

**urban dynamics lab**

## **From Decentralisation to Divergence?**

A Review of the Economic Strategies of Six English City Regions

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## Context

Decentralisation and devolution of the **political agenda** in England

Cities recognised as “**engines of growth**”

**Opportunity** seized differently by English city regions

> Inequality of resources, political capital, demand for devolution

Potential for further **inequality** (North-South divide?)

> due to negotiations “a la carte” and inequality of opportunity seizing  
(Cheshire et al., 2014)

## Regional science theory on local growth

> sectoral specialisation and **productivity**

> **transportation** and accessibility

> **skills** matching and human capital formation

→ Core of the Industrial Strategy Green Paper and White Paper, with a particular focus on ‘balancing’ this growth more equitably.

## Why Devolve?

Bringing decision-making **closer to territorial impacts** and needs  
Increase political and economic **accountability**  
Harness **local knowledge** of problems and resources  
(Foster **competition** between regions and/or cities)

## When not to devolve?

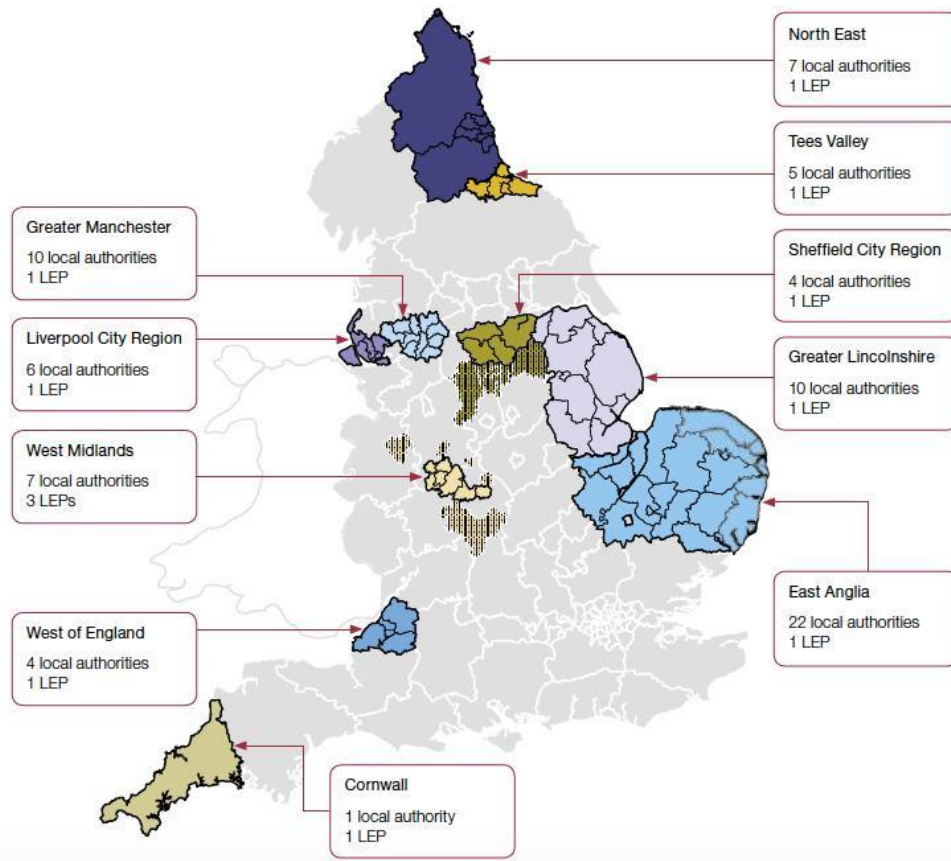
When **devolution of means** does not follow devolution of power  
When the territorial **layer of decision adds** to preexisting layers  
> losing sight of fragmented sets of separate policies (O'Brien, Pike, 2016)  
When **limits** of devolved authorities do not match economic reality

# How to Devolve?

- > Match policy typology with **appropriate spatial tiers**
- > to match the extent of **economic phenomena** (Oates, 1999)

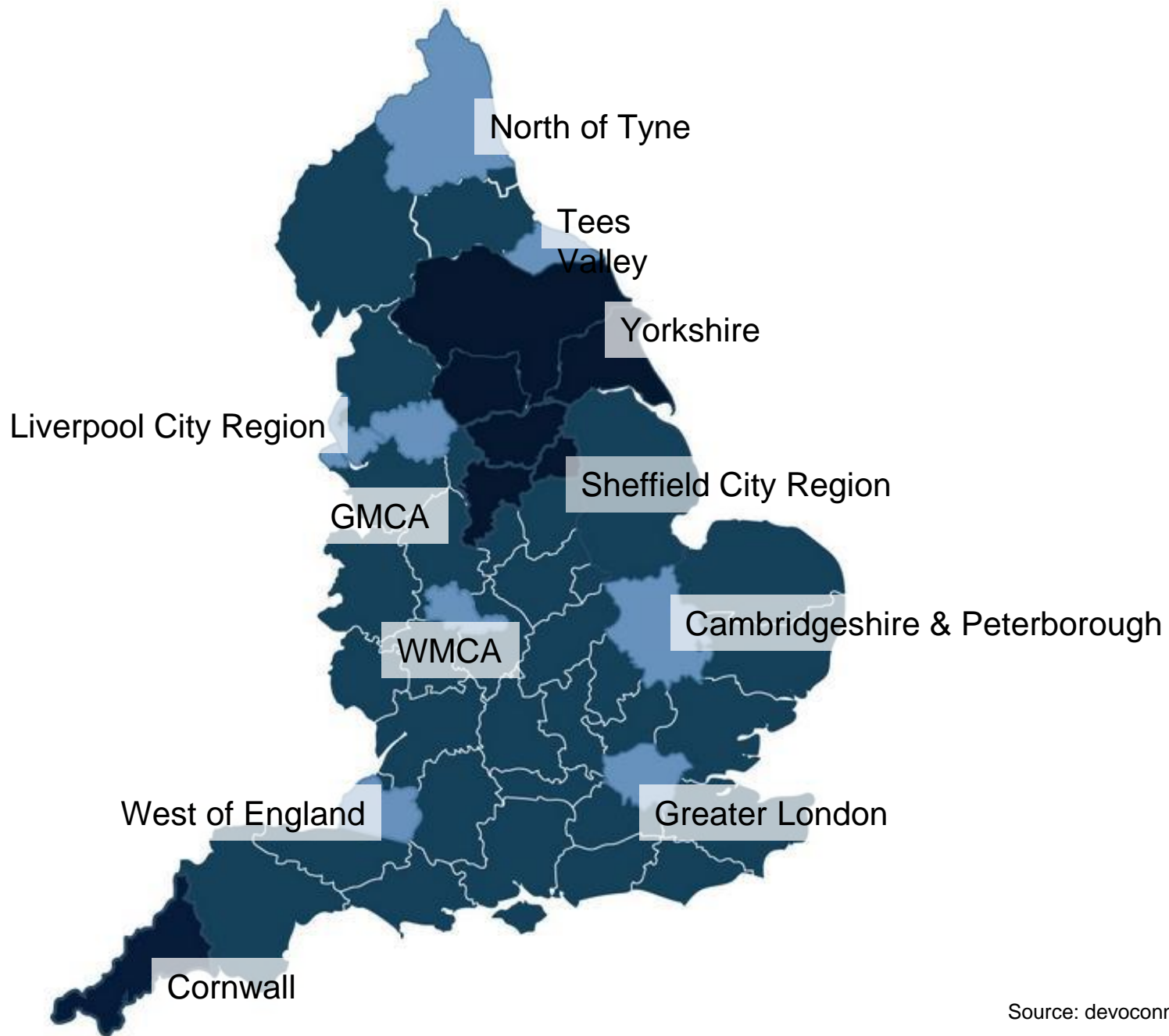
**Figure 3**

Ten devolution deals have been agreed to date



Source: NAO publication 2016

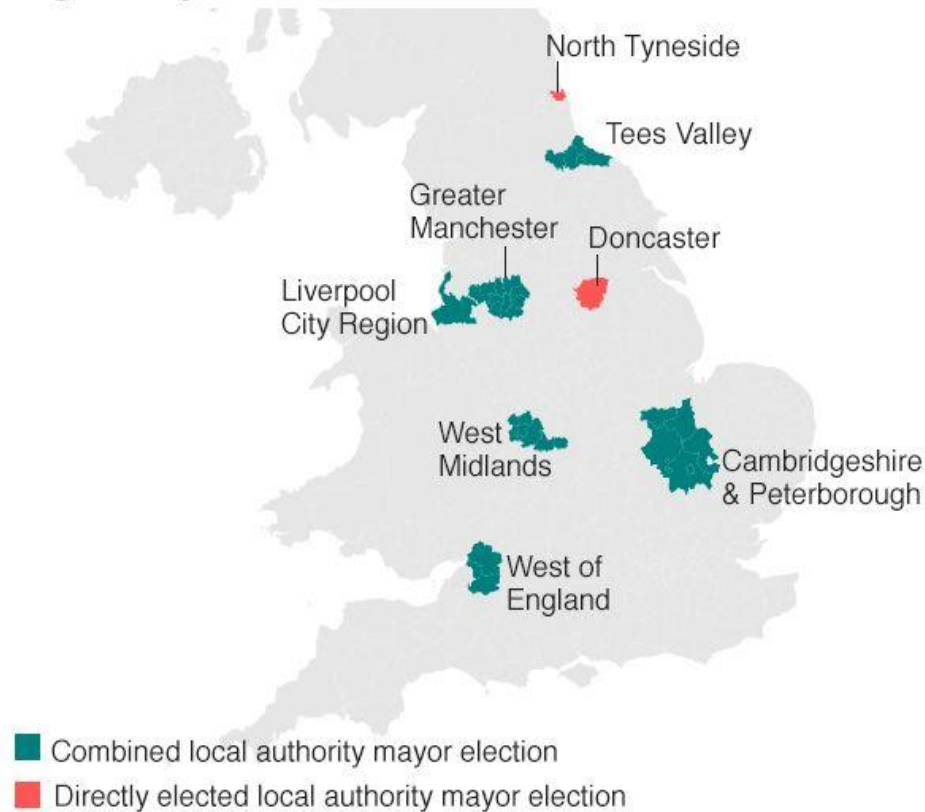




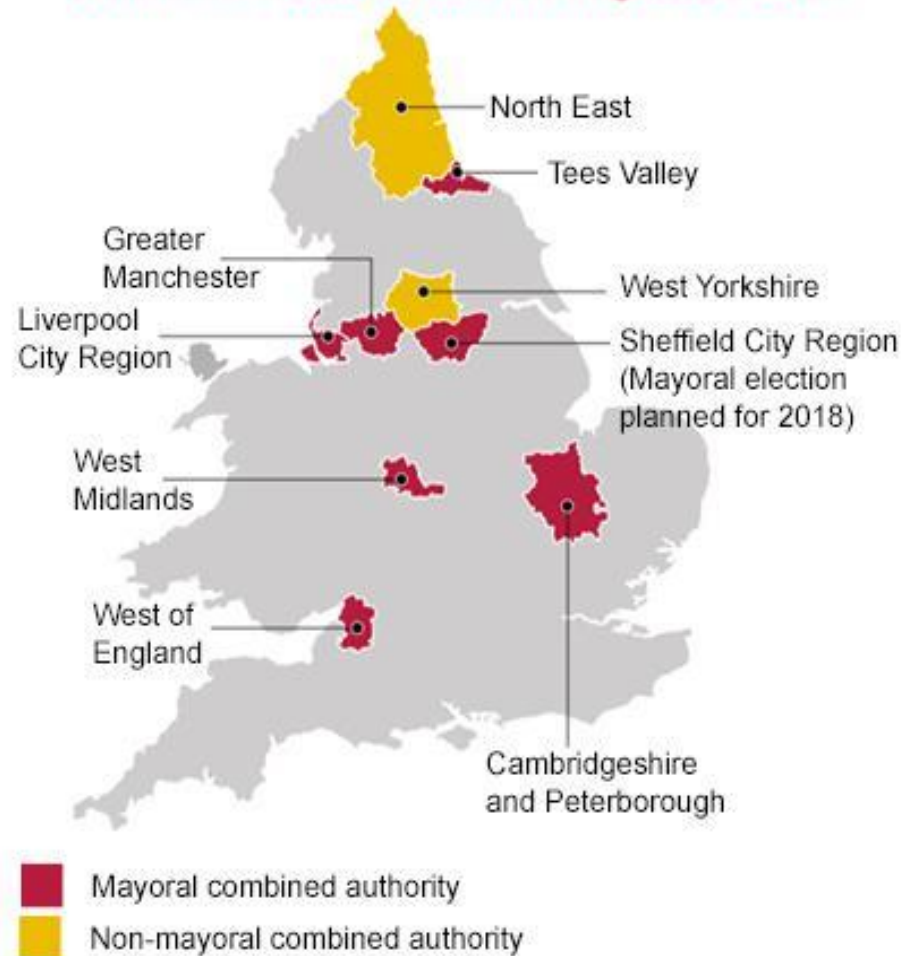
# How to Devolve?

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English mayoral elections

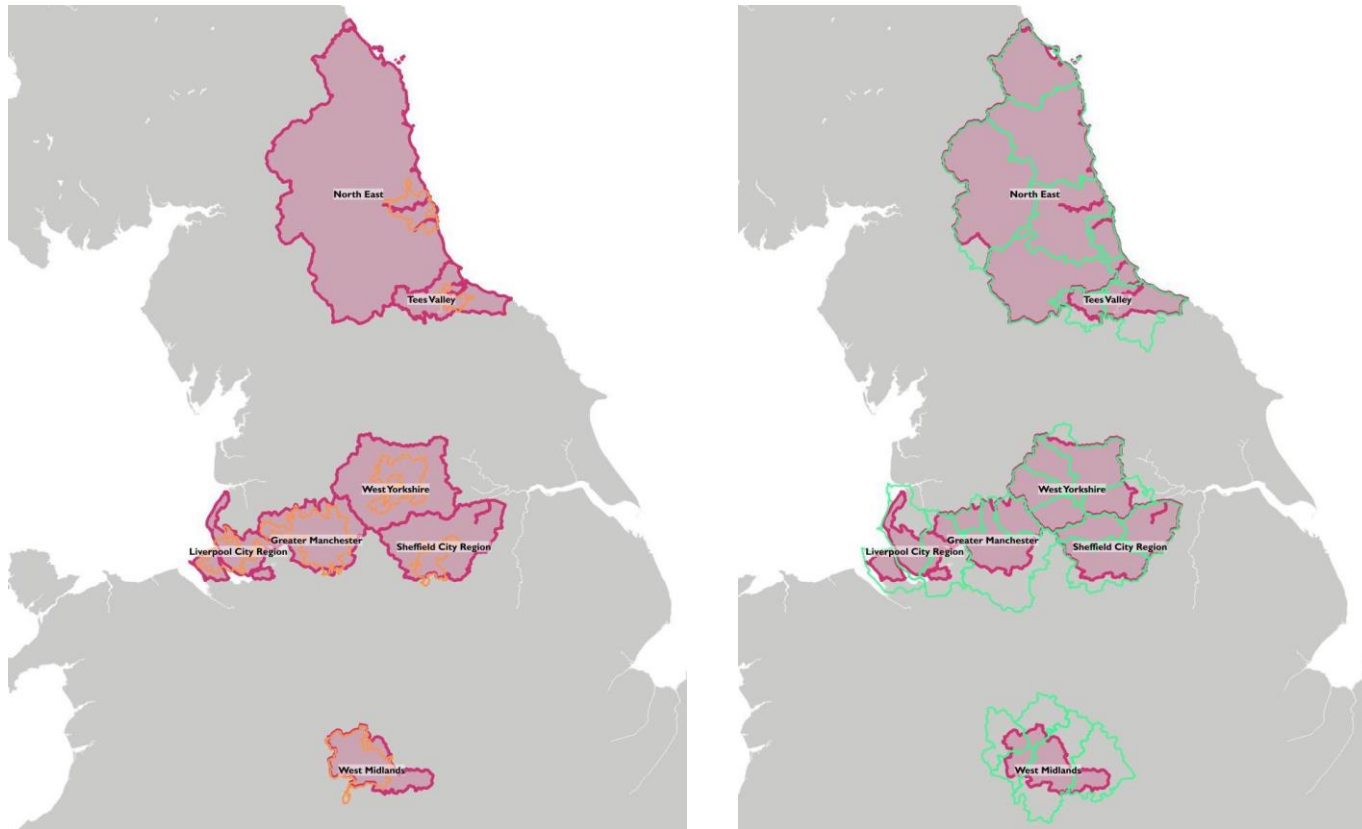


Combined authorities in England, 2017



# How to Devolve?

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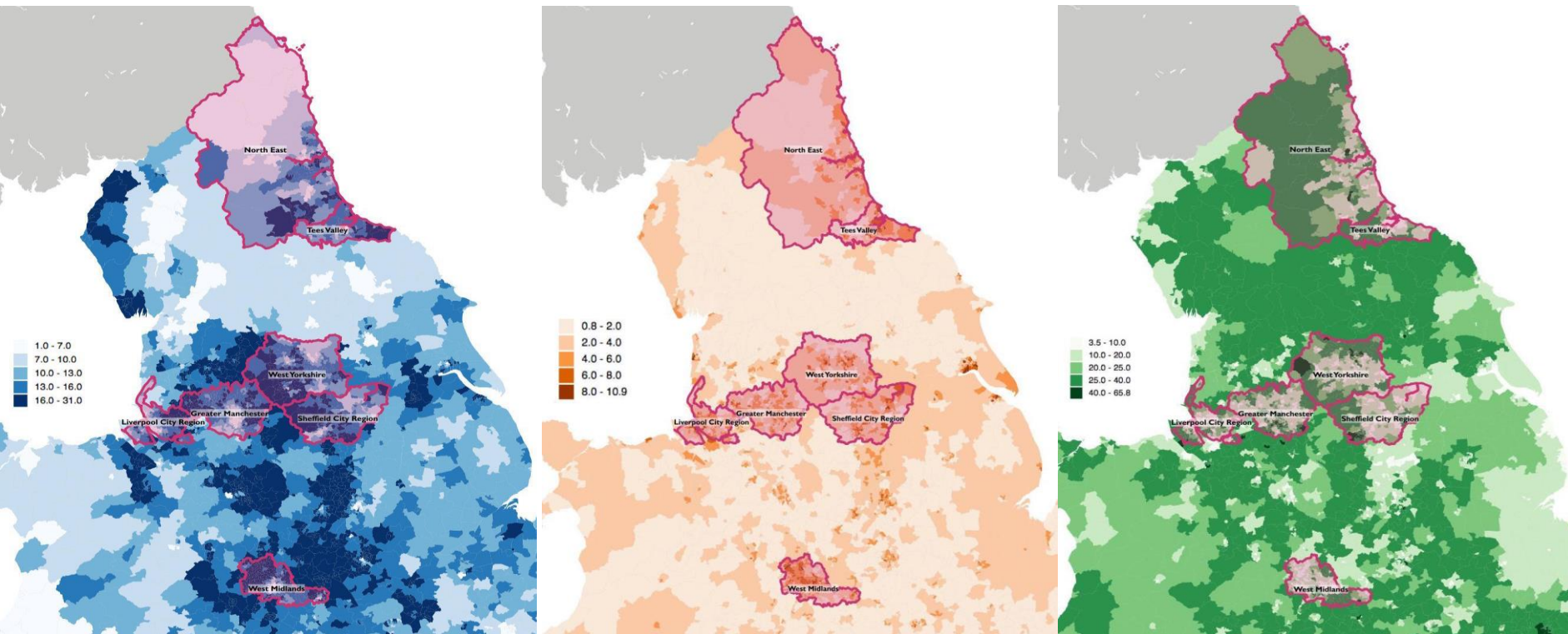


Spatial correspondence between combined authorities (pink), built-up areas (orange) and travel-to-work areas (green).



# How to Devolve?

- > Match policy typology with **appropriate spatial tiers**
- > to match the extent of **economic phenomena** (Oates, 1999)



Distribution of the share of manufacturing jobs (blue), unemployed active residents (orange) and higher qualification residents (green, Level 4+).

## Research Design

Beyond the apparent lack of policy coordination and spatial correspondence, **can we identify the main socioeconomic incentives of devolution in the strategic planning documents** of on-going English devolved authorities?

- **Specialisation**/diversification of economic/industrial sectors
- Positioning on existing and future **transportation** routes
- Discussion of required **skills** and how to provide for them and the labour force in the local economy

# Data & Methods

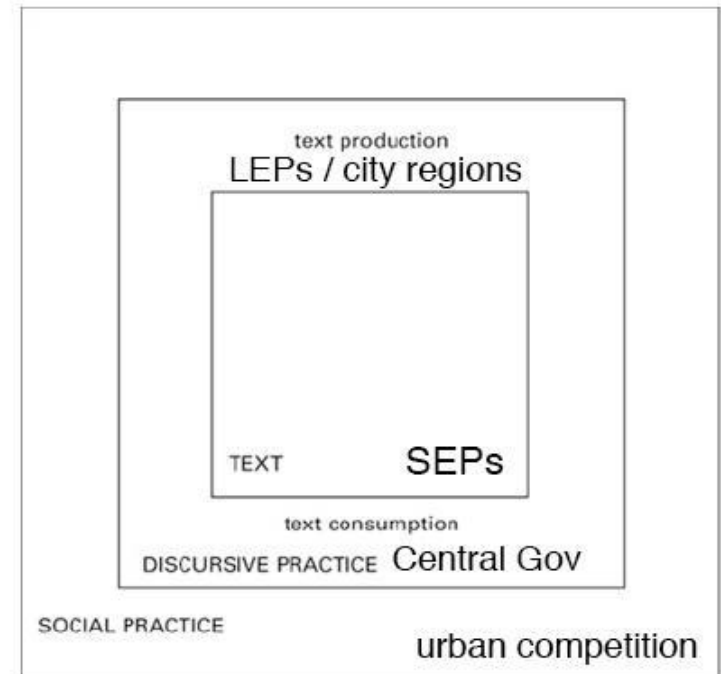
## Strategic Economic Plans (SEP) of combined authorities circa 2016

- West Midlands
- West Yorkshire / Leeds city region
- Greater Manchester
- Liverpool City region
- Tees Valley
- Sheffield City Region

1. Textual mining analysis with 'tm' package of R

2. Qualitative analysis of discourse

- Regarding industrial specialisation, transportation and skills
- Highlighting disconnections and clashing objectives between strategies

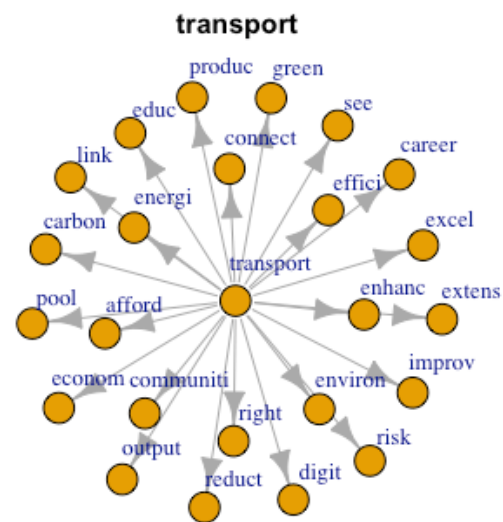
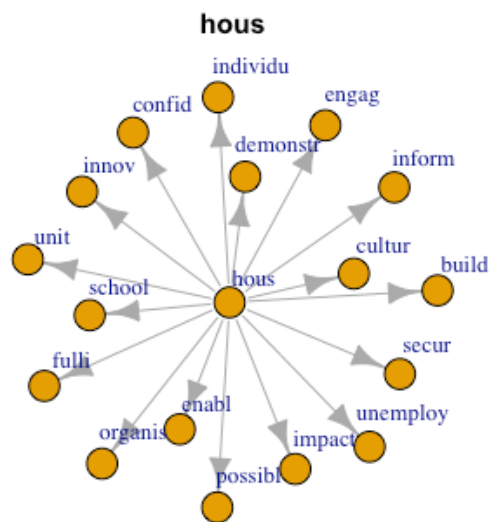
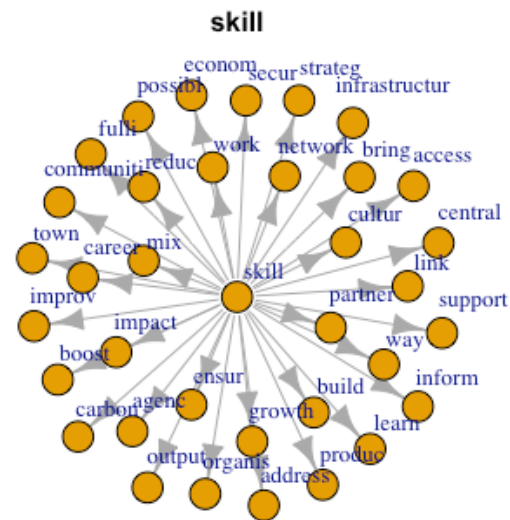
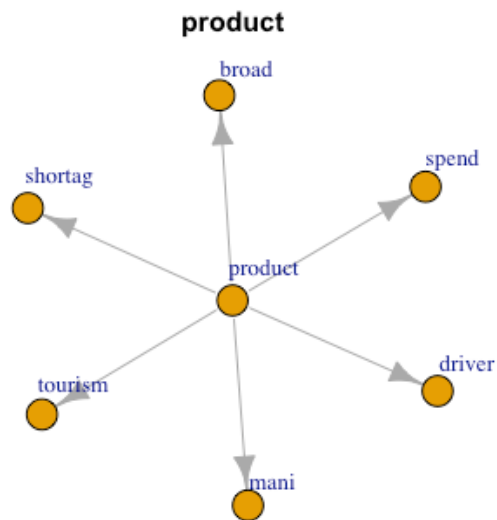


# Text mining: distribution of most frequent roots

Scaled frequency of the 10 most over-represented terms in each document. Only the ten most frequent words are reported for each document, although two documents can have the same terms in their top10. We use scaled frequency to compare the frequency of terms relative to the average and dispersion of frequencies of each document. \*Terms have been reduced to their root form.

Terms	Leeds	Liverpool	Manchester	Sheffield	Tees Valley	West Midlands
growth	19.2	17.6	18.4	19.3	15.5	12.3
busi*	16.5	19.1	9.4	20.1	9.7	21.5
econom*	12.6					
skill	11.2					14.2
invest*	11.0	10.0		12.6	22.6	
develop*		13.4			17.9	12.5
sector		11.0	25.9	13.5	12.3	
employ*			16.3			
product*			9.8			
servic*			9.5			
job				11.8		
innov*						11.5
citi*	27.5	30.4		16.1		
region	23.5	25.5		14.1		
centr*			9.3			
area						13.4
will	19.1	13.5	18.4	20.1	10.6	18.8
prioriti*	10.5					
opportun		10.1	9.5			
new			10.4			
support				10.8		10.9
plan					23.2	
project					9.7	
leed	13.9					
liverpool		19.3				
scr				28.3		
tee					27.5	
valley					25.6	
midland						13.1
west						13.0
Total terms	19,873	9,723	16,107	13,580	30,925	10,378

# Terms interactions in all documents



# Qualitative review

**Explore the texts qualitatively for their discursive context:** (i.e. 1. core text, 2. the discursive practices, and 3. the socio-cultural practices the production of the texts is embedded in ~ cf. Fairclough, 1992; Foucault, 1972)

- looking at the wider context of their production,
- their structure,
- their overall narrative and patterns / themes

## What emerged

- A business plan / bidding focus based on the set up / power distribution from central to local government
- not high-level, strong focus on projection, evaluation and measurement
- structure was centered on three main development mechanisms and sectors
- strong narrative on growth

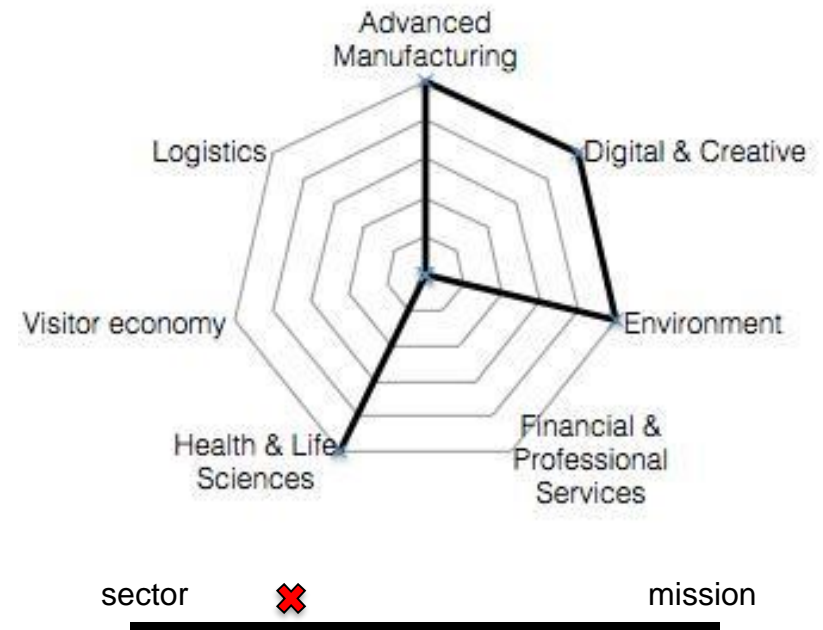
Texts can be read as embedded into “practices [that] systematically form the objects of which they speak” (Foucault, 1972)



## West Midlands CA: Making our mark

1. New manufacturing economy
2. Creative and digital
3. Environmental technologies
4. Medical and life sciences
5. HS2 growth
6. Skills for growth and employment for all
7. Housing
8. Exploiting the economic geography

analysis & resources



### Transport & connectivity

“The UK Central growth corridor – linking Birmingham, Solihull and Coventry - is already playing a part in delivering success and **HS2 will further transform connectivity in Britain with the potential to underpin the re-balancing of the British economy.** It will transform connectivity advantages, provide significant **supply chain** opportunities for leading engineering and construction businesses and provide a focus in driving up **skill levels.**”

### Demographics & skills

“Identification of Skills Investment Zones for targeted activity to raise skills and work with **unemployed people** and those **whose skills don't match demand.** Action required at a **combined authority/three LEP, individual LEP/local authority and community level.**”

### Economic development & sectors

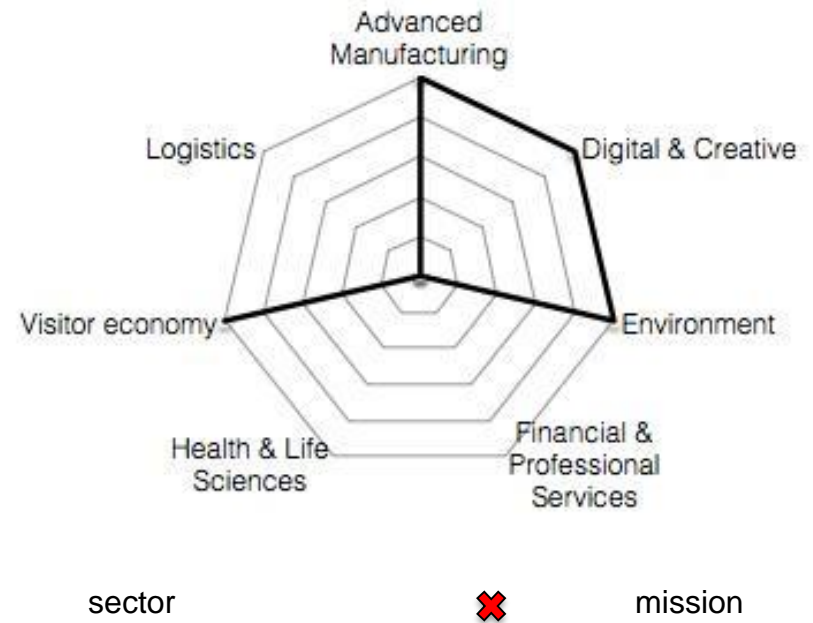
“A programme to ensure that **West Midlands' businesses source their finance and business services locally,** building on Birmingham's position as the UK's leading centre for financial services outside London and the potential contribution of Coventry and Wolverhampton. A programme to support existing drivers of growth in the more dynamic parts of the wider conurbation and **enable other areas to become net economic contributors.**”



# Tees Valley CA: Strategic Economic Plan

1. Support Innovation & Sector Development
  1. Our Key Sectors
  2. Innovation
  3. Low Carbon
  4. Business Growth
2. Develop the Workforce
3. Develop and Provide Infrastructure
  1. Connectivity
  2. Enabling Infrastructure
  3. Attract and Retain Wealth

analysis & resources



## Transport & connectivity

“**Connectivity is the life-blood of our economy and critical to our ability to trade effectively and transport people to jobs.** The vision for the Tees Valley is for an infrastructure and transport network that supports and underpins the key growth sectors in the economy, with capacity to ensure future growth will not be constrained.”

## Demographics & skills

“Without a skilled, productive and flexible workforce, Tees Valley will struggle to meet the challenges ahead. We have an excellent foundation to build on, with leading universities, colleges and knowledge centres in a part of the world renowned for its process, chemical and advanced manufacturing skills. Yet our **workforce is ageing, youth unemployment is high and our achievement rates are lagging behind.**”

## Economic development & sectors

The Tees Valley has significant expertise and **competitive advantages in advanced manufacturing, process industries, the low-carbon economy and the digital/creative industries.** This has been demonstrated through strong growth in recent years which needs to be harnessed. Our **major firms need to be retained, indigenous businesses developed, foreign direct investment encouraged, carbon emissions reduced, low carbon technology deployed and digital enablement maximised.**



# Liverpool City Region: Building our future

1. Productivity
  - Enterprise
  - Growth sectors
2. People
  - Improving our Skills and Talent
3. Place
  - Improving our Physical Digital Connectivity
  - Place Making in our City Region

analysis & resources



## Transport & connectivity

The third pillar is to improve our transport, energy and digital infrastructures, and protect and enhance our cultural and environmental assets. This **will improve quality of life for residents and attract and retain investors, skilled workers and visitors who will contribute to growth.**

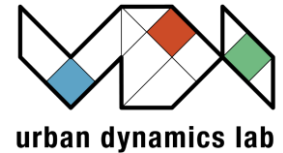
## Demographics & skills

The skills strategy will be bold and will reference international exemplars and innovation to ensure that not only will the **right talent be developed in the City Region, but that we will also attract talent from across the world.** The skills strategy will ensure that the City Region is able to **deliver outstanding skills to both underpin growth in the priority sectors and to fulfill replacement demand.**

## Economic development & sectors

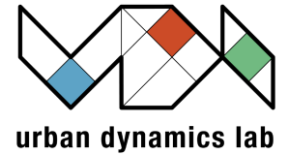
The first pillar to sustained economic growth is to **maximise the potential of our sector strengths and related assets** and to focus on starting and growing more successful businesses by promoting **innovations and entrepreneurial activity.**

# SEP comparison



- Most common sectors: Advanced Manufacturing, Creative & Digital, Environment / Low Carbon
- Shift from RDA Analysis (cf Robson, Peck & Holden, 2000):
  - sectors with frequent mentions in 2000 have disappeared altogether or as a distinct category (IT and Communications, Automotive, Food, Electronics, Agriculture, Textiles), while others have appeared (Advanced Manufacturing, Digital & Creative), or gained in prominence (Medical and life sciences, low carbon)
  - reflects industrial structural change to a certain extent as well as an emphasis on high-return sectors with growth potential of the KIBS category, or an upgrading of traditional sectors to KIBS status (i.e. manufacturing to advanced manufacturing, UKCES 2015)
  - suggests a failure to address the foundational economy (food supply, energy distribution, telecommunications, transport, health, housing, education, personal and social services) which is at the core of many smaller, non-urbanised areas across the UK. (Bowman et al, 2016)
- Great disparity in data analysis resources & skills to support SEPs, crucial for 'self-sufficiency' from 2020
- Narratives dominant in 'growth' and 'productivity' focus, only one particular about social inclusion, or 'inclusive growth' (social focus as a means to economic growth)
- What is missing?
  - Pan-regional, intra-regional, place-based, social inclusion, pan-sectoral

# Challenges: clashing objectives in short term



Cities inter-dependent (trade, migration, fiscal redistribution).

> They can't all attract talented people, investment

"developing existing talent and attracting new talent" (Liverpool City Region, 2016, p.5).

"attracting talent [...] skilled people, better jobs" (Leeds City Region, 2016, p.9)

West Midlands strategy seeks to attract high-income earners and skilled workers using an

"accelerating housing market [with] a sustainable mix of homes for sale and rent" (WMCA, 2016, p.6)

In the Tees Valley, the target population is not only skilled workers but business leaders.

In Manchester, the way to go for attracting talent and entrepreneurs seems to be "safe, sustainable and healthy places" as well as a "global brand" (Manchester, 2013, p.39)

"There is some evidence from reports comparing performance of second-tier cities that Newcastle and the North East LEP area provides career escalators which can attract and retain labour, in particular for incoming migrants. However the North East economy is not as powerful as London and the South East, and other comparator cities" (North East, 2016, p. 21)

> They depend on other scales (region, State, etc.) for coordination, rebalancing and accountability

# Conclusion

## Advantages of devolution identified by English devolved cities

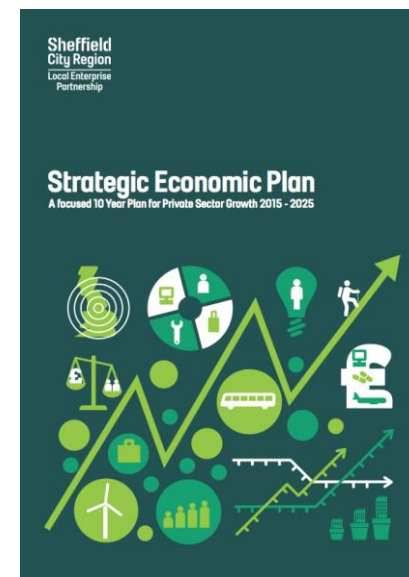
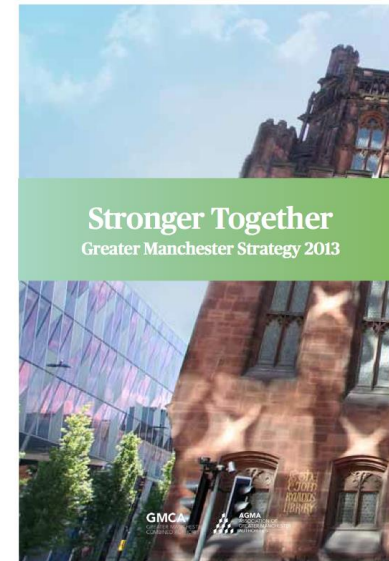
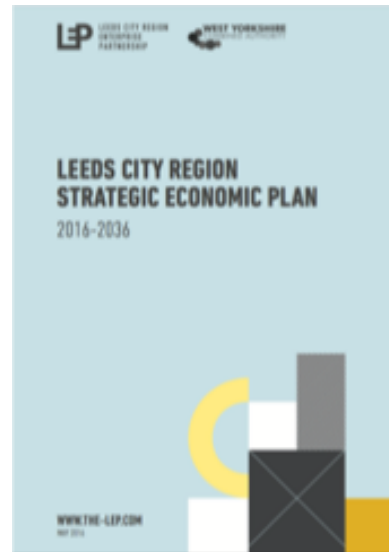
- > promote local issues in a bottom-up approach
- > account for local difference in employment, housing, ed and care situation

## But:

- Short-sighted strategies disconnected from other scales
- Risk that sectoral lock-ins could multiply in long term
- Potential (unequal) competition for skills and transport hubs

> Work on cooperation/coordination between local economies and across regions

Thank you.



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