subnational tiers of governance have been driven by this prerogative of embracing this hegemony of regional competitiveness. In deference to this orthodoxy, Blair’s programme of devolution and constitutional change (in the United Kingdom) was provisionally stimulated by the legitimation of politics through the settlements afforded to both Scotland and Wales.

Arriving relatively late to the devolution party and emerging from a wholly different point of genesis (Harrison, 2006b), New Labour’s initial solution to the ‘English Question’ explicitly tasked the Regional Development Agencies (RDAs) with responsibility for making their respective regions ‘more competitive’ (DETR, 1997). Enshrined in the language of the new regionalist economic orthodoxy (for an overview see Harrison, 2006a), and more specifically the hegemonic discourse of regional competitiveness, the English RDAs were invigorated by the challenge to create leading edge economic arenas akin to those exemplar regions like Baden-Württemberg and Silicon Valley. Preoccupied with competitiveness, and more specifically, the redefinition of competition – “what it takes to win and how it is possible to lose” (Storper, 1997: 30) – is such that according to certain analysts “the critical issue for regional development practitioners to grasp is that the creation of competitive advantage is the most important activity that they can pursue” (Barclays, 2002: 10).

Premised on certain persuasive beliefs derived from new regionalist scholarly accounts, Bristow is accurate in her assessment that “there is some confusion as to what the concept [of regional competitiveness] means and how it can be effectively operationalised” (2005: 286). Furthermore, she argues that the “answer lies within the political-economy of economic policy and the rhetorical
power and usefulness of the prevailing competitiveness discourse” (Bristow, 2005: 286 emphasis added). Indeed, according to the leading authority on competitive strategy and the competitiveness of nations, states and regions, Porter has argued that whilst firms compete, it is governments that create the market conditions to allow firms to amass enough resources and competences to exploit each economy’s inherent competitive advantage. Critically for Porter, while economic and social policy has traditionally been seen as separate agendas involving different organisations, agencies, and programmes:

“In the new economies of competition, however, social and economic policies are integrally interconnected…There is no conflict between a healthy economy and a just and fair society. The same things that are good for people are good for the economy, if one sees prosperity in productivity terms. There is no substitute for helping people be successful in the economy rather than attempting to distort economic outcomes via intervention and redistribution, and no substitute for a healthy economy in creating the resources needed to address social needs.”

Porter (2002: 154-155 emphasis added)

In Porter’s eyes, ‘third-way’ thinking, which dominates the policy arena under Blair’s Labour government, is inherently flawed because it compromises on both economic and social policy in its quest to seek a middle ground between the economy and society. For Blair’s New Regional Policy in England, the creation of RDAs was roundly condemned for overly promoting (and reinforcing) policies of economic competitiveness over and above that of social policy. According to one earlier insight:

“Observing the run up to the English Regional Development Agencies, one could have been forgiven for thinking that the UK government’s welcome mainstream interest in a programme for social inclusion had very little to do with them… [Moreover] it will simply not be good enough for the RDA board to declare social inclusion is ‘none of our business or to relegate it to the bottom of the policy wish list.”

Lloyd (1999: 701-703)
If economic competitiveness is extolled as attributing unambiguous beneficiaries to regions then issues of poverty, inequality and social the social and environmental downsides of the economic development are underplayed in the new regionalist literature – not least because the region will demand the political implementation of social policies, whereby social cohesion can service mainstream competitiveness agendas. It is undeniable, therefore, that integrated strategy-making is critical to the process of developing an institutionalised socioeconomic arena through which to gain wealth and increase the quality of life across a region. Confronted with complex sets of economic, political and social relationships at multiple scales, this paper argues that the institutionalisation of organisational frameworks of regional governance are negating the integration of social and economic development agendas into a coherent socioeconomic agenda. In contrast, it is agents of the state who appear to be riding in opposition to this organisationally embedded institutionalisation of isolated spheres of economic and social development, attempting to tread a path towards socioeconomic integration in the face of structural barriers of institutionalised regional governance.

Economically Competitive Region or Socially Inclusive Region? Treading the Political Tightrope in England's Northwest

Despite the relative success which most commentators afford the region’s lead institutions, the fundamental concern within England’s Northwest is the poor performance of its GVA in relation to both national and international counterparts. Inheriting an institutionalised but outdated socioeconomic infrastructure that bears all the hallmarks of a ruptured Fordist productivist system, the North West’s industrial legacy provided the region with huge negative assets which have overburdened attempts to transform the region’s economy into a responsive and modern system for growth in the new globally competitive post-Fordist era. It would seem entirely logical, therefore, that in England’s Northwest, physical regeneration has a very important role to play in the total policy mix.
From the outset, the Northwest Development Agency (NWDA) has been labelled with the same criticisms that have been levelled at the RDAs about their preoccupation with economic policy and physical infrastructure projects. This was unsurprising considering that: the largest inherited funding streams were from SRB and English Partnerships Land Reclamation Programme; most of the NWDA’s staff previously worked for English Partnerships and had strong backgrounds in planning and surveying; the NWDA Board was dominated by representatives of the private sector; most of the NWDA’s early work was on pre-committed programmes which they inherited and had to run out; as a result of pre-committed programmes the NWDA had very little financial headroom to target their resources away from physical regeneration; the North West has an outdated physical infrastructure that requires serious attention; and, it is only natural for a new agency such as NWDA to pursue projects which were easily marketable, in order to justify their existence and to gain favour, within the region.

No matter how strong the intentions were to promote sustainable economic development within the North West, the constraints placed upon the NWDA in their infancy prevented any possibility of this being implemented successfully (cf. Lloyd, 1999).

Building on the constraints placed upon the RDAs in the early years of their existence it would appear logical to assume that when these barriers to integrated approaches for sustainable economic development were removed then organisations such as the NWDA would increasingly open up to engage with the national programme of social inclusiveness that was already being driven through all aspects of (urban) renaissance in the English regions. When asked directly, most key stakeholders within the North West are in agreement that in one way or another the NWDA have ‘lifted their heads out of the sand’ and engaged in a more determined manner with the social inclusiveness and sustainable development agendas. Thus, it would appear that the NWDA’s approach would afford political unity with the ideals of Blair’s Labour government, in treading a middle ground between social and economic policy measures. However, a more critical and deeper analysis of the NWDA’s evolving policy
frameworks in the post-2001 era begins to reveal a much more complex and elaborate set of events that cast these initial assumptions into doubt.

In this deeper reading, the increased budget afforded to the NWDA did not actually reduce the amount of financial assistance assigned for regeneration and infrastructure programmes, whereby the levels of expenditure have remained relatively constant over the past four years (and they are identified as remaining fairly constant up until 2008). When the governance of the RDAs was transferred to the DTI, while this rationalisation is entirely logical given the role of the agencies as economic-led, it did appear to weaken their focus on social inclusion and reinforce their private-sector dominated quango role. As one high-ranking official in the NWDA articulates, the funding which had been allocated to regeneration activities, within which social inclusion was emphasised, were transferred into supporting the DTI’s portfolio of activity in the field of economic development:

“There was a kind of refocusing of the RDAs to have a much harder economic focus, which means that we probably won’t do some of the things that we might have done before – particularly through SRB – unless they can demonstrate a very clear economic output or outcome. Now RDAs have been criticised for that. Some RDAs have followed this sort of sharper economic focus to a greater degree than others. I think in the North West it is true to say we have probably taken that refocusing of our economic remit pretty seriously, and that has led to some criticism of us in that people are saying ‘well what happens to some of the stuff that you are supporting under SRB when SRB finishes – you will no longer be doing that kind of thing?’”

[Interview with NWDA representative]

In an interesting chain of processes and events, it appears that the NWDA is attempting to drive its policies for regenerating the region through the simultaneous pursuit of adopting the beliefs of two opposing orthodoxies. On the one hand, the NWDA is responding to calls from regional stakeholders for the development of new holistic programmes of activity which distanciate themselves
from their early days of delivering large-scale (English Partnership derived) physical regeneration projects – factories, office space etc. On the other hand, there is a strong force running through the core of the NWDA that is responding to the wider programmes of government activity being disseminated from the centre, and is seeking to adopt a much stronger economic focus to their work. It is to seek understanding of the process whereby the NWDA pull in opposite directions – ‘more soft/less hard’ while at the same time ‘less soft/more hard’ – that this paper seeks to explore further by arguing that you need to take a step back to look at the role of the RDA within the wider structures of governance in England, and through her regions.

REFERENCES


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